

There has been a significant increase in the frequency of wire transfer scam attacks against accounting and treasury functions

See, **Business E-Mail Compromise Fraud Alert** at <http://1.usa.gov/1CA6Ako>

Wire transfer fraud: Is your company vulnerable?

Potential issue: Companies use email, which when implemented without authentication services can lead to email spoofing or forgery. Criminals can and regularly do take advantage of the inherent weakness of email systems. Further, many corporations do not have business process workflow systems for initiating and approving wire transfers including a process for authenticating requests. Unfortunately, many organizations rely too heavily on telephone or email communications as part of their wire transfer workflow. When it comes to an email initiation and approval of a wire transfer, criminals may have an opportunity to initiate wire transfers for their benefit. When that happens, millions of dollars can be lost through fraudulent wire transfers.

Potential methods of compromise:

Social engineering: Criminals acquire information about prospective victims and trick people, such as customer service agents, corporate executives, advisors, and corporate attorneys to help them complete a wire transfer.

Spear phishing: Criminals target individuals within an organization that they have identified, perhaps through social engineering, as potentially responsible for wire transfer processes.

Masquerading: The takeover of an email account, usually a senior executive. The criminal can take over a legitimate email account or create a fraudulent email account that appears to be legitimate. Then the criminal “masquerades” as the executive and requests the wire transfers to take place.

Are you prepared to address wire fraud? Consider implementing these steps:

- Train staff to recognize phishing scams
- Implement security controls and enhanced email communication authentication
- Create a plan of action for the incident response—before the incident happens
- Implement wire transfer workflow tools that initiate and authorize transfers outside of email
- Review your insurance coverage

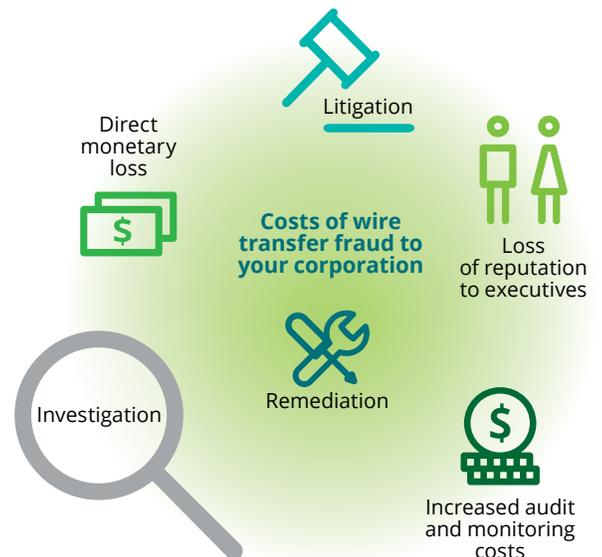
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Potential costs of wire transfer fraud to your corporation:



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