



## Practical Ways to Protect Against Fraud and Cyber Threats

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### ***Presented by:***

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## Cybersecurity

- It seems like every week, we hear about companies, individuals, and now even countries that have found themselves victims of cybercrime or data breach.
  - Target
  - Home Depot
  - Staples
  - Yahoo
  - Sony Pictures
  - Apple
  - Google
  - AT&T
  - JP Morgan Chase
  - Anthem
  - DocuSign
  - Major League Baseball's Houston Astros.



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## What is Cybersecurity?

- Measures taken to protect a computer or computer system (as on the Internet) against unauthorized access or attack.
  - *Merriam-Webster*



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## Cybersecurity Denial

- “Hackers aren’t going to waste their time with me; I don’t have the kind of funds these large corporations have.”
- “This will not happen to me.”
  - It’s not a matter of if you will be a victim of cybercrime. It’s more a matter of when.
  - “Alligator in a sewer.”



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## Don't Fall Victim



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## Types of Fraud and Cyber Threats

- Wire Fraud
- Check Fraud
- Email Compromise
- Malware/Virus
- Email Spoofing
- Social Engineering and Phishing
- Ransomware and Scareware
- Theft (Identity Theft)
- Denial of Service Attack



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## Wire Fraud

- **Fraudsters will follow the money.**
  - ALTA – May 9, 2017:  
[Title Companies Report 480% Increase in Wire Fraud Attacks](#)



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## Wire Fraud

- **Fraudsters:**
  - monitor online listings;
  - monitor Realtors®;
  - monitor real estate buyer and sellers.



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## Wire Fraud

- Note any late changes in payment type (frequently from check to wire transfer) or a change from one account to a different account.
- Fraudsters are looking for:
  - deals that do not involve a lender (cash transactions);
  - transactions that fall under “thresholds.”



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## Check Fraud



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## Check Fraud

- Check fraud can be committed by employees as well as individuals outside your organization.
- Social Media sites have helped facilitate this fraud.
  - Craigslist
  - Facebook
  - Twitter
  - Job Websites



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## Malware

- Viruses
- Spyware
- Ransomware



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## Email Compromise Defined

- **Business Email Compromise (BEC)** is defined as a sophisticated scam targeting businesses working with foreign suppliers and/or businesses that regularly perform wire transfer payments.
- **The Email Account Compromise (EAC)** component of BEC targets individuals that perform wire transfer payments.
  - *FBI PSA May 4, 2017*



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## Email Compromise Statistics

- **The BEC/EAC scam continues to grow, evolve, and target small, medium, and large businesses.**
  - Between January 2015 and December 2016, there was a 2,370% increase in identified exposed losses.
  - All 50 states and over 131 countries have reported victims.



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## Theft

- **Fraudsters are primarily after the money but will gladly steal other items:**
  - Client Personal Information
  - Employee Personal Information
  - Trade Secrets or Other Proprietary Information
  - Client Lists



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## Email Spoofing

- **Senders misrepresent themselves by pretending to be the “intended” or “familiar party” to obtain unauthorized access to a targeted system.**
- **Email Spoofing is extremely common and simple to complete.**
  - [Randomperson@gmail.com](mailto:Randomperson@gmail.com)
  - [Randomparson@gmail.com](mailto:Randomparson@gmail.com)



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## Social Engineering and Phishing

- Phishing sender attempts to trick individuals (typically employees) into handing over sensitive information.
- The Fraudster often acts under the guise of an actual business, client, or vendor.



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## Ransomware

- Cybercriminals take control of network data, which is then encrypted and held as ransom.
- Ransomware is projected to be the biggest cyber threat of 2017.
- We have already seen instances of this cybercrime.
  - WannaCry



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## Beware of Scareware

- With the increase in Ransomware, it is anticipated that we will see an increase in Scareware.
- Difference between Ransomware and Scareware?



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## Denial of Service (DoS)

- Denial of Service is an attack that essentially shuts down the network connectivity as well as additional services or functions that may be provided.



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## How Do We Protect?

- **Create Road Blocks**
  - Computer/Network
  - Physical Safeguards



- **Perception of Detection**



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## The Fraud Triangle

### THE FRAUD TRIANGLE

**Pressure**  
Motivation or Incentive to  
Commit Fraud

**Rationalization**  
Justification of Dishonest  
Actions

**FRAUD**

**Opportunity**  
The Knowledge and Ability  
to Carry Out Fraud

*The Fraud Triangle by Donald R. Cressey*



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## How to Protect Against Wire and Check Fraud

- Protect Wiring Instructions
- Staff Training
- Escrow Written Policies
- Background Checks
- ACH Blocks
- Positive Pay
- Three-Way Reconciliations
- Account Monitoring



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## How to Protect Against Wire and Check Fraud

- Protect Wiring Instructions
  - ATG Handout: *Don't Fall Victim to Wire Fraud Schemes*
    - Inform your clients of the danger.
    - Confirm wiring instructions.
    - Use a private domain.
    - Include a warning in your email signature.
    - Provide Wire Instructions through the ATG Website.
    - Encrypt Communications or Fax Instructions.
    - Obtain Cybercrime Coverage.



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## How to Protect Against Email Compromise

- **Identify Valuable Data**
- **Establish Written Policies and Training**
  - Cybersecurity Framework  
<https://www.nist.gov/cyberframework/draft-version-11>
- **True Business Domains**
- **Change Passwords**



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## Computer/Network Safeguards

- **Antivirus**
  - BitDefender Antivirus Plus 2017
  - Kaspersky Anti-Virus (2017)
  - Symantec Norton Antivirus Basic
  - Webroot SecureAnywhere Antivirus
  - McAfee Antivirus Plus (2017)



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## Computer/Network Safeguards

- **Anti-Malware**
  - Ad-Aware
  - Malwarebytes
  - Anti-Malware
  - Microsoft Windows Defender
- **Firewalls**
- **Run Updates**



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## Maintaining Safeguards

- **Cyber Hygiene**



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## Additional Safeguards

- Cybercrime or Data Breach
- Cyber Liability and Cybercrime Insurance



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## What to Do if You Are a Victim

- Relax.
- Identify the infected machine and take it offline.
- Notify your banking institution and other affected parties.
- Notify law enforcement.
- Report to the IC3.



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## Additional Websites

- [www.identitytheft.gov/](http://www.identitytheft.gov/)
- [www.ftc.gov/news-events/audio-video/video/data-breach-response](http://www.ftc.gov/news-events/audio-video/video/data-breach-response)
- [www.dhs.gov/topic/cybersecurity](http://www.dhs.gov/topic/cybersecurity)
- [www.atgf.com/](http://www.atgf.com/)



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