



FOUR WAYS TO PROTECT YOUR BUSINESS FROM FRAUD

BUSINESS CHECK FRAUD IS ON THE RISE

According to the [American Bankers Association](#), [check fraud is increasing by 25% per year](#). In 2014, the Association reported \$11 billion in deposit account fraud attempts with counterfeit checks and returned deposited items being the most common check fraud types.

More and more businesses are relying on online banking services as they not only provide fast, efficient and convenient access to your business accounts, but are also a significantly safer way to manage your accounts. Combining cutting-edge, online business banking technologies with internal and external processes can help prevent fraud attempts against your business.

1. KEEP COMPANY INFORMATION CLOSE AND CONFIDENTIAL

Today, it seems like business is conducted at lightning speed. And while this can be a great benefit, it can also place your company at risk. Doing business often requires your company to provide business information like an employer identification number (EIN), business bank account information, tax and wage information, and other sensitive material.

Before sharing this type of information with someone, it's important to know as much about that person or organization as possible. [Thieves thrive on sensitive material to commit check fraud, and sometimes it's as easy as obtaining your business name, address and EIN.](#)

Additionally, keep this information, along with business banking account information and checks, in a secure location, and when disposing of company documents, make sure you shred sensitive information. Being cognizant of and cautious with your business information is a crucial step in preventing business check fraud.

2. YOUR EMPLOYEES CAN BE YOUR BEST FRAUD DEFENDERS

It's a good idea to develop a training program that focuses on fraud detection and prevention. Be sure to explain what fraud is, types of fraud, how fraud hurts the company and employees, how to identify if fraud occurs and how to report any fraudulent behavior. Ask your business banking institution about creating and implementing a fraud training program, and create a [fraud "best practices" checklist](#) that will help guide your company in creating policies to prevent fraud.

Having a program in place not only conveys the message to your employees that your business takes fraud very seriously, but also can reduce the cost of fraud within your company.

3. PREVENT SOCIAL ENGINEERING FRAUD

As a company, you've probably safeguarded your building and your technology, but have you taken the steps to protect yourself from social engineering? Most organizations today haven't – with good reason – many have no idea what it is or the threat it poses.

Social engineering, also known as “human hacking” is when an individual gains the trust of an employee with the objective of gaining information about the company. These human hackers take advantage of human behavior using

various forms of communication that can include face-to-face visits, email correspondence, telephone calls and/or mail, usually posing as an authority or expert, using either friendliness or fear to get what they want.



For example, instead of attempting to hack into a computer system from the backend, the wrongdoer may call an employee and act like an IT professional who contracts with the company. She explains she's trying to fix something but needs the password. Once she has the password, your company is vulnerable to all kinds of attacks – including fraud.

To prevent this type of fraud, it's imperative that you and your employees understand social engineering fraud, as well as the psychology behind it. Social engineering fraud should be included in your overall fraud prevention and fraud detection training program.

It's also important to implement policies and strategies to prevent this kind of fraud, and train your employees on what information they can and can't share, what to do when a person asks for confidential information, and how to handle emails and/or mail that may seem official, but isn't from a trusted source.

4. REQUIRE MULTIPLE SIGNATURES AND SIGN-OFFS

One of the most common fraud schemes involves checks. To protect against check fraud and forgery, it's important that authorization procedures are in place and mandated at all times. If possible, have more than one employee involved in your accounting process. Having one employee oversee your entire accounting department can raise the risk of fraud.

If your company is small, it's likely that one person is responsible for accounts payable, accounts receivable and account reconciliation. As an added measure, business owners should be the first to open bank statements, reviewing cleared checks for any suspicious activity. Business owners should also conduct unannounced audits on a regular basis. Usually, employees are honest, but taking these steps makes it known to employees that you have an active role in account activity and adds an additional protective measure to your accounting practices.

Implementing key controls and management oversight is imperative for businesses of all sizes, and as often as possible, business owners should use online banking. Reducing paper checks is not only good for your bottom line, eliminating the cost of checks, stamps and envelopes, it's also fast, convenient and secure. Not only do you save money, but you reduce the risk of fraud, too

THE BANK OF SAN ANTONIO – TAKING YOUR BUSINESS TO THE NEXT LEVEL

For more information on how to protect your business from fraud, contact [The Bank of San Antonio](#). Our experienced business financial specialists are experts in San Antonio businesses, and can [assist you in developing strategies to prevent and fix fraudulent activity, as well as provide account monitoring services to help protect your business](#). Your personal relationship banker is dedicated to helping you accelerate fraud pattern detection and prevent electronic payment fraud, reduce losses, minimize operational costs, and keep up-to-date on any suspicious account activity.

Our knowledge of your business and the local economic landscape allows us to create flexible and creative financing solutions designed to meet your short- and long-term business requirements. Let The Bank of San Antonio help your business succeed – [give us a call today at one of our convenient San Antonio and Schertz locations, or visit us online to learn more](#).

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