



## Fraud Awareness & Risk Management

### Fraud Prevention Best Practices

Use this checklist as a guide to protect your business.

- Reconcile accounts frequently (preferably daily)
- Ensure that adequate procedures are defined and followed for all types of payments (paper, electronic, digital)
- Provide ongoing training to employees on detecting and preventing electronic fraud
- Ensure that disaster recovery plans are in place and tested annually
- Hire and consult IT & cybersecurity experts
- Have a comprehensive information security policy and test and review annually
- Conduct periodic risk assessments
- Validate internal controls through phishing tests, training, and internal audit team tests
- Use dedicated and protected computers for payments origination (restricting and/or limiting access to personal email, web browsing, and social networks)
- Restrict organization network access to company devices only, preferably via secured environment (Citrix or VPN)
- Adopt a Dual Control environment involving multi-level approvals for all payment types
- Consider fraud control services such as Check, Payee, and ACH Positive Pay
- Use encryption for sensitive information
- Utilize tamper-resistant features on checks
- Segregate duties at all levels, especially the accounting department
- Establish alerts system to quickly identify fraud
- Ensure that documents are disposed of securely
- Review insurance policies to ensure that your company has business crime insurance in place to protect itself from fraud-related losses

### In addition to potential monetary loss, additional costs may be incurred.

- ✓ Investigating the fraud, including fees paid to outside consultants
- ✓ Closing compromised accounts and establishing replacement accounts
- ✓ Replacing compromised financial instruments such as check stock
- ✓ Staff time and mailing costs associated with notifying vendors and/or customers of changes
- ✓ Legal fees associated with losses
- ✓ Staff time spent dissecting the fraud and analyzing or reconstructing records
- ✓ Distraction and impact to morale at all levels after an attempted or actual fraud incident

65% of organizations experienced attempted or actual payments fraud in 2022.<sup>1</sup>

**Received a fraudulent or suspicious email that appears to be from Webster Bank?**

Contact a Webster Relationship Manager or call 888-932-2256.



**Want more information on protecting your company from cyber threats?**  
Connect with [Webster Bank](#).

<sup>1</sup> Source: 2023 AFP Payments Fraud and Control Survey.

The opinions and views herein are for informational purposes only and are not intended to provide specific advice or recommendations. Please consult professional advisors with regard to your situation.