

# Fraud Prevention Begins with a Comprehensive Plan

June 24, 2015



# Today's Agenda

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- 1 Welcome
- 2 The Fraud Shift
- 3 Elements of a Comprehensive Plan
- 4 Protect your Digital Banking Experience
- 5 Q&A

# Today's Speakers

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**Eddie Contreras**

Director, Fraud Prevention



**Michelle McKay, CTP**

Managing Director, Global  
Treasury & Payments



**Phillip Rogers**

Head of Digital Channels

# The Fraud Shift

**Eddie Contreras**



# The Fraud Shift

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## Why the shift?

- Corporations focus more on security

## Who's the new target?

## How successful are they?

## What can I do?



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## Who's the new target?

- Those with approving authority

## How successful are they?

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Criminals target all levels in the organization:



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- \$16 Billion stolen in 2014\*

## What can I do?



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## Who's the new target?

- Those with approving authority

## How successful are they?

- \$16 Billion stolen in 2014 2015 Identity Fraud Study; JAVELIN

## What can I do?

- Follow the basic steps





# Elements of a Comprehensive Plan

**Michelle McKay**



# Internal Controls: The Basic Steps

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Internal Controls	Prevention
Technology and Bank Services	Detection

- Identify your company's key areas and corporate practices that create the greatest risks
- Establish and follow clear accounts payable practices for processing payment requests
  - Validate the requestor
  - Segregate duties
  - Adhere to accounts payable controls, including vendor master file access
- Develop a roadmap of steps to take when fraud or loss is suspected or discovered.

# Fraud Prevention: Secure Your Accounts

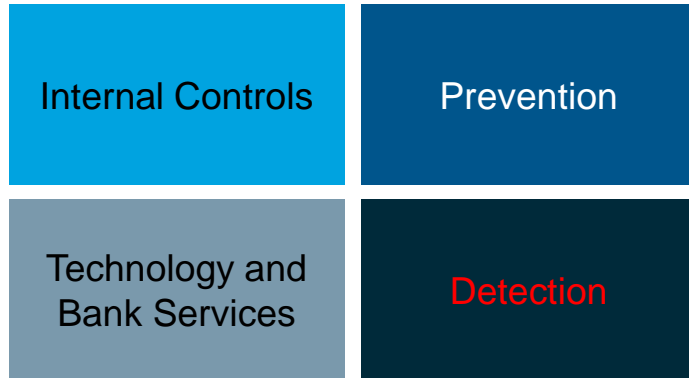
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Internal Controls	Prevention
Technology and Bank Services	Detection

- **Approval controls**
  - Different approvals for template vs free form
  - Limited universe of bank approvers
  - Different approvals for larger payments
  - Formal procedure for requesting payments
  - Question requests that look different
- **Separate bank accounts for different activities**
  - Debit-only bank accounts and credit-only bank accounts
- **Payment process**
  - Third party check printing
  - Reduce number of payments by check

# Fraud Detection: Secure your Accounts

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- **Detection Best Practices**

- Positive pay for checks
- Daily bank account reviews
- Monthly bank reconciliations
- Monthly audit of online banking User activity
- SOX controls testing

# Ensuring Ongoing Success

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- Include cross-functional teams across accounting, operations, IT and other critical areas
- Communicate the plan broadly, reviewing key components with new hires and existing employees
- Create awareness within the company that a plan has been developed, and that state and federal response plans are in place.
- Let employees know it's okay to question payment requests or changes to vendor account information

# Protect your Digital Banking Experience

**Phillip Rogers**



# Mobile Security Challenges

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- We have a trusting relationship with our devices
- Meanwhile, corporates have sensitive data and applications that have been enabled through mobility
  - Accounting apps
  - Payroll apps
  - Banking apps
  - HR and operations apps



**Productivity**



**Flexibility**



**Risk**

# Mobile Security Challenges

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- Growing Mobile Malware universe [half a million devices a year]
- Rise of 3rd party app stores with pirated or hacked apps
- Migration of traditional online attacks to mobile
- New mobile specific attacks like fake applications





# Online Security Challenges

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- Well developed, mature malware, viruses, phishing, payables scams
- Lots of exploitable software vulnerabilities
- Crossover of personal and corporate use
- People become desensitized to potential threats

# Best Practices for Protection

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Internal Controls	Prevention
Technology and Bank Services	Detection

## Technology and Bank Services

- Out of band authentication
- Dual approvals on payments
- Dual admins on entitlements and company profile changes
- Use the limits that are available for payments
- Use the audit capability in SVB Online Banking
- Virus protection – one layer in a layered approach

# Best Practices for Prevention

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Internal Controls	Prevention
Technology and Bank Services	Detection

- Watch the networks you connect to – secure and familiar
- Lock up your valuables – phone passwords, app passwords, fingerprints, etc.
- Use the tools that come with your devices: remote wiping, locking, or tracking
- Update regularly, from trusted sources

# Who are the targets?

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**Criminals target all levels in the organization:**

**Specialized,  
single role  
employees:**



**AP, AR  
Associates**



**Finance Execs  
potentially  
removed from  
day to day  
transactions and  
approvals**

**Experienced Finance  
Generalists with lots of  
access:**

**Senior Accountants, VP,  
Director Finance, Corp  
Treasurer**

# Q&A Session



# Thank you for participating

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Silicon Valley Bank is committed to providing effective preventative tools, services, and guidance that protect our clients from fraud.

Learn more on SVB's Fraud Prevention Center at [www.svb.com/fraud](http://www.svb.com/fraud).

Follow us for the latest news and information [@SVB\\_Financial](https://twitter.com/SVB_Financial)

**Have specific questions about how you can protect yourself?**

Contact your Relationship Advisor or Global Treasury Payments Advisor to learn about the protections described in this webinar.

# Speaker Biographies



# Eddie Contreras

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Director, Fraud Prevention

Eddie has been working at SVB for five years and has held several leadership roles within the bank. Eddie has 20 years' experience in security and fraud between both private and public sectors. He has introduced a robust and scalable Cyber Security Program not only at SVB but also at numerous Fortune 100 companies. Eddie is also a Warrant Officer in the U.S. Army Reserves focusing on the evolution of cyber threats facing all industries. He has lead international teams dealing with fraud cases through government agencies during peace and war time under a joint task force. He has a bachelors in Information Security and holds numerous certifications in his fields of expertise.



# Michelle McKay, CTP

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Managing Director, Global Treasury  
Payments Advisor

Michelle is a managing director specializing in global treasury and payments for Silicon Valley innovators, enterprises and investors. Her team is responsible for advising clients on a range of domestic and international solutions to include payments, collections, information reporting and global account structures. For the past 15 years she has delivered innovative solutions and advice that support her clients' global treasury needs.

Her commercial banking experience includes relationship building, client support and product sales for the technology segment. She has a bachelor's degree in psychology from University of the Philippines and holds the Association for Financial Professionals' Certified Treasury Professional (CTP) designation. She currently serves as volunteer Board Treasurer for her community's philanthropic foundation.

# Phillip Rogers

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Head of Digital Channels

Phillip is director of Silicon Valley Bank's Digital Channels Group. His team is responsible for SVB's multi-channel banking strategy, fintech partnerships, and digital enablement initiatives. For the past 11 years he's worked with some of the largest banks and financial institutions to re-imagine and rebuild banking for a digital world.

Prior to his work in the financial services industry, Phillip held roles in product development, database marketing and web development at startups and ad agencies in San Francisco. He earned his Bachelor Degree in International Business from Sonoma State University and his Masters Degree from San Francisco State University, College of Business.

# Disclosures

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