



## Non-Profit Collaborative: Safeguarding your Non-Profit Organization

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Chris Dias, CTP, Senior Cash Management Advisor, SVP, Edie Joyce, CTP, Cash Management Director, SVP, and Meaghan Lally-McGurl, Chief Risk Officer, EVP

# Disclaimer

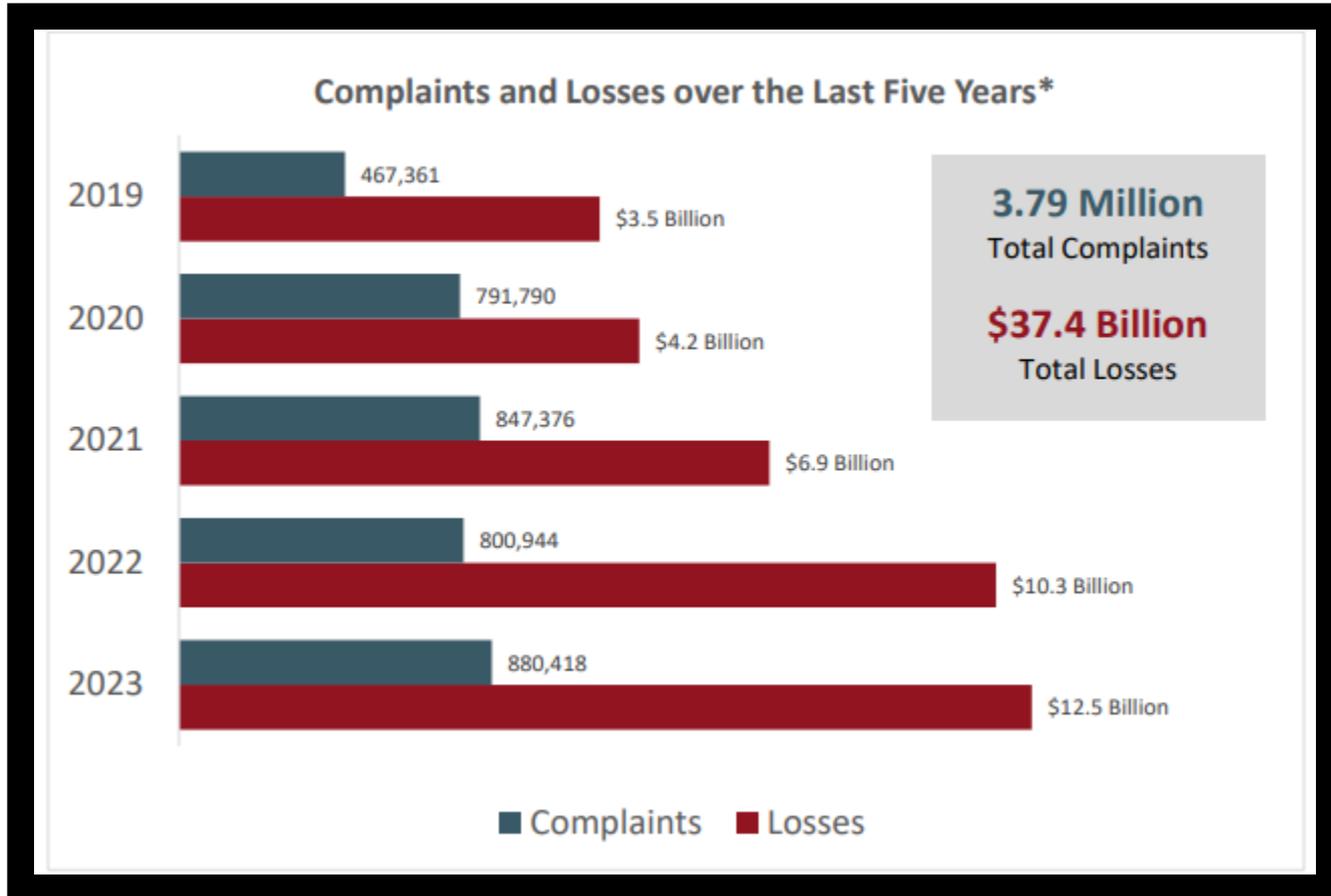
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# Today's Agenda

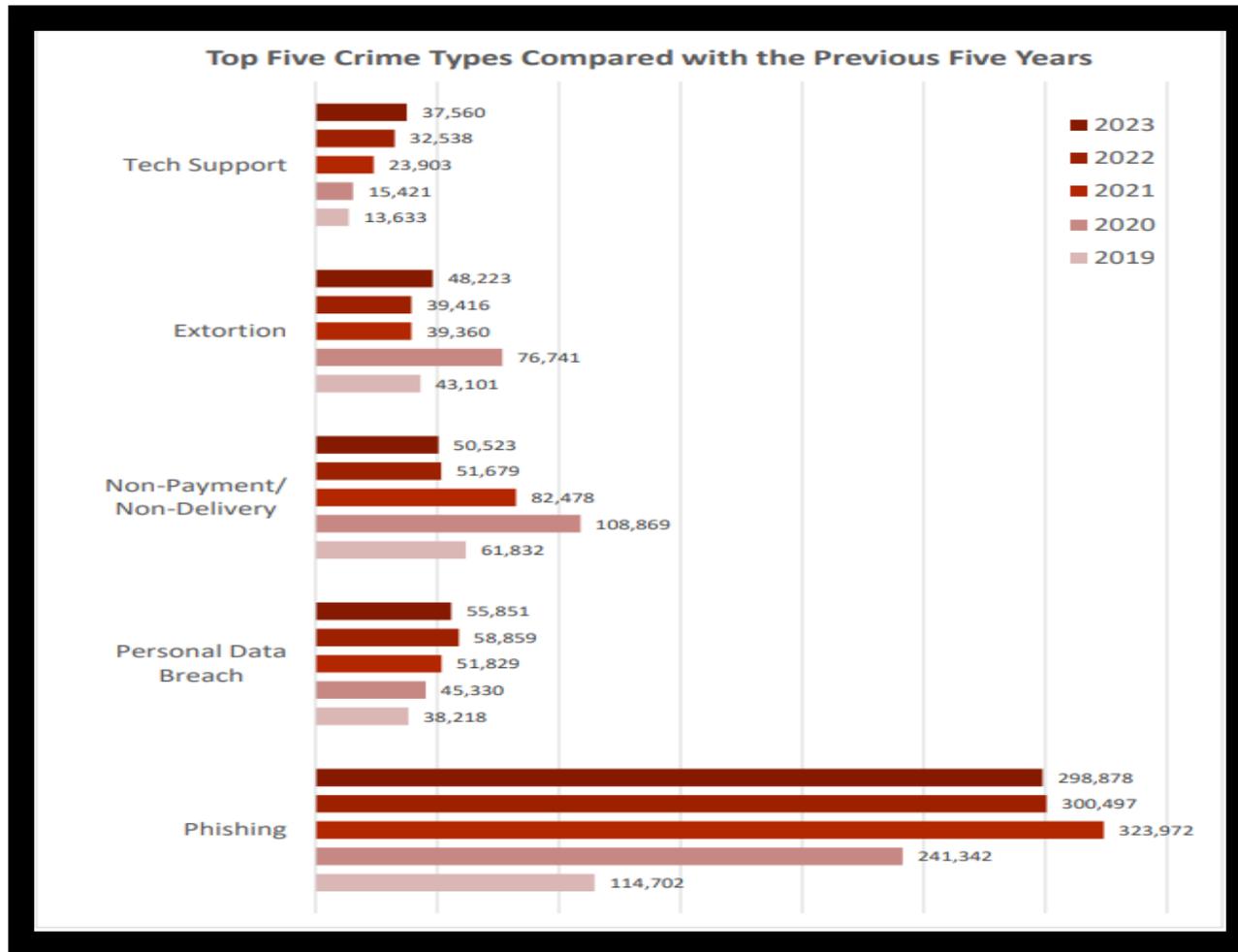
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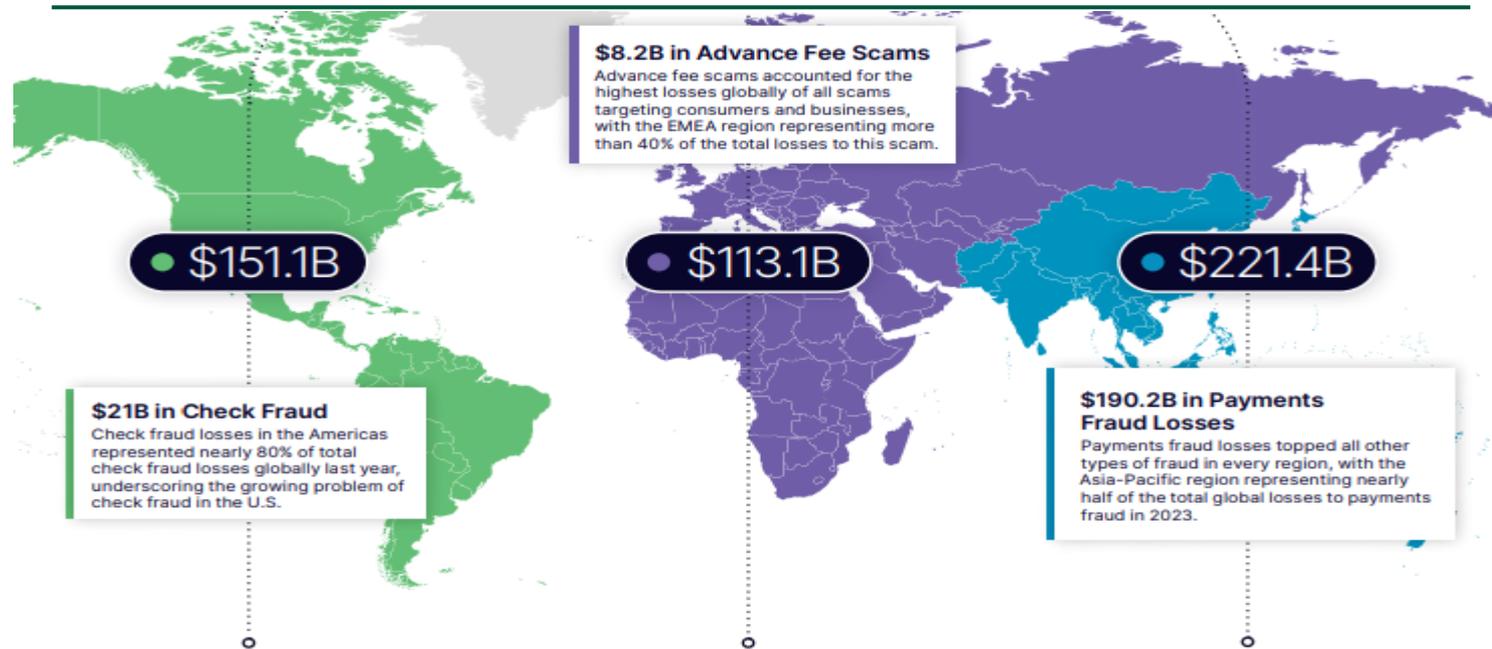
# Current IC3 Fraud Statistics



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# Nasdaq's 2024 Global Financial Crime Report



## Americas

- Payments Fraud.....**\$102.6B**
- Check Fraud.....**\$21.0B**
- Credit Card Fraud.....**\$13.6B**
- Cyber-Enabled Scams.....**\$5.0B**
- Advance Fee Scams.....**\$4.7B**
- Impersonation Scams.....**\$1.6B**
- Employment Scams.....**\$1.6B**
- Confidence Scams.....**\$0.9B**

## EMEA<sup>4</sup>

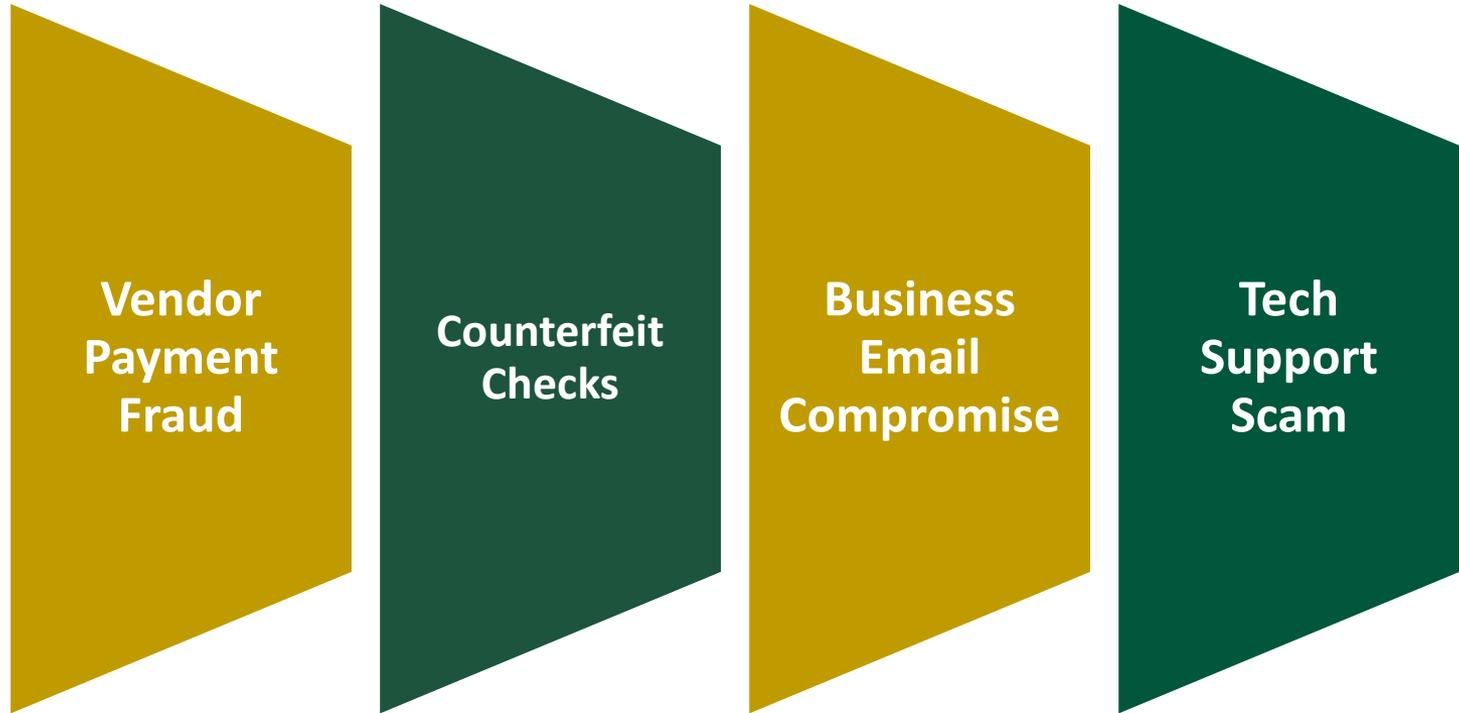
- Payments Fraud.....**\$94.0B**
- Advance Fee Scams.....**\$8.2B**
- Credit Card Fraud.....**\$3.1B**
- Cyber-Enabled Scams.....**\$3.1B**
- Employment Scams.....**\$1.7B**
- Impersonation Scams.....**\$1.4B**
- Confidence Scams.....**\$1.2B**
- Check Fraud.....**\$0.5B**

## Asia-Pacific

- Payments Fraud.....**\$190.2B**
- Credit Card Fraud.....**\$11.9B**
- Advance Fee Scams.....**\$6.2B**
- Check Fraud.....**\$5.1B**
- Impersonation Scams.....**\$3.8B**
- Cyber-Enabled Scams.....**\$1.9B**
- Confidence Scams.....**\$1.7B**
- Employment Scams.....**\$0.6B**

# Recent EB Customer Fraud Incidents

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# Prevent Fraud

## Technical Controls

- Multi-Factor Authentication
- Passwords/Biometrics
- Patches & Upgrades
- User Access Reviews
- Least Privilege Access
- Backups
- End of Life/End of Support
- Firewalls and Network Configurations
- Mask sensitive information

## Non-Technical Controls

- Financial Account Reconciliations
- Dual-Control/Approval
- Reduce Paper Files
- Reduce non public personal information collected
- Positive Pay – Check, Payee, ACH
- Call backs to known good numbers

# Detect Fraud

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- Employees that take luxurious vacations
- Employees that never take vacation
- Phone calls or mail for unrelated people or businesses or clients
- Anomalies in Access logs
- Changes in direct deposit information
- Unexpected error messages
- Management's review of transactions
- New vendors set up for accounts payable
- Changes in vendor payment information

# Recover from Fraud

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- Notify the appropriate agencies (law enforcement, Attorney General, Consumer Affairs, etc.)
- Notify your insurance agency, financial institutions, and CPA firm
- Engage third party firms to assist (forensics services, legal services, etc.)
- Remediation of computer equipment
  - ✓ Change passwords
  - ✓ Change accounts
  - ✓ Change usernames
  - ✓ Check for email rules
  - ✓ Restore from backups
- Retain documentation

# Products and Actions to Prevent Fraud

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- Implement Cash/Treasury Management Products and Best Practices
  - ✓ Ensure diligence in reviewing Online Banking
  - ✓ Reduce paper-based payments
    - Convert check payments to electronic
  - ✓ Implement Check Positive Pay including payee
  - ✓ Implement ACH Positive Pay – blocks and filters
  - ✓ Explore lockbox to outsource A/R collection
  - ✓ Eliminate use of personal credit cards and implement commercial card program
  - ✓ Enforce dual control
  - ✓ Segregate duties and accounts
  - ✓ Do not accept or pay in cash



# Resources

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**Association of Certified Fraud Examiners: [www.acfe.com](http://www.acfe.com)**

**Association for Financial Professionals: [www.afponline.org](http://www.afponline.org)**

“Key Highlights 2024 AFP Payments Fraud and Control Survey Report”

**CliftonLarsonAllen LLP: [www.claconnect.com](http://www.claconnect.com)**

“Nonprofit Fraud Awareness and Prevention Strategies”

Note: many CPA firms provide information about fraud prevention

**Internet Crime Complaint Center: [www.ic3.gov](http://www.ic3.gov)**

**Nonprofit Risk Management Center: [www.nonprofitrisk.org](http://www.nonprofitrisk.org)**

Provides overall risk management for non-profits

**NonProfitPRO: [www.nonprofitpro.com](http://www.nonprofitpro.com)**

“How to Prevent Nonprofit Payment Fraud” – article focuses on Donation Form Fraud

**Your Bank Relationship Team:** Meet with Team to conduct a fraud prevention checkup and discuss best practices

# Questions?

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## **Christopher Dias, CTP**

Senior Cash Management Advisor, SVP

(978) 656-5772

[Christopher.Dias@ebtc.com](mailto:Christopher.Dias@ebtc.com)

## **Edie Joyce, CTP**

Cash Management Director, SVP

(978) 656-5693

[Edith.Joyce@ebtc.com](mailto:Edith.Joyce@ebtc.com)

## **Meaghan Lally-McGurl**

Chief Risk Officer, EVP

(978) 656-5692

[Meaghan.Lally-McGurl@ebtc.com](mailto:Meaghan.Lally-McGurl@ebtc.com)