

IMPROVING TREASURY & PAYMENTS DURING THE RECOVERY



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Strategic Treasurer



WHAT

Payment security, issues and challenges as we head into the recovery phase.



WHEN

Tuesday, April 20, 2021
11:00 AM – 12:00 PM EDT



WHERE

Live Online Presentation



This presentation is provided by Strategic Treasurer & Fiserv

ABOUT THE SPEAKER

GET TO KNOW TODAY'S SUBJECT MATTER EXPERT



CRAIG JEFFERY

Craig Jeffery has 30+ years of financial and treasury experience as a practitioner and as a consultant. This has uniquely qualified him to found and lead Strategic Treasurer, a research-based consultancy serving the treasury industry by assisting clients and informing the industry.

As Managing Partner, Craig oversees Strategic Treasurer's operations in both arenas: advising and assisting clients on major projects and through outsourced services, and informing the industry through educational webinars, informational publications and survey data.



ADVISE

- Global & Domestic Treasury
- Connectivity & Onboarding
- Working Capital Optimization



RESEARCH

- Industry Surveys
- Benchmarking
- Data Subscription



ASSIST

- Treasury & Risk Technology
- Bank Fee Management
- Temporary Treasury Staffing



INFORM

- Webinars
- Podcasts
- Analyst Reports, eBooks & Executive Summaries

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



FRAUD IN CONTEXT

IN THE LAST YEAR & IN THE LAST
FEW MONTHS



THREAT LEVELS

KNOW THE LEVEL OF DEFENSE
NEEDED



PAYMENT RISKS

EXPOSURES IN THE PROCESS



TRAINING

THE HUMAN ELEMENT



SECURITY LAYERS

HUMAN > SYSTEMS > PROCESSES

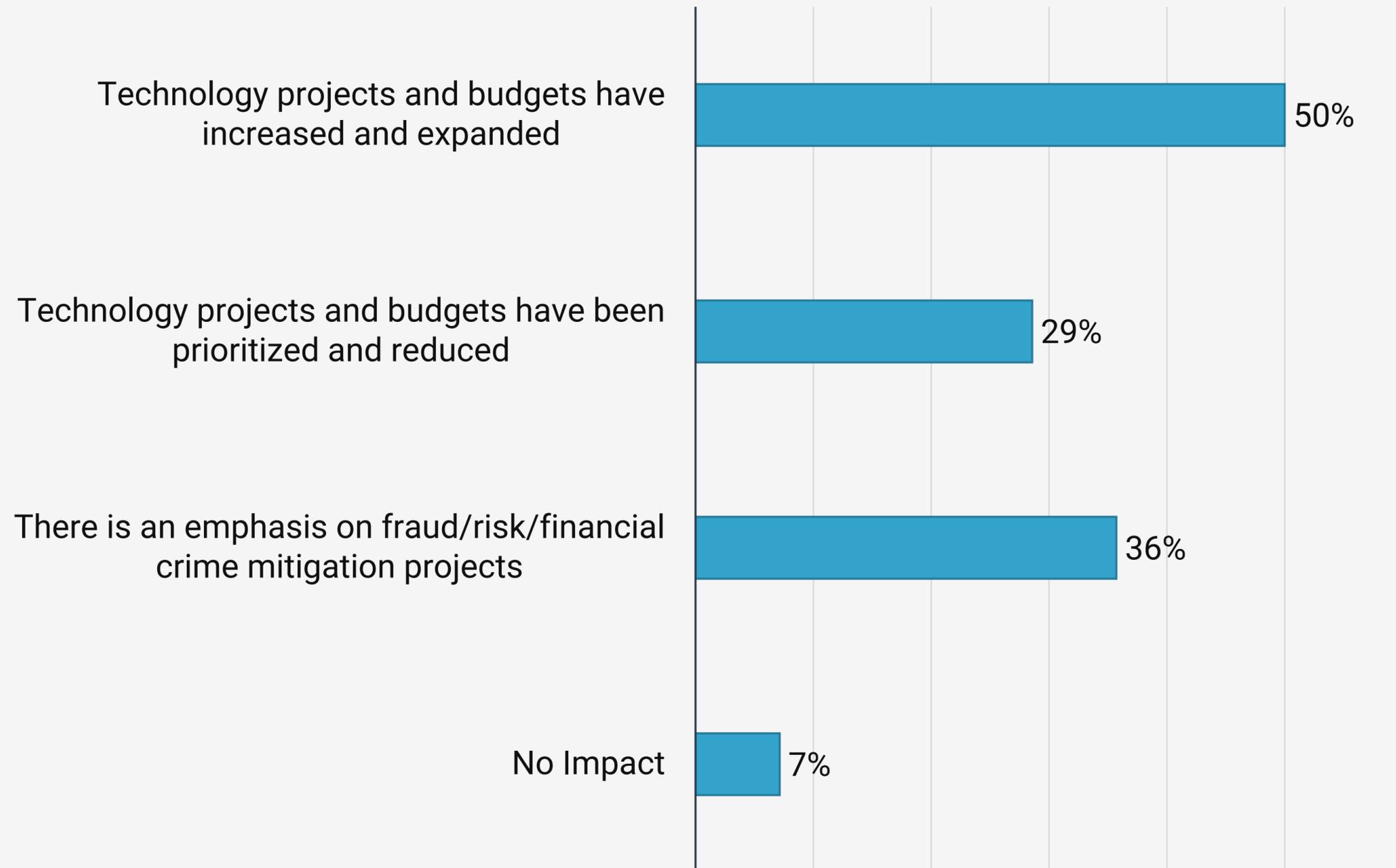


LEARN MORE

ADDITIONAL OPPORTUNITIES

POLL QUESTION

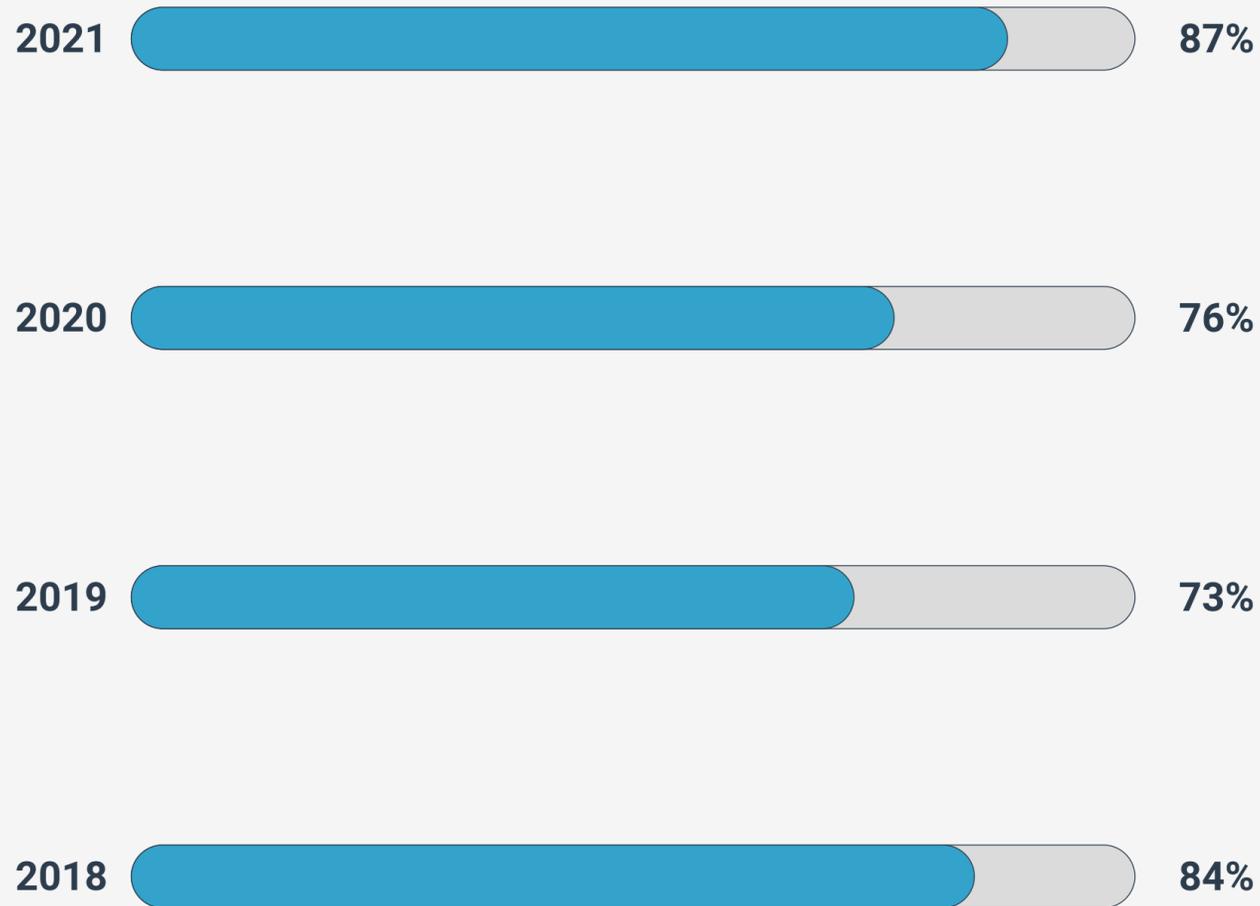
How has the pandemic impacted your organization's technology roadmap? (Select all that apply)



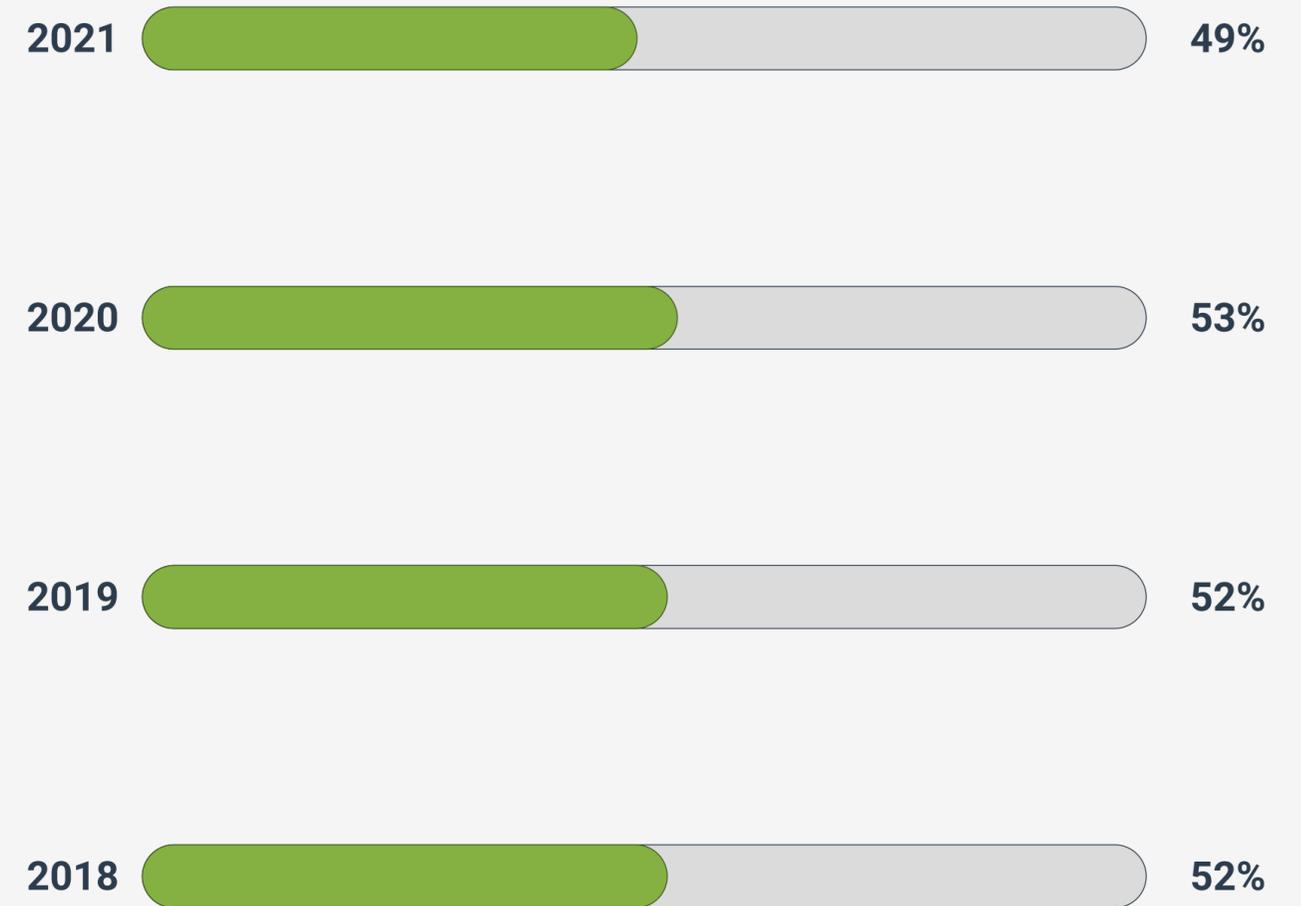
CONTEXT OF FRAUD

CRIMINALS ARE NOT GIVING UP

» Corporate respondents that think the threat-level of fraud has increased or significantly increased in the past year.



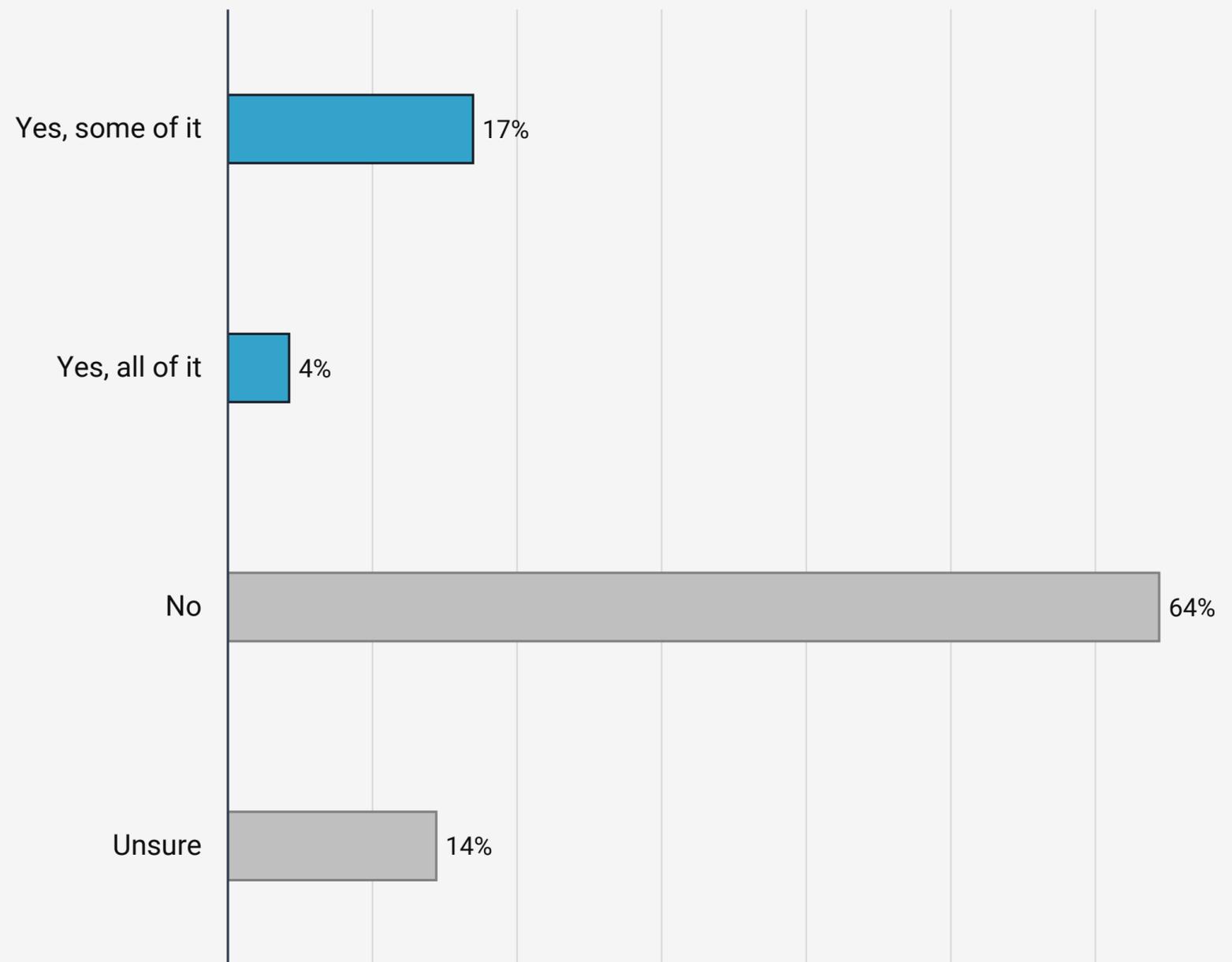
» Corporate respondents that have experienced fraud in the last 12 months



COVID-19 CONNECTION

FRAUD RELATED TO THE PANDEMIC

» Corporate Sub Question: Was the fraud you experienced related to COVID-19?



1/5 OF COMPANIES EXPERIENCING FRAUD SAW THE COVID-19 CONNECTION.

Criminals are opportunistic and used the pandemic to improve their yield.

WFH FRAUD INCREASE

ARE FRAUD ATTEMPTS REALLY INCREASING?

Five out of nine companies increased their communication about fraud/attempted fraud since moving to the Work from Home (WFH) posture.

Was this an overreaction? When we look at the fraud issues, the concern seems to have been well-founded. Of those who knew, more than one-third of respondents indicated that there had been an increase.

Additional communication, compensating controls and enhanced training seem to be in order in the new environment.



Fraud Communications



Has your team's communication about fraud / attempted fraud changed in the WFH environment?

Yes.

The communication level has increased
55.7%

Fraud Attempts



Has your organization seen a change in attempts of fraud or cyber-fraud? (Other than unsure)

Yes.

An Increase of **36%**

No.

About the same **64%**

CYBERCRIMINAL METHODOLOGY

TODAY'S CRIMINAL OPERATES EFFICIENTLY



PERSISTENT

Constantly adjusting their attack methods until they find an angle that is successful.



SOPHISTICATED

Attempts are increasingly more convincing and better executed with intricate technology.



TARGETED

Broad tactics are still being utilized, but activities are also being tailored to identify weaknesses and penetrate vulnerable individuals.



AUTOMATED

Use software to increase efficiency and effectiveness by continually probing targets and uncovering weaknesses.



ADAPTIVE

They are not abandoning their tried-and-true methods, but they are consistently adding new methods and adjusting to be most effective.



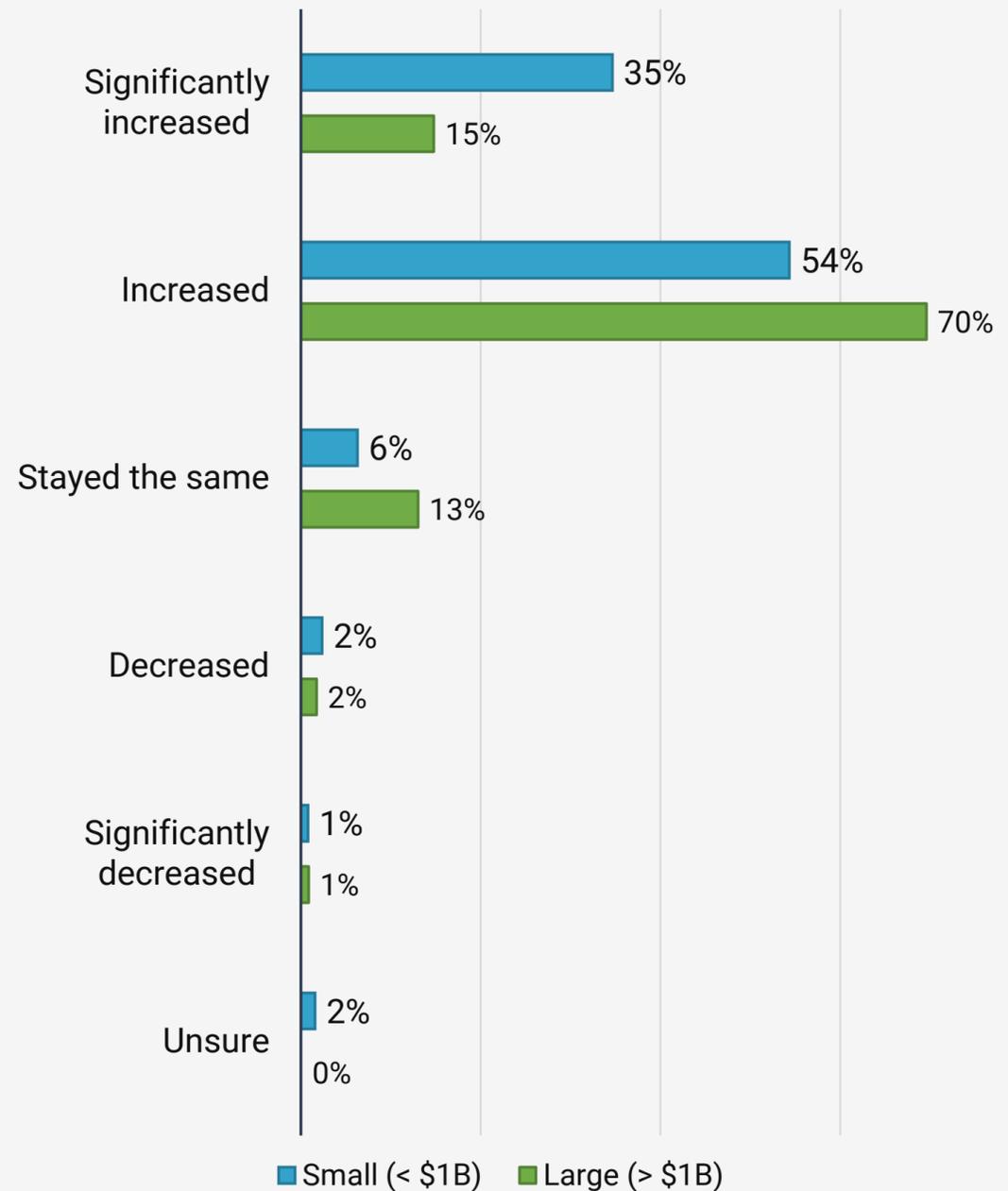
PATIENT

They will watch for the ideal time to strike and are willing to steal encrypted data today with the confidence that technological advances will allow for an eventual payout.

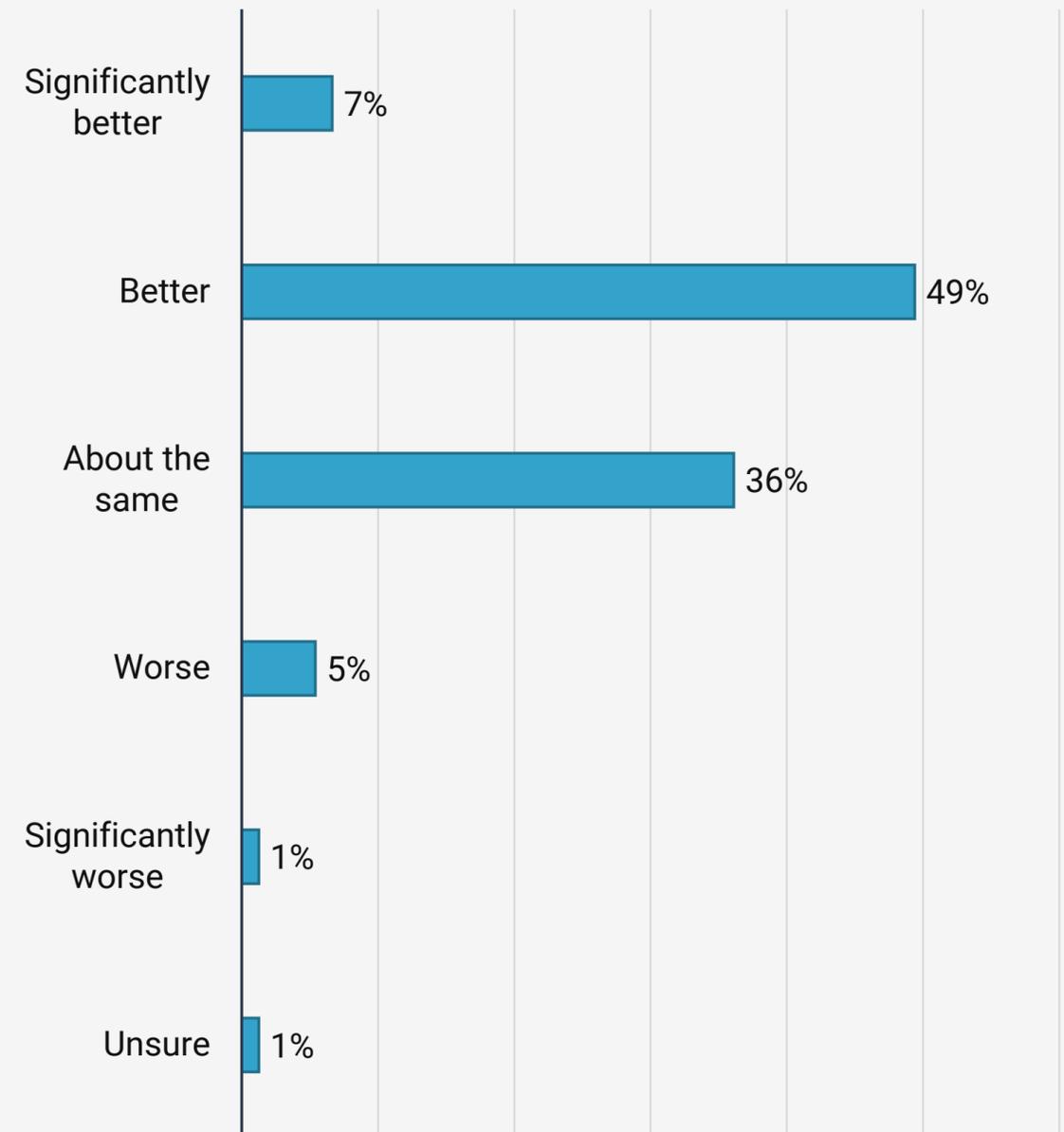
DEFENSIVE POSITION

THREAT LEVEL vs. CONFIDENCE

» In the past year, I think that the threat level of fraud has:



» With regard to the threat level associated with fraud and considering our current security posture, we are in a(n) _____ position as compared to last year.



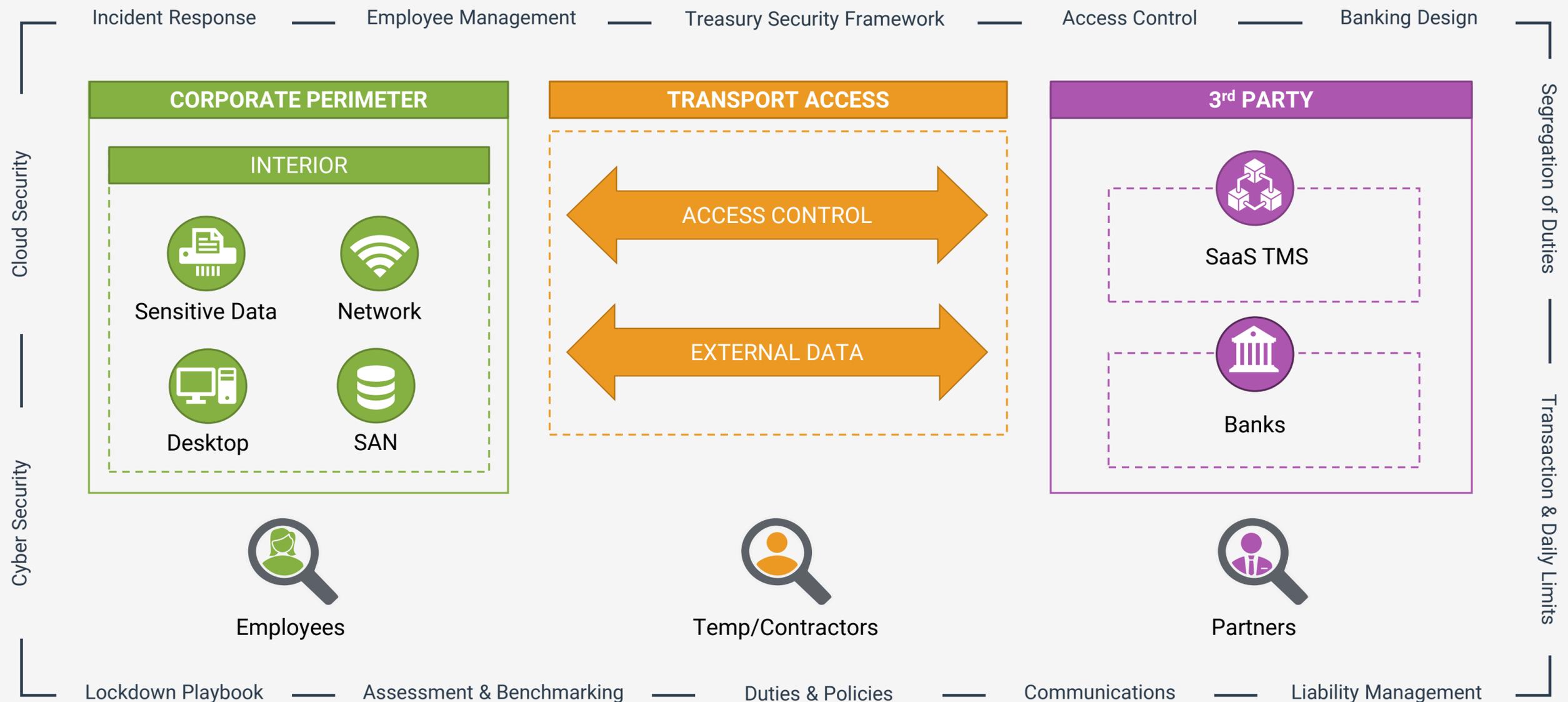
RISKS IN THE PAYMENT PROCESS

MANAGING THE FULL SCOPE OF EXPOSURES

HUMAN

SYSTEM

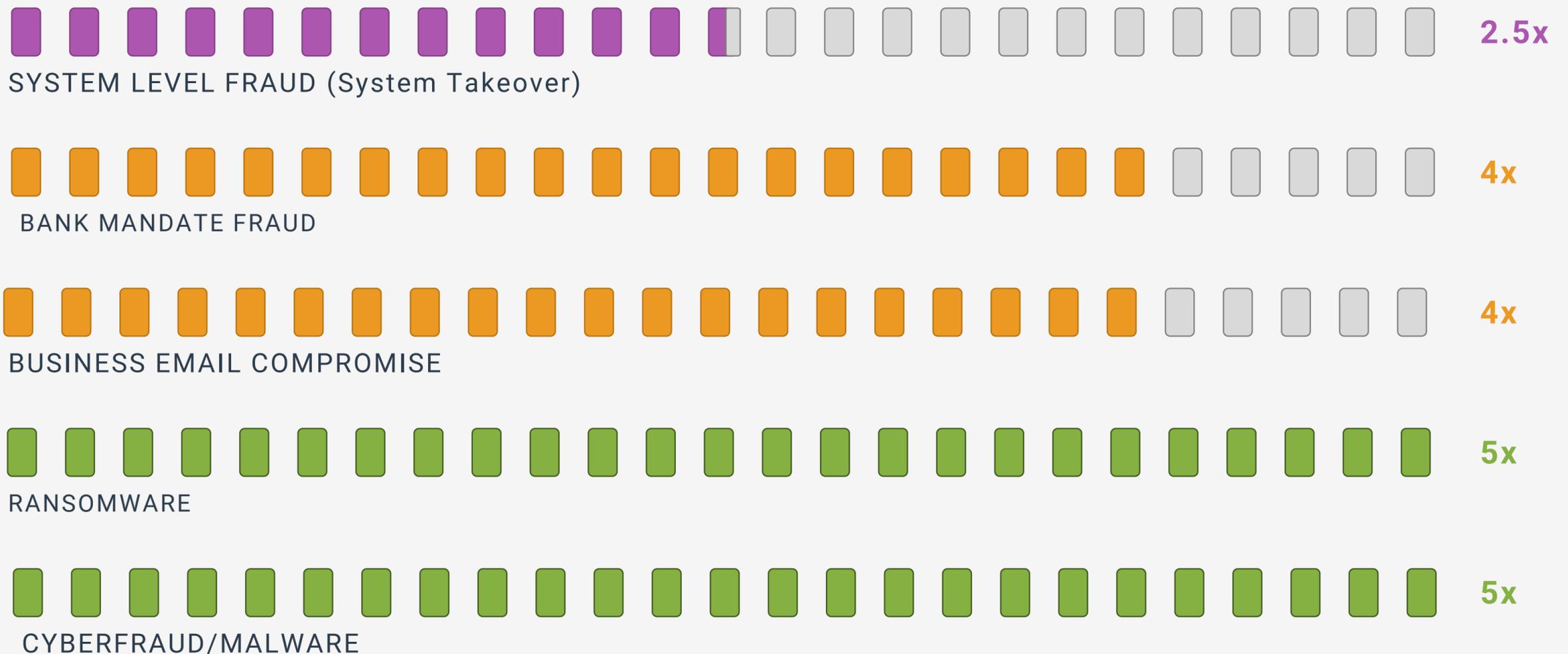
PROCESS



THE VALUE OF TRAINING



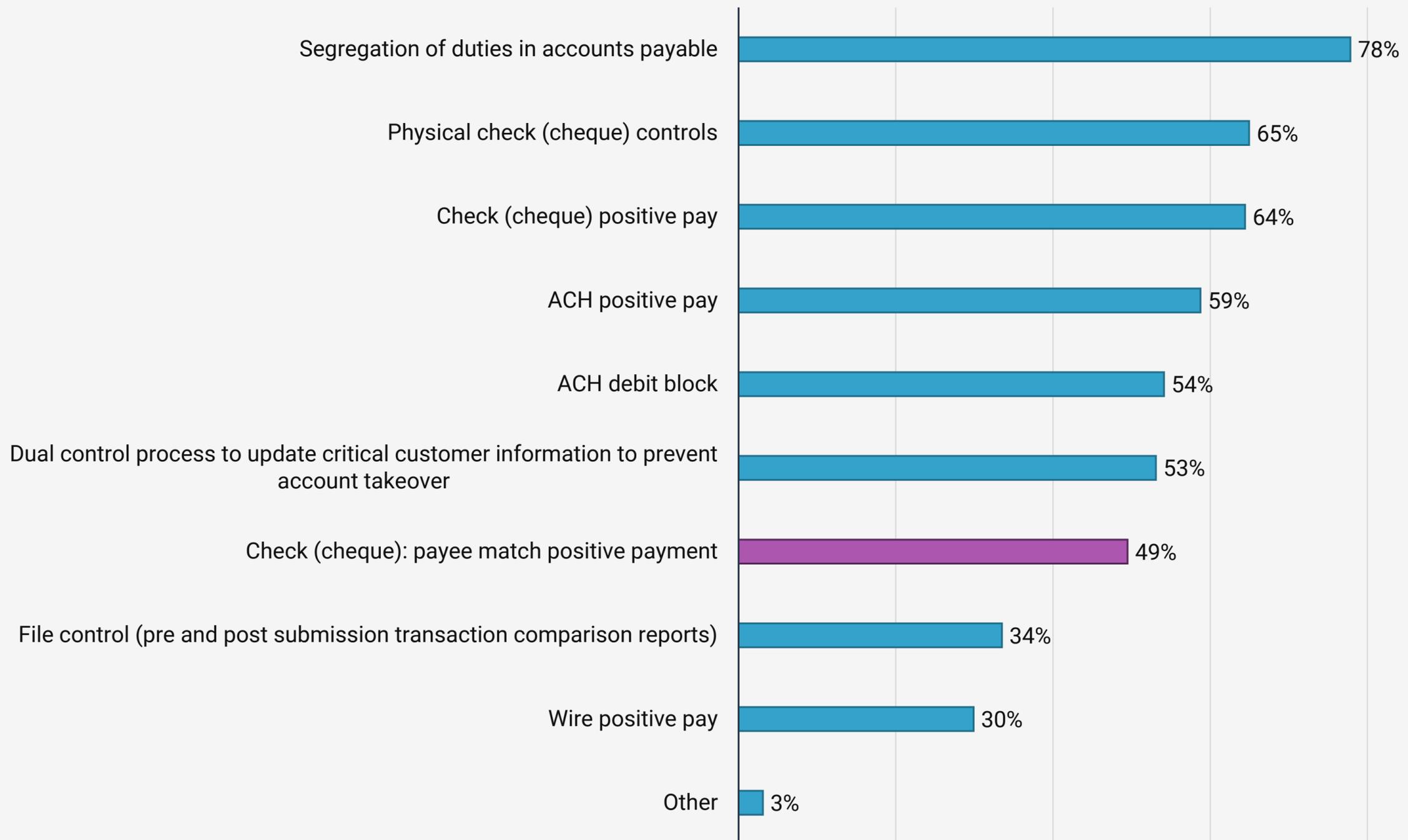
STRONG CORRELATIONS BETWEEN ORGANIZATIONS THAT TRAIN THEIR EMPLOYEES AND CYBERFRAUD.
Firms that train employees on payment fraud, security, and cyberfraud have a dramatically lower frequency of reported losses than their non-trained peers. For those that don't train their employees here is the factor for losses:



SYSTEM DEFENSES

LOW IN CRITICAL AREAS

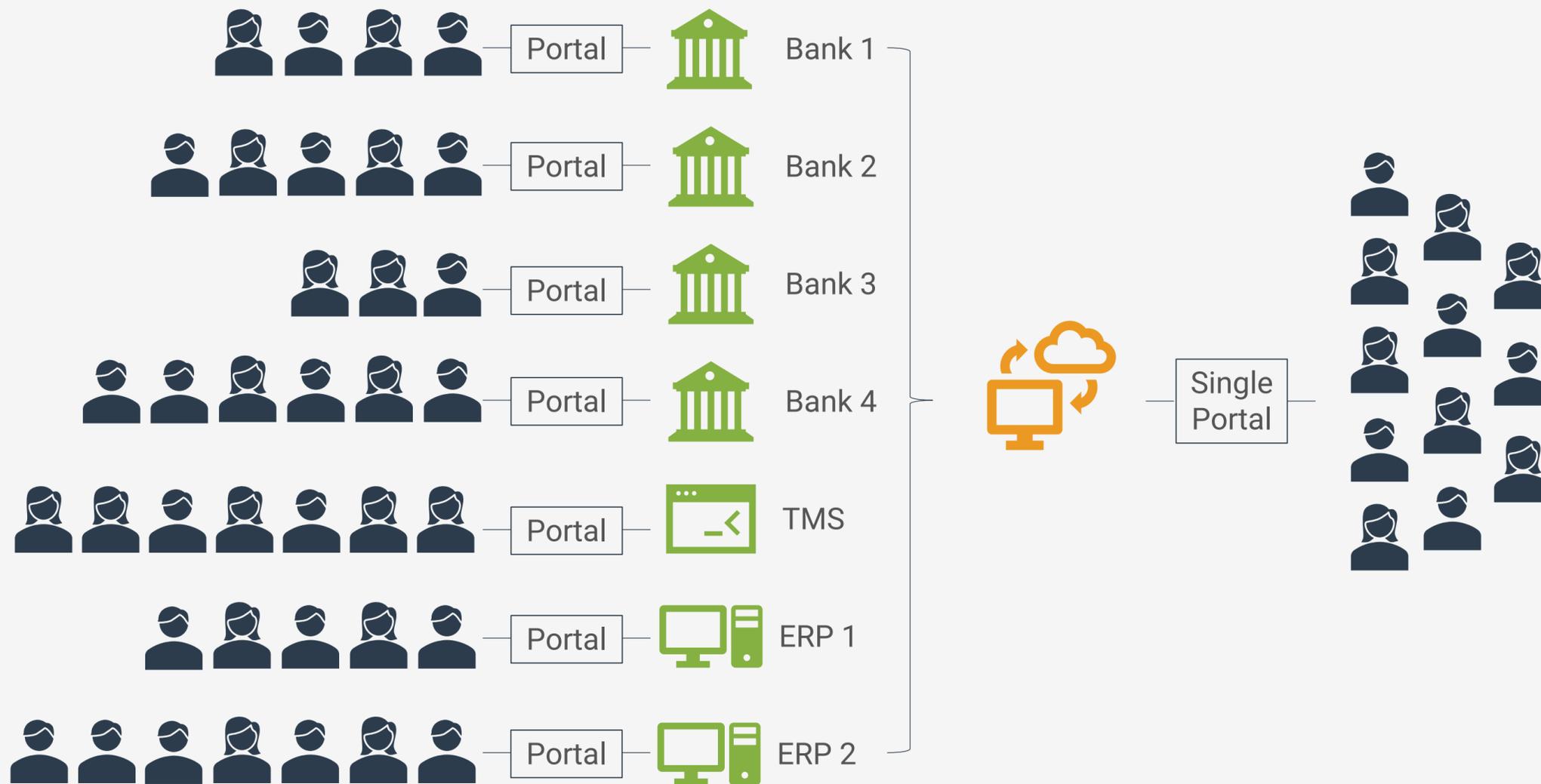
» What controls do you have in place to prevent fraud? (Select all that apply)



STRATEGIC DEFENSE



EVERY ACCESS POINT IS A POINT OF EXPOSURE » REDUCE THE NUMBER OF DEFENSE FRONTS



LAYERS OF SECURITY



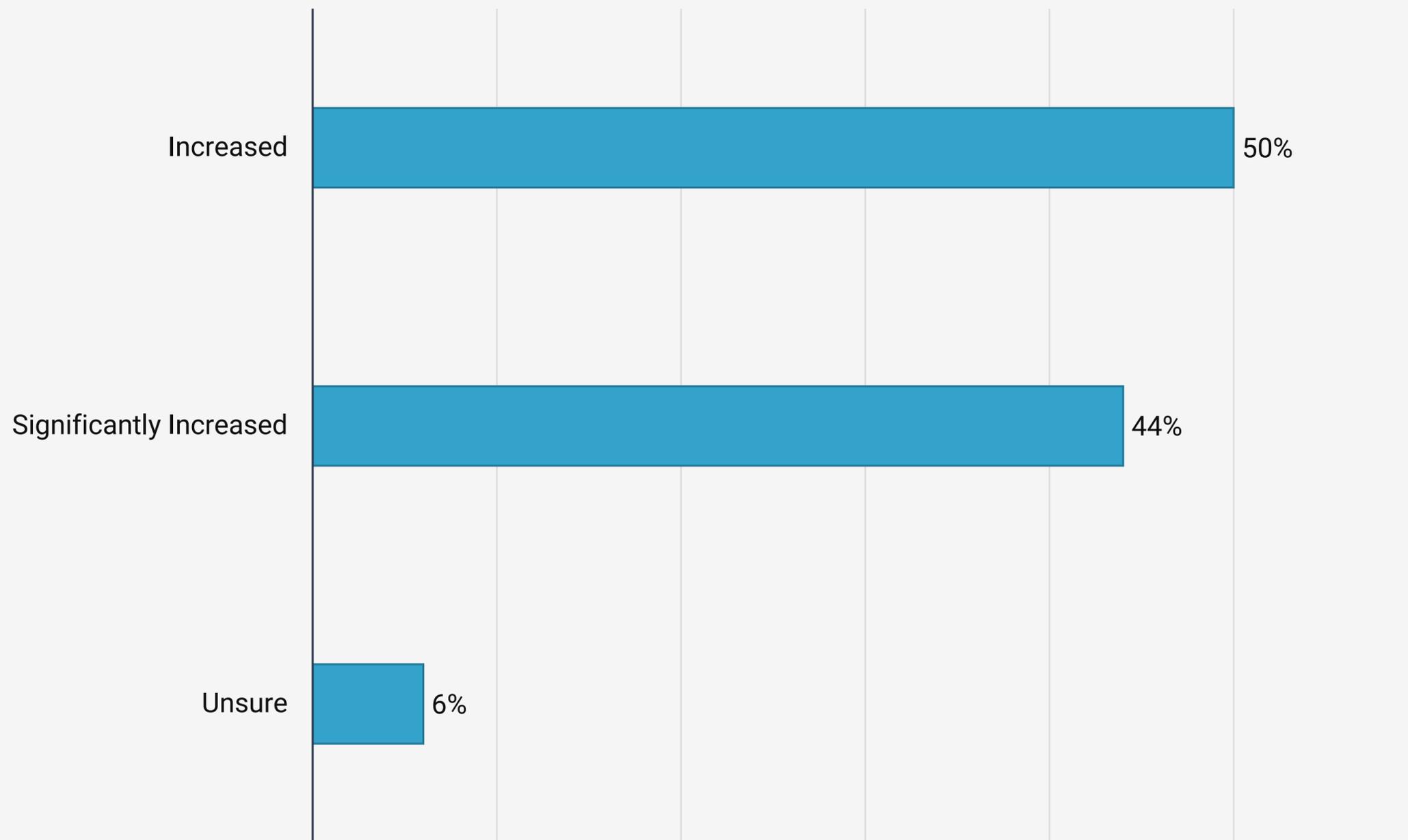
REDUNDANCY IN PROTECTION CONTROLS

Security Method	Process	Bank
Structural	✓	✓
Account Level Controls	✓	✓
Transaction Level Controls	✓	✓

- OOB Validation
- Dual Controls
- Anomaly Detection
- Reporting
- Others...

POLL QUESTION

In the past year, I think that the threat level of fraud has:



SPEED MATTERS

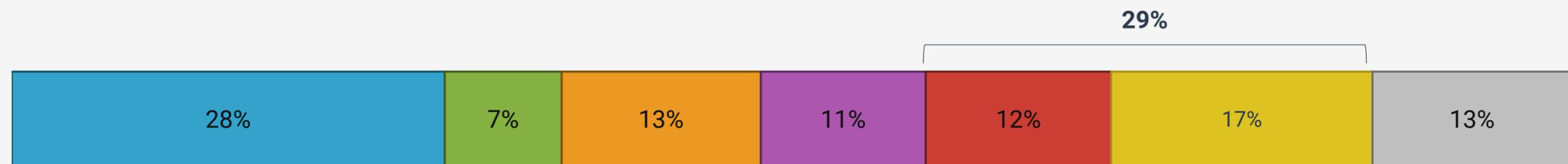


SLOW RESPONSE ALLOWS FOR FUNDS TO BE EXFILTRATED OUT OF BANKING SYSTEM

What percentage of your bank accounts do you have VISIBILITY to daily?



What percentage of your bank accounts are RECONCILED daily?

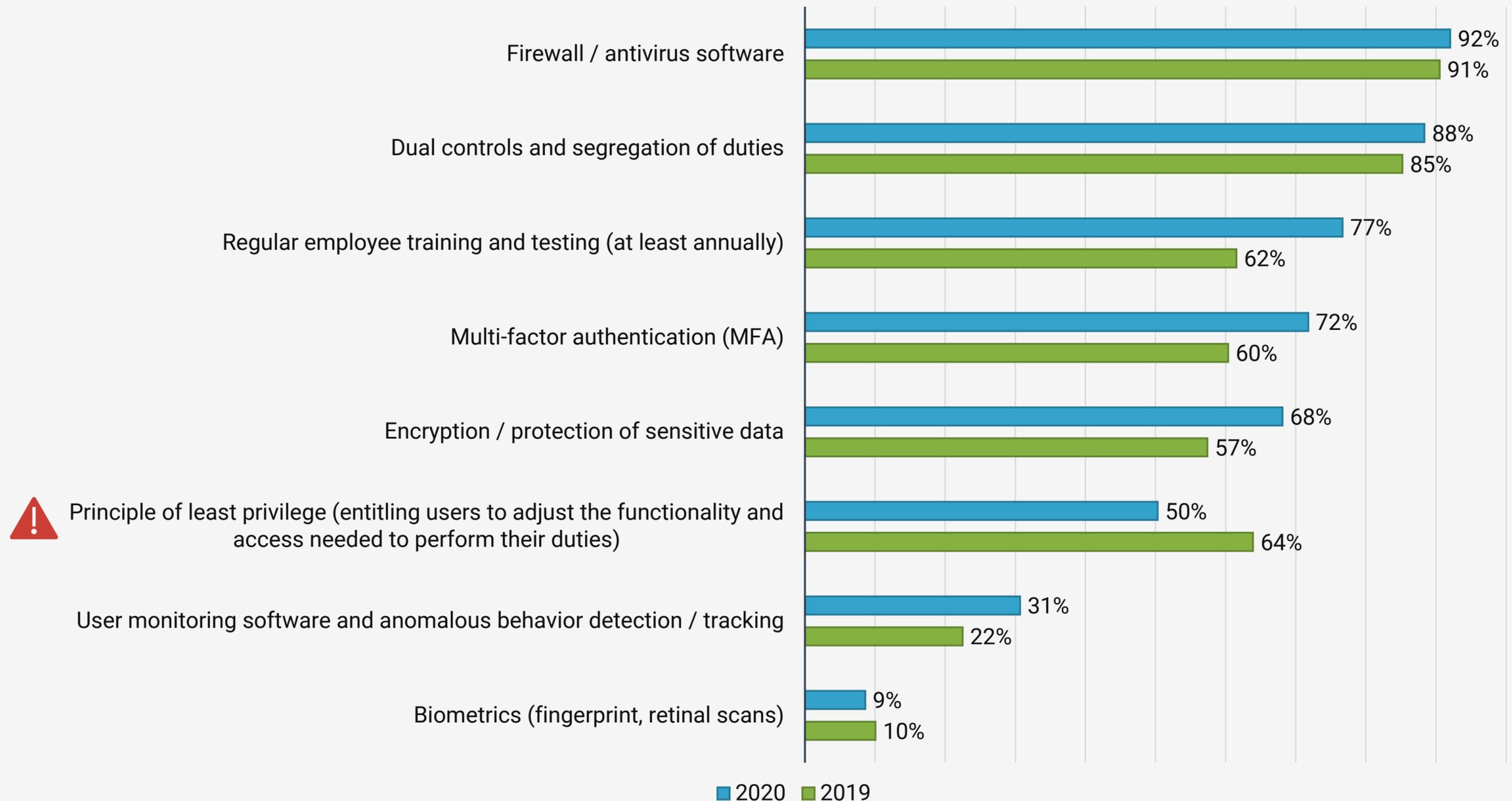


■ <25%
 ■ 25% - 49%
 ■ 50% - 74%
 ■ 75% - 89%
 ■ 90% - 99%
 ■ 100%
 ■ Unknown

CONTROLS

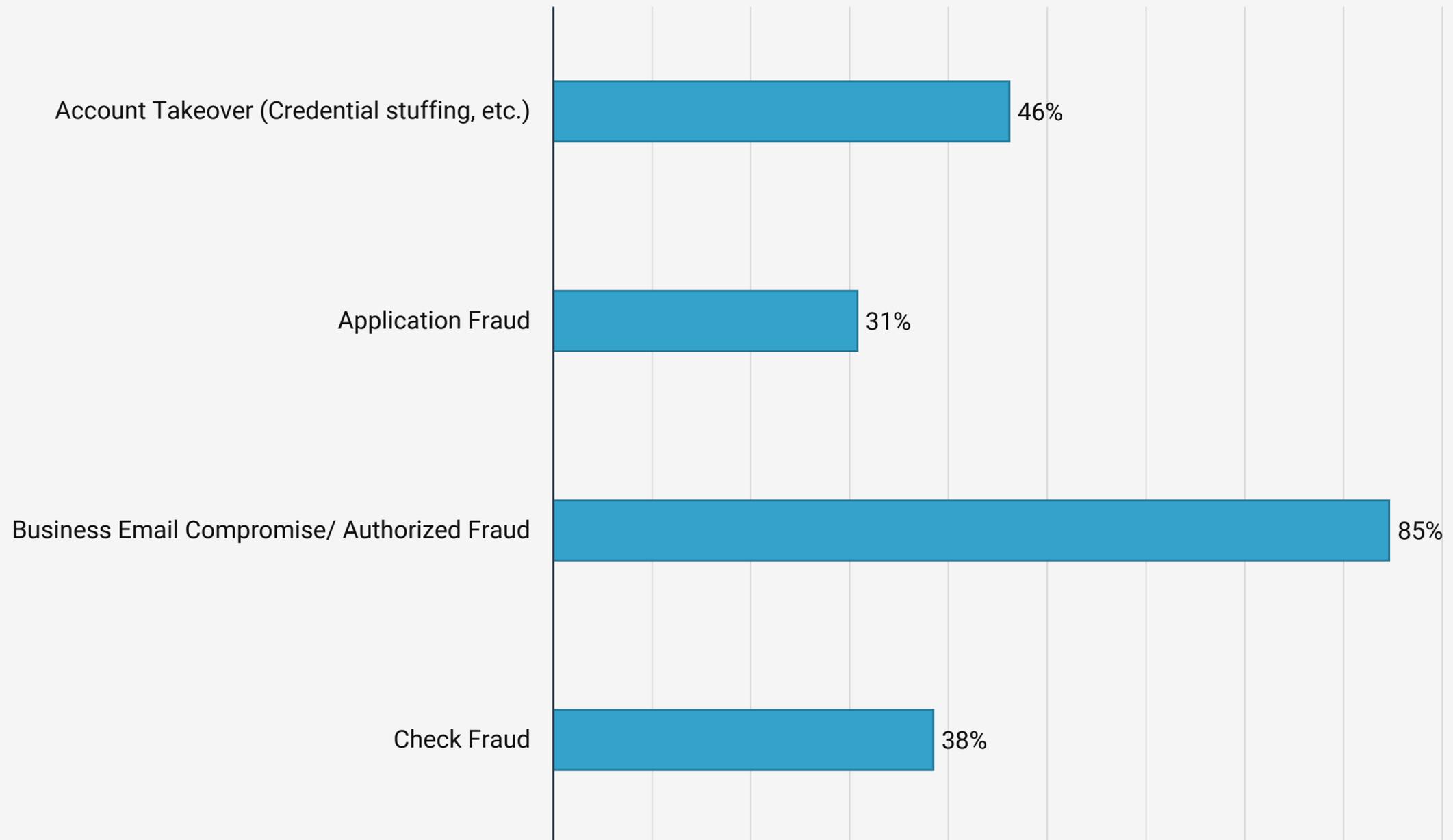
GROWING USE, BUT ROOM FOR WIDER ADOPTION

What controls does your organization have in place to prevent fraud / cyber-attacks?



POLL QUESTION

What do you perceive as your greatest fraud risk over the coming 12-24 months?
(Select up to three)



MULTIPLE SYSTEM PROTECTION



MORE TO LEARN » LOSS OF FACILITY



**DIFFERENT SCREENS/FOBS » LACK OF AWARENESS
ADDED COMPLEXITY**

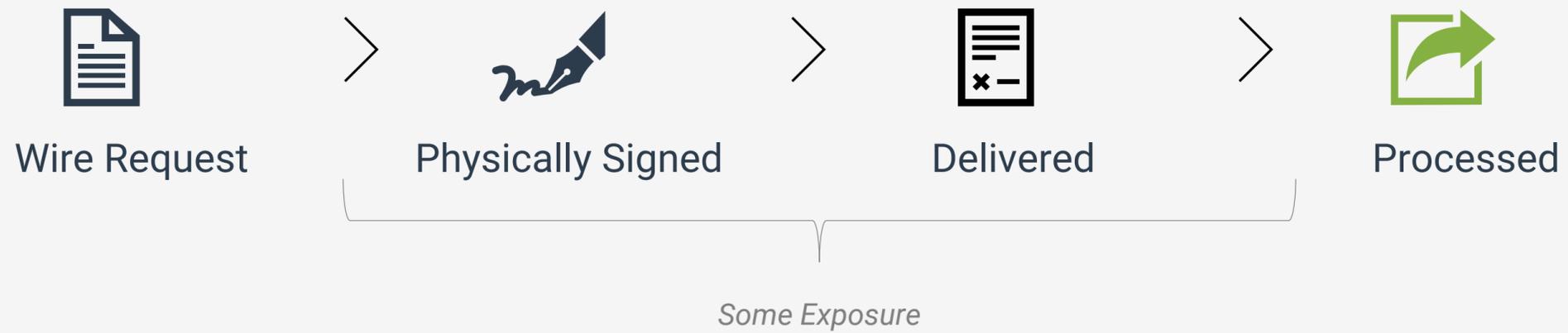


TRAINING MORE DIFFICULT » WITH OR WITHOUT TURNOVER

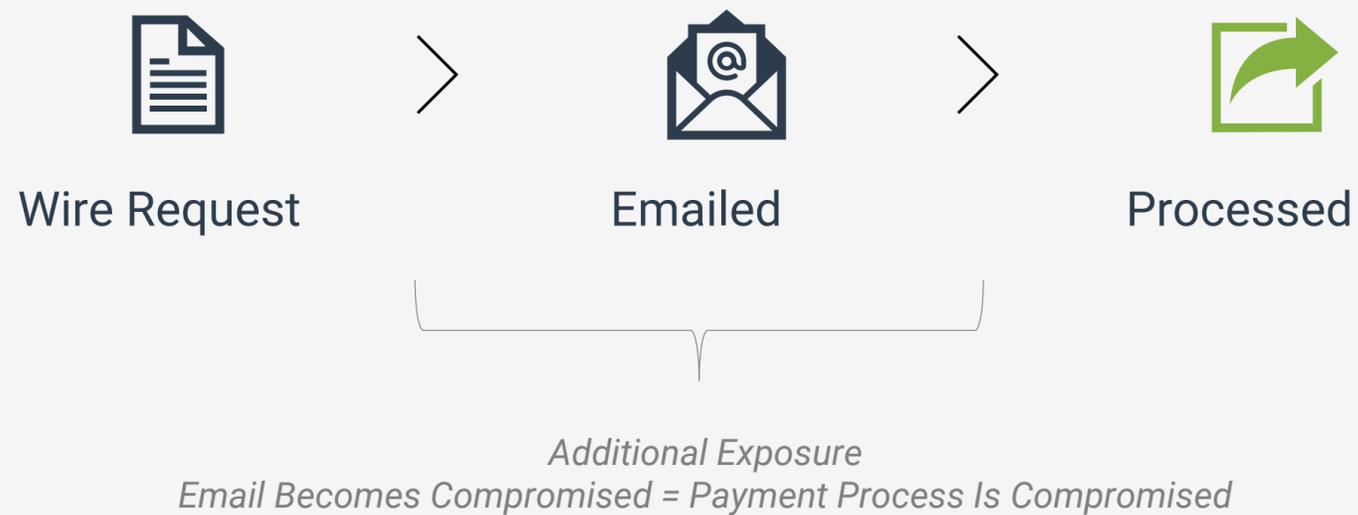
WFH CHANGES MANY THINGS



IN OFFICE



WORKING FROM HOME



MULTIPLE SYSTEM PROTECTION

 HUMAN

- Training?
- Processes Used?
- Distributed?

 SYSTEM

- How Many Portals?
- Delivering Information to Banks?

 PROCESS

- Differences?
- Validations?
- Confirmations?



Do You Have a Complete Inventory of ALL Payment Processes?

Where Are the Points of Exposure?

Which Are the Most Significant?

What Is the Risk to Funds Loss? Reputation? Damage? Career Impact?

TAKE-AWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



EVERYONE IS NOW A TARGET

- Train & test employees on payment security
- Assign specific people to particular areas of security



EVALUATE WFH RISKS

- Time to do a one-year review
- Identify exposures from workarounds that were “temporarily” adopted



TIME TO BENCHMARK

- Measure yourself against others (benchmarks) and against leading industry standards



INVEST IN TECHNOLOGY

- Your adversaries are using tech to attack
- Identify and acquire payment tools that support security objectives

LET'S CONNECT.

DON'T LET THE LEARNING END HERE...
CONTACT US WITH ANY FUTURE QUESTIONS.

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.



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HOW HAS THE PANDEMIC IMPACTED TREASURY?

Keep a pulse on the disruption caused by COVID-19 with the most up-to-date information available to the industry.

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