

Security Alert
**Top 10
Fraud
Prevention
Tips for Small
Businesses**

Are you taking the steps you need to protect your company from fraud? Small businesses are especially at risk for fraud, and many never recover from their losses.

Here are 10 tips to help you safeguard your company's assets.

1. **Use high security checks.** *Check fraud* continues to be the leading type of business payment fraud,¹ and businesses do not share the same protections as consumers. Use high security checks to deter check washing, check forgery and check copying.
2. **Review financial statements promptly.** As a business owner, you should personally review all account statements. Be on the lookout for suspicious withdrawals and transfers, and for checks written to vendors you don't recognize.
3. **Secure your important documents.** Keep your client and business files and your employee information locked and away from public access. This includes all documents with your TIN, account numbers, your clients' payment information and your employees' SSNs.
4. **Shred sensitive documents.** Fraudsters don't hesitate to go through trash and recycling bins to find account numbers. Be diligent about shredding documents that contain proprietary or sensitive information.
5. **Be wary of suspicious emails or phone inquiries.** Be sure to validate requests for sensitive information that come by email or phone, including those from financial institutions.
6. **Use good network protection.** Install a firewall and update your network security software regularly. Create stringent remote access policies and network access permissions for employees.
7. **Review your internal controls.** Segregate your internal duties so that, if possible, different employees collect, record and deposit funds. To improve the likelihood of discovering employee fraud, insist that employees take vacations when due, and rotate financial duties periodically.
8. **Have a fraud response plan.** If you discover a data breach or unauthorized financial activity, know your responsibilities and next steps. If you do business with consumers, you have certain legal responsibilities for notification and possible remediation.*
9. **Train your employees.** Review your fraud protection and security policies annually so that employees are aware of their duties to protect your valuable and proprietary information. Promote a zero-tolerance policy for lax security.
10. **Guard against actions of disgruntled employees.** Change the locks on your facility when an employee leaves or is terminated to prevent unauthorized access to confidential or financial information.

Call Us If You Have Questions. As your financial institution, we are interested in helping you protect your assets. Please contact us if you have any questions about our policies and procedures, and let us know if we can help you prevent fraud at your company.

¹ Association for Financial Professionals 2012 AFP Payments Fraud and Control Report of Survey Results.

* Not intended to be legal advice. You should seek advice as to the scope of legal responsibilities.