

# 2023 TREASURY FRAUD & CONTROLS SURVEY RESULTS



## OMRI KLETTER

Global VP, Fraud and Risk Management, Bottomline

## CHRIS GERDA

Risk & Fraud Prevention Officer, Bottomline

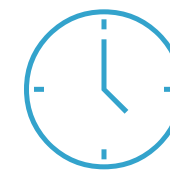
## CRAIG JEFFERY

Founder & Managing Partner, Strategic Treasurer



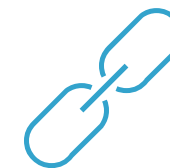
## WHAT

Evaluating survey results and discussing implications for organizations in 2023 and beyond.



## WHEN

Tuesday, April 4, 2023  
11:00 AM – 12:00 PM EDT



## WHERE

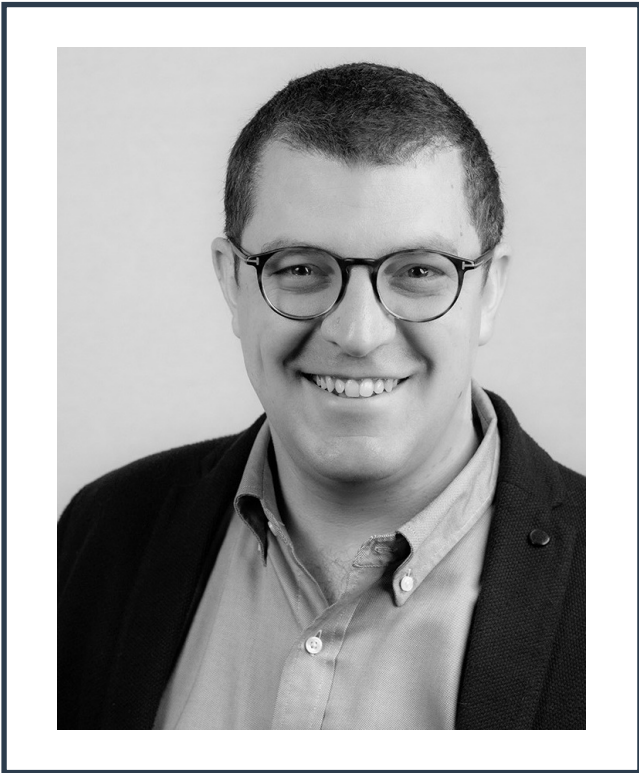
Live online presentation  
Replays at [StrategicTreasurer.com](https://StrategicTreasurer.com)



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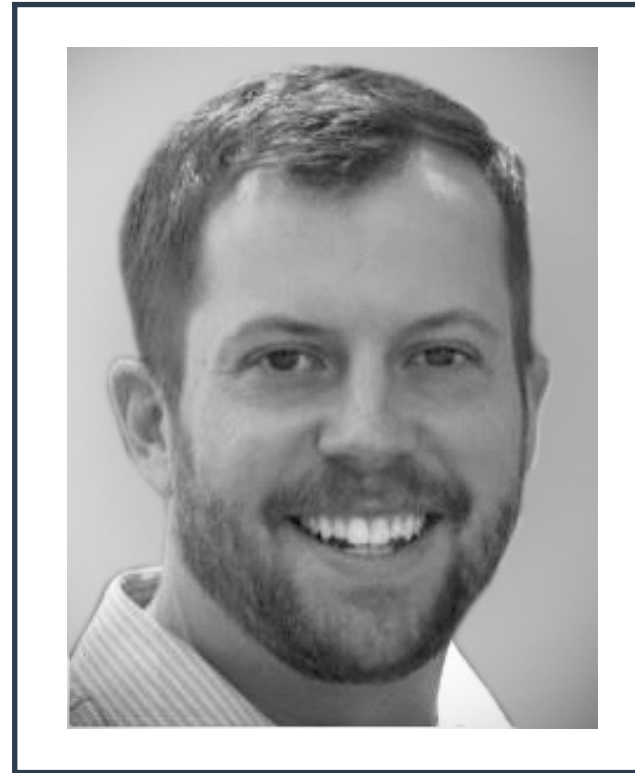
# ABOUT THE SPEAKERS

## GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



### OMRI KLETTER

Prior to joining Bottomline, Omri was responsible for managing the fraud and authentication solutions in the EMEA region for NICE Actimize. Omri began his career in Israel's elite technological intelligence army unit, where he served as the Head of the Global Counter-Terrorism section.



### CHRIS GERDA

Chris Gerda is responsible for the overall anti-fraud strategy and technology initiatives that protect Bottomline's Paymode-X payment network. With 14+ years of experience, Chris has investigated and managed a wide variety of financial crimes, strives to build and strengthen organizational cultures of compliance, and focuses on hardening and developing detection and prevention technology.



### CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

# TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &  
ANALYSIS



## ABOUT THE SURVEY

KEY POINTS OF INTEREST



## FRAUD SITUATION

VIEWS, EXPERIENCES AND  
TYPES



## REMOTE WORK

AND ITS IMPLICATIONS FOR  
RISK



## PAYMENTS

PROTECTING FROM FRAUD



## FRAUD PREVENTION

SPENDING, MOTIVATION AND  
REPORTING



## KEY TAKEAWAYS

FROM THE RESEARCH

# SURVEY QUICK STATS

## 2023 TREASURY FRAUD & CONTROLS



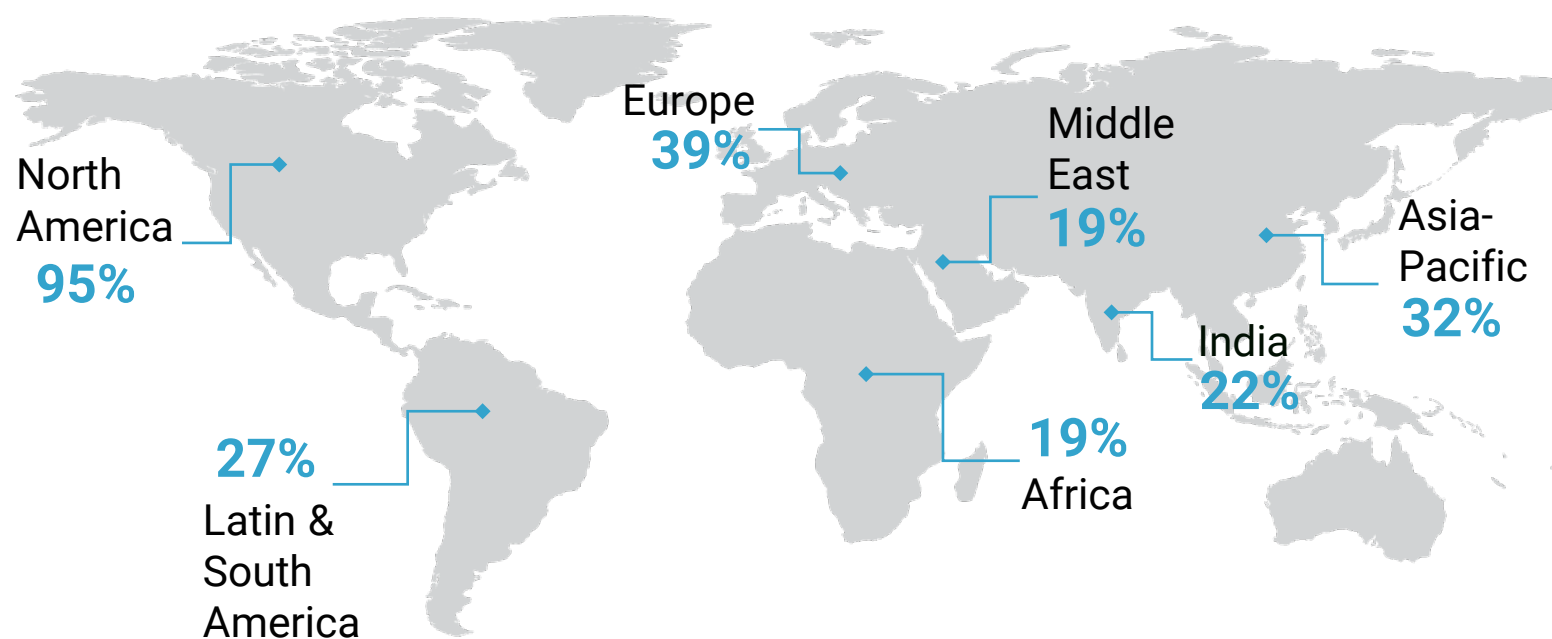
**300+**  
Respondents

**8th**  
Year of Research

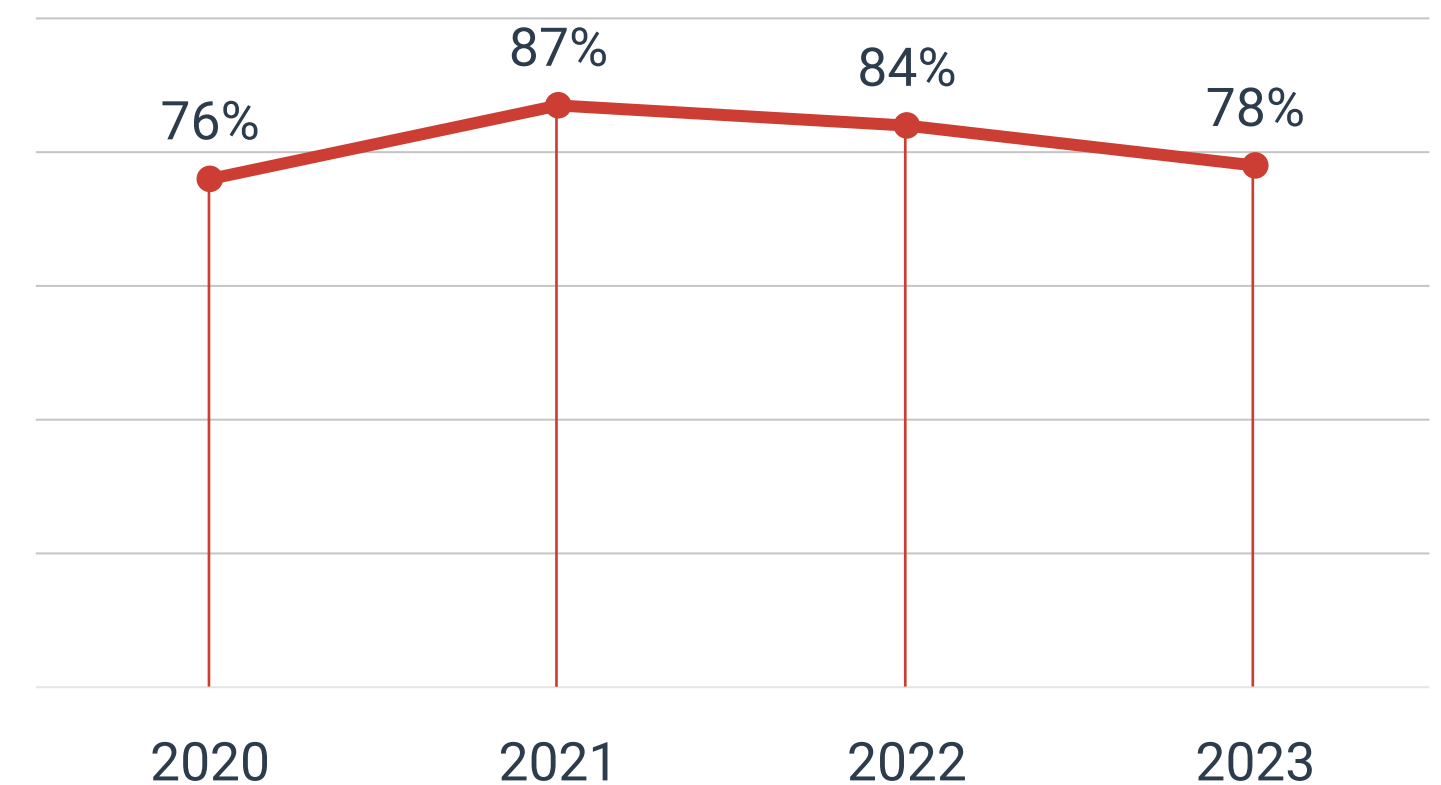
**8** Week  
Survey Run-Time

**100+**  
Questions

### Regions of Operations



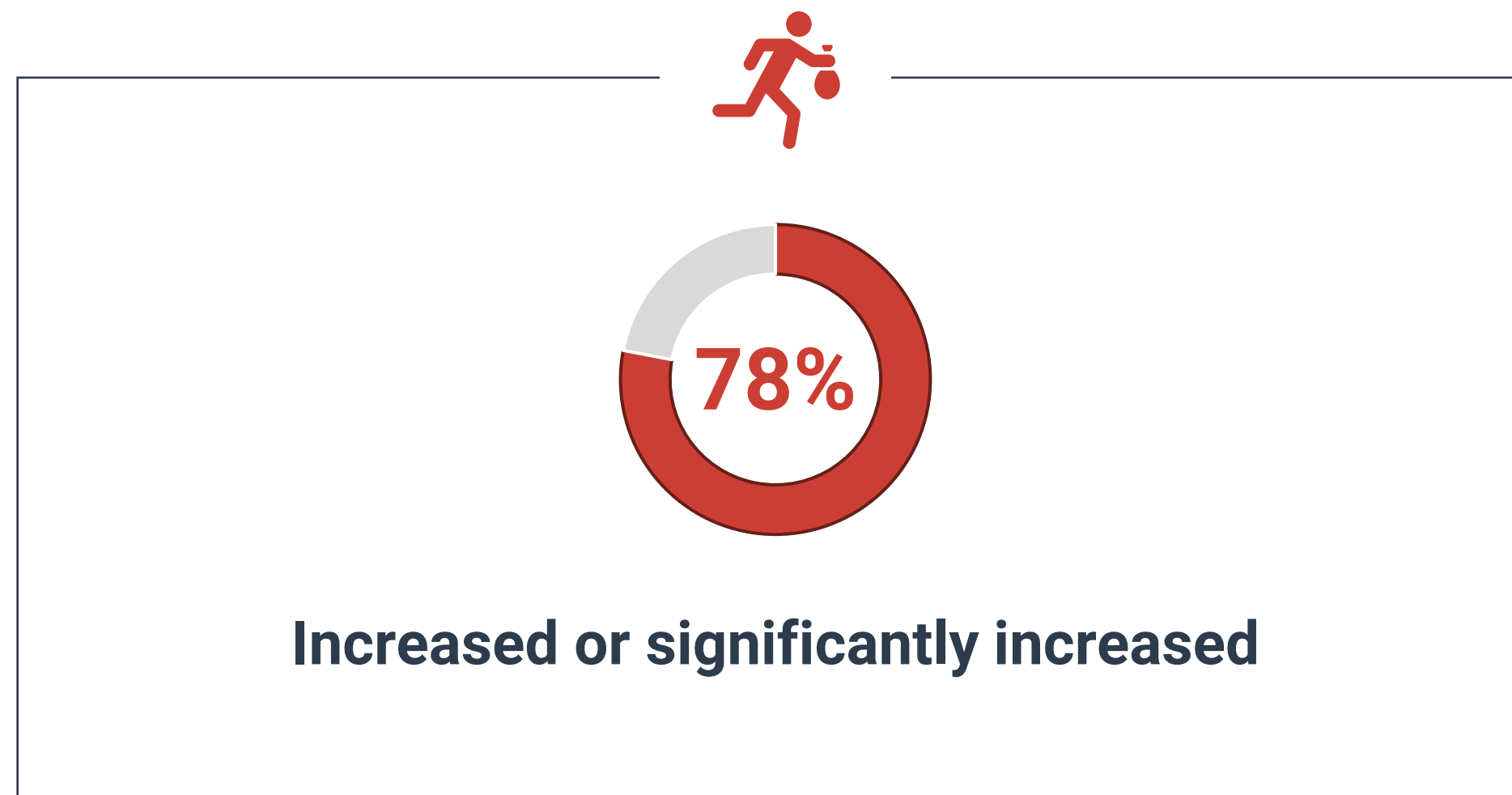
### Fraud threat level over the years



# VIEW ON FRAUD THREAT

## INCREASING AGAIN

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

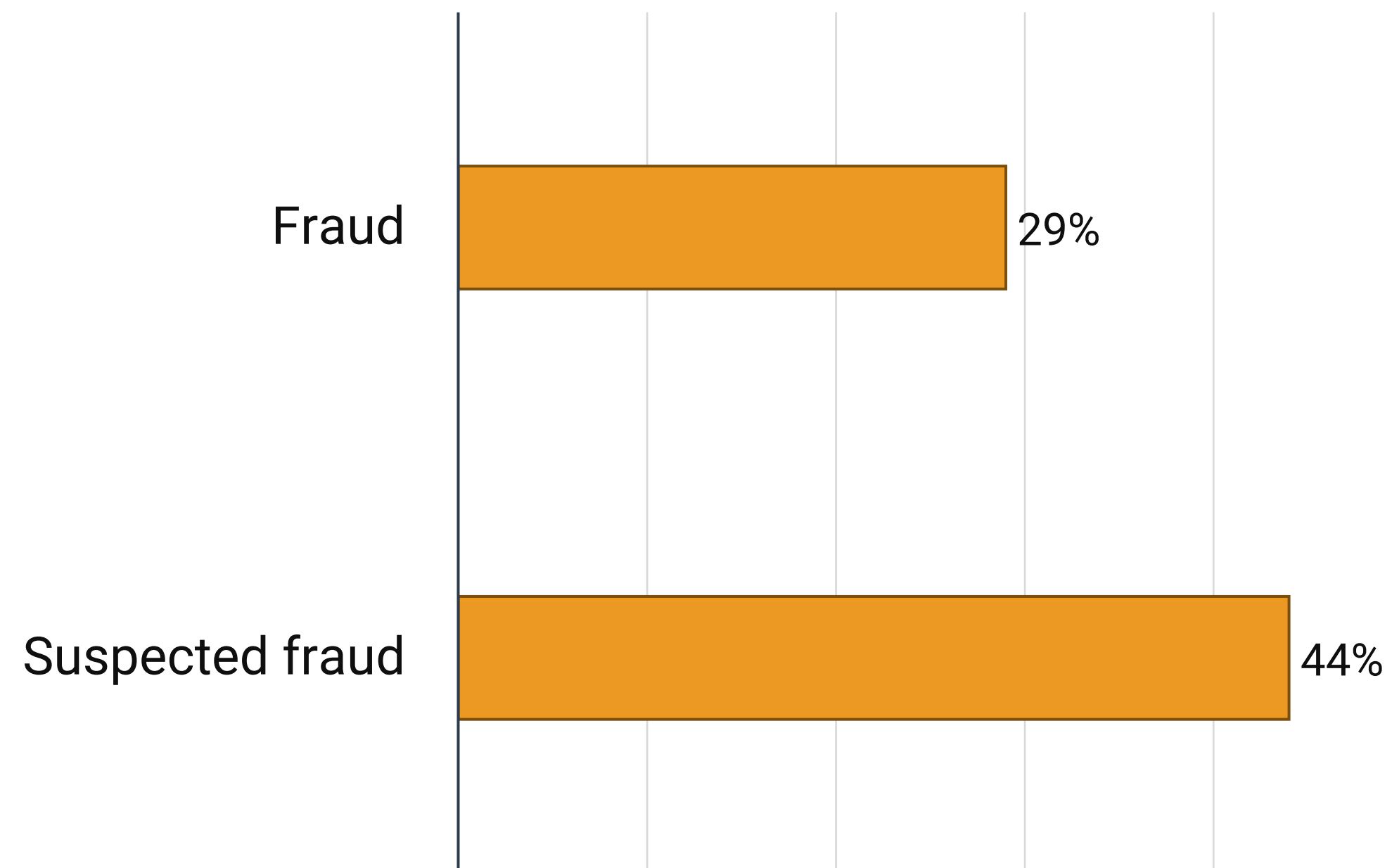


Only one percent believe the level of threat has decreased.

# FRAUD EXPERIENCE

## OVER THE PAST YEAR

» Corporate: *In the past twelve months, we have experienced \_\_\_\_\_*

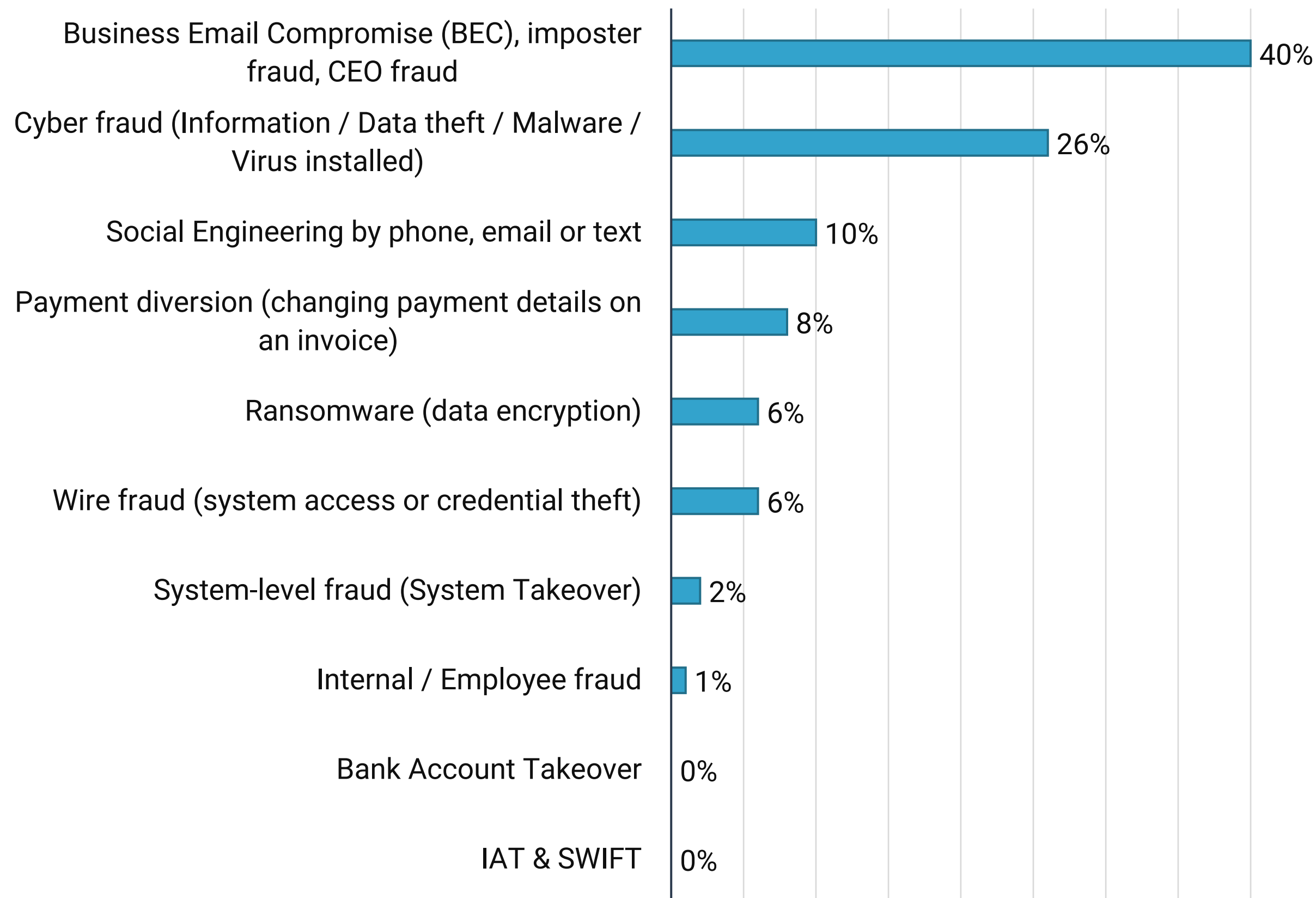


Note: "No known attempts" responses not shown.

#GOSTRATEGIC

# POLL QUESTION

## Poll 1 - What do you perceive as your greatest fraud risk over the coming 12 - 24 months?





# TOP FRAUD ATTEMPTS

BEC AND SOCIAL ENGINEERING TOP THE LIST

» Corporate: Thinking of the last 12 months, please label your company's experience with each of the following:



**78%**

Business email  
compromise (BEC),  
imposter fraud, CEO fraud



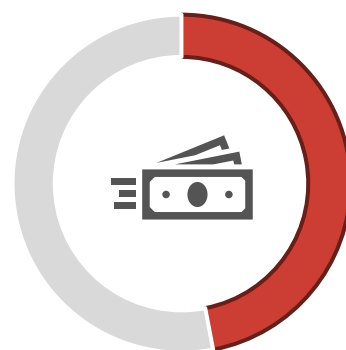
**65%**

Social Engineering by  
phone, email or text



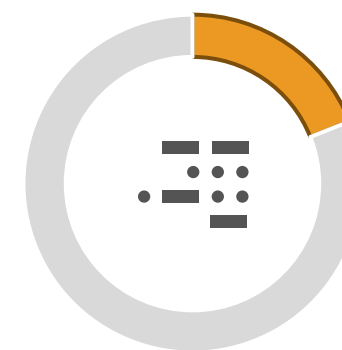
**48%**

Cyber fraud (Information  
/ Data theft / Malware /  
Virus installed)



**47%**

Payment diversion  
(changing payment  
details on an invoice)



**19%**

Ransomware (data  
encryption)

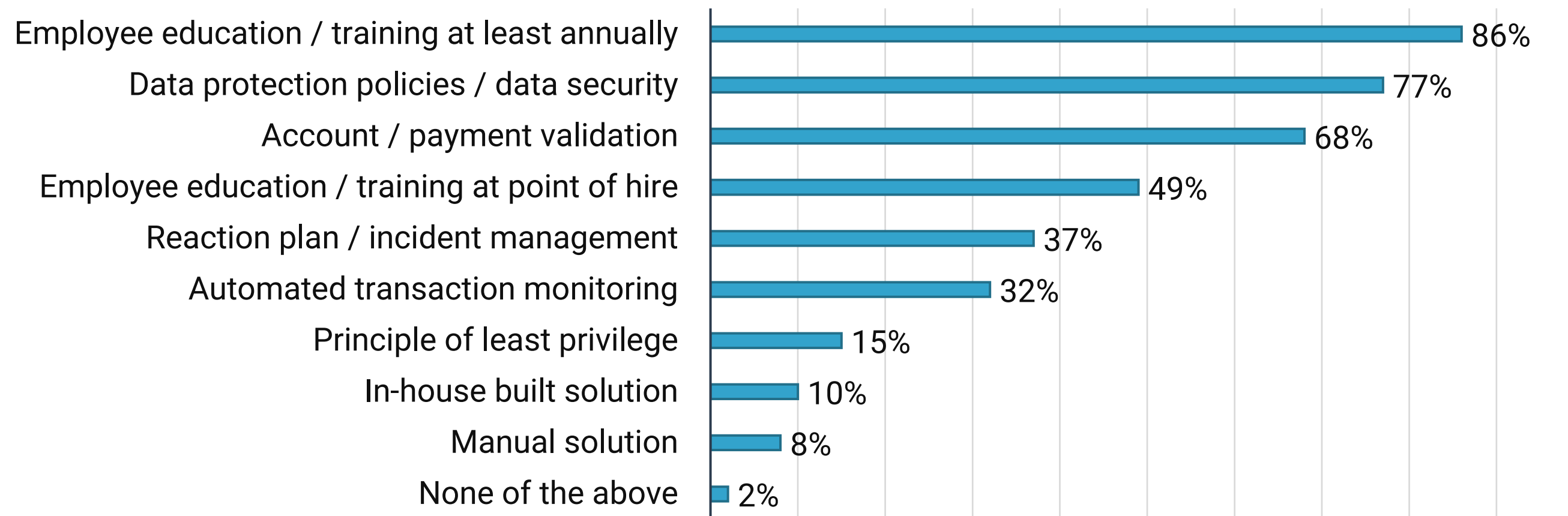


The percentages above show those who suffered some fraud attempt(s) with no success, suffered a loss, or suffered a loss and at least one person was terminated or let go.

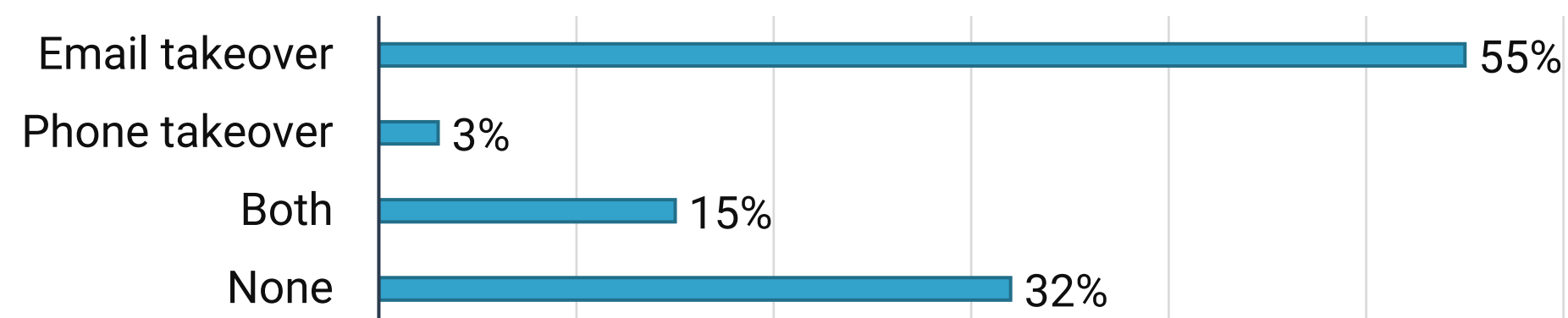


# POLL QUESTION

## Poll 2 - We use the following controls to prevent fraud: (Select all that apply)



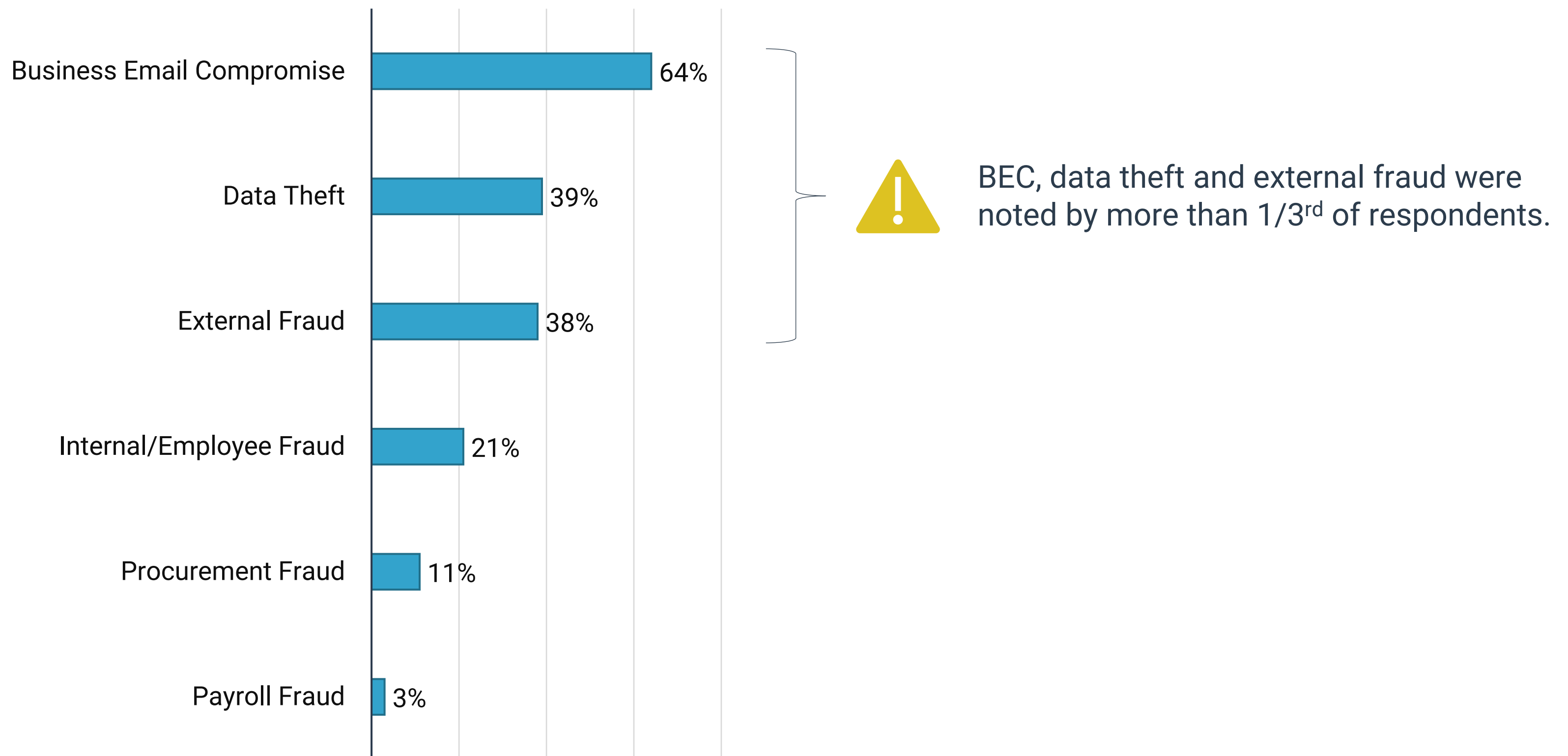
## Poll 3 - Corporates: When thinking of your vendors, have you seen them experience any of the following?



# REMOTE WORK

## WHERE IT INCREASES RISK

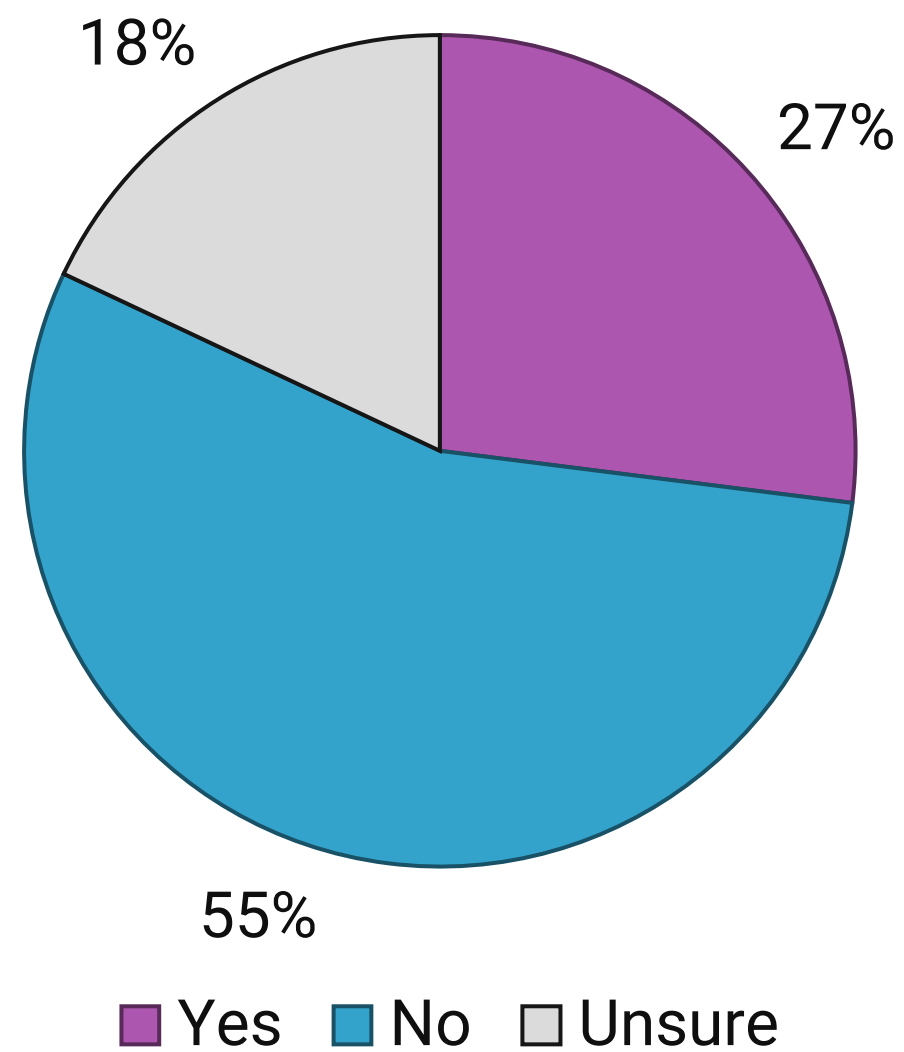
» Corporate: *With a deeper reliance on remote work, what type of risk exposure has increased?*



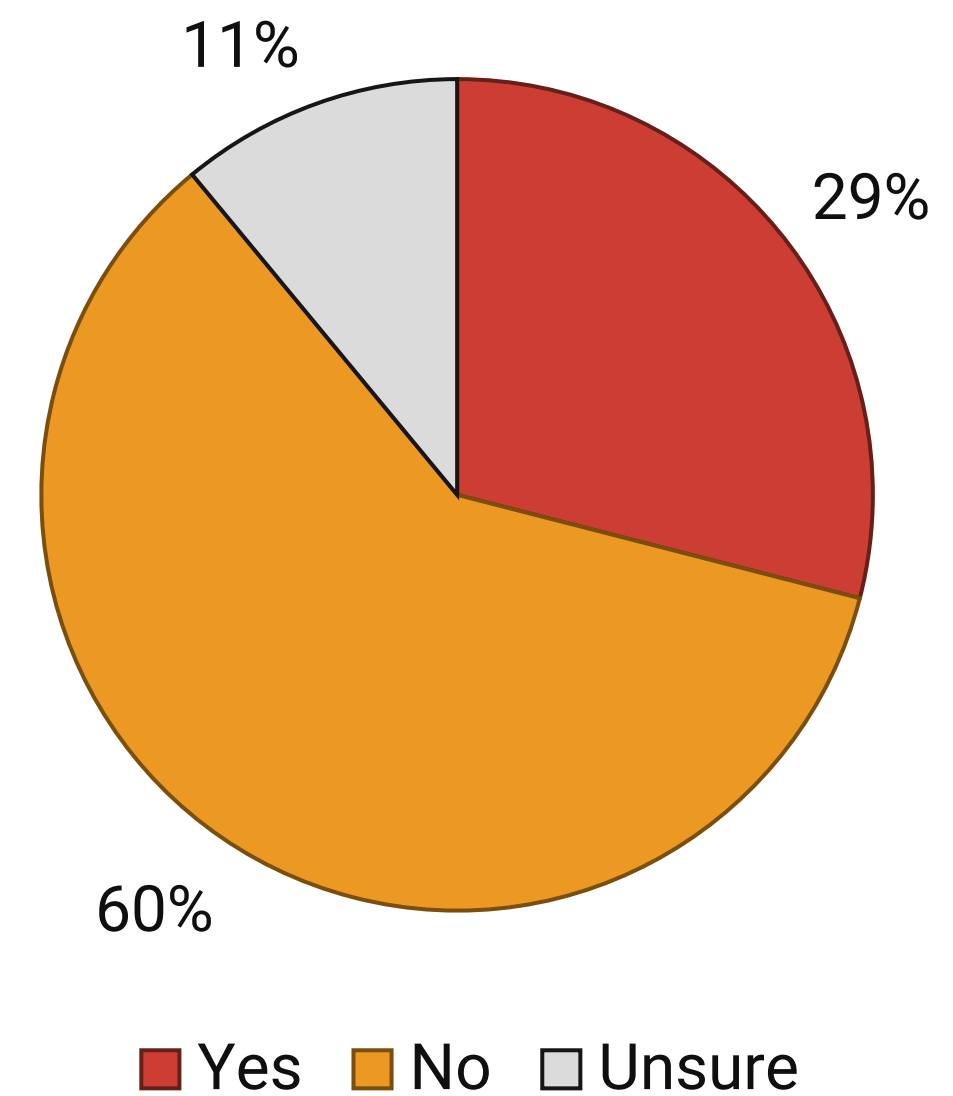
# FRAUDULENT PAYMENTS

## DETECTING AND EXPERIENCING

» Corporate: Do you utilize a payment monitoring solution that will detect potentially fraudulent payments BEFORE they leave the building?



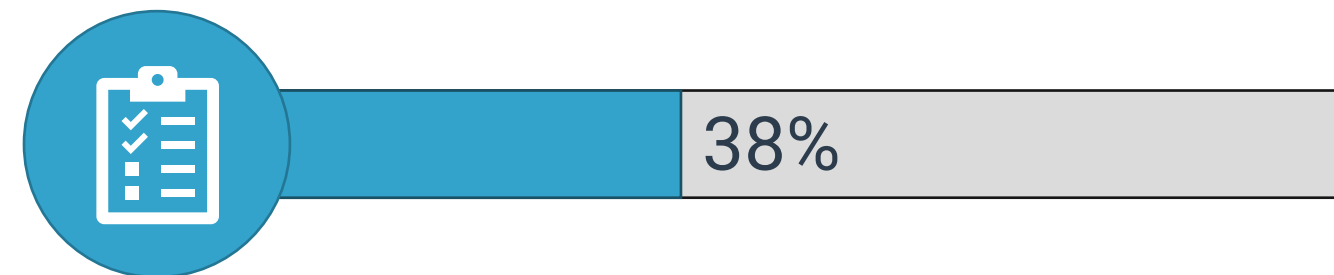
» Corporate: Have you had a fraudulent Low Value Payment or High Value Payment that left the building?



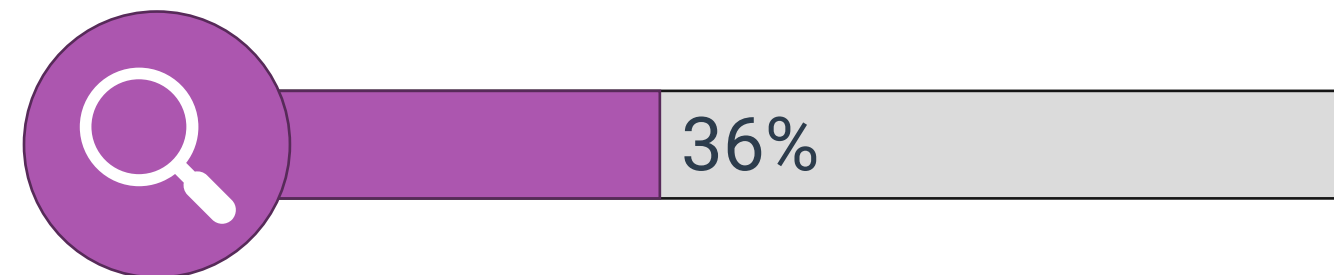
# NETWORK DIRECTORIES

## PAYMENT FILE STORAGE

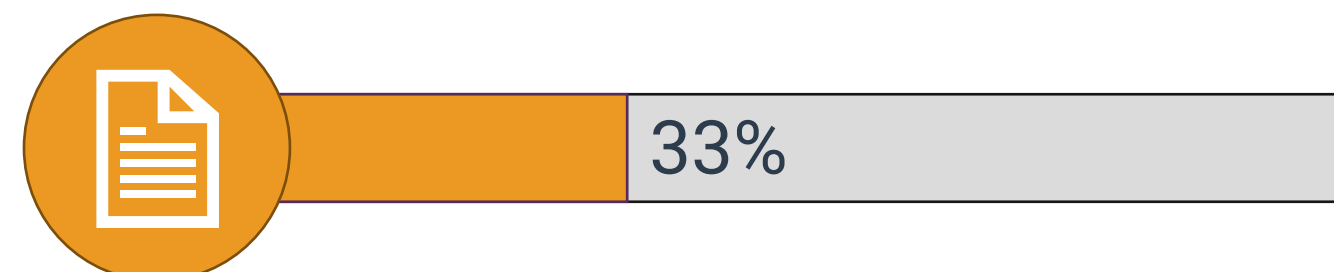
» Corporate: For network directories that store payment files (i.e. payment files that will be transmitted), we:



Have an audit file that shows access/changes.  
Some users/administrators can pull this report.



Actively monitor and review access rights to this  
directory.

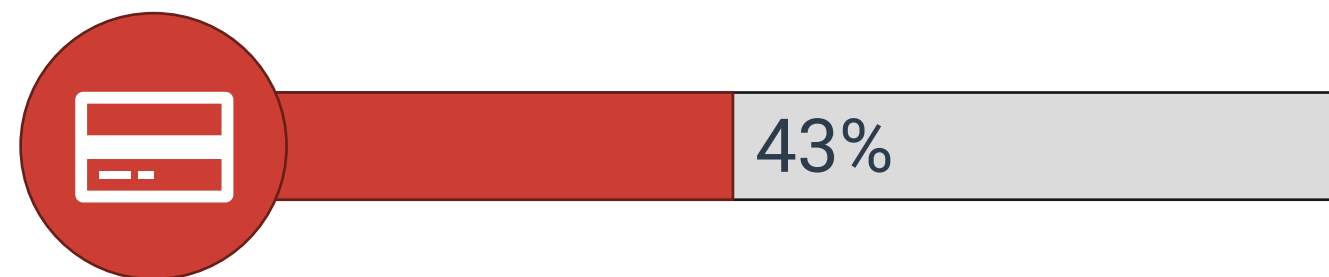


Administrators who can assign rights do NOT have  
ability to cover their tracks (by editing/deleting log files).

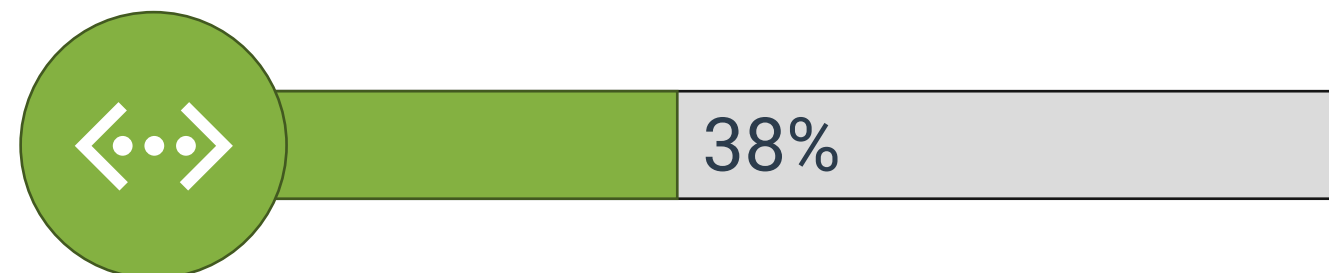
# PAYMENT NETWORK PROTECTION

## TESTING OR ATTESTATION REQUIREMENTS

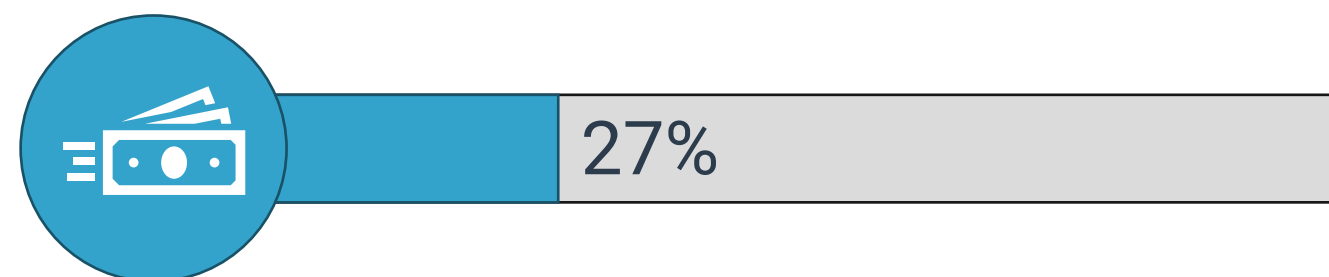
» Corporate: Which compliance regulations of self-attestation or external testing review is your organization subject to?



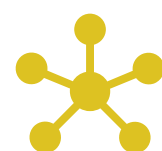
Credit Card: PCI DSS



Low Value Payments US (Nacha Account Information Security)



Swift Customer Security Programme

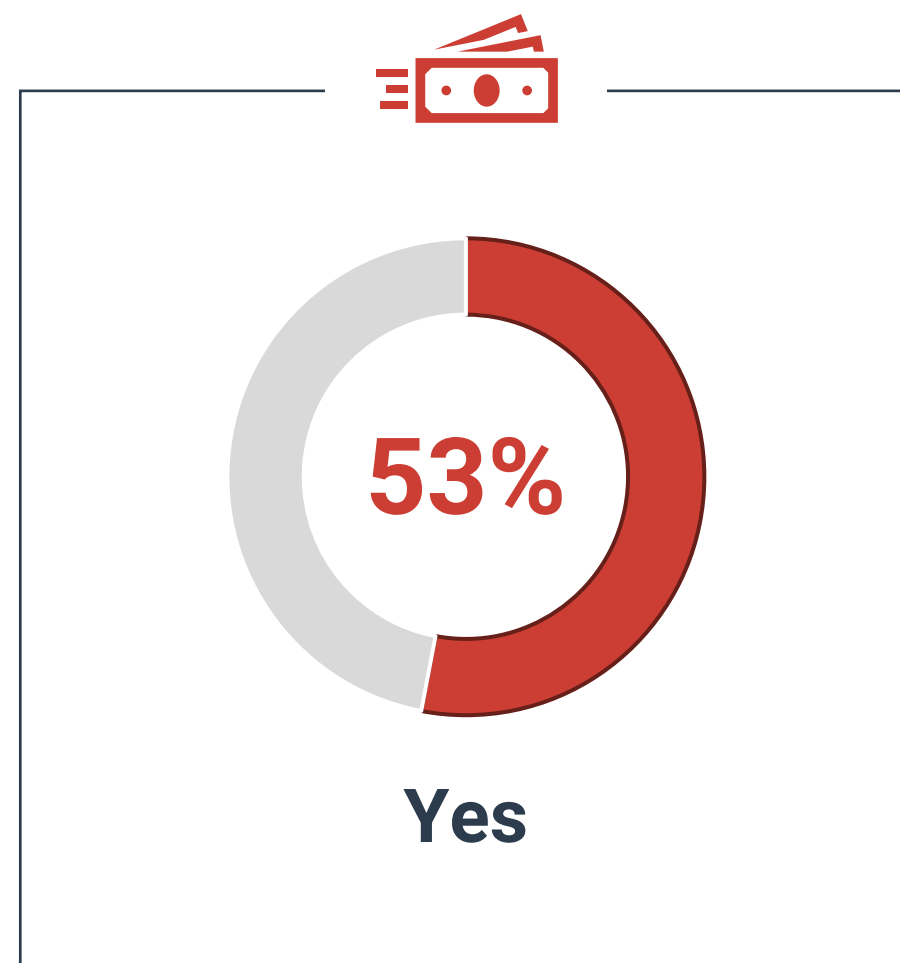


Of the four most cited testing or attestation requirements, three were from payment networks.

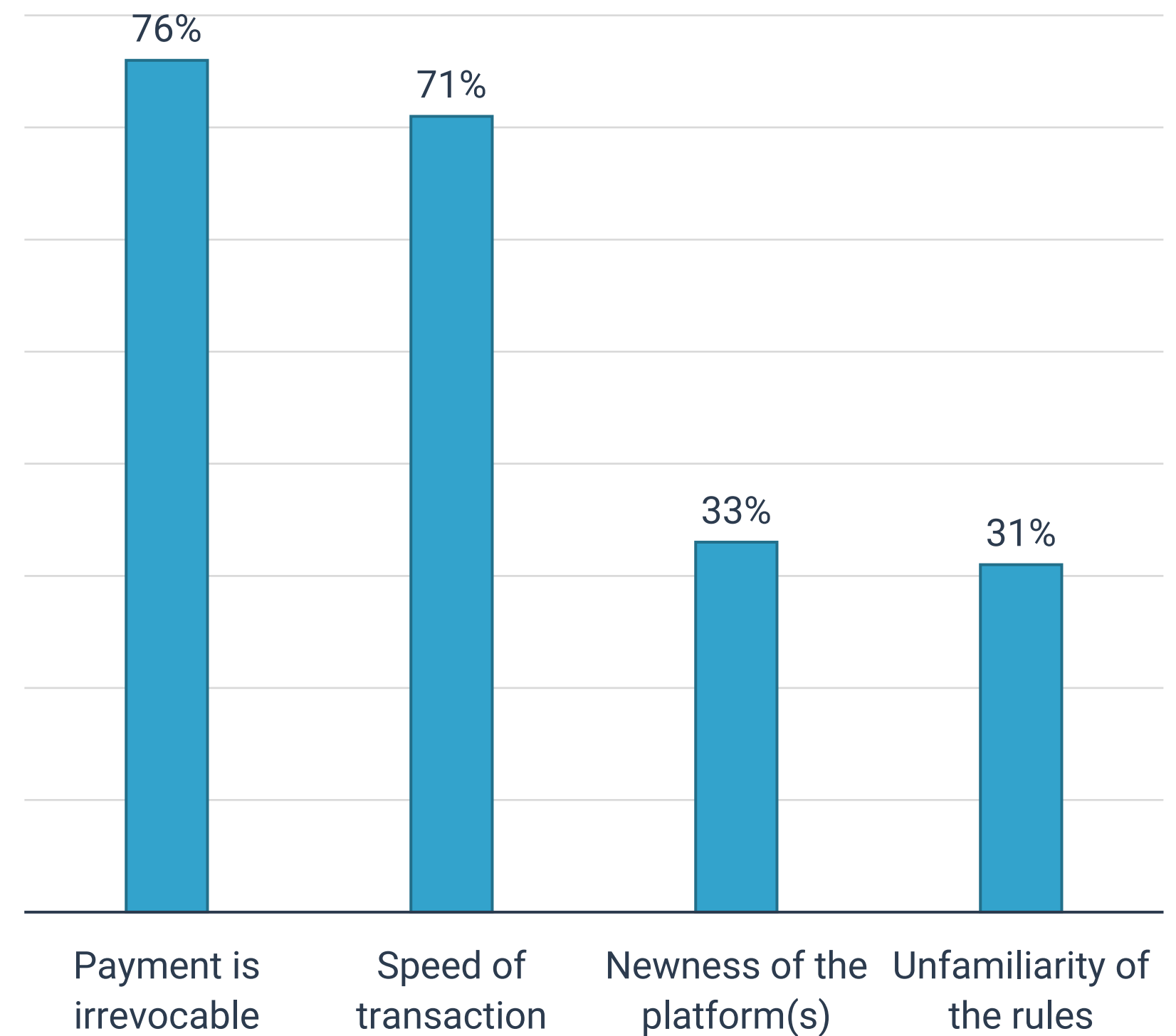
# IMMEDIATE PAYMENTS

MORE THAN HALF VIEW THEM AS RISKY

» Corporate: Do you see the shift to faster / real time payments as a potential risk?

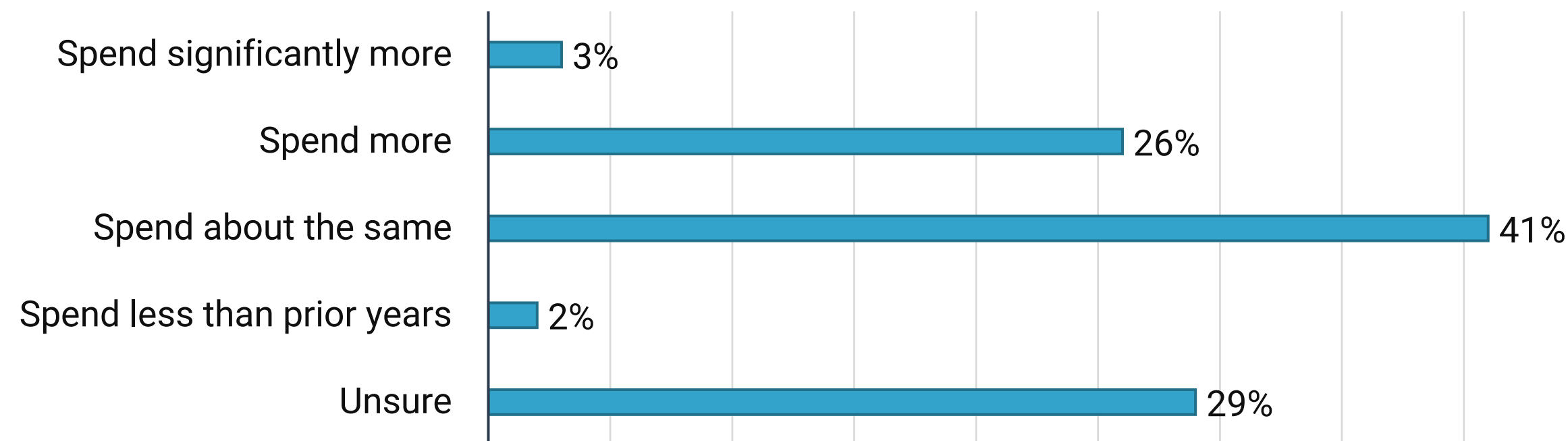


» Sub Question: The potential risk is related to:

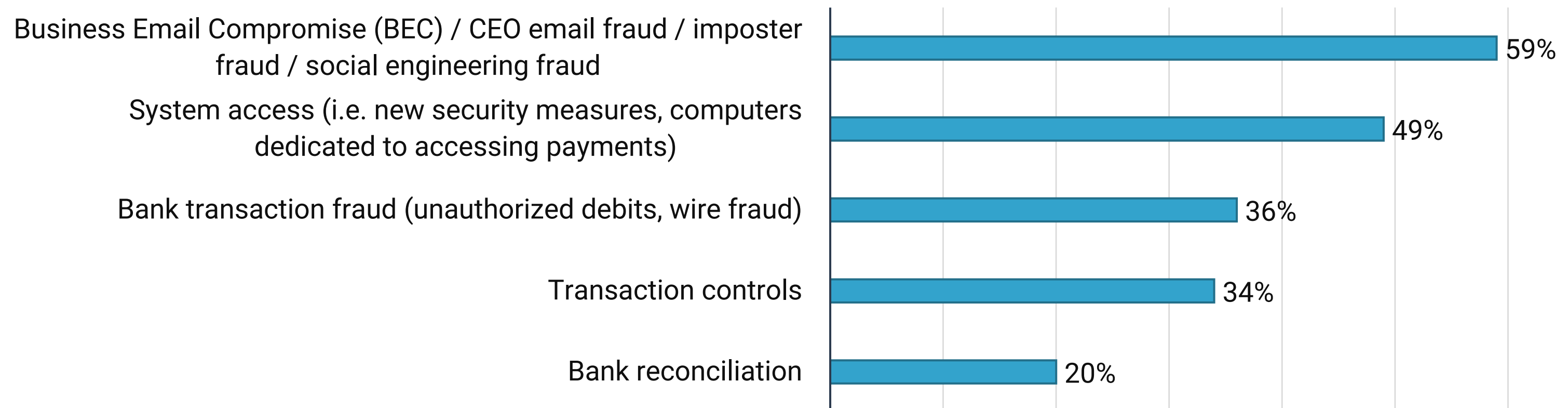


# POLL QUESTION

## Poll 4 - Our spending plans for treasury fraud prevention, detection, and controls are to:



## Poll 5 - In which areas do you intend to spend more or significantly more on fraud prevention, detection, or controls? (Select all that apply)



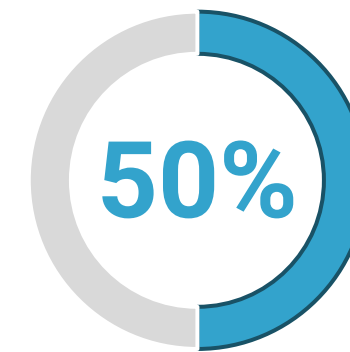
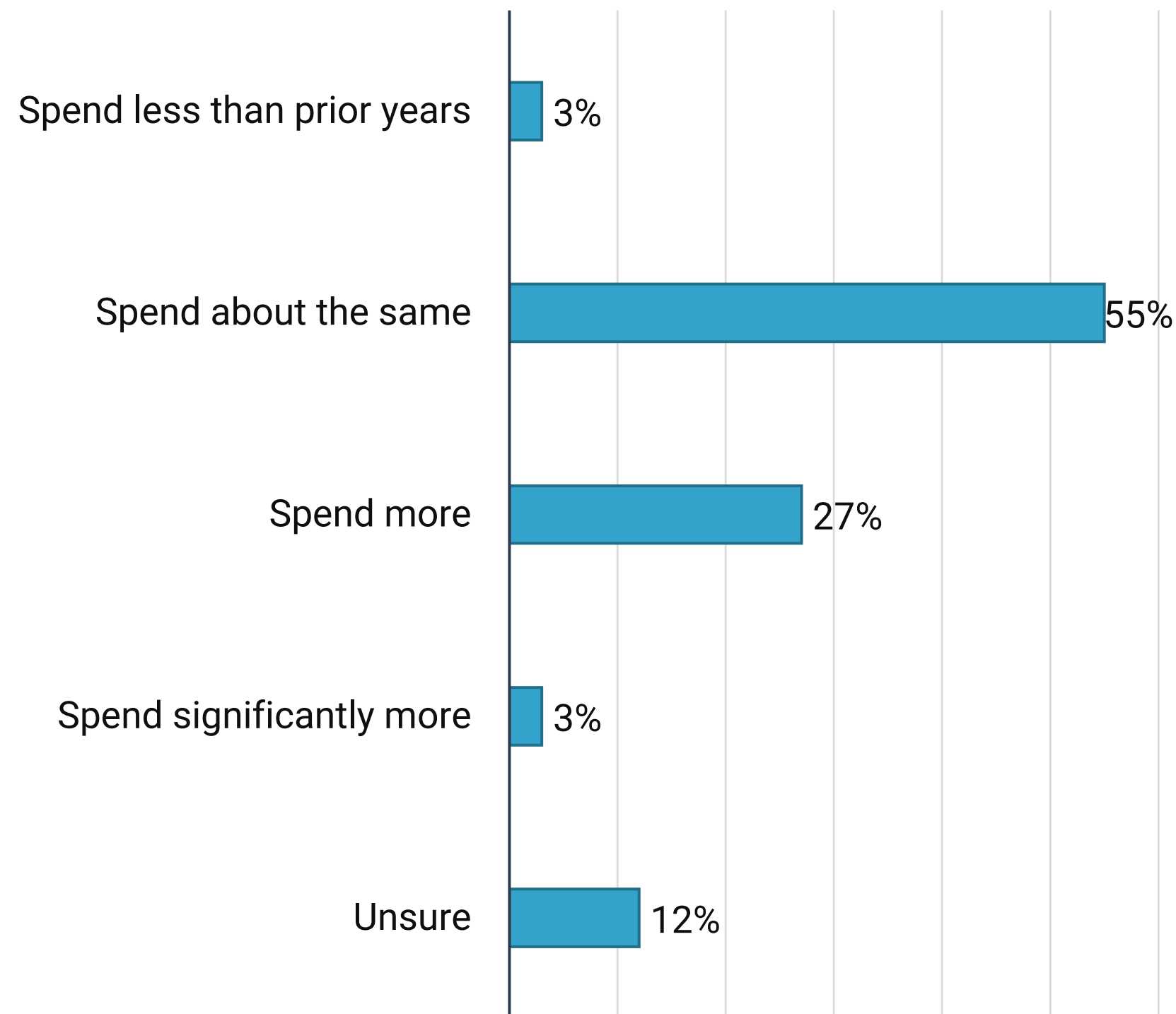


# FRAUD PREVENTION SPENDING PLANS

## AND THE MOTIVATIONS BEHIND THEM

» Corporate: What are your spending plans for treasury fraud prevention, detection, and controls?

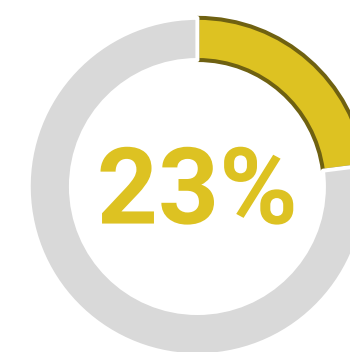
» Sub Question: We plan to spend more on treasury fraud prevention, detection and controls because:



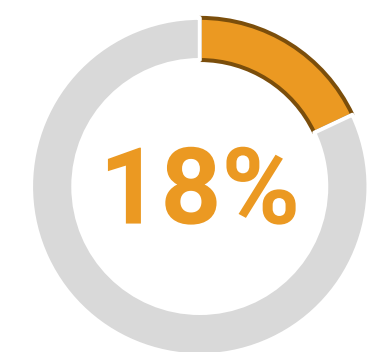
Management's concern about the threat level



Of a recent security incident



Of the changing environment due to the pandemic

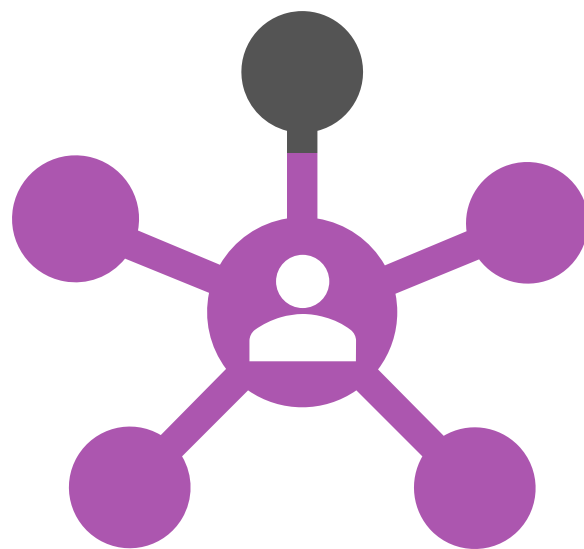


Customer requirements

# CENTRALIZED FRAUD MANAGEMENT

## THE STANDARD

» Corporate: Does your organization have a centralized location where suspicious or fraudulent activity can be reported to a group who investigates it?



**74%** of companies have a centralized fraud investigation group.

» Corporate: Does your organization have a centralized hotline where anonymous reports of suspicious or fraudulent activity can be reported?



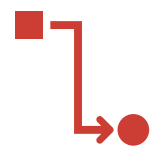
**64%** of companies have an anonymous call-in number for reporting suspicious or fraudulent activity.



40% of companies have different groups to look after payment fraud and internal fraud. For 52% of companies, the single fraud investigation group covers both types.

# TAKEAWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



## IMPACT

- On process, technology and people
- We're getting there
- More to do



## VALIDATION OF VENDORS

- Using large networks
- Big data
- Helps feel better about everything



## LOOK ON BOTH SIDES

- External risk
- Internal/insider risk



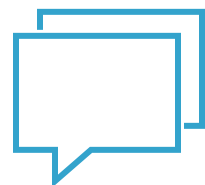
## MULTI-FACTOR AUTHENTICATION

- On everything (email, phone, etc)
- 60% static YoY – needs to be 90%+

# 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.



## STRATEGIC TREASURER

Craig A. Jeffery,  
*Managing Partner*

✉ [craig@strategictreasurer.com](mailto:craig@strategictreasurer.com)

🎧 The Treasury Update Podcast

💻 [linkedin.com/in/strategictreasurer/](https://www.linkedin.com/in/strategictreasurer/)



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## SURVEY REPORT & INFOGRAPHIC

Thanks to those who completed this year's survey!

Respondents to the 2023 Treasury Fraud & Controls Survey will be emailed the comprehensive results report and infographic.

Non-respondents can download the summary report and infographic by clicking the link below.



**Request Report**