

UNPREDICTABLE TIMES: FROM MANAGING PAYMENTS TO COMBATING FRAUD



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WHAT

The challenges unpredictable times bring to treasury and payment professionals, and how to respond to them.



WHEN

Wednesday, April 6, 2022
11:00 AM – 12:00 PM EDT



WHERE

Live online presentation
Replays at StrategicTreasurer.com



This presentation is provided by Strategic Treasurer and TIS.

ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



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.



JONATHAN PAQUETTE

Jon Paquette is Vice President of Solutions with TIS. In his role, he assists clients and prospective clients in finding the best use of the technology that TIS offers to solve their organizational challenges. Prior to joining TIS, Jon held various Finance and Treasury positions in U.S.-based organizations. Most recently, Jon held the role of Senior Director, Treasury for a large health care organization. Jon holds a BA in Economics from Merrimack College and an MBA from the Carroll School of Management at Boston College.

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



CURRENT TIMES
UNCERTAINTY ABOUNDS



**DRIVERS AND
OBSTACLES**
WITH PAYMENTS



FRAUD
ISSUES AND CONTROLS

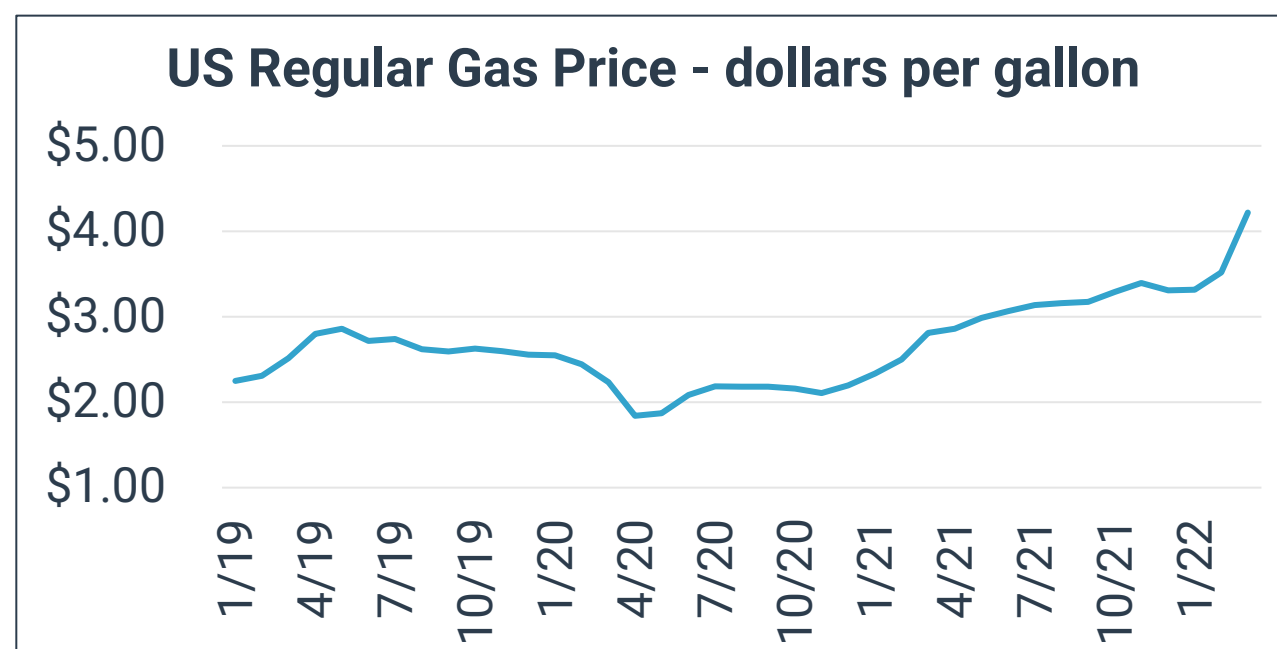
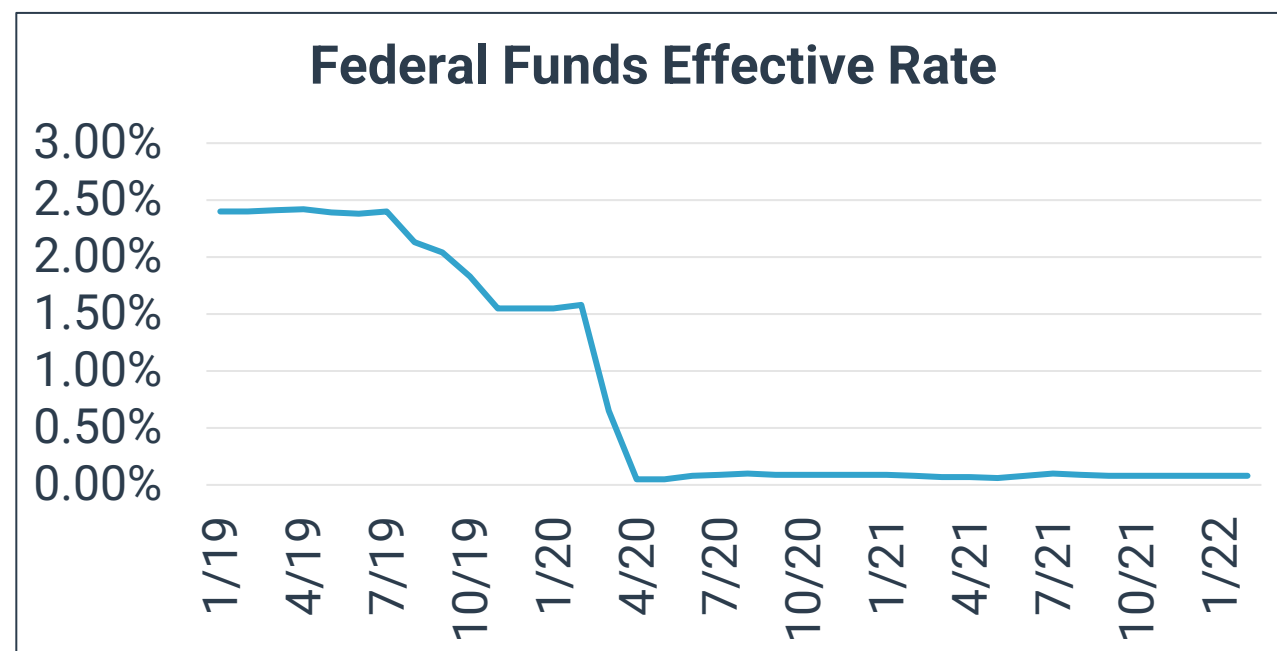
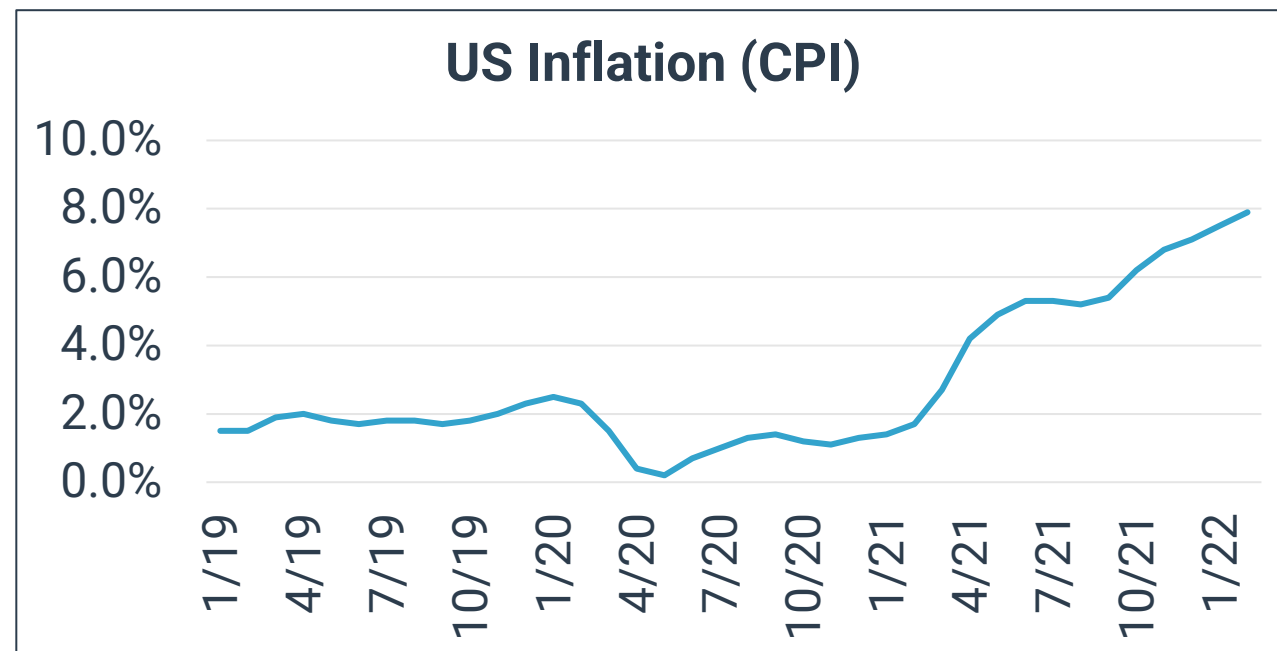


COMPLIANCE
CHALLENGES AND SOLUTIONS



KEY TAKEAWAYS
AND FINAL THOUGHTS

UNPREDICTABLE TIMES



RECENT HEADLINES



Inflation just hit a 4-decade high of 7.9%. Economists think it's about to get even worse.



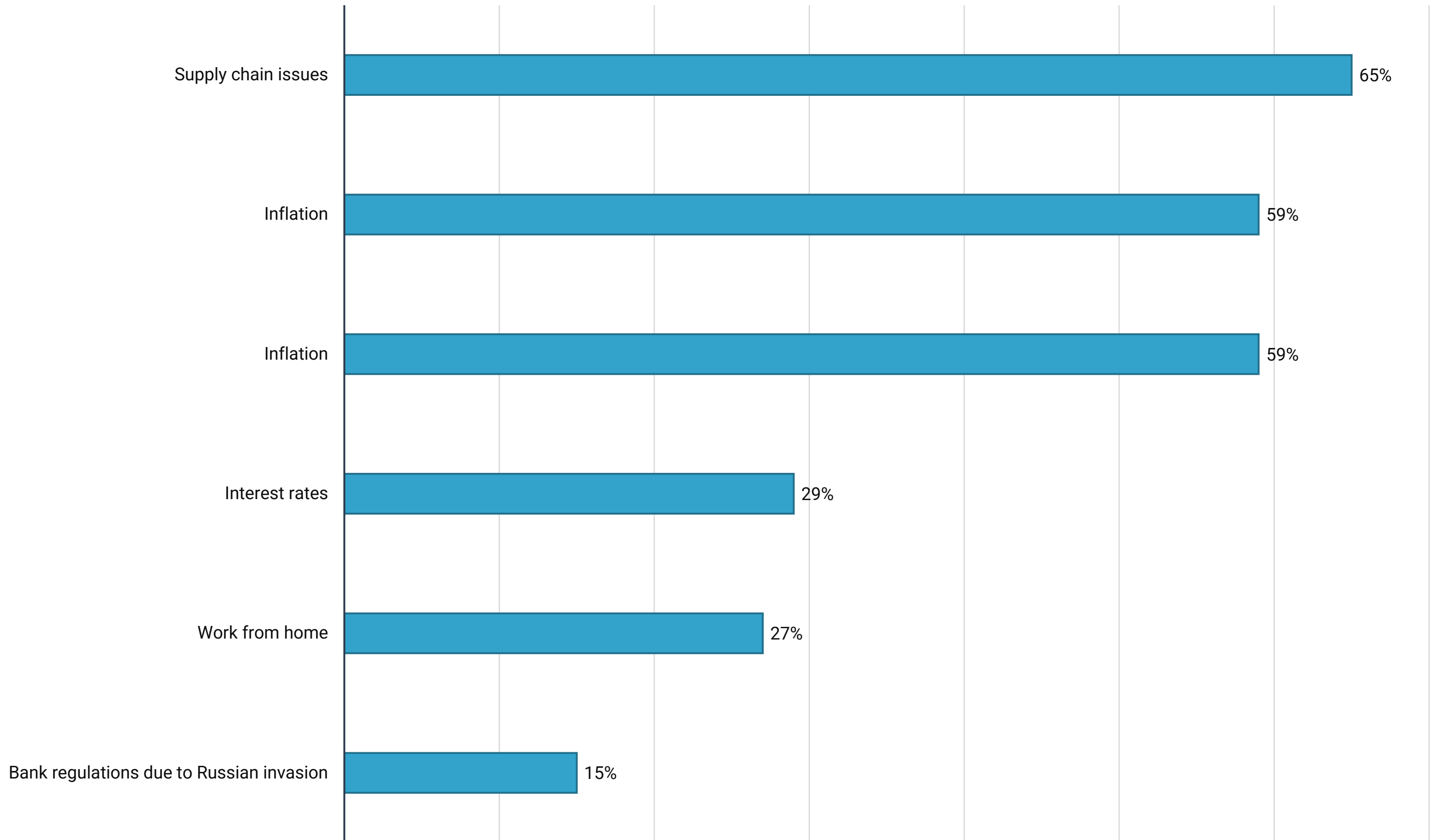
Russia invades Ukraine.



Average US gas price rises 22% in two weeks to record \$4.43.

POLL QUESTION

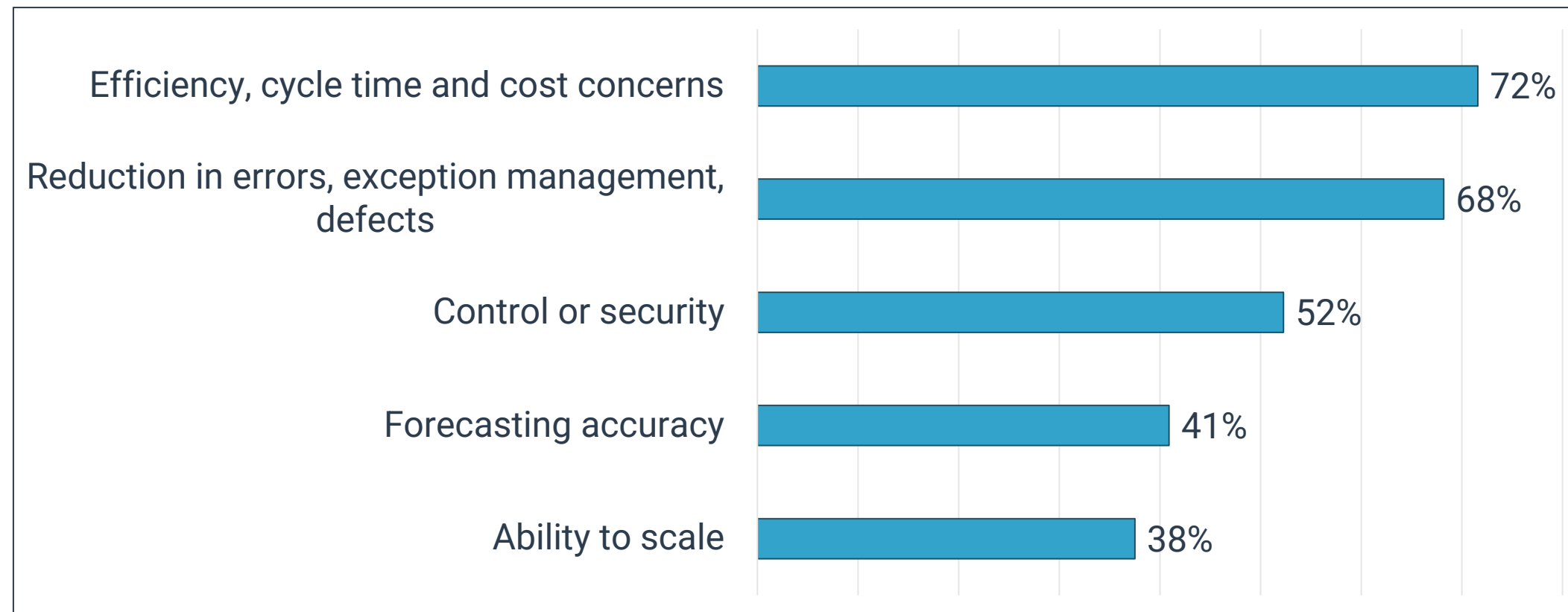
Which of the following have been the most difficult to deal with over the past two years? (select all that apply)



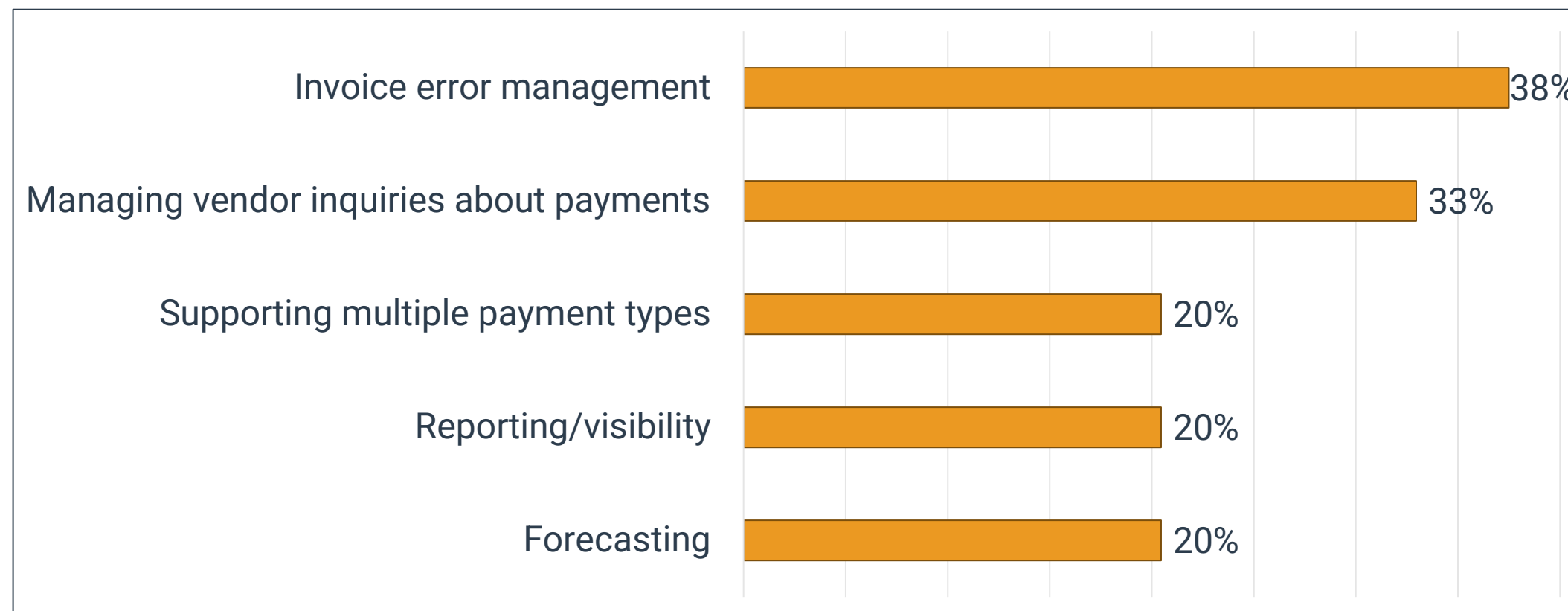
PRIORITIES AND PAIN POINTS

PAYMENTS

» *What would drive you / or drove you to more AP automation? (Select all that apply)*



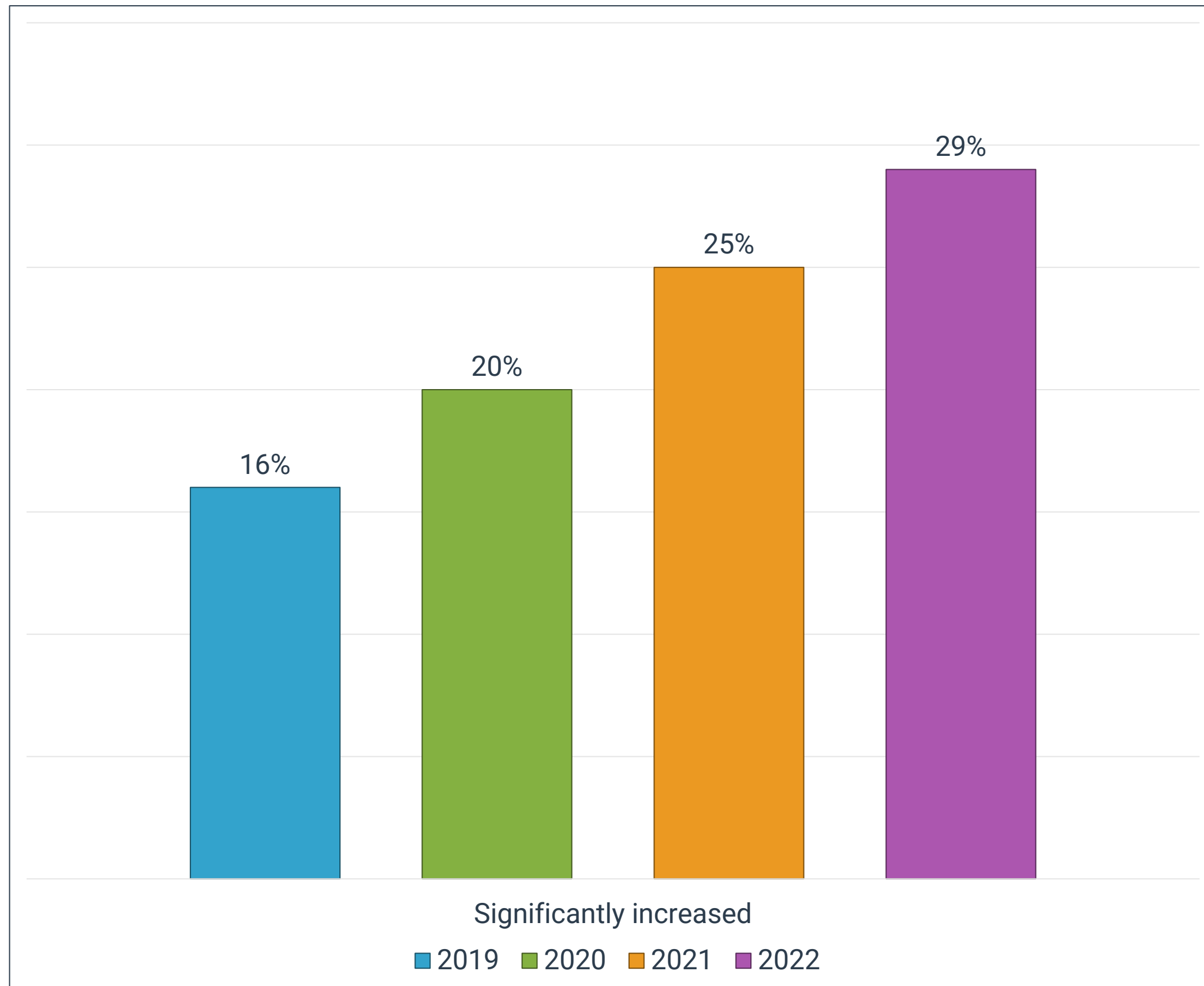
» *What task is the largest pain point in your AP process? (Select up to three)*



FRAUD

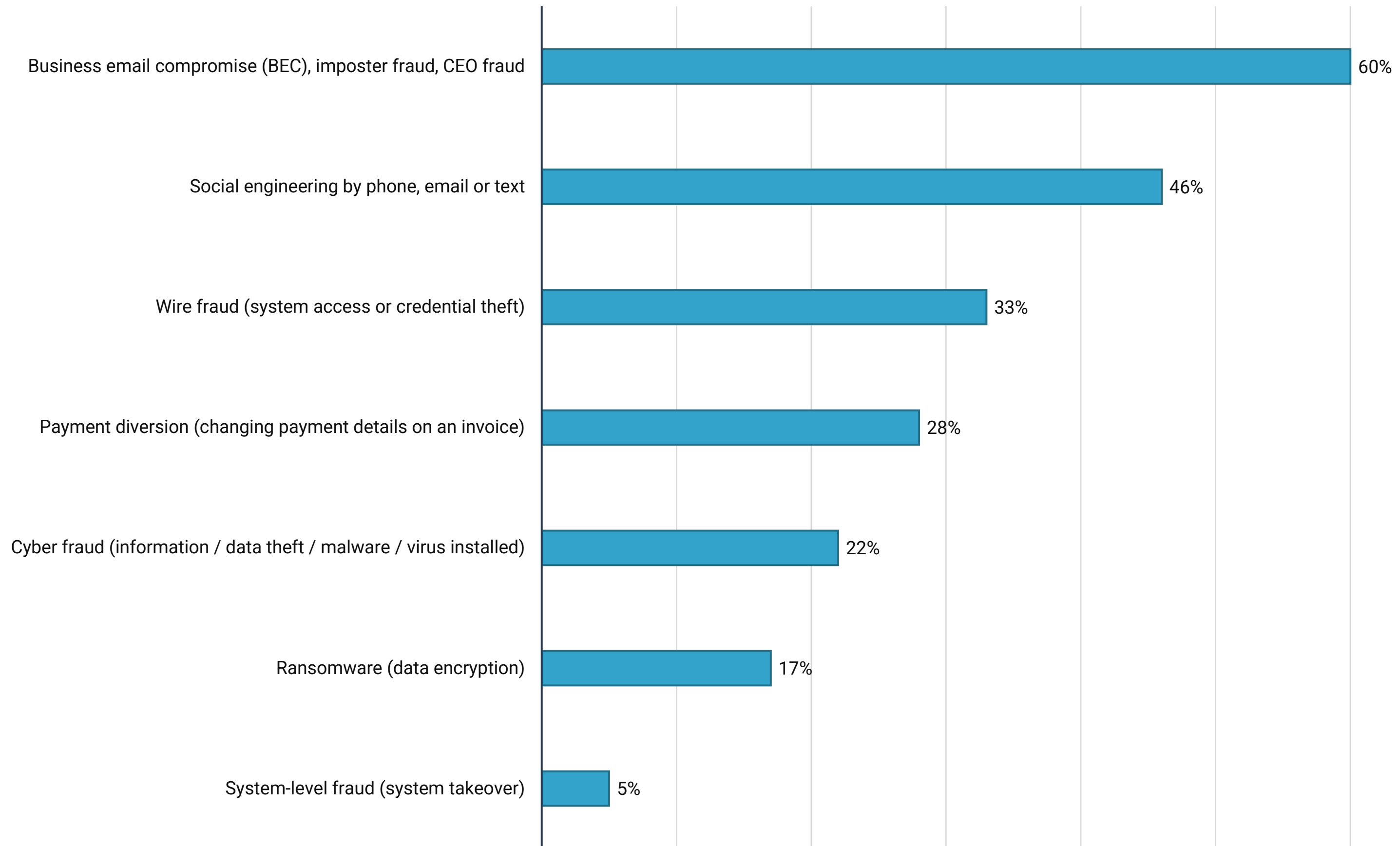
TREND AND EXPERIENCE

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



POLL QUESTION

Thinking of the last 12 months, please label your company's experience (attempt made or suffered loss) with each of the following: (select all that apply)



TYPES OF FRAUD

OVER PAST YEAR

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

Percentage of 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.



Business email compromise (BEC), imposter fraud, CEO fraud **73%**



Social Engineering by phone, email or text **69%**





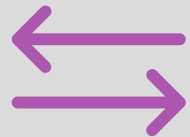

Cyber fraud (Information / Data theft / Malware / Virus installed) **41%**



Payment diversion (changing payment details on an invoice) **45%**

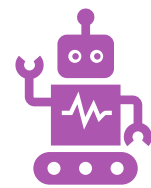
FRAUD ISSUES

FOR PAYMENTS

 Setup changes	Vendor master records
 Payment process	Alterations unencrypted
 Transmission	Interception
 Bank or address info	Alter master record or payment file

CONTROLS

FRAUD PREVENTION



Monitoring / ML

- Detects anomalies



Confirmation

- OOB (Out-of-Band)
- Separate channel



Validation

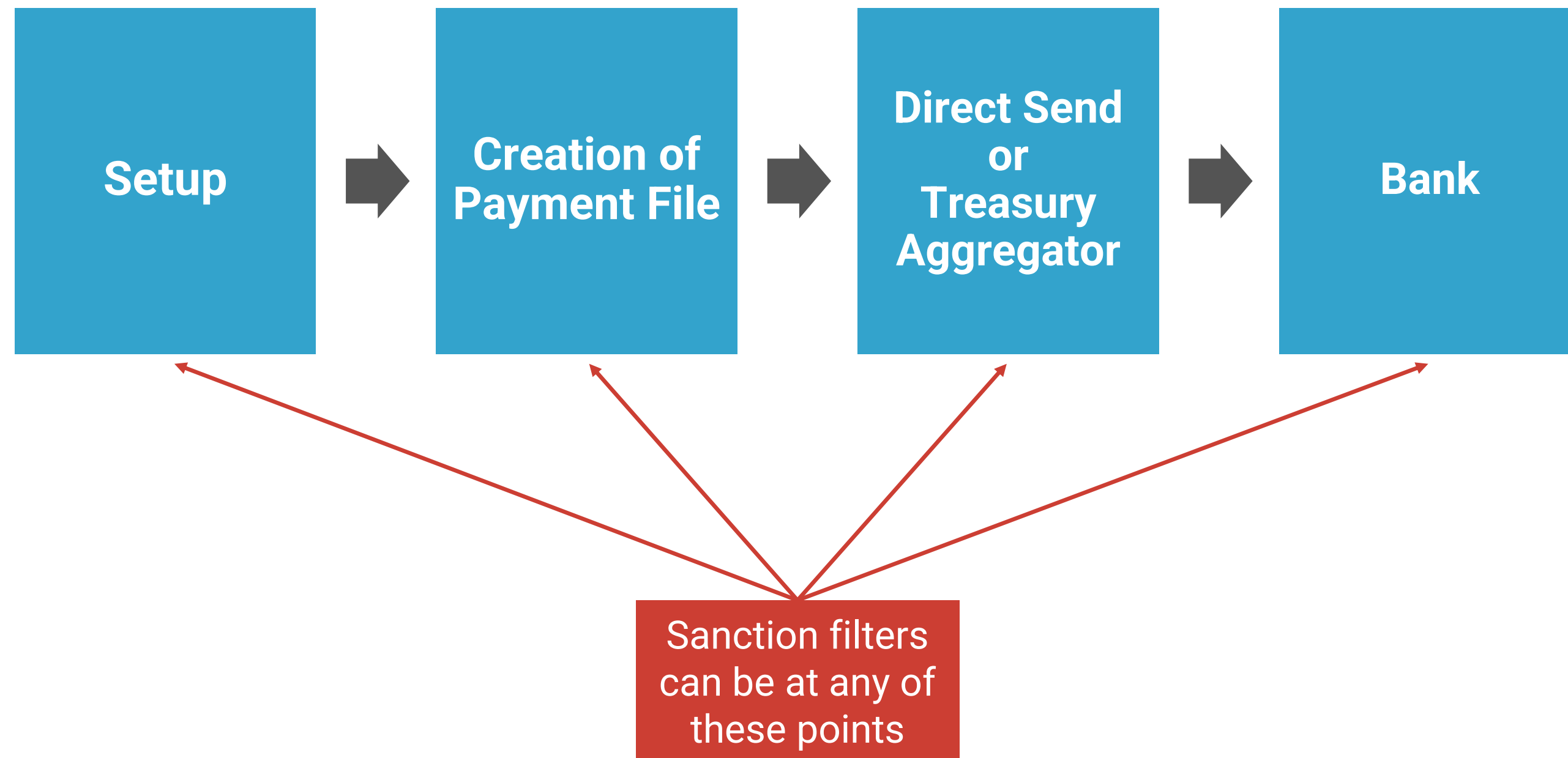
- List
- Community



Record / File

- File control
 - Totals
 - Hashing

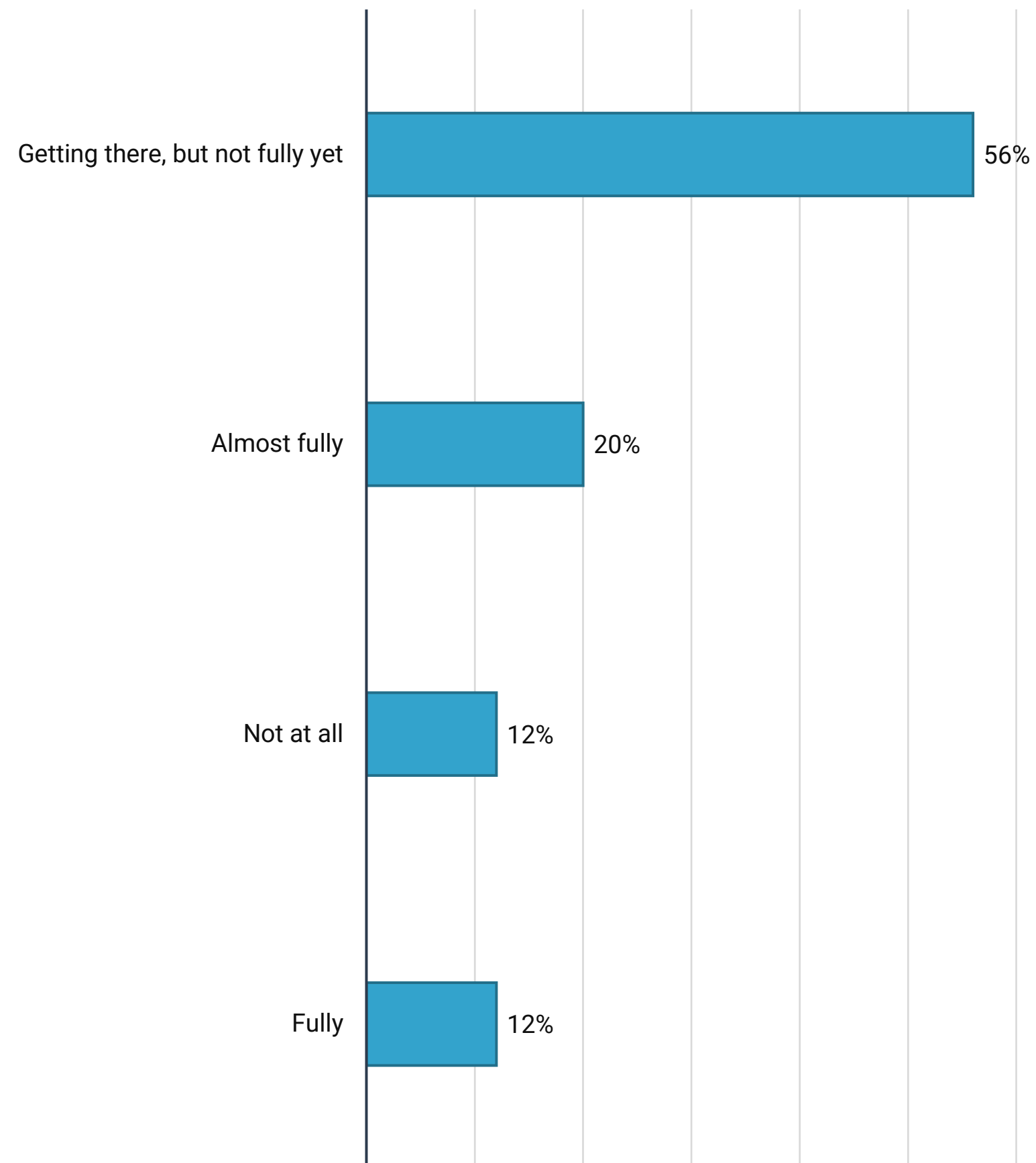
COMPLIANCE AND REINFORCEMENT



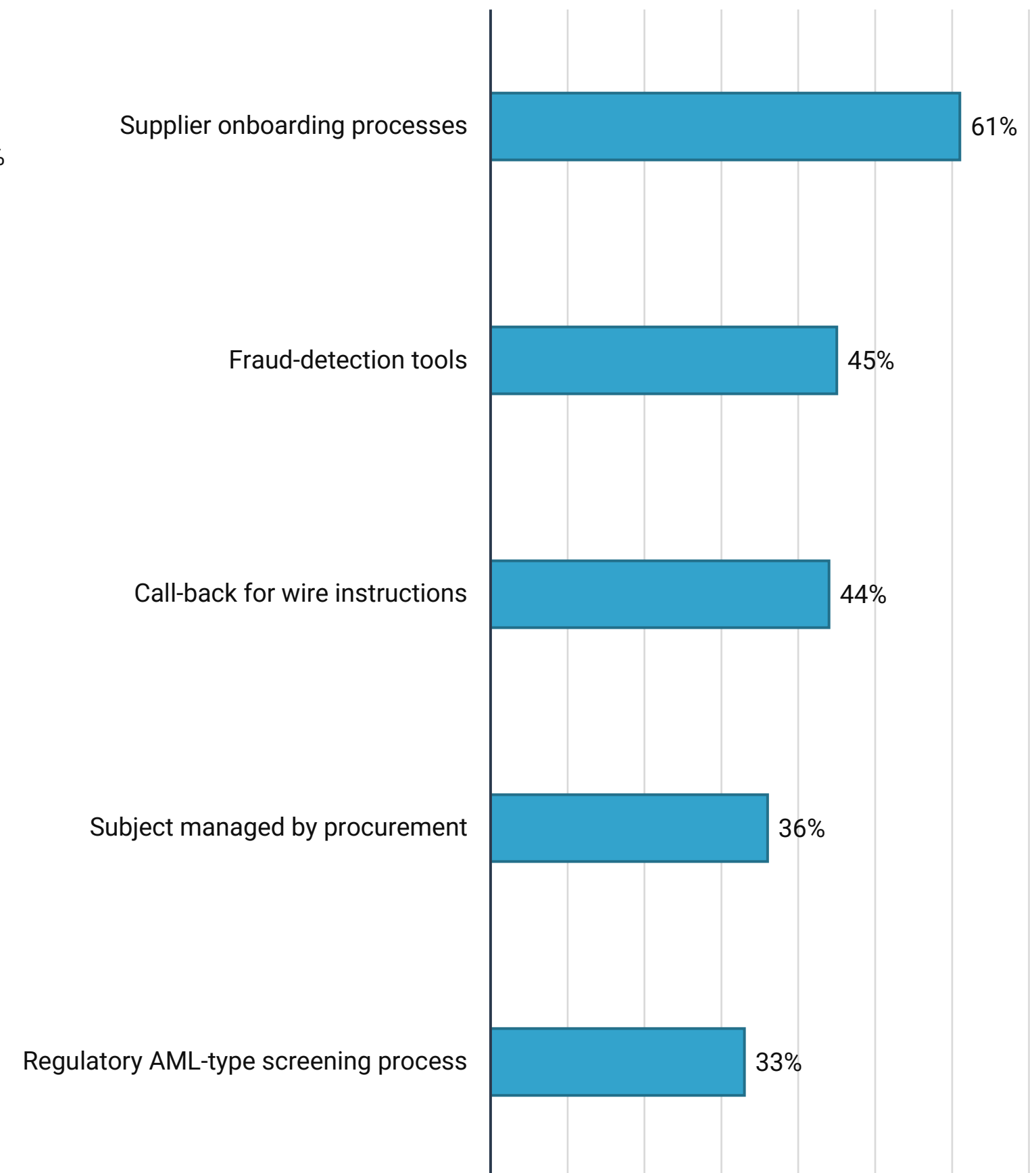
- Compliance requirements
- Responsibility of payor to comply with sanctions
- Changing requirements
- Not just with the bank
- Fines

POLL QUESTION

How automated are your operational efficiency and straight-through processes? (single choice)

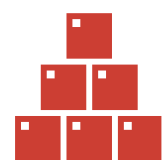
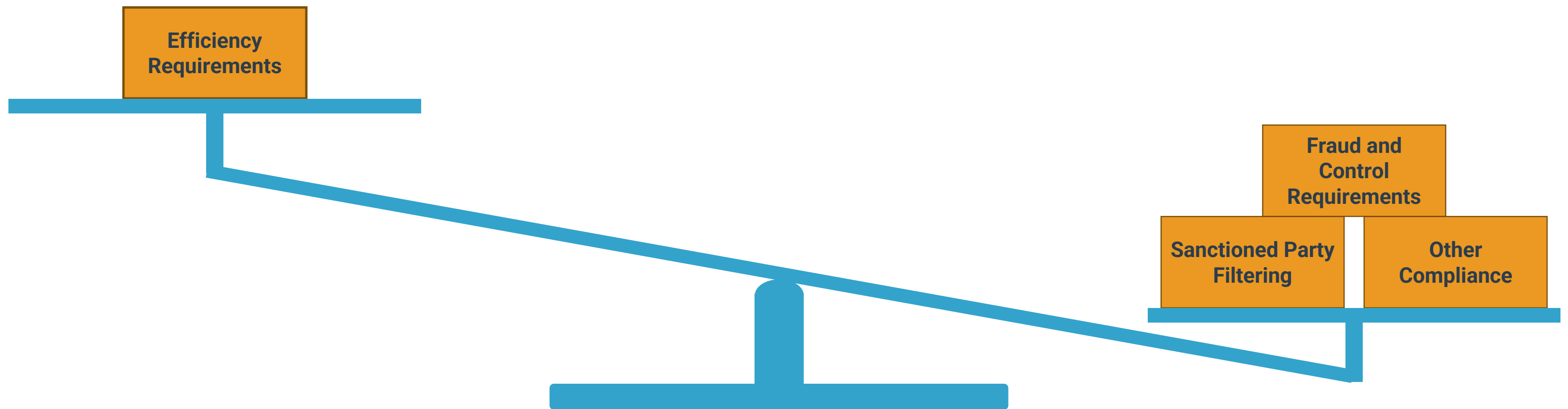


How do you validate the counterparties to whom you're making payments?



THE CHALLENGE

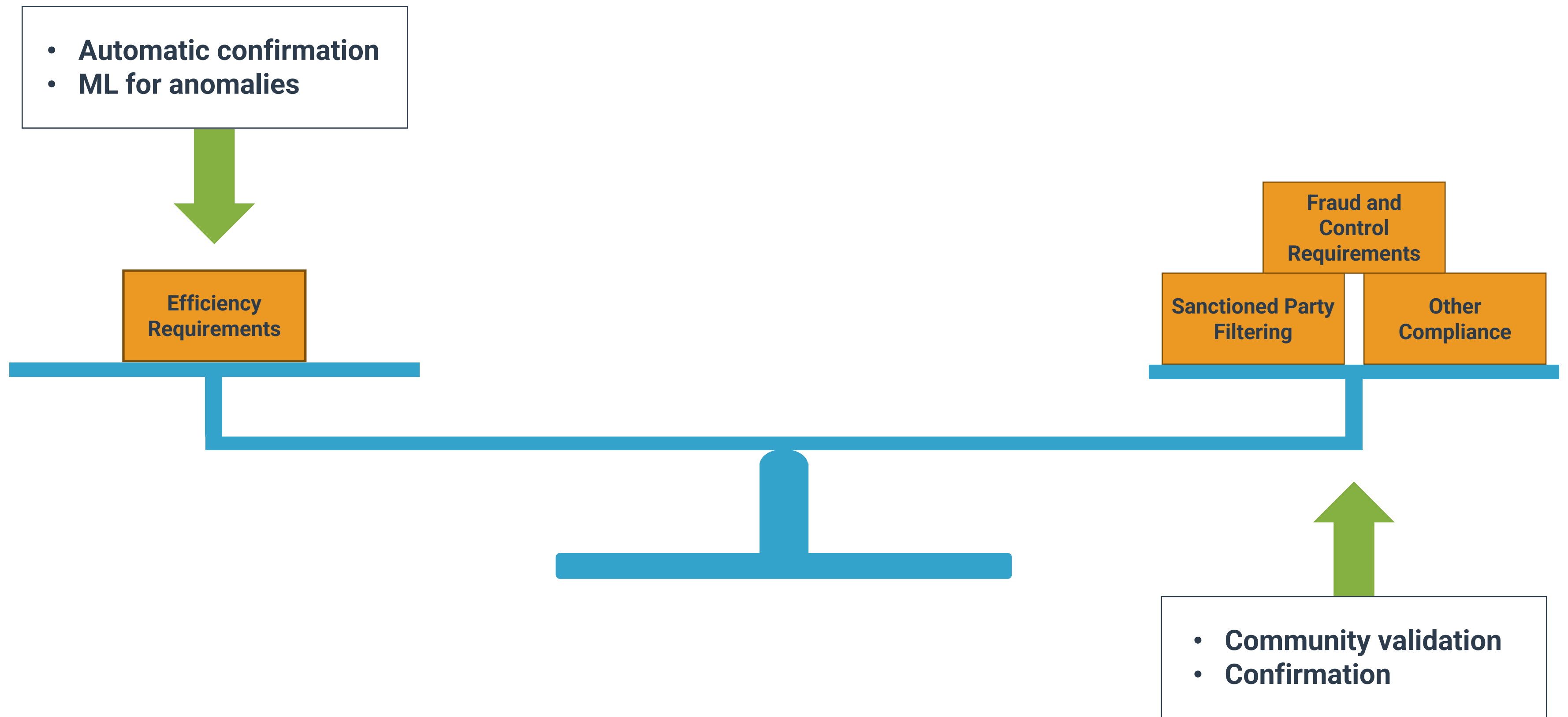
TO BALANCE EFFICIENCY AND CONTROLS



Controls take an inordinate amount of resources.
How can we balance controls with efficiency?

THE SOLUTION

BALANCE THROUGH TECH



Automatic confirmation and ML relieve pressures of time-intensive tasks. Community validation and confirmation services are incorporated into the process for efficient controls.

FINAL THOUGHTS

HOW TO PROCEED



DILIGENCE REQUIRED

- Challenges
- Competing demands
- Process mindset, not event



COMPLIANCE & EFFICIENCY

- Requires automation
- Entire process
- Power of community (networks)



FRAUD & EFFICIENCY

- Standard practice
- Anomaly detection
- Power of community (networks)

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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[Episode 182: 2022 Outlook Series: Payment Predictions](#)

Host Craig Jeffery kicks off the 2022 Outlook series with a conversation with Jon Paquette, Vice President of Solutions at TIS (Treasury Intelligence Solutions), on the outlook of payments. They discuss technology developments that will likely have the biggest impact on treasury in 2022. Listen in as they share what's on the horizon with payments in the year ahead and beyond.

To listen, visit: <https://bit.ly/3tCi88k>

[Click here to listen](#)