

Fraud Awareness: Business Email Compromise and Vendor Payments

Uptick in Business Email Compromise (BEC) Using Vendors to Request Change in Payment Instructions

We have seen a recent increase in attempted fraud that has impacted several commercial clients. Cybercriminals are infiltrating email systems to impersonate trusted vendors and executives with Business Email Compromise (BEC) schemes to request payment of invoices or change payment instructions on the transfer of funds.

The most important thing you can do to prevent the fraudulent transfer of funds is to have a process in place to validate the payment change request.

Illustration of BEC Scheme

Example: An email from a purported inside executive or outside vendor is sent to someone in the finance department with information about an invoice that needs to be paid urgently. The invoice is from an existing/legitimate vendor. When the finance department replies to the email, it is directed toward the Internet criminal. The hacker, posing as the business executive or outside vendor, then replies with a *change of payment instructions* and another urgent plea to avoid business disruption by processing the payment quickly. The money is then routed to the hacker's account and potentially not discovered until it's too late and the money is lost.

Tips to Help Avoid Falling Victim to Fraudulent Schemes:

- **Be aware** of any change in payment instructions purportedly coming from a vendor or even from an inside employee. Take note of poor grammar or a sense of urgency to transfer funds as these are hallmarks of suspicious emails.
- **Validate any change in payment instructions.** Use multiple and varied systems to strengthen the validation process, i.e. if a payment change request was sent via email, pick up the phone to validate with a known contact rather than a phone number provided in the email.
- **Notify Signature Bank immediately** if you notice any suspicious activity on your account.

The security and protection of your business assets and information is our top priority at Signature Bank. Thank you for doing your part to help keep your accounts safe and secure. For more information on protecting yourself from fraud, visit our Signature Bank Fraud Center <https://www.signaturebank.bank/about-us/fraud-prevention/>.