

Financial Fraud Trifecta: BEC Scams, Wire Fraud, Check Fraud – Part I



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*What can we do
to prevent fraud in
our accounts?*



Business Emails – Caution!



**Don't open attachments or
click on links in an email if
you don't know who it's from.**

**If an email says it's from
someone you know,
but it doesn't "sound" like
them – check it out!**

Wire Transfer Fraud

Where did the wire go???



Although other departments can request a wire transfer, it can only be initiated and released from the City Treasurer's Office.

The City rarely sends wire transfers to foreign entities.



Check Stock

- * Purchase only controlled check stock.**
- * Never purchase totally blank check stock.**



- * Purchase checks with security features (the more security features the better)**

- o Dual-tone watermark
- o Chemical sensitivity
- o Toner anchorage
- o Thermochromatic ink
- o Others

Procedures

- * Restricted access to check stock.**
- * Timely reconciliation of checks and accounts.**
- * Tracking of control numbers and check numbers.**

Procedures

- * Positive Pay with entity's bank**
 - o No positive pay process (BAD IDEA)
 - o Reverse positive pay process (GOOD IDEA)
 - o Positive pay process, including payee name (GREAT IDEA)
- * Print on all checks "THIS CHECK EXPIRES AND IS VOID AFTER XX DAYS"**

Prevention of unauthorized Debits



- * Put debit blocks on all bank accounts
 - o Full debit blocks
 - o Debit blocks with "allowables"
- * Controls and procedures for all wires

If you have weak fraud prevention, start somewhere (and start now!) to add fraud prevention tools and procedures to your organization.



If you are one of the lucky ones that have NEVER had any fraud, eventually you WILL have fraud.

No fraud prevention is 100% successful. Be vigilant!



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