



Businesses Beware: The Fraudsters Are One Step Ahead

By CPM Attorneys

As the old adage goes, an ounce of prevention is worth a pound of cure. Often, clients ask us for help after they have become the victim of a fraud, such as embezzlement, the theft of trade secrets, or the misuse of a company name or copyright. Taking proactive steps to educate oneself about threats can prevent such problems from ever coming about, but safeguarding your financial data or intellectual property requires vigilance, planning, and training of key staff.

Recently, we received an advisory that should be of interest to you. The advisory, published by the United States Computer Emergency Readiness Team, indicates that the Secret Service, the FBI, the Internet Crime Complaint Center and the Financial Services Information Sharing and Analysis Center have compiled a document called "Fraud Advisory for Businesses: Corporate Account Takeover". This document explains how cyber criminals target small-and medium-sized businesses using methods such as malicious code, phishing, and social engineering attacks to compromise business banking accounts. Once the accounts are compromised, cyber criminals can fraudulently transfer funds out of them and cause significant business disruption and substantial monetary loss. This advisory provides information that businesses can use to help understand, prevent, detect, and respond to the threats of corporate account take over.

Clients and their IT administrators are urged to review this document and other documents available on the government's website to remain vigilant in combating the threats of corporate account takeover. The document is available at:

<http://www.ic3.gov/media/2010/CorporateAccountTakeOver.pdf>

If you prefer, you can request a copy from CPM Attorney Joe Patchen. For more information about how to safeguard your company's valuable assets, safeguard against employee defalcation/fraud, and select the right sort of insurance coverage as a backstop to certain business risks, please contact your CPM attorney.