Corporate Account takeover & Payments Fraud

What is happening now?

Version 2

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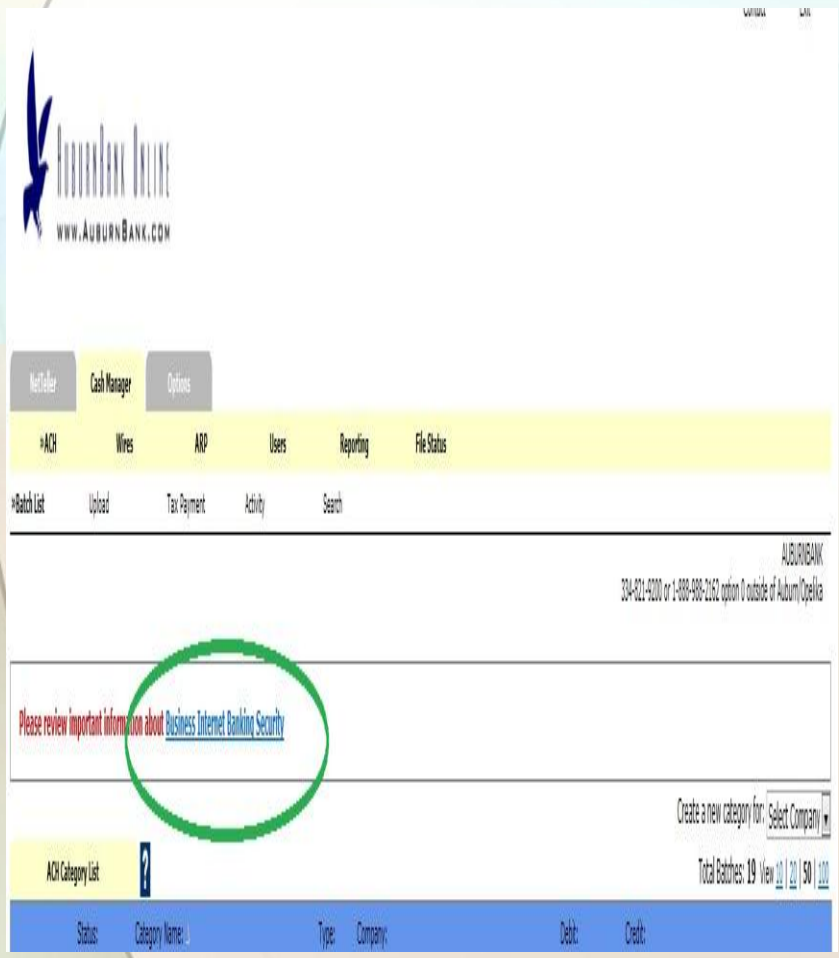
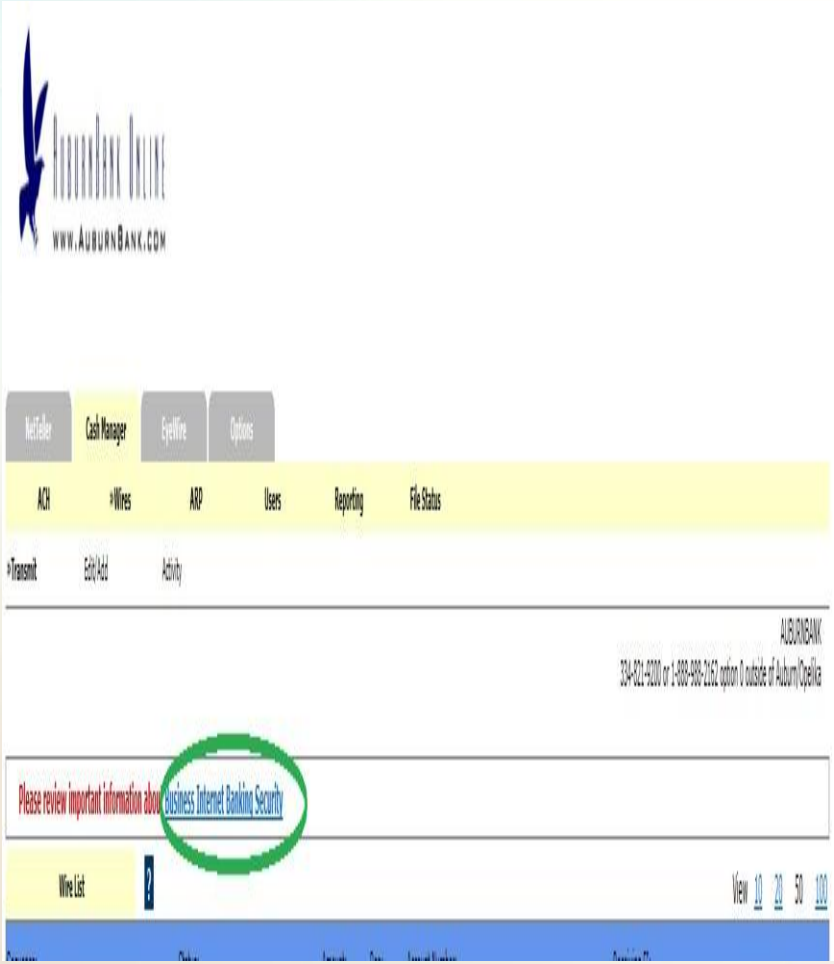
AuburnBank

SECURITY NOTICE 09/2012

- Please be aware that some malware (computer viruses) may attempt to capture your token number (this is the number that changes every 60 seconds). If you enter your token and receive a message that the bank's systems are down, please call either Meggan Neese or me at the numbers below immediately so that we can confirm if there is an issue.
- Additionally, other malware may ask you to input various information to allow the bank to update your records, including your date of birth, SSN/EIN, etc., the system may then tell you to expect a phone call from the bank. The caller will ask for your token number. If you see a screen or receive a call requesting this information, please do not provide it and call either Meggan Neese or me at the numbers below immediately.
- AuburnBank offers several security measures to help protect your funds. You should review the PDF that is shown on both the Wire and ACH screens as show below for more information. One antifraud layer that is successful is IP restrictions. This limits access to your accounts to certain locations. There is NO charge for this feature. Please contact us if you would like more information on this FREE service.
- Finally, if you originate ACH you may have received a fax concerning suspicious transactions, we appreciate your prompt response to these so that we can to help protect your accounts. To further assist in protecting our wire customers, we will start calling to confirm all Internet wires beginning September 10. If you send an Internet wire, and know you will be out of the office, please call the wire department at 334-821-9200 to confirm that you did initiate the wire. If we are unable to verify the wire, your funds transfer could be delayed. We apologize for the inconvenience, but we want to protect your funds.
- If you do need to reach the bank concerning suspicious activity, please call us instead of using email. If your computer system has been compromised, the hacker could have access to your email and delete messages before we can receive them or send fake messages authorizing various activity.
- As always, if you are ever concerned about any electronic banking security issue, please do not hesitate to call us.
- Meggan Neese: 334-887-2723
- Jerry Siegel: 334-887-2786
- Also, if the call is urgent please feel free to 0 out of Voice Mail and ask the operator to find someone.

You should review the PDF that is shown on both the Wire and ACH screens as show below for more information





What's Corporate Account Takeover?

- Corporate Account Takeover is a type of business identity theft in which a criminal entity steals a business's valid online banking credentials. Small to mid-sized businesses remain the primary target of criminals, but any business can fall victim to these crimes.
- Attacks today are typically perpetrated quietly by the introduction of malware through a simple email or infected website. For a business that has low resistance to such methods of attack, the malware introduced onto its system may remain undetected for weeks or even months.

Am I protected?

- Consumers enjoy a certain level of protection that business bank accounts, DBA's, and Estates do not, and it's called "Regulation E."
- **Losses from Corporate Account Takeover are not covered under Regulation E. This means the Financial institution is not obligated to replace funds that are stolen**
- We encourage you to perform risk assessments and controls evaluations periodically

- Malware-short for malicious code
  Designed to disrupt and/or deny operation, gather information, and gain unauthorized access

  - Viruses- A computer virus is a computer program that can replicate itself and spread from one computer to another.
  - Worms-A computer worm is a standalone malware computer program that replicates itself in order to spread to other computers.
  - Trojan Horses-A Trojan horse, or Trojan, is a program with a benign capability that conceals another malicious program.
  - Spyware-Spyware is a type of malware (malicious software) installed on computers that collects information about users without their knowledge.
  - Rootkits-A rootkit is a stealthy type of malicious software (malware) designed to hide the existence of certain processes or programs from normal methods of detection and enable continued privileged access to a computer.

Threats-Events

- 2007 <5M
- 2009 @ 40M
- 2010 @60M

How are breaches occurring

- Hacking 81%-Hacking means finding out weaknesses in a computer or computer network and exploiting them, though the term can also refer to someone with an advanced understanding of computers and computer networks.
- Malware 69%-Malware, short for malicious software, is software designed to disrupt computer operation, gather sensitive information, or gain unauthorized access to computer systems.
- Physical attacks 10%- When attackers are able to physically access a system
- Social tactics 7 %-Manipulating people into performing actions or divulging confidential information. While it is similar to a confidence trick or simple fraud, it is typically trickery or deception for the purpose of information gathering, fraud, or computer system access; in most cases the attacker never comes face-to-face with the victims.
- Privilege misuse 5% - Abusing access rights fraud is committed by trusted users

Forget 9-5!

Wake up, have some coffee, begin the day with a nice compiled list of computer addresses for vulnerable devices along with exact user names and passwords needed to access them. After that, put in a few hours cramming malware onto selected systems, revisit last weeks victims to collect some captured data, and then head home early to the wife and kids.

What is the Info Worth?

- Credit card details $2-$90
- Physical credit card $190+
- Bank credentials $80-$700

Security

AuburnBank maintains layered security methods in addition to your user name and password including: RSA tokens, fraud detection monitoring systems, challenge questions, exposure limits, bank approval of new users and changes in user settings.

AuburnBank will never ask you for your password

What else? Additional methods available to you at no additional cost

- IP restrictions-only allow certain IP addresses
- Time restrict-Administrator can establish days or times users can access Netteller
- Dual control on ACH & Wire transfers

What can I do?

While AuburnBank takes multiple security measures to help protect your personal information unfortunately fraud is constantly changing. Here's some tips on how to protect your sensitive information.

- We encourage you not to communicate sensitive information through an unsecure method
- Create a secure financial environment by dedicating one computer exclusively for online banking and cash management activity. This computer should not be connected to the business network, have email capability, or connect to the Internet for any purpose other than online banking.
- Reconcile accounts online daily; at a minimum, review pending or recently sent ACH files and wire transfers.
- Be very skeptical of random pop-up windows, error messages and attachments
- Use appropriate tools to prevent and deter unauthorized access to your network and periodically review such tools to ensure they are up to date. These tools include:
- o Firewalls
- o Security suites
- o Anti-botnet, anti-malware, and anti-spyware programs
- o Encryption of laptops, hard drives, VPNs or other communication channels
- o Education of all computer users

Resources

Additional information can be found at

http://www.fbi.gov/about-us/investigate/cyber/cyber

http://onguardonline.gov/

Contact information

Please make sure that we have a valid email address, phone number, fax number or any other information we may need to contact you in the event we suspect unusual activity

Questions

Please feel free to contact AuburnBank if you have any questions or would like additional information on corporate account takeover & payments fraud.

Contacts

Jerry Siegel –jsiegel@auburnbank.com

Meggan Neese- mneese@auburnbank.com

334-821-9200