

As your financial institution, Heritage Bank of Commerce is constantly reviewing emerging risks which may negatively impact your business or put your finances at risk.

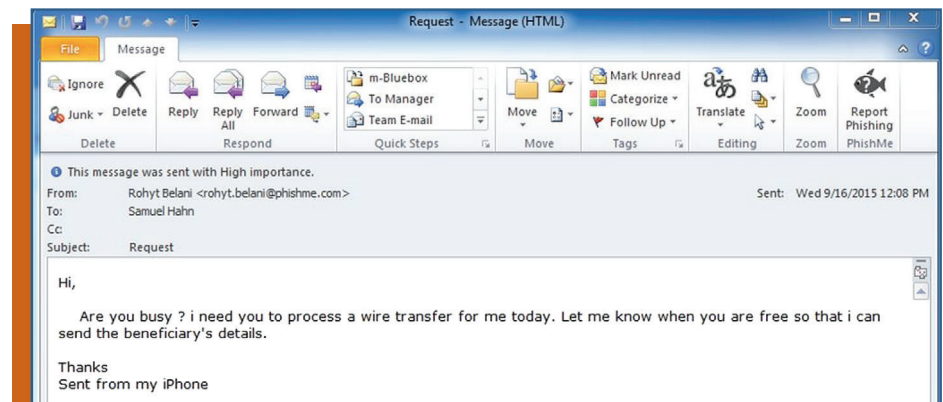
## Business Email Compromise

### LOOKING OUT FOR YOUR ONLINE SECURITY

There continues to be a significant global increase in "Business Email Compromise" (or "BEC") which fraudsters are using in an attempt to coerce fraudulent wires or ACH transactions. The fraudsters are 'spoofing' a business partner or internal employee by mimicking or faking the email address and sending official looking wire transfer requests. This could be an email that appears to be from a vendor, or an email sent to company employees that appears to be from an internal management individual, often the CEO. These requests often reiterate the urgency of their request.

These emails can be difficult to detect, since the fraudsters are very adept at their 'trade.' However, there are steps you can take to help protect your company from becoming one of the growing list of victims of these scams.

- Carefully check the "From" address – is the company name spelled correctly? Is the individual's name spelled correctly?
- Is this the sender's email address? Is it coming from an unusual email address?
- Is it 'normal' for your vendors or management to request a wire transfer or ACH via email? Is this a request to change long-standing payment instructions?
- Is the tone or grammar of the email consistent with your normal email correspondence with this individual?
- Do the wire or ACH instructions make sense? Are you being asked to send a wire to a foreign country, particularly if the business is not foreign?



### OTHER TIPS TO HELP PREVENT WIRE FRAUD IN YOUR COMPANY INCLUDE:

- Utilize dual control and segregation of duties for all wire or ACH transfers. This requires that a second employee must approve any transfer created, thus adding a second set of eyes to ensure the transaction is valid.
- Utilize "Out of Band" or "Two Factor" Authentication, which sends a one-time passcode to your registered cellular phone or email whenever a wire or ACH is created or requires approval.
- Require written requests for wire transfers within your company, and have specific levels of authority for approving a wire transfer.
- Always validate email requests with a call to a known phone number, not a contact method included in the email request.

Prevention prior to sending funds is important as recovery of funds sent is difficult, often with no recovery possible. Taking care before sending funds is time well spent.

For further information, please contact your banking professional or our Wire Operations Department at: (408) 792-4099

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