

Bank Smart: Business Fraud Protection

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Disclaimer

The views, content, best practices and examples shared in this presentation are for informational purposes and should not be considered legal advice.

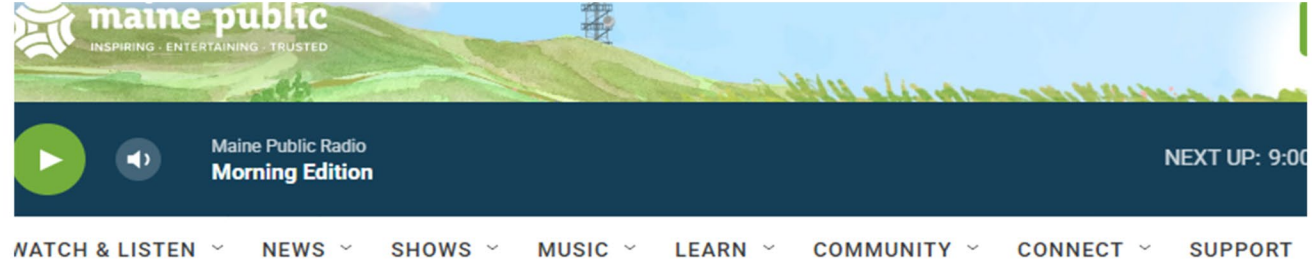
Examples of scams and fraud provided herein have been sourced from publicly documented research, news articles, and industry trends and are not necessarily based on specific Kennebec Savings Bank customers. Any resemblance or similarity is purely coincidental.

Maine animal nonprofits targeted by scammers pretending to be donors

Fraudulent checks were sent to local rescues, nearly costing thousands.



March 2025



Courts and Crime

Bar Harbor School Department victimized by cybercriminals

Maine Public | By [Carol Bousquet](#)
Published March 14, 2025 at 5:52 PM EDT



The Bar Harbor School Superintendent said the district was the target of cybercriminals who diverted more than a million dollars in school department funds intended to pay a contractor into a fraudulent account.

In a statement, Superintendent Mike Zboray said a fraudulent request to change bank account information in January was processed by school staff.

Business Email Compromise

~\$55B over 10 years



Alert Number: I-091124-PSA
September 11, 2024

Business Email Compromise: The \$55 Billion Scam

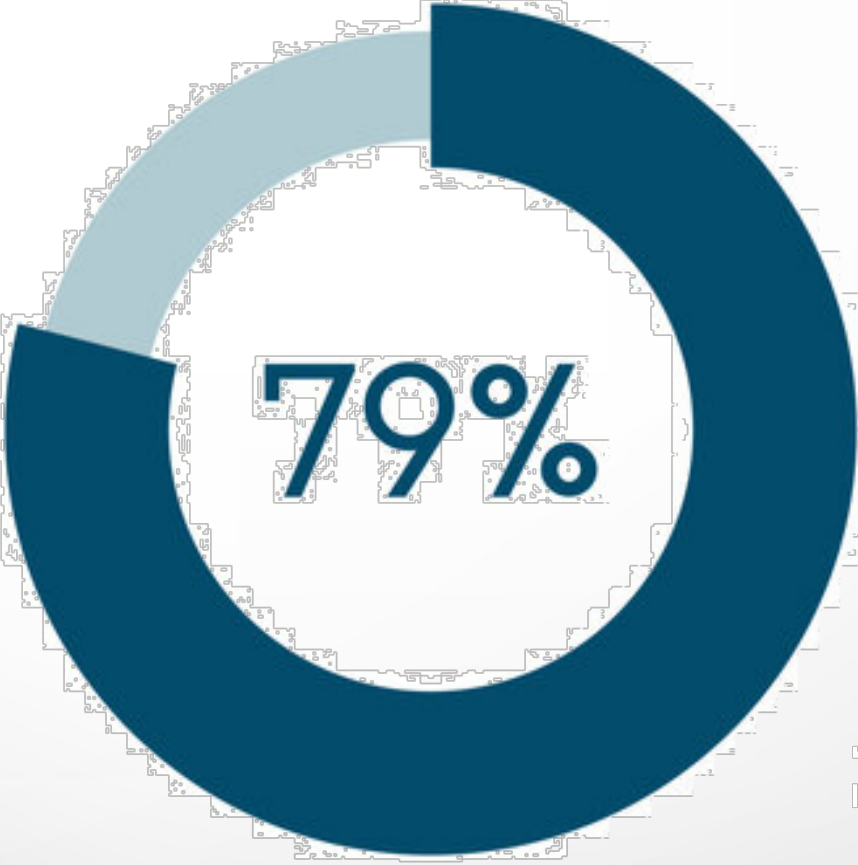
This Public Service Announcement is an update and companion piece to Business Email Compromise PSA [I-060923-PSA](#) posted on www.ic3.gov. This PSA includes new IC3 complaint information and updated statistics from October 2013 to December 2023.

DEFINITION

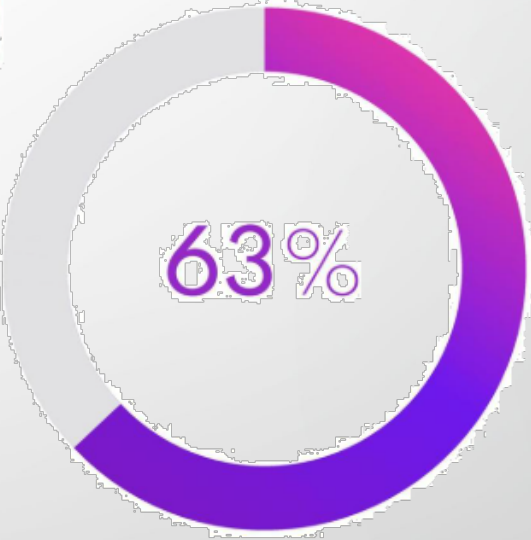
Business Email Compromise/Email Account Compromise (BEC) is a sophisticated scam that targets both businesses and individuals who perform legitimate transfer-of-funds requests.

The scam is frequently carried out when an individual compromises legitimate business or personal email accounts through social engineering (PSA [I-041124-PSA](#)) or computer intrusion to conduct unauthorized transfers of funds. Often times BEC variations involve compromising legitimate business email accounts and requesting employees' Personally Identifiable Information in order to compromise other accounts that may be related to other scams.

- Accounts payable scams
- Fake invoices
- Wire transfer fraud
- Online account takeover



Organizations reported
attempted or successful
payments fraud in 2024



Of those, 63%
reported check fraud

Police warn Mainers about thieves stealing mail in Kennebunkport area

by Ariana St Pierre, WGME | Wed, January 18th 2023 at 9:39 AM



Mailbox in Maine (WGME)



TOPICS: [KENNEBUNKPORT](#) [KENNEBUNKPORT,MAINE,UNITED STATES](#)

KENNEBUNKPORT (WGME) -- Police say the n
the Kennebunkport area and they are warni
lookout.



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PRESS RELEASE

For Immediate Release | March 19, 2024

ABA and U.S. Postal Inspection Service Announce Partnership to Combat Check Fraud

ABA, USPIS release infographic with consumer tips

WASHINGTON — The American Bankers Association and the U.S. Postal Inspection Service today announced a new joint effort to combat the rapid rise in check fraud, which has increased nationwide by 385% since the pandemic, according to the U.S. Treasury Department. Check fraud schemes commonly target the U.S. mail to steal checks, alter or wash them to change the payee and dollar amount, and ultimately steal money from victims' accounts.

PRESIDENT DONALD J. TRUMP

The WHITE HOUSE

Q

FACT SHEETS

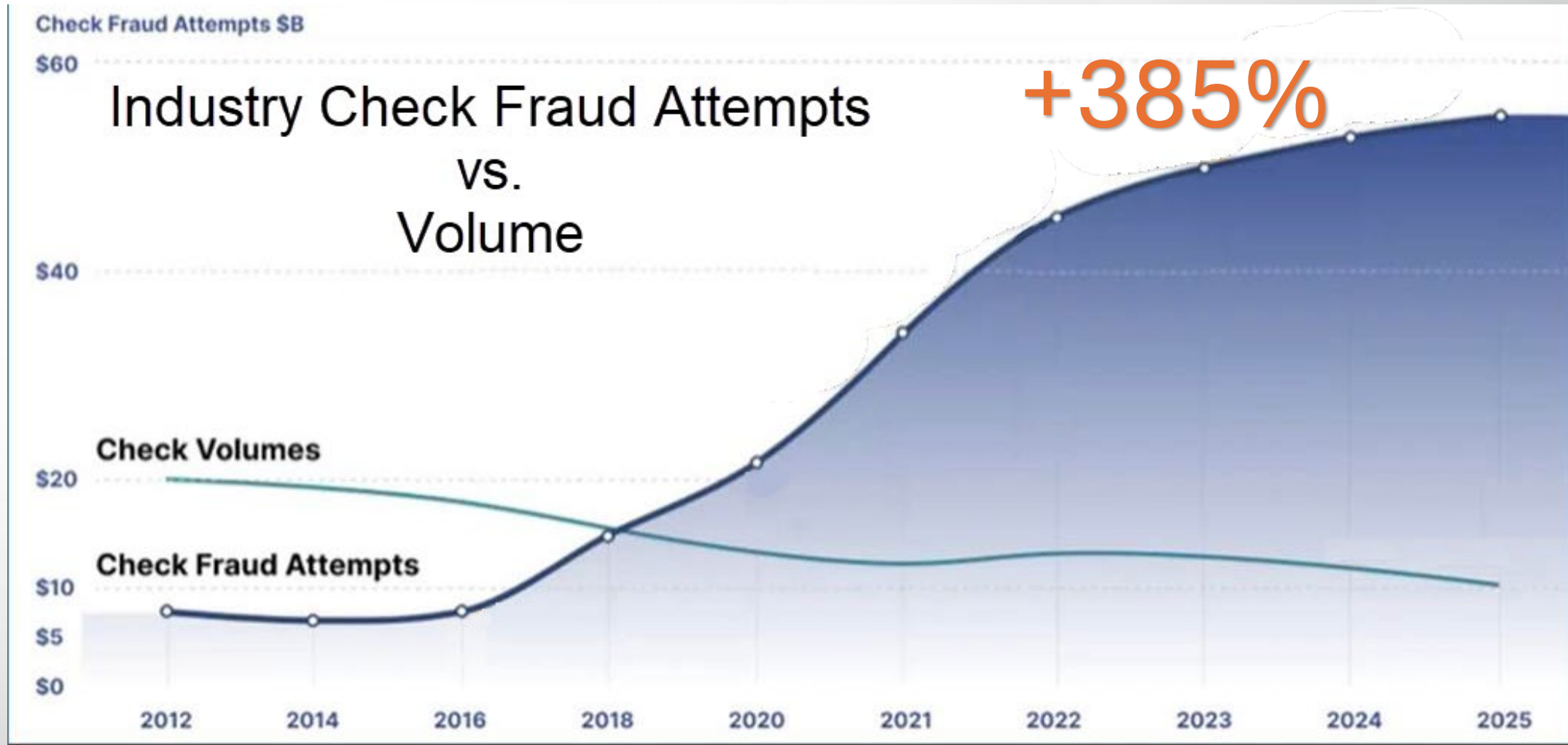
Fact Sheet: President Donald J. Trump Modernizes Payments to and from America's Bank Account

The White House | March 25, 2025

PHASING OUT PAPER CHECKS: Today, President Donald J. Trump signed an Executive Order to modernize how the government handles money, switching from old-fashioned paper-based payments to fast, secure electronic payments.

- The Order mandates that, effective September 30, 2025, the Federal government will cease issuing paper checks for all disbursements, including intragovernmental payments, benefits, vendor payments, and tax refunds.
- All executive departments and agencies must transition to modern, electronic funds transfer (EFT) methods like direct deposit, debit/credit card payments, digital wallets, and real-time transfers.
- Payments made to the Federal government, such as fees, fines, loans, and taxes, must also be processed electronically where permissible under existing law.

The Payments Landscape: Check Fraud is Exploding



USPS Mail Theft



- Checks left in residential mailboxes overnight or for long periods of time
- USPS blue collection boxes after the last pickup time
- Burglary of USPS facilities
- Robbery of USPS employees
- Bribery/collusion of USPS employees

90.5%

76 out of 84 postal facilities

across 25 states were found to have untracked or unsecured master keys (for collection boxes, etc)

What's in a Check? What isn't in a Check?

Personal Info

Your handwriting

Check Number Range

John Q Doe
Jane Z Doe
100 Somewhere Street, PO Box 99
Augusta, ME 04330

1936

Handwriting sample here
DATE

PAY TO THE
ORDER OF ... and there ...

\$... and

... and there ..

DOLLARS



Security
Features
Details on
back



FOR ... everywhere ...

Signature Sample

John Doe

0000000186

0000000529

1000

Bank

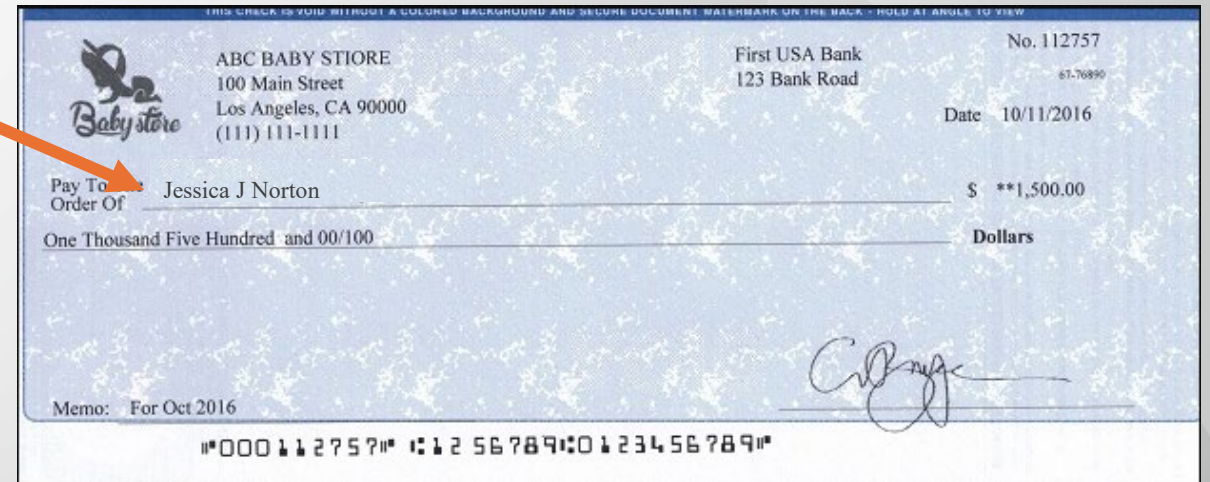
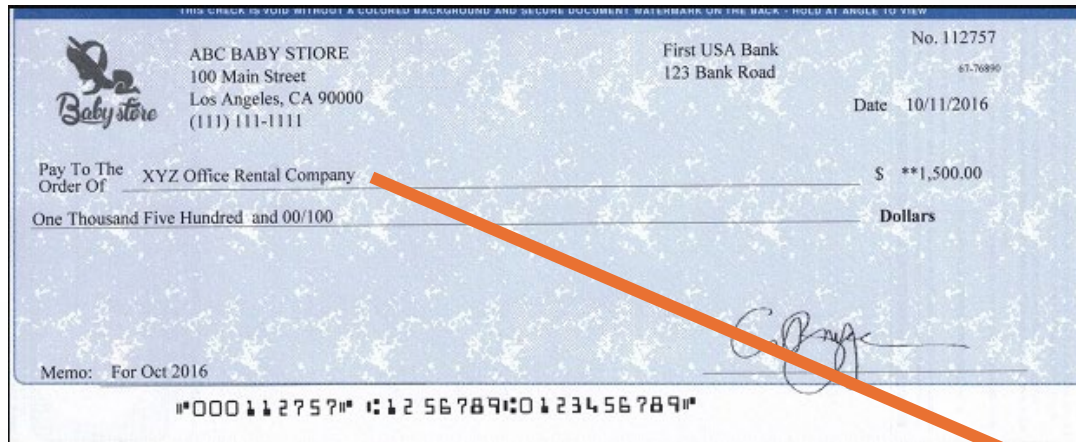
Your Account Number

Case Study: Check Washing



- Steal your mail
- Wash everything except the signature using household chemicals
- Rewrite the check to any payee for any amount
- Deposit it digitally

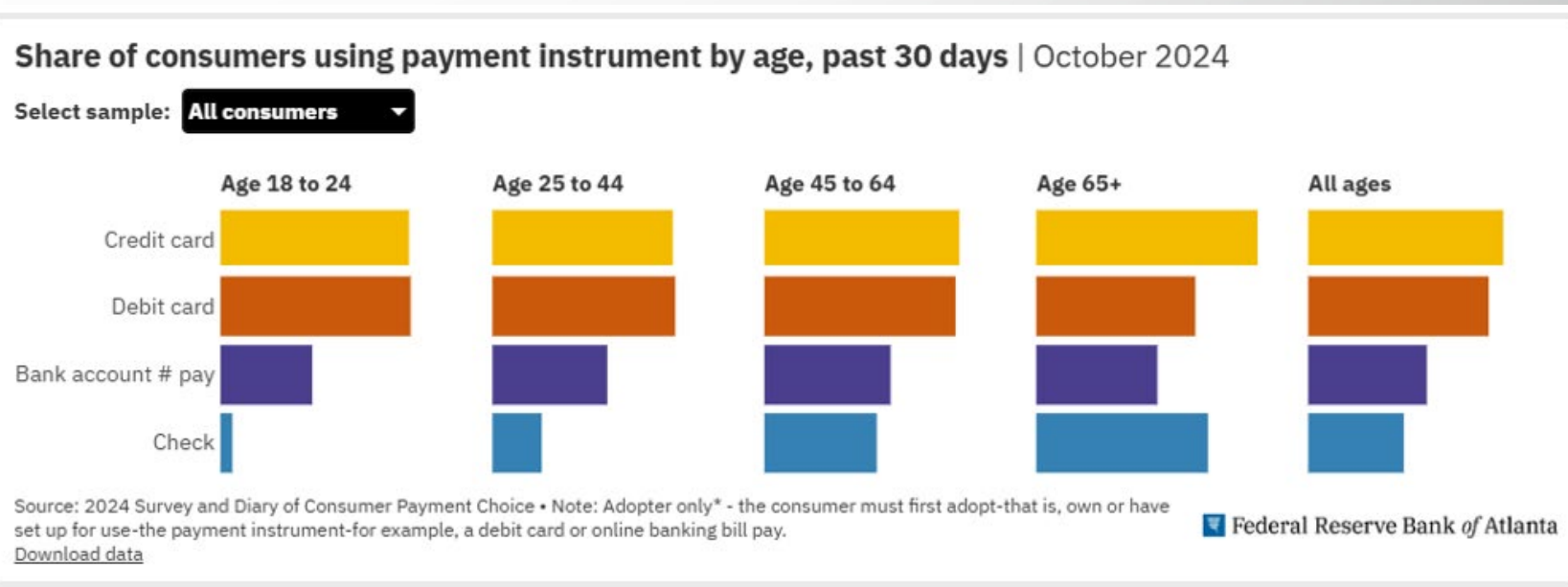
Case Study: Digital Check Alteration



Check was digitally altered in less than 45 seconds by a person with no special expertise, using no special software. And it would clear the account for the correct amount and check number, which may take a lot of time for the business to realize it had been altered

Why checks?

- Loaded with information
- Significant *float* time
- Easier to *slide* counterfeits and alterations past monitoring and systems
- Feel *formal* if they're business checks
- Often attached to *business accounts* with large balances, as consumers aren't writing checks as much anymore and it continues to decline





Check & Mail Fraud: How Do I Avoid It?

- Set up account alerts
- Use gel pens for handwritten checks
- Limit your check writing by using ACH or wire services
- Monitor your accounts (including check images) and report issues immediately
- Enroll in positive pay services **with payee match**

Accounts

Selected Account
Test Login Account

Automatic Deposit



Automatic Withdrawal



Balance



Balance Summary



Check Cleared



Why ACH?

Payment Methods Subject to Attempted/Actual Payments Fraud (Percent of Organizations)

Checks	63%
ACH debits	38%

2024 Association for Financial Professionals (AFP) Payments Fraud & Control Survey

- Only need your bank routing number and account number
- Debits clear quickly and some only allow for 2-day return windows
- They're counting on businesses to not notice the fraud until it's too late to recover funds

Positive Pay:

A service where you can monitor, validate, and manage check and electronic payments (ACH debits) from your accounts, with configurable filters and blocks.

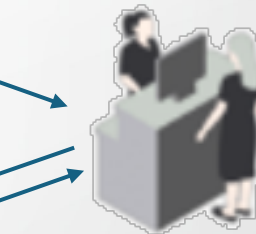


Your business issues checks

People and businesses receive them



Checks are negotiated/deposited



Tellers confirm before cashing



Checks clear through the Federal Reserve



You load check data into online banking
Make "pay or return" decisions on exceptions



... and return to KSB for payment





Optionally add approved
lists, frequencies, dollar
limits, and more



Sent to
Positive Pay

Make “pay or
return”
decisions on
exceptions



Electronic debits
are initiated at a
financial
institution



They clear
through the
Federal
Reserve



... and are sent to KSB for payment

98 Checks

Over \$520,000

67 ACH

Over \$2.6 Million

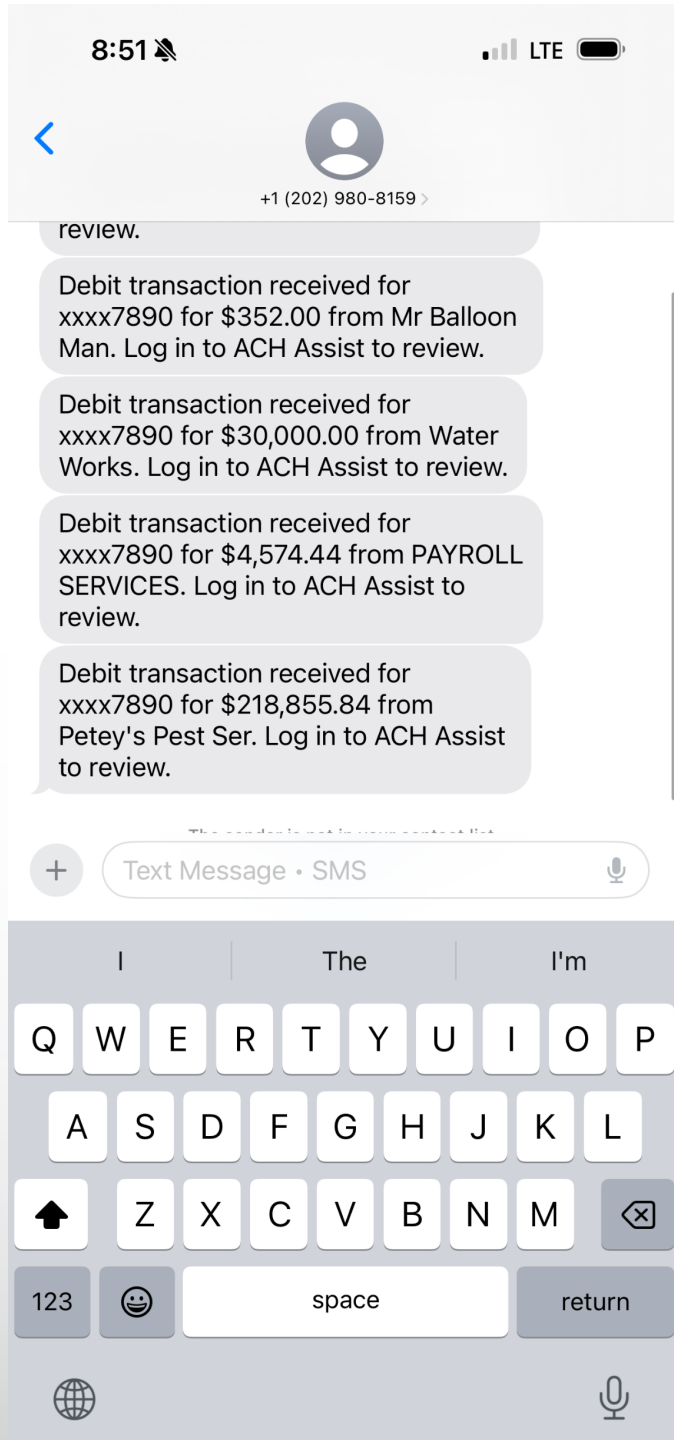
Returns from KSB PositivePay in 2025

Q&A

Positive Pay Benefits

- Gives you control
- Automates daily review
- Prevents losses due to duplicate or unauthorized transactions
- Configurable ACH filters
- Compares checks clearing against your account with issuance upload
- Ensures timely account review, as there is often a strict 2-day return window for business transactions
- Simple reports for research and account reconciliation

Demonstration with fictitious business



Notifications via Text and Email

From: PositivePay@KennebecSavings.Bank <PositivePay@KennebecSavings.Bank>

Sent: Tuesday, July 29, 2025 8:51 AM

To: Amanda Stratton <AStratton@KennebecSavings.Bank>

Subject: ACH Assist Alert

We have received a debit transaction to Test Account ending in xxxx7890 for \$30,000.00 from Water Works.

Log in to ACH Assist to review.

Sincerely,
Kennebec Savings Bank

Contact Us

Please do not reply to this email. If you have questions about your account, please call Customer Service at (207) 622-5801 or email us at PositivePay@KennebecSavings.Bank

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Augusta, ME 04330