Safeguarding client information and avoiding wire fraud

10 best practices

1. **Pick-up the phone**: Never approve the release of funds without verbal communication with your client.

2. **Ask questions**: Ask questions fraudsters wouldn't know. Engage in a dialogue with your client to pick up on abnormal behavior.

3. **Pre-filled wire instructions**: Our suggestion would be to not send pre-filled wire instructions. If you do send pre-filled wire instructions please be sure to encrypt the email. Verbally confirm with your client that they actually requested the wire before sending the email.

4. **Improve Firm culture**: Train your employees to spot red-flags. Have a Firm procedure and culture to call-back and confirm all requests from the phone number in the internal file. DO NOT use the phone number provided in the email and be suspicious of requests to send funds to a new account especially in a foreign jurisdiction.

5. **Encryption**: Encrypt all email traffic that contains personal identifying information – PII.

6. **Passwords**: Consider implementing procedures similar to those your personal bank may use. Whenever you call in for a business transaction, they often will ask you a series of questions to confirm your identity.

7. **2-step verification**: Strongly encourage your clients to use a two-step verification process for their email accounts. This will make hacking much harder to achieve.

8. **BEST OF ALL**: Have your client call the custodian directly to request a wire transfer. Custodians are beefing up their internal procedures to combat this current threat and may have more resources to throw at this issue than most Firms.

9. **Red flags**:
   a. Client is in a rush
   b. Client is unable to speak on the phone.
   c. Wires going to 3rd parties for the first time
   d. Amount of money requested is outside their typical range

10. **Email Requests**: Have multiple employees review a request.

When in doubt, have the Firm's CCO make the final recommendation.

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