

WHAT IS SOCIAL ENGINEERING FRAUD LOSS?

There have probably never been as many threats to a company as there are today. Everything from “old fashioned” employee initiated dishonesty to sophisticated “cyber” style hacking is or ought to be on the radar of every company and their Board.

An old threat has recently reemerged and criminals are finding success with it at alarming rates. This new scam has many names but is generally called Social Engineering Fraud or Impersonation Fraud.

The scam quite simply involves a third party impersonating a key individual, be they a fellow employee, an executive, customer or supplier of products/services and through trick or artifice, they get an employee to voluntarily part with something of value. The target is either money or valuable information.

Their methods are varied but contain common themes. The medium of choice these days seems to be email, but can include phone calls or more brazenly, impersonating someone in person.

The level of sophistication is usually quite startling and will likely involve an intimate knowledge of the company, a specific transaction or the clients/suppliers with whom the company conducts business. There will nearly always be a sense of urgency associated with the request or will play on various emotions (pride, sympathy, fear) – or both.

What is most alarming for many companies is that no matter what protocols or safeguards are in place, because the target is always a human, there is no certain defence that can be implemented or fix that can be purchased. Because of this, many are left awake at night wondering if, or more accurately when, they will become a target of these fraudsters.

The bright side to all of this however, is that with a little training and a strong sense of awareness within the company, most of these types of losses can be avoided.

In addition to this, for those companies that can demonstrate an active awareness and have a plan in place to avoid these types of losses, The Guarantee is responding to this ever evolving threat and can help to transfer some of this risk away from the company.

We strongly urge you to read the accompanying loss examples and tips to avoid being the victim of social engineering fraud to help raise your awareness of the problem and to use these tools to create a starting point in making your organization less attractive to these types of fraudsters.

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