

Cross-Functional Fraud Prevention: Working with IT, Procurement, and Treasury

Presented by:

Debra R Richardson, MBA, CFE,
APM, APPM, CPRS



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Do you need NASBA CPE credits?

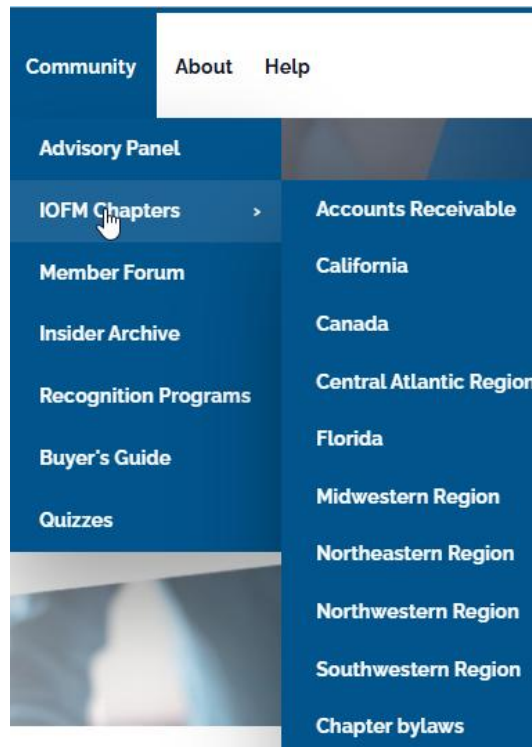
- Navigate to website: iofm.cnf.io
or scan the QR code →
- Check-in and check-out of your sessions to track your attendance for NASBA CPEs
- Certified with IOFM? No need to check-in and out of sessions. Self-report CEUs on IOFM.com instead after the event!



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Benefits:

- 1. CEU Requirement for Certification(s):** Leaders earn 3 CEUs per meeting hour and attendees earn 1 CEU per meeting hour. *Earn by watching on-demand – 3 Available*
- 2. Leadership:** Help to plan events, create members' only resources and activities that will enhance careers and knowledge
- 3. Career:** Add the membership to your LinkedIn Profile and join Chapter Groups
- 4. Networking / Engagement:** Meet other like-minded professionals to discuss pain points and resolutions
- 5. Discounts** – Get discounts on E-Learning and New Memberships



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The Speaker

Debra R Richardson,
MBA, CFE, APM,
APPM, CPRS



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An accounts payable speaker, consultant, and trainer with over 20 years of experience in AP, AR, general ledger, and financial reporting for Fortune 500 companies including Verizon, General Motors and Aramark.



For over a decade, I have focused on Accounts Payable including Global Vendor Maintenance for 140K+ active vendors across seven ERPs, managing a team processing over 2,000 vendor requests per month.



Now I work with AP teams to implement authentication techniques, internal controls, vendor validations and best practices to prevent fraud, regulatory fines and bad vendor data.



I host a weekly podcast: "Putting the AP in hAPpy".

Clean-Up Your Vendor Data
Clean-Up Your Vendor Processes
Pay the Right Vendor

training.debrarrichardson.com



Agenda

- Why Fraud Prevention is a Cross-Functional Effort
- Working With IT
- Working With Procurement
- Working With Treasury
- Actionable Takeaways



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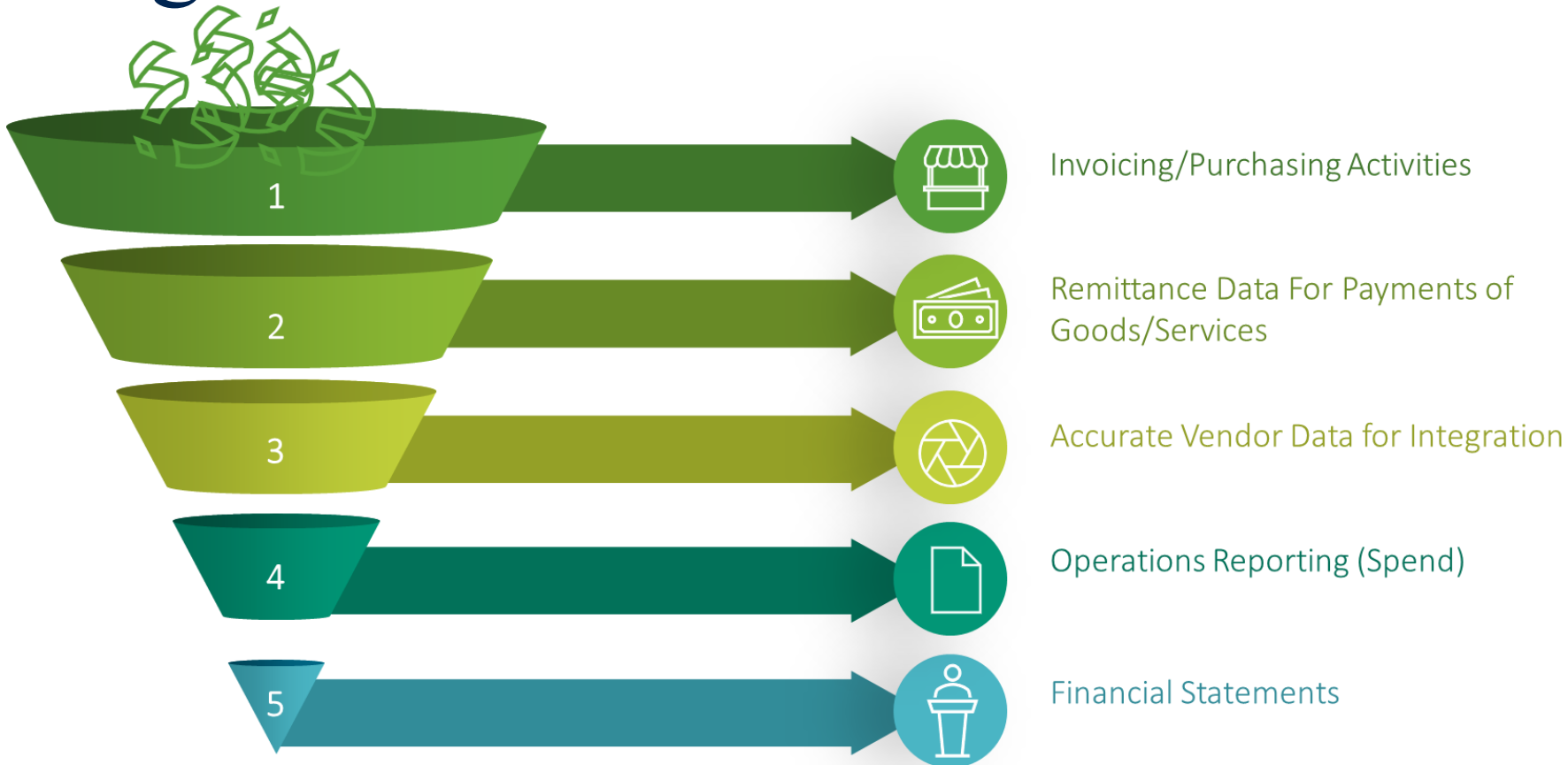
Why Fraud Prevention is a Cross-Functional Effort



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Vendor Master File – Strategic Use Across the Organization



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Vendor Add / Change Process



Fraud and Fines

Targeted with fraudulent email requests to divert payments or no efficient way to perform watchlist checks prior to each payment.

Compliance Rules/Regulations



Constant changes to rules and requirements require ongoing training and education.



Inefficient Validations

Lack the vendor data that is needed to perform validations and the need for several or different validations based on vendor.

Manual Process



From the submission of inquiries and vendor documents via unsecure email, phone or paper.



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Fraud in Accounts Payable - US

FBI Internet Crime Complaint Center: FBI 2025 Report of IC3 Complaints



Total Complaints



Average of 2,763 per day

Business Email Compromise (BEC) Scams



\$3 Billion in Losses

States by Complaint Count

Rank	State	Complaints
1	California	116,414
2	Texas	97,912
3	Florida	71,843
4	New York	45,255
5	Illinois	32,977
6	Pennsylvania	31,154
7	Arizona	28,868
8	Ohio	27,626
9	North Carolina	25,940
10	Georgia	25,936

States by Complaint Loss

Rank	State	Loss
1	California	\$3,674,716,305
2	Texas	\$1,825,636,181
3	Florida	\$1,596,138,595
4	New York	\$1,226,307,877
5	New Jersey	\$660,411,901
6	Arizona	\$630,700,609
7	Pennsylvania	\$537,787,231
8	Illinois	\$535,255,201
9	Georgia	\$534,581,965
10	Virginia	\$476,120,025

Business Email Compromise (BEC): BEC is a scam targeting businesses or individuals working with suppliers and/or businesses regularly performing wire transfer payments. These sophisticated scams are carried out by fraudsters by compromising email accounts and other forms of communication such as phone numbers and virtual meeting applications, through social engineering or computer intrusion techniques to conduct unauthorized transfer of funds.

Get a Copy of the Report

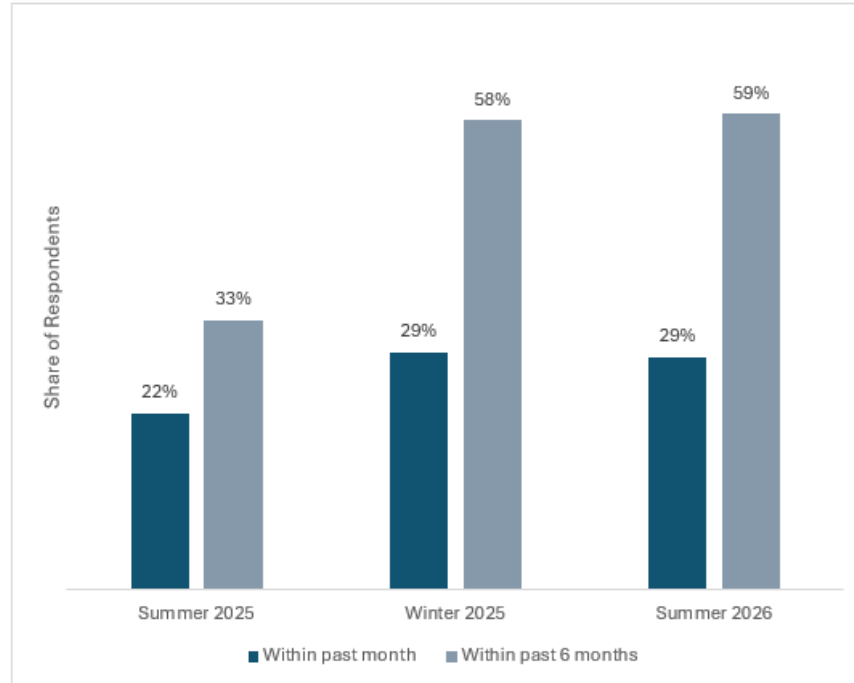


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IOFM Survey

Figure 1. Fraud Attempt Frequency.



Source: IOFM

Business Email Compromises Drive Surge In AP Fraud

Fraud attempts are growing larger and more frequent, according to IOFM's year-long study of more than 600 AP teams.

In the Summer of 2025, just over half (55%) of survey respondents said fraudsters had tried to deceive them in the prior six months. By the Summer of 2026, that share had jumped to nearly 9 in 10 (88%). This is consistent with the surge reported in Winter 2025.

However, unlike IOFM's Winter survey findings, when AP teams reported a significant uptick in smaller (<\$10,000) fraud attempts, today's fraud attempts are bigger and more brazen. The majority (58%) of fraud attempts are now seeking more than \$10,000. In fact, 14% exceeded \$100,000, more than twice the share from Winter.



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Nacha Rules Compliance



Confirmation Call

- Don't Have Contact Information
- Vendors Don't Pick Up
- Vendor's Won't Confirm
- Proof of Confirmation?



Micro-Entries

- Setup is Required
- Deposits Can Take 1-2 Business Days
- Vendors Don't Prioritize Validation
- Vendors Won't Send Valid Screenshot



Bank Account Ownership Validation

- Third Party Provider - Matters To Find All Accounts Searched
- Does Not Wait for Vendor to Answer
- Can Provide Instant Access – No IT Team Required
- Time-Stamped Proof of Validation



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Working With IT



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Vendor Team <> IT

Vendor Team Focus

Accounting System / ERP

- VMF Configuration
- Bank / Check Payment Files
- Positive Pay Files
- Access to Vendor Master File
- External Systems
- Protecting Sensitive Information
 - Tax ID, Banking, Birthdate

Email

- Detect Fraudulent Emails

Fraud

- Internal / External Fraud

IT Focus

Accounting System / ERP

- External Files
- Integration with External Systems
- System Access
- System Documentation

Email

- Reduce Fraudulent Emails
- Allow Legitimate Emails

Fraud

- Internal / External Fraud



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Systems/IT Team Can Help – Least Privileged Access



01

Identify security roles available
and what they offer access to see



02

Identify roles/access each
position needs for their functions



03

Pull reports to check access by
security role/function/job



04

Identify those that have access to
sensitive data and determine if it is
necessary for their function/job



05

Update Security Roles/Access
and repeat monthly



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Systems/IT Team Can Help – Mask Sensitive Data



Outside of the Vendor Team - Who Really Needs to see the that Sensitive Data?

- Mask all except the last 4 or 5 digits
- Don't show the Routing Number
- Don't show the Birthdate
- *Best Practice: AP Invoice Processing Team – Masked Only*
- *Best Practice: Non-AP / Non-Vendor Maintenance – Masked Only*



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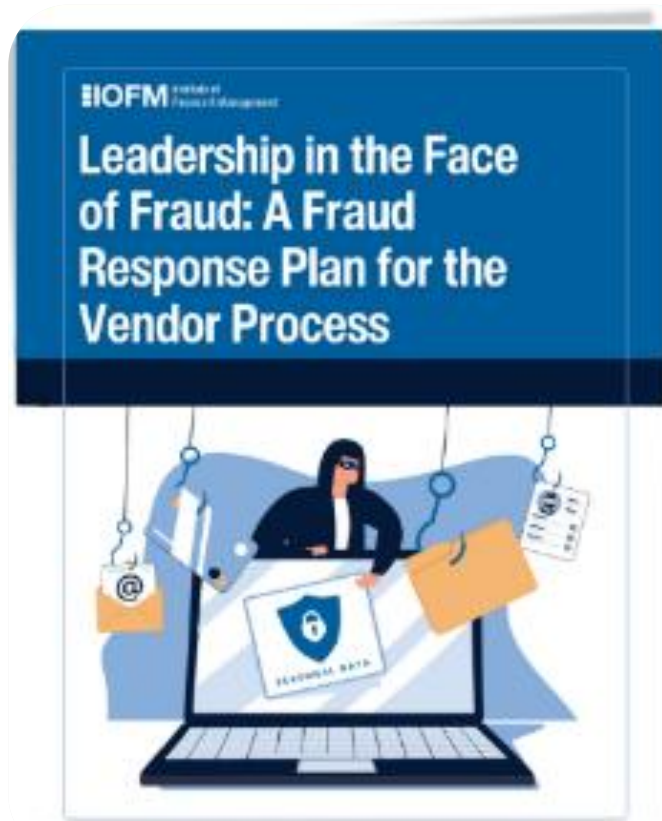
Systems/IT Team Can Help – Fraud Response Plan



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Systems/IT Team Can Help – Fraud Response Plan



[Download Now](#)



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Share With the IT and/or Information Security Team



Document Your Controls



Document for Your
Business Continuity
Plan



Provide Additional Controls

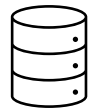


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How IT Can Hurt Fraud Prevention

\$ Projects – Costs & Labor



Allowing Access to the Vendor Master File



Lack of Documentation for Accounting System/ERP

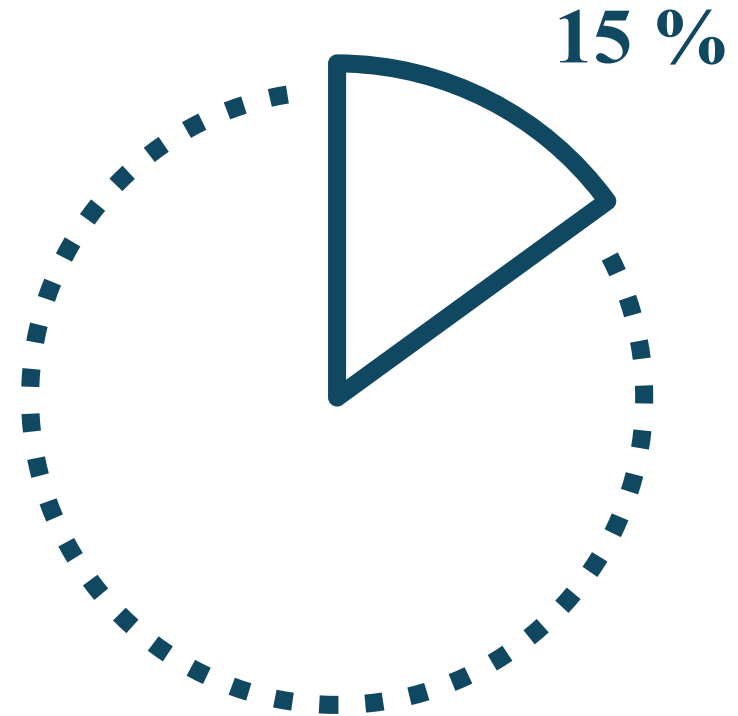


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How IT Can Hurt Fraud Prevention

Email Security is not 100%
And IT Email Filter Strategies
Designed to Transfer Blame



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How IT Can Hurt Fraud Prevention

Convincing Leadership That Cybersecurity Awareness Training is All That Is Needed
Too General for the Accounts Payable / Vendor Team



**Don't Click on
Links or
Attachments**



**Examine 26 Points
in the Email**



**Urgency is a Red
Flag for Fraud**



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Working With Procurement



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Vendor Team <> Procurement

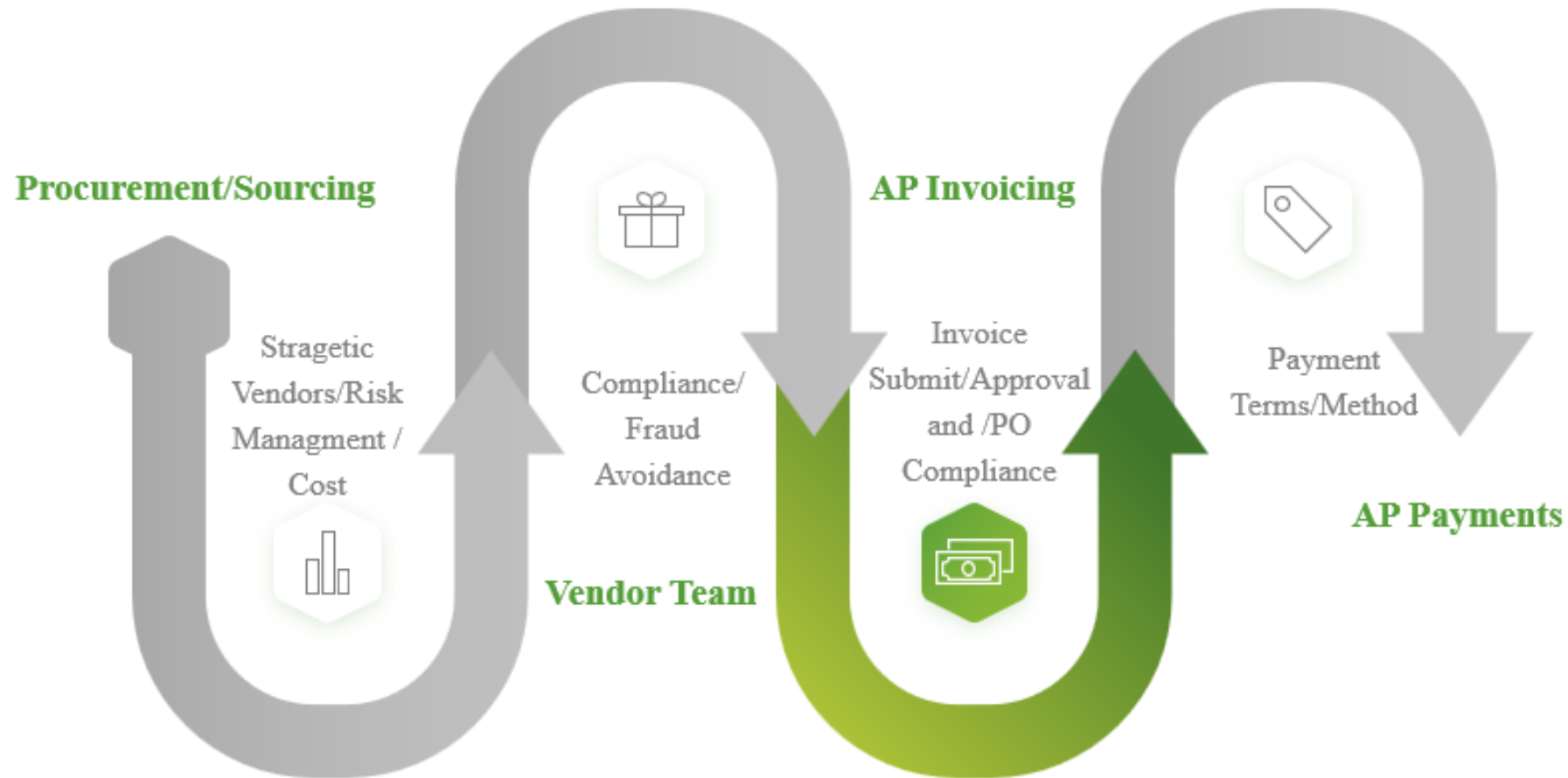
Who Owns The Vendor Master File?



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Procurement Has a Different Focus



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Vendor Team <> Procurement

Vendor Team Focus

- PO and Non-PO Vendors
- Vendor Add / Change

Compliance Requirements

- IRS TIN Matching
- Tax Reporting
- Data Validation
- Watchlist Validation
- Active Vendors Only
- Nacha Rules

Contract / Statement of Work

- Payment Terms
- Updates

Fraud Avoidance

- Internal / External Fraud

Procurement Focus

- PO Vendors
- Vendor Add / Change for PO Creation
- Ordering Address

Auto Purchase Order Delivery

- Email Address
- Fax Number

Strategic Vendors

- Limiting New Non-Strategic Vendors

High Level Reporting

- Parent/Child
- Purchase Order Compliance

Fraud Avoidance

- Internal Fraud

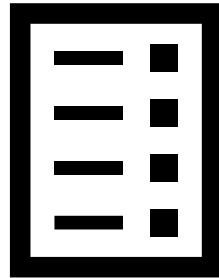


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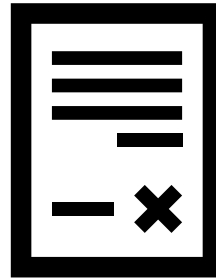


Procurement Team Can Help > Risk of Fraudulent Vendor Information

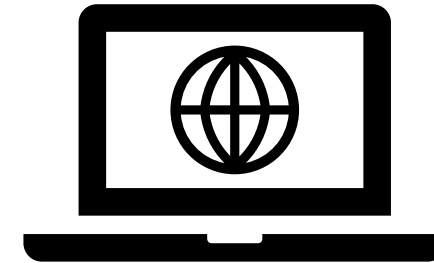
**Pending
Invoices
Diff Info**



**Vendor /
Bank
Letterhead**



**Internet
Search
Results**



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Procurement Team Can Help > Collect Valid Vendor Contact Information

Buyer

Internal Team Member

Internal Vendor Request Form

☐ New Vendor Request
☐ Existing Vendor Change

Vendor ID	Leave Blank if New Vendor	Requested By	
Vendor Legal Name		Employee ID	
Vendor DBA Name		Employee Name	
Vendor Address		Date Requested	
		Date Required	

Vendor Contact Information (Name, Email, Telephone)

Do You Have a Personal Relationship With the Vendor? ☐ No ☐ Yes

If you answered 'Yes' - What is Your Relationship to the Vendor?

Reason for Vendor Request

Authorization

Approval Signature

Date

Authorized Approvers: Project Manager, Discipline Leader or Controller

Email completed form to: youremailaddress@yourcompany.com

Version 1.0 Vendor Request Form



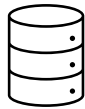
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How Procurement Can Hurt Fraud Prevention



Urgent Requests



Requesting Access to Vendor Master File



Managing the Vendor Master File



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Working With Treasury



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Vendor Team <> Treasury

Vendor Team

Accounting System / ERP

- Stores Banking Details
- Adds / Changes Banking Details

Nacha Rules

Fraud Avoidance

- Internal / External Fraud

Treasury

Payments

- Wire Payments
- Cross Border Payments

Banking Systems

- Separate System for Storing Banking Details
- Sync With Accounting System/ERP
- Relationship With Bank(s)

Fraud Avoidance

- External Fraud



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Vendor Team Working With Treasury

Data Exchange

- Sync Banking Information
- Send Requests for Electronic Payments

Review & Compliance

- Review Bank Account Information

Review Bank Services Included in Relationship

- Nacha Rules Compliance - Micro Entries Process

ISO 20022

- Rules-based payment details to make it easier for banks' fraud detection system



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Treasury Asked for Two Confirmation Calls

City of Portland continues cybersecurity investigation, pays affordable housing provider for stolen \$1.47 million



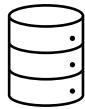
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How Treasury Can Hurt Fraud Prevention



Urgent Requests



Not Sharing Bank Information Services Available



Not Syncing Banking Information



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Actionable Takeaways



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Actionable Takeaways

1. Meet with IT to see who has access to the vendor master file and correct
2. Implement “Internal Request Form” to collect valid vendor contact information from Buyers for PO vendors and Internal Team Members for non-PO vendors
3. Meet with Treasury and establish process to verify banking information is synced with the Accounting System/ERP
4. Add a “Safe Pass Phrase” or “Safe Word” For Each Department



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QUESTIONS?



Debra R Richardson,
MBA, CFE, APM,
APPM, CPRS



Email: debra@debrarrichardson.com



training.debrarrichardson.com



[@debrarrichardson](https://www.linkedin.com/company/debrarrichardson)



[Debra R Richardson, LLC](https://www.youtube.com/channel/UC...)

REMINDER!

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