

Rising to the Challenge — Staying Ahead of the AML Curve



United Bankshares, Inc.
Parkersburg, WV
ACH Fraud



Discussion Points

United Bankshares, Inc.

Cyberfraud Cases

Lessons Learned



Thursday, December 11, 2008; 12:48 PM

Fraudulent ACH Batch Created

Ten Transfers \$81,270.00

Range: \$8,044.00 to \$8,211.00

Ten Different Recipients at Nine Different Banks



Tuesday, December 16, 2008

Two Items Returned:

“Account Frozen” \$8,209.00

“Account Closed” \$8,166.00

\$16,375.00



Thursday, December 18, 2008; 10:16 AM

Deposit Operations Notifies Risk Management

ACH Debits to Reclaim Funds Submitted

3:30 PM – Mitigation Task Force Convenes

FBI Special Agent Notified



Monday, December 22, 2008

Recovered \$24,474.00 of \$81,270.00



Monday, December 22, 2008

Internal Investigation Complete

Manual Verification Process

Plan to Implement VASCO Token



Monday, December 29, 2008

Recovered \$16,235.00 of \$81,270.00



Wednesday, March 3, 2009

Final Recovery of \$4,043.00

Total Loss: \$36,517.00 > Total Recovered: \$44,752.00



Two Subsequent Attacks

Largest Loss of \$243,000

April 2009

Dual Authentication (Customer and Bank)



July 2009

System Software Modification Completed

VASCO Tokens Deployed



Lessons Learned...

Move Quickly

- **Debits to Reclaim Funds**
- **Federal Law Enforcement**
- **Communicate with Recipient Banks**

Attacks are Highly Organized and Sophisticated



Lessons Learned...

Risk Mitigation and Prevention

- **Dual authentication process**
- **Automate with VASCO or similar authentication tool**
- **Review ACH Agreements**
- **Insurance coverage**
- **CUSTOMER EDUCATION**