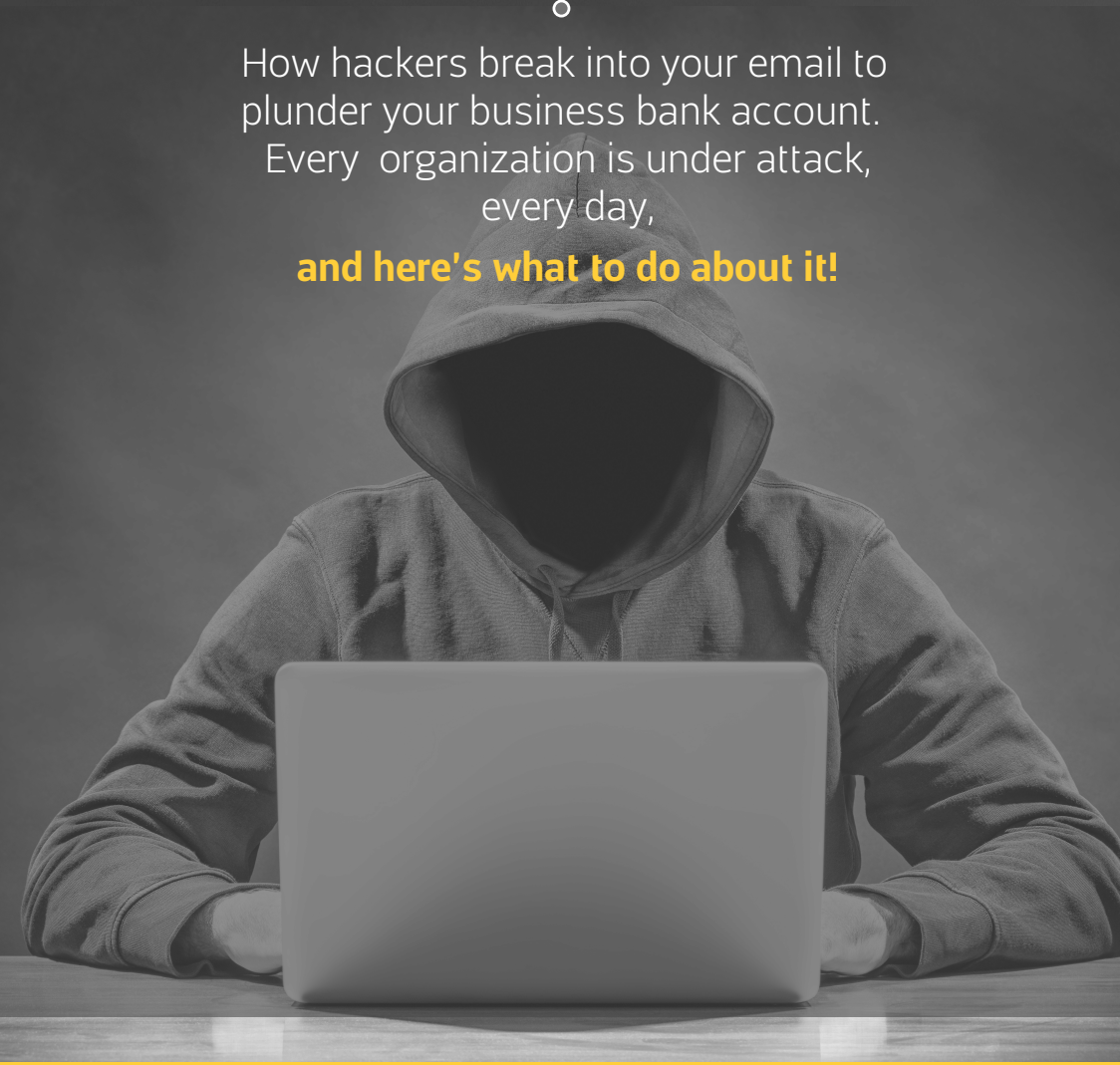
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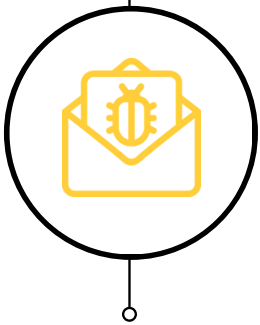
How hackers break into your email to plunder your business bank account. Every organization is under attack, every day,

and here's what to do about it!



By David Griffeth

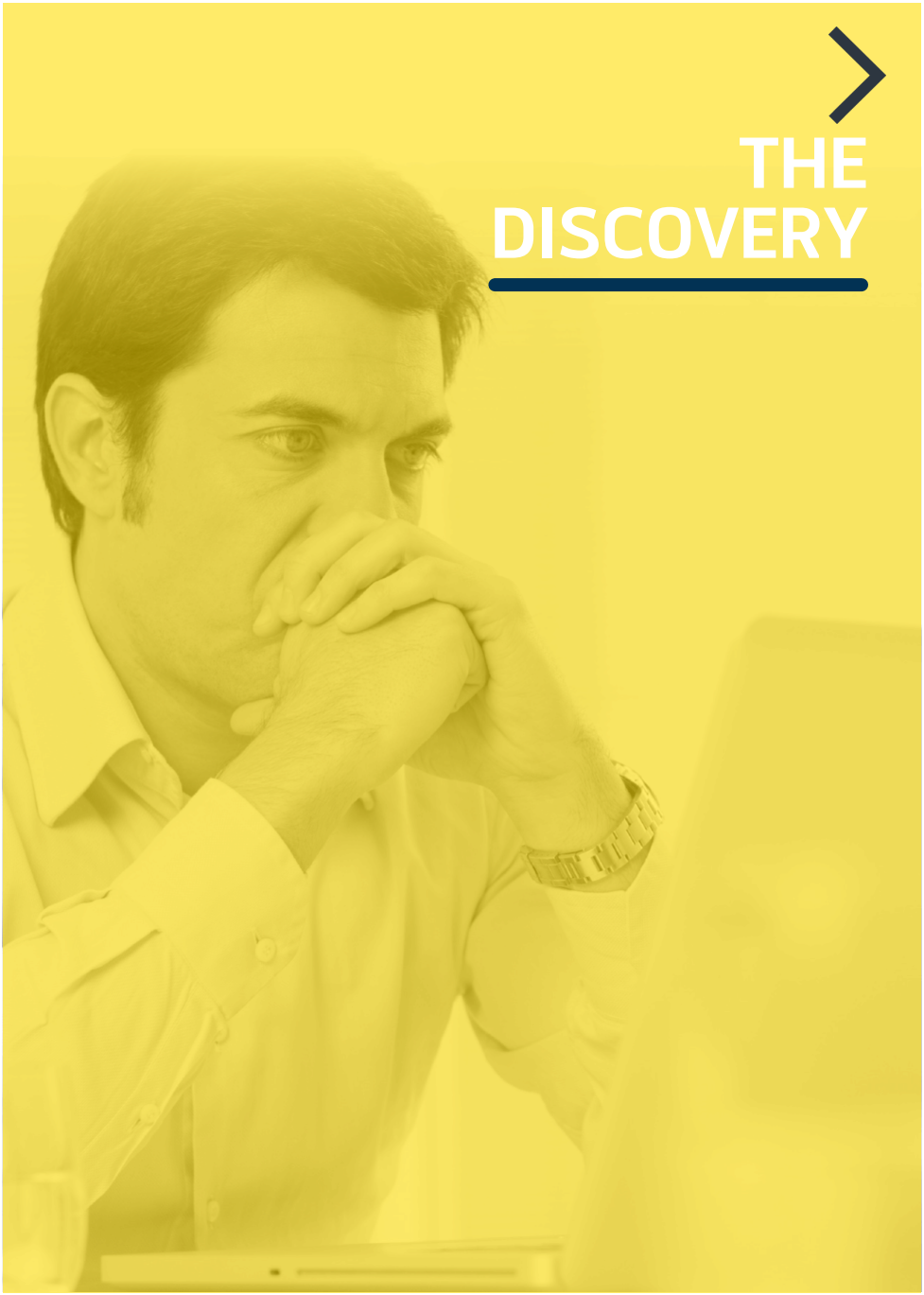
Email Hijack



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THE DISCOVERY

John sat back in his chair, the blood draining out of his face, as the implications of what he had just discovered began to sink in.

Just over $12,000 stolen from his business bank account.

And because that money had been intended for a key supplier that still hadn't been paid, a total hit to his cash flow of more than $24,000.

How?
How?
How???

It wouldn't kill the business. But it would make things very tough for a few months.

What would he tell the staff? What would he tell his wife? Today had started off a lot more promising...

After 10 wonderful days in Orlando with his wife and family, John had got into the office at 7am, keen to catch up on the hundreds of emails that inevitably waited for him.

As the owner and CEO of a fast growing business, it was rare for him to be away from his email for more than a few hours. But he'd promised the family this would be a proper holiday. Which meant no phone calls, no emails.

He'd checked in with his operations manager from the airport two days ago, and knew there were no major issues he needed to deal with. So had felt very relaxed and keen to get back to work this morning.

It only took 23 minutes for that to change.

"Please can you tell me when this month's invoice will be paid.

It's now overdue," the email from the key supplier had read.

John was puzzled. He'd left specific instructions for this supplier to be paid on time, and well looked after.

And when he logged onto business banking he could see the payment had left the bank account.

Clearly a misunderstanding. So he emailed his supplier's CEO back to tell her when payment had been made.

She'd made an early start to Monday as well, as she called John 5 minutes later. After the usual pleasantries, she'd said they hadn't received the payment.

John promised to look into it and rang off. And that was when the sick feeling started in the pit of his stomach.

He logged back onto business banking, and looked more closely at the payment. The right amount, paid on the right date. Using the correct payment mandate.

Weird.

He arched his fingers and sat back in his chair as he thought through the problem.

The payment had been made 5 days ago, and hadn't bounced back. That was when he thought to check the payment details against the invoice.

Oh. Wow.

The bank routing number and account number that the cash had gone to, were completely different to the ones on the invoice.

The sick feeling was getting stronger as he pressed a button on his phone and called his operations manager.

It was a phone call he would never forget.

"Yep it's all sorted out, boss," his ops manager had said. "I paid it the day after they emailed it through."

"But they haven't had the payment," John replied.

"Maybe they're checking their old bank account still. I paid it to the new one."

Wait. What was that?

"What new bank account?" John asked, now deeply alarmed.

"Oh, they've moved banks," his second in command answered. "Just after they sent the invoice, they sent another email with the new bank details. I amended the bank mandate to make life easy for you..."

Sadly, this is no longer an unusual situation

Hello, my name's David Griffeth. I'm a local data security and IT expert, and the owner of Neatoware.

And it saddens me to tell you that – while this is a fictitious story – the situation John has found himself in, is no longer rare.

In fact, at least once a month our phone rings and it's a local business that has found itself compromised in some way (these are not existing clients we're protecting, I hasten to add).

The outcome is almost always the same - money has gone from the business bank account. Stolen.

And 9 times out of 10, the entry point is the same too. An email account somewhere in the business has been compromised in some way.

When you think about it, the very nature of email makes it the weakest point of any security set up. For many of us, it's both our

greatest tool and most hated nemesis at the same time!

You have lots of staff, accepting hundreds of emails every day. And even the best email filters in the world can't stop clever hackers. Because they're constantly inventing new ways to get in.

All they need is one member of your staff to click one dodgy link. And that can give them enough access to start monitoring what the business is doing. From there, they can spot ways to access business funds.

If a hacker can actually get control of your email, they can usually go on to access multiple other systems and applications.

Why? Because when you forget your password on most systems, you enter your email address, and it emails you a link to click. That huge convenience comes at a scary cost.

Shortly, I'll tell you about the most common email frauds we come across. But for now, let's return to John's bad day and see how his business has been affected.



THE HASSLE

John slammed the phone down in anger and swore. What was the point of having a relationship manager at the bank, if he couldn't help him in an emergency?

It was only lunchtime, and so far his morning had been terrible.

He'd looked at the email his operations manager had received from the supplier, with the new bank details.

It really did seem to come from them. Yet something about it didn't quite feel right. John couldn't put his finger on it.

Clearly in a rush last week, his ops manager had accepted the new account details at face value and hadn't thought about it.

Losing his temper, John had shouted at his ops manager and called him stupid. In front of the other staff. That was a big mistake he'd need to apologize for by the end of the day.

Now the ops manager was fuming at his desk, going through all mandates in the bank account, and phoning up suppliers to check the details were correct. While they were fairly sure no-one had got into the bank account itself, John didn't want to take any more risks.

The rest of the staff were working a lot more quietly than normal. There were whispers going round of the business having all of its cash stolen, and them not getting paid. John knew he'd need to talk to them all this afternoon and reassure them.

He'd phoned his key supplier, and thankfully she was happy to wait till the end of the week

for payment. She was clear the dodgy email hadn't been sent by them.

John wasn't looking forward to telling his wife he needed to take $20,000 out of their personal savings in order to meet that payment, and then payroll on Friday. They'd both believed the days of emergency loans into the business were long gone.

The phone call with the bank hadn't gone so well. After holding for 20 minutes while the relationship manager spoke to his immediate supervisor, he said there was nothing the bank could really do to help.

They would attempt to get the money back from the bank the payment had been sent to. But in his experience, that money would already have been removed and the bank account abandoned.

It was unlikely anyone would be able to follow the payment chain to the end.

While holding, John had Googled for advice. That didn't make him feel any better. Because the payment had been authorized by his business, the bank didn't have any legal obligation to refund him.

John picked up the phone again and called his IT support company. If the bank couldn't help, then at least the IT support company would shed some light on the situation.

That call didn't go well either.

It took the technician on the helpdesk just a few minutes to spot how the fraud had happened.

"If you compare the two emails – the real email from your

supplier, and then the fraudulent email pretending to be from your supplier – you can see the domain name is slightly different," he'd said.

"The hackers have clearly been monitoring your email for a while, and spotted that you regularly pay a large amount to this supplier.

"So they registered a new domain name that's really similar to your supplier's domain, but has an extra character in it – look, there's an extra 'e'. Can you see it?"

John had peered at the email address. Oh. Wow. The technician was right.

"So all the hacker had to do was wait for you to receive the invoice, and then immediately send the fraud email pretending to have sent you the wrong bank details. Very simple and very clever."

"I feel so stupid," John said.

"Don't," the technician replied. "Lots of people fall for this. In the rush of getting everything done every day, it's a really hard thing to spot.

"Now, what we really need to figure out is how they got into your email in the first place, kick them out, and stop anyone from getting in again."

John felt his face start to turn red as something occurred to him. "Isn't this something you guys should have stopped anyway? You are my IT support company, after all."

There was a pause on the other end. Then the technician replied.

"Well, we're not really cyber security experts. We did offer you some extra protection last year, but you declined it."

John thought hard... and them remembered. He had dismissed the idea of extra protection. In fact, he recalled the exact words he had used.

"No need for that... it'll never happen to us."

Common email scams and hacks

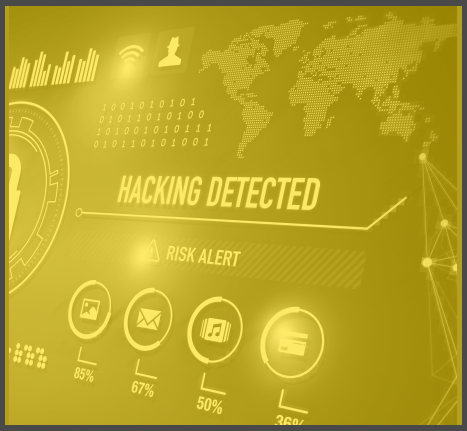
For far too many businesses, email security isn't an issue... until it suddenly is.

Not enough businesses put in place a proactive, preventative security strategy until they've been hacked. That's like waiting until you've been burgled to put locks on the door.

There are lots of different types of email hacks. These are the most common ones we have either seen ourselves, or heard about from our network of international IT security experts.



Email forwarders: This is where hackers gain access to your email just once, and put in place an email forwarder.



Then, without your knowledge, all incoming email is forwarded to them. They might not be able to see every reply you send, but it's usually quite easy for them to spot patterns, such as invoices being sent to you on a regular basis. An email forwarder is often the starting point for hackers. From there, they can play a long game, gathering information and building up a profile of their target. Until an opportunity presents itself to steal some money.



Spoofed emails: Just as John discovered, one scam is to buy a domain name that's very similar to real domain used by a supplier. So your supplier might use xyzcompany.com. And the hacker buys xyzcommpany.com.

An extra character can often go unnoticed. Another trick would be to buy a domain with a different extension, such as a .net rather than a .com.



Follow-up emails: Exactly as John's ops manager was fooled – the follow-up email is a clever trick. The hackers have to get the timing right for this. If they can send a follow-up email immediately after the real email, most people just assume it's real.



Compromising a supplier's email: It doesn't have to be your business that gets hacked

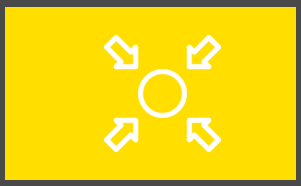
to lose money. If they can compromise your supplier's email and intercept the outgoing invoices, they can get a range of customers to pay money to the wrong bank account. Actually, flip that round, and imagine a hacker adjusted all of your invoices. So your customers were making payments, but not to your bank account.



Edited PDF: Many people think a PDF on an email is a safe document. But PDFs can be easily edited. We've heard of hackers intercepting invoice PDFs, editing them to change the bank account details, and then sending them on to customers. This is a very clever hack, because the person paying the invoice will typically have zero suspicion.



Using keyloggers to directly access bank accounts: There's some specific malware that sends back information on every button you press, to the hackers. They can use this to see you have visited a bank's website, and over a period of time put together much of the information you use to login.



Social engineering: Once a hacker is inside your email, they will gather information and look for opportunities. A golden chance for them is when the boss is on holiday. Because that's a break

in normal patterns of behaviour, they can leverage that. We heard of one company where the boss's email had been compromised, with an email forwarder set up. The hackers couldn't send an email from the account. But instead they set up a Gmail account in the boss's name, and emailed someone senior in the company. "My work email's not working so I'm using my personal email," the message read. "Lovely sunshine here. I forgot to pay an invoice before I went – can you pay this quickly please". Inevitably, the staff didn't think twice. In another example, the hacker sent a Gmail pretending to be the boss, and said they'd been locked out of their Office 365 account. They asked the office administrator to reset their password. And gained themselves full access to the boss's email while he was sat on the beach, unaware he'd been hacked.

Staying on that theme – if there was one thing we would enforce within every business we protect, it would be this: ***Never let the boss break protocol!***

Businesses put in place systems designed to protect them. Then the boss will send an email asking for an urgent payment to be made. And the staff comply!

This sets up circumstances for easy fraud. Any hacker sitting monitoring email traffic will see this happening, and know it can be leveraged.

Before we re-join John's story, **here are just three email hacking stats we have gathered over the last few months:**

There are **1.7 billion** pieces of malware out there, all trying to infect your inbox

Hackers make a lot of money from cyber crime, with a reported return on investment of **1,425%!**

60% of all companies have experienced a data breach in the last 2 years... many of which are the result of poor email security

There are loads of scary stats out there – just Google "email security stats" to see for yourself.

Now let's re-join John as he gets the experts to fix his email security breach.


THE
FIX

"It's sometimes impossible to pinpoint the exact entry point into your email system," the new voice on the phone explained to John.

"So our focus after a breach is a broad series of 'best practice' security measures, to ensure it won't happen again. We have a robust checklist of things we will do to kick your hackers out, and prevent them from getting in again."

He continued: "There are no 100% guarantees with cyber security, as it's such a fast moving world. But what we're going to do for you will make your business dramatically harder to break into, in the future.

"Hackers like low hanging fruit. Your business will be much higher up the tree."

John felt his body relaxing for the first time in 24 hours. He'd had a terrible night's sleep, getting home late and waking covered in sweat at 4am.

Since he'd discovered the theft yesterday morning it had consumed every moment of his attention.

He'd got a lot sorted out – including placating the staff, and apologizing to his ops manager.

He'd also decided to hire a new IT support company. They were a lot more focused on cyber security than his previous company. And he believed them, when they said cyber crime was the number one threat to businesses like his.

Pity the hundreds of vacation emails were still waiting... and now, his staff were going to have

to suffer a load of disruption, as the business's security was locked down.

The new IT support company immediately logged everyone out of their email business accounts and forced everyone to change their password. There were a few grumbles, but the team could see why it needed to happen.

They also had multi factor authentication set up. "It's just like when you login to your bank account," John explained to his staff.

"You use an app on your phone to confirm the login and prove it really is you. The new IT company tells me it's a minor disruption, but immediately stops us from being an easy hack in the future".

The firm's technicians investigated the email trail that had led to the hack, and quickly discovered an unauthorized email forwarder. Cleverly, the hackers had set it so it couldn't be discovered in normal Outlook email – only in Outlook Web Access, where you get your emails through a browser. That explained why John's old IT support company had never found it.

They deleted the email forwarder, reported the email address, and then set up a scanner so they'd be notified if an email forwarder was ever set up again. They also set up a full audit trail within Office 365, to help diagnose any future hacking attempts.

And they reported the dodgy domain name where the hackers were pretending to be John's supplier.

This flurry of activity seemed

enough to John. But the reassuring voice on the phone said there were other areas they really should address.

"The goal is to put together a layered security solution, to offer you the right balance of security," he explained.

"We want you and your staff never to have to go through this again. But at the same time, we don't want to create too much adverse disruption to the way you work every day."

John listened intently. "Studies have shown that too much security can have an adverse effect on staff attitudes towards it," the technician continued.

"They will soon forget the pain of this hack. If they see the ongoing extra security as an annoyance that's holding them back, they will not take it seriously. And that could leave you even more exposed than you were before.

"So together we're going to find the right balance of security and education for your business."

John scribbled notes on his pad, as the technician laid out the many different options available to him. Even at this early stage, he could see some would work well with his staff, and others were impractical.

It made him feel relaxed that he had an expert on his side, helping him get this sorted out properly.

YOUR 9 LAYERS OF SECURITY

If every business used every possible layer of email security, they'd reduce their chances of being hacked down to just 1% or 2%.

But they'd also struggle just to do business every day.

Because there are plenty of tools available to protect companies of every size. The trick – as the technician explained to John – is putting together the right blend to suit your business. So you're protected, but your hands are not tied.

Here are the 9 layers of email security we normally consider for every client we're protecting. This is not intended to be an exhaustive list. It's a start point of 'best practice' that the average business should pick and choose from, using expert help for guidance.



1 - Multi factor authentication: The simplest, but also the most effective way to prevent unauthorized logins. Every time you login to your email (or any other system) you have to confirm it's you, on a separate device. This is typically done with your mobile phone, either by receiving a code, or using an app to generate a code. To counteract a new crime called 'simjacking', where someone clones your phone number to their sim card to intercept your multi factor authentication alerts, there is also the option of using special devices you plugin to your laptop.

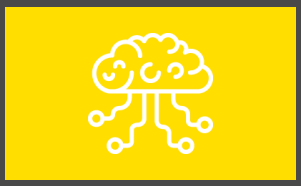


2 - Monitoring for unauthorised email forwarders: As John discovered, hackers can play a clever long game, just by accessing your email once. An unauthorised forwarder allows them to monitor communications. It doesn't even need to be the email of a senior member of the team. It's surprising (and terrifying) how much we give away, bit by bit, in our daily emails.



3 - Proper email backup: Unless you have bought specific email backup, your emails are not being backed up, and so are not protected on a daily basis.

Not many people realise this. Having a proper backup is critical, as it gives your IT support company so many more options in the event you are attacked. They can completely reboot your email account, safe in the knowledge you won't lose a single email.



4 - Artificial Intelligence (AI) screening of emails: So you have this contact called Jon. And then one day he signs off an email with his full name, Jonathan. You might not think twice about it. But a good AI system would pick up on this sudden change in behavior, and investigate the email further. These systems can be very clever at spotting potentially dodgy emails from the tiniest symptoms.



5 - Improved security end-points: OK, hands up on this one. I just used some internal IT gobbledygook. Sorry about that. What it means is each computer you use to access email is locked down and protected. There are many different ways to do this. From enhanced security on each device to prevent it being used for risky activities. To encryption of the data on the device, meaning it's worthless to anyone that steals it. And even as far as banning USB devices (you can plug them in, but they won't work... meaning they can't do any damage).



6 - Office 365 advanced threat protection: At risk of dropping into gobbledygook again (and it's OK, I won't) – you want this. It's robust Microsoft protection working for you behind the scenes. But your IT support company has to know the correct way to implement it for your specific setup.



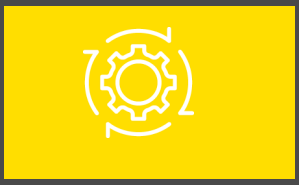
7 - Awareness training: The weakest link in any email security setup is... the humans. Because emails can still get past all of the defences I've already listed. The last line of defence (and frankly, the best) is the human looking at an email with suspicion.

There are some amazing awareness training courses available. They're delivered online so your team don't have to go anywhere. They're not boring, or techy. They're designed to be fun, and above all, to make your staff pause when they're sent that dodgy link to click. That pause can literally save you thousands of dollars, and days of hassle.



8 - Cyber insurance: The jury is still out on the value of cyber insurance as it stands today. It could very possibly become a 'must have' insurance in the years ahead. It could be worth you taking out a policy today, if only to follow the basic standards laid out by the insurance companies. Their job is to reduce their chance

of having to pay out, right? That means they're highly likely to know what's best practice, currently is. So follow their advice as part of your overall email security protection.



9 - Set up business processes and make them the culture: I said this in a previous chapter – don't let the boss change the process on the fly! If you have an internal process for approving payments, it needs to be followed every time... ESPECIALLY when it's inconvenient for the boss. Because it's when the boss cuts corners, that the chance of fraud jumps up dramatically. The weakest link is humans, remember. When it's the boss and everyone wants to please them, that opens the window for fraud. And encourages everyone to break the rules now and again. Great leaders realise they need to act the way they want their staff to act... even if it's an inconvenience.


THE
FUTURE

John laughed at the joke, and took a bite of his food. He always enjoyed the company of this particular group of friends, as they were business owners too, just like him.

Their partners and children had grouped together and gone off to do their own thing. So the conversation soon turned to business.

After the usual bravado of everyone claiming business was great, they started swapping horror stories.

A member of staff who really should be fired.

A major customer service failing.

An idiot client.

And John couldn't help but chip in with his hack story from a few weeks before. Told in great detail with all the embellishments.

The discovery. The hassle. The fix. And how, just a few weeks later his cash flow was starting to recover, and he knew the business would be fine.

He had a rapt audience. They jumped in with a load of questions for him.

As he listened to them discussing the situation, he remembered something his new IT technician had told him on the phone. "For far too many businesses, email security isn't an issue... until it suddenly is."

John knew that had been the case with his business. Now it was protected and kept up-to-date.

He'd read stuff over the years about cyber security, but had

assumed hackers wouldn't be interested in a business like his.

Now he knew that assumption was completely wrong.

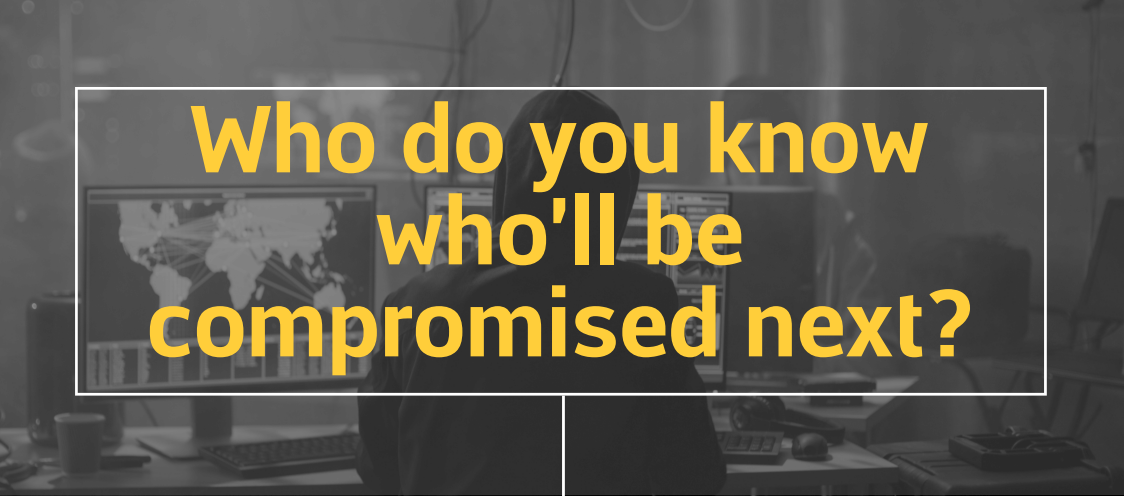
Business owners and managers were so busy all the time, that they had to filter out a lot of the noise.

He realized cyber security was suddenly much higher up the agenda for this group of friends, because someone they knew had been attacked and compromised.

In the same way that people buy home alarms when a friend has been burglarized. And more insurance when someone they know well gets a serious illness.

If that was the one good thing to come out of this expensive, difficult lesson, then John could live with that.

He swigged his beer, and smiled.



Who do you know who'll be compromised next?

As I said earlier on, while this is a fictitious story, the situation John found himself in is no longer rare.

I'm not scaremongering when I say someone you know will be compromised at some point in the next 12 to 18 months.

You might not know about it, because business owners and managers don't like to run around telling everyone they've been hacked. Understandably, they are reluctant for clients and peers to find out!

Which is a pity. I wish more business owners would tell their friends when it happened. Not because IT security and support businesses like mine enjoy cleaning up the mess afterwards. Far from it.

We prefer doing preventative work to stop it from happening in the first place.

It's easier for you to make decisions about the appropriate blend of security for your business, when you're doing it by choice, rather than in a hurry as a matter of necessity.

It's also a lot less expensive. And there's considerably less hassle for you and your team.

If your business isn't yet fully protected with the correct layers for your specific situation, my team and I would love to help you. More and more owners and managers are waking up to the risks, and putting in place appropriate preventative measures.

This is how you can get in touch with us:

- www.neatoware.com
- info@neatoware.com
- +1 (404) 328-7771

Meantime, if you are happy with your blended email security, please feel free to pass this book onto a friend who maybe isn't quite as ahead of the curve as you.

Thanks for reading.



Your email being hacked is your worst nightmare

Every day, every single organization is being targeted by hackers.

These aren't the young, moral hackers of the 80s and 90s who were breaking into systems just for the challenge.

Today it's a highly organized and lucrative crime. Using smart, automated tools constantly testing every business's armor. Looking for just one tiny crack in their defences, to let them get in.

And their favourite access point is your email. Because with a little patience, and some smart thinking, your email can provide direct access to the contents of your business's bank account.

This book is an essential read for every business owner and manager. It uses the fictitious story of a business owner to explain complicated cyber security concepts in a way that anyone can understand.

And provides you with a checklist of 9 powerful defence weapons. So you can design the perfect blended security setup for your business.

Author David Griffeth **is an acknowledged data security** expert. He owns Neatoware.
Learn more at www.neatoware.com.

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