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Protect What You've Built: Practical Fraud Prevention for Hawaii Businesses

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*CPB Rising Tide is backed by Central Pacific Bank.
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Why This Matters and the Current Threat Landscape

- The scale of fraud today
 - Criminal groups operate like businesses – organized/industrialized
- Fraud has changed in the past 2 – 5 years
 - Smaller businesses are now primary targets
- Rise of AI enabled fraud
 - Lowers barriers to entry and accelerating scam sophistication
 - AI impersonation; personalized campaigns and messaging



Why the Human Element Matters

Technology enables fraud, but people enable success:

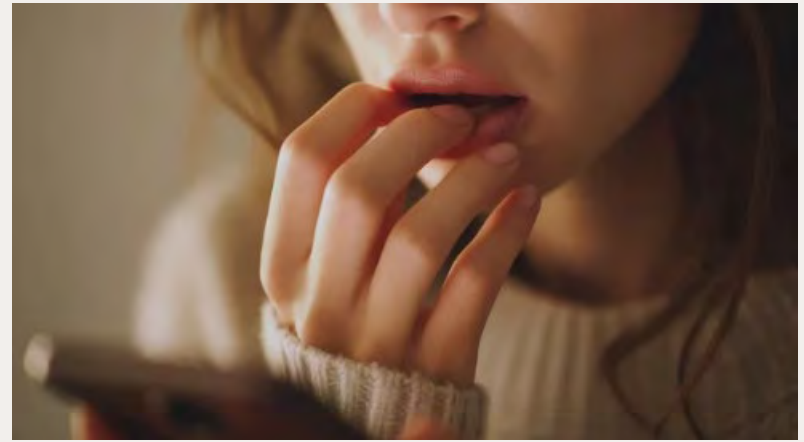
- Social Engineering
- Trust Exploitation
- Emotional Manipulation
- ~~Technical Sophistication~~

And because we live in Hawaii:

- Aloha
- Respect for elders
- Community trust



Why We Fall For It



Psychological Drivers

- Authority bias
- Urgency and fear triggers
- Reciprocity and relationship grooming
- Loneliness
- Financial stress and FOMO in investment scams

Why We Fall For It

Organizational Weak Points

- Overreliance on email approvals
- Lack of call-back verification
- Training fatigue
- Cultural reluctance to question authority
- Remote work isolation



Common Fraud Scenarios

Business Email Compromise

- Deceptive or compromised email account that looks like it's from a business

Account Take Over

- Credential stuffing, MFA fatigue attacks

Impersonation Scams

- “Unusual activity on your account”, fake fraud alerts

Fraud Attack Chain

Identify and put in place mitigations for each step

Step 1



Reconnaissance
Information Gathering

Step 2



Targeting & Prep
Attack Planning

Step 3



Initial Contact
The Hook

Step 4



Exploitation
Gaining Access

Step 5



Persistence & Escalation
Expanding Control

Step 6



Execution
Financial Strike

Step 7



Cover-Up & Monetization
Hiding the Trail

Goal: Prevent scam up front rather than detect or respond after a scam has happened

Fraud Attack Chain

- **Reconnaissance: Information Gathering**



- Limit personal and business information on social media
- Privacy settings on online accounts
- Monitor for company data in breach databases

- **Targeting & Preparation: Attack Planning**



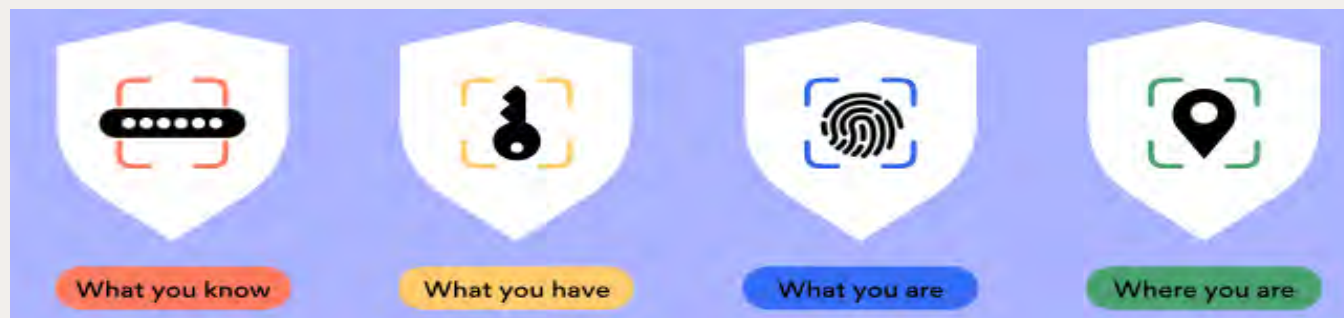
- Verify sender email addresses and domains carefully
- Skeptical of urgent or pressure tactics
- Never trust caller ID alone – verify independently

Fraud Attack Chain

- **Initial Contact: The Hook**



- Pause before responding
- Never click links in unsolicited communications
- Contact organization using known numbers
- Enable MFA for all accounts with distinct factors



- **Exploitation: Gaining Access**



- Use complex passwords with a password manager
- Never share remote access to your devices
- Keep antivirus and security software updated
- Implement dual approval for transactions

Cyber Hygiene Tips - Passwords

Number of Characters	Numbers Only	Lowercase Letters	Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters, Symbols
4	Instantly	Instantly	Instantly	Instantly	Instantly
5	Instantly	Instantly	57 minutes	2 hours	4 hours
6	Instantly	46 minutes	2 days	6 days	2 weeks
7	Instantly	20 hours	4 months	1 year	2 years
8	Instantly	3 weeks	15 years	62 years	164 years
9	2 hours	2 years	791 years	3k years	11k years
10	1 day	40 years	41k years	238k years	803k years
11	1 weeks	1k years	2m years	14m years	56m years
12	3 months	27k years	111m years	917m years	3bn years
13	3 years	705k years	5bn years	56bn years	275bn years
14	28 years	18m years	300bn years	3tn years	19tn years
15	284 years	477m years	15tn years	218tn years	1qd years
16	2k years	12bn years	812tn years	13qd years	94qd years
17	28k years	322bn years	42qd years	840qd years	6qn years
18	284k years	8tn years	2qn years	52qn years	463qn years

Time it takes
a hacker to
brute force
your password
in **2025**



Table courtesy of
Hive Systems



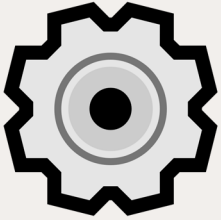
Useful email security/password links:

www.passwordmonster.com

www.haveibeenpwned.com

Fraud Attack Chain

- **Persistence & Escalation: Expanding Control**



- Review account activity and settings regularly
- Monitor for unauthorized password changes
- Check email forwarding and filter rules regularly
- Set-up account alerts wherever possible

- **Execution: Financial Strike**



- Enroll in positive pay for checks and ACH
- Set transaction and daily transfer limits

- **Cover-Up & Monetization: Hiding the Trail**



- Report suspicious activity to bank immediately
- Preserve all evidence and documentations
- Conduct monthly account reconciliations
- File reports with law enforcement and IC3

Other Security Tips

- Train your employees
- Limit information you post on your social media
- Secure your wireless network
- Avoid open Wi-Fi networks
- Make sure 3rd parties are safe and secure
- Avoid freeware where possible
- Don't mix work and personal
- Consider cyber insurance

A 2025 study conducted by the Association of Certified Fraud Examiners show:

Organizations that **DID NOT PROVIDE** fraud awareness training lost nearly **2X MORE.**

TRAINING BOTH employees and managers/executives



TRAINING NEITHER employees nor managers/executives



Strategies to Consider

- Assess your business risk
- Focus on security awareness, email & malware protections; endpoint security, secure configuration standards, and patch management
- Partner with a security solutions provider to augment skills deficit and improve security posture.
- Establish an incident response plan and develop incident response capabilities

Are checks a secure form of payment?

- Check fraud is a high-volume threat
- Cases increased 11% in 2025
 - 11 billion checks written in the US
- Driven by:
 - The postal system not being secure
 - Sophisticated, organized crime rings
 - Leaping advances with AI



If you need to write checks:

- Hand deliver the check
- Drop it off inside a post office
- Follow up with the payee after mailing the check
- Timely review your bank statements
- Enroll in Check Positive Pay



Check Positive Pay

- Advanced bank fraud prevention service that verifies the check number and dollar amount.
- Reduces fraud by catching altered, washed, or counterfeit checks that might otherwise bypass standard verification.
- Businesses upload a file of issued checks (including check number, amount, and date) to their bank, which the bank uses to compare against incoming items.
- Businesses receive an exceptions list of items that do not match the information in their file.
- Businesses then approve or reject the items on the exceptions list.

Alternatives to Paying by Check:

- ACH Transfers
- Wire Transfers
- Online Payment Platforms
- Corporate Credit Cards

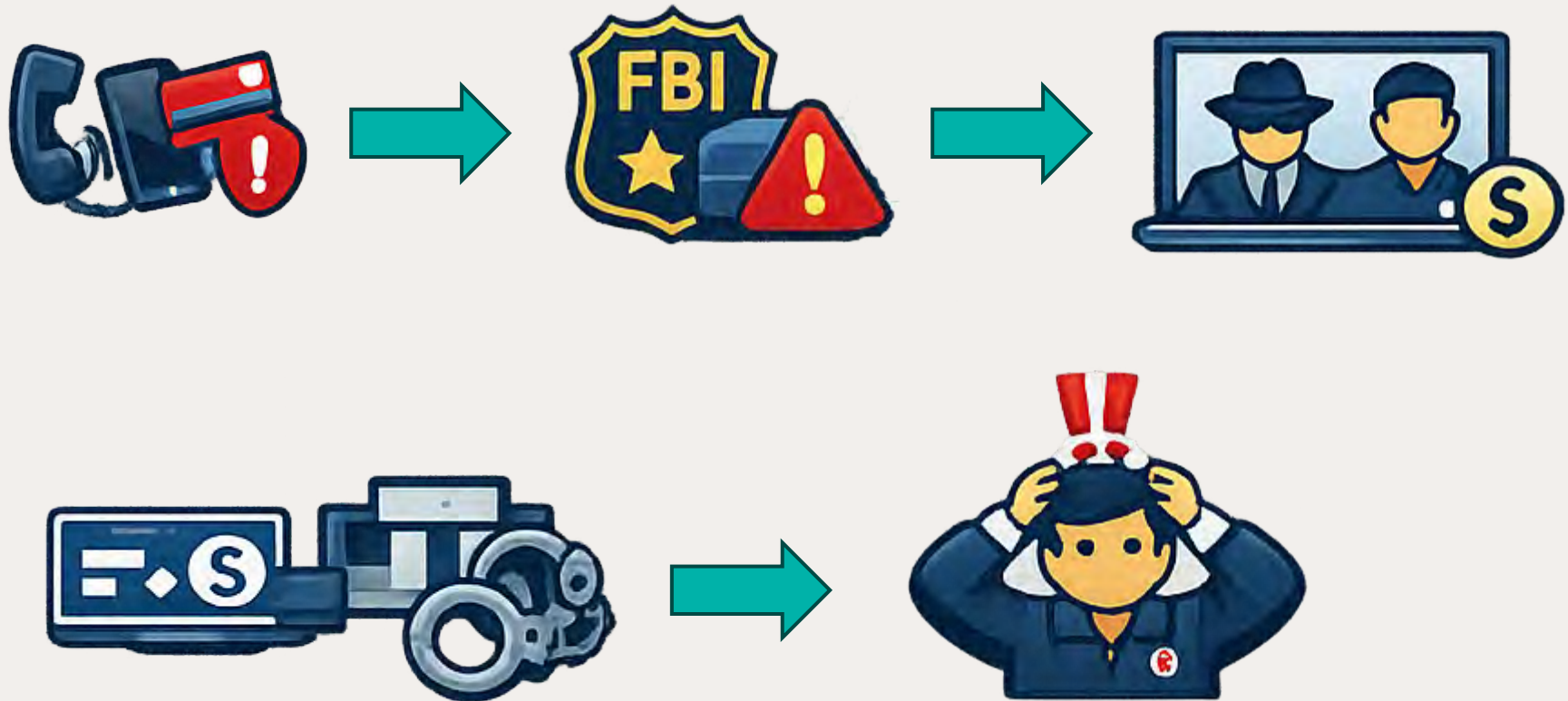


Real Fraud Incidents:



Funds Available vs Funds Have Cleared

Real Fraud Incidents:



What To Do After a Fraud Incident

First 24 Hours (Critical Window)

Immediate actions

- Stop payment / recall wires
- Notify financial institution
- Preserve logs and communications
- Activate incident response plan
- File IC3 complaint

Post-Incident Hardening

- Control gap analysis
- Training refresh
- Vendor/payment review
- Executive briefing
- Board reporting



What To Do After a Fraud Incident

Speed matters:

Recovery odds drop sharply after 72 hours

*Treat fraud like a **safety** incident, not just a loss event.*



Federal Resources Available in Hawai'i

Reporting and Investigative

- FBI Internet Crime Complaint Center (IC3)
- FBI Honolulu Field Office
- U.S. Secret Service (financial crimes)
- Homeland Security Investigations (HSI)

Victim Support

- National Elder Fraud Hotline
- FTC IdentityTheft.gov
- Treasury Financial Crimes Enforcement Network (FinCEN)

Hawai'i State & Local Resources

State-Level

- Hawai'i Department of Commerce and Consumer Affairs (DCCA)
- Hawai'i Attorney General Fraud and Consumer Protection Division
- Securities Compliance Branch (investment fraud)
- Office of Consumer Protection

Local / Community

- Honolulu Police Department Financial Crimes Detail
- County police departments (Maui, Kaua'i, Hawai'i County)
- AARP Hawai'i Fraud Watch Network
- Senior Medicare Patrol Hawai'i

Mahalo!

