KYRIBA CASE STUDY

How Kyriba Helped Prevent a Fraudulent $8M Payment

The fraud attempt started with an email from the CEO. Fortunately, the treasury team at a leading real estate developer had worked diligently to establish effective payment processes that would reduce the risk of fraudulent or inaccurate payments. These policies included internal controls, information technology and dissemination, corporate culture and monitoring/compliance.

A Credible Request

The assistant treasurer received an email from the CEO requesting an $8 million wire to execute an acquisition of a UK target company. Given the confidential nature of the transaction, the email indicated that the assistant treasurer should not discuss the wire with anyone else. To top it off, the treasurer happened to be on vacation. The transaction appeared credible and the email accurately mimicked the writing style of the CEO. As the assistant treasurer began to take action on the CEO's request, he realized that for a number of reasons he would be unable to execute the wire.

Policy Meets Reality via Kyriba

Thanks to the controls established by the company and held in place by Kyriba:

- The payment could not be processed by a single person. This company had configured Kyriba so that every payment must have at least three separate employees involved before it can be processed. One employee requests the payment, one employee processes the payment and a final employee approves/releases the payment.

- The $8 million amount exceeded the assistant treasurer's authority in Kyriba. Kyriba's platform enforces authority limits that give each employee a specific maximum on the payment amount they can approve. He would need to gain approval from someone with a higher limit in order to execute the wire.

Fraud Stopped in its Tracks

When the assistant treasurer walked down to the CEO's office to discuss these questions, it quickly became apparent that this wire request was fraudulent. The company's use of Kyriba to enforce its internal fraud prevention policies was critical to preventing this fraud attempt.

Other ways that Kyriba helps this company identify and protect against fraud includes the rapid dissemination of information in order to ensure that all transactions are widely communicated to accounting and other key departments. The platform distributes key reports, including a list of payments being processed, several times a day. Daily report dissemination allows their accounting group to perform timely accounting reconciliations which highlights fraudulent or inaccurate payments and prevent them from occurring in the future.

Thanks to Kyriba's ability to support segregation of duties, payment authorization limits, and bank controls, this leading real estate developer avoided an $8 million loss.

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