

COVID-19: Fraud & cyber security insights

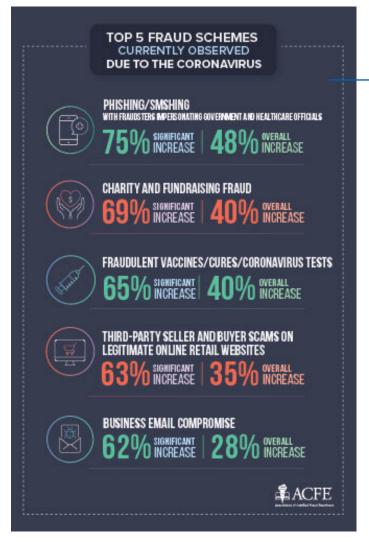
8 May 2020

KPMG in Thailand



COVID-19 x fraud schemes currently observed





- Phishing / SMShing with fraudster impersonating government and healthcare professional
- 2 Charity and Fundraising Fraud
- Fraudulent vaccines / cures / coronavirus Tests
- Third-party seller and buyer scams on legitimate online retail websites
- 5 Business email compromise

Source: https://www.acfeinsights.com/acfe-insights/covidfraudsurvey



Some **fraud risks** to consider





Sales of damaged / expired goods

Replacing packaging or change manufacture date

- Price inflation of goods
 Hoarding of essential products, creating superficial scarcity
- Sales of counterfeit goods
 Selling counterfeit products that are in high demand



PROCUREMENT

- Collusion with vendors
- Staff colludes with new vendor to supply of sub-standard quality material/services by vendors at higher prices
- Insufficient 3rd party due diligence

New challenges for companies trying to perform due diligence activities remotely or with downsized teams due to social distancing measures.



CLAIMS

Credit Card

Large increases in customer claims related to the cancellation of events and travel due to COVID-19, allowing fraudsters may see an opportunity to submit fraudulent claims

COVID-19 Insurance

New applicant fail to disclose symptoms and recent travels and contacts

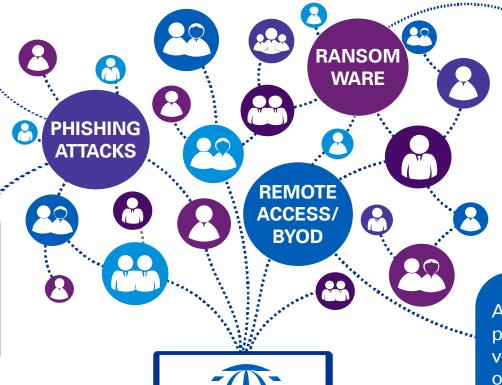
Fraudsters may seek to submit false or overstated claims in order to receive benefits.



Cyber security threats



Phishing chat message offering a discount voucher for a well-known hypermarket for shopping online.





transformed to be a COVID19 tracking application luring people to install the app and locking the device and request for a ransom

Actors scanning for publicly known vulnerabilities and other know vulnerabilities affecting various **VPN products**



Cyber security impact

Confidentiality

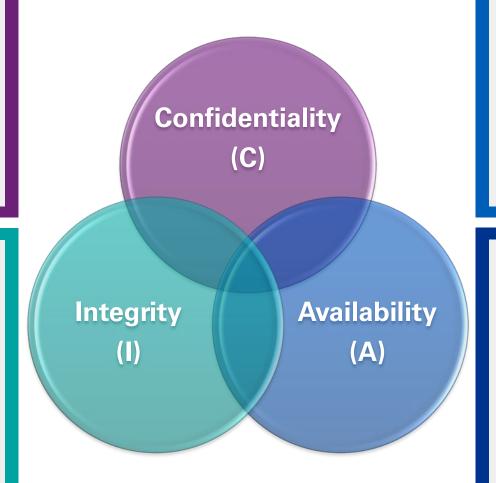
Set of rules to limit access to information

DATA BREACH

Integrity

Assurance that information has not been compromised

BRAND REPUTATION



Cyber Resilience

Ability of an organization to confront and adapt with the disruptions

Availability

Guaranteed reliable access to information by authorized people

BUSINESS DISRUPTION



Cyber security - in actions



Helpdesk

- Sufficient capacity
- Substitution key contact person
- Prepare simple guide



Secure Data

- Data governance
- Cloud based data storage

Secure Devices

- Secure environment
- Separate work and personal
- Secure Wifi and bluetooth
- Aware of phishing



Secure Communication

- Voice assistance devices
- Cloud based conferencing tools
- Awareness



Technology and Infrastructure

- Scaled VPN
- Infrastructure load and performance
- Alternative access and conference solutions
- Centralized of Failure



Moving forward...

PREVENTION

- Foster awareness on fraud and cyber risks and impact
- Be wary when entering into suspicious websites, email or making payments
- Enable email filtering

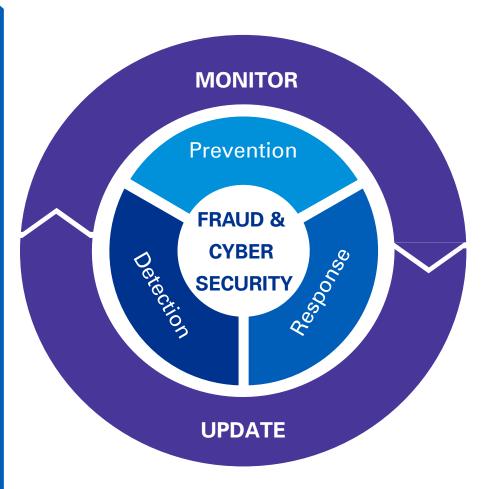
DETECTION

- Set up whistleblower hotline system
- Monitor IT infrastructure and access controls
- Deploy anti-virus detection software

RESPONSE

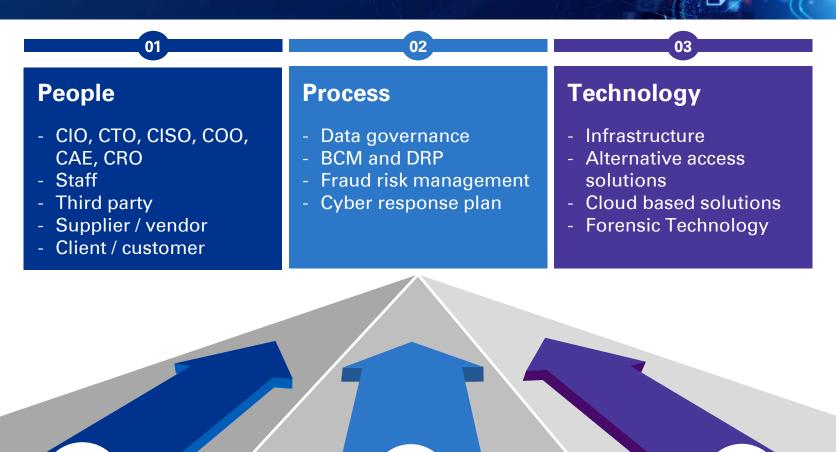
- Develop manual / playbook to respond to suspicious fraudulent activities and cyber incidents
- Follow-up/investigate on suspicious fraudulent activities and cyber incidents







Factors for consideration





Key takeaways

01

FOSTER AWARENESS FOR STAFF AND THIRD PARTIES

02

IDENTIFY EMERGING FRAUD
AND CYBER RISKS

03

DEVELOP PREVENTION, DETECTION, AND RESPONSE MEASURES





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