

Vendor Change (Address or EFT) Processing Policy: (May 4, 2015)

Due to new risk of impostor fraud, the CMU will not process any banking and/or payment address changes to a vendor unless validated and confirmed by the Department. Per banking recommendations, the best practice for reducing this risk is to verify the requestor/request. If request came via email, fax, or mail, the Department should verify via phone call. If came by phone, verify it by email. Always use the contact information on file to verify. Never use the contact information that comes with the request as it is potentially fraudulent too. Since the CMU does not have vendor information on file, this must be handled by the Department with the relationship with the vendor.

Use the following standard communication when receive change requests directly from vendor:

Thank you for your request to change your direct deposit and/or payment address. However, we must receive this information directly from the Department in which you are doing business. Please work with your Department contact to make these changes. If you do not yet have a Department that you are doing business with (maybe in the Bid process only), then please wait until this relationship has been established to provide banking or payment information to the State of Colorado.

Use the following standard communication when requesting the Department validate the request:

The CMU received via ?????XXXXX the EFT direct deposit authorization form and/or request to change address for ??????XXX vendor. See attached with redacted information.

It is critical that the Department confirm these are valid changes to the banking EFT details and/or payment address by contacting the vendor using your own contact information not the information given on the forms. The risk of not validating this information directly with the vendor is fraudulent payments being made to someone other than the intended vendor.

According to the State Treasury, vendor impostor fraud is on the rise. The fraudster posing as vendor requests a change to payment instructions i.e. provides invalid EFT information or payment address. To safe guard State assets, we must receive the appropriate documentation and/or written approval from the Department **validating** that these changes are from the vendor before we can process. Therefore, the vendor will continue to receive payment via the means in which they already have setup (i.e. via the prior EFT in the system or warrant) until we receive verification from your Department.

Email that was provide to Controllers and employees with the VCC entry Role on May 7 2015
Good afternoon,

The Office of State Controller (OSC) wants to bring to your attention a new risk to the State. It is vendor impostor fraud (the fraudster posing as a vendor requests a change to payment instructions i.e. provides invalid EFT information or payment address). Please see the attached flyer that describes this risk for the State.

Due to the new risk of impostor fraud, the OSC, Central Management Unit (CMU - state_centralapproval@state.co.us) effective immediately must receive the appropriate documentation and/or written approval from the Department **validating and confirming** that these changes are from the vendor. Therefore, the vendor will continue to receive payment via the means in which they already have setup (i.e. via the prior EFT in the system or warrant) until we receive verification from your Department.

Vendors who enroll in Vendor Self Service (VSS) will no longer be allowed to setup EFT details directly with the OSC and must work with Departments directly for all EFT additions and modifications.

The best practice for reducing this fraud risk is to verify the requester/request data. Therefore, it is critical that the Department confirm these are valid changes to the banking EFT details and/or payment address by **contacting the vendor** using your own contact information not the information given on the forms. Never use the contact information that comes with the request as it is potentially fraudulent too.

Please ensure you work with those in your Department that manage your vendor maintenance/setup to forward these forms to the CMU.

If you have any questions, please email the Central Management Unit email box at state_centralapproval@state.co.us.

Thanks,
Angela

Angela Lujan
Manager
Central Management Unit