



# How Email Invoicing Exposes Energy Companies to Security Risks

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# Businesses are Vulnerable to Data Breaches

Strengthened security is a top priority for CFOs as recent [studies](#) have confirmed. Many leading companies in the energy business have spent millions of dollars and countless hours to secure their data. But there is a vulnerability in the way settlement departments send invoices. This common practice is exposing these businesses to unnecessary risk.

## Why Emailing Invoices is Unwanted Risk

Many companies in the energy trading community still invoice their counterparties via email. The invoice is manually attached and often sent from a shared settlement department email account to a pre-populated email address for the counterparty. The sender has no way of knowing who opened the email, when it was opened, or even if the email address was correct—until it bounces back. This practice is not secure and is highly vulnerable to email hacking attacks.

### Here's the Problem

Email invoice delivery is fraught with risk. With little technical knowledge, hackers can easily exploit email correspondence, sending electronic invoices from what appears to be a trusted counterparty. The banking information and payment instructions, even on a PDF invoice, can be effortlessly changed, defrauding the real counterparty.

In a recent [report](#) from TD Bank on PYMNTS.com, business email compromise (BEC) continues its reign as the most common corporate cyberattack. It's common business practice to rely on email and the Internet, but both can introduce risk to payment processes.

Highlights from a January 2018 Trend Micro [article](#) confirmed that BEC attacks have grown rapidly over the past few years, from \$1 billion total losses worldwide in 2016 to a projected growth of over \$9 billion in 2018.

## 3 More Reasons Why Emailed Invoices Pose a Security Risk

With growing potential for critical revenue loss from BEC attacks, CFOs are appropriately focused on strengthening security. Here are 3 more reasons why emailed invoices are an open invitation to hackers.

### 1. A lack of security controls.

Email accounts are often shared, meaning access may not be secured. Senders have no way of knowing who can access the sensitive information that's been sent.

### 2. Out-of-date information.

In today's rapidly changing business world, it's tough to maintain a current list of counterparty contacts. Sometimes, the only way to find out if an email has been sent to an invalid contact is when it bounces back.

### 3. No audit trail.

Even when an invoice is accessed via email, there's no way to know who retrieved it, or when. Similarly, if an invoice is modified in any way, there is no record of that change.

It's abundantly clear that email invoice delivery is risky and energy invoicing needs a secure solution.

## ESN®: A Secure Invoicing Platform for Energy Settlement

Aquilon's Energy Settlement Network® (ESN) is emerging as the industry standard for energy settlement departments. One of the most immediate benefits ESN

provides is a secure method for delivering and receiving counterparty invoices and related settlement information.

#### Additional benefits of ESN include:

- Secure invoice import automation from originating source system.
- Central secure location for invoice management, ensuring controlled access to only authorized users.
- A full audit trail of when invoices are accessed and by whom.

The counterparty and financial institution are immediately alerted for all invoice revisions. Further, ESN allows your counterparties to quickly indicate invoice approval, deliver their invoices to you in the same secure manner, and share any correspondence needed to process payments.

## Close Your Security Gap with ESN

As CFOs focus on reducing business risk, they are seeking a secure solution to the back-office practice of emailing financial information.

Now's the time to join other industry leaders on the network. ESN is a cost-effective solution that closes the invoicing security gap, requiring a secure login for access to invoices and other financial information.

ESN provides a collaborative platform where settlement teams and their counterparties can communicate and share sensitive information without attaching an invoice to an email ever again.

## About the author

[Jeffrey Wagner](#) is the CEO and founder of [Aquilon Energy Services](#).

## About Aquilon Energy Services

A high-growth technology company, Aquilon Energy Services Inc. worked with the energy industry to launch the Energy Settlement Network®. ESN® is the new industry standard, enabling members to automate settlements with their counterparties in a secure, collaborative cloud solution—improving operational efficiency and increasing security.