

## The Power of Anecdote: True Stories of Nonprofit Risk from the Front Lines



Resource Type: Risk eNews

**Topic:** General

While attending the Risk Summit, it occurred to me that a powerful benefit of the conference was the opportunity to exchange true stories and tough lessons learned on the frontlines of nonprofit service. After hearing several leaders describe how their organizations narrowly escaped significant losses or recovered from a loss, I began asking attendees for permission to share their stories. Below are a few anecdotes and lessons I picked up while attending my first NRMC conference.

**Bank Account Breach**: A nonprofit leader received notice from their bank that an unknown party had attempted to access their account. The timely discovery of the breach protected the nonprofit from financial loss. The leader I spoke to believes that the perpetrators acquired bank logins from a <a href="mailto:phishing attack">phishing attack</a>. Takeaway: Be certain proper security protocols are in place with your financial institution. If you have questions, ask your bank for a security review.

**Sudden CEO Departure:** A CEO with a great deal of critical operational knowledge announced a sudden departure. By springing into action and quickly drafting a succession plan the nonprofit's leadership team was able to facilitate a smooth transition. Takeaway: The organization became more <u>resilient</u> from the experience; succession planning is now employed throughout the organization.

**OSHA Investigation Called for Properly-Working Doors**: A nonprofit was investigated by OSHA when employees reported that they had been trapped in a facility by faulty doors and were forced to exit through a window. The investigation revealed that the facility doors weren't faulty but had a 3-second delay. Takeaway: The event served as a reminder that training is key to facility safety.

Payments Sent in Phishing Attack: A nonprofit fell victim to a phishing attack when a believable and well-timed email sent wire instructions for a vendor payment. Two US-based banks flagged two payments as suspicious, but one foreign bank processed the fraudulent payment and the nonprofit has been unsuccessful recovering the lost funds. Takeaway: Hackers may spoof your organization's website and use email and signatures of individuals or entities familiar to you. Phishing is a numbers game, it just takes one email out of thousands to get through to someone on your team, and for them to do something your IT team has warned them against (such as saving and launching attachments without verifying the source, or opening Office documents and deliberately enabling macros). Online security training for all staff can help spot phishing expeditions.

**Surviving a Ransomware Attack**: One nonprofit had a portion of their <u>organization's data</u>, including emails, locked by a ransomware attack demanding many tens of thousands of dollars. The organization concluded that the data was protected under breach laws because it did not include Personally Identifiable Information. The nonprofit decided to restore and rebuild its data rather than pay the ransom. The information published by the hackers was benign, causing stress but no financial or other harm to the nonprofit. Takeaway: Ransomware Attacks are known to spread via use of Remote Desktop Protocol or insecure software. Be sure your software is up-to-date. Set up two-factor identification and use a VPN when traveling overseas. Many smaller organizations outsource IT, so check with your contractor, make certain they and their staff are trusted with your network.

**Annual Risk Review Boosts Event Success**: A nonprofit leader reported that her organization conducts a thorough debrief and reflects on what went right as well as what went wrong after each major event. The team attributes the success of their events to this practice. Takeaway: You may learn more from your hiccups than your slam dunks (and from your successes only if they are evaluated as thoroughly as your losses). Be sure to conduct thorough reviews of both.

Stories such as these are reminders of the importance of vigilance in protecting the assets of an organization. Do you have risk stories or near-misses that might be valuable to other nonprofits? We'd love to hear about risk from your vantage point. Please email us any time at <a href="mailto:info@nonprofitrisk.org">info@nonprofitrisk.org</a>.

## Resources

Workplace Wellness: Managing Risks to Employee Health and Productivity

- www.https://nonprofitrisk.org//resources/articles/workplace-wellness-managing-risks-employee-health-productivity/

Pass the Remote! The Trials, Tribulations, and Triumphs of Telecommuting Team

- www.https://nonprofitrisk.org//resources/articles/pass-remote-trials-tribulations-triumphs-telecommuting-team s/

Happy Knot: Managing Workplace Culture Risk

- www.https://nonprofitrisk.org//resources/e-news/happy-knot-managing-workplace-culture-risk/

Valiant Volunteerism: Managing Volunteer Risk & Reward

- www.https://nonprofitrisk.org//resources/e-news/volunteer-risk-management-2/