

Business Checklist: Preventing Business Fraud

Your business registration is not a "set it and forget it" task. Actively managing your entity's information is the single most effective defense against fraud and identity theft.

Bad actors can exploit outdated or unmonitored business records to make unauthorized changes, effectively hijacking your company's legal identity to commit fraud. This can lead to significant financial loss, legal liability, and reputational damage. Use the following points as a guide to maintain secure and active control over your business entity.

I. The Core Principle: Why Connectivity is Crucial

Your Record is Official Truth: The information on the public business register (INBiz) is considered legally true. That is why you are asked to confirm the information submitted "are true under penalties of perjury". If a fraudster changes it, they can use that as the beginning step to open bank accounts, take out loans, or sell company assets.

Vulnerability of Inactive Entities: Businesses with out-of-date contact information or those that miss required filings are prime targets. Fraudsters see this as a sign that the owner is not paying attention.

Consequences of Lost Connectivity:

- Missed critical legal notices and verification of changes.

- Loss of "Certificate of Existence" with the state.

- Unauthorized changes to company leadership (directors, officers).

- Fraudulent transactions made in your company's name.

II. Fraud Prevention Checklist for Business Owners

1. Secure Your Digital Access with Access Indiana (Link)

- Use a Strong, Unique Password: Avoid reusing passwords from other accounts. Do not share this with others.

2. Maintain Up-to-Date Records:

- Designate a Secure Email: Use a dedicated and actively monitored email address for your entity to ensure you see all official business service division communications. If you utilize a third-party service, make sure the state has connectivity to you or a governing person.

Update Email & Office Addresses Promptly: Immediately file a change of address with the business service division if your principal office or mailing address changes.

Update Governing Persons: If an officer, director, or member joins or leaves the company, update the business service division without delay.

3. Manage Your Registered Agent:

Verify Your Agent's Contact Information: Your registered agent is your official point of contact for lawsuits and legal notices. Ensure their information is always correct on the public record.

Use a Reputable Commercial Agent: A professional service is often more reliable than an individual and ensures someone is always available to receive critical documents. Make sure your agreement with them ensures you will get all important notices.

4. Proactive Monitoring and Compliance:

Schedule Regular "Information Checks": Set a recurring calendar reminder (quarterly is ideal) to log in and review your company's record online. Verify all information is accurate.

File Biennial Entity Reports (BER) On Time: Know your filing deadlines. Filing on time is a key indicator to the state that your entity is active and legitimate.

Ensuring a valid business e-mail allows the Business Service Division to provide a free email alert service that notifies you whenever a change is filed for your company. This is an essential early-warning system.

Staying connected to your business entity is a fundamental aspect of smart business. By treating your business registration as a living document that requires regular attention, you can protect your investment and prevent it from being used for illicit purposes.