



ACCESS GRANTED

The devil is in the details

Aileen Coverdell, CPA

Accounting Services Manager/Chief Accountant

Benton County Auditor's Office

Case Study ONE

Payroll direct deposit diversion

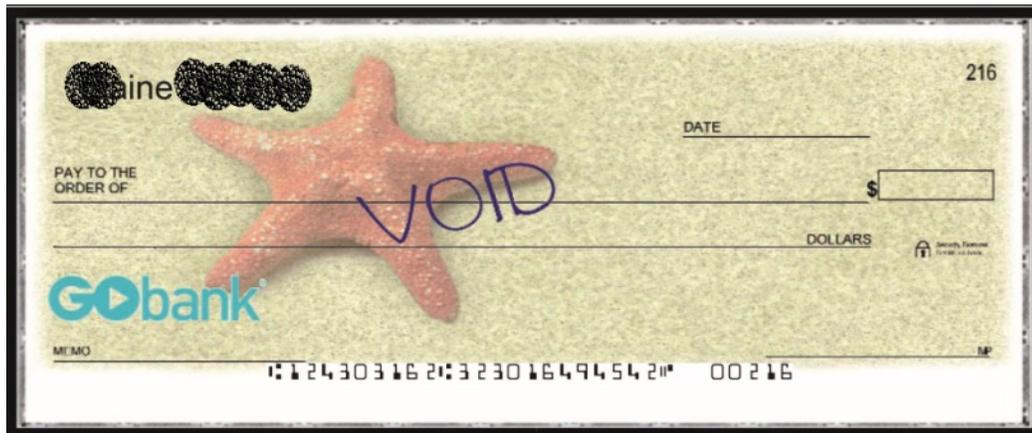
From: Jaine Smith <Janie.Smith@co.benton.wa.u>
Sent: Tuesday, January 08, 2019 9:18 AM
To: AUDITOR <Auditor@co.benton.wa.us>
Subject: Change my DD^*

Please I need a direct deposit form to update my banking details, Or can I just email the bank details to you? I will like this effective with coming payroll

Thanks,
Jaine Smith
Executive
Benton County

What did we do?

- **COUNTY:** Hi, Jaine. I am cc'ing payroll into this email **and attaching the form.**
- **FRAUDSTER:** Thanks for your quick response. I've attached the voided check/form with this email. I would really appreciate you helping me with the changes to effect in the next payroll. **Can Pre-note be skipped** so I can have my next paycheck deposited into the new account? I have verified and its all good to go.



- **COUNTY:** Jaine, we will need to prenote as if there was an error , (on our part or the bank) it takes at least 3 days to get the funding back before we could reissue.

What is wrong? Let me count the ways!

From: Jaine Smith <Janie.Smith@co.benton.wa.u>

Sent: Tuesday, January 08, 2019 9:18 AM

To: AUDITOR <Auditor@co.benton.wa.us>

Subject: Change my DD^*

Please I need a direct deposit form to update my banking details, Or can I just email the bank details to you? I will like this effective with coming payroll

Thanks,
Jaine Smith
Executive
Benton County

Improper use of grammar and lack of punctuation.

The FRAUDSTER's email address changed.

From: Jaine Smith <enes673647@lycos.com>
Sent: Tuesday, January 08, 2019 9:52 AM
To: Mary Jones <Mary.Jones@co.benton.wa.us>
Subject: Re: Change my DD^*

Hello Mary,

Thanks for your quick response. I've attached the voided check/form with this email

Here's the account details:

Go Bank
Routing #: 124 303 162
Account #: 323 016 494 542
Checking

I would really appreciate you helping me with the changes to effect in the next payroll. Can Pre-note be skipped so I can have my next paycheck deposited into the new account? I have verified and its all good to go.

Do acknowledge once the changes is completed.

Thank You!
Jaine Smith
Executive
Benton County

We believe that the FRAUDSTER acquired the name and other information from the County Website listing of Public Record Officer's. The County received other diversion requests for other Public Record officials.

**BENTON COUNTY ENROLLMENT/CHANGE FOR ELECTRONIC FUNDS
TRANSFER (EFT) OF NET WAGES**

Employee Name [REDACTED]	Employee's Address
Department <i>Public Record</i>	City, State, Zip

If canceling existing account please indicate terminate or continue until pre-note is approved

Terminate Continue existing account until pre-note approved

Account			Account Number	Routing Number	Type	Amount (Fixed or Balance)
1 New <input type="checkbox"/>	1 Change <input checked="" type="checkbox"/>	1 Cancel <input type="checkbox"/>	<i>323016494592</i>	<i>124303162</i>	Checking <input checked="" type="checkbox"/> Savings <input type="checkbox"/>	<i>100%</i>
2 New <input type="checkbox"/>	2 Change <input type="checkbox"/>	2 Cancel <input type="checkbox"/>			Checking <input type="checkbox"/> Savings <input type="checkbox"/>	
3 New <input type="checkbox"/>	3 Change <input type="checkbox"/>	3 Cancel <input type="checkbox"/>			Checking <input type="checkbox"/> Savings <input type="checkbox"/>	

(Please attach a voided personal check / savings deposit slip for account number verification)

In due course, the actual employee was contacted via County Email...

“The email string below was NOT sent by me. Somewhere I have been compromised!!”

“Below is an email string from someone impersonating me about my direct deposit. The initial email concerns me because it went to the Auditor’s generic email and was responded to with the information to make these changes. I of all people would not email the Auditor’s generic email nor do I think any county employee would.

I am rather upset at this point, so forgive me if I am sounding that way. But I just want you all to know so that a warning can be sent out and/or pre-cautions can be taken with our payroll. “

My apologies for this concern. We do receive emails from employees to the Auditor email on occasion and I typically just pass them on to the payroll email (as noted below) for review. Payroll always verifies the information, etc. before processing which is why you received contact about the change. I do not make any changes and this information is always vetted through payroll.

We will certainly discuss internally about limiting the contact emails, etc. for employee changes. We are working with IT to report this matter to the authorities and are discussing broadcasting a message County-wide.

Again, my apologies for the worry this has caused you.

Case Study

TWO

- Identity Theft
- False Unemployment Claims

- How many of you know about a false unemployment claim filed in your name?

- I received a call from HR asking if I had filed for unemployment **{as I was sitting at my desk doing my work}**.
Uh, No.

- 
- Immediately I went online to find some direction of what to do. ESD website not very helpful.
 - I tried calling ESD for three weeks...
 - **Finally**, I was able to leave a message for a call back. Eventually an ESD employee contacted me.
 - It didn't take long to work things out over the phone.
 - Some people were compromised more than once.

When KING 5 “temporarily closed”

Here is a news spot by a King 5 long time reporter...

<https://www.king5.com/embeds/video/281-8761e693-0450-43e0-a03f-bf398712fb89/iframe?jwsourc=em>

What should you do?

- Face the reality that your “personal” information is not private.
- Take advantage of any free credit monitoring offered from any breach.
- Act immediately if you realize that your identity has been compromised.
- Review publicly available documents for sensitive information.
 - Auditor’s recorded documents for example.
- Don’t participate in those silly Face Book quizzes.
 - They’re purely to gather information because ... they could be the answers to security questions.
 - Many (but not all) scams can be avoided if you follow one simple rule: if it looks too good to be true, it probably is.

What to do

••••

HR will let you know if you are on the unemployment report (if someone has filed using your information). Just because the fraudster has set up an account using your information doesn't necessarily mean that they are collecting unemployment benefits. Yet.

Report the fraud to ESD here:

<https://esd.wa.gov/unemployment/unemployment-benefits-fraud>

Call your police department and file a report. This is to protect yourself so that if the fraudster was issued \$\$ then ESD cannot come back to you for reimbursement (maybe). Just make sure you have yourself protected and documented.

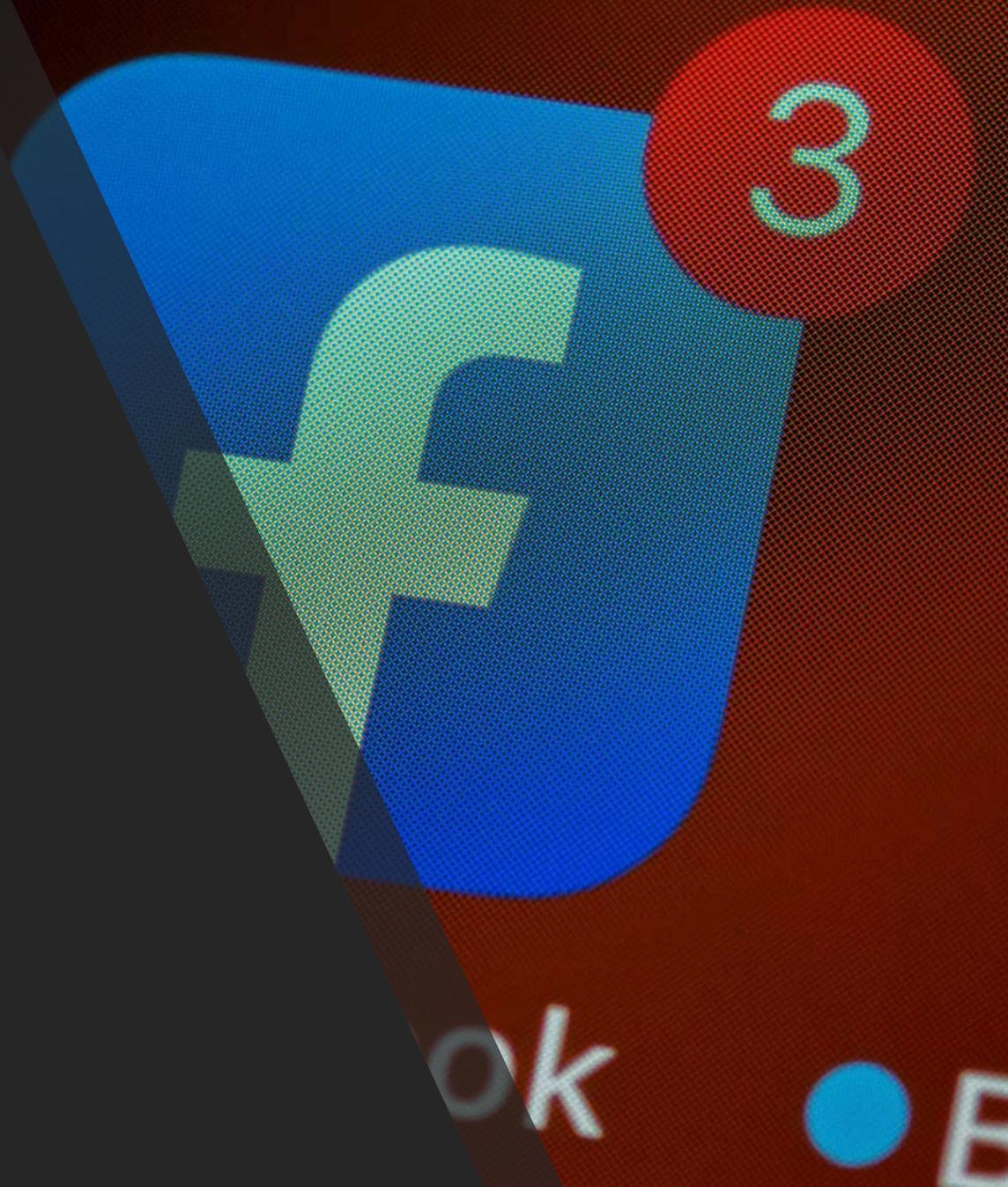
Other things you can do:

steps you can take if you believe you are a victim of fraud:

- Go to the FTC identity theft website: www.identitytheft.gov for great resources on reporting
- Request your free credit reports via www.annualcreditreport.com and review them for other fraudulent activities
- Go to atg.wa.gov/recovering-identity-theft-or-fraud for additional tips from the Washington State Attorney General

The Evils of Facebook

- Quizzes!! These quizzes ask seemingly silly or meaningless questions, but scammers can use that information for nefarious purposes. For example, some quizzes collect personal information by asking questions like: “What is your mother's maiden name?” or “What is the name of the street you grew up on?” These are common security questions for banking and credit card accounts. Sharing this information can lead to your accounts being hacked, and your personal and financial information being stolen.
- How much personal information have you provided on Facebook or other social Media?
- Someone posted a picture of their driver's license !!



Case Study Three

Banlin Construction

The Bait

- The county received an email from someone representing themselves as the accountant for a construction vendor. The existing business arrangement with the company was to pay the vendor with a physical check, but the email request asked for an electronic transfer instead.
- The documentation appeared authentic, and everything seemed in order, so the electronic payment was sent to a routing number at Sun Trust Bank.
- Everything we do for Public Works projects is public. The cyber criminals are going online and researching who we have for contractors and they're copying their company logos, emails and phone numbers.

First contact

From: Justin Griffich <jgriffich@banlinconstructon.com>

Sent: Monday, October 28, 2019 1:10 PM

To: Treasurer <Treasurer@co.benton.wa.us>

Subject: [EXTERNAL] Payment Update

Hello Accounts Payable,

Can you send me the last payment you made to us. The amount and date.

And also please confirm the status of any recent outstanding invoice payment.

Thank you.

Justin Griffich

Accountant

Banlin Construction

320 W. Columbia Drive

Kennewick WA 99336

509-586-2000

509-586-7777

www.banlinconstruction.com



From: Justin Griffich <jgriffich@banlinconstructon.com>

Sent: Monday, October 28, 2019 1:10 PM

To: Treasurer <Treasurer@co.benton.wa.us>

Subject: [EXTERNAL] Payment Update

Hello Accounts Payable,

Can you send me the last payment you made to us. The amount and date.

And also please confirm the status of any recent outstanding invoice payment.

Thank you.

Justin Griffich

Accountant

Banlin Construction

320 W. Columbia Drive

Kennewick WA 99336

509-586-2000

509-586-7777

www.banlinconstruction.com



We obliged with the requested information.

From: xxxxxxxx@co.benton.wa.us>

Sent: Monday, October 28, 2019 1:55 PM

To: xxxxxxxx@co.benton.wa.us>; jgriffich@banlinconstructon.com

Subject: RE: [EXTERNAL] Payment Update

Justin,

The last payment made was check 198019 for the amount of \$644,614.38 and this was cashed on 10/22/19, date on the check was 10/18/19.

As of right now there are no outstanding invoices.

Thanks,

- Thank you for the information as requested, we have changed the method of receiving payments for our invoices from checks to electronic payment. Can you send me your ACH / EFT form to send you our banking information for all our future payment.
- Good morning, could you please confirm with me, if our banking information has been updated on your system.
- I am still waiting on an update from you, regarding getting our banking detail for EFT/ACH payment set up on your system, you said you were very busy last week after I sent you our completed ACH form back. I would like to confirm, if its been set up now.
- Are you doing a pre note as you said last week, so I can take a look at our account online, and then give you the pre note amount.
- Thank you for the update, much appreciated.

October 2019

Justin Griffich requests Banlin payments be made by EFT.

Data entry verification on information done by staff.



Electronic Funds Transfer Authorization (EFT)

Company Name: Banlin Construction
Company Address: 320 W. Columbia Drive Kennewick WA 99336
Contact Name: Justin Griffich
Contact Phone Number: 509-586-1000
Email address for notification: jgriffich@banlinconstructon.com

Banking Information:

Bank Name:	Account Number:	Transit ABA/Routing Number:
SunTrust Bank	1000247548992	061000104

I hereby authorize and request Benton County, to electronically transfer my payment for deposit into the account listed above. Changes made to an EFT must be done in writing. This includes terminating an EFT.

In the event there is an issue/discrepancy made in a payment or if there is a return/non-acceptance, the following procedure will be implemented:

1. The banking system will be notified, the EFT will be cancelled, and a manual warrant will be issued.
2. If the funds cannot be cancelled through EFT, Benton County Auditor's Office will notify the email address provided above and request the return of the EFT payment amount transferred from the account above within three working days of notification. The Benton County Auditor's Office will then issue a manual warrant for the correct amount if there is one needed.

Signature below indicates that you have read, understand, and agree to the above stated conditions.

Signature Justin Griffich Date 10-30-2019

****Benton County Auditor's Office only:**

Vendor Number: 129430

Vendor Name: Banlin Construction LLC

Date received: 10-30-19

November 15, 2019

Several invoices were processed and paid via EFT.

Approximately:

November 16 – November 30, 2019

The County's project manager had knowledge that our vendor had not received payment and advised vendor to wait a few days. The mail is slow.

Accounting had **not been informed** that payment had not been received yet.

December 5, 2019

Accounting department was notified that Banlin had not received 11/15/2019 payment.



The Details

From: Justin Griffich <jgriffich@banlinconstruction.com>

Sent: Monday, October 28, 2019 1:10 PM

To: Treasurer <Treasurer@co.benton.wa.us>

Subject: [EXTERNAL] Payment Update

Hello Accounts Payable,

Can you send me the last payment you made to us. The amount and date.

And also please confirm the status of any recent outstanding invoice payment.

Thank you.

Justin Griffich
Accountant

Banlin Construction
320 W. Columbia Drive
Kennewick WA 99336
509-586-2000
509-586-7777
www.banlinconstruction.com



This signature section was an image.

Office will then issue a manual warrant for the con

Signature below indicates that you have read, under conditions.

Signature _____

Justin Griffich

Justin Griffich
Accountant

Banlin Construction
320 W. Columbia Drive
Kennewick WA 99336

509-586-2000

509-586-7777

www.banlinconstruction.com



Electronic Funds Transfer Authorization (EFT)

Company Name: Banlin Construction

Company Address: 320 W. Columbia Drive Kennewick WA 99336

Contact Name: Justin Griffich

Contact Phone Number: 509-586-1000

Email address for notification: jgriffich@banlin

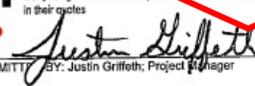
If you are hungry for Domino's Pizza call this number.

Justin Griffich, Accountant -vs- Justin Griffeth, Project Manager

Justin Griffich
Accountant

Banlin Construction
320 W. Columbia Drive
Kennewick WA 99336
509-586-2000
509-586-7777
www.banlinconstruction.com



 BANLIN Construction	
CHANGE PROPOSAL (CP) NO: 2 Rev 1	
TO: DLR Group 51 University St, Suite 600 Seattle, WA 98101	PROJECT NAME: Benton County Justice Center Plumbing and Water Intrusion
ATTN: Steve Reigh	CONTRACT #: PROJECT NO: DATE: 9/4/2019 VIA: Email FROM: Justin Griffeth
CP DESCRIPTION	
<ul style="list-style-type: none">■ This proposal covers only the specific items that have been priced as■ Our pricing is based on the quotes of our subcontractors and suppliers in their quotes	
  SUBMITTED BY: Justin Griffeth; Project Manager	
QUALIFICATIONS	
<ul style="list-style-type: none">■ This proposal covers only the specific items that have been priced as listed on the attached cost breakdown.■ Our pricing is based on the quotes of our subcontractors and suppliers and includes any clarifications, qualifications, and exclusions contained in their quotes.	
  SUBMITTED BY: Justin Griffeth; Project Manager	09/04/2019 DATE
APPROVED BY: Steve Reigh, DLR Group	DATE
APPROVED BY: Robert Blain, Benton County	DATE

A very common scam

- The City of Ellensburg was recently targeted via email by a scammer who claimed to be a vendor's accountant. The scammer requested electronic payment, rather than their usual payment by physical check. The documentation seemed authentic, with the vendor's logo and other information correct, so payment was sent. It wasn't until the 'accountant' made further contact with the city that the scam was discovered.
- In July, King County reported it had been targeted by a similar scheme, but in that case, the vendor's email account was hacked, and the scammer sent a request for the county's banking information via the vendor's email system. This tactic made detection more difficult because King County staff are trained to verify that emails are coming from a legitimate domain, which it was. The county, like Ellensburg, had insurance to cover most of the loss, but not all. The scam cost the county \$25,000.

Nov. 8, 2016, PNNL received an email instructing officials to change the bank account for Fowler's electronic payments. PNNL complied and issued the next Fowler payment of \$530,000 to the new bank account on Dec. 16.

The next month, Fowler's controller called PNNL to say the company had not received the payment.

An investigation showed that the new bank account was not associated with Fowler, and the account had been emptied shortly after the payment was made.

Feb. 2020, Shark Tank's Barbara Corcoran has been scammed out of almost \$400,000 after her office unknowingly became a victim of a phishing scheme.

The incident unfolded when Barbara's bookkeeper received an email about an invoice approving the payment for a real estate renovation.

"I lost the \$388,700 as a result of a fake email chain sent to my company," Corcoran says. "It was an invoice supposedly sent by my assistant to my bookkeeper approving the payment for a real estate renovation. There was no reason to be suspicious as I invest in a lot of real estate."

The bookkeeper continued to communicate with whom she thought was Corcoran's assistant and went ahead with the wire payment on Tuesday.

The error wasn't noticed until the bookkeeper sent a follow up to Corcoran's assistant's actual address, informing her of what she had just done. That's when the company became aware of the scam and the assistant noticed the hacker had altered her email.

News release excerpt...

It was found that the fraudulent account had been frozen and subsequently closed by its banking institution after the deposit of county funds,” said the release.

However, about 3%, or \$23,000, of the deposit, had already been taken from the account in several small transactions.

Federal authorities have seized what’s left, totaling about \$717,000.

“We are continuing to work with federal authorities to have the seized funds returned to us as quickly as possible,” said the release.

The county is reviewing its policies and procedures to reduce the risk of a similar theft, said the release.

Educate

Train

Share

Educate some more



Establish a written policy and review it regularly



Train employees on cybersecurity



Share experiences



EDUCATE YOUR EMPLOYEES



Check your insurance coverage requirements

Be Alert,
the world needs more
Lerts.

Questions???

