



Check Fraud Situation –

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Summary

The BGJWSC was the victim of fraudulent financial transactions between May and June of 2016. During that time, \$40,986.96 in unauthorized transactions was charged to us via counterfeit checks and ACH payments. Our banking services provider, BB&T, assumed responsibility for covering all charges as a benefit of our contract with them and the BGJWSC was not held responsible for any of the loss.

This fraud was perpetrated by using the routing number and account number from one of our authorized checks intercepted by persons of interest. Any payment made by check is potentially exposing you to the same risk.

How were we made aware of the fraud?

BB&T Bank notified the BGJWSC Finance Division staff regarding a suspicious duplicate check number at the end of May, 2016.

How quickly did the BGJWSC react?

Our staff immediately responded by researching all recent payments to determine validity of the transactions.

How many paper checks were forged?

Three fraudulent paper checks were presented for payment and accepted by the bank. These charges were applied to our account but reversed by July, 2016.

How many ACH transactions occurred?

Thirteen ACH transactions were created. These charges were applied to our account but reversed by July, 2016.

There were more attempts made beyond this amount which were rejected by the bank automatically.

What indications are there that this fraud has crossed state lines and involved the FBI?

As the matter is under local investigation, we are unaware of FBI involvement and cannot comment.

Has the suspect been identified and the funds accounted for?

The BGJWSC has been informed that, as the case is ongoing and the BGJWSC has no further stake in the matter, reconciling the lost funds will be coordinated between investigators and BB&T Bank.

Were we adversely affected in any way, whether short or long term?

This happened so quickly that every bona fide payment sent was honored and no fees were assessed to the BGJWSC. Every recipient expecting an authorized check from us received the funds as they expected to.

What safeguards are now in place to prevent the fraud in the future?

As of June, 2016 when the fraud was identified, we activated an arrangement with our banking services provider, BB&T, which involves reporting the payee, amount and check number of all checks issued. We receive notification from the bank on any transaction that is unauthorized, giving us the opportunity to approve or reject suspicious transactions.

To protect the integrity of the ongoing investigation, any other details regarding the persons of interest and recovery of the funds is being communicated between the City of Brunswick Criminal Investigation Division and BB&T Bank and cannot be discussed.