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State Auditor Issues Scam Alert on Wire Transfer Fraud
Scammers posing as government officials steal thousands in public money

SANTA FE, NM – New Mexico State Auditor Tim Keller sent a Risk Advisory to government agencies and schools across the state alerting officials to a wire transfer scam targeting public money. Scammers posing as high-level government officials wrote emails directing financial staff to make wire transfers in large amounts. Employees at Zuni Public Schools, Deming Public Schools and San Miguel County initiated transfers to the scammers totaling over \$100,000 from public funds. The schools were able to stop the transfers before the funds were processed but the county was not, resulting in \$38,000 in stolen funds. The three cases were reported to the Office of the State Auditor (OSA), and the OSA is aware that other agencies around the state have been targeted.

“Most folks are familiar with various types of personal email financial scams and unfortunately the tactic is spreading to prey on government employees who may feel intimidated by an email that appears to be from their boss,” said State Auditor Tim Keller. “We’re reminding folks to stick to normal procedures regardless of the situation. One key to safeguarding public funds is to maintain a ‘tone at the top’ that helps staff feel comfortable asking questions about unusual orders from up the chain.”

The Risk Advisory directs government agencies and schools to adhere to their internal controls, regardless of any email-driven urgency. The advisory includes excerpts from real emails that government employees received and is available below and here:

http://www.saonm.org/media/uploads/Risk_Advisory_-_wire_transfers_6-10-16.pdf

The Office of the State Auditor helps government work better by providing transparency and accountability for government spending; informing policy choices; and tackling fraud, waste and abuse. OSA is an independently elected executive agency responsible for examining the use of public dollars in New Mexico.

(see next page)

Red Flags in Email Scams

(Excerpts from real emails that government employees received)

----- Original Message -----
Subject: RE: Question
From: [REDACTED]
Date: 5/17/16 9:09 am
To: [REDACTED]

I dont have the PO here with me, reference it as CONSULTANCY.

Sent from my iPhone

Do you have a PO so I can reference?

Generic Subject

Request to bypass normal internal controls

[REDACTED]

Kindly go ahead and process the Wire bank transfer to the beneficiary account. Here is the information for the Wire bank transfer:

Account Name : Capnet investments group corp
Bank Name : TD BANK N.A
Routine : [REDACTED]
Account Number: [REDACTED]
Beneficiary Address : [REDACTED] Hollywood Florida [REDACTED]
Amount : 45,300usd

The payment is for a project we are sponsoring. Process this transfer and reference as Project. Also note there is an incoming transfer, I will let you know when the beneficiary company get in touch with me. I will send you an invoice for this when sign and return to me. Due to time frame, i want the payment sent out immediately. I will send over the invoice when available. Email me the copy of the transfer Slip And also to the Beneficiary email Also ([REDACTED]@outlook.com) when done for reference purposes.

Thanks,
[REDACTED]
Superintendent

Generic payee

Out-of-state payee

Sense of Urgency

Poor or non-standard English

Appears to be from upper management

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