



Finance Committee

Fraud Loss Update

Agenda Date: 1/18/2023
Agenda Item Number: 6.C
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Title

Fraud Loss Update

Recommended Action

Committee Recommendation:

Discussion only. No action requested.

City Manager Recommendation:

Discussion only. No action requested.

Report

Issue:

Report out on status of loss of funds due to fraud.

Staff Contact:

Aaron BeMiller, Finance Director, 360.753.8465

Presenter(s):

Aaron BeMiller, Finance Director

Background and Analysis:

The City experienced a loss of funds through fraudulent ACH payments. The loss of \$319,145.58 was discovered October 11, 2022. All required notices were made immediately upon discovery. The General Ledger team in the Finance Department conducted an internal audit of the circumstances of the loss and provided the report to the State Auditor's Office (SAO). SAO has accepted the report and will include the loss as part of their Accountability audit of 2022 activities.

Climate Analysis:

This agenda item is expected to result in no impact to greenhouse gas emissions.

Equity Analysis:

This agenda item is not expected to impact known disparities in our community.

Neighborhood/Community Interests (if known):

Members of the community may have an interest in this agenda item as it deals with City finances

and fiscal governance.

Options:

1. Receive the report on the loss of city funds.
2. Do not receive the report on the loss of city funds.
3. Reschedule the report on the loss of city funds.

Financial Impact:

The loss equals \$319,145.58. The City has notified insurance and we are expecting an insurance settlement less deductible. We have not received final word from our insurance.

Attachments:

Presentation