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**AUDITOR SAND ADVISES GOVERNMENTAL ENTITIES TO BE WARY  
OF FAKE EMAILS TO REDIRECT EMPLOYEE DIRECT DEPOSITS**

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This Alert is the result of notifications the Office of Auditor of State has received in accordance with section 11.6(7) of the Code of Iowa. Unknown parties are attempting to fraudulently misdirect local governmental entities in Iowa into sending electronic payroll disbursements by posing as employees. These attempts are similar in nature to attempts described in an alert Auditor Sand issued in January 2020, which described fake emails appearing to be from real vendors that requested changes to bank routing information used to pay the real vendors.

Specifically, the Auditor has been notified by representatives of several entities they have received emails which appear to be from employees who wish to change the financial institution to which their payroll is electronically deposited. However, the emails are not authentic. The emails ask what information is needed to make the requested change. Typically, the governmental entity requires a form to be completed, which has been electronically provided in response to the inquiry. However, once the form has been completed and electronically returned by the purported employee, the governmental entity has not vetted its authenticity. The revised bank routing information, if used for future electronic payments, results in payroll payments being misrouted and the authentic employee not being paid.

In order to ensure the validity of any instructions to revise bank routing information, Auditor Sand strongly advises representatives of all governmental entities to call employees to independently confirm instructions received electronically. Additionally, Auditor Sand recommends mailing the necessary form(s) to the employee's professional email account via a newly-created message, rather than a reply or to a personal account, to ensure the appropriate party is reached. Governmental entities should also consider requiring the form(s) be returned in person to the entity, if possible, and confirming the identity of the employee by observation of a driver's license if the employee is not known to the individual who receives the form(s). If additional documentation is required, such as a voided blank check, information on the document (including the employee's home addresses, phone number, and middle initial) should be scrutinized for accuracy. At a minimum, signatures on form(s) should be verified by comparing them to other personnel documents on hand.

If a representative of a governmental entity learns it received an email improperly instructing them to revise bank routing information for future payments, this information should be reported to the FBI through <https://www.ic3.gov/default.aspx>. In addition, the entity should immediately contact the Office of Auditor of State at 515-281-5834 to report the suspected irregularity as required by section 11.6(7) of the Code of Iowa. If you have any questions or concerns regarding this matter, please contact the Office of Auditor of State at 515-281-5834.