



## Inspector General Insights

**Background:** The Office of Inspector General (OIG) was notified about six fraudulent checks presented to the Clerk’s bank account. According to the Clerk’s Finance Department, the bank’s “Positive Pay” (POSPAY) check verification system detected anomalies on six checks totaling \$8,250.00.

The fraudulent checks were payable to three out-of-state women and contained check numbers that were previously utilized on legitimate jurors’ checks drawn against the Clerk’s bank account on record. The six fraudulent checks were dated December 16 – 19, 2019, and displayed the electronic signatures of both the former and current Collier County Clerk and Comptroller.

**Objective:** Determine the commonalities of these checks, the number and amount of any additional checks that may have been presented, and the source of the scheme.

**Scope:** We reviewed the checks presented for payment on the Clerk’s and the Board of County Commissioner’s (BCC’s) checking accounts, similar criminal cases and other documentation between 2016 and 2019.

**Observations:** Further review revealed the recipients of the fraudulent checks may have participated in a “card-cracking” scam (a form of fraud where consumers respond to an online solicitation for “easy money” and provide a debit card for withdrawal of fake check deposits). We also determined the fraudulent checks were most likely deposited via mobile check deposit (remotely making a deposit using the bank’s mobile application by photographing the front and back of the check).

The Clerk’s Finance staff determined the checks were not cashed against the Clerk’s bank account, and the Clerk’s Office did not incur a financial loss. They confirmed that there were no additional related incidents of fraudulent checks presented for payment since the above-mentioned incident.

**Recommendations & Actions:** The OIG staff examined the underlying controls over the POSPAY process, and made several recommendations designed to reduce potential fraud risks and enhance existing internal controls relating to payment processes. The specific recommendations and related action plans would not be appropriate for public disclosure.

The Clerk’s Accounting and Clerk’s Finance Departments implemented additional “best practices” to enhance their fraud detection capabilities and reduce the likelihood of recurrences.

**Conclusion:** No losses were incurred through the Clerk’s or BCC’s bank accounts, and the POSPAY controls are functioning as intended. The OIG worked with the three banks involved, one of which filed a civil complaint against the check depositor and is receiving restitution for their losses.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations / Recommendations
6	\$ 8,250.00	N/A	N/A	4