

Press Release – February 3, 2010

## **Online theft of funds from Town of Poughkeepsie**

### **Overview**

In the course of two business days approximately 9 attempts were made via online access to steal monies from a Town of Poughkeepsie bank account with TD Bank. Four transfers totaling \$378,000 were made and deposited in overseas accounts. To date, \$95,000 has been recovered. This reflects one of the unauthorized transfers. Efforts are still underway to catch those responsible and recover the remaining \$283,000. This is an ongoing, active investigation involving the Secret Service, FBI, and Town of Poughkeepsie police.

### **What exactly happened?**

On January 12, 2010, four unauthorized transfers totaling \$378,000 were made from Town of Poughkeepsie TD Bank account and deposited in banks in the Ukraine.

These transactions were discovered on January 13, 2010. The bank was immediately notified of this activity and the police were called in to investigate. To prevent any other accounts from being compromised the Town immediately changed all the account numbers and the computers involved were removed and are in the possession of the Secret Service.

The Town has been working with TD Bank, Secret Service, FBI and Town Police in an effort to recover the funds and investigate who is behind this cyber crime. To date we have recovered \$95,000 of the \$378,000.

### **Will we recover the lost funds?**

We have already recovered \$95,000, and remain optimistic that we will be able to recover the remaining \$283,000 in stolen funds and will aggressively pursue all available avenues as the investigation unfolds. We are hopeful that TD Bank will stand by the residents of the Town of Poughkeepsie, and work vigorously to recover the Town's money that was stolen from their bank.

We find it unacceptable that movement, or attempted movement; of money from a Town account to an account in Eastern Europe did not immediately raise a "red flag" with the bank, was not questioned by anyone at the bank, but was simply processed. We are equally disappointed that in the three weeks since the thefts were detected, no representative from TD Bank has come to Town Hall to speak with us about the situation.

### **Improved Security**

While no organization can make itself 100% immune from internet theft, the Town meets industry standards for internet security. The town has changed all account numbers, removed the computers that had access to the account, and all the computers in the Town have been thoroughly examined to make sure no other attempts have been made to access any Town information.

**What if the missing funds can not be recovered?**

We remain hopeful that the outstanding funds will be recovered and are committed to pursuing all avenues to recover the money depending on the outcome of the investigation. We are reviewing all options to minimize the effect on the taxpayers and maintaining the financial stability of the Town.

**Has other information been compromised?**

It does not appear that any additional information has been compromised at this time.