



OFFICE OF THE
UTAH STATE AUDITOR

News Release
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**Office of the Utah State Auditor Releases Report on
Emery County Improper Wire Transfer by County Treasurer**

Salt Lake City, UTAH –

The Office of the Utah State Auditor (Office) today released its *Report on Emery County Improper Wire Transfer by County Treasurer*.

In June 2016, the Office released an Auditor Alert, notifying local government entities that two counties had been victims of so-called “Spear Phishing” attacks and had made improper wire transfers as a result. A “Spear Phishing” attack is a targeted email scam which thrives on familiarity, using information publicly available on an entity’s website – such as names, titles, or other references – to extract protected information or money from the entity. The familiarity used in the attack often makes the recipient of the email less vigilant in verifying the requests. The scam also thrives on urgency, indicating that the payment must be made immediately.

As part of the investigation of the attack against Emery County, the Office reviewed the following items for the period July 2015 through June 2016: 1) transactions in certain county bank accounts, 2) certain bank statement reconciliations, 3) the internal controls over cash receipting and disbursing, including separation of duties, and 4) cash receipting controls related to property tax collections.

The Office recommends that Emery County prepare and adopt formal written policies and procedures over cash receipts and disbursements and that all officials and employees comply with established internal controls and processes, including receiving adequate supporting documentation and approval prior to the disbursement of any funds, regardless of the appearance of urgency.

The Office encourages all governmental entities to learn from Emery County’s unfortunate experience as well as the weaknesses identified within this report. Establishing and following effective internal controls is critical to protecting public funds and preserving public trust.

The full report may be found on the Office’s website, auditor.utah.gov, specifically at <http://financialreports.utah.gov/saoreports/2016/EMCO-16-SPEmeryCoWireTrnsfrEmeryCounty.pdf> . A copy of the Auditor Alert can be found on the Office’s website at the Auditor Alert section for Local Governments at <http://auditor.utah.gov/category/auditor-alerts/> and specifically at <http://auditor.utah.gov/wp-content/uploads/sites/6/2016/06/2016-05-Office-of-the-Utah-State-Auditor-Alert-Phishing-Scam.pdf> .

About the Office of the Utah State Auditor

The Office of the Utah State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Utah State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every four years. The role of the Utah State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

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