MEMORANDUM

To: TJPCD Commissioners

From: Laura Greene, Director of Finance and Human Resources

Date: May 7, 2026

Re: BRCTB Fraud Incident

Purpose: To provide an overview of non-recurring financial activity – fraud incident - for the Blue Ridge Cigarette Tax Board as of April 2026.

Fraudulent Activity: A check issued to the City of Charlottesville on March 25, 2026, from one of the BRCTB checking accounts was intercepted and cashed by an unauthorized third party on April 7, 2026. The face of the check was modified, replacing the City's name and address with an individual's name and address. On April 8, Wells Fargo left voicemail messages for both Christine and David, who immediately notified me.

Steps taken:

- 4/8 - Opened fraud claim with Wells Fargo – claim # 2604080023570
- 4/9 - Filed police report with Charlottesville Police Department – report # 2026-13948
- 4/9 - Filed report with United States Postal Inspection Service (USPIS) – report # 87293724
- 4/9 – Began contacting the finance and/or treasury departments of member jurisdictions who had outstanding checks on the account and advised them to deposit immediately if they were in possession of them. As of 4/21 all outstanding checks had cleared the bank. Simultaneously, we asked if they would be able to receive ACH payments – if we can get this setup for future payments – and requested their ACH banking information.
- 4/13 – Transferred funds between checking accounts to cover the Charlottesville check and one other that had not been received by Madison County. Stop payment was issued with Wells Fargo on that check.
- 4/13 – Reissued payments to the City of Charlottesville and Madison County via ACH; a $25 fee was charged by Wells Fargo for each ACH.
- Advised administrative staff not to use the blue USPS mailbox in front of the office, but to take all outgoing mail to the main post office downtown.

Steps to be taken:

- Officially close the account on which the fraudulent activity occurred
- Order checks and deposit slips for the remaining checking account
- Ask Wells Fargo to reimburse the two $25 ACH charges due to the fraud situation
- Research ACH payment methods and the costs associated with each

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