

TOWN ADMINISTRATOR'S

WEEKLY UPDATE



Join us in celebrating the
accomplishments of the prior week!



Town Administrator

December 30, 2019

Town of Erie Victim of Financial Fraud

The Town is the victim of a criminal fraud committed by as yet still undetermined perpetrators. The information below is a summary of what we know at this time about how the crime was committed, and the actions taken since we learned of the crime on November 5th. The Erie Police Department continues to work with the FBI to investigate this case, and Town staff continue to work with the Town's insurance providers on the loss claim.

On October 21, 2019, an unknown suspect completed an electronic form on the Town's website requesting a change in how one of the Town's vendors, SEMA Construction, Inc., the primary contractor for the Erie Parkway bridge, would receive payments for its work on the bridge. Specifically, the change was to receive payments via electronic funds transfer rather than by check. Although Town staff checked some of the information on the form for accuracy, they did not verify the authenticity of the submission with SEMA Construction; they accepted the form and updated the payment method.

On October 25, 2019, and as the result of two properly documented and reviewed pay requests from SEMA, the Town processed two progress payments to SEMA for its work on the Erie Parkway bridge. The payments totaled \$1,016,233.80. The Town sent these payments via electronic funds transfer to what Town staff thought, based on the form submitted on October 21, was SEMA's account. However, the form submitted on October 21 directed the payments into an account not authorized by SEMA. Once the payments were in that account, the perpetrators of this fraud sent the money via wire transfer out of the country.

On November 5, 2019, the Town's bank notified the Town of the possible fraud. The Town contacted SEMA, and SEMA confirmed that it had not received the payments sent by the Town on October 25th and had not changed its payment preferences. The Finance Director then notified the Town Administrator and the Erie Police Department of the fraud. The Town Administrator contacted the Colorado Intergovernmental Risk Sharing Agency (CIRSA), the Town's insurer, to file a claim and initiate its consideration of the loss.

The Erie Police Department is working with the FBI on the case and the results of their investigation to date are summarized above. The Police Department and FBI did not find any evidence that any Town employee engaged in any criminal activity, nor do the facts in the case suggest any criminal intent on the part of any Town employee.

After being informed by the Town's bank of the suspected fraud, the Finance Director removed from the Town's website the form used to perpetrate the fraud and discontinued making vendor payments via electronic funds transfer unless appropriately verified. The Town is actively using other information gleaned from the investigations to identify

potential risks and to mitigate those risks.

In October, prior to learning of this criminal fraud, as part of the Town's 2020 budget request, the Finance Director and Town Administrator requested, and the Town Board of Trustees approved the creation of two new positions, Accounting Manager and Finance Manager, and increasing an existing part-time Risk Manager position to full-time. The Town has filled the Risk Manager's position and is actively recruiting for the Accounting and Finance Manager positions. These additional positions will provide additional support, oversight, segregation of duties, and management of the Town's financial operations, which have expanded significantly in magnitude and complexity as the Town has grown in population.

On November 15, the Town sent two physical checks totaling \$1,016,233.80 to SEMA Construction for the work it completed on the Erie Parkway bridge.

Town staff are working with the Town's insurers (CIRSA and American International Group (AIG)) to secure reimbursement for the loss.

Any leads regarding this matter should be reported to Erie Police. Questions regarding this matter should be directed to the Town Administrator, Malcolm Fleming.



Parks and Recreation

The Parks staff spent time last week installing a landscape island in the Erie singletrack parking lot. The project involved installing new timbers bordering the island, landscape fabric, cobble, and native plants.

Please note, the Erie Community Center is open from 6:00 a.m. – 1:00 p.m. on New Year's Eve and closed on New Year's Day.



Police

The Police Department partnered with The Rusty Melon for a fundraiser to benefit the Special Olympics. The Tip-A-Cop event was a resounding success with tip totals exceeding \$2,300. The Rusty Melon reports this as the highest grossing evening in Rusty Melon's history!



Tree Mulch

Recycled Christmas tree mulch will be available at the Recycling Center (1000 Briggs Street) beginning January 14 - March 6. Mulch is free of charge and offered on a first come, first served basis. For more information call 303-926-2887.

Coworking. Community. Cosolve.

It's time to talk coworking! The Erie Economic Development Council invites businesses and residents to a conversation about coworking in Erie on Thursday, January 16 from 5-7 p.m at Echo Brewing, 600 Briggs Street. For more information [contact the EEDC](#).



Jan. 6 Candidate Meeting

The Town Clerk has scheduled a candidate meeting for Erie residents interested in running for the Board of Trustees on Monday, January 6, 2020 at 6:30 p.m. in the Board Room at Town Hall. Attendance is highly encouraged as information will be provided from the Secretary of State's Office regarding the Colorado Campaign and Financial Practices Act.

Business Outreach

The Economic Development team hosted a Town familiarization tour to twelve participants, consisting of local business owners, residents and economic development partners. The tour featured seven sites with current and future economic activity. We also had the pleasure of having Black Sparrow Media join the tour and create [this amazing video](#) in collaboration with the Fowler Group, a local real estate agency.

Get to Know Your Local Streams

[Keep It Clean Partnership](#) is hosting a public meeting to present their 2018 Water Quality Report. Learn more about monitoring, trends and how you can help to improve water quality in your watershed.

January 23, 2020
5:30 - 7:30 p.m.
Boulder Public Library
1001 Arapahoe Avenue

BEST PLACE

Best Place to Raise a Family...

Best Place to Start and Grow a Business...

Best Place to find great food and entertainment...

Best Place to enjoy open space and connected parks and trails...

Overall, **THE Best Place to Live!**



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