

MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Direct Deposit Scam

DATE: September 17, 2018

Retirement Boards should be alert to a scam involving the direct deposit of a member's retirement allowance. PERAC has been made aware of one successful interception of a retirement allowance, and two attempted but unsuccessful interceptions.

This scam involves a member ostensibly making a request for a change in the financial institution into which a member's retirement allowance will be deposited. All necessary information was given to the retirement board. (How this information was obtained is unknown.) A bank was identified on the voided check provided to the retirement board. However, the routing number on the check actually directed the funds to the "Green Dot Bank," an institution primarily known for issuing prepaid debit cards. Presumably, this member's allowance was received, and then spent, by a person with a prepaid debit card from Green Dot.

This matter has been referred to the Attorney General's Office.

Please be aware of this situation and assure that safeguards are in place, including contacting the member to confirm their intent, to prevent this from happening to a member of another Retirement Board in the future.

We trust the foregoing will be of some assistance to you.

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