

UPDATED EXCLUSIVE: UW-Parkside Employee Burned In \$315,000 “Phishing” Scam By Mark Belling, WISN-AM

University of Wisconsin System officials say they kept secret the massive \$315,000 illegal diversion of UW-Parkside funds in an internet scam because law enforcement officials prefer to keep such matters quiet while under investigation. That’s the explanation from UW Spokesman Mark Pietsch. Nonetheless, Pietsch has confirmed all of the details of the loss even as Parkside campus officials remain tight-lipped.

The story was first reported by me on Wednesday. We now have a lot of new details.

As earlier reported, an employee in the UW-Parkside accounts payable department received an email from “Dell” asking for the university’s bank account routing number. The email was from a scammer. The employee provided the information. The university’s bank account was soon cleaned out of \$315,000 via electronic funds transfers. Pietsch says some of the money was recovered and the university’s insurer, AIG, will cover a portion of the loss. He estimates the loss for the university will end up around \$65,000.

Pietsch said the employee or employees have been disciplined but wasn’t specific. He also said the university provides annual training for financial employees on so-called “phishing” schemes in which con artists try to get financial information using the internet or email. Pietsch said dual verification is required for the release of financial information (two employees must approve) but that did not occur in this case.

How was the scam discovered? Pietsch said the bank that was receiving the fund transfers was suspicious and flagged them because the account the money was being sent to was newly established. It is unclear if the transfers were within the United States. There is an ongoing criminal investigation. Can it happen again? Pietsch says university financial accounts are monitored daily.

At this point, the massive fraud targeting a government agency has not been reported by any other Wisconsin news organization. News of the fraud was kept hushed up until I first reported on it earlier this week.

Mark Belling
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