

Memorandum

Housing Finance Authority

600 Cleveland Street, Suite 800
Clearwater, FL 33755
Phone: 727-464-8210 Fax: 727-464-8260



TO: Rodney S. Fischer, Chairman
and Members of the Housing Finance Authority

FROM: Richard J. Perkins, Senior Accountant

THROUGH: Anthony M. Jones, Executive Director

SUBJECT: Unauthorized Debit from Am South Bank Account

DATE: June 6, 2006

On May 16 while completing the bank reconciliation I noted that on April 20 an unauthorized ACH debit in the amount of \$592.15 was paid to Cox Enterprises and charged to our Am South checking account. We immediately reviewed the transaction report for the month of May and discovered that on May 4 another unauthorized ACH debit in the amount of \$135.00 was paid to Swiftpay International. We initiated the procedure to recover the Authority's funds. We implemented a procedure that required checking the transaction report daily for unauthorized transactions. We discovered that on May 18 another unauthorized ACH debit in the amount of \$29.95 was paid for a credit check for Charles A. Swan. We initiated the procedure to recover the Authority's funds. As of May 19 all of the Authority's funds have been recovered.

All of the above transactions were completed on the Internet and did not require our approval. On May 17 we started the documentation for the process that prohibits debits from our account without our intervention and approval. Normally this procedure takes about a week to implement. However, with the help of our Am South sales representative the block was effective May 19. Unless an authorized Authority staff member initiates an ACH or Wire Transfer, funds cannot be removed from the Authority's account.

Recap of Unauthorized Debit and Fund Recovery		
<u>Debit Amount</u>	<u>Date of Loss</u>	<u>Date of Recovery</u>
\$592.15	April 20	May 16
\$135.00	May 4	May 17
\$29.95	May 18	May 19

Please call me if you have any questions.