

**RESOLUTION NO. 26-06-024**

SPONSORED BY: Commissioners

**RESOLUTION TO IDENTIFY A CASH SHORTAGE OF \$26,129.50**

**WHEREAS,** Blount County requests to recognize the General County Fund balance be applied in the amount of \$26,129.50 for the cash shortage from the incident on October 10, 2025 when the Blount County accounts payable system was compromised from a phishing scheme that resulted in the fraudulent rerouting and theft of direct deposits totaling \$272,051.28 that were intended for Harrison Construction; and,

**WHEREAS,** The general county fund balance used will be from unrestricted revenues; and,

**WHEREAS,** Officials determined after the fact that a third-party account was able to log into the vendor portal and change the direct deposit information. This user was then able to alter the payee bank account routing information inside the payroll system and bypass system controls and county internal controls without detection; and,

**WHEREAS,** After the county determined the affected company was not paid, an additional check was processed to ensure compensation. Officials acted to recover these funds, and were able to recover \$245,921.78 of the \$272,051.28 total fraud; and,

**WHEREAS,** A new policy has been implemented to remove the vendor portal access to change banking information and require all changes to come through the purchasing department with a two-step authentication required for all changes; and,

**WHEREAS,** It would be in the best interest of Blount County to account for the shortage as requested.

**NOW, THEREFORE, BE IT RESOLVED** by the Legislative Body of Blount County, Tennessee, assembled in regular/called session on this 18th day of June 2026 that the cash shortage be corrected by use of General County fund balance in the form of unrestricted revenues; and,

**BE IT FURTHER RESOLVED,** that this resolution shall take effect from and after passage.

**Duly authorized and approved the 18<sup>th</sup> of June 2026.**

**CERTIFICATION OF ACTION**

**ATTEST**

\_\_\_\_\_  
Commission Chairman

\_\_\_\_\_  
County Clerk

\_\_\_\_\_  
County Mayor

\_\_\_\_\_  
Date

Approved

Vetoed