The Office of Inspector General (OIG) for the U.S. Department of State (Department) and Broadcasting Board of Governors (BBG), Office of Investigations continues to receive credible information that “internet hackers” are targeting vendors providing goods and services to Department missions overseas in an effort to defraud the United States. The current scheme, affecting posts in the Bureau of African Affairs, involves unknown individuals hacking into the actual e-mail accounts of legitimate embassy vendors. The individuals then pose as the vendors in e-mail communications with Department mission personnel and request that the Department change the electronic funds transfer bank account information for future vendor payments.

As a result of these deceptive emails, on multiple occasions, Department funds intended to pay for actual goods or services provided were rerouted to unauthorized bank accounts unbeknownst to the true vendor. Because the request to alter the bank account information came to the Department official from a known e-mail address, the changes were not otherwise verified before rerouting the payments. In one instance, the Department payee relied upon a counterfeit vendor authorization letter (see example). Afterwards, when legitimate vendors submitted invoices to the Department, they were told the invoices were already paid in full. The Department ultimately had to pay twice for the same goods/services because the original payments went to the fraudulent bank account(s).

Please ensure management controls are in place to verify any changes to vendor bank account information.

Please also ensure local businesses are aware of this scheme, prepared accordingly with the necessary cybersecurity practices, and understand the circumstances under which the Department accepts bank account information alterations.

If you have information about fraud, waste, abuse or mismanagement, as well as other crimes or violations of Federal laws, rules, and regulations, relating to Department or BBG programs and operations, please report it to the OIG Hotline. You can submit your report at https://oig.state.gov/hotline-form. The Hotline may be used for unclassified information only. To submit classified information, contact the Hotline at 1-(800) 409-9926 or (202) 647-3320 for further instruction.