



Bill Christianson, CPFO
Comptroller

Charles Roedel, CPA, CIA
Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

Richard Bare, CPA
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October 13, 2025

Finance & Personnel Committee Members

Re: Vendor Management Proposal for Inclusion in 2026 Budget

The purpose of this memorandum is to propose inclusion of \$40,000 in the Comptroller's Office 2026 budget to procure a third-party vendor management company who can validate bank account information of vendors that the City does business with. This will help ensure that payments made by the City will be secure, and transfers the risk to the third-party vendor management company if the City experiences a loss from making a fraudulent payment.

What Can Third Parties Do to Transfer Vendor Management Risk?

There are third-party verification tools that will:

- Guarantee their verifications and indemnify our payments
- Automate vendor onboarding through a secure vendor portal rather than a manual process via email
- Perform all verifications for us through automatic pre-verified database verifications, bank-linked data, fraud experts who analyze key fraud metrics like IP address location and VPN usage, automated TIN matches with the IRS and OFAC/sanctions checks
- Review our payment file line items to ensure all data has been verified and nothing was manipulated ahead of uploading to the bank

Why Transfer the Risk to a Third Party Vendor Management Company?

Government organizations are highly targeted since all bids, vendors, and invoices are public information. Fraudsters know exactly who to impersonate. Other government organizations such as the Town of Arlington MA (\$8.8M), New Haven School System CT (\$6M), Lexington County KY (\$4M), City of Cottage Grove MN (\$3.5M), Portland Public Schools (\$3M), Town of Peterborough NH (\$2.3M), Cabarrus County NC (\$1.7M), City of Blaine MN (\$1.5), City of Baltimore MD (\$1.5M), City of Portland OR





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(\$1.4M), City of Fort Lauderdale FL (\$1.2M), Eagle Mountain UT (\$1.1M), St. John's County FL (\$1.1M), City of Memphis (\$773K), City of Athens OH (\$700K), City of Naples FL (\$700K), and dozens more cities, counties, schools, and universities have experienced a similar fraud to the fraud the City of Milwaukee experienced.

What Would Be the City of Milwaukee's Investment to Transfer Vendor Management Risk?

Initial quote from a third-party vendor management company for the activities listed above was \$40,000. The Comptroller's Office would go through the request for proposal process for procurement.

Please reach out to me if you have any questions.

Thank you for your consideration.

A handwritten signature in black ink that reads "Bill Christianson".

Bill Christianson
City Comptroller

