

Arlington High School Building Committee

Meeting Date: Tuesday, June 4, 2024, 6:00 p.m.

Location: Conducted via Remote Participation

Jeff Thielman, School Committee Representative, Chair
Elizabeth Homan, Superintendent, Co-vice chair
Jim Feeney Town Manager, Co-vice chair
Alex Magee, Deputy Town Manager
Kirsi Allison-Ampe, School Committee Representative
Francis Callahan, Community Member Representative, absent
John Cole, Permanent Town Building Committee, absent
Tobey Jackson, Community Member Representative
Matthew Janger, AHS Principal, absent
Ryan Katofsky, Community Member Rep
Brett Lambert, PTBC Representative
Kate Loosian, Community Member Representative
William McCarthy, AHS Assistant Principal
Judson Pierce, Community Member
Paul Raia, Disabilities Commission Rep, absent
Rob Behrent, Facilities Dir, Town of Arlington
Amy Speare, Community Member Representative
Shannon Knuth, Teacher Representative, absent
Kent Werst, Teacher Representative

Jim Burrows, Victoria Clifford, absent, Sy Nguyen, Jessica Mendez, Skanska
Lori Cowles, absent Arthur Duffy, HMFH Architects, Inc.
John LaMarre, Chris Weber, Consigli
Karen Fitzgerald, AHSBC Recording Secretary

Jeff Thielman opened the meeting at 6:00 p.m.

❖ Payment Update

Mr. Jim Feeney started the meeting with the unfortunate news that Arlington was victim to Cyber Crime.

Here is the statement Jim shared with the committee and later with the community.

It is my unfortunate duty to report that the Town of Arlington has been a victim of cybercrime. Through what is known as a business email compromise (BEC), perpetrators used phishing, spoofing, social engineering, and compromised email accounts to ultimately facilitate wire fraud totaling \$445,945.73. Most importantly, I want to assure the public that no sensitive or resident data was compromised. Below, I provide background on the crime and steps the Town is taking to recoup the loss and avoid future fraud.

We have been working with local and federal law enforcement and specialized consultants since we first became aware of the fraud. It is believed this BEC attack was perpetrated by an organization that is well resourced and located overseas. Here is what I am able to share. I have also provided an FAQ (frequently asked questions) at the end of this letter to provide additional details.

In September of 2023 Town employees received legitimate emails from a known vendor working on the Arlington High School Building Project to discuss issues with payment processing. Unbeknownst to the Town, threat actors had already compromised certain employee user accounts and were monitoring emails. They seized the opportunity to impersonate the vendor with an email domain that appeared genuine, requesting a change in their payment method from check to electronic funds transfer (EFT), a common method used by municipalities for on-going payments. The scam was aided by fabricating and subsequently deleting emails from employee accounts, as well as creating inbox rules to manage and hide incoming messages. Once the payment method was established, a series of four monthly payments were made. The monthly payments were diverted until the vendor reported not receiving payments in February 2024. It was immediately apparent that we had been defrauded, so we alerted law enforcement and our banking institution, began a digital forensics investigation, retained a breach coach, and instituted immediate response measures to secure our network.

The investigation found that threat actor activity occurred in the Town's Microsoft environment between September 12, 2023 and January 30, 2024. It was also discovered there were other attempts to intercept wire payments totaling approximately \$5 million during this time period. Fortunately, these attempts were unsuccessful. It was further determined the threat actors had not infiltrated the network. In the immediate aftermath of the scam the Town's Information Technology Department (IT) performed a force disconnection from the network, required a password change for all users, and enabled multi-factor authentication for key personnel. Unrelated to this incident, but due to an increase in phishing attempts, the IT Department had already begun to reconfigure email security settings in November to improve our email security.

The Town reviewed other existing wire payments and also contracted a third-party auditor to bolster internal controls with a stricter policy related to wire transfer payments such as EFT and ACH (Automatic Clearing House).

As additional efforts to reduce the risk of falling victim to future cyberattacks, the Town has instituted mandatory cybersecurity training for all staff through the state's Municipal Cybersecurity Awareness Grant Program and has applied for additional state grant funding to be able to roll out multi-factor authentication for all staff. The Town was already in the process of rolling out an endpoint detection and response platform as part of the upcoming fiscal year. This platform will help prevent and detect malware, ransomware, and other advanced threats, providing security of critical systems and sensitive data.

With respect to the funds the Town was defrauded of, our banking institution was able to recover \$3,308. The Town has since filed a claim with our insurer to hopefully further offset the loss. In the meantime, the vendor needed to be paid for services rendered over a four-month period, so at their June 4th meeting, the Arlington High School Building Committee voted to authorize payment to the vendor from the project funds. Any monies we recoup from this fraud will go back into this fund.

I want to emphasize that this loss does not negatively impact the completion of the High School Building project in any way.

In 2023 the FBI's Internet Crime Complaint Center received 21,489 BEC complaints with adjusted losses over \$2.9 billion. It's a staggering number and a sobering reminder that malicious actors are common and during the course of this experience, I learned, well resourced. That being said, I want to you assure you that we are exhausting every avenue to recoup the funds that we were defrauded of, and we are making every effort to improve our cybersecurity posture. Cybersecurity is an ever-changing and evolving threat. As an organization we will continue to adapt our defenses to emerging threats through educating and training of our users, investing in the necessary tools moving forward, and establishing policies and protocols to protect our digital operations.

Jeff Thielman asked if anyone had questions. Judson Pierce wanted to make sure that this committee or members are not liable in anyway. Jud suggested we should have questions answered before voting on anything and leave it at bay for now. Jim Feeney wanted to know what opinions Jud was looking for from counsel. Jud wanted to confirm that we couldn't prevent the loss and we can feel safe in appropriating any funds whether or not before we authorized a payment for the four months that were stolen, and the Town Manager connect with Town Counsel over ways to recoup monies lost and to further discuss the town's response to this malfeasance. The committee wanted clarification on what we are asking the committee to vote on and Jim said the committee had voted at a time to pay Skanska we should proceed with making the payment. The committee members had fear it could happen again and concerned to authorize another payment, but they are assured by Town Council to make sure they are doing everything correctly.

On a **motion** by Jim Feeney, seconded by Judson Pierce, it was Moved to approve payment to Skanska, contingent on the Town Manager consulting with Town Counsel and ensuring that the Town has taken all appropriate legal measures to protect the Town against any liability in this matter.

Roll Call: Alex Magee, Yes, Brett Lambert, Yes, Jim Feeney, Yes, Bill McCarthy, Yes, Judson Pierce, Yes, Amy Speare, Yes, Kate Loosian, Yes, Kirsi Allison-Ampe, Yes, Rob Behrent, Yes, Ryan Katofsky, Yes, Tobey Jason, Yes, Liz Homan, Yes, and Jeff Thielman Yes.

Kirsi Allison-Ampe suggested that the Town and Schools should release this statement to the broader community, so they are all notified.

❖ Skanska Update

Jim Burrows said he appreciate the previous vote and he then updated the committee that John will be ordering the turf for the fields this month.

❖ Consigli Update

◆ Schedule Update

John LaMarre shared the photos of overall AHS Building site and showed the steel erection ongoing as well as the toilet building and the foundations and underground MEP's and the bike ramp regression and the upper court yard roof work were shown. Jim shared the following:

- Bldg. A structural steel continued throughout the month of May and concrete foundations/walls are substantially complete. Waterproofing of high wall was completed in month of May. Building A steel to be completed in June. Minuteman bike path and toilet facility work continued in May. Toilet facility foundations and underground MEP's have been installed. These areas will continue being developed throughout the month of June (w/ Masonry + Roofing). The Minuteman bike path has also taken shape in May w/ excavation and architectural formwork mockup.
- PH 2 punch list completion continued in May for Bldg. B/C2. Currently, overall punch list totals: (29) Open items, (8) items Ready to Close. Subcontractors will complete remaining punch list during the school's summer break.
- Decisions required. A) District to provide direction for Phase 3 Super Graphics & Signage for formal issuance of design files in order to produce submittals, procure/release materials. B) Design for west parking lot PV. C) Masonry salvaged scope design at performing arts entrance (PH3) D.) Eversource energizing of 2nd Transformer (PH3).
- As of the 5/30/24 Schedule Update, Phase 3 TCO is currently on schedule for February 2025 turnover. Phase 4 and overall project completion are currently on schedule, and new fields are on schedule for use at the return of the Fall 2025 school year.

❖ Subcommittee Reports

◆ Communications – Amy asked the committee if any date was set for the AHS Topping Off ceremony, Bill said he will send Amy information after his meeting with Skanska and Consigli the week of June 10th. The AHS Topping off ceremony will be the last beam put up and signed by AHS faculty, students, AHS Building Committee members, School Committee members, and Select Board members at an invitation only ceremony soon.

- Dedication plaque review and/or approval

The AHS Building Committee members reviewed the sample plaque. A few minor word smith edits were suggested and made. John LaMarre asked for the final design be given to HMFH. Kirsi said a School Committee member suggested all their members be added to the plaque. A motion was made:

On a **motion** by Kirsi Allison-Ampe seconded by Ryan Katofsky, it was moved to authorize the AHS Building Committee Communications Subcommittee to make the final vote we may need to design and wording of the Dedication plaque.

Roll Call: Alex Magee, Yes, Brett Lambert, Yes, Jim Feeney, Yes, Bill McCarthy, Yes, Judson Pierce, Yes, Amy Speare, Yes, Kate Loosian, Yes, Kirsi Allison-Ampe, Yes, Rob Behrent, Yes, Ryan Katofsky, Yes, Tobey Jason, Yes, Liz Homan, Yes, and Jeff Thielman Yes.

◆ Finance – Alex said the committee met on May 9 and the next meeting will be on June 13 to approve change order.

◆ Interiors – Liz said Bill received draft artwork from students for the central space on the wall, and wall graphics for the gym, and discussed plaque.

◆ Landscape & Exteriors – No report.

◆ Memorials – No report,

◆ SMEPPF - No report.

◆ Security and Temp Use-Phasing – No report.

❖ Meeting Minute Approval

On a **motion** by Bill McCarthy, seconded by Kent Werst, it was moved to approve the May 7, 2024 AHS Building Committee minutes.

Roll Call: Alex Magee, Yes, Brett Lambert, Yes, Jim Feeney, Yes, Bill McCarthy, Yes, Judson Pierce, Yes, Amy Speare, Yes, Kate Loosian, Yes, Kirsi Allison-Ampe, Yes, Rob Behrent, Yes, Ryan Katofsky, abstained, Tobey Jason, Yes, Liz Homan, Yes, and Jeff Thielman Yes.

❖ New Business

No July meeting

❖ Adjournment

On a **motion** by Ryan Katofsky seconded by Judson Pierce, it was moved to adjournment at 7:00 p.m.

Roll Call: Alex Magee, Yes, Brett Lambert, Yes, Jim Feeney, Yes, Bill McCarthy, Yes, Judson Pierce, Yes, Amy Speare, Yes, Kate Loosian, Yes, Kirsi Allison-Ampe, Yes, Rob Behrent, Yes, Ryan Katofsky, Yes, Tobey Jason, Yes, Liz Homan, Yes, and Jeff Thielman Yes.

Respectfully submitted by
Karen Fitzgerald, AHS Building Committee Recording Secretary