

IN THE COURT OF COMMON PLEAS  
ATHENS COUNTY, OHIO

CITY OF ATHENS, OHIO, 8 EAST WASHINGTON STREET ATHENS, OH 45701	)	CASE NO.:
	)	
	)	JUDGE:
	)	
Plaintiff,	)	<b><u>COMPLAINT FOR UNJUST</u></b>
v.	)	<b><u>ENRICHMENT, EXPEDITED</u></b>
	)	<b><u>ACCOUNTING AND</u></b>
JOHN DOE AND JANE DOE,	)	<b><u>INJUNCTIVE RELIEF</u></b>
	)	
Defendants.	)	

Plaintiff, CITY OF ATHENS, OHIO (“CITY”), sues Defendants, John Doe and Jane Doe, and alleges as follows:

**Nature of the Case**

1. Introductory Statement. This is an action for unjust enrichment, expedited accounting and injunctive relief arising out of a cyber-attack wherein certain perpetrators orchestrated a scam utilizing electronic communications and unlawfully gained access to monies from CITY’s bank account that were intended to pay valid invoices from its contractor.

**Parties, Jurisdiction, and Venue**

2. Nature of the Action. This is an action seeking damages in excess of \$25,000.00, exclusive of interest, costs and attorneys’ fees, as well as an expedited accounting and injunctive relief. This action is within the jurisdiction of this Court.

3. Plaintiff. CITY is a municipal corporation. Athens is located within Athens County, Ohio.

4. The Defendants. Defendants John Doe and Jane Doe conspired to carry out the

complex cybercrime and movement of stolen monies more fully described below. The identity of the Defendants is currently unknown, as they have perpetrated the subject scheme in secrecy utilizing electronic communications.

5. Venue. Pursuant to Civ.R. 3(C)(3) and (12), venue is proper in Athens County, Ohio because the causes of action alleged herein accrued in Athens County.

### **General Allegations**

6. The Fraudulent Email Contact. On November 14, 2024, the cyber criminals began contacting CITY, by email, impersonating CITY's contractor, PEPPER CONSTRUCTION COMPANY OF OHIO, LLC (hereinafter "Contractor"). The cyber criminals, purporting to be Contractor, filled out an electronic payment authorization form provided by CITY with fraudulent ACH instructions, and requested funds be sent from CITY'S bank account at JP Morgan Chase Bank to an account held at Republic Bank & Trust Company identified as Account # [REDACTED] 2521 (hereinafter the "Target Account"). A copy of the form containing the fraudulent ACH instructions is attached hereto as "**Exhibit A**".

7. The ACH Transfer. In reliance on the emails and fraudulent ACH instructions, CITY effectuated an ACH transfer of \$721,976.26 to the Target Account with the intent to pay an invoice owed by CITY to Contractor on November 18, 2024.

8. Misappropriated Funds. Using trickery and deception, the perpetrators gained access to CITY's funds and, without the knowledge or consent of CITY, misappropriated the \$721,976.26. Plaintiff is in need of expedited discovery and emergency relief in order to trace the flow of funds and recover the stolen proceeds.

9. Internet Fraud. Unbeknownst to Plaintiff, the email and attachment referenced above were fraudulent and were part of what the Federal Bureau of Investigation has named

“Business Email Compromise” (“BEC”). The e-mail originated from a domain created by the fraudsters which is almost identical to the domain of the Contractor. The transfer, which was intended to be paid to the Contractor was not received by the Contractor, but instead was diverted and misappropriated by the Defendants.

10. Discovery of the Fraud. CITY subsequently discovered that it had been defrauded and that unknown perpetrators had received the ACH transfer from CITY’s bank account. Upon discovering this fraud, CITY took immediate action to recall the transfer, notified the authorities, and now brings this action in order to mitigate the damages.

**COUNT I – UNJUST ENRICHMENT**

11. Plaintiff realleges and readopts paragraphs 1 through 10 above as if fully set forth herein.

12. This is an action for unjust enrichment against Defendants John Doe and Jane Doe.

13. Plaintiff conferred a benefit upon the Defendants which the Defendants are not entitled to keep.

14. The Defendants have received and accepted the benefit under circumstances where the retention of the benefit by the Defendants would be inequitable and unjust.

15. As a direct and proximate cause, Plaintiff has suffered money damages.

WHEREFORE, Plaintiff, CITY OF ATHENS, OHIO, respectfully requests that this Court enter its Judgment for money damages, for an imposition of a constructive trust over any and all proceeds in the possession of any of the Defendants, and for any further relief that the court deems just and appropriate under the circumstances against Defendants, John Doe and Jane Doe.

**COUNT II – EXPEDITED ACCOUNTING**

16. Plaintiff realleges and readopts paragraphs 1 through 15 above as if fully set forth

herein.

17. This is an action for an expedited accounting.

18. The Defendants, John Doe and Jane Doe, received certain monies that did not belong to them and to which they are not entitled.

19. It is essential that this Court enter an order granting an expedited accounting in order to ascertain the location of all funds.

WHEREFORE, Plaintiff, CITY OF ATHENS, OHIO, respectfully requests the Court enter an order requiring an expedited accounting and an audit from the Defendants of all monies deposited into the accounts identified above, and granting such further relief as this Court deems just and appropriate under the circumstances.

### **COUNT III – INJUNCTIVE RELIEF**

20. Plaintiff realleges and readopts paragraphs 1 through 19 above as if fully set forth herein.

21. CITY requires injunctive relief in the form of freezing funds held in the Target Account referenced in paragraphs #6-8, to prevent the fraudulent and unlawful use of said funds.

22. CITY lacks a plain, speedy, and adequate remedy at law to mandate that the funds held in the Target Account be frozen to prevent the fraudulent and unlawful use of said funds while CITY undertakes necessary steps to have said funds returned to CITY.

23. Injunctive relief is the necessary, appropriate remedy to ensure that the funds held in the Target Accounts be frozen to prevent the fraudulent and unlawful use of said funds while CITY undertakes necessary steps to have said funds returned to CITY.

24. CITY is likely to succeed on the merits, the balance of equities favors CITY, and injunctive relief is in the public interest.

WHEREFORE, Plaintiff, CITY OF ATHENS, OHIO, respectfully requests the Court enter an order for injunctive relief in the form of freezing funds held in the Target Account to prevent the fraudulent and unlawful use of said funds unless and until all funds fraudulently and unlawfully transferred into the Target Account are returned to CITY, along with such further relief as this Court deems just and appropriate under the circumstances.

Dated December 4, 2024.

Respectfully submitted,

*/s/ Adam C. Smith*

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# EXHIBIT A

# Athens City Auditor's Office

8 East Washington Street  
Athens, OH 45701-2496  
740-592-3336 Fax 740-592-6400  
[www.ci.athens.oh.us](http://www.ci.athens.oh.us)



2847

## AUTHORIZATION AGREEMENT FOR ELECTRONIC PAYMENTS FROM THE CITY OF ATHENS

- To sign up for electronic payments, please **TYPE OR PRINT** the information below.
- Return the signed form to [jcovert@ci.athens.oh.us](mailto:jcovert@ci.athens.oh.us) or via fax at 740-592-6400.
- Any account changes must be reported to the City Auditor's Office thirty (30) days prior to the actual change.

TYPE OF TRANSACTION:	<u>ACH</u>	ADD	_____	CHANGE	_____	DELETE
<u>Pepper Construction</u>	<u>(813) 291-3610</u>					
NAME OF COMPANY OR INDIVIDUAL	CONTACT NUMBER					
<u>5185 Blazer Parkway, Suite 101</u>	<u>Dublin</u>	<u>OH</u>	<u>43017</u>			
ADDRESS	CITY	STATE	ZIP CODE			
_____						
FEDERAL TAX ID OR SOCIAL SECURITY NUMBER						

<u>Republic Bank &amp; Trust Co.</u>			
FINANCIAL INSTITUTION NAME			
<u>601 W. Market Street</u>	<u>Louisville</u>	<u>KY</u>	<u>40202</u>
ADDRESS	CITY	STATE	ZIP CODE
TYPE OF ACCOUNT: <input checked="" type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS			
<u>042287027</u>	<u>2521</u>		
TRANSIT ROUTING/ABA NUMBER	ACCOUNT NUMBER		

The payment remittance advice will be sent via email as an attachment. Please indicate below the preferred email address for the payment remittance advice to be sent to.

EGrootenhuis@pepperconstrcution.com

- The City of Athens is hereby authorized to initiate credit entries to the account in the financial institution identified above and also debit entries, if necessary, for any credit entries that are determined to be in error. Additionally the financial institution identified above is hereby authorized to credit or debit the same to said account named herein.
- This authority is to remain in effect until revoked in writing to the Athens City Auditor's Office.

E Grootenhuis      11/14/2024      Evan Grootenhuis

APPLICANT SIGNATURE      DATE      PRINTED NAME