

**UPDATE: The response from the community is beyond anything we could have ever expected. Thank you. See here... <https://twitter.com/toool/status/1477396088915054592>**

To the locksport, security, technology, and hacker communities,

We've had a long time working together, haven't we? The Open Organisation of Lockpickers (TOOOL) has been serving the public since 2003 in the US... and even longer overseas since its founding in The Netherlands.

Many of you likely know that the US branch of TOOOL is incorporated and a registered 501(c)3 nonprofit organization. We have a five-person Board of Directors that is uncompensated, but we do pay a bookkeeper, an accountant, and an office manager who is responsible for our shipping and logistics. All TOOOL members that you have ever seen at events such as conferences or local meetings are there as volunteers because we love the subjects involved and we are committed to educating the public.

TOOOL makes ends meet and covers expenses through member dues, equipment sales, and the occasional generous donations of the community. Our books are always healthy and we have not had to rely on outside help for over a decade, even when putting on large appearances at major conferences such as Def Con or prestigious places like the White House, The United States Military Academy at West Point, and the Pentagon.

With the global COVID-19 pandemic, TOOOL made the decision to cease all in-person meetings and other appearances at conferences, deeming that there was no responsible and safe way of engaging in such a hands-on activity with shared equipment and close quarters. TOOOL effectively went on hiatus, even going so far as to place much of our equipment in storage and relocate our headquarters to a smaller and less expensive location.

In November of this year, while reviewing our banking information as part of other financial tasks, it was discovered that our account balance looked lower than seemed normal. It quickly became apparent that the books did not reflect what was expected by anyone. Over the course of the next two days, an initial investigation revealed that over \$20,000 had been drained from TOOOL's operating account without authorization.

In the nearly week-long investigation that followed, all transactions going back to the beginning of the pandemic (when we had ceased operations) were reviewed. It was determined that one of the debit cards on our account (TOOOL maintains cards like this which may be used by various people in leadership roles, to support operations at conferences, the ordering of supplies, web hosting payments, and so forth) had been compromised and was at some point attached to an Amazon account being used to perpetuate systemic organized fraud.

Beginning with a series of very low dollar transactions – almost none of which broke double digits, and almost never totaling more than a few hundred dollars in any given month – Amazon purchases were made using the compromised card throughout the pandemic. The amounts remained small, most likely intentionally to avoid detection, but ultimately when the criminals behind this perhaps determined that the fraud was not being caught, they brazenly increased and dramatically ramped up the volume and value of fraudulent transactions.

In the final months just before this was discovered, fraud was being perpetuated to the tune of thousands of dollars per month. Our investigation has determined that the fraud was exclusively through Amazon purchases and no other merchant. Naturally, we immediately terminated that payment card and reported the fraud to our bank, Wells Fargo. This incident has also been further reported to IC3 / the FBI.

Through our network of colleagues and friends in the community, we have also been in direct contact with and receiving advice from, among others, the Director of Finance at the EFF and other legal/financial experts. They concur with our actions up to this point and have suggested additional auditing functions and an oversight framework which may be beneficial for us in future.

Some may ask why ongoing transactions like these were not noticed as a matter of routine bookkeeping. Sadly, simultaneous to this financial fraud being perpetrated against our account, TOOOL's bookkeeper stopped returning emails and performing their duties. We only learned of this when our CPA reached out and told us he would no longer be able to service TOOOL as a client given that our bookkeeper had resolutely refused to engage or respond to him for months. In short, our bookkeeper went MIA and reportedly has even left the country entirely. We wish to be clear that there is at this time no evidence to suggest our bookkeeper has any connection to the financial fraud transactions that have drained our account significantly, but the disappointment from all of us and from others in the community over their dereliction of duty is still disheartening, nonetheless.

We have spent countless hours at this point on the phone and online with Wells Fargo, submitting a line-by-line analysis and inspection of our transaction history with their fraud team. Over 900 fraudulent purchases were identified.

At this time we have been unable, despite the best efforts of our Board and many in the security community connected to us, to work in any way with Amazon regarding the fraud, or even report it to them. Amazon does have a reporting mechanism where customers can flag fraudulent orders on *their own* Amazon account. But there appears to be no similar means that anyone can use to report fraudulent transactions conducted *through* Amazon using *someone else's* account. Even though we were visibly paying someone else's Amazon prime bill every month, at this time we have had no success reporting this to Amazon or working with their fraud team.

Perhaps most disappointing is that after a long review process, Wells Fargo responded to TOOOL's detailed reporting and stated that they would not be honoring the language in their marketing and service agreements (which make liberal use of promises to protect customers

from fraud liability) and that they have declared 100% of these purchases to appear valid and consistent with what they think is normal, customary banking. We have escalated internally and ask them to reopen the matter, but are not hopeful at this time, given the reputation that Wells Fargo has in the banking industry when matters of fraud resolution are concerned.

Wells Fargo also noted that fraud reports are normally only allowed for transactions less than 60 days old. Recall, however, that the largest-dollar crime was being committed at the very end of this campaign. Hence, this is why we have reopened the case and escalated it further with Wells Fargo. We do not consider the matter closed, although presently we are awaiting the bank's next response to us with no guaranteed timeline.

At this time, TOOOL still has sufficient operating funds to continue in the limited capacity within which we have been working during the pandemic. Our website and email remain functional, our mailing lists and forums and other membership systems are all still paid and operational. We even hope to appear at conferences again in 2022.

Still, as of right now, we have taken a hit. We have never asked something like this before from the community, but if any of you are feeling particularly generous this holiday season or if any of you have remaining funds that you would like to donate in a tax-deductible charitable manner before the close of 2021, we would be very grateful.

Most of you already know us well, but for the few who don't... our website and mission and details about the educational outreach which we have done for decades and will continue to do long into the future are at <https://toool.us/mission.html>. We are capable of processing donation transactions at <https://toool.us/donate>. If your employer uses Benevity, we are listed as "The Open Organisation of Lockpickers."

We will continue pursuing the matter with Wells Fargo in the hopes of recovering the funds that were stolen from us. If anyone is a legal or financial expert and wishes to weigh in, we would be glad to listen to what you may suggest. We will continue to be open and public both with our members and with the community at large concerning the results of these efforts. If, against expectation, all funds are fully restored and you feel that your donation is therefore no longer needed, you are free to contact us and ask for it to be returned.

Thank you for your continued support,

The TOOOL US Board of Directors



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