



FOR IMMEDIATE RELEASE

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**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 35 REPORTS UNAUTHORIZED
TRANSFER OF DISTRICT'S INVESTMENT FUNDS**

MUD 35 is continuing a comprehensive investigation with Federal authorities following \$8.2 million in unauthorized transfers. Recall and recovery of transferred funds continues.

May 2, 2025 – Katy, TX -- The Board of Directors of Fort Bend County Municipal Utility District No. 35 ("MUD 35") has confirmed that approximately \$8.2 million of funds invested on behalf of the district were, through a series of unauthorized transactions, fraudulently transferred to outside financial institutions from MUD 35's investment account which is held by a public funds investment pool.

The unauthorized transfers occurred on April 7. The administrator of the investment pool discovered the irregularities on April 8 and immediately notified the FBI and MUD 35's contracted bookkeeping firm. Through swift action, \$3.4 million has been recalled, recovered, and returned to MUD 35's investment account. Efforts to recover the entire amount fraudulently transferred remain underway. Outside legal counsel has been retained to provide additional support to the district, as needed.

MUD 35's bookkeeping firm maintains two main financial accounts on its behalf: a traditional banking account for deposits, accounts payable, and other withdrawals necessary to support its operating expenses along with an investment account, which includes debt service and operating funds, which earns interest. Only the investment fund was compromised, and a spokesperson for the District stated that MUD 35 is "solvent and fully capable of meeting its current debt obligations and operating expenses."

MUD 35's Board of Directors is cooperating with an ongoing investigation of the matter and stated that the District hopes to see the remaining funds recovered as soon as possible.

Anyone with information on the fraudulent transfers should contact the District at 713-623-4531. Updates will be provided to the public as they become available.

ABOUT FORT BEND COUNTY MUD NO. 35

Fort Bend County Municipal Utility District No. 35 is located approximately 25 miles west of downtown Houston. One of around 900 municipal utility districts in the State of Texas, MUD 35 is bounded on the south by Meadowbrook Farms Golf Course and Fort Bend County Municipal District No. 34, on the east by the Cinco Ranch residential development, and on the west by Katy-Gaston Road and Cinco Ranch Boulevard. The district serves approximately 2,075 residences and 25 businesses. For more information, visit [Fort Bend County MUD 35](#).

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