



Office of Thrift Supervision
Department of the Treasury

Director

1700 G Street, N.W., Washington, D.C. 20552 • (202) 906-6590

June 2, 1994

MEMORANDUM FOR: Chief Executive Officers
FROM: *JLF* Jonathan L. Fiechter
Acting Director
SUBJECT: Counterfeit Money Orders

A number of savings associations, nationwide, have reported receiving counterfeit money orders for loan or credit card payments or payoffs, purportedly to be redeemable by:

L.A. Pethahiah, P.O. Box 287, Tigerton, Wisconsin;

O.M.B.; W.D. McCall, P.O. Box 500-284, Victoria, Texas,
or P.O. Box 954, Waxahachie, Texas; or

Patrick R. Rudd, Mount Calvary Fund, P.O. Box 9580,
Warlock, Road Island.

In all cases when associations deposited these money orders, they were unredeemable.

Recent newspaper articles have reported that many commercial and mortgage banks are receiving such uncollectible counterfeit money orders to be redeemable at the same addresses. Reportedly, antigovernment organizations are selling the counterfeit blank money orders, either to knowing or gullible borrowers. The sales include literature that denounces "Federal Reserve money," supports the legality of the money orders, and provides instructions on how to use them. A number of Federal and local law enforcement agencies are currently investigating the matter.

I am bringing this fraudulent activity to your attention to remind you (1) to ensure that your staffs are adhering to your institution's internal controls and loan payoff procedures, and (2) to notify appropriate law enforcement authorities and the OTS (regional office) by filing Criminal Referral Form 366 upon discovery of such activity.

Any questions that you might have concerning this matter should be directed to your OTS regional office.

Please share this memorandum with appropriate staff.

cc: Regional Directors