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### OCC Warns Against Worthless Instruments

WASHINGTON, D.C. - The Office of the Comptroller of the Currency (OCC) today advised consumers to beware of worthless financial instruments being presented for payment at banks and other businesses nationwide, and cautioned them to avoid participating in fraudulent check schemes.

The financial instruments in question are often called "Certified Bankers Checks," "Certified Money Orders," or "Comptroller Warrants." They state that they are drawn on, are to be presented to, or are payable through the United States Treasury or Treasurer, the United States Postmaster or Postal Service and/or the Comptroller of the Currency. The OCC emphasized that these instruments have no financial value and no legal validity, and that consumers who participate in these fraudulent schemes may be exposing themselves to the potential of criminal charges.

"I am distressed that the public is being deceived by the use of the Comptroller's name in connection with a fraudulent payment instrument," said Comptroller of the Currency Eugene A. Ludwig. "We caution consumers to avoid these check schemes and we have put all national banks and OCC examining staff on alert."

According to federal investigators, thousands of consumers have paid between \$125 and \$200 since 1995, to attend workshops held by M. Elizabeth Broderick of San Diego, Calif., where they allegedly were told that they could use these fraudulent instruments (which they purchased for \$100 per check) to pay off thousands of dollars in debts to banks and other creditors. Broderick allegedly told those attending her seminars that checks could be written for more than the amount owed, and that a refund could be obtained for the excess amount. She also alleged to have further told them that if a creditor rejected a check, a multi-million dollar lien should be filed against that creditor.

Following a six-month investigation by a federal task force, Broderick and four other individuals were arrested last month under a 30 count federal indictment charging violations of the laws of the United States, including mail fraud, obstruction of justice and conspiracy. The indictment charges those involved with creating and carrying out the fraud, as well as individuals who have submitted the fraudulent checks to their creditors.

The OCC said that any instruments presented to it for payment will be returned to the sender with copies provided to the appropriate law enforcement agencies. Consumers should notify their local law enforcement agencies and the F.B.I. if they receive one of these instruments. National banks should send any information on these instruments to the OCC's Enforcement and Compliance Division, 250 E Street, S.W., Washington, D.C. 20219, Fax: (202)874-5301. Institutions should also file a Suspicious Activity Report (SAR).

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The OCC charters, regulates and examines approximately 2,800 national banks and 70 federal branches and agencies of foreign banks in the U.S., accounting for more than half the nation's banking assets. Its mission is to ensure the safety and soundness of the national banking system.