

## 7 FAM 320

# GENERAL FINANCIAL ISSUES AND INFORMATION

*(CT:CON-120; 12-06-2005)*  
*(Office of Origin: CA/OCS/PRI)*

## 7 FAM 321 INTRODUCTION

*(CT:CON-120; 12-06-2005)*

One of the more common consular cases you will see is the U.S. citizen/non-citizen national who is traveling or residing abroad who needs financial assistance. The types and relative seriousness of cases vary widely, but can be either temporary or long-term and involve either unexpected emergencies or poor planning. You can assist U.S. citizens/non-citizen nationals by, among other things, preparing information on sources of financial assistance, contacting family, friends and employers, and processing Overseas Citizen Services (OCS) trusts or financial loans. This subchapter provides guidance about assistance to U.S. nationals using private resources, transferring funds commercially, and transmitting funds using OCS trusts. The consular assistance loan programs, mentioned here in passing, are discussed fully at 7 FAM 380 (repatriation and EMDA) and 7 FAM 440 (EMDA for prisoners).

### 7 FAM 321.1 Temporary Destitution

*(CT:CON-120; 12-06-2005)*

U.S. citizens/non-citizen nationals can find themselves suddenly without sufficient resources for a number of reasons, including:

- (1) **Lost or Stolen Funds:** Travelers can be the victims of
  - (a) Their own carelessness; and
  - (b) A pickpocket, robber, burglar, or con artist.
- (2) **Unexpected Break in Cash Flow:** Often residents rather than travelers, these individuals depend on a regular source of funds that either stops or is critically delayed. This category can include:
  - (a) The overseas student who relies on a check or deposit from family in the United States that does not materialize on time; and

- (b) The retiree living on a monthly stipend or pension, such as a Federal Benefits check, that is lost or delayed.
- (3) **Unrealistic Budgeting:** Individuals or families sometimes simply do not bring enough funds with them to meet necessary expenses.
- (4) **Exchange Rate Casualties:** Some travelers or residents with marginal incomes may find that a sudden shift in the exchange rate can leave them with insufficient funds to meet necessities.
- (5) **The Unforgiving Automatic Teller Machines (ATM):** It is not unknown in certain parts of the world for travelers to attempt to use an ATM machine only to have it not only refuse to dispense cash, but also retain the credit or bank card in the process.

## 7 FAM 321.2 Long-Term or Critical Destitution

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These cases involve the U.S. nationals who are destitute and for whom no private financial network exists, or whose source of income has abruptly disappeared. Persons in this category generally require return to the United States via repatriation (see 7 FAM 480). U.S. citizens who are not prisoners cannot be put on long-term EMDA for food and housing. Some examples of this category of long-term destitution include:

- (1) **Family Crises:** A sudden event affecting the family structure abruptly leaves a spouse, partner or child without financial resources. Such events could include:
  - (a) Death of a spouse;
  - (b) Divorce or abandonment;
  - (c) Spousal or child abuse; and
  - (d) Deliberate cut-off of funds by a parent or other family member to an overseas traveler or student for behavioral reasons or to attempt to force a return to the United States.  
or
- (2) **Travel Crisis:** Disruption in travel such as bankruptcy of cruise line, airport closure, or other unforeseen event;
- (3) **Job Loss or Bankruptcy:** An individual employed abroad whose employment is terminated without recompense or whose business fails;
- (4) **Medical Crisis:** Often destitution is ancillary to a serious medical emergency, either illness or accident. (See 7 FAM 350 for more information on medical assistance cases and 7 FAM 360 for information about medical evacuation.); and

- (5) **Mental Health Issues:** Destitution is often an ancillary consular issue when you are dealing with a U.S. citizen or national who has been diagnosed with, or who displays symptoms of, some form of mental illness. 7 FAM 340 provides guidance on mental illness cases.

## **7 FAM 322 THE ROLE OF THE CONSULAR OFFICER**

*(CT:CON-120; 12-06-2005)*

Your actions in these financial assistance cases will be as varied as the types of cases themselves. In general, however, you should:

- (1) Be prepared to offer appropriate assistance in a professional and suitably sympathetic manner;
- (2) Remember that you are not a loan officer, credit investigator, financial advisor or social worker; and
- (3) Note that the Privacy Act will affect all financial assistance cases (see 7 FAM 060).

### **7 FAM 322.1 Develop Financial Assistance Information**

*(CT:CON-120; 12-06-2005)*

- a. Family and friends in the United States are the usual sources of funds. U.S. citizens/non-citizen nationals also often have available to them in the host country resources of which they either are not aware or which they have not considered. Some examples follow:
  - (1) Family, friends, or traveling companions abroad;
  - (2) Replacement facilities for lost or stolen travelers' checks;
  - (3) Commercial credit card advances;
  - (4) Commercial loans;
  - (5) Charitable sources like American clubs or companies; and
  - (6) Overseas citizen services (OCS) trusts.
- b. Often you will be helping U.S. citizens or nationals in financial difficulty to "help themselves" by providing information they can use to resolve their financial distress.
- c. To assist efficiently and accurately, you need to identify and prepare in advance handouts containing useful information about local resources.

Posts should be aware of any restriction by the host government on money transfer, whether by Western Union or bank wire. It is very complicated to wire money into some countries. While the type and quantity of such information will vary from post to post, it normally could include:

- (1) Names, locations, telephone numbers and hours of:
  - (a) U.S. branch banks in your district;
  - (b) Foreign banks with correspondent relationships with U.S. banks;
  - (c) Local Western Union or similar wire transfer facilities; and
  - (d) Major travel companies such as Barclay's, Cook's, and American Express.
- (2) Contact points and general procedures for reporting and replacing lost/stolen credit cards or advancing funds, (American Express, Visa, MasterCard, Diner's Club, etc.);
- (3) Contact points at major commercial airlines and general guidelines for reporting and replacing airline tickets;
- (4) Churches, American Clubs, U.S. companies, or other charitable sources that are willing to assist destitute U.S. citizens or nationals;
- (5) Hotels that may sometimes be willing to assist with accommodations; and
- (6) Restaurants that may offer food or vouchers for food over a short term.

## **7 FAM 322.2 Assist With Contacts**

*(CT:CON-120; 12-06-2005)*

- a. Be prepared to assist the destitute U.S. citizen or nation as circumstances dictate. Some will require only a minimum of information, and will take care of matters more or less on their own; others, due to the nature of the case, language issues, a lack of experience, or the pressure of circumstances, may require considerably more active participation on your part.
- b. In general, follow these guidelines:
  - (1) Ask adults whom they want to contact and follow their wishes to the extent possible in assisting them to make such contacts. Be sure to have them execute the Privacy Act waiver (see 7 FAM 060);
  - (2) If the applicant is under 18 years old, contact the applicant's parent. But first (see 7 FAM 060 and 7 FAM 1760) for guidance

about minors who do not want their parents to be contacted, runaways, child abuse and neglect and other special children's issues;

- (3) Provide information handouts about availability of services to destitute U.S. citizens/non-citizen nationals and insert them on your post consular web page;
  - (4) Once you have a Privacy Act Waiver, speak with family, friends, employers and others covered by the waiver on the individual's behalf. Your official "presence" in discussions can help clarify the situation, provide options, and reassure family and friends (see 7 FAM 060 and 7 FAM 323); and
  - (5) If necessary, suggest that family or friends consider the following options when providing financial assistance:
    - (a) Prepay airline or other travel tickets and have the tickets marked non-returnable and nonrefundable in order to prevent the traveler from cashing in the ticket or using it for travel elsewhere; and/or
    - (b) Pay to the transportation company a reasonable amount (usually less than \$100) over the transportation cost, if the transportation company agrees to give the excess amount to the destitute person for incidental expenses en route.
- c. If commercial means, such as ATMs, wire transfers, Western Union, etc., are not available or appropriate, inform family and friends of procedures for establishing an OCS trust. See 7 FAM 323 and the Consular Affairs Internet feature Emergency Financial Assistance for U.S. Citizens Abroad (see 7 FAM 320 Exhibit A).
- d. Consider issuing a subsistence loan pending receipt of OCS trust funds if post/Department has received assurances of transmittal of funds by family/friends/employer. Subsistence loans should be repaid immediately when OCS trust funds are received. If the applicant will not be repatriated to the United States, subsistence loans are processed under the Emergency Medical and Dietary Assistance program (see 7 FAM 370). This would also apply to individuals who are experiencing a delay in receipt of their federal benefits check due to a specific logistical problem of the U.S. Government as identified by the CA/OCS/PRI Federal Benefits Specialist (ASKPRI@state.gov – (see 7 FAM 500).

## **7 FAM 323 PRIVACY ACT CONSENT**

*(CT:CON-120; 12-06-2005)*

- a. 7 FAM 060 provides guidance about the Privacy Act.

- b. The applicant generally must provide a written Privacy Act waiver before a consular officer can contact any possible source of financial assistance, including the applicant's immediate family. A Privacy Act waiver generally is not necessary if the applicant is a minor and the point of contact is a parent or legal guardian (see 7 FAM 060 and 7 FAM 1720 if the minor does not want the parents notified or if there are considerations such as runaways, possible abuse or neglect, and other special children's issues). A waiver is required in cases where a post or the Department relays information to a third party. The waiver should be included as a specific item in any report to the Department. 7 FAM 060 and 7 FAM 340 provided guidance for exceptions to the need for a Privacy Act waiver.
- c. You may occasionally encounter applicants for financial assistance who are unwilling to provide their consent or sufficient information to permit the consular officer to pursue funding from private sources and where Privacy Act exceptions do not apply. In such cases you should:
  - (1) Respect the applicant's right to privacy while pursuing a local solution to the applicant's problem, such as referral to local charitable organizations or arranging for inexpensive lodging or transportation. Do not request assistance from potential donors without the applicant's consent;
  - (2) Advise the applicant that the consular officer's ability to assist with financial difficulties is severely restricted if the applicant does not permit contacting of private sources of funds;
  - (3) If the applicant declines to provide a Privacy Act waiver or the names and addresses of possible source of funds, advise the applicant that consular personnel cannot recommend approval of any loan unless all reasonable efforts have been made to obtain funds from private sources. In such cases, do not make a loan; and
  - (4) If the person appears to suffer from mental illness or otherwise lack full mental capacity, consult CA/OCS/ACS.

## **7 FAM 324 "OCS TRUSTS" – SUSPENSE DEPOSIT ACCOUNTS**

*(CT:CON-120; 12-06-2005)*

- a. An "OCS trust" suspense deposit account is the vehicle by which an individual transfers money through a U.S. Embassy or Consulate to U.S. nationals overseas in an emergency situation, including nationals who are incarcerated. It also may be used to pay for expenses incurred in the

disposition of and/or the return of the remains of a U.S. citizen to the United States. Unless there is an overriding consideration requiring payment in U.S. dollars, OCS/TRUST funds should be disbursed in local currency.

- b. Use commercial channels whenever possible: before requesting that funds be sent via OCS trust, post should encourage individuals and the family and/or friends who are willing to assist financially to use commercial means whenever possible. Automatic Teller Machines (ATMs) are available in many countries throughout the world. In addition, many U.S. banks have branches overseas. Individuals can often receive funds through these branch banks via credit card or wire transfer. In addition, Western Union and other commercial enterprises have international operations in many countries. Naturally, when commercial means are not available or are inappropriate, and the criteria for using the OCS trust procedure are met, post should assist individuals in obtaining funds via OCS Trust.
- c. **Proof of Identity and Financial Assistance:** One problem with transmitting funds through commercial means relates to producing proof of identity in order to receive funds. If a U.S. citizen/non-citizen is a crime victim and both funds and identity documents (including passport) have been stolen, the U.S. citizen/non-citizen national may need to replace the passport before the funds will be released by the commercial entity. If citizenship evidence is not available, search the local ACS database for post records, PIERS or the intranet-based search feature of the Consolidated Consular Database (CCD). OCS can assist if needed.
- d. Funds transmitted by OCS/TRUST should not exceed the amount necessary to extricate the U.S. citizen/non-citizen national from the emergency. Consular officers need not audit each request but should be alert for requested amounts that greatly exceed what would normally be required to cover the emergency situation. OCS Trusts cannot be used for transmittal of funds for an illegal purpose such as payment of bribes.
- f. On occasion, the beneficiary of an OCS/TRUST deposit may depart one consular district before receiving the money, yet may need the funds in another consular district. If this happens, transfer the OCS/TRUST, which is Washington, DC-held, to the Foreign Service post serving the new location. To accomplish this, the first post should request permission from the Department to transfer funds to the second post. Charge the OCS/TRUST fund fee when trust funds are transferred between posts. The transferring (originating) post should repeat the OCS/TRUST telegram to the new post. The telegram must include any disbursing conditions established by the depositor. The recipient post disburses the funds to the beneficiary and charges the disbursement to the account specified in the telegram. The disbursing post must report any such disbursements

to the Department.

## **7 FAM 324.1 OCS Trust Eligibility**

*(CT:CON-120; 12-06-2005)*

The general criteria for using the OCS trust procedure follow:

- (1) The payee of the OCS trust fund must be a U.S. citizen or non-citizen national, unless the Department (CA/OCS/ACS) approves an exception;
- (2) The U.S. citizen/non-citizen national requires the funds to extricate him/her self from an emergency situation;
- (3) The payee is not using the OCS trust to conduct routine business transactions;
- (4) Commercial facilities for transferring funds are inadequate, unreliable, too slow; and/or
- (5) The post has determined that the nature of the emergency makes it preferable that the posts control the disbursement of funds, as opposed to direct payment to the payee; and
- (6) These criteria must be met in order to proceed with the establishment of an OCS Trust account. Regarding item (5), the depositor may establish conditions for release of funds, such as the purchase of a non-refundable, non-exchangeable ticket, or direct payment of hotel bill, medical bill, or fine.

**Note:** OCS trust funds have been used for other purposes on occasion when no other means of transmitting funds was available. For example, in serving a state criminal subpoena on a U.S. citizen abroad in a remote location, a consular officer delivered a certain small dollar amount to the witness as required by California law. CA/OCS/ACS must approve such deviations from the normal use of OCS trust funds on a case-by-case basis.

## **7 FAM 324.2 Establishing an OCS Trust**

*(CT:CON-120; 12-06-2005)*

Consular officers at posts using OCS trusts should take the following actions:

- (1) Become familiar with the policy and procedures regarding OCS trusts. See Sending Money to Overseas Citizens Services on the CA Internet page and
- (2) Establish an internal working procedure with your post's Financial Management Office for efficient handling and prompt distribution of OCS trust funds.



## **7 FAM 324.3 Processing OCS Trusts**

*(CT:CON-120; 12-06-2005)*

- a. The OCS officer enters OCS trust cases in the ACS system.
- b. The ACS system generates a cable, which includes fiscal data and provides information about the amount of funds to be provided to the payee or for disposition of remains. The consular officer at post can access the fiscal data directly in the ACS system once OCS has created the record.
- c. Follow any conditions for release of funds, such as purchase of a non-refundable, non-exchangeable ticket, or direct payment of hotel or medical bills or fines.
- d. Send disbursement cables for all OCS Trust funds received. Should a refund of all or part of the funds be necessary, posts must arrange for refunds and report to the Department, (CA/OCS/ACS) for guidance about refunds.

## **7 FAM 324.4 OCS Trust Fees**

*(CT:CON-120; 12-06-2005)*

The fee for setting up and maintaining a trust account for one fiscal year or less is displayed in the Schedule of Fees, 22 CFR 22.1. Occasionally additional funds must be remitted following the initial deposit. The service fee covers the initial deposit and subsequent deposits for the same post within the same fiscal year. A transfer of funds to another post requires that the charging of an additional service fee.

## **7 FAM 324.5 Public Information on Financial Assistance and OCS Trusts**

*(CT:CON-120; 12-06-2005)*

- a. See the Consular Affairs Internet home page for the following brochures:
  - Emergency Financial Assistance for U.S. Citizens Abroad
  - Sending Money to Overseas Citizens Services
- b. The consular assistance loan programs, mentioned here briefly, are discussed fully at 7 FAM 380 (repatriation and EMDA II), 7 FAM 440 (EMDA I for prisoners), and 7 FAM 1800 (evacuation loans.)

## **7 FAM 325 THROUGH 329 UNASSIGNED**