



OCC ALERT

Comptroller of the Currency
Administrator of National Banks

Subject:	Fictitious Financial Instruments	Description:	Worthless Sight Drafts, Bills of Exchange, Due Bills and Redemption Certificates
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TO: Chief Executive Officers of All National Banks; All State Banking Authorities; Chairman, Board of Governors of the Federal Reserve System; Chairman, Federal Deposit Insurance Corporation; Conference of State Bank Supervisors; Deputy Comptrollers (districts); Assistant Deputy Comptrollers; District Counsel, and Examining Personnel

RE: Fictitious and Worthless Sight Drafts, Bills of Exchange, Due Bills, and Redemption Certificates payable through the U. S. Treasury and the Comptroller of the Currency

OCC Alert 99-10, dated August 6, 1999, warned about the circulation of worthless instruments entitled "Sight Draft." These items falsely state that they are payable through the U.S. Treasury and continue to be presented for payment at banks and other businesses throughout the United States.

In addition to the Sight Drafts described in OCC Alert 99-10, other forms of worthless items entitled Bill of Exchange, Due Bill, and Redemption Certificate are being presented for payment at banks and other businesses. *Regardless of how these documents are titled or whether they appear authentic, they are not payable through the U.S. Treasury or the Comptroller of the Currency, and they have no financial value or legal validity.*

These worthless instruments usually have one or more of the following characteristics: (1) they are created to look like a standard bank check, or are printed to resemble some type of collection item; (2) they state the instrument is payable through the U.S. Treasury, the Comptroller of the Currency, or the Commissioner of the Internal Revenue Service; (3) there are no account numbers encoded in the MICR style print along the bottom edge of the document, or they list invalid ABA routing numbers; and (4) the person signing the document is not authorized by the U.S. government to issue such instruments.

The creation and presentment of these documents may be a violation of section 18 USC 514, Fictitious Obligations, and the person(s) using such fictitious instruments may be subject to criminal prosecution. If one of these documents is presented to your institution for payment, do not return it. Retain the document and file a Suspicious Activity Report (SAR). Deliver the original fictitious instrument and a copy of the SAR to the local office of the Federal Bureau of Investigation. Please also provide the OCC with a copy of the documents and the SAR.

Please direct any questions or provide information that you wish to bring to the attention of the OCC to:

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