



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
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FOR IMMEDIATE RELEASE AND DISSEMINATION

Fraud Alert - Bogus Treasury Notes, Bonds and Account Numbers

The U.S. Department of the Treasury (Treasury), Office of Inspector General (OIG), is investigating incidences whereby individuals are using fraudulent Treasury-related financial obligations or accounts to purchase or attempt to purchase vehicles from automobile dealerships or pay debts.

The following scheme was recently identified in Arizona:

In September 2008, it was reported to the Treasury OIG, Office of Investigations (OI) that an individual attempted to purchase a \$67,000 automobile at a dealership in Phoenix, Arizona utilizing a bogus promissory note and bond. In this instance, the purported value of the note was \$75,000.00 and the bonds were purported to represent government obligations of \$150,000.00 and in another instance, up to \$900,000,000.00. Dealers must be alerted to the use of these types of notes and bonds, which, might or might not be referenced as "U.S. Treasury" bonds or promissory notes; however, they are identified as "personal promissory notes" and/or "private offset bonds," and often contain the name of the Secretary of the U.S. Treasury, currently Henry Paulson, on the document.

The name of the Treasury Secretary (Henry Paulson) would not appear on any document listed as a private bond or promissory note since these items are not backed or guaranteed by the U.S. Treasury. **Moreover, the only type of paper bond issued by the U.S. Treasury that a citizen can purchase today is a U.S. Savings Bond. All other Treasury Bonds are electronic transactions and the buyer does not receive an actual hardcopy document.**

A similar scheme was also identified occurring in Indiana:

It was reported to the Treasury OIG that unauthorized individuals were providing automobile dealerships and other retail businesses with bank routing and account numbers in Indiana to purchase vehicles or other property, and/or to payoff personal debts. They represented these account and routing numbers to be personal grant or bank accounts, and directed the dealerships to electronically debit these accounts to fund payments for their purchases. In the reported instance, the account was a Treasury account for vendors to electronically transmit payments **TO** the Treasury Department.

If you have any information regarding such Treasury-related fraudulent activities, we request that you contact the Department of Treasury, Office of Inspector General (OIG), Office of Investigation's Hotline at 1-800-359-3898 or via email at:

Hotline@oig.treas.gov.

Car Dealerships approached by a person or persons giving these or similar circumstances should consider the potential for fraud. Should you suspect fraudulent activity, it is recommended that you contact the OIG Hotline or the local police immediately. Additional information regarding this and other similar fraud schemes can be found at the following Department of Treasury website:

http://www.treasurydirect.gov/instit/statreg/fraud/fraud_bogussightdraft.htm.