



Federal Deposit Insurance Corporation  
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter

FIL-15-2006

February 14, 2006

## Hurricane-Related Benefit Fraud

### Guidance to Financial Institutions on Benefit Fraud Related to Recent Hurricanes

**Summary:** The FDIC is providing institutions with the attached guidance issued by the Financial Crimes Enforcement Network (FinCEN) regarding benefit fraud related to the recent hurricanes. The Hurricane Katrina Fraud Task Force, as part of the Department of Justice, has been vigorously prosecuting fraud cases related to the hurricanes. The Task Force has also identified possible signs of fraudulent activity, which are included in the attached guidance to assist financial institutions in identifying hurricane-related benefit fraud. Finally, FinCEN requests that specific words be used in the narrative portion of all Suspicious Activity Reports filed in connection with hurricane-related benefit fraud.

**Distribution:**

FDIC-Supervised Banks (Commercial and Savings)

**Suggested Routing:**

Chief Executive Officer  
Security Officer  
BSA Compliance Officer

**Related Topics:**

Hurricane Katrina Examiner Guidance: Interagency Supervisory Guidance for Institutions Affected by Hurricane Katrina (see FIL-12-2006, dated February 3, 2006)

**Attachment:**

Financial Crimes Enforcement Network Advisory entitled, "Guidance to Financial Institutions Regarding Hurricane-Related Benefit Fraud" (Can be found at <http://www.fincen.gov/hurricanebenefitfraud.html>.)

**Contact:**

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**Note:**

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2006/index.html](http://www.fdic.gov/news/news/financial/2006/index.html).

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center (1-877-275-3342 or 703-562-2200).

**Highlights:**

- FinCEN cautions financial institutions about the potential for fraudulent transactions involving hurricane relief monies.
- Potentially fraudulent activity may include: depositing multiple emergency assistance checks; cashing of multiple emergency assistance checks by the same individual; depositing one or more emergency assistance checks, when the accountholder is a retail business and the payee/endorser is an individual other than the accountholder; and opening a new account with an emergency assistance check, where the name of the potential accountholder is different from that of the depositor of the check.
- FinCEN requests the use of key terms in the narrative portion of all Suspicious Activity Reports filed in connection with hurricane-related benefit fraud. Examples include "Katrina," "Rita," "Wilma," "FEMA," "Red Cross," or "hurricane."