



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.htm>
l.)

Contact:
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Note:
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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."