

**WARNING NOTICE TO FINANCIAL INSTITUTIONS REGARDING "LIMITED EDITION"
TREASURY SECURITIES**

The Bureau of the Public Debt recently became aware of a situation in which certain foreign individuals and groups are attempting to defraud entities by offering to sell and structure transactions in non-existent United States Treasury securities. Certain entities (e.g., broker-dealers and banks) have been approached with a proposal to purchase and resell a fictitious instrument referred to as "Limited Edition" U.S. Treasury securities. As part of this scheme, these entities are being sought to act as fiduciaries for the transactions.

This is to advise that there is no such security as a "Limited Edition" Treasury security. The bogus "Limited Edition" Treasury securities are represented as having the following features: a term of 10 years; an annual interest rate of 6%; a minimum purchase amount of \$100 million; an unspecified offering amount (i.e., the securities are represented as being available for sale until "exhausted"); an initial price of 57% of the face value; and, issued in physical (paper) form. The proposal makes numerous other misrepresentations about the way marketable U.S. Treasury securities may be bought or sold and it also misrepresents the role that the Department of the Treasury plays in the original sale and issuance of Treasury securities.

If domestic financial institutions are approached by individuals offering such a transaction, they should immediately contact Mr. Jim Kramer-Wilt of the Treasury's legal staff at (304) 480-5190. If contact is made at an institution's overseas branch or affiliate or at a foreign financial institution, the appropriate local law enforcement authority should be notified.