



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

Division of Supervision

Special Alert

FIL-117-98
October 23, 1998

TO: CHIEF EXECUTIVE OFFICER AND COMPLIANCE OFFICER

SUBJECT: *Fraudulent Financial Instruments*

On June 11, 1998, the Federal Deposit Insurance Corporation (FDIC) issued FIL-65-98 about Letter of Guarantee instruments aggregating \$130 million (U.S.) issued by the Government of Grenada, W. I. The authenticity of the instruments was questioned. The Office of the Comptroller of the Currency (OCC) has recently advised us that the government of Grenada issued a July 22, 1998, notice indicating that certain Letter of Guarantee instruments have been cancelled and the associated Loan Agreement has been terminated. Copies of a Letter of Guarantee instrument and the Cancellation of Guarantees are attached.

The OCC also has advised us that Guarantee Instruments and Promissory Notes allegedly issued by the Mpumalanga Parks Board, Province of Mpumalanga, Republic of South Africa, may be in circulation. The Exchange Control Department of the South African Reserve Bank has advised that the unauthorized instruments were not validly issued and do not represent legal obligations of the Mpumalanga Parks Board. Copies of these instruments are attached.

Any information concerning these instruments may be forwarded to the FDIC's Special Activities Section, 550 17th Street, NW, Room F-6012, Washington, DC 20429.

Nicholas J. Ketcha Jr.
Director

Attachments: No electronic versions available.

Distribution: Distribution: FDIC-Supervised Banks (Commercial and Savings)

NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).