



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

Division of Supervision

SPECIAL ALERT

FIL-79-2000
November 16, 2000

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: *Unauthorized Bonds Issued by the City of Colon, Republic of Panama*

The Federal Deposit Insurance Corporation (FDIC) has learned that the City of Colon, Republic of Panama, issued approximately \$300 million of Panamanian bonds without the authorization and backing of the Central Government.

In September 2000, a Florida-based company called Trident Plus, Inc. attempted to negotiate \$300 million of these bonds. Trident Plus, Inc. received the bonds from the City Council of Colon to fund several construction projects in the City of Colon. Trident also received a purported letter from the Panamanian Ministry of Finance and the Economy that stated the bonds were fully guaranteed by the Republic of Panama. The Panamanian Ambassador to the United States confirmed the bonds were actually approved by the City Council of the City of Colon; however, the City Council did not obtain proper authorization from the authorities of the Central Government to issue the bonds. The bonds, therefore, are invalid. The Ambassador also advised that the letter from the Ministry of Finance and the Economy is fraudulent. The Federal Bureau of Investigation (FBI) has recovered \$100 million of the bonds, but the location of the remaining \$200 million of bonds has not been determined. A copy of one of the bonds is attached for your information.

Any information you have about this matter should be reported to your nearest office of the FBI. Information may also be forwarded to the FDIC's Special Activities Section, 550 17th Street, NW, Room F-6012, Washington, DC 20429.

Michael J. Zamorski
Acting Director

Attachment: Not available electronically

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).