



SPECIAL ALERT

FIL-60-2001
July 9, 2001

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: *Telemarketing Fraud - Canadian Lottery*

The Royal Canadian Mounted Police (RCMP) has again asked the Federal Deposit Insurance Corporation (FDIC) to circulate to FDIC-supervised institutions an alert about a Canadian lottery telemarketing fraud. The first alert was issued in FIL-78-2000, dated November 16, 2000. The latest alert is attached for your information.

The fraud involves counterfeit certified checks of up to \$12,899 sent to people across the United States as partial payment of a settlement in the Canadian lottery. The recipient is advised to deposit the check and return a portion by check or wire transfer to cover a non-resident tax for the customs department. These checks have been stolen from the home of Nicole Patrice in Quebec and are worthless. They have been altered by adding the wording CERTIFIED CHECK and USD, and the checks are usually signed N. Patrice. Accompanying each check is a letter from Ward, Klein & Associates, Washington, DC, advising the recipient of the lottery settlement. The recipient ultimately loses the entire amount remitted for the "non resident tax."

Although it does not appear that banks are the primary target of this fraud, banks should watch for any unusual deposits involving "certified" checks from Canada and any unusual wire transfers going to Canada, particularly involving accounts of elderly customers. Banks should not advance funds on the deposited checks, since they risk potential losses if uncollected funds are advanced to customers with small balances who may be the targets and victims of this fraud, and may not be able to cover the shortfall.

Please circulate this information to all areas of the bank that may be affected. If you have any information about this fraud, please contact the nearest office of the Federal Bureau of Investigation and have that office send copies of the information directly to RCMP's Project Colt in Montreal, Quebec, Canada. Information about this fraud or similar fraud also may be forwarded to the FDIC's Special Activities Section, 550 17th Street, NW, Room F-6012, Washington, DC 20429.

For your reference, all FDIC Financial Institution Letters published since January of 1995 may be found on the FDIC's Web site at www.fdic.gov under "Newsroom, Events & FOIA." To learn how to automatically receive FDIC Financial Institution Letters through e-mail, please visit <http://www.fdic.gov/news/news/announcements/index.html>.

Michael J. Zamorski
Acting Director

Attachments (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).

Inactive