

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, July 6, 1962

**To All Federal Tax Depositories in the
Eleventh Federal Reserve District:**

We have been informed that in another Federal Reserve District, there are individuals using Federal depositary receipts as a device in cashing bogus checks. The procedure used has been as follows:

1. The individual secures a blank depositary receipt and completes it with the unauthorized use of the name of a bona fide employer. In the space for the employer's identification, a nine digit number is entered; however, this number has not been a valid number. The numbers called to our attention were 08-3142181 and 09-3142160. The first two digits in each number represent state codes; however, the 08 and 09 digits are not valid state designations. An odd amount was entered in the space for the total amount of the taxes.

2. A counter check drawn on the account of the employer whose name appeared on the receipt was forged and presented with the receipt for deposit.

3. After the deposit was accepted by the teller, another forged check was presented and, relying upon the identification apparently established by the deposit of taxes, the teller cashed the second bogus check, resulting in a loss to the bank.

For your information, the following are characteristics of depositary receipts:

1. Depositary receipts generally have the employer's identification number prepunched into the right end of the card and those without these punched numbers are seldom used by regular taxpayers.

2. The nine digit employer's identification number is made up of two groups of numerals separated by a dash (-) e.g. 00-0000000.

3. The first two digits represent the state in which the taxpayer is located and the following are those which would be the most common in this area:

72 — Louisiana
73 — Oklahoma
74 and 75 — Texas
85 — New Mexico
86 — Arizona

Caution should be exercised in this respect; however, some local offices of national firms located in other areas of the country may make deposits of taxes with you using a valid depositary receipt of the parent company or home office located in other states.

4. In the large majority of cases the first digit after the dash in an employer's identification number will be either a zero or a one.

This information is furnished in order that you may alert your personnel and your customers concerning this practice; and if you encounter any incidents of this nature, please notify us.

FEDERAL RESERVE BANK OF DALLAS
Fiscal Agent of the United States