

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 71-293  
December 3, 1971

## FRAUDULENT CHECKS AND WIRE TRANSFERS OF FUNDS

To the Chief Executive Officer of the  
State Member Bank Addressed:

Information recently received reveals that banks are being victimized by persons depositing fraudulent checks or by bogus wire transfers of funds. These checks, normally drawn in large amounts upon reputable large corporations, are deposited to the account of the payee and no attempt is made to withdraw funds until 10 days or more after deposit. The quality of the forgeries is so good that perpetrators of this fraud are apparently confident the forgeries will not be detected.

A careful review of large deposits made to recently opened accounts, particularly when cash withdrawals or certified checks are requested, may be advisable.

A recent situation involves an instance where a \$2 million wire transfer (with valid code) was sent from a bank on the West Coast to a bank on the East Coast. The transfer was for a company account recently opened in a branch of another East Coast bank. An apparently normal cash withdrawal transaction was made and a wire transfer to a different East Coast bank was requested. It was intended that a cash withdrawal be made from the last bank, but that was stopped by law enforcement agencies. The validity of large wire transfers should be reviewed carefully.

Yours very truly,

P. E. Coldwell

President