

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 1870]
August 31, 1938]

Public Notice of Offering of \$100,000,000, or thereabouts, of Treasury Bills
Dated September 7, 1938 Maturing December 7, 1938

*To all Incorporated Banks and Trust Companies in the
Second Federal Reserve District and Others Concerned:*

Following is the text of a notice today made public by the Treasury Department with respect to a new offering of Treasury bills payable at maturity without interest to be sold on a discount basis to the highest bidders.

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$100,000,000, or thereabouts. They will be 91-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Friday, September 2, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated September 7, 1938, and will mature on December 7, 1938, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on September 2, 1938, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on September 7, 1938.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

In accordance with the above announcement tenders will be received at the Securities Department of this bank (2nd floor, 33 Liberty Street, New York City) or at the Buffalo Branch of this bank (272 Main Street, Buffalo, New York) until two o'clock p.m., Eastern Standard time (three o'clock p.m., "Daylight Saving time"), on Friday, September 2, 1938.

It is requested that tenders be submitted on special form and in special envelope enclosed herewith.

Attention is invited to the fact that payment for the Treasury bills cannot be made by credit through the War Loan Deposit Account. Payment must be made in cash or other immediately available funds.

GEORGE L. HARRISON,
President.

TENDER FOR 91-DAY TREASURY BILLS

Dated September 7, 1938. Maturing December 7, 1938.

Dated at.....

TO THE FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
 New York City, N. Y.

.....1938

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public announcement on August 31, 1938, as issued by the Secretary of the Treasury, the undersigned offers to pay.....* for a total amount of \$..... (Rate per 100) (maturity value) of the Treasury bills therein described, or for any less amount that may be allotted, payment therefor to be made at your bank in cash or other immediately available funds on the date stated in the public announcement.


The Treasury bills for which tender is hereby made are to be dated September 7, 1938, and are to mature on December 7, 1938.

This tender will be inserted in special envelope entitled "Tender for Treasury bills."

IMPORTANT INSTRUCTIONS:

1. No tender for less than \$1,000 will be considered, and each tender must be for an amount in multiples of \$1,000 (maturity value). Also, if more than one price is offered, a separate form must be executed at each price.
2. If the person making the tender is a corporation, the form should be signed by an officer of the corporation authorized to make the tender, and the signing of the form by an officer of the corporation will be construed as a representation by him that he has been so authorized. If the tender is made by a partnership, it should be signed by a member of the firm, who should sign in the form "....., a copartnership, by....., a member of the firm."
3. Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.
4. If the language of this form is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

Payment by credit through War Loan Deposit Account will not be permitted.

 Before signing fill in all required spaces.

Bank or Trust Company.....

Post Office Address.....

State.....

.....
 Official signature required.

SPACES BELOW ARE FOR THE USE OF THE FEDERAL RESERVE BANK

Examined	Carded	Classified	Ledger	Acknowledged	Disposition				
Allotment		Figured	Checked	Advised	Method of Payment		Amount	Date Released	By
Received	Checked	Recorded	Window	Custody	Mail	Other Departments			

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* Price should be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

**FEDERAL RESERVE BANK
OF NEW YORK**

August 31, 1938.

COUNTERFEIT NOTE

To Member Banks in the Second Federal
Reserve District and Others Concerned:

In a letter dated August 25, 1938, the Treasury Department, Secret Service Division, describes a certain counterfeit as follows:

\$10 FEDERAL RESERVE NOTE

On the Federal Reserve Bank of New York, New York; Series of 1928 B; check letter "L"; face plate No. 17; back plate No. 224; W. O. Woods, Treasurer of the United States; A. W. Mellon, Secretary of the Treasury; portrait of Hamilton.

This is a particularly crude reproduction, and although it appeared in New York State several years ago circulation was abandoned after a short time, probably on account of its poor workmanship. However, distribution has been resumed in cities in upper New York and several passers have already been arrested.

DEFECTS

1. In the portrait Hamilton's left ear does not show in the counterfeit and the face appears to have been sprayed with black dusting powder, obliterating the light and shadow values which lend likeness and vitality to the genuine. The facial features are dulled by the absence of delicate shading, the eyes lacking luster and expression about the mouth and chin being unnatural. The mouth is represented by a dark irregular broad line with little formation. The hair lines on the right side of the forehead are missing, giving the right side of the forehead a receding slant. A triangular white spot breaks the heavy dotted lines crossing the forehead over the left eye. The outline of the coat lapel on the left side is lost through imperfect etching and heavy printing and the lapel on the right side is executed solidly in black without line work. There is no definite line separating Hamilton's collar from his neck. The portrait background is crudely etched and flecked with countless tiny white spots. The letters in Hamilton's name in the plate underneath the portrait are larger than on the genuine. In the word WASHINGTON to the right of the portrait, the letters W and A slant slightly to the right. In the line underneath WASHINGTON, the figure 9 in 1928 and the letter B terminating the line are misshaped. In the series line at the top left of the portrait, both letters S in SERIES are too small and the letter E is too large, and the letter O in OF is likewise too small.

2. The lathe work on the front of the counterfeit presents a grayish appearance on account of the poorly reproduced white lines which show many breaks throughout.

3. The Treasury seal and serial numbers are printed in a shade of green much darker than the genuine. The letter B preceding the serial numbers is impressed too lightly. On those counterfeits with the serial number ending with 3, the latter numeral is misshaped by being flattened at the top. The highest serial number issued on genuine notes of this series, type and denomination is B73,944,000A. This counterfeit has appeared with serial No. B61372253A, and with the combinations 137225, 426759 and 918158, excluding the first and last numeral of the complete serial number.

4. The back of this counterfeit is printed in a dull, light green with smudgy effect particularly emphasized in the lathe work and shaded portions of the design. The two flags on the Treasury building show a pronounced curve on the bottom side and each is larger and shaped differently from the genuine. The sky shading is missing except for a few lines above the Treasury building on the right side and over the center. Shading of the columns supporting the portico is too heavy. The iron fence in front of the Treasury building is poorly etched. In the panel containing the words U. S. TREASURY, the letter A is out of line and the spacing between the letters S and U is too wide.

This production should not deceive the careful handler of currency, but in view of the reappearance of this counterfeit you are requested to notify money handlers to exercise caution in accepting notes of this variety and denomination.

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The Treasury Department has requested that any counterfeits which come to the attention of banks or others be forwarded with all available information to the office of the United States Secret Service having jurisdiction in their territory. Offices of the Secret Service are located in Albany, Buffalo, Syracuse and New York City, New York, and in Newark, New Jersey.

George L. Harrison,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

August 31, 1938.

To Member Banks in the Second Federal
Reserve District and Others Concerned:

In a letter dated August 27, 1938, the Treasury Department, Secret Service Division, describes a certain counterfeit as follows:

\$1 SILVER CERTIFICATE

Series of 1928 A; check letter "J"; face plate No. 1103; back plate number illegible; serial No. S76991817A; W. O. Woods, Treasurer of the United States; A. W. Mellon, Secretary of the Treasury; portrait of Washington.

This counterfeit is printed on a poor grade of commercial bond paper from photo-etched plates of crude workmanship. Detection should be accomplished by recognition of the serial number, if for no other reason, as the same serial number appears on all of these reproductions printed in blue-black ink.

DEFECTS

FRONT OF NOTE

The printed design is about 3/16th of an inch shorter than the genuine and about 1/8th of an inch too narrow. It is also cut unevenly and about 1/8th of an inch shorter than the genuine and slightly narrower.

1. Portrait. Resembles a woodcut and gives Washington the appearance of being unshaven. Fails to show the finely cut screen lines observed in the portrait background on the genuine. On the counterfeit the background is printed solidly in black. Washington's left eye is too small and the pupil is reproduced as a black spot instead of fine line formation. The right eye is almond shaped, pointed at each corner, and the lower lid is lined too darkly. There are no defining shade lines between the coat and collar. A horseshoe shaped black ink line appears in the hair to the left of Washington's face. A series of coarse, broken lines forms the stock under the chin which is shaded with scratchy dots. The shading on the neck on the right side is accomplished by crude etching of heavy parallel curved lines. On the genuine these lines are cross-ruled. The folds in the coat are not discernible. The tiny balls among the leaves at the lower right of the portrait are missing; on the left side only two of five balls are visible. Both ends of the ribbon bearing Washington's name under the portrait are imperfect.

2. Lathe Work. Crudely executed; lines broken throughout and curves not defined.

3. Serial Numbers. The same number - S76991817A - is printed on all specimens in very dark indigo. This number is higher than the highest serial number issued to date on genuine notes of the current series and denomination. All of the figures 7 in the serial numbers are too high and out of line and each of these particular figures appears with the drop line at the left end top of the figure omitted.

4. Seal. Design and lettering crudely etched and rim points irregularly formed. Unlike the current series of \$1 notes, the blue Treasury seal on this counterfeit is printed on the left side of the portrait and the design is 1/8th of an inch wider in diameter than the seal on current genuine \$1 notes. On the counterfeit the large shaded word ONE is located on the right side of the note in the position provided for the blue seal on genuine \$1 notes of the current series.

BACK OF NOTE

The printed design is a trifle shorter than the genuine and also slightly narrower.

1. Embellishment. Design consists of the large word ONE in letters 3/4th of an inch high crossed midway by the words ONE DOLLAR in smaller letters. The obverse and reverse designs of the Great Seal of the United States are not reproduced on the counterfeit, since these features are not a part of the design on notes of the 1928 A Series. Lathe work is considerably better than on the front. The word ONE crossing the numeral "1" midway of the note at each end appears to have been drawn by hand.

Since this counterfeit is being freely circulated, notwithstanding its crude appearance, you are requested to notify money handlers to exercise caution in accepting notes of this denomination and series.

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The Treasury Department has requested that any counterfeits which come to the attention of banks or others be forwarded with all available information to the office of the United States Secret Service having jurisdiction in their territory. Offices of the Secret Service are located in Albany, Buffalo, Syracuse and New York City, New York, and in Newark, New Jersey.

George L. Harrison,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

September 6, 1938

DECEPTIVE COUNTERFEIT

To Member Banks in the Second Federal
Reserve District and Others Concerned:

In a letter dated August 31, 1938, the Treasury Department, Secret Service Division, describes a certain counterfeit as follows:

\$20 FEDERAL RESERVE NOTE

On the Federal Reserve Bank of Dallas, Texas; Series of 1928 A; check letter "J"; face plate No. 2; back plate No. 102; serial No. KO4945624A; W. O. Woods, Treasurer of the United States; A. W. Mellon, Secretary of the Treasury; portrait of Jackson.

This is a very deceptive counterfeit printed on one sheet of good quality commercial bond paper from process plates of exceptionally good workmanship and produced by the maker of counterfeit \$20 note on the Federal Reserve Bank of Richmond, Virginia, described in circular dated December 28, 1935, and also counterfeit \$20 note on the Federal Reserve Bank of Kansas City, Missouri, described in circular dated September 11, 1936. All three counterfeits bear the same back plate number, 102. These counterfeits originated in Mexico, and although the maker, Alfredo Hector Donadio, alias Enrico Sampietri, was arrested in Mexico City on June 22, 1937, at which time Mexican police agents captured his counterfeiting outfit, it is known that accomplices possess a large quantity of counterfeits which the police failed to confiscate. Donadio, alias Sampietri, who is also wanted by the French government on a counterfeiting charge, escaped from prison in Mexico City on July 20, 1938 and is reported to have fled to South America.

The paper upon which this counterfeit is printed is slightly thicker than the genuine and marked by faint red and blue ink lines on both front and back to simulate the silk fiber of the genuine. The front design is about 1/8th of an inch shorter and a trifle narrower than the genuine and the over all length of the counterfeit is also about 1/8th of an inch shorter than the genuine.

DEFECTS

1. Portrait. The eyebrows are formed with bushy effect by short stiff lines instead of the fine gracefully shaped lines observed on the genuine. Shading under the right eye is represented by two heavy black ink lines. A wrinkle about 1/4 inch long appears on the right cheek in crescent shape. Shading on the left side of the face from the nose to the corner of the mouth is too black. Upper part of Jackson's coat collar appears as a dark area instead of shading with definite lines showing. The fine delicate lines which form the white shirt collar on the genuine, on the right side of Jackson's chin, are shown as heavy lines on the counterfeit.

2. Lathe Work. Fairly well executed. The white line work stands out well except at both ends of the front of the note between the roll and outside edge of the printed surface. In this space the very fine perpendicular, slightly curved lines are missing.

3. Lettering. On the front of the note, in the two ribbons containing the words UNITED STATES OF AMERICA, the background shading is too dense and the individual letters are shaded too heavily. In the word TREASURER under the Treasurer's signature, the letter S is too large and out of line. This same defect appears in the same letter in the word TREASURY under the Secretary's signature, and the letters generally in the titles are not sharply outlined as they appear on the genuine. In the four line text directly above the Federal Reserve seal on the left side of the portrait, the letter R in REDEEMABLE in the first line is too large. The letters S in STATES in the second line are taller than the other letters of the same word and drop below the line. The letter K in BANK in the last line shows the same imperfection.

4. Seals. The green Treasury seal and serial numbers are neatly executed, but printed in a color tone darker than the genuine. The highest serial number issued on genuine notes of this series, denomination and variety is KO4,380,000A.

5. Vignette. The back is printed in off-color dark green, the tint of which should instantly stamp the note as counterfeit. Shading in the ribbon at the top of the note is accomplished by dots and broken short lines. In the genuine, these lines are long, for the most part, and delicately reproduced. At the top of the note the words THE UNITED STATES OF AMERICA etched on the ribbons are printed too darkly. In the small panel in the foreground, in the words WHITE HOUSE, the letters W and H are badly formed, the cross bar on the H is imperfect and the lower part of the letter E is out of line. In the word HOUSE, the letters O and U are also misshaped and out of line. The trees, shrubbery and grass are reproduced coarsely with dark effect, and the back design generally is lacking in the softness of detail which distinguishes the genuine.

Since this is a dangerous counterfeit, you are requested to notify money handlers to exercise caution in accepting notes of this series, denomination and variety. These counterfeits have circulated actively in cities and towns near the Mexican border.

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The Treasury Department has requested that any counterfeits which come to the attention of banks or others be forwarded with all available information to the office of the United States Secret Service having jurisdiction in their territory. Offices of the Secret Service are located in Albany, Buffalo, Syracuse and New York City, New York, and in Newark, New Jersey.

George L. Harrison,
President.