

FEDERAL RESERVE BANK  
OF NEW YORK

*H-En. No. 10288-A*

March 13, 1989

**“Fast Track” Prosecution Program  
For Low-Dollar-Loss Criminal Offenses**

*To the Chief Executive Officers of State Member Banks, Bank Holding Companies,  
and Branches and Agencies of Foreign Banks, in the Second Federal Reserve District:*

As you know, there has been a dramatic increase in Federal bank fraud and embezzlement cases in recent years. This has placed a tremendous demand on the limited resources of the FBI and the U.S. Attorneys around the country. Consequently, many cases that involve small losses to the victimized financial institutions are simply not being investigated or prosecuted.

Because of this, small-dollar-amount offenders frequently escape prosecution even if they have admitted guilt. This has understandably caused some frustration on the part of bankers, who are beginning, at a minimum, to question the utility of completing Criminal Referral Forms for smaller offenses or conducting internal investigations of their employees whose activities appear to relate to certain types of criminal misconduct involving small dollar amounts.

In order to ensure that the Federal criminal justice agencies give some attention to those smaller, but nonetheless serious, offenses that are now not being prosecuted, the Department of Justice, working in cooperation with some U.S. Attorneys, has established a prosecution program known as “Fast Track” to facilitate the prosecution of low-dollar loss offenses. This program is supported by all of the Federal financial institutions supervisory agencies, including the Federal Reserve. Printed on the following pages is a description of this program, entitled “*The Facts About Fast Track*,” which was prepared jointly by the Federal banking agencies in conjunction with the Fraud Section of the Department of Justice’s Criminal Division.

As you will see from the description, the “Fast Track” program calls for financial institutions to work closely with their local U.S. Attorney’s Offices to prosecute a large number of cases without draining Federal prosecutive and investigative resources. The grass roots support needed for this program will be most effective if local financial institutions express an interest in joining with the U.S. Attorneys in their communities to create a “Fast Track” program.

We urge you to participate in the “Fast Track” program in your community.

Questions on this matter may be directed to Kathleen A. O’Neil, Vice President and Chief Financial Examiner (Tel. No. 212-720-5371).

FREDERICK C. SCHADRACK,  
*Executive Vice President.*

## THE FACTS ABOUT "FAST TRACK"

### 1. What is the "Fast Track" program?

Fast Track is a program utilized by some United States Attorneys to assure prosecution of low dollar loss offenses without draining prosecutive and investigative resources. Its purpose is to prosecute bank fraud and embezzlement cases that had been previously considered too small to warrant federal resources and to make full use of the resources of the banking community.

### 2. How does the program work?

Under Fast Track, cases investigated by banks (or on behalf of banks) are reviewed by the U.S. Attorney's Office. If the bank's investigation clearly establishes that a crime has been committed, prosecution will be instituted even if the loss to the financial institution is relatively small. The cases are collected and then processed through the Court all at one time. The process is repeated several times each year, as needed, or once each quarter. By handling many cases simultaneously and encouraging media attention, Fast Track minimizes the use of scarce Federal resources and maximizes the deterrent value of well-publicized multiple convictions. To be effective, the program requires close cooperation between bank security officers and law enforcement officials.

### 3. How do financial institutions and the community benefit from a Fast Track program?

U.S. Attorneys have limited resources and many other federal crimes to prosecute. In some districts, a significant loss to the financial institution is a requirement for prosecution. Consequently, employees who embezzle small amounts from financial institutions evade prosecution and are free to strike again at another institution or local business. By stopping embezzlers the first time and deferring others, Fast Track will save financial institutions and local businesses from larger losses in the future. The community's values are reinforced when criminals cannot escape punishment merely because they did not steal enough money to warrant prosecution.

### 4. Is the program successful?

In 1983, the U.S. Attorney's Office for the Northern District of California prosecuted 94 people under the Fast Track system. All but four of those apprehended were convicted. Sentences ranged from probation to time in jail. In all cases, restitution to the bank was ordered.

Since 1986, when Fast Track was initiated in the Southern District of Florida, over 90 people were indicted for embezzling over \$3 million. More than \$1.5 million of the losses have been recovered and 30% of the defendants received jail sentences.

In Chicago over the past three years, the U.S. Attorney prosecuted 250 bank fraud cases representing \$80 million in losses. Convictions were obtained in every case including an alleged fraud of \$1.23 million committed by a bank vice president.

### 5. Does Fast Track aid in deterring others?

Research has shown that people are deterred from committing dishonest acts in direct proportion to their perception that they will get caught. An important element of the Fast Track program is the coordinated media attention given multiple convictions announced simultaneously. This sends a strong message to the community that dishonest bank employees will be prosecuted and that no embezzlement or fraud is too small to be handled in the federal system.



**6. Why is a “Conviction of Record” important?**

Most people who embezzle money start with small amounts. If they are not caught, the thefts often escalate because of greed. Embezzlers who escape prosecution because prosecutorial resources are not available to handle the many small cases are free to change jobs and continue their schemes without fear of punishment.

A conviction on a bank embezzlement charge virtually precludes future employment in the banking industry. As a result, embezzlers who were once free to move from bank to bank, or from banks to other businesses, because they had no conviction of record, can be prevented from victimizing another financial institution.

**7. What is the minimum amount of loss before the U.S. Attorney’s Office will consider prosecution under this system?**

There is no minimum. Again, the success of the program depends on the efforts made by bank security officers, auditors and investigators to conduct thorough and well-documented investigations and to cooperate closely with the FBI.

**8. What type of information on each case is required to meet the needs of the prosecutor or investigator?**

The following information is helpful for a prosecution to be commenced:

- (a) A statement as to the nature of the offense, including the following facts: (1) name of suspect; (2) suspect’s position at the bank; (3) date and amounts of each incidence of loss; (4) how the theft was accomplished; (5) which branch or office was victimized; and (6) the current residence address of the suspect.
- (b) A written or tape-recorded statement from the suspect either admitting or denying the offense (if agreed to by the suspect).
- (c) Copies of pertinent bank records used to perpetrate the theft.

Criminal referral forms approved by the various financial institution regulatory agencies may be used to convey this information to the U.S. Attorney’s Office.

**9. How do I sign up for the Fast Track program?**

Contact the nearest U.S. Attorney or FBI office for information about the availability of the Fast Track program in your area. If a Fast Track or similar program is not offered, you should ask the U.S. Attorney to consider creating one. Other communities have been successful in persuading the U.S. Attorney of the benefits of the program by getting the support of the Chamber of Commerce and other business organizations.