

AT 10299

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 720-5545

FREDERICK C. SCHADRACK  
EXECUTIVE VICE PRESIDENT

May 23, 1989

To the Chief Executive Officers of State Member Banks, Bank Holding Companies, Edge Act and Agreement Corporations, New York Branches and Agencies of Foreign Banks, and Others Concerned in the Second Federal Reserve District:

The purpose of this letter is to alert you to certain developments in the area of suspicious currency transactions and in the area of unauthorized banking of which you should be aware.

Suspicious Currency Transactions

As you know, Criminal Referral Forms relating to suspected currency violations - e.g., violations of the provisions of Title 31 of the United States Code requiring the filing of currency transaction reports, and making illegal the structuring of a transaction to evade the reporting requirements ("Bank Secrecy Act Violations") - are presently filed by the financial institution making the referral with the local offices of the Federal Bureau of Investigation and the U.S. Attorney, as well as with this Reserve Bank. A copy of the referral is then sent by the Reserve Bank to the Enforcement Section of the Board of Governors, which in turn forwards it to the main office of the Internal Revenue Service in Washington.

In order to expedite processing of these referrals, this Reserve Bank has agreed to forward copies of your referrals regarding Bank Secrecy Act Violations directly to the appropriate local office of the Internal Revenue Service as soon as they are received by us (in addition to forwarding them to the Board of Governors).


The referral filing procedures that you follow will not change. However, we encourage you to contact your local IRS office should you wish to discuss Bank Secrecy Act referrals or related matters (in addition to following existing referral procedures). In addition, you may refer questions regarding procedures to be followed for suspected Bank Secrecy Act Violations to the Compliance Examinations Division of this Reserve Bank at 212-720-6369.

Possible Unauthorized Banking

The Office of the Comptroller of the Currency ("OCC") has advised that certain entities may be conducting a banking business in the United States illegally or without authorization. A list of those entities is enclosed. In addition, the OCC has identified certain other entities that have issued direct obligations, including checks and drafts, that have not been honored. Those entities are also set forth on the enclosed list. Any proposed transactions involving any of the listed entities should be viewed with caution.

If you have any information regarding any of the entities identified on the enclosed list, please contact Thomas McQueeney, Assistant Chief Examiner, at 212-720-7934.

Sincerely,



Frederick C. Schadrack  
Executive Vice President

Enclosure



Entities Identified by the Comptroller of the Currency

The Comptroller of the Currency has advised that the following entities may be conducting a banking business in the United States illegally or without authorization:

Banco Commercial Arabe, S.A. Los Angeles, California	Gibraltar Overseas Bank, Ltd. Plymouth, Montserrat
Banque Commerciale D'Haiti Jamaica, New York	Gibraltar Overseas Bank, Ltd. Rosemont, Illinois
British Bank of Commerce, Ltd. Plymouth, Montserrat	Manufacturers International Bank, Ltd. Tampa, Florida
British Bank of Commerce, Ltd. Reno, Nevada	Midcontinental Bank & Trust (W.I.) McLean, Virginia
Cayman Overseas Bank & Trust Company, Ltd. Georgetown, Grand Cayman	Midcontinental Bank & Trust (W.I.) Atlanta, Georgia
Churchill International Bank Beverly Hills, California	Northern International Bank, Ltd. Sparks, Nevada
European Industrial Development Bank, Ltd. Los Angeles, California	Northern International Bank, Ltd. Reno, Nevada
European Industrial Development Bank, Ltd. Plymouth, Montserrat	Plymouth International Bank, Ltd. Plymouth, Montserrat
First Integrity Bank Limited San Francisco, California	Plymouth International Bank, Ltd. Lake Havasu City, Arizona
First International Bank & Trust, Ltd. San Diego, California	Regal Bank of Montserrat, Ltd. Plymouth, Montserrat
First Morgan Bank Limited Colony of Montserrat	Union Commercial Bank New York, New York
First Morgan Bank Limited Columbia, South Carolina	United Bancorp International Miami, Florida

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United Bancorp of Minnesota  
Minneapolis, Minnesota

United Security Bank, Ltd.  
Elmhurst, Illinois

United Security Bank, Ltd.  
Plymouth, Montserrat

Wellington International Bank  
& Trust Company, Ltd.  
Montserrat

Wellington International Bank  
& Trust Company, Ltd.  
Coral Gables, Florida

Western Pacific Overseas Bank, Limited  
Los Angeles, California

Western Pacific Overseas Bank, Ltd.  
Colony of Montserrat

World Arbitrage Bank, Ltd.  
New York, New York

World Arbitrage Bank, Ltd.  
Atlanta, Georgia

The Comptroller of the Currency has advised that certain direct obligations, including checks and drafts, issued by the following entities have been dishonored:

Caribbean Bankers Trust NV  
Philipsburg, Saint Maarten

Citizens Bank & Trust (W.I.)  
Ltd.  
Anguilla, West Indies

Crown International Bank, Ltd.  
Plymouth, Montserrat

Global Credit Reserve  
Acapulco, Mexico

Industrial Trade Bank  
Plymouth, Montserrat

Internationale Financial Trust NT & SA  
Acapulco, Mexico

Lux International Bancorp SA  
Plymouth, Montserrat

Union Bank of Commerce  
Plymouth, Montserrat

Union Commercial Bank  
Plymouth, Montserrat

Windward Island Credit Exchange  
Philipsburg, Saint Maarten