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 AND FISCAL AGENT

ADDRESS REPLY TO
 FEDERAL RESERVE BOARD

February 16, 1917.

Dear Sir:

I enclose herewith copies of letters received this morning from one of the Federal reserve banks, which explain themselves.

I assume, of course, that it is entirely unnecessary to caution you to be careful lest your bank be victimized in a similar manner, but for the information of the Board, I would appreciate it if you would let me know what your course would have been had you received a letter like the one enclosed, purporting to come from one of your member banks, asking that a shipment of currency be made by registered mail to an individual unknown to you.

Very truly yours,

Governor.

Enclosure.

. 1025 a.

"Please ship to us as soon as possible \$1,000 in \$1 notes and \$500 in \$2 notes. It will not matter if the notes are new or old ones.

It will also save time and additional expense, and we will appreciate it, if you will send direct, by registered mail, to one of our customers, Mr. Ralph Miller, so as to reach him Monday, C/o Hotel Dupont, Wilmington, Delaware, \$2,000 in \$10 notes, preferably Federal reserve notes, new or old. Charge the amount and expense of this shipment to us.

We will make good any shortage in reserve required with the Federal Reserve Bank."

1025 b.

"I regret to announce that this morning we discovered that apparently we are going to suffer a loss of \$2,000 because we acted on a letter which we believed to be genuine and which now proves to be a forgery. The facts are substantially as follows:

On Saturday morning, February 10th, we received a letter from the Pine Grove National Bank of Pine Grove, Pennsylvania, a member bank, a copy of which I enclose. The letter is on the regular letterhead of the Pine Grove National Bank and the signature of the Cashier to the letter is a poor imitation of the genuine signature. We acted in accordance with the letter, shipping \$1,500 in currency to the Pine Grove National Bank, and \$2,000 to Ralph Miller, c/o the Hotel du Pont, Wilmington, Delaware. This morning we received a letter from the Pine Grove National Bank returning the currency shipped to them and stating that they had not ordered it. We immediately called them on the telephone and were advised that the whole matter was fraudulent.

We have put the case in the hands of detectives but have not much hope of locating the \$2,000 sent to Ralph Miller. We wish it were possible for us to call upon the Secret Service to help us out in a matter of this kind because we think they are far more competent than any detective agency. None of the policies which we are carrying protect us against forgery unless the forgery is conducted in collusion with one of our own employees, which is not the case in the present instance.

There is no excuse for us to offer, the fact is that we passed a forged signature and that is all there is to it. As soon as we have further information on the matter I will communicate with you."