

FEDERAL RESERVE BOARD

WASHINGTON

X-9459

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

January 22, 1936.

SUBJECT: Reports of Violations of the Criminal
Provisions of the Banking Laws of the
United States.

Dear Sir:

The Board has recently been advised by the Department of Justice of its desire that apparent violations of the criminal provisions of the banking laws of the United States be reported promptly, so that there would be no danger of a prosecution failing because of the running of the statute of limitations or because the cause of action became too stale before proceedings were begun, and suggests that each State member bank be sufficiently impressed with the importance of an immediate report of criminal irregularities to the Federal reserve agent for the proper district.

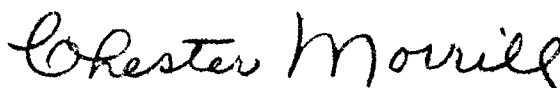
In the circumstances, it is suggested that you advise each State member bank in your district of the views of the Department of Justice and request each such bank to make an immediate report to your office of any apparent violation of the criminal provisions of the banking laws of the United States. It is contemplated that in connection with reports by State member banks of violations of the Act of May 18, 1934 (the Bank Robbery Statute), to local authorities and to the local field office of the Federal Bureau of Investigation

in accordance with the procedure established under the Board's letter of March 15, 1935 (X-9147), State member banks should also immediately make reports of the apparent violations of such statute to your office, including advice as to whether reports have been made to the local authorities and to the local field office of the Federal Bureau of Investigation.

Upon the receipt of a report of an apparent violation of the criminal provisions of the banking laws of the United States, or in the case of any apparent violation of such laws which otherwise comes to your attention in the performance of your duties, including any violation of the Act of May 18, 1934, above referred to, involving State member banks, you are requested to make an immediate report thereof to the local United States Attorney and to the Board for submission to the Department of Justice in accordance with the usual procedure. Apparent violations of such laws which involve national banks should, of course, be handled in the manner set forth in the Board's letters of February 8, 1928 (X-5072), and September 24, 1934 (X-8017).

The Board has had some correspondence with the Department of Justice regarding this matter, and for your information in connection therewith there is inclosed a copy of a letter from Assistant Attorney General Keenan, dated December 10, 1935.

Very truly yours,



Chester Morrill,
Secretary.

Inclosure.

COPY

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DEPARTMENT OF JUSTICE
WASHINGTON, D. C.

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JBK WHR
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29-100-42-

December 10, 1935

The Board of Governors of the
Federal Reserve System,
Washington, D. C.

Re: Method of reporting violations of bank robbery
and other criminal banking statutes.

Sirs:

The Department has received your letter of October 28, 1935, referring to the matter of reporting bank robberies and your letter of November 13, relating to reports of other violations of the Federal criminal banking laws.

Offenses other than Robberies.

As indicated in the Department's letter of August 16, last, its chief purpose was to insure promptness in reporting violations, so that there would be no danger of a prosecution failing because of the running of the statute of limitations or because it became too stale before proceedings were begun. At the same time the Department desires that the end be attained with the least possible increase of work on the part of your office and the examiners and agents.

The Department apprehends that those ends may be achieved best by the method which will involve the fewest exceptions to your established customs. Probably it will be adequate for present purposes if the mind of each state member bank is sufficiently impressed with the importance of an immediate report of criminal irregularities to the Federal Reserve Agent for the proper district, who will then make prompt report to you and to the local United States Attorney, with sufficient copies to you for transmission to this Department as heretofore.

In Cases of Bank Robberies.

In such cases, as pointed out in Department letter of September 21, 1935, it is of chief importance that the bank should immediately, after notifying local authorities, notify also the local field office of the Federal Bureau of Investigation. The Department conceives that less confusion is likely to result if thereafter the bank makes immediate written report to the Federal Reserve Agent, with subsequent steps as indicated above in the case of other offenses. The additional service required by such method would be the report by the bank to the Bureau office. If there should be a duplication of reports in a given case by this method, that would not be a serious matter. I am sending a copy of this letter

-2-

X-9459-a

to the Comptroller of the Currency. It is understood that a similar method of dealing with such matters in the case of National Banks will be satisfactory to the Comptroller.

Respectfully,

For the Attorney General,

(Signed) JOSEPH B. KEENAN

JOSEPH B. KEENAN,
Assistant Attorney General.