



Bangko Sentral ng Pilipinas
MAYNILA, PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR

CIRCULAR LETTER NO. CL-2009-041

To : All Banks

Subject: US Department of Veterans Affairs - Request on the
negotiation of checks presented by World War II veterans

In order to facilitate the well-deserved compensation of Filipino World War II veterans and in response to the request of the US Embassy for the Bangko Sentral ng Pilipinas to support the implementation of Section 1002 in the American Recovery and Reinvestment Act (ARRA) signed by President Obama in February 2009, banks are enjoined to take the necessary measures to expedite the negotiation of checks presented by World War II veterans received from the U.S. Department of Veterans Affairs (USDVA).

USDVA issues these checks after validation of claims from surviving WW II veterans, and engages a courier to deliver personally to each veteran the check covered by a letter advising the recipient of the award of the benefit.

While it is understood that banks are expected to observe the appropriate KYC measures, their support is likewise crucial in ensuring the shortest reasonable period for completing the process of negotiating the checks.

Attached hereto, for reference, is a set of Frequently Asked Questions on the topic as prepared by the USDVA.


NESTOR A. ESPENILLA, JR.
Deputy Governor

12 May 2009

PANANALAPING MATATAG, BANSANG PANATAG

FREQUENTLY ASKED QUESTIONS

WORLD WAR II FILIPINO VETERANS EQUITY COMPENSATION FUND

The President of the United States signed the American Recovery and Reinvestment Act of 2009 on February 17, 2009, authorizing the release of one-time, lump-sum payments to eligible World War II (WWII) Philippine veterans. These payments are to be made through the U.S. Department of Veterans Affairs (VA) from a \$198 million appropriation established for this purpose. Payments are being issued to eligible veterans via U.S. Treasury check and are being sent via courier to the veteran's home address of record. An award notification letter from VA will accompany each check sent to an eligible veteran.

Q – What will be the amount of the checks?

- **A** – The majority of the checks will be for either \$9,000 or \$15,000. There will be a small percentage of checks for lesser amounts due to recovery by the U.S. Treasury of outstanding debts.

Q – How can we determine if a U.S. Treasury check is associated with this benefit?

- **A** – All of these benefit checks are imprinted below the payee and address segment with the following:
 - *FVEC followed by a seven-digit number that will correspond to a check reference number on the award notification letter.*
 - *Immediately below this is imprinted "Not valid over fifteen thousand USD"*

(Please see the enclosed sample of one of these checks)

Q – What additional information should we require before negotiating these checks?

- **A** – All recipients of these checks have received an award notification letter from the U.S. Department of Veterans Affairs Regional Office, Manila. These letters have a check reference number in the upper right portion of the letter that must correspond to the FVEC number on the face of the check. VA has instructed veterans to present a copy of the award letter to the bank along with the check. The check should be accepted for deposit or negotiation only if the FVEC number matches the check reference number on the award letter.
- The address information on the award letter should match the payee name and address on the check.

(Please see the enclosed sample of a notification letter.)

- Whatever acceptable forms of personal identification each bank normally requires should be submitted and be consistent with the information on both the award notification letter from VA and the check.

Q – Who may negotiate or deposit these checks?

- A – These checks should be negotiated or deposited only by the payee to whom the check is issued.

Q – May we accept these checks for deposit if the payee properly endorses them but someone else presents the check for deposit into the payee's account?

- A – Entitlement to this benefit is restricted to the payee shown on the check. As a safeguard against unauthorized negotiation, we request that the payee present the check in person as assurance the payee is still living.

Q – Must we immediately negotiate the check for the full amount?

- A – We do not wish to dictate the banking community's operating policies and procedures. We do request banks assist us in our efforts to get these payments to these deserving individuals as quickly and as easily as possible considering their advanced ages. VA understands that an appropriate waiting period for the check to clear may be required. VA will help manage veteran's expectations by explaining this to the veteran community.

Q – Has VA put any other safeguards in place to assist the banking community?

- A – Before a veteran is found eligible, VA adjudicates the veteran's claim in strict accordance with the laws, regulations and procedures as codified in U.S Code Title 38, VA's internal implementing regulations, and VA's adjudication procedures.
- VA has taken the extraordinary step of arranging for the delivery all checks to eligible veterans via courier service (DHL/ WWW Express). Couriers are instructed to deliver the check to the consignee *only* and must witness the veteran sign for the check. Additionally, the courier is required to verify the veteran's identity by requiring two forms of identification. Acceptable forms of identification are Birth Certificate, Bureau of Post ID, Drivers License, Passport, Local SSS Card, Voter ID Card. DHL/ WWW Express is required to submit to VA a confirmation of delivery receipt containing the veteran's signature and the forms of ID presented and verified for each successful delivery. DHL/WWW Express is required to return all checks not meeting these rigorous delivery standards to VA.
- VA believes these safeguards offer the banking community first and second "lines of defense" and should provide banks reasonable assurance that the veteran presenting his or her U.S. Treasury check and award letter is the rightful beneficiary.

Q – What procedure should we follow if someone other than the proper payee presents a check for deposit or negotiation?

- A – Please do not accept the check. Explain the restrictions on depositing or negotiating these checks and request the proper payee appear in person.
- VA encourages the banking community to adhere to its strict standards of practice and refrain from informal exceptions to their rules.
- If a third party attempts to negotiate the check or advises the bank that the veteran is unable to transact business or present themselves to the bank because of poor health or otherwise, the bank ***should not*** negotiate the check. In these instances the bank should advise the third party to contact VA immediately and advise VA of the veteran's condition. VA will conduct an investigation to determine the veteran's status and, if necessary, appoint a legal custodian or guardian in whose name a replacement check will be issued. Banks may advise individuals to call VA at:
 - (632) 528-2500
 - or
 - 1-800-1888-5252 outside of metro Manila (PLDT line)
- If any irregularities are suspected (payee has died, check has been stolen or forged, etc.), banks are asked to please contact the VA's finance office at the U.S. Embassy via the following e-mail address: bankinquiry.vamanila@va.gov. If possible, record the check number and payee name to report when contacting our office.

DEPARTMENT OF VETERANS AFFAIRS
Regional Office
1131 Roxas Blvd.
0930 Manila Philippines

In Reply Refer to: 5821
CSS

Check Reference # 7614541

Dear Mr. ,

We made a decision on your claim for Filipino Veterans Equity Compensation received on mm-dd-yyyy.

What You Will Receive

You are entitled to receive Filipino Veterans Equity Compensation. As a non-United States citizen, you will soon receive a payment in the amount of \$9,000.00.

Your acceptance of this payment will be final and constitute a complete release of any claim against the United States by reason of service qualifying an individual for Filipino Veterans Equity Compensation as according to applicable statutes and regulations.

This benefit shall not affect existing rights, under applicable laws and regulations, to VA benefits or other Federal benefit programs.

Please retain this document. This is the only notification you will receive concerning your Filipino Veterans Equity Compensation. You may need to present this letter to the bank upon negotiating your check.

If you do not believe we are paying you the correct amount, you should write and tell us why. *You have one year from the date of this letter to appeal our decision to pay you this amount.* We enclosed VA Form 4107, *Your Rights to Appeal Our Decision*, explains your right to appeal.

For More Information or Assistance

If you have questions about this letter or would like more information about VA benefit programs and how to apply, you may visit our website at <http://www.va.gov> or call us at 1-800-827-1000 (United States residents) or 632-528-2500 (Filipino residents within Metro Manila) or 1-800-1888-5252 (Philippine residents outside Manila). If you use a Telecommunications Device for the Deaf (TDD), the number is 1-800-829-4833 (United States residents only). You may also write to us at the address at the top of this letter or on the Internet at <http://ins.va.gov>.

Sincerely yours,

KENNETH J. MCQUEEN
KENNETH J. MCQUEEN
Veterans Service Center Manager

For inquiries, visit our website at <https://ins.va.gov>
Enclosure(s): VA Form 4107

United States Treasury

15-51

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A 578,787,377

Check No.

04 03 09 7 AUSTIN, TEXAS

2221 88150524 36001200 M1 FVEC

2221 88150524 FVEC09D402

Pay to the order of

VOID AFTER ONE YEAR

Peter C. Mays

FVEC 7614541

Not valid over fifteen thousand USD

0000000518 881505240 010409