



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR**

CIRCULAR LETTER

TO : ALL BANKS

For your information and guidance, attached is a copy of the letter of Citibank, N.A., calling the attention of all concerned about the rising incidence of fraudulent endorsements of Civilian Health and Medical Program of the Uniform Service (CHAMPUS) checks issued by Citibank, N.A., New York and drawn against Citibank N.A., Manila. The checks were apparently stolen and the perpetrators used fictitious identification papers, forged the payees endorsements and deposited said checks with various commercial banks, thrift banks and rural banks for clearing purposes. Banks should, therefore, be extra cautious in the negotiation of such CHAMPUS checks.


ALBERTO V. REYES
Deputy Governor

Attachment: a/s

May 15, 2002



MAG-IMPOK SA BANGKO

citibank

100
YEARS IN THE
PHILIPPINES

EANES Francisco C. Chayekeng
President
DEPARTMENT OF COMMERCIAL BANKS II

Citibank, N.A.
Citibank Tower
8741 Paseo de Roxas
Makati City 0702
Philippines

Tel. No.: (632) 894-7738
Fax No.: (632) 894-7398

29 April 2002

2002 APR 29 PM 4 02

Received by

(168)

MR. CIRIACO M. DATOR

Officer-in-Charge

Supervision and Examination Sector

Department of Commercial Banks II

Bangko Sentral Ng Pilipinas

Re: FRAUD ALERT

Dear Mr. Dator,

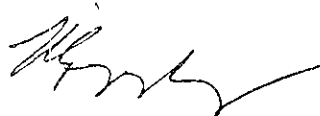
We would like to bring to your attention the rising incidence of fraudulent endorsements on Peso demand drafts/checks issued by Citibank N.A. New York and drawn against Citibank Manila for the account of the Civilian Health and Medical Program of the Uniformed Service (CHAMPUS). These CHAMPUS checks are payable to beneficiaries in the Philippines. These checks have apparently been stolen in transit to the payees by unknown persons. The perpetrators have used fictitious identification papers, forged the payees' endorsements on said demand drafts/checks and deposited the latter for clearing with various local banks, largely in Pampanga and surrounding areas. BAP member banks were advised in November 2001 to handle CHAMPUS checks for deposit and collection with caution and to validate the identity of alleged payees and the authenticity of their supporting documents. Acceptance of second endorsed CHAMPUS checks was also strongly discouraged.

Despite the advisory, this fraud scheme has continued unabated and recently, we have noted a shift of these fraudulent endorsements and deposits to rural banks in Pampanga. We have dishonored several of these second-endorsed checks and have called the attention of these rural banks to treat future deposits with caution.

In this regard, we respectfully request your assistance in advising the banks under BSP's supervision, particularly the small rural and thrift banks, of this fraud scheme. Please do not hesitate to contact the undersigned should you need further information. Attached is the BAP advisory for your reference.

Thank you.

Very truly yours,



Attachment: BAP Advisory No. 2001-17



BANKERS ASSOCIATION OF THE PHILIPPINES

November 29, 2001

CONFIDENTIAL BULLETIN NO. 2001-17

TO ALL MEMBER BANKS:

For your information and guidance, we are quoting hereunder a letter received from Citibank, N.A. (Mr. Cesar Santos, Jr., Senior Country Operations Officer) dated November 28, 2001 as follow:

"Please be advised that Peso demand drafts/checks issued by Citibank, N.A. New York for the account of the Civilian Health and Medical Program of the Uniformed Service (CHAMPUS) and payable to beneficiaries in the Philippines have apparently been stolen in transit to the payees by unknown persons. These persons have used fictitious identification papers, forged the payees' endorsements on said demand drafts/checks and deposited the latter for clearing with various local banks, largely in San Fernando, Pampanga and surrounding areas. Member banks are advised to handle CHAMPUS checks for deposit and collection with caution and to validate the identity of the alleged payees and the authenticity of their supporting documents. Acceptance of second endorsed CHAMPUS checks is strongly discouraged.

Please circulate this advisory among the BAP member banks."

Thank you.


BAP SECRETARIAT

Note : Member banks are reminded that the information covered under this Bulletin is confidential in nature and must therefore be treated in strictest confidence.
