



# BANKING ISSUANCE

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Comptroller of the Currency  
Administrator of National Banks

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Type: Banking Circular

Subject: **Suspicious Transactions**

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TO: Chief Executive Officers of all National Banks; All State Banking Authorities; Chairman, Board of Governors of the Federal Reserve System; Chairman, Federal Deposit Insurance Corporation; Conference of State Bank Supervisors; Deputy Comptrollers Districts); District Administrators; District Counsel and Examining Personnel.

Information is being received by the Office of the Comptroller of the Currency that indicates that many banks are being requested to enter into financial transactions involving so-called "Prime Bank Discounted Letters of Credit" and "Zero Coupon Letters of Credit". Such proposed transactions for the most part cite multi-millions and multi-billions of either U.S. or foreign currency. Such instruments are not known to be issued by the legitimate banking community and the legality of such instruments is questionable. Extreme caution should be exercised if approached by individuals promoting such instruments.

Information has also been received that the Office of the Comptroller of the Currency, Enforcement & Compliance Division, is being cited as a reference in certain promotional materials being distributed to financial institutions relating to so called Collateral Enhancement Programs, Link Deposit/Loan Programs and other financial plans.

Please be advised that this Office has not authorized any entity which may be "marketing" such plans to represent that OCC will act as a reference, serve as an approval authority, or otherwise serve as a due diligence clearinghouse for any such plans or proposals.

As always, financial institutions themselves are responsible for reviewing the merits of any such proposals or plans.

Any information which you may have concerning this matter should be brought to the attention of:

Office of the Comptroller of the Currency  
Enforcement & Compliance Division  
Washington, D.C. 20219

Robert B. Serino  
Deputy Chief Counsel (Policy)