



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

FINANCIAL INTELLIGENCE UNIT
MINISTRY OF FINANCE AND THE ECONOMY



FRAUD
ADVISORY NOTICE TO FINANCIAL INSTITUTIONS ON THE USE OF
FRAUDULENT DOCUMENTS

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The Financial Intelligence Unit of Trinidad and Tobago ("the FIUTT") is publishing this Advisory in accordance with Section 17(1) (b) of the Financial Intelligence Unit of Trinidad and Tobago Act.

PURPOSE OF THIS ADVISORY

This Advisory is intended to provide Financial Institutions (FIs) with information on the use of fraudulent documents to support credit applications. The FIUTT hopes that this Advisory will assist FIs in identifying the specific criminal activity illustrated and thereby take the appropriate steps to detect and deter such activity. The potential loss to FIs is great should these fraudulent activities go undetected.

GENERAL INFORMATION

The FIUTT has noted increased Suspicious Transaction/Activity Reports involving the provision of fraudulent documents in order to obtain credit such as loans or credit cards. The applicant may not be a customer of the FI, may be new customer or a long-serving customer.

The fraudulent documents may purport to come from existing and/or well-known organizations; or the names of non-existent organizations, with unverifiable contact information, may be used.

HOW THE FRAUD WORKS

- ❖ The fraudulent documents provided are usually **job letters, pay slips, bank statements, utility bills, certified copies of vehicles, company incorporation documents, sale agreements, and other property ownership documents.**
- ❖ These documents are produced on what appear to be genuine letterheads of organizations, but with forged signatures.
- ❖ Genuine letterheads may also be used, having been obtained through collusion with an employee or stolen from the Organization.
- ❖ Salary, position in the organization and other employment details are usually misstated.

- ❖ Genuine documents such as job letters or bank statements are altered so that they can be used repeatedly at later dates and at other institutions.
- ❖ Repeated offenders may produce professional documents that appear genuine.
- ❖ Typically the first payment on the loan is made and then the applicant defaults on the loan thereafter.

INDICATORS OF A FRAUDULENT DOCUMENT

Red flags which can alert the FI to the possibility that documents may be fraudulent include, but are not limited to:

- ❖ Absence of a date on the job letter;
- ❖ The date, signature or other content appear to be altered;
- ❖ Signatures appear to be different on other bonafide records held at the FI;
- ❖ The format and content of the document may be unprofessional and contain spelling errors e.g. in names, addresses etc.;
- ❖ Handwritten or type-written job letters and pay slips from an organization that would normally produce computer-generated documents, *eg. A Government Ministry*;
- ❖ Utility bills or bank statements are not in the name of the applicant;
- ❖ There are variances with the same information provided on different documents, *e.g. the name of an authorised person is spelt differently*;
- ❖ Contact information about the organization is not verifiable;
- ❖ Authorised personnel is unaware of the person or the document produced from the organization;
- ❖ Account balances are misstated or altered on bank statements.

CAUTION TO FINANCIAL INSTITUTIONS

The FIUTT urges FIs to exercise extreme vigilance in their scrutiny of documents provided to support credit applications.

- ❖ Conduct **Customer Due Diligence or Enhanced Due Diligence, if in doubt**;
- ❖ **Scrutinize documents** thoroughly for any errors, missing information and alterations;
- ❖ **Verify the names, signatures and contact information** of authorized signatories ;
- ❖ **Verify certified copies with the issuing Organization**;
- ❖ **Check for** previous credit applications by the applicant;
- ❖ FIs must **be reminded** that an employee of an organization may collude with others to produce false documents in order to obtain credit;
- ❖ The FI should **report to the FIUTT** any suspicious transaction/activity involving the use of fraudulent documents;
- ❖ **REPORT TO THE FRAUD SQUAD OF THE TRINIDAD AND TOBAGO POLICE SERVICE (TTPS)** any transaction/activity involving the use of fraudulent documents.

Below is a Typology of a loan application using false documentation. This case identifies some of the documents that may be used to obtain credit. It also shows possible collusion with insiders in organizations/companies and bank personnel to produce false documents.

Customer X has been a client of **Bank 1** since March 2013. There has been little activity on his account, except in the last two months of two cheque deposits of \$10,945.74 from a Government Ministry. On 30 October 2013, **Customer X** approached his Branch of **Bank 1** to secure a loan of \$200,000 to purchase a vehicle. **Customer X** provided the following documents in support of his application:

- ❖ A job letter addressed to **Bank 1** which states that he is an employee of the Government Ministry as a Supervisor for the last 5 years and earns a salary of \$13,000 per month. The Job letter was signed by one **Ms. A. Hall** on the Ministry's official letterhead.
- ❖ A type-written pay-slip dated October 23, 2013, from the Ministry which states that the Customer's Net Salary is \$10,975.74.
- ❖ A statement from **Bank 2** that he has a balance of \$43,675.66.
- ❖ A signed letter from a **Mr. John Brown** that he is the present owner of vehicle, with Chasis No. 123456 which is being sold to **Customer X** for \$220,000.
- ❖ A receipt signed by **Mr. John Brown** for \$20,000 as a down payment for the vehicle to **Customer X**.
- ❖ A certified copy of vehicle, Chasis No. 752113, which shows **Mr. John Brown** as the owner.

On conducting due diligence at Bank 1 the following was revealed:

- ❖ **Customer X** is not an employee of the said Government Ministry; he provided contract services to the Ministry in August and September 2013.
- ❖ **Ms. A. Hall** was employed as a Clerk 1 in the Ministry and not authorised to sign a job letter.
- ❖ The pay-slip provided was not an authentic payslip from the Ministry.
- ❖ The date on the job letter appeared altered.
- ❖ Although the certified copy of the vehicle appeared authentic, the Chasis No. of the vehicle was different to that on the Sale Agreement.
- ❖ Checks with **Bank 2** revealed that the balance on the statement was altered.

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