



SECURITIES AND EXCHANGE COMMISSION

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EMBARGOED

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\$20 MILLION IN SECURITIES IDENTIFIED IN SIX MONTHS THROUGH LOST AND STOLEN SECURITIES PROGRAMS

Some 546 lost, stolen or counterfeit securities certificates, valued at close to \$20 million, were identified and traced through the Commission's Lost and Stolen Securities program during the first half of 1980, according to statistics made public today. That represents nearly a three-fold increase over the value of the 1,157 certificates identified through the program during all of 1979.

Under the program, more than 17,000 participating banks, securities industry organizations and non-bank transfer agents are required to check securities they receive against a computerized file of lost, stolen, or counterfeit certificates. The objective is to quickly spot such securities and facilitate their recovery.

In some instances, use of the system leads to prosecution of individuals accused of theft or counterfeiting. For example, in a recent case the District Attorney's Office in Los Angeles, while investigating two individuals arrested in connection with a loan scheme, discovered a cache of securities valued at some \$1.4 million. A check through the Lost and Stolen program revealed that these securities had been reported as stolen. As a result, one of the individuals was charged with three additional counts of receiving stolen property and the District Attorney expected to bring similar charges against the second.

During the first half of 1980, as during 1979, more than 99 percent of all inquiries to the computerized data base were validated, thereby informing the inquiring institution that the certificates it was tracking had not been reported lost, counterfeit or stolen. Inquiries have been received at a rate of nearly 4,200 per day this year, compared with an average of 6,500 per day during 1979.

When an inquiry into the system matches a lost, counterfeit or stolen security, commonly referred to as a "hit", the data bank provides the inquiring financial institution with the name, address and telephone number of the institution that reported the loss. The institution reporting the loss is also notified, as is the Federal Bureau of Investigation.

During the first six months of 1980, participating institutions reported as lost, counterfeit or stolen 136,452 certificates valued by the reporting institutions at more than \$542 million. Those institutions also reported the recovery of more than 35,000 certificates valued by the reporting institutions at nearly \$102 million. On June 30, 1980, the value of securities contained in the Program's data base passed \$3 billion, an increase of nearly \$441 million over the previous year.

The data base is currently operated by Securities Information Center, in Wellesley Hills, Massachusetts, which was designated by the SEC to receive and process reports and inquiries.