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August 21, 2003

Deputy Chief Financial Officer  
Financial Crimes Enforcement Network  
P.O. Box 39  
Vienna, Virginia 22183

Re: FinCEN's Strategic Plan

Ladies and Gentlemen:

The American Bankers Association (ABA) is submitting these brief comments on the August 4, 2003 draft of the Financial Crimes Enforcement Network's (FinCEN) 2003-2008 Strategic Plan. According to the message from FinCEN's Director, the strategic plan "will serve as a guide for enhancing FinCEN's existing products and services while building on FinCEN's new responsibilities under the PATRIOT Act. Toward that end, the ABA offers its comments.

The ABA brings together all categories of banking institutions to best represent the interests of this rapidly changing industry. Its membership – which includes community, regional and money center banks and holding companies, as well as savings associations, trust companies and savings banks – makes ABA the largest banking trade association in the country. For further information regarding the ABA, please consult the ABA on the Internet at <http://www.aba.com>.

### **Section 1- Mission, Vision and Values**

ABA is pleased to see that the strategic plan places such a high priority on partnerships with the private sector as well as a commitment to technological innovation. Our members will benefit from increased efficiency from FinCEN as it improves its information delivery mechanisms and ABA has certainly seen evidence of the values of public-private partnerships since FinCEN's creation in 1990.

### **Section 3 – Goals and Strategies**

#### **Goal 1.**

One of the most challenging goals is the effort to "eliminate safe havens for money laundering and terrorist financing worldwide." (Goal 1) ABA strongly supported the portion of the USA PATRIOT Act that directs the regulatory agencies to cover

other parts of the financial services industry with anti-money laundering and SAR (suspicious activity reporting) requirements. In order to achieve the goals stated, FinCEN (and the other Federal agencies) will be assessing the feasibility of extending coverage to those entities currently not covered. We support this strategy (Strategy 1-1) and urge prompt action as indicated in this section.

Another strategy (1-2) emphasizes the need to eliminate currency transaction reports (CTRs) that “have little or no value for law enforcement purposes” by encouraging institutions to “use current statutory exemptions.” ABA urges FinCEN to expand the options for minimizing the unnecessary volume of CTRs to include either raising the threshold for filing CTRs or by creating additional exemptions. As always, ABA offers its assistance in this worthy and timely goal.

Finally, the need for uniform enforcement of anti-money laundering regulations (Strategy 1-3) should include a concerted effort by federal regulators to dissuade the states from enacting separate reporting obligations. In the 21<sup>st</sup> Century, there is no excuse for states to require the filing of duplicate SARS or CTRs. Technology should enable FinCEN to provide wider access to filed reports, thus responding to the need to “enhance the timeliness, accuracy and ease of filing BSA forms.” (See Strategy 2-1 and Strategy 2-3 under Goal 2)

### **Goal 3.**

In order for FinCEN to continue to respond to the needs of both the government and the private sector in the areas of anti-money laundering and terrorist financing, achieving Goal 3 (Enhance the value of FinCEN’s analytical services and products) is essential.

One of the major challenges for financial institutions is in the area of terrorists financing. The proposed definition of terrorist financing that is located in the glossary fails to point out that terrorist financing lacks one major attribute that money laundering possesses---the movement of large amounts of funds. Typically, terrorist financing is accomplished in amounts that would not raise any legitimate suspicions. Therefore, it is imperative that there be “valuable analyses” on terrorist financing trends (Strategy 3-3) by FinCEN. ABA urges that this strategy be given high priority.

Finally, FinCEN deserves credit for responding to the concerns expressed on an extremely burdensome and bureaucratic system for reporting names of terrorist financing and money laundering suspects under section 314 of the USA PATRIOT Act. ABA is pleased to learn that FinCEN continues to work on that system (Strategy 3-4) and the Association urges that consideration be given toward providing another option for complying with section 314 --- creation of a secure website where the names of suspects can be reviewed and downloaded. We would be happy to work with FinCEN and this option.

## **Conclusion**

Two years after the horrific events of 9/11/01, it is more important than ever that there be a partnership among the regulators, law enforcement and the financial sector. In order to address terrorist financing effectively, no affected group should be reluctant to offer suggestions on improving the system. The Strategic Plan contains many worthy goals and the members of the ABA welcome the opportunity to continue to provide support, assistance and recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "John J. Byrne". The signature is fluid and cursive, with a long horizontal stroke at the end.

John J. Byrne