

November 19, 2007

Board of Governors of the Federal Reserve System
Attn: Jennifer Johnson, Secretary
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Subject: Docket Number R-1298 – Unlawful Internet Gambling Enforcement Act

Dear Ms. Johnson:

Boeing Employees' Credit Union (BECU) appreciates the opportunity to provide comments on the proposed rules to implement provisions of the Unlawful Internet Gambling Enforcement Act of 2006. BECU is a state-chartered, federally insured credit union with assets of \$7.5 billion and a membership base of over 500,000.

We have provided input on these issues:

1. Is the rule well-constructed or is it confusing?

In our opinion the line between exempt and non-exempt financial institutions is not clear. Plain language would help clarify the distinction. It makes it difficult to assess the impact without clear distinct language.

2. Is the list of the five designated payment systems too broad or too narrow? Do you agree with the current list or should new and emerging systems be included?

The payment systems indicated are not a concern; however, expecting a financial institution to participate in blocking subject transactions in such payment systems is over burdensome.

3. Do you agree with the list of exempt participants? Do you believe any additional exemptions should be included or should existing exemptions be removed?

See item 1 above. We believe all financial institutions without a relationship with gambling companies should be exempt from following any guidelines or procedures relative to blocking transactions. In other words, only financial institutions with relationships with gambling companies should be required to comply. However, it would be hard to identify gambling companies. When asked on the membership application form the nature of the business, we doubt illegal gambling companies would answer truthfully.

4. The proposed rule currently exempts Originating Depository Financial Institutions (ODFIs) from establishing and implementing policies and procedures. Do you believe it is impractical for an ODFI to implement policies and procedures in an ACH credit transaction? Does the burden outweigh any benefit in identifying and blocking restricted transactions?

Yes. In today's automated world, it is impractical (to impossible) to analyze, and execute on, each transaction that is in question. The burden far outweighs any benefit. Requirements to analyze all

ACH transactions would make our automated systems ineffective as this would require a manual review.

5. The proposal specifically exempts the originator's financial institution and intermediary financial institution in a domestic wire transfer. Do you believe it is impractical for these participants to implement policies and procedures in a wire transaction?

Yes. See response to number 4 above. Wire transactions are automated and posted to accounts without us seeing the transaction.

6. Do you believe it is appropriate for participants to incorporate into their account opening procedures the proposal's due diligence provisions, including periodic confirmation of the nature and type of a commercial customer's business?

Yes, we believe it is appropriate to acquire account owner's business nature; however, we feel it would be burdensome for the financial institution to obtain periodic status updates and re-verify the business nature information.

7. Do you support the inclusion of examples of policies and procedures? Are the examples too broad or too specific?

The examples provided were very detailed and helpful. Typically, if model procedures are followed by the financial institution, a safe harbor of compliance is provided.

8. Do you believe ongoing monitoring and testing should be incorporated in the examples for the ACH, wire and check cashing systems?

No, it seems that it would be too burdensome on the financial institution to perform. This would take away from the automation that's currently in place.

9. Do you believe it is practical and cost-effective for card systems to develop additional merchant codes to include lawful Internet gambling?

We believe it would be difficult for financial institutions, and/or their third party vendors, to know which companies are lawful vs. unlawful. Such code should include all Internet gambling companies.

10. Do you believe that the agencies should establish and maintain a "list" of unlawful Internet gambling businesses for participants to access and use when blocking restricted transactions?

No. The list would be obsolete as soon as the illegal business saw their name on the list. Such businesses would close shop and reopen using a different name. In our opinion, it would be a waste of time and resources.

11. Do you agree with the proposed definitions of the terms, specifically of the designated payment systems and participants?

The definitions of the five payments systems are good. The participants and the different roles that can be performed are not clear and are very confusing.

12. Do you believe six months after the joint rules are published is sufficient time for financial institutions and other participants to comply?

No. This will require system enhancement and testing, vendor assistance, business decisions, staff training and communication, and many other administrative-type actions prior to complying with the rules. We feel 12 to 18 months, with the availability of an extended mandatory compliance date, would be better.

We feel that, because of the sheer volume of transactions, it would be impossible to catch all of the illegal transactions in a timely manner, as required by regulation.

Additionally, if the federal government wishes to prevent illegal gambling, instead of enlisting the help of financial institutions, it should devise a way to shut down the gambling sites' access to the internet.

Thank you for allowing us the opportunity to provide comments on this proposal. We look forward to the outcome.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary J. Oakland", with a long horizontal flourish extending to the right.

Gary J. Oakland
President and CEO