

From: John.Ricketti@ny.frb.org on 03/18/2005 10:27:17 AM

Subject: EGRPRA

Mr. O'Brien has asked me to respond to your letter dated March 9, 2005 seeking feedback on issues involving money laundering and SAR compliance.

Having worked on both the Law Enforcement and Banking side of this issue I have a few thoughts I'd like to share.

Increasingly the regulators and law enforcement in a post 9/11 world have been seeking assistance from the banking community in the identification of persons involved in money laundering activities.

We recognize the threat these individuals may pose to our national security, and drug enforcement efforts.

We have assumed a larger burden and are responsible for policing our customers financial transactions, we welcome the opportunity to do our part.

What is problematic though is the increased responsibility with a lack of support from the very agencies seeking our help.

On the "know your customer front" we take great efforts to effectively identify individuals who bank with us. We request multiple forms of identification and utilize a private tracking company (Chex systems) which supplies us with negative banking related reports on a prospective new customer. We cannot however verify if a Social Security Number supplied by a prospective customer belongs to that individual. It would be helpful if the Government would verify for us that a SS number supplied matches the name submitted (yes - no).

In suspicious cases we rely on Choice point for verification assistance. In light of a recent breach of security within that company I am concerned that our continued access to that information may soon be terminated.

On the SAR reporting side it seems ridiculous that a person who has been identified as a money launderer in another institution can move from bank to bank and have to be re-discovered over and over again. This individual may operate for a year or two before his activity attracts the necessary attention. Can we somehow develop a "watch list" on these individuals. Law enforcement agencies should perhaps have access to the Chex systems data base as they may want to reach out to the new bank of a Suspected Money Launderer.

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