

August 21, 2006

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Ave, NW.  
Washington, DC 20551

FinCEN  
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VIA E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)  
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RE: 12 CFR Part 219; Regulation S; Docket No. R-1258; *Threshold for the Requirement To Collect, Retain, and Transmit Information on Funds Transfers and Transmittals of Funds*

1506-AA86

Dear Ms. Johnson:

WesCorp appreciates the opportunity to comment on the joint advance notice of proposed rulemaking regarding the Threshold for the Requirement To Collect, Retain, and Transmit Information on Funds Transfers and Transmittals of Funds. WesCorp is a corporate credit union—a wholesale credit union or a credit union for credit unions. We provide investments, credit, item processing, and electronic payment services to more than 1,000 credit unions in 43 states within our national field of membership.

As a way of background, WesCorp is a wire transfer service provider for our member credit unions. We average approximately 2600 wire transfers per day, which equates to an average dollar amount of \$6.3 billion. WesCorp retains records of all wire transactions. Our system retains the records online for 2 years, and in total for 7 years. WesCorp also has a proprietary aggregation monitoring system that performs structured transaction monitoring.

The advance notice of proposed rulemaking considers lowering or removing the current \$3,000 threshold for collecting, retaining, and transmitting information on funds transfers. In WesCorp's case, since we already retain the required regulatory information for *all* wire transfers we process, regardless of amount, the threshold level is moot. A concern is that record-keeping alone does not identify suspicious activity. Also, WesCorp will likely need to modify our aggregation system based on the outcome of this proposal.

WesCorp offers our responses to the questions posed specifically for financial institutions on this proposal below:

Question 1

*What proportion of funds transfers or transmittals of funds that your financial institution processes as an originator's bank or transmitter's financial institution involves amounts less than \$3,000?*

*What proportion involves amounts less than \$2,000?*

In July 2006, the average is .018%.

*What proportion involves amounts less than \$1,000?*

In July 2006 the average is .068%.

Question 2

*For each category of funds transfer or transmittal of funds--those involving amounts less than \$3,000, less than \$2,000, and less than \$1,000--what proportion does your financial institution process as an originator's bank or transmitter's financial institution for originators or transmitters who fail to qualify as "established customers"?*

NA.

*What proportion does your financial institution process as a beneficiary's bank or recipient's financial institution for beneficiaries or recipients who fail to qualify as "established customers"?*

NA.

*Do the recordkeeping practices of your financial institution for these transactions--and the practices of your financial institution in verifying the identities of persons who fail to qualify as "established customers"--differ based on whether the funds transfer or transmittal of funds involves an amount above or below the current threshold of \$3,000? If so, please describe the differences.*

Our business practices do not differ in this regard. If this proposal were enacted, our business practices would not need to change.

Question 3

*Do the recordkeeping practices of your financial institution for funds transfers or transmittals of funds involving amounts below the current threshold of \$3,000 differ from those for funds transfers or transmittals of funds involving amounts above the threshold? If so, please describe the differences.*

There is no difference. Thresholds are nonexistent at WesCorp for the purposes of recordkeeping.

Question 4

*Does the information that your financial institution includes in payment or transmittal orders for funds transfers or transmittals of funds involving amounts below the current threshold of \$3,000 differ from the information that your financial institution includes in payment or transmittal orders for funds transfers or transmittals of funds involving amounts above the threshold? If so, please describe the differences.*

Question 5

*How would reducing or eliminating the threshold affect the price and type of the services that your financial institution provides in connection with domestic and cross-border funds transfers or transmittals of funds?*

Any change to the threshold would have no effect on our prices nor on the type of services WesCorp offers in this regard. WesCorp is an intermediary; as such, we do not tier our pricing on wires.

*To the extent possible, discuss the effect based on reductions of the threshold in increments of \$1,000, or explain at which point lowering the threshold would substantially impact the price and type of services provided by your financial institution.*

Again, there would be no impact to WesCorp's pricing.

Question 6

*How would reducing or eliminating the threshold affect the cost and efficiency of payment operations at your financial institution and the payments system in general?*

There would be no impact to WesCorp's cost or efficiency of payment operations by reducing or eliminating the threshold. Because we already record all wire transfers we perform, the threshold is moot.

*To the extent possible, discuss the effect based on reductions of the threshold in increments of \$1,000, or explain at which point lowering the threshold would substantially impact the cost and efficiency of payment operations at your financial institution or the payments system in general.*

There would be no operational impact at WesCorp.

Again, WesCorp appreciates the opportunity to comment on the joint advance notice of proposed rulemaking regarding the Threshold for the Requirement To Collect, Retain, and Transmit Information on Funds Transfers and Transmittals of Funds.

Sincerely,



Bob Siravo  
President/CEO