

November 30, 2007

Regina M. Gaffke
Auditor
Albany Bank & Trust Co., N.A.
3400 W. Lawrence
Chicago, Il. 60625

Response to Proposed Joint Rule to Implement Unlawful Internet Gambling Enforcement Act

The cost and difficulty to comply with this proposed rule would greatly increase the cost of operations for this bank. This burden is being placed on banks when it should be given to either Federal Agencies or financial intermediaries with the software to complete the task.

Banks have no way of knowing or policing who a person makes a check payable to, neither do we know or have a way of stopping an ACH or Card transaction based on who is receiving payment from our customer. With this regulation, we are supposed to know whether the parties involved in the transaction used or did not use the Internet for any part of the transaction? How are we supposed to know that?

When receiving ACH transactions currently, it is difficult if not impossible to identify the originator/beneficiary if it is not the bank's customer. Initials and symbols are used in the originator/beneficiary position. I tried once to track down an originator through the NACHA system and was told to contact the originating bank—one of the largest East Coast banks with multiple departments. Getting any information from this bank was impossible.

Regulations and laws should be passed through NACHA, check clearing, etc. to identify these transactions with truncodes and force the originators to identify themselves. But since these are Unlawful Internet Gambling sites, they would ignore or find a way around the laws.

Under the definition section, for Bet or Wager, nine other laws are cited for guidance and regulation. The definition(s) are too convoluted for the bank to determine what is the correct definition.

Are banks supposed to review all the Websites of our customer's to see if they are in the business of Illegal Gambling? How often are we supposed to do this? When a business is opened and we are completing our due diligence questionnaire and one week later they start illegal gambling as a side line, are we responsible? Customer's will try to deceive us, tell you it's none of your business what they are doing, or say the bank down the street doesn't ask these questions.

Also, “Unlawful under any applicable Federal or State law”, now banks must know all 50 State laws, plus Federal and Tribal laws to determine what is unlawful?

Under Sample Policies and Procedures: The payment systems, NACHA & Fed clearing do not have any standards covering illegal internet gambling, so what guidance are we supposed to follow?

On the proposed Government provided OFAC-type list of entities known to engage in unlawful internet gambling, the government is the only entity with the subpoena and search powers to build this list. With all the federal, state and local law enforcement agencies, surely the government can come up with a list. How are bank’s expected to know who the bad guys are? Even when you make customer visits, you see what they want you to see. If the government with all of it’s resources can’t create this list, how do you expect individual banks to find this information?

This regulation is unacceptable as currently written and would negatively impact the bank’s ability to conduct it’s business within the confines of the law.