

From: "Gregory S. Donner" <gdonner@gregdonner.org> on 12/05/2007 07:00:04 PM

Subject: Reg. GG -- Internet gambling

December 6, 2007

Department of the Treasury
Office of Critical Infrastructure Protection and Compliance Policy
Room 1327, Main Treasury Building
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Ref: Treas-DO, Docket No. Treas-DO-2007-0015

And

Honorable Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Ref: Docket No. R-1298

Re: Comments pertaining to Notice of Joint Proposed Rulemaking -
Prohibition on Funding of Unlawful Internet Gambling [31 CFR 132]

Honorable Members of the Treasury Department and Federal Reserve System:

As a concerned citizen, I must express concern about the following proposed regulations.

Proposed regulations maintain that contracts with foreign senders should require "the foreign sender to have reasonably designed policies and procedures in place to ensure that the relationship will not be used to process restricted transactions." Regulations need to be more explicit about what "reasonably designed policies and procedures" should be. Current "Know Your Customer" regulations are a sound model to follow for adding more specifics to the UIGEA regulations.

In addition, the proposed regulation instructs financial entities to have policies and procedures addressing when services should be denied or relationships terminated as a penalty against other parties who transmit restricted transactions. But there is no guidance on whether it would be appropriate to impose penalties after one violation or 10 violations. Clarification should create set boundaries, guidelines and penalties. Imposing penalties after an initial violation would likely reduce subsequent violations.

Lastly, the United States Government should task an individual - or several federal employees -with the duty of finding, investigating and reporting unlawful Internet gambling operations to financial institutions. Likewise, financial institutions should report suspicious activities to the government personnel assigned the task of reporting unlawful gambling activities. Financial institutions could effectively block unlawful Internet gambling transactions through a system similar to that used by OFAC. A well-trained government investigator - or several investigators - could effectively perform this task, thus

eliminating a potential burden on financial institutions.

Thank you for your time, consideration and service.

Sincerely,

Gregory Donner
Elkhart, IN 46517-9167