



December 12, 2007

Via Electronic Mail

Jennifer J. Johnson  
Secretary  
Board of Governors of the  
Federal Reserve System  
Washington DC, 20580

Department of the Treasury  
Office of Critical Infrastructure  
Protection and Compliance Policy  
Main Treasury Building – Room 1327  
Washington DC, 20220

Re: Proposed Rules Implementing Unlawful Internet Gambling Enforcement Act  
Federal Reserve Board Docket No. R-1298;  
Treasury Docket No. Treas-DO-2007-0015

Ladies and Gentlemen:

The Association of Corporate Credit Unions ("ACCU") appreciates the opportunity to respond to the Board of Governors of the Federal Reserve System and the Department of Treasury ("the Agencies") proposed rules to implement applicable provisions of the Unlawful Internet Gambling Enforcement Act of 2006 ("Act").

The ACCU is the primary trade association for the nation's corporate credit unions ("Corporates"). Corporates provide liquidity, investment, payment system, settlement, and other financial services to approximately 8,500 credit unions throughout the country.

Our comments focus on the provisions related to exemptions for third party processors, developing and maintaining a list of internet gambling businesses, and implementation guidelines.

### *Third Party Exemptions*

The proposed rule extends clear exemptions to all participants in the ACH system except for the participant that has a customer relationship with the internet gambling business or engages in certain cross-border transactions. The proposed rule exempts the ACH system operator, the RDFI in ACH debit transactions, and the ODFI in ACH credit transactions. However, third party processors -- participants that do not have relationships with Internet gambling businesses, the RDFI, or the ODFI -- have not been identified as participants that would be exempt under the proposed rule. As such, the ACCU believes that the Agencies should exempt third party processors from any type of regulatory compliance requirements. The basic rule should be the "know your member" rule, and corporate credit unions do not and cannot know the natural person member of a credit union whose transaction is flowing through the corporate credit union.

### List of Unlawful Internet Gambling Businesses

The ACCU encourages the Agencies to develop, maintain, and provide updated listings of businesses engaged in unlawful internet gambling. Such a list would facilitate the ability to efficiently identify businesses engaged in unlawful internet gambling and effectively block their transactions. We believe the process could be facilitated much like the OFAC process.

While the ACCU appreciates the significant amount of time needed for fact-finding and legal analysis, the same, if not more, time would be required by financial institutions. The ACCU also appreciates the sensitivity to erroneously placing legitimate businesses on the list. The same holds true for financial institutions. The Agencies, however, could better establish a notice procedure to gambling business that can include time periods for businesses to prove that they are legitimate. The Agencies have the expertise and the capacity to develop and maintain a list that captures national and international businesses and can capture name variations; again, much like the current OFAC list.

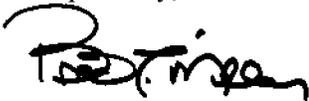
The ACCU agrees that this process could result in "considerable lag-time" but it is far more reasonable and consistent with other lists maintained by the Agencies. Unless the Agencies consider safe harbor protections for institutions embarking on the same process mentioned above, the Agencies should own and maintain the list.

### Implementation Deadline

The ACCU does not believe that a six month implementation deadline is reasonable. The ACCU requests a 12-18 month deadline to give financial institutions the opportunity to grasp the proposal's requirements, to develop policies and procedures, and to make appropriate modifications to designated systems.

The ACCU acknowledges the challenges faced by the Agencies to implement rules for the Unlawful Internet Gambling Enforcement Act. We appreciate the opportunity to comment and thank you in advance for your consideration of our comments.

Respectfully,



Brad L. Miller  
Executive Director

cc: Mr. Kent Buckham, Director of the Office of Corporate Credit Unions, National Credit Union Administration