

Proposal: 1738(AG08) Membership of State Banking Institutions FR System; Reports of Suspicious Activities BSA

Description:

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Comment ID: 137883

From: Kermit R. Kubitz

Proposal: 1738(AG08) Membership of State Banking Institutions FR System; Reports of Suspicious Activities BSA

Subject: Membership of State Banking Institutions in the Federal Reserve System; Reports of Suspicious Activ

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Comments:

NONCONFIDENTIAL // EXTERNAL

Dear Sir or Madam

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The proposal to exempt institutions from some requirements may have some merit, but it should be made clear that any exemption does not allow any institution regulated by such regulations for disclosure of potentially criminal or prohibited transactions from advising the Federal Reserve and associated enforcement agencies of any questionable transactions, including large loans from institutions which are adversaries of the United States, or loans with questionable collateral, or loans which appear to benefit money laundering or illegal transfer. Any exemption should be scrutinized for potential to allow criminal conduct to escape notice. As an example, questionable loans from foreign sources, sourced, collateralized, guaranteed or otherwise facilitated to American political figures should be investigated, and where appropriate, revealed after investigation to avoid undue influence on American democratic institutions and political leaders.

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