

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

Office of the Comptroller of the Currency

Office of Thrift Supervision

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

NATIONAL CREDIT UNION ADMINISTRATION

Agency Information Collection Activities; Proposed Collection; Comment Request;

Suspicious Activity Report by Depository Institutions

AGENCIES: Financial Crimes Enforcement Network, Office of the Comptroller of the Currency, Office of Thrift Supervision, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration.

ACTION: Notice and request for comments.

SUMMARY: The Financial Crimes Enforcement Network and the Banking Supervisory Agencies¹, as part of their continuing effort to reduce paperwork and respondent burden, invite the general public and other Federal agencies to take this opportunity to comment on information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). The Financial Crimes Enforcement Network and the Banking Supervisory Agencies are soliciting comments concerning the Suspicious Activity Report by Depository Institutions, which is being revised and reformatted to standardize this report with

¹ The term "Banking Supervisory Agencies" is the collective term for the following organizations: The Office of the Comptroller of the Currency, The Office of Thrift Supervision, The Board of Governors of the Federal Reserve System, The Federal Deposit Insurance Corporation, and The National Credit Union Administration.

suspicious activity reports being filed by other financial institutions. The report also is being revised to support joint filing, providing the necessary data blocks and instructions for completing a jointly filed suspicious activity report. The instructions limit joint filing to those suspicious activities that *do not* involve insider abuse.

DATES: Written comments should be received on or before April 18, 2006.

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the Office of Management and Budget control numbers, will be shared among the agencies. Direct all written comments as follows:

Financial Crimes Enforcement Network: Financial Crimes Enforcement Network, Post Office Box 39, Vienna, VA 22183, Attention: 1506-0001, Revised Suspicious Activity Report by Depository Institutions. Comments also may be submitted by electronic mail to the following Internet address: regcomments@fincen.gov with the caption in the body of the text, "Attention: 1506-0001, Revised Suspicious Activity Report by Depository Institutions".

Comptroller of the Currency: Communications Division, Office of the Comptroller of the Currency, Public Information Room, Mailstop 1-5, Attention: 1557-0180, 250 E Street, SW, Washington, DC 20219. In addition, comments may be sent by fax to (202) 874-4448, or by electronic mail to regs.comments@occ.treas.gov. You can inspect and photocopy the comments at the OCC's Public Information Room, 250 E Street, SW, WASHINGTON, DC 20219. You can make an appointment to inspect the comments by calling (202) 874-5043.

Additionally, you should send a copy of your comments to OCC Desk Officer, 1557-0180, by mail to U.S. Office of Management and Budget, 725, 17th Street, NW, #10235, Washington, DC 20503, or by fax to (202) 395-6974.

Office of Thrift Supervision: Information Collection Comments, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552; send a facsimile transmission to (202) 906-6518; or send an e-mail to infocollection.comments@ots.treas.gov. The Office of Thrift Supervision will post comments and the related index on its Internet site at www.ots.treas.gov. In addition, interested persons may inspect comments at the Public Reading Room, 1700 G Street, NW, by appointment. To make an appointment, call (202) 906-5922, send an e-mail to public.info@ots.treas.gov, or send a facsimile transmission to (202) 906-7755.

Board of Governors of the Federal Reserve System: You may submit comments, identified by FR 2230, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Federal e-Rulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: regs.comments@federalreserve.gov. Include docket number in the subject line of the message.
- FAX: 202/452-3819 or 202/452-3102.
- Mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board's web site at www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room

MP-500 of the Board's Martin Building (20th and C Streets, NW) between 9:00 a.m. and 5:00 p.m. on weekdays.

Comments may be mailed to Ms. Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street, and Constitution Avenue, NW, Washington, DC 20551. However, because paper mail in the Washington area and at the Board of Governors is subject to delay, please consider submitting your comments by e-mail to regs.comments@federalreserve.gov, or faxing them to the office of the Secretary at 202-452-3819 or 202-452-3102. Comments addressed to Ms. Johnson may also be delivered to the Board's mail facility in the West Courtyard between 8:45 a.m. and 5:15 p.m., located on 21st Street between Constitution Avenue and C Street, NW. Members of the public may inspect comments in Room MP-500 between 9:00 a.m. and 5:00 p.m. on weekdays pursuant to 261.12, except as provided in 261.14, of the Board's Rules Regarding Availability of Information, 12 CFR 261.12 and 261.14.

Federal Deposit Insurance Corporation: Written comments should be addressed to Steve Hanft, Clearance Officer, Legal Division MB-3064, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429. FAX number (202) 898-3838; E-mail: shanft@fdic.gov.

National Credit Union Administration: Clearance Officer: Mr. Neil M. McNamara, (703) 518-6447, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, Fax No. 703-518-6489, E-mail: mcnamara@ncua.gov.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or a copy of the collection may be obtained by contacting:

Financial Crimes Enforcement Network: Regulatory Policy and Programs Division at 800-949-2732.

Comptroller of the Currency: You can request additional information or a copy of the collection from Mary Gottlieb, OCC Clearance Officer, or Camille Dickerson, (202) 874-5090, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 250 E Street, SW, Washington, DC 20219.

Office of Thrift Supervision: Richard C. Stearns, Enforcement Deputy Counsel, Office of Enforcement, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552, (202) 906-7966.

Board of Governors of the Federal Reserve System: Michelle Long, Federal Reserve Board Clearance Officer (202-452-3829), Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may contact (202-263-4869), Board of Governors of the Federal Reserve System, Washington, DC 20551.

Federal Deposit Insurance Corporation: Steve Hanft, Legal Division MB-3064, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429, (202) 898-3907.

National Credit Union Administration: Tracy Sumpter, Office of the Chief Information Officer, (703) 518-6444 or John K. Ianno, Office of General Counsel, (703) 518-6540.

SUPPLEMENTARY INFORMATION:

Title: Suspicious Activity Report by Depository Institutions. The Office of the Comptroller of the Currency is renewing all information collections covered under the information collection titled: “(MA) – Minimum Security Devices and Procedures, Reports of Suspicious Activities, and Bank Secrecy Act Compliance – 12 CFR 21.”

Office of Management and Budget Control Numbers:

Financial Crimes Enforcement Network: 1506-0001

Office of the Comptroller of the Currency: 1557-0180

Office of Thrift Supervision: 1550-0003

Board of Governors of the Federal Reserve System: 7100-0212

Federal Deposit Insurance Corporation: 3064-0077

National Credit Union Administration: 3133-0094

Form Numbers:

Financial Crimes Enforcement Network: Form 111

Office of the Comptroller of the Currency: 8010-1/8010-9

Office of Thrift Supervision: 1601

Board of Governors of the Federal Reserve System: FR 2230

Federal Deposit Insurance Corporation: 6710/06

National Credit Union Administration: 2362

Abstract: In 1985, the Banking Supervisory Agencies issued procedures to be used by banks and certain other financial institutions operating in the United States to report known or suspected criminal activities to the appropriate law enforcement and Banking Supervisory Agencies. Beginning in 1994, the Banking Supervisory Agencies and the Financial Crimes Enforcement Network completely redesigned the reporting process resulting in a Suspicious Activity Report, which became effective in April 1996.²

² The report is authorized by the following regulations: 31 CFR 103.18 (Financial Crimes Enforcement Network); 12 CFR 21.11 (Office of the Comptroller of the Currency); 12 CFR 563.180 (Office of Thrift Supervision); 12 CFR 208.62, 211.5(k), 211.24(f), and 225.4(f) (Board of Governors of the Federal Reserve System); 12 CFR 353.3 (Federal Deposit Insurance Corporation); 12 CFR 748.1 (National Credit Union Administration). The regulations were issued under the authority contained in the following statutes: 31 U.S.C. 5318(g) (Financial Crimes Enforcement Network); 12 U.S.C. 93a, 1818, 1881-84, 3401-22, 31 U.S.C. 5318 (Office of the Comptroller of the Currency); 12 U.S.C. 1463 and 1464 (Office of Thrift Supervision); 12 U.S.C. 248(a)(1), 324, 334, 625, 1844(c), 3105(c)(2) and 3106(a) (Board of Governors of the Federal Reserve System); 12 U.S.C. 93a, 1818, 1881-84, 3401-22 (Federal Deposit Insurance Corporation); 12 U.S.C. 1766(a), 1789(a) (National Credit Union Administration).

Current Action: The federal banking agencies and FinCEN propose several revisions to the reporting form and instructions in order to enhance the clarity of the instructions, allow for joint filing of SARs, and to improve the usefulness of the SAR to law enforcement.

Data item 1 would be expanded to add two check boxes to indicate whether the respondent institution is filing an updated report (data item 1a) and whether the report is being filed jointly with another financial institution (data item 1b).

Part I - Subject Information would be moved from Part II to Part I and would collect information on the subject of the SAR. The section title would be changed to “Subject Information” from “Suspect Information.” Other proposed revisions to Part I are:

- Proposed data item 2a would be added to indicate whether multiple subjects are involved.
- Proposed data item 6 “Also known as (AKA-individual) or doing business as (DBA-entity),” would be added in order to standardize the “Subject Information” section among all SAR forms.

Part II - Suspicious Activity Information would be moved from Part III to Part II and would describe activity being reported. Proposed revisions to Part II are:

- Current data item 34, “Total dollar amount involved in known or suspicious activity,” would be increased to twelve digits from ten and would be renumbered as data item 22.
- Current data item 38, which collects information about the financial soundness of the respondent institution, would be moved to Part V, “Suspicious Activity Information-Narrative,” data item a.
- Current data item 39, regarding bonding company notification, would be deleted.

- Current data items 40-44, law enforcement contact information, would be moved to Part V, “Suspicious Activity Information-Narrative,” data item g.

Part III - Reporting Financial Institution Information would be moved from Part I to Part III and would collect information that identifies the respondent institution, the branch where the activity took place, the affected account number(s), if any, and whether such accounts have been closed as a result of the suspicious activity. Proposed revisions to Part III are:

- Proposed check box 26b would be added to indicate whether two or more financial institutions are jointly filing a single SAR by completing data items 26 through 35.
- Proposed data item 29 would collect the respondent institution’s internal control or file number. Respondent institutions would be encouraged, but not required, to report an internal control or file number.
- Three check boxes would be added to proposed data item 33, “Primary Federal Regulator,” to identify the Internal Revenue Service (IRS), the Security and Exchange Commission (SEC), and Commodity Futures Trading Commission (CFTC) as regulators for purposes of a SAR joint filing.
 - Proposed data item 35, “Relationship of subject (Part I) to the above listed financial institution,” would be moved from Part II, current data item 30, to Part III.
 - Proposed data items 41-55 would provide space to collect information regarding other branch locations. If more than four branches are involved, the additional information would be provided in Part V “Suspicious Activity Information-Narrative.”
 - Current data item 13, “If institution closed, date closed,” would be deleted.

Part IV - Contact for Assistance information is consolidated here. The

proposed data item 56, “Designated contact office,” would replace current data items 45-48, “contact name and title information.” This revised information, coupled with an internal control or file number, would still provide law enforcement with adequate contact information while protecting the name of the contact person.

Part V - Suspicious Activity Information-Narrative requires the respondent institution to provide a chronological and complete narrative account of the activity, including what is unusual, irregular, or suspicious about the activity. Because the narrative is considered the most important part of the SAR, the list of information that should be included in the narrative would be expanded to aid the respondent in the completion of the SAR.

Finally, the instructions for completing the SAR would be expanded to include specific data item instructions for each item on the reporting form. Items considered critical for law enforcement purposes have been marked with an asterisk.

Type of Review: Revision of a currently approved collection.

Affected Public: Business, for-profit institutions, and non-profit institutions.

Estimated Number of Respondents:

Financial Crimes Enforcement Network: 27,262³

Office of the Comptroller of the Currency: 2100

Office of Thrift Supervision: 862

Board of Governors of the Federal Reserve System: 7,000

Federal Deposit Insurance Corporation: 8000

National Credit Union Administration: 9300

Estimated Total Annual Responses:

Financial Crimes Enforcement Network: 393,548

³ Respondents comprise many of the same institutions responding to the Supervisory Agencies.

Office of the Comptroller of the Currency: 244,400

Office of Thrift Supervision: 36,569

Board of Governors of the Federal Reserve System: 93,600

Federal Deposit Insurance Corporation: 16,018

National Credit Union Administration: 2,961

Estimated Total Annual Burden: Estimated 60 minutes per form:

Financial Crimes Enforcement Network: 393,548 hours⁴

Office of the Comptroller of the Currency: 244,400 hours

Office of Thrift Supervision: 36,569 hours

Board of Governors of the Federal Reserve System: 93,600 hours

Federal Deposit Insurance Corporation: 16,018 hours

National Credit Union Administration: 2,961 hours

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid Office of Management and Budget control number. Records required to be retained under the Bank Secrecy Act and these regulations issued by the Banking Supervisory Agencies must be retained for five years.

Generally, information collected pursuant to the Bank Secrecy Act is confidential, but may be shared as provided by law with regulatory and law enforcement authorities.

Request For Comments: Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval. All comments

⁴ Only one form is filed in satisfaction of the rules of both the Financial Crimes Enforcement Network and the banking supervisory agencies. The estimated burden per form is 60 minutes; the hourly burden does not attempt to allocate that time between agencies when the form is filed in satisfaction of the rules of more than one agency.

will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology, and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

February 7, 2006

(Signed)

William F. Baity

Director, Financial Crimes Enforcement Network

Dated: January 30, 2006

(Signed)

Stuart Feldstein

Assistant Director, Legislative and Regulatory Activities

Division, Office of the Comptroller of the Currency

Dated: February 7, 2006

(Signed)

Deborah Dakin
Senior Deputy Chief Counsel
Regulations and Legislation Division
Office of Thrift Supervision

By the Board of Governors of the Federal Reserve System on February 9, 2006.

(Signed)

Jennifer J. Johnson

Secretary of the Board

By Order of the Board of Directors.

Dated at Washington, DC, this 31st day of January, 2006.

Federal Deposit Insurance Corporation.

(Signed)

Robert E. Feldman

Executive Secretary

By the National Credit Union Administration Board on February 8, 2006.

(Signed)

Mary Rupp

Secretary of the Board