
From: Ayre, Gary [ayreg1@anz.com]
Sent: Tuesday, June 06, 2006 1:00 AM
To: Comments, Regulation
Cc: Galvez, Teresa
Subject: RIN 1506-AA85

In response to your request for feedback:

American Samoa is a US Territory. It has a large transient population, mainly from neighboring Samoa, many of which remit funds home on a regular basis. This is the primary activity of MSB's here, in addition to check cashing.

1. ANZ Amerika Samoa Bank does not bank any MSB's under direction from the board over a year ago.
2. Few MSB's were registered with FINCEN. Those that were, provided varying levels of information regarding their obligations under BSA. We were unable to accurately verify compliance without conducting a compliance audit which was impractical and full of risk as the bank staff are not skilled in such matters.
3. All MSB's were closed with reference to the BSA (about 12 MSB's were closed).
4. We doubt there would be any clarification that could be provided to the banking industry that would satisfy our concerns. Please refer below.
5. Similarly we doubt there could be any guidance provided to the MSB's that would be beneficial.
6. The only steps that could be undertaken to reduce perceived risks presented by MSB's would be to have them regulated and reviewed on a regular basis. This in turn should then remove liability from the banks in the event an illegal transaction is passed through the banking system.
7. There has been a decrease in the provision of banking services to MSB's due to the reasons detailed above.

Unless the legislation is changed to protect banks, there will be no change in policy of this bank. As the law currently stands, regardless of the compliance or otherwise of the MSB, if it is found to be lacking, and transacts a money laundering transaction through a bank, the bank is liable and under BSA, the penalties can be severe. This is a risk that is both unmanageable and unacceptable.

Regards.

Gary Ayre
President & CEO
ANZ Amerika Samoa Bank
Ph 1 -684-633 5053
Fax 1 -684-633 5057
Cell 1 -684-252 1310
email ayreg1@anz.com