
From: Mike Smith [chextop@comcast.net]
Sent: Friday, July 07, 2006 5:22 PM
To: Comments, Regulation
Cc: DLLR
Subject: Attn:Joseph E. Rooney RIN1506-AA85

The following comments solicited by FinCen are in response to section II, "Issues for Comment" 31CFR part 103.

1) Most of the banks that Chextop of America has had ongoing relationships require an outside independent review of our AML policies and procedures since the issuance of the joint guidance in April of 2005. This is in spite of the fact that the REGULATIONS specifically do not require outside independent review because of the financial burden the outside review presents to the typical small business such as ours. In addition, when we tried to open an account with BB&T in SC, we were told unequivocally that they no longer accept new accounts from check cashers because of the regulatory burdens that the federal government was placing on the banks who chose to do business with check cashers.

2) When I told the bank official that I was dealing with that I felt that they were being unfair to require an outside independent review, even though the regulations do not require it, I was told that if I did not get an outside review, that my bank account would be closed immediately. Since the guidelines do not require an outside review, and since the cost of an outside review are almost prohibitive, I would have to say that this is a perfect example of us being willing to provide the information as specified in the guidelines, and the bank refusing to continue our account relationships. Understand that my issue is that we conducted our own IN HOUSE independent review and the bank refused to accept it as such.

3) When BB&T refused to open a new account for us in SC, the BSA and its associated regulations were given as the reason they would not open the account.

4) I think that there a couple of guideline clarifications that the government could issue, specifically to require the banks to accept INTERNAL independent reviews of AML policy and procedures by the small businesses. For the government to allow such reviews, but then have to conduct OUTSIDE reviews for the bank seems a little contradictory, if not disingenuous.

5) The Federal Government should make it illegal to refuse access to banking services by a federally insured bank solely on the grounds that the applicant is an MSB. They should also make it mandatory that the bank is not allowed to go beyond the requirements spelled out in the relevant regulations. (i.e. requiring an outside independent review of AML policy and procedures)

6) I would think that the banks should be protected against liability for AML reviews by their MSB customers that are fraudulent. This has been the main point that has been brought to my attention when I complain about the additional requirements that the bank has placed on me to keep my accounts open.

7) To my anecdotal experience there has been a measurable reduction in the availability of banking services to MSB's since April of 2005.

Thank you for soliciting my company's input. If you need to follow up on any of my comments, feel free to call me at 410-451-3107 during normal work hours.

sincerely,

Michael Smith
General Manager