

June 27, 2002

#16

Financial Crimes Enforcement Network
PO Box 39
Vienna, Virginia 22183

Attention: Section 312 Regulations
Regcomments@fincen.treas.gov

RE: Proposed Regulations under
Section 312 of the USA PATRIOT Act

Ladies and Gentlemen:

Wells Fargo & Company ("Wells Fargo") is writing to provide comments on the Financial Crimes Enforcement Network's (FinCEN) Proposed Rule (the "Proposed Rule") under Section 312 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 (Pub. L. No. 107-556) (the "Act"). 67 Fed. Reg. 37736 (May 30, 2002). Through its subsidiary Wells Fargo Bank, N.A., Wells Fargo is a member of several of the associations¹ that have prepared and filed the joint comment letter (the "Associations Comment Letter") dated and electronically filed on July 1, 2002. Wells Fargo has participated in the preparation of, and fully supports the comments presented in, the Associations Comment Letter, and such letter is incorporated herein in its entirety. Wells Fargo is providing this letter stating its support of the comments set forth therein and requesting that they be considered and reflected as part of the final implementing regulations for Section 312.

Wells Fargo specifically wants to emphasize the importance of a "risk based approach" to the due diligence requirements of Section 312. The breadth (and depth) of the Proposed Rule mandates that covered financial institutions properly allocate their resources and efforts to enable them to have a focused and effective program that will deter and prevent money laundering and terrorist financing. If a risk-based approach is

¹ Among the associations that Wells Fargo is a member are Financial Services Roundtable, American Bankers Association and the New York ClearingHouse, LLC.

not employed, there is the possibility for a less focused, less effective compliance framework.

Wells Fargo strongly concurs with the statements in the comment letter concerning timing for implementing the due diligence requirements of Section 312. The reasons for a phase in of the requirements are very well articulated in the Associations Comment Letter. Wells Fargo wants to emphasize the enormity of the task of implementing effective programs that covered financial institutions face, given the broad definitions of "correspondent account" and "foreign financial institution," particularly with the difficulty of identifying foreign financial institutions given current systems protocol. Allowing covered financial institutions to take a phased in approach focusing on the highest risk areas ultimately will provide a more effective compliance process.

Thank you in advance for your consideration of these comments. If you have any questions concerning these comments or would like additional dialogue, please contact the undersigned at 801-246-5976.

Very truly yours,

WELLS FARGO & COMPANY

Brad D. Hardy,
Senior Counsel

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bcc: Jill Hancock - Legal/San Francisco