

4 Johnson

ATTN: Section 352 – Real estate settlements.

Comments:

A considerable amount of effort by our nation's lawmakers and concerned Americans has led us to this point of enforcement of our various Sanction Laws, USA Patriot Act, and other laws and regulations. United States Treasury Secretary John Snow recently stated (G-7 conference): "... our common unwavering commitment to combating financial crime and terrorist financing as a critical component of the war on terrorism."

Please include all facets/areas of the real estate industry while drafting a very detailed interpretation of our USA Patriot Act. By this I mean name the title company, the real estate broker, (independent) agents, attorneys, escrow agents, appraisers, inspectors, real estate trusts, investment companies, the seller and buyer of course, and other participants. Any one of these (entrenched) participants could be part of a criminal element (i.e. money launderer) or actually on the OFAC listing. It takes a team effort to bring a real estate transaction to conclusion. If an independent agent brings Usama Bin Ladin as a buyer to the title closing, has a crime been committed or is that OK? The money launderers and other sanctioned persons are living among us and have been for a long time. You don't know them until they are found out. The money laundering machine exists until we tear it down and ergo the purpose of the USA Patriot Act. If we as a nation of businesses and individuals cooperate in the effort, we have a very good chance of success. If we allow some areas to go without hindrance or oversight, then guess where the money laundering machine will move to.

The real estate industry plays an important role in our economy. A very, very large volume of money (a huge number of large cash transactions) is processed yearly by this industry. Because of this important role in our economical infrastructure, let us not lessen their responsibility to our national goal of stopping terrorist financing and money laundering by releasing them from honoring any part of our USA Patriot Act and Sanction Laws. Without the power of (enforced) law, most of these newly designated businesses will not stop their current practices. Keep in mind that the real estate industry is specifically called out because of previous and continuing acts of money laundering.

The extra 'burden' of honoring our laws can certainly be taken in stride by anyone with a will to comply. Banks readily comply while the real estate industry resents compliance. Why? USA Patriot Act compliance is certainly an easier burden than our IRS laws. This newly designated industry has participated in illegal transactions for decades and has little or no regard for Sanction law compliance.

Our historic 'financial institutions' (i.e. banks) have an extraordinary amount of oversight from various agencies who appear on-site and specifically check for OFAC procedures including USA Patriot Act enhanced procedures. Most of the newly designated 'financial institutions' now included under the Bank Secrecy Act via the USA

Patriot Act are still running wide open as 'interpretations' of the Act are still delaying hard line enforcement. We are working on two years delay now.

For many years, Update Software Services has provided an update service to banks to display the OFAC Specially Designated Nationals listing in a searchable database format. Updates are provided via email or floppy diskette. When soliciting newly designated financial institutions (i.e. automotive sales, precious metal dealers, pawnbrokers, real estate, insurance, etc.), the business owners/managers tell me that these laws do not affect them. Even if they did, the Treasury would not take any action. After my explanations and direct references to Sanctions Laws, USA Patriot Act, and timely U.S. Treasury 'interpretations', the business owners/managers just outright refuse any responsibility of verifying that their 'customers' do not appear on the OFAC SDN listing.

How about some help from you in providing convincing materials I can use? Sadly, references to our laws are not convincing. Sadly, arguments for patriotism are not convincing. Sadly, knowledge on my part that they have no intention of complying makes no difference. I had a prospect who was offended when I used a moral argument after all other attempts of explanation failed. Sorry, but I believe an informed decision to break our law is a moral issue.

How about some help from me and thousands like me by reporting companies who refuse to comply with the USA Patriot Act. These companies do not want to change the way they do business. They are not afraid of legal prosecution.

By my own personal experience and knowledge, title companies, realty companies and (independent) agents across the country state they have no intention of honoring our USA Patriot Act. Most of these same companies have not even heard of our Sanctions Laws. Tell me again why the USA Patriot Act was passed?

We seem destined to support our domestic terrorists and money launderers in the manner in which they have become accustomed.

Please include a mechanism to receive citizen reports of violators of our USA Patriot Act. You and I are on the same team here. Please don't slow down compliance by playing 'keep away'. Let's form a single line of defense to give our nation's historic money laundering businesses a big push toward compliance and 'patriotism'.

Sincerely,

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