**From:** Edward C. Ferraro
**To:** Comments, Regulation
**Subject:** Attention: CTR Database
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Attention: CTR Database

NOTE: The following opinion is my own and does not reflect the opinion of present or past employers.

For the most part, I do not have any concerns with the collection of the data as proposed for the Unified Currency Transaction Report. Nonetheless, I believe that the existing process in collecting data associated with currency transactions is fundamentally flawed. If I am correct, the intent behind CTRs is to help identify and report potential criminal activity which may be associated with cash transactions. The existing process centers on the cash activity in a given day. However, the most powerful information is the data collected over a period of time and then subjected to proper analysis. In my opinion, the process would be dramatically improved if financial institutions were required to report cash activity over a period of time – a week or a month, similar to the consolidated reporting currently in place for interest earned. Extending the collection/reporting period – along with a commensurate increase in the threshold – would have overall positive effects. Specifically, anyone intent on circumventing the reporting process would find it to be considerably more difficult to structure as the collection/reporting period would be longer; e.g. it is much easier to structure from day to day as apposed to week to week or month to month. Additionally, extending the collection/reporting period would result in fewer CTRs filed by financial institutions and provide more concise data available for review by the IRS and other law enforcement agencies. The result is a dual benefit – (1) improved analytical data available to the IRS and (2) reduced reporting for financial institutions. Furthermore, the potential reduction of structuring opportunities would also have a dramatic improvement in SAR quality as a substantial number of SARs filed deal with structuring. By minimizing the potential for structuring opportunities, there would be a commensurate reduction in defensive filing, and thus provide for the allocation of scarce resources to more relevant analyses of suspicious activities.

The only other point I would like to make is that if there ever was to be a change to the collection/reporting threshold, there also needs to be a direct correlation between that threshold – for CTR/SAR activity – and the threshold used by law enforcement agencies to pursue wrongdoers. Given all of the efforts banks necessary to properly investigate, document, and create the CTRs and SARs, it would be nice to know that our efforts – and associated expenses – are not in vain.

I appreciate you taking time to read this.

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