

November 14, 2011

Financial Crimes Enforcement Network  
Department of the Treasury  
Regulatory Policy and Programs Division  
P.O. Box 39  
Vienna, VA 22183

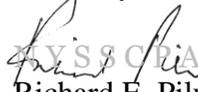
Electronically: <http://www.regcomments@fincen.gov>  
Attention: BSA Required Electronic Filing

**Re: Agency Information Collection Activities; Proposal That Electronic Filing of  
Bank Secrecy Act (BSA) Reports Be Required; Comment Request  
(31 CFR Chapter X)**

The New York State Society of Certified Public Accountants, representing more than 28,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above captioned release.

The NYSSCPA's Anti-Money Laundering and Counter Terrorist Financing Committee deliberated the proposed rule and prepared the attached comments. If you would like additional discussion with us, please contact Sean M. O'Malley, Chair of the Anti-Money Laundering and Counter Terrorist Financing Committee, at (212) 720-5573, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

  
Richard E. Piluso  
President

Attachment

**NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS**

**COMMENTS ON**

**AGENCY INFORMATION COLLECTION ACTIVITIES; PROPOSAL THAT  
ELECTRONIC FILING OF BANK SECRECY ACT (BSA) REPORTS BE  
REQUIRED; COMMENT REQUEST  
(31 CFR CHAPTER X)**

**November 14, 2011**

**Principal Drafters**

**Alan W. Greenfield  
Linda Silvestri  
Michael Shiely (Advisor)**

### **NYSSCPA 2011 – 2012 Board of Directors**

Richard E. Piluso, <i>President</i>	Ian J. Benjamin	Michele M. Levine
Gail M. Kinsella, <i>President-elect</i>	Shari E. Berk	Pei-Cen Lin
Scott M. Adair, <i>Secretary/Treasurer</i>	Robert W. Berliner	Heather Losi
Anthony Cassella <i>Vice President</i>	Sherry L. DelleBovi	Anthony J. Maltese
Neville Grusd, <i>Vice President</i>	Domenick J. Esposito	Barbara A. Marino
J. Michael Kirkland, <i>Vice President</i>	Adrian P. Fitzsimons	Steven M. Morse
Ita M. Rahilly, <i>Vice President</i>	Stephen E. Franciosa	Robert R. Ritz
Joanne S. Barry, <i>ex officio</i>	Jennifer R. George	Michael F. Rosenblatt
	Rosemarie A. Giovinazzo- Barnickel	Erin Scanlon
	Mitchell L. Gusler	Cynthia Scarinci
	Timothy Hedley	John S. Shillingsford
	Douglas L. Hoffman	Robert E. Sohr
	Eric M. Kramer	George I. Victor
	Mark G. Leeds	Jesse J. Wheeler
	Elliot A. Lesser	Margaret A. Wood
		F. Michael Zovistoski

### **NYSSCPA 2011 – 2012 Consulting Services Oversight Committee**

Marc A. Engel, <i>Chair</i>	Martin Leventhal	Jason M. Palmer
Edward G. Donnelly	Sean M. O'Malley	Lee G. Zimet

### **NYSSCPA 2011 – 2012 Anti-Money Laundering and Counter Terrorist Financing Committee**

Sean M. O'Malley, <i>Chair</i>	Alan W. Greenfield	Joseph R. Petrucelli
Michael J. Angerhauser	Audrey Greif	Rona Pocker
Joseph P. Athy	Susan Havranek	Barry L. Pulchin
Christopher M. Bailey	Peter F. Heuzey	Bobbie L. Sheils
S. David Belsky	Richard E. Hurley	Michael Shiely ( <i>Advisor</i> )
Jack M. Carr	Norman V. Jardine	Linda Silvestri
Kevin P. Caulfield	Patricia A. Johnson	Jeffrey Sklar
Steven B. Chatwin	Richard Kando	Sheryl Skolnik
William L. Del Gais	Dennis B. Kremer	Carol Tanjutco
Marc A. Engel	Cynthia L. Krom	Ann Marie Tricarico
Howard M. Gluckman	Nancy Leo	Lydia M. Washington
Robert L. Goecks	Carrie Malachowski	Eva Weiss
Alvin H. Goldman	David Mendelsohn	Jeff Werner ( <i>Advisor</i> )
Peter A. Goldman	Philip J. Musacchio	Robin L. Zone
Wendy Grant Mungroo	John M. Perrone	

### **NYSSCPA Staff**

Ernest J. Markezin  
William R. Lalli

## **New York State Society of Certified Public Accountants**

### **Anti-Money Laundering and Counter Terrorist Financing Committee**

#### **Agency Information Collection Activities; Proposal that Electronic Filing of Bank Secrecy Act (BSA) Reports be Required; Comment Request (31 CFR Chapter X)**

We agree with the Financial Crimes Enforcement Network's ("FinCEN's") proposal to amend and revise the relevant Bank Secrecy Act ("BSA") regulations regarding Electronic Filing of Bank Secrecy Act Reports. We recognize that in this electronic age, there is no reason why these reports should not be filed electronically and that this requirement will help to conserve our nation's natural resources by eliminating the use of paper documents.

FinCEN has invited comments on the following points:

***(a) Whether the collection of information only by electronic means is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility;***

The collection of the data that comes from BSA reports is able to be used most when it has been recorded and stored in an electronic format. The ability to search and sort for key words (or names) between multiple filed reports and the ability to collate multiple reports from different filers that include the same entities or individuals being reported on greatly enhances the value of the data being provided by these reports.

The FinCEN database currently provides law enforcement with leads and clues to potential wrong doing. Electronic filing should reduce the time lag between the time a suspicious activity report ("SAR") or Currency Transaction Report ("CTR") is filed and the time it is disseminated. From a law enforcement perspective, this time lag allows the potential wrong doer time to either continue the suspicious activity or to abscond by the time law enforcement is aware of the suspicious activity.

***(b) The accuracy of the agency's estimate of the burden of the collection of information;***

It is a reasonable assumption that all domestic entities that are subject to the BSA have at a minimum, access to a computer and to the Internet. As long as the agency provides a simple, secure on-line Internet facility for the occasional filer, the burden of collecting this information for the filer should not be impacted and the burden on FinCEN should be reduced greatly.

***(c) Ways to enhance the quality, utility, and clarity of the information to be collected;***

The requirement for electronic filing will reduce the need for a data entry “middle man” between the financial institution filers and law enforcement users of BSA reports. Paper documents are prone to misspellings and other inputting errors by FinCEN personnel who are not associated with the initial filing. FinCEN should consider making the electronic filing system simpler for the filer to review the information that is input so that errors can be spotted before the report is filed. A reduction in errors in spelling and other incorrect information within BSA reports will make it easier for users to trace information from related subjects.

The narrative section of an SAR is one of the most important tools for law enforcement, and is one which is in need of having its information clarified. Ways to accomplish this would be to properly separate paragraphs within the narrative so that the reports can be read in the same fashion they were written by the filer. Also, allowing the filer the ability to add graphs, linked files (such as schedules of suspicious transactions including wire transfers) and other non-text information to this section would give users a better understanding of the suspicious activity listed within the narrative.

***(d) Ways to minimize the burden of the collection of information on respondents (filers), including through the use of automated collection techniques or other forms of information technology;***

The reduced need for administrative personnel to key in paper returns will save the agency resources that can be used in other ways to improve the electronic filing system. At the same time, electronic filing will reduce the number of people with access to the BSA reports. This will serve the purpose of increasing the security of the information.

***(e) The practicality of utilizing external Internet facilities or service providers to occasionally file BSA reports;***

For the occasional filer, an on-line capability should be available. For larger batch filers, FinCEN should consider providing a free batch software solution to assist in making the filings more uniform. In both scenarios, the incremental cost to the filer should be relatively small. The major cost in preparing the BSA filings is in the analysis and preparation of the narrative; not in its actual filing.

***(f) Estimates of capital or start-up costs and costs of operation, maintenance, or purchase of services to provide information by filers that currently do not have Internet access;***

We defer comment on this item.

***(g) The enhanced security of sensitive information and significant cost savings of electronic filing.***

The online portion of this system will be a major target for hackers and other cyber-terrorists. The enhanced security and diligence of FinCEN will be a requirement for this system to be trusted and useful. If compromised, it may be difficult to regain the trust in the system and the quality of data.