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From: David Johnson [djohnson@sdnupdate.com]
Sent: Saturday, February 22, 2003 7:33 PM
To: regcomments@fincen.treas.gov
Cc: reg.comment@do.treas.gov; David Johnson
Subject: ATTN: ANPRM - Sections 352 and 326 - Vehicle Seller Regulations

ATTN: ANPRM - Sections 352 and 326 – Vehicle Seller Regulations.

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."

The vehicular sales industry plays an important role in our economy. A very, very large volume of money (a huge number of 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. Without the power of (enforced) law, most of these newly designated businesses will not stop their current practices. Keep in mind that vehicular sales 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. 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) readily comply with Sanction Laws and USA Patriot Act provisions. Of course these are extra burdens, but dealing with SDN's has become a cost of doing business and is America's right of passage. Our banking institutions have an extraordinary amount of oversight from various agencies that appear on-site at will 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 their businesses wide open as 'interpretations' of the Act delay 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 apply to them. And even if they did, the Treasury would take no action against them. 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 sense of duty to verify their 'customers' do

not appear on the OFAC SDN listing.

My personal experience is running almost 100% of newly designated businesses not currently honoring Sanctions Laws. These same companies state that they have no intention of honoring our USA Patriot Act. These companies do not want to change the way they do business and are not afraid of legal prosecution.

We seem destined to support our domestic terrorists and money launderers in the manner in which they have become accustomed. Tell me again why the USA Patriot Act was passed?

Also, 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 complete national 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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