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**From:** Fernando [fchaidez@envioselcid.com]  
**Sent:** Friday, June 09, 2006 6:21 PM  
**To:** Comments, Regulation  
**Subject:** MSBs on Banking relationships

To FinCEN,

Attached you will find the 7 questions with our answers regarding our relationship as an MSB and Banks. I hope this helps.

Thanks for your concern.

Best Regards,  
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1. **QUESTION:** What requirements have banking institutions imposed on money service businesses to open or maintain account relationships since the issuance of the joint guidance by us and the Federal Banking Agencies in April 2005?

**ANSWER:** From what we have seen in order to maintain an account, the MSB must show that it is registered with FinCEN and make sure they have an AML Compliance program as well. As far as opening an account, we have not been afforded the opportunity, as soon as we mention that we are an MSB, they inform us that they are not working with MSB accounts at this time without further explanation.

2. **QUESTION:** Describe any circumstances under which money service businesses have been willing to provide the information specified in the guidance issued by us to MSBs in April 2005, concerning their obligations under the Bank Secrecy Act and yet have had banking institutions decline to open or continue account relationships for the money service businesses.

**ANSWER:** As we mentioned earlier, once we are identified as an MSB, they (the bank) completely changes their attitude. The frustrating thing is that we have an outstanding AML Compliance program that would be the envy of any MSB, we are registered with FinCEN, our annual independent review was excellent, our licenses for the states in which we operate are all in order, we have letters of recommendations from banks that we currently work with, even with this it seems its not enough.

3. **QUESTION:** Have Bank Secrecy Act-related grounds been cited for why banking institutions have decided not to open, or have decided not to continue to maintain account relationships for MSBs since the issuance of the guidance to money service businesses and to the banking institutions in April 2005?

**ANSWER:** No. Their answers have been more related to their internal policies of not working with MSBs without an explanation.

4. **QUESTION:** Would additional guidance (including if applicable, clarification of existing guidance) to the banking industry regarding the opening and maintenance of accounts for MSBs within the Bank Secrecy Act regulatory framework be beneficial? If so, what specifically should be addressed?

**ANSWER:** One important thing that banks need to understand is that not all MSBs are the same, there are some that do not abide by the rules and regulations regarding the prevention of money laundering and maximize the risk, and they should be shut down. On the other hand there are MSBs that not only abide and respect all rules and regulations that pertain to the prevention of money laundering. They should be given the opportunity to offer their valuable service to the community.

5. **QUESTION:** Would additional guidance (including clarification of existing guidance) to money service businesses regarding their responsibilities under the bank

secrecy act as it pertains to obtaining banking services be beneficial? If so, what specifically should such guidance address?

**ANSWER:** Smaller MSBs (Mom & Pop shops) require a great deal of guidance and clarification with regards to the Bank Secrecy Act and their responsibilities as MSBs. For the most part larger MSBs have the knowledge and know what the responsibilities are, the question is are they giving BSA Compliance the priority that it deserves.

6. **QUESTION:** Are there steps that could be taken with regards to regulation and oversight under the Bank Secrecy Act that could operate to reduce perceived risks presented by money service businesses?

**ANSWER:** Most banks are under the understanding that MSBs are not as regulated, therefore are considered "high risk" which is totally false, MSBs must abide by the Bank Secrecy Act just like any financial institution. Banks should also be aware that MSBs must also be fully compliant with the U.S. Patriot Act and its requirements such as having a written AML program, designation of a Compliance Officer, Training for appropriate personnel and must have their AML programs tested by having independent audits.

7. **QUESTION:** Since the March 2005, hearing and the issuance of guidance in April 2005, to banks and to money service businesses, has there been an overall increase or decrease in the provision of banking services to money service businesses? Please offer any thoughts as to why this has occurred.

**ANSWER:** Definitely a decrease in provision of banking services to MSBs. It almost seems like most banks are determined to put ALL Money Service Businesses out of business. As previously mentioned we agree that there are certain MSBs that show a complete disregard to AML rules and regulations and they should be put out of business, however there are legitimate MSBs that take great pride in going the extra mile with their Anti Money Laundering compliance programs and are providing a valuable service to the community, they should be afforded the opportunity to continue. A bank should evaluate an MSB on an individual basis by performing a risk analysis based on their individual AML compliance program and not generalize simply because they are an MSB.