



April 10, 2003

Financial Crimes Enforcement Network
U.S. Department of the Treasury
Washington, DC

ATTN: ANPRM – Section 352 – Travel Agency Regulations

To Whom It May Concern:

AAA welcomes the opportunity to provide comments in response to the advance notice of proposed rulemaking with respect to anti-money laundering programs for travel agencies. We appreciate the fact that Treasury has taken additional time to study the travel agency business before determining whether, or to what extent, new anti-money laundering rules should apply to this industry.

AAA is the largest leisure travel organization in North America with more than 1,100 offices in the United States and Canada staffed by more than 11,000 travel professionals. We are a major provider of travel services. As a federation, AAA travel agencies are comprised of primarily small-to-medium sized businesses that provide services to our 46 million members. We provide travel services via our branch office locations, telephone centers and on the Internet. We operate in communities across the country and in Canada.

As is noted in the ANPR, there is an existing obligation for travel agencies to report the receipt of cash or monetary instruments in excess of \$10,000. IRS Form 8300 must be filed whether the cash or monetary instruments are received in one transaction or a series of related transactions. This existing requirement is an important tool in the effort to combat money laundering.

Most AAA travel agencies also sell travelers checks. This aspect of the business is already subject to the enhanced anti-money laundering requirements of the Patriot Act and provides additional safeguards.

In addition to these federal requirements, the Association has internal policies and procedures that must be met. These policies require that all agents must participate in ongoing training programs and be familiar with all federal financial reporting requirements. All AAA clubs are required to annually have an independent audit of their financial statements. Beyond these policies and procedures, some clubs have additional anti-fraud protections in place, such as internal audit teams that regularly query agency databases to detect suspicious patterns or trends.

We believe compliance with existing federal regulations, in combination with the Association's internal policies and procedures, provide a strong base for AAA clubs to recognize and combat money laundering.

The goals of preventing, detecting and prosecuting money laundering and the financing of terrorism are worthy. The key is to identify and put in place appropriate protections without unnecessarily burdening legitimate businesses whose purpose is to serve the public.

While travel is a high demand, high transaction industry, it is also one of slim operating budgets and low profit margins. Additional regulatory burdens imposed on travel agencies further reduce their ability to compete successfully in an already struggling industry.

AAA encourages Treasury to consider compliance with existing regulations--combined with stepped up educational and training efforts--as an appropriate means to combat money laundering through the travel agency industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen F. Marvaso". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kathleen F. Marvaso
Managing Director
Government Relations