
From: Bill Mosby (PBLITHONIA) [billmosby@personsbankingco.com]
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To: Comments, Regulation
Subject: Attention: PRA Comments--CTR Form

Financial Crimes Enforcement Network—FinCEN Form 104—Currency Transaction Report

Attention: PRA Comments—CTR Form

- (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility.
- (d) Ways to minimize the burden of the collection.

I am a compliance officer of a small community bank. Our resources are limited and the burden of these forms, which we must prepare manually, is tremendous. The form has obvious utility, but this utility must be balanced against the reporting burden.

On the one hand, the utility of the information in this age of increased fraud, and global terrorism has undoubtedly increased. More capable computers and data mining techniques have also increased the utility of the data. Banks want to support, and do support, these efforts. But, on the other hand, the utility of the report has declined because the reporting requirements are well known, and easily circumvented by customers who wish to do so! This makes the increasing reporting burden even less justifiable. The vast majority of these reports are the ordinary transactions of ordinary people. Other reports, such as Suspicious Activity Reports, have far more utility and should be emphasized more than CTR's which were created long ago to address the needs of a simpler time.

The overall burden of submitting the reports (plural) has vastly increased. This increase has occurred because the \$10,000 reporting threshold has never been indexed to inflation. The result is that the volume of such reports has constantly increased and become more burdensome, and will continue to constantly increase and become even more burdensome unless the reporting threshold is increased and indexed to inflation. If the threshold had been indexed, it would be over \$20,000 at present! Put another way, the initial reporting threshold would have been around \$5,000.

There must be a balance between utility and burden. The needs of law enforcement for data must be balanced with the ever-increasing burden. Congress and the agencies must impose this balance. If we continue as we are now, without indexing, inflation will, in effect, lower the reporting threshold every year, and dictate that more and more and more cash transactions will have to be reported. Other data, more easily collected data, has more utility. While the law enforcement utility of this report does exist, the longer we keep the \$10,000 threshold, the more the reporting will impact the ordinary transactions of honest citizens (which it already does), and the more intrusive such reports will become on citizens, and more burdensome on banks.

The reporting threshold should be changed to \$20,000 and indexed to inflation annually.

W. R. Mosby, CRCM
Bank Secrecy Act Compliance Officer
Peoples Bank, Lithonia, Georgia
P O Box 438
Lithonia, GA 30058

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