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Public Comments on Financial Crimes Enforcement Network; Provision of Banking Services to Money Services Businesses:=====

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General Comment:
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The comments below represent Placid Express' overall concerns regarding obtaining banking services:

- 1) Since the issuance of the joint guidance in April 2005, we did not notice any changes in the environment in regards to obtaining banking services. During that time, we have applied for accounts with a number of banks. Excepting one of these banks, neither of the others was interested in providing banking services to our company. As a matter of fact, the others did not even perform the minimum risk assessment as outlined in the guidance on our company. In our experience prior and after the guidance issued, the fact remains the same: banks do not want to maintain money transmitters' accounts.
- 2) We were and are always willing to provide any necessary documents as requested by the banks necessary to open accounts. At times, we have even proactively provided the documents with no positive results. It seems that banks have ignored the guidance completely.
- 3) In most letters of discountinuanance of maintaining accounts, banks have cited the overburden imposed on them by regulators to maintain accounts of money service businesses.
- 4) I strongly believe the banks are aware of their responsibilities in regards to BSA and Anti-Money Laundering regulations and this includes their responsibilities maintaining accounts of money service businesses. The main concern that I believe the banks have are A) cost and burden of maintaining 'high risk' accounts as termed by their regulators, B) fear of reputation effects and prosecution for activities related to their account holders and C) general view of the money transmission industry as something of 'high concern'. Also, I believe the banks find it difficult to distinguish between LICENSED and UNLICENSED money transmitters despite the presentment of proof of licensing. It is important that the difference between licensed and unlicensed money service businesses be clarified and equally important is clarifying who is ultimately responsible for BSA violations. In the event of a bank properly conducting enhanced due diligence on MSB accounts, they should not held responsible for negative activities conducted through their account holders.

5) We are completely aware of current responsibilities imposed on our business and on the industry as a whole. However, we are open to any additional guidance and we encourage such guidance to the full extent.

6) It is very important that banks can refer to a single point of reference such as the Bank Secrecy Act to determine under which situations and conditions a money service business is considered a 'risk'.

7) Since the issuance of guidance, we experienced further closure of existing bank accounts. In one instance, the specific guidance was noted as a reason for closing our accounts while at the same time not provided us any opportunity to present them our direction and policies and procedures on compliance.

Additionally, I feel it is important to note that New York State Banking Department (<http://www.banking.state.ny.us/sp051017/frame.htm>) held a seminar on this issue last year. While many banks and MSBs attended, this very powerful seminar failed to cause any overall change in the environment as of today.

Regards,

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