



tharbin@fidelityexpress.com on 10/20/2003 09:54:17 AM

To: 210comments@fms.treas.gov  
cc:  
Subject: money order conversion

As a concerned member of the Regional Money Business Services Association we want to object to the proposed conversion of money orders to electronic transactions for the two very important reasons stated in the attached document

[ PATRIOT ACT and fraud] without the ability to review the paid original document Money Order Companies are helpless to monitor these two extremely important issues. The National security and the economic viability of an entire industry must supersede the convenience of converting these documents to electronic funds or Image Replacement Documents. The Originating Depository Financial Institution can not legally accept the liability for the money order company to monitor its documents for the PATRIOT ACT- so it is difficult to understand how the proposed changes could be implemented without compromising existing legislation.

Sincerely,

Terry Harbin  
Compliance Officer  
Part 210 Oct 2003 RMSBA.doc)

(See attached file: Usdt\_RFC 31 CFR



- Usdt\_RFC 31 CFR Part 210 Oct 2003 RMSBA.doc

## **Regional Money Services Businesses Association**

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**DATE:** October 17, 2003

**TO:** Stephen M. Vajs  
Director  
Risk Management Division  
Financial Management Service  
US Department of the Treasury  
Room 423  
401 14<sup>th</sup> Street SW  
Washington DC 20227

**FROM:** Board of Directors, Regional Money Services Businesses Association

**SUBJECT:** Comment on Proposed Amendments to 31 CFR Part 210

The Regional Money Services Businesses Association is comprised of money services organizations that are regulated by state and federal agencies. Member companies issue approximately 60 million money orders annually to consumers located around the United States.

We oppose the amendment that would permit government agencies to convert money orders to ACH debit entries for the following reasons:

- The USA Patriot Act places responsibility on issuers/payors and processors, payable through banks, of money orders to inspect for possible patterns of money laundering activity. A primary method for detecting money laundering is accomplished by inspecting endorsements on copy images of paid items. The conversion of money orders to ACH debits denies issuers/payors and processors their obligation to review these payments for money laundering activity.
- To establish that a money order has been altered, e.g., amount raised, forged endorsement, or forged payee it is necessary to view the original money order. Our money order companies incur significant expense embedding security features in the money order documents in order to protect themselves and the consumers that purchase their items. The value of the security features is diminished when replacement documents are produced.

We appreciate the opportunity to comment on the proposed amendments to 31 CFR Part 210.

Roger Raina  
Executive Secretary