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October 17, 2003

Stephen M. Vajs
Director, Risk Management Division
Financial Management Service
U.S. Department of the Treasury
Room 423
401 14th Street, SW
Washington, DC 20227

Re: Comments of proposed amendments to 31 CFR Part 210

Dear Mr. Vajs:

Merchants Express Money Order Company is the fourth largest money order company in the US and we are marketing our money order products in 32 states. We oppose the amendment that would permit government agencies to convert money orders to ACH debit entries for the following reasons:

- Our customers routinely require copies of paid items to resolve disputed payments. By converting the item the consumer would be denied prompt access to a copy of the item and would be unable to provide proof of payment in a timely fashion.
- In order to comply with the USA Patriot Act, we routinely examine large volumes of paid money orders to detect money laundering, and would be unable to perform these functions if images of paid items were not immediately available at our clearing bank.
- In order to determine whether a money order has been altered in any way i.e. changed amount, duplicated, forged endorsement, etc., we examine original documents as well as provide them to various law enforcement agencies. Additionally, we have added both covert and overt security features to our documents to prevent alterations which would not have any value if replacement documents were produced.
- Unlike checking accounts, the individual who purchases a money order does not have the authority to consent to the conversion of the money order to an ACH Debit. As the issuer/drawer only the money order company can authorize such a conversion.

We feel that the proposed amendments could result in a serious financial and market place problem for the industry that will ultimately impact the citizens that purchase money orders.

Thank you for the opportunity to comment on the proposed amendments to 31 CFR Part 210.

Sincerely,

Kenneth Augustine
Research and Development Director