



Financial Crimes Enforcement Network

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FinCEN Director James H. Freis, Jr. Hosts BSAAG Plenary *Pledges Commitment to BSA Effectiveness and Efficiency*

VIENNA, Va. – James H. Freis, Jr., Director of the Financial Crimes Enforcement Network, hosted the 27th plenary of the Bank Secrecy Act Advisory Group (BSAAG) on Wednesday. At the meeting, his first since becoming FinCEN's Director in April, Director Freis pledged to work closely with all BSAAG members to ensure that the Bank Secrecy Act (BSA) is being administered in the most effective and efficient way. The BSAAG is comprised of high-level representatives from financial institutions, federal law enforcement agencies, regulatory authorities, and others from the private and public sectors.

“The Bank Secrecy Act Advisory Group is a model of public-private sector partnership in which its participants can engage in open dialogue about the issues facing them related to the protection of the U.S. financial system from money laundering, terrorist financing, and other abuse,” said Director Freis. “The plenary gathering is extremely important, but also the year-round work of the subcommittees is especially valuable to helping us serve the purposes of the Bank Secrecy Act. I hope to contribute a fresh perspective as I learn about their hard work.”

The BSAAG, which holds plenary meetings twice each year in Washington, D.C., serves as the principal forum in which issues relating to the administration of the BSA are discussed. The Director of FinCEN, who chairs the BSAAG, is responsible for ensuring that relevant issues are placed before the group for review, analysis, and discussion so that it may make policy recommendations to the Secretary of the Treasury.

All of the federal banking agencies are represented on the BSAAG. According to Federal Reserve Board Governor Randall S. Kroszner, “the BSAAG is a key forum for gathering various perspectives on the implementation and value of the BSA. I appreciate the commitment of Director Freis to the effective and efficient administration of the BSA and look forward to our agencies' close coordination in this critical area.”

Several financial industry trade groups are also represented. “The BSAAG provides us with direct access to FinCEN, federal regulators and law enforcement officials so that we can bring issues of concern to the table and get immediate and frank feedback,” said Robert G. Rowe, Regulatory Counsel for the Independent Community Bankers Association. “This regular access to senior officials is invaluable to our members’ compliance efforts.”

David Landsman, Executive Director of the National Money Transmitters Association noted, “The NMTA appreciates all of FinCEN’s efforts to balance the needs of the industry with the goals of law enforcement and the values of a free society. The BSAAG is one more demonstration of FinCEN’s commitment to keeping implementation of the BSA practical.”

According to Karen Spangenberg, Chief of the FBI’s Financial Crimes Section, “A top priority of the FBI is to disrupt criminal and terrorist organizations that attempt to take advantage of the U.S. financial system to fund their enterprises and activities. The BSA Advisory Group is a key component in achieving this goal, allowing the public and private sectors to facilitate policy discussions, cooperate, and share information to strengthen anti-money laundering programs and enforcement in the financial sector.”

On Wednesday, Director Freis also announced the release of the latest issue of *The SAR Activity Review - Trends, Tips & Issues*, a publication issued under the auspices of the BSAAG that aims to provide meaningful information about the preparation, use, and value of Suspicious Activity Reports (SARs) filed by financial institutions.

“It is important that we share with our information providers the value of their BSA contributions by delivering analytical reports and products not only to law enforcement and the regulators, but also to the financial industry for their own risk profile assessments,” said Director Freis.

About the Bank Secrecy Act Advisory Group (BSAAG)

Congress directed the Secretary of the Treasury in 1992 to establish the BSAAG consisting of representatives from Federal regulatory and law enforcement agencies, financial institutions, and trade groups in order to actively solicit advice on the administration of the BSA. Since 1994, the BSAAG has served as a forum for industry, regulators, and law enforcement to communicate about how Suspicious Activity Reports (SARs), Currency Transaction Reports (CTRs), and other BSA reports are used by law enforcement and how the record keeping and reporting requirements can be improved to enhance their utility while minimizing costs to financial institutions. After announcing openings in the Federal Register, the BSAAG has recently filled vacancies and reached its full complement of members.

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