

**Amarillo National Bank  
Amarillo, Texas 79105  
August 3, 2006**

**Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551**

**[regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)**

**Attention: Docket No. R-1258**

**Dear Ms. Johnson:**

**Amarillo National Bank, a \$1.9 billion asset community bank located in the Texas Panhandle, thanks the agencies for allowing comments on the proposed rule to lower the threshold when collecting and retaining information on funds transfers and transmittals. You request comments to assess whether the potential benefit to law enforcement of a lower threshold outweighs the potential burden to financial institutions. Briefly, we believe the potential effect of lowering the threshold or eliminating the threshold altogether as a means of combating terrorism, money laundering, and other illicit activity and protecting the U.S. financial system from these threats would not stop criminal activity of this sort. It will simply make it more expensive.**

**You requested responses to the following questions to gather information on our practices and procedures to measure the compliance burden of lowering the threshold.**

- 1) What portion of funds transfers or transmittals of funds as an originator or transmitter involves amounts for the categories of less than \$3,000, less than \$2,000 and less than \$1,000?**

**We have combined numbers of wires as originator or on behalf of other banks and originate or receive about 275 wires daily.**

- Of that 4% or 11 involve amounts of less than \$3,000 to \$2,000**
- 5.5% or 15 involve amounts of less than \$2,000 to \$1,000**
- 14% or 38 involve amounts of \$1,000 or less**

- 2) What portion of funds transfers using categories in question #1 are processed for “established customers” for both transmitters and beneficiaries?
  - Essentially all of these wires are originated on behalf of an established customer or an established customer is the beneficiary
  - Less than 1% or less than 1 per day represents either an originator or beneficiary in cases where the identity fails to qualify as an established customer.
  
- 3) Do the recordkeeping practices for funds transfers involving amounts below the current threshold of \$3,000 differ from amounts above the threshold? Describe any differences.
  - We require the same identifying information for all wires regardless of amount
  
- 4) Does the information included for funds transfers involving amounts below the current threshold of \$3,000 differ from the information from amounts above the threshold? Describe any differences.
  - We transmit the same information for all wires regardless of amount
  
- 5) How would reducing or eliminating the threshold affect the price and type of funds transfer services? Explain at which point lowering the threshold would substantially impact the price and type of services provided.
  - At this point reducing or eliminating the threshold would not affect the price or type of funds transfer
  - Amarillo National Bank keeps a simple price structure for wires that is not tiered
  
- 6) How would reducing or eliminating the threshold affect the cost and efficiency of payment operations? Explain at which point lowering the threshold would substantially impact the cost and efficiency of payment operations.
  - We have not identified increased costs or loss of current efficiency beyond what we currently experience

We noted in question #2 that few if any of the wires are on behalf of those who are not “established customers”. Our current Customer Identification Program would provide essentially all the information about the originator or beneficiary. It does not need to be duplicated by adding more recordkeeping requirements.

**We also fail to see the logic in reducing the threshold to combat terrorism, money laundering or other illicit activity. Criminals are very adaptable as you mentioned. If the thresholds are lowered or eliminated, they will merely find alternatives to fund criminal activity and launder money. The alternatives may not lend themselves to the current level of reporting required by the Bank Secrecy Act. It is simply a question of cost – financing criminal activity just becomes more expensive but less accessible to reporting.**

**Other measures currently required of banks are better resources for law enforcement to have access to information and assist the investigation without the knowledge of the criminal. These are suspicious activity reports and 314(a) searches. The bank has in place an effective anti-money laundering monitoring system that identifies suspicious activity at thresholds below \$3,000. To date, our monitoring has not identified suspicious activity in wires below \$3,000. The one suspicious wire transmittal involved an amount over \$5,000. Our wires in amounts of \$3,000 and below are legal transactions of law-abiding people. The mass gathering of data you suggest appears to be a shotgun approach with little selectivity. Focused requests for information and selective use of investigative processes make better sense.**

**Thank you for allowing this opportunity to express our comments on this issue.**

**Sincerely,**

**Chris Newell  
Compliance Officer**