

Illinois Credit Union League

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May 20, 2004

VIA Electronic Mail

ATTN: Ms. Janice Pesyna,
Office of General Counsel
Department of Homeland Security
Washington, D.C. 20528

e-mail: cii.regcomments@DHS.gov

Re: RIN 1601-AA14; Procedures for Handling Critical Infrastructure Information

We are pleased to respond on behalf of our member credit unions to the Request for Comment on the Interim Rule concerning the Procedures for Handling Critical Infrastructure Information. The Illinois Credit Union League represents over 400 federal and state chartered credit unions.

Credit unions are currently required by the Department of the Treasury's Office of Foreign Asset Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN) to monitor member financial transactions performed at or through the credit union. OFAC requires that membership lists are verified periodically to determine that the member does not appear on the list. In the event that a match occurs, the credit union is obligated to share the member's specific information with the office, in addition to freezing the assets in the account. FinCEN requires credit unions to monitor member transactions for suspicious activity, such as money laundering, computer intrusion, etc.. In the event suspicious activity is determined, and certain dollar amount thresholds are met, a Suspicious Activity Report (SAR) is filed by the credit union to alert FinCEN to the suspicious activity.

Having stated the above fact, our concern focuses on §29.5(a)(4)(iii) of the Interim Rule and the issue of indirect submission. In the event an SAR is required to be filed with FinCEN or a credit union discovers a match between a member and a name on the OFAC list, therefore requiring notice to the office, how will protection under the CII Act of 2002 be administered? The clarification that would be beneficial to all financial institutions is for example, whether it would be appropriate for a credit union to forward an SAR to FinCEN, the designated agency, along with a statement to forward on to the Department of Homeland Security? Would the credit union be fully protected or would the credit

union now have to forward an SAR to both FinCEN and the Department of Homeland Security to be fully protected under the CII Act of 2002? Credit unions, and all financial institutions, currently play a significant role in tracking asset information critical to homeland security. We would like to ensure on their behalf that complete clarification is made concerning their protection when disclosing critical information among varying government agencies.

We thank you for the opportunity to comment on the Interim Rule concerning Critical Infrastructure Information, and the handling procedures of the aforementioned information. Please contact me at 800-942-7124 ext.4263 with any questions concerning the above comments.

Very truly yours,

ILLINOIS CREDIT UNION LEAGUE

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