



FEDERAL RESERVE BANK OF DALLAS

2200 N. PEARL ST.
DALLAS, TX 75201-2272

February 26, 2003

Notice 03-13

TO: The Chief Executive Officer of each
financial institution and others concerned
in the Eleventh Federal Reserve District

SUBJECT

U. S. Treasury Reinstates USA PATRIOT Act Section 314(a) Information Requests

DETAILS

On November 26, 2002, the Treasury Department announced a brief moratorium on information requests related to Section 314(a) of the USA PATRIOT Act. Section 314(a) authorizes law enforcement authorities to communicate with banking organizations and financial institutions about suspected money launderers and terrorists.

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) developed an electronic system to implement Section 314(a). FinCEN sent out its first request over the electronic network on November 4, 2002. Due to problems associated with the mass distribution of information requests, the moratorium was put in place for all new and existing requests until certain logistical issues were addressed and additional guidance could be developed.

On February 6, 2003, FinCEN issued a press release advising financial institutions that 314(a) information requests would be reinstated during the week of February 17, 2003.

ATTACHMENT

A copy of the Board's SR Letter 03-3 dated February 10, 2003, which outlines significant changes to the 314(a) process, is attached.

MORE INFORMATION

For more information, please contact Tom Atkins, Banking Supervision Department, (214) 922-5101. Paper copies of this notice or previous Federal Reserve Bank notices can be printed from our web site at <http://www.dallasfed.org/banking/notices/index.html>.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

DIVISION OF BANKING
SUPERVISION AND REGULATION

SR 03-3
February 10, 2003

**TO THE OFFICER IN CHARGE OF SUPERVISION AND APPROPRIATE SUPERVISORY AND EXAMINATION
STAFF AT EACH FEDERAL RESERVE BANK AND TO EACH DOMESTIC AND FOREIGN BANKING
ORGANIZATION SUPERVISED BY THE FEDERAL RESERVE**

SUBJECT: U. S. Treasury to Reinstate USA PATRIOT Act Section 314(a) Information Requests

On November 26, 2002, the Treasury Department announced a brief moratorium on information requests related to Section 314(a) of the USA PATRIOT Act. Section 314(a) authorizes law enforcement authorities to communicate with banking organizations and financial institutions about suspected money launderers and terrorists.

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) developed an electronic system to implement Section 314(a). FinCEN sent out its first request over the electronic network on November 4, 2002. Due to problems associated with the mass distribution of information requests, the moratorium was put in place for all new and existing requests until certain logistical issues were addressed and additional guidance could be developed.

On February 6, 2003, FinCEN issued a press release advising financial institutions that 314(a) information requests would be reinstated during the week of February 17, 2003. Significant changes to the 314(a) process include:

- 314(a) requests from FinCEN will be batched and issued every two weeks, unless otherwise indicated in the request.
- After receipt of a 314(a) request, financial institutions will have two weeks to complete their searches and respond with any matches.
- Searches will be limited to specific records and, unless otherwise noted, will be a one-time search.
- If a financial institution identifies a match for a named subject, the institution need only respond to FinCEN that it has a match and provide contact information for the requesting law enforcement agency to follow-up directly with the institution.

FinCEN also issued general instructions, which will be provided with each 314(a) request, and Frequently Asked Questions (FAQs) concerning the revised 314(a) request process. FinCEN's Press Release, Instructions and FAQs can be found on its website at www.fincen.gov. The announcement and reporting instructions are attached.¹

In order to ensure the most effective distribution of information requests about matters related to money laundering and terrorist funding activities, banking organizations are requested to assure that FinCEN has the most complete and up-to-date contact information possible. The FAQs list the points of contact that can be used by banking organizations to provide new or updated information.

Reserve Banks are asked to send a copy of this SR letter to the domestic and foreign banking organizations supervised by the Federal Reserve in their districts and to appropriate supervisory staff. Any questions with respect to this letter should be directed to Pamela J. Johnson, Senior Anti-Money Laundering Coordinator, at (202) 728-5829, or Laurie A. Bender, Senior Special Anti-Money Laundering Examiner, at (202) 452-3794.

Richard Spillenkothen
Director

Note:

1. The press release link is http://www.fincen.gov/314a_pressrelease02062003.pdf