



OCC ADVISORY LETTER

Comptroller of the Currency
Administrator of National Banks

Subject: U.S. Department of Treasury
FinCEN Patriot Act Communication System (PACS)

To: Chief Executive Officers and Compliance Officers of National Banks and Federal Branches, Department and Division Heads, and Examining Personnel

This advisory letter transmits a U.S. Department of Treasury, Financial Crimes Enforcement Network (FinCEN) news release, dated October 1, 2002. The attached news release announces FinCEN's new electronic communications system, the Patriot Act Communication System (PACS). PACS allows participating financial institutions to file Currency Transaction Reports and Suspicious Activity Reports quickly and securely over the Internet. To participate, financial institutions must receive a digital certificate from a government-approved certificate authority. Information regarding PACS and how to participate can be found on the FinCEN Web site at <http://www.treas.gov/fincen>.

If you have any questions, please contact your supervisory office or the Compliance Division at (202) 874-4428.

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Deputy Comptroller for Compliance

Attachment: go to
[<http://www.treas.gov/fincen/newsreleasepacs10012002.pdf>]

U.S. Department of the Treasury
Financial Crimes Enforcement Network

FinCENnews



FinCEN's web site is located at: <http://www.fincen.gov>

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Contact FinCEN at (703)

FinCEN Expands E-Filing System Financial Institutions begin filing BSA reports over Secure Internet

The Financial Crimes Enforcement Network (FinCEN) announced today that it has officially launched the Patriot Act Communications System (PACS). PACS is designed to allow participating financial institutions to quickly and securely file Bank Secrecy Act (BSA) reports over the Internet. Phase one of the system will allow for the filing of the bank Suspicious Activity Report (Form TD F 90-22.47 or "SAR") and the Currency Transaction Report (Form 4789 or "CTR").

The electronic filing of BSA reports will expedite the reporting process and, thus, make the information available to law enforcement more rapidly. It is also designed to reduce a financial institution's costs in complying with the filing of BSA reports. More than 13 million BSA reports are filed with FinCEN each year through the IRS Detroit Computing Center, which processes the reports for FinCEN. Prior to the development of PACS, financial institutions could file their reports either on magnetic tape or on paper. Financial institutions are not mandated to use PACS, however the system provides a third option -- electronic filing.

Financial institutions wishing to participate in PACS will be able to access the system only after their specially designated personnel have applied for and received a digital certificate from a Government-approved certificate authority. Information regarding PACS and how to apply to be a user can be found on the FinCEN website at www.fincen.gov.

"The deployment of PACS is a win-win for financial institutions and government," said James F. Sloan, Director of FinCEN. "Financial institutions will realize cost savings through elimination of magnetic tape handling, routing paper forms for approval and shipping costs. PACS will also save the government considerable taxpayer dollars in processing costs associated with paper and magnetic filing and will allow for BSA information to be processed and made available to law enforcement investigators on an expedited basis."

A pilot program involving 26 financial institutions, ranging from large national banks to small credit unions, tested the system over a two-month period this summer. FinCEN has spent the last two months implementing enhancements suggested by the pilot participants and allowing them time to make last minute business process changes required for full participation in PACS.

FinCEN is working with a competitively selected team of contractors comprised of TRW Inc., Deloitte Consulting, and Deloitte & Touche to develop its e-filing system.

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