



July 8, 2002

378 Bel Marin Keys Boulevard
Novato, California 94949

Chief of Records
DEPARTMENT OF THE TREASURY
1500 Pennsylvania Ave, NW
Washington, DC 20220

ATTN: Request for Comments, OFAC

To Whom It May Concern:

This comment letter is to address proposed changes to the OFAC regulation regarding public disclosure of civil money penalties/settlements. Our institution has assets of nearly \$500 million and is located in an area just north of San Francisco. As a community bank we primarily serve small businesses and consumers who live or work in the area. Success has been achieved through reputation and "legendary" service. We pride ourselves on knowing our customers and creating long term relationships with each.

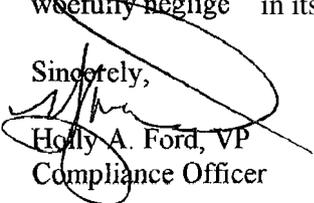
Public disclosure of proceedings that resulted in civil money penalties or settlements will cause irreparable harm to an institution's reputation and does not take into account the circumstances involved or the due diligence performed prior to the violation/sanction. The current regulation provides no safe harbor for errors and omissions even with proper due diligence nor does it give specific guidance on the steps to prevent it from happening.

The source lists provided to comply with this regulation are user unfriendly, burdensome and incomplete. For instance, the name "Gonzales" in the Hispanic world is like "Smith" in the Anglo-Saxon world. Different cultures re-order their surnames from generation to generation. Aliases are used on a regular basis with false supporting documentation. More than not, there is very little if any additional identifying information (ie: SSN, BD, BP, current address, etc) on the list to compare against data files within the institution. How can an institution be held up to negative public scrutiny with such limited sources available to comply with such a vague set of rules? Bankers are not trained in investigatory practice to the extent this regulation implies.

Until the regulation provides more specific and complete information for institutions to review and specifies safe harbor provisions for due diligence, it seems unreasonable to subject financial institutions to yet another public condemnation for something that may have been out of their control due to a lack of intelligence provided by the very agency that would be deciding the outcome.

We strongly oppose disclosure of such information unless it is proven that the institution was ~~usefully neglig~~ in its due diligence practices for OFAC.

Sincerely,



Holly A. Ford, VP
Compliance Officer