



August 28, 2006

Mary F. Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314

RE: Comments on Notice of Proposed Rulemaking - Suspicious Activity Reports

Dear Ms. Rupp:

Thank you for the opportunity to comment on the above-referenced proposed rulemaking concerning the requirements for reporting and filing a Suspicious Activity Report (SAR).

Generally, Kinecta Federal Credit Union supports the proposed modifications, which would increase clarity and consistency in NCUA's SAR regulations. In our opinion, however, further clarification is needed as to the following requirements:

- 1) *Prompt* notification of the board of directors (or appropriate committee) of any SAR filed.

The proposed rule failed to define what would constitute *prompt* notification of the board. In addition, there is no guidance as to what type of SAR information would have to be provided to the directors. Therefore, we urge the Agency to provide further direction on how to comply with this requirement and suggest the addition of a provision clarifying that "the furnishing of a periodic aggregate reporting of filed SARs to the board of directors (or appropriate committee)" would suffice.

- 2) Immediate notification of an appropriate law enforcement authority and its *supervisory authority*, in addition to filing a SAR, in *situations involving violations requiring immediate attention*, such as ongoing money laundering schemes.

We would appreciate obtaining further guidance as to what type of *situations involving violations requiring immediate attention* would trigger this additional notification requirement.

Again, we appreciate the opportunity to comment on this important proposed rule. If you have any questions or concerns, please feel free to contact me at (310) 643-2088.

Sincerely,

Fabiana Burkett  
Contracts and Compliance Manager