

## Patriot Act Kicks In When Businesses Open New Accounts

By Tracy Richmond, COCARD

**HAS YOUR BUSINESS RECENTLY** opened a new account with a financial institution? Have you applied for a new loan or opened a new merchant account? If so, you were asked some prying questions that may have made you uncomfortable. Believe it or not, this was thanks to the Patriot Act that was signed into law in October 2001 and renewed this year.

The anti-money-laundering provisions of the Patriot Act have placed the onus on banks to verify the identity of any person seeking to open an account. This information includes but is not limited to: name, date of birth, address and identification number. (For U.S. citizens the latter is your social security number.)

### What is covered under the rule?

Section 326 of the Patriot Act applies to those accounts, both consumer and commercial, in which a formal banking relationship has been established. Infrequent transactions, such as an occasional wire transfer, are not considered accounts under the Patriot Act.

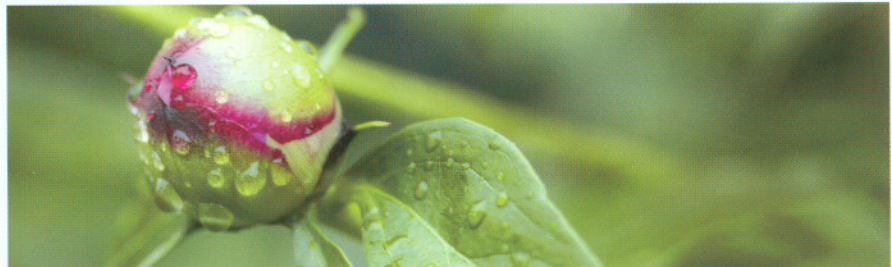
The financial institution must also determine if the account holder appears on any lists of known or suspected terrorists or terrorist organizations. These lists are provided to banks, savings associations, credit unions, brokerages and mutual fund companies by the government.

The level of scrutiny depends on the nature of the transactions and the amount of money being processed through those accounts. If you want to open a merchant processing account to process millions of dollars, you'll undoubtedly be asked for more than your social security number. If you are opening a consumer savings account you may be fine with just the four items listed above. The law leaves it up to the financial institution to make sure they have enough information based on the risk associated with your particular account.

If an institution does suspect illegal activity, they will not contact the account holder. The law states that "the financial institution, director, officer, employee, or agent may not notify any person involved in the transaction that the transaction has been reported." The last thing the government wants is to notify a potential terrorist that their accounts are being monitored. ☒

Lakes and Ohio Valley, while the central U.S. ridge shifted westward into the Rockies. If in fact this were to happen, a cold east/warm west scenario would ensue.

I believe the CAS model is on the right track, but likely overdone with its anomaly pattern. I like the idea of the retrogression of the late April jet stream pattern, but not to such a dramatic degree, as indicated by the model guidance.



## Climate models are calling for a cool May and summer season, but there are reasons to be wary of a widespread cooler-than-normal pattern developing once into June.

Also, I believe the models are destroying the central ridge too quickly. This ridge is well supported by a long-running dry pattern across the central and southern Plains. Late spring and summer ridges tend to sit over drought-prone areas, and this ridge is already well connected with the below-normal rainfall area. I would be surprised if the hotter-than-normal zone across the Plains during April shifted completely westward, as indicated in the modeling.

My May forecast calls for coolness to spread back into the Northeast during the month of May, but it will not indicate excessive coolness. I also think the warmer-than-normal zone in the country's midsection will hold together better than the models think, although it may weaken a bit. I do think it is likely that the warm anomaly will spread into a good deal of the western U.S.

It should be remembered that although modeling favors a cooler-than-normal Northeast for May 2006, and I am tilting my forecast that way, the large warm-to-hot area expected to exist across the central U.S. means there will be times during May when enough flattening of the flow occurs to allow warmer-than-normal air to surge into the northeastern U.S.

So my call for a May that averages cooler than normal does not mean no

above-normal periods occur. I do think one or two warm surges will make it into the Northeast, but they will not dominate the month nor overwhelm the signal for coolness.

The bottom section of the map shows the CAS model's projection of May's precipitation outlook. It shows a wetter-than-normal month across the Northeast, while dryness persists across the Plains and

southern Rockies. I think the precipitation outlook supports my conclusion that while coolness is a reasonable forecast for the Northeast, the warmer-than-normal pattern seen across the central U.S. during April will likely hold on longer and stronger due to continued below-normal rainfall.

Lastly, the early model outlooks for the summer season mimic their May forecast somewhat, but expand the coolness across the East westward across most of the United States. The only area being projected above-normal during the summer season by the modeling is Texas. If the dry pattern continues across the Southern Plains, it would be my estimate that a hotter-than-normal pattern would persist across at least the south-central Plains and would occasionally bulge eastward into the Ohio Valley and parts of the Northeast.

I will issue a full summer forecast in my next article, but at the moment I suspect the model forecasts of a country-wide cool summer are likely overdone. Some of the non-modeling signals are completely at odds with the climate models outlooks, and are indicating a scorching summer pattern from the Plains into the Midwest and Ohio Valley. Hopefully my early June update will be able to clarify the issue. ☒