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Tunney's Inquiry on Bank Snooping

Senator John V. Tunney announced yesterday he has demanded an explanation from the Treasury Department of why it believes the so-called Bank Secrecy Act authorizes it to make banks keep photostatic copies of nearly all personal checks.

"I have been besieged by complaints from California citizens who feel their right to confidential and private banking affairs has been seriously breached," Tunney said in a letter to retiring Secretary of the Treasury John B. Connally.

The California Democrat's protest was the second move in two days seeking to prevent the mass check photographing plan from going into effect July 1.

On Wednesday, a suit asking for an injunction against the new Treasury Department proposal was filed in U.S. District Court by the American Civil Liberties Union of Northern California and East Bay banker Fortney H. (Pete) Stark, Democratic nominee for Congress in the Eighth District.

Tunney said he feared the act would mean the scrutiny of the monthly newspaper, milk and liquor bills of ordinary citizens, while its few exceptions could benefit the very people Congress had intended to have the Treasury scrutinize.

"No report is required of those persons who maintain

accounts with balances which the bank determines do not exceed amounts 'commensurate with the customary conduct of business or profession of the customer concerned,'" Tunney said.

"What this little loophole

means to me is that a big-time criminal who regularly has large banking transactions will sail through this regulation like a gust of wind."

Among the three pages of questions Tunney addressed in his letter to Connally

were:

What requirements exist for notifying bank customers of the submission of reports to the Secretary of the Treasury about his or her account?

What protection does a bank customer have against

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errors contained in such reports?

How do you distinguish an "investigation" of a person from a "fishing expedition"?

What limits, if any, will be placed upon subsequent dissemination of such information?