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Mellon Financial Corporation

Carl Krasik
General Counsel and Secretary

September 14, 2006

Office of the Comptroller of the
Currency
250 E. Street, S.W.
Public Reference Room
Mail Stop 1-5
Washington, DC 20219

Federal Trade Commission
Office of the Secretary
Room H-135 (Annex M)
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

RE: The Red Flags Rule
F.T.C. Project No. R611019
O.C.C. Docket No. 06-07

Dear Sirs and Madams:

Mellon Financial Corporation, Pittsburgh, Pennsylvania, appreciates the opportunity to comment on these proposed regulations. We wish to offer the following suggestions, which we believe will simplify their implementation, especially by diverse financial institutions such as Mellon.

1. The proposed regulations require involvement of the board of directors in the identity theft prevention program, by approving, overseeing, and receiving reports on the program. As presently drafted, the regulations appear to require that the board of *each legal entity* be involved as described above – even when numerous entities are subsidiaries of the same holding company.

   Please note that many financial holding companies have highly centralized management structures which render such a requirement cumbersome and unnecessary. We suggest that the regulations permit the board of directors of a holding company to approve and oversee the identity theft prevention program for the entire organization. This approach has a precedent in the Federal Reserve Board's versions of the Interagency Guidelines Establishing Information Security Standards. See, for example, 12 C.F.R. Part 225, Appendix F, Sec. II.A, which states in part: "A bank holding company also shall ensure that each of its subsidiaries is subject to a comprehensive information security program. The bank holding company may fulfill this requirement either by including a subsidiary within the scope of the bank holding company's comprehensive information security program or by causing the subsidiary to implement a separate comprehensive information security program in accordance with the standards and procedures in sections II and III of this appendix that apply to bank holding companies."

Adoption of this approach to board involvement would eliminate the need for redundant actions by a multiplicity of boards, as well as helping to insure uniformity of policy throughout large organizations.

2. The proposed regulations state that an identity theft prevention program "must incorporate any relevant Red Flags from ... [a]pplicable supervisory guidance." (See proposed 12 C.F.R. §41.90(d)(1)(i) and 16 C.F.R. §681.2(d)(1)(i).) It would be helpful if the final regulations would specifically cite the various supervisory issuances to which this requirement refers.

If you would care to discuss the comments in this letter, please feel free to call the undersigned at 412-234-5222, or Charles F. Miller, Associate Counsel, at 412-234-0564.

Sincerely,