



# NEWS RELEASE

Comptroller of the Currency  
Administrator of National Banks

**NR 2004-34**

FOR IMMEDIATE RELEASE  
May 13, 2004

Contact: Robert M. Garsson  
(202) 874-5770

## **OCC Assesses \$25 Million Penalty Against Riggs Bank N.A.**

WASHINGTON – The Office of the Comptroller of the Currency announced today that it has assessed a \$25 million civil money penalty against Riggs Bank N.A. for numerous violations of the Bank Secrecy Act. In a separate enforcement action, the OCC imposed a number of new requirements aimed at ensuring compliance with the Bank Secrecy Act and other reporting requirements.

In assessing the penalty, the OCC found that the bank had failed to implement an effective anti-money laundering program. As a result, it did not detect or investigate suspicious transactions and had not filed Suspicious Activity Reports as required under the law. The bank also did not collect or maintain sufficient information about its foreign banking customers.

The OCC found a number of problems with the bank's account relationships with foreign governments, including Saudi Arabia and Equatorial Guinea. Riggs failed to properly monitor, and report as suspicious, transactions involving tens of millions of dollars in cash withdrawals, international drafts that were returned to the bank, and numerous sequentially-numbered cashier's checks.

“The Bank Secrecy Act has been enormously helpful in providing law enforcement agencies with information about illicit activities,” said Comptroller of the Currency John D. Hawke, Jr. “Today, it is one more weapon we can bring to bear in the war on terrorism. The OCC expects banks to have effective anti-money laundering programs in place and we will take strong action against any national bank that is not in compliance with this important law.”

The [penalty](#) assessment is concurrent with the \$25 million penalty assessed against Riggs by the Financial Crimes Enforcement Network (FinCEN). The penalties will be satisfied by one payment of \$25 million to the Department of the Treasury.

In a separate [order](#), the OCC directed the bank to take a number of steps to correct deficiencies in its internal controls, particularly in the area of the Bank Secrecy Act and anti-money laundering efforts. Among other requirements, the OCC directed the bank to:

- Ensure competent management. Within 30 days, the board of directors must determine whether management or staff changes are needed and whether

management skills require improvement.

- Develop a plan to evaluate the accuracy and completeness of the bank's books and records, and develop a methodology for determining that information required by the Bank Secrecy Act is appropriately documented, filed and maintained.
- Adopt and implement comprehensive written policies for internal controls applicable to the bank's account relationships and related staffing, including the Embassy and International Private Banking Group. Among other requirements, the policies must mandate background checks of all relationship managers at least every three years and must prohibit any employee from having signature authority, ownership or custodial powers for any customer account.
- Develop and implement a policy that permits dividend payments only when the bank is in compliance with applicable law and upon written notice to the OCC.
- Adopt and implement an internal audit program sufficient to detect irregularities in the bank's operation, determine its level of compliance with applicable laws and regulations and provide for testing to support audit findings, among other requirements.

# # #

The OCC charters, regulates and examines approximately 2,000 national banks and 51 federal branches of foreign banks in the U.S., accounting for more than 56 percent of the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.