

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
FINANCIAL CRIMES ENFORCEMENT NETWORK**

**IN THE MATTER OF
SUNFLOWER BANK, N.A.**

No. DI99-008

ASSESSMENT OF CIVIL MONEY PENALTIES

I. INTRODUCTION

The Secretary of the United States Department of the Treasury has delegated to the Director of the Financial Crimes Enforcement Network (“FinCEN”) the authority to determine whether a financial institution has violated the Bank Secrecy Act (“BSA”), and what, if any, sanction is appropriate.

In order to resolve this matter, and only for that purpose, Sunflower Bank, N.A. (“Sunflower” or the “Bank”), has entered into a CONSENT TO THE ASSESSMENT OF CIVIL MONEY PENALTIES without admitting or denying the facts described in Paragraph III, except as to jurisdiction in Paragraph II, which is admitted, and without admitting or denying the determinations of Sunflower’s liability under the Bank Secrecy Act in Paragraph IV below that serves as the basis for the assessment of such a penalty.

Sunflower’s CONSENT TO THE ASSESSMENT OF CIVIL MONEY PENALTIES, dated December 27, 1999, is incorporated herein by this reference.

II. JURISDICTION

Sunflower is a national bank chartered and examined by the Office of the Comptroller of the Currency of the United States of America. Sunflower, with headquarters in Salina, Kansas, had total assets of approximately \$700 million as of December 31, 1998. Sunflower is a “financial institution” within the meaning of 31 U.S.C. §5312(a)(2) and 31 CFR §103.11 (c).

III. FACTS

A. Failure to File Currency Transaction Reports

Between June 1996 and September 1998, Sunflower failed to file approximately 1,900 Currency Transaction Report (“CTR”) forms for currency transactions in amounts greater than \$10,000 within the time required by 31 CFR §103.22, promulgated under §5313 of the Bank Secrecy Act.

The Bank failed to file CTRs for transactions involving 87 businesses and 19 individuals. The Bank failed to file CTRs for some customers because it had improperly granted those customers an exemption from CTR reporting. The Bank failed to file CTRs for other transactions that had exceeded a customer's exemption limit.

Lastly, a corporate non-customer of Sunflower regularly purchased cashier's checks at one Sunflower branch. On 39 days, the non-customer purchased, with currency, multiple cashier's checks totaling over \$10,000. Because Sunflower's Bank Secrecy Act Officer failed to review the bank's daily report of those sales, Sunflower failed to file 39 CTRs for these reportable transactions.

B. Recordkeeping for Sales of Monetary Instruments

Between June 1996 and September 1998, Sunflower failed, at one of its branches, to keep certain information and records in connection with the issuance of cashier's checks and other monetary instruments purchased for \$3,000 or more in currency as required by 31 CFR §103.29. Sunflower failed to maintain records, for, among other things, the type of instrument sold, the serial number of the instrument, and the address of the instrument's purchaser. Sunflower also, in some cases, failed to obtain and/or document verification of the purchaser's identification. Sunflower failed to maintain the required records for cashier's checks purchased for \$3,000 or more in currency by a corporate non-customer of the Bank.

C. Willful Violations

Sunflower employees with management responsibilities for BSA compliance, among other things, (1) failed to implement the Bank's written BSA compliance procedures; (2) failed to monitor implementation of the compliance program; (3) failed to correct program deficiencies in a timely fashion when discovered; and (4) failed to report the existence of deficiencies to senior management and the Board of Directors. Therefore, Sunflower willfully violated the BSA in that these failures of the Bank's internal controls resulted in the failures to file CTRs and the failures to maintain records and information described above.

IV. DETERMINATIONS

By failing to file CTRs as described in Paragraph III, above, Sunflower willfully violated the currency reporting provisions of the BSA and a civil money penalty is due pursuant to 31 U.S.C. §5321 and 31 CFR §103.47(f).

By failing to obtain and/or maintain certain records and information in connection with the sale of monetary instruments required by 31 CFR §103.29, as described in Paragraph III above, Sunflower willfully violated the recordkeeping provisions of the BSA and a civil money penalty is due pursuant to 31 U.S.C. §5321 and 31 CFR §103.47(c).

V. ASSESSMENT

THEREFORE, the Department of the Treasury assesses against Sunflower, a civil money penalty of \$100,000.

By its execution of the CONSENT, Sunflower, without admitting or denying either the facts described in Paragraph III above, except for jurisdiction in Paragraph II, which is admitted, and without admitting or denying the determination that it willfully violated the BSA in Paragraph IV, Sunflower has consented and agreed to this ASSESSMENT OF CIVIL MONEY PENALTIES pursuant to 31 U.S.C. §5321(a)(1) of the Bank Secrecy Act and 31 CFR §103.47(f), thereunder.

THEREFORE, Sunflower shall, under the terms of its CONSENT:

1. Pay the amount of \$100,000 within five (5) business days of the date of this ASSESSMENT.
2. Such payment shall be:
 - a. made by certified check, bank cashier's check, or bank money order;
 - b. made payable to the United States Department of the Treasury;
 - c. hand-delivered or sent by overnight mail to Nicholas A. Procaccini, Assistant Director and Chief Financial Officer, FinCEN, P.O. Box 39, Vienna, Virginia 22183; and
 - d. submitted under a cover letter, which references the caption and file number in this matter.

VI. BACKFILING

By execution of the CONSENT, Sunflower, without admitting or denying the facts described in Paragraph III above, except for jurisdiction in Paragraph II, which is admitted, and without admitting or denying the determination that it willfully violated the BSA, has agreed to backfile the CTRs for the cash purchases of monetary instruments by a corporate non-customer that aggregated to more than \$10,000 on 39 days, as described in Paragraph III. Such backfiling shall be made within 90 days of the date of this assessment. Sunflower's failure to comply will nullify the release in Paragraph VII as to those transactions.

VII. RELEASE

Execution of the CONSENT by Sunflower and compliance with the terms of the ASSESSMENT OF CIVIL MONEY PENALTIES and the CONSENT constitute a complete settlement of civil liability for reporting or recordkeeping violations of the Bank Secrecy Act, and the regulations promulgated thereunder, which were identified by FinCEN in its letter to Sunflower dated May 4, 1999.

By: //signed// James F. Sloan
James F. Sloan, Director
FINANCIAL CRIMES ENFORCEMENT NETWORK
U.S. DEPARTMENT OF THE TREASURY

Date: January 6, 2000