
Joint Release

**Financial Crimes Enforcement Network
Office of the Comptroller of the Currency**

For Immediate Release

September 17, 2007

FinCEN and OCC Assess Civil Money Penalties Against Union Bank of California

The Financial Crimes Enforcement Network (FinCEN) and the Office of the Comptroller of the Currency (OCC) today announced the assessment of concurrent civil money penalties, each \$10 million, against Union Bank of California, N.A. (Union Bank) of San Francisco, California, for violations of the Bank Secrecy Act. Union Bank, without admitting or denying the allegations, consented to payment of the civil money penalties, which will be satisfied by a single payment of \$10 million to the U.S. Department of the Treasury. Union Bank also consented to issuance of a Cease and Desist Order by the OCC.

The enforcement actions are part of coordinated actions with the U.S. Department of Justice, which issued a Deferred Prosecution Agreement and accompanying \$21,600,000 forfeiture in connection with charges that Union Bank failed to maintain an effective anti-money laundering program.

The OCC concurrently issued a Cease and Desist Order requiring Union Bank to take certain corrective actions. The OCC based its assessment of a \$10 million civil money penalty, and issuance of a Cease and Desist Order, on failure of Union Bank to establish and maintain an adequate anti-money laundering program and to file timely suspicious activity reports.

The OCC's actions are based on its determination that Union Bank failed to adequately monitor certain Mexican casa de cambio accounts, and failed to identify and file hundreds of suspicious activity reports in a timely manner. Union Bank also failed to comply with the requirements of a Memorandum of Understanding it entered into in 2005, including an article that required the bank improve its processes for identifying and reporting suspicious transactions. Union Bank's failures resulted in the movement of millions of dollars of suspected proceeds of drug sales through certain casa de cambio accounts without detection or reporting of the suspicious transactions. At the most recent examination the OCC found that the bank's financial intelligence unit still was ineffective in detecting and reporting suspicious activity, as required by the MOU.

In assessing a \$10 million civil money penalty, FinCEN determined that Union Bank failed to implement an adequate anti-money laundering program reasonably designed to identify and report transactions that exhibited indicia of money laundering or other

suspicious activity, considering the types of products and services offered by the Bank, the volume of its business, and the nature of its customers. Union Bank failed to monitor Mexican casa de cambio transactions and report suspicious activity, despite knowledge of the heightened risk of money laundering posed by those Bank customers.

“Today’s action against Union Bank demonstrates the successful efforts of federal agencies to apply a coordinated and consistent approach to Bank Secrecy Act enforcement,” said FinCEN Director James H. Freis, Jr.

Copies of the agencies’ enforcement actions are attached.

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Attachments

Office of the Comptroller of the Currency
[Order of Assessment of a Civil Money Penalty](#)

Financial Crimes Enforcement Network
[Assessment of Civil Money Penalty](#)

Department of Justice
[Press Release](#)

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