

Treasury Department Reaches Sanctions-Related Settlement with Crédit Agricole Corporation and Investment Bank for Approximately \$329.5 Million

10/20/2015

Treasury Settlement Part of Interagency Investigation into Apparent Violations of Sanctions Programs

WASHINGTON – The U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) today announced a \$329,593,585 agreement with Crédit Agricole Corporate and Investment Bank (CA-CIB) to settle its potential liability for apparent violations of U.S. sanctions regulations, as part of a combined \$787,300,000 settlement with federal and state government agencies. Today’s settlement resolves OFAC’s investigation into CA-CIB’s widespread practice of removing, omitting, or obscuring references to U.S.-sanctioned parties in 4,297 financial and trade transactions routed to or through banks in the United States between 2003 and 2008 in apparent violation of primarily the Sudanese Sanctions Regulations, 31 C.F.R. part 538, but also the Cuban Assets Control Regulations, 31 C.F.R. part 515, the Burmese Sanctions Regulations, 31 C.F.R. part 537, and the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560.

“OFAC has no tolerance for the intentional concealment of sanctions-related information in payments sent to the United States and U.S. financial institutions in apparent violation of U.S. economic sanctions laws, and we will aggressively enforce U.S. economic sanctions,” said John E. Smith, Acting Director of OFAC. “While the settlement covers activities through 2008, the fact that most of the apparent violations occurred prior to 2006 highlights a positive trend. It’s clear that OFAC’s efforts, coupled with our close cooperation with law enforcement and financial regulators in the United States, have dramatically enhanced awareness regarding sanctions compliance throughout the financial industry in recent years.”

OFAC worked closely with its counterparts at the U.S. Department of Justice (DOJ), the New York County District Attorney’s Office (DANY), the Board of Governors of the Federal Reserve System (the “Board of Governors”), the Federal Reserve Bank of New York (FRBNY), and the New York State Department of Financial Services (NYDFS). Together, the agencies collaborated closely throughout the investigation to ensure a settlement across all U.S. federal and local government agencies investigating CA-CIB. Today’s OFAC settlement is being entered into simultaneously with the bank’s resolution of the matter with DOJ, DANY, the Board of Governors, FRBNY, and NYDFS.

For a number of years, through 2008, CA-CIB, which is based in France, and certain of its predecessor banks and subsidiaries—including Crédit Lyonnais (Suisse) S.A., Crédit Agricole Indosuez (Suisse) S.A., and Crédit Agricole (Suisse) S.A., all located in Switzerland—processed thousands of transactions to or through U.S. financial institutions that involved countries and/or individuals and entities subject to OFAC sanctions regulations. Personnel, including managers, from various business units within these CA-CIB entities were aware of U.S. economic sanctions programs and understood that U.S. financial institutions were required to block or reject transactions involving an OFAC-sanctioned country or person. Despite this knowledge, the above-referenced banks used cover payments and/or implemented special payment practices in a manner that omitted references to U.S.-sanctioned parties in U.S. Dollar Society for Worldwide Interbank Financial Telecommunication payment messages sent to the United States. In doing so, they prevented U.S. financial institutions from appropriately reviewing and analyzing the transactions for compliance with OFAC regulations.

Under the settlement agreement, CA-CIB is required to maintain policies and procedures to minimize the risk of the recurrence of such conduct in the future. CA-CIB is also required to provide OFAC with copies of submissions relating to an OFAC compliance review that it will be conducting as part of its settlement with the Board of Governors.

CA-CIB's \$329,593,585 settlement with OFAC will be deemed satisfied by the bank's payment of that amount to DOJ, DANY, and the Board of Governors for the same pattern of conduct.

For the OFAC web posting on this settlement agreement, click [here](#).

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