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JUSTICE NEWS

**Attorney General Holder Delivers Remarks at Press Conference Announcing Significant Law Enforcement Action**

Washington, D.C. ~ Monday, June 30, 2014

Good afternoon – and thank you all for being here. I am joined today by Deputy Attorney General Jim Cole; FBI Director James Comey; Assistant Attorney General for the Criminal Division Leslie Caldwell; U.S. Attorney Preet Bharara, of the Southern District of New York; District Attorney Cyrus Vance, of New York County; and Richard Weber, Chief of Criminal Investigations for the IRS. We are here to announce a significant step forward in our ongoing effort to hold financial institutions accountable for criminal misconduct.

Today, the Department of Justice submitted to the United States District Court a criminal information against BNP Paribas, one of the largest banks in the world, for conspiring with other entities to deliberately and repeatedly violate longstanding U.S. sanctions against Sudan, Cuba, and Iran. Working with financial institutions based in these countries and others, between 2004 and 2012, BNP engaged in a complex and pervasive scheme to illegally move billions through the U.S. financial system on behalf of sanctioned entities.

These actions represent a serious breach of U.S. law. Sanctions are a key tool in protecting U.S. national security interests, but they only work if they are strictly enforced. If sanctions are to have teeth, violations must be punished. Banks thinking about conducting business in violation of U.S. sanctions should think twice because the Justice Department will not look the other way.

In this case, BNP went to elaborate lengths to conceal prohibited transactions, cover its tracks, and deceive U.S. authorities. They used “cover payments” to hide the involvement of sanctioned entities in transactions that were processed through New York and elsewhere in the United States. They worked with partners and subsidiaries around the world to structure transactions in needlessly complicated ways – using sophisticated techniques that served no legitimate business purpose, but that allowed them to obscure the truth: that these transactions violated the law and should not have been occurring in the first place.

Through these widespread illegal practices, BNP knowingly processed more than \$500 million in illicit U.S. dollar transactions involving a company controlled by an Iranian energy group – headquartered in Tehran and owned in full by an Iranian citizen. The bank also processed thousands of transactions – totaling more than \$1.7 billion – with sanctioned entities in Cuba. And BNP enabled the Government of Sudan and related institutions to avail themselves of the U.S. financial system, engaging in billions of dollars in illegal transactions. They did this despite knowing that the Sudanese government supported terrorism, engaged in human rights abuses, and even – in the words of one senior compliance manager – “has hosted Osama bin Laden and refuses the United Nations intervention in Darfur.”

All of these activities significantly undermined longstanding U.S. economic sanctions, in many cases to the detriment of America’s national security interests. They continued for years, despite repeated indications and warnings that the bank’s conduct violated U.S. embargoes. And today – following exhaustive, years-long investigations by the Department of Justice and the New York County District Attorney’s Office – I can announce that we are holding the bank accountable.

BNP Paribas will plead guilty to conspiring to violate U.S. sanctions. The bank will forfeit more than \$8.83 billion to the United States. They will admit to a Statement of Facts detailing the extensive illegal conduct I have just outlined. And they are taking a variety of steps to provide substantial cooperation to the government – and to ensure that, moving forward, they will operate in full compliance with U.S. law.

This landmark resolution demonstrates the Justice Department’s firm commitment to enforcing embargoes and other measures designed to protect America’s security and our vital national interests. This outcome should send a strong message to any institution – anywhere in the world – that does business in the United States: illegal conduct will not be tolerated. And wherever it is uncovered, it will be punished to the fullest extent of the law.

I want to thank everyone who made this announcement possible – particularly U.S. Attorney Bharara and his dedicated colleagues in the Southern District of New York; Assistant Attorney General Caldwell and the talented men and women of the Criminal Division’s Asset Forfeiture



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and Money Laundering Section; each of the FBI agents and investigators who contributed to this important matter; District Attorney Vance and his colleagues; and the criminal investigators at the IRS. Thank you all for your tireless work.

I also wish to thank the Federal Reserve, the Treasury Department's Office of Foreign Assets Control, and the New York State Department of Financial Services. We have coordinated with these agencies in the course of our investigation. These regulators will be announcing additional consequences for the bank today as a result of this plea agreement. This is fair and appropriate. In many cases, to properly deter companies from engaging in misconduct in the future, it requires a mix of both law enforcement and regulatory actions.

At this time, it is my privilege to introduce Deputy Attorney General Jim Cole, who will provide additional details on today's resolution.

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