

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Reaches Largest Ever Sanctions-Related Settlement with BNP Paribas SA for \$963 Million

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

WASHINGTON – As part of a combined \$8.9 billion settlement with federal and state government agencies, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today announced a \$963 million agreement with BNP Paribas SA (BNPP) to settle its potential liability for apparent violations of U.S. sanctions regulations. Today's settlement resolves OFAC's investigation into BNPP's systemic practice of concealing, removing, omitting, or obscuring references to information about U.S.-sanctioned parties in 3,897 financial and trade transactions routed to or through banks in the United States between 2005 and 2012 in apparent violation of the Sudanese Sanctions Regulations, 31 C.F.R. part 538; the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560; the Cuban Assets Control Regulations, 31 C.F.R. part 515; and the Burmese Sanctions Regulations, 31 C.F.R. part 537.

OFAC worked closely with its counterparts at the Board of Governors of the Federal Reserve System (Board of Governors), the U.S. Department of Justice (DOJ), the New York County District Attorney's Office (DANY), and the New York State Department of Financial Services (NYDFS). Together, the agencies cooperated with France's Autorité de Contrôle Prudentiel et de Résolution, and collaborated closely throughout the investigation to ensure a global settlement. Today's OFAC settlement is being entered into simultaneously with the bank's resolution of the matter with the Board of Governors, DOJ, DANY, and the NYDFS.

"Today's settlement is OFAC's largest-ever and reaffirms OFAC's determination to aggressively enforce U.S. sanctions rules and regulations," said OFAC Director Adam J. Szubin. "The settlement is the result of an interagency effort to investigate institutions that abuse the U.S. financial system and undermine U.S. sanctions programs. OFAC will continue to coordinate these efforts with other federal and state agencies in order to protect the U.S. financial infrastructure from the risks inherent in this type of illicit activity."

The specific payment practices the bank utilized in order to process sanctions-related payments to or through the United States included omitting references to sanctioned parties; replacing the names of sanctioned parties with BNPP's name or a code word; and structuring payments in a manner that did not identify the involvement of sanctioned parties in payments sent to U.S. financial institutions. While these payment practices occurred throughout multiple branches and subsidiaries of the bank, BNPP's subsidiary in Geneva and branch in Paris facilitated or conducted the overwhelming majority of the apparent violations.

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

BNPP's \$963 million settlement with OFAC will be deemed satisfied by the bank's payment of that amount to DOJ for the same pattern of conduct.

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