

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of)	
)	
GREEN BELT BANK & TRUST)	ORDER TO
IOWA FALLS, IOWA)	CEASE AND DESIST
)	
(Insured State Nonmember Bank))	FDIC-07-158b
)	

Green Belt Bank & Trust, Iowa Falls, Iowa ("Bank"), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the unsafe and unsound banking practices and violations of law and regulations alleged to have been committed by the Bank, and of its right to a hearing on such charges under section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") dated July 18, 2007, with counsel for the Federal Deposit Insurance Corporation ("FDIC"), whereby, solely for the purpose of this proceeding and without admitting or denying any unsafe or unsound banking practices or violations of law or regulations, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC.

The FDIC considered the matter and determined that it has reason to believe that the Bank has engaged in unsafe and unsound banking practices and violations of law and regulations. The FDIC, therefore, accepts the CONSENT AGREEMENT and issues the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED that the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns, cease and desist from the following unsafe or unsound banking practices and violations of law and regulations:

- A. operating without adequate oversight by the Bank's board of directors and supervision by executive management to prevent violations of the Bank Secrecy Act, 31 U.S.C. § 5311-5330, 12 U.S.C. § 1829b, and 12 U.S.C. § 1951 - 1959, and regulations implementing the Bank Secrecy Act, including 12 C.F.R. Part 326, Subpart B, 12 C.F.R. Part 353, and 31 C.F.R. Part 103 (collectively referred to as "BSA");
- B. failing to develop and continually administer a BSA compliance program;
- C. operating without an effective system of internal controls to ensure ongoing compliance with the BSA,

including but not limited to adequate information and communications systems to monitor and ensure compliance with recordkeeping requirements for BSA reporting;

- D. operating without an effective system of independent testing for compliance with the BSA;
- E. operating without an adequate BSA training program for the Bank's directors and appropriate personnel;
- F. operating without an effective customer identification and verification system that complies with section 103.121 of the Rules and Regulations of the Department of the Treasury, 31 C.F.R. § 103.121;
- G. failing to develop and implement an adequate system for detecting and reporting suspicious activity; and
- H. violating laws and regulations, including:
 - (1) failing to develop and continually administer a BSA compliance program as required by section 326.8(b) of the FDIC's Rules and Regulations, 12 C.F.R. § 326.8, including but not limited to an adequate Customer Identification Program, a system of internal controls sufficient to ensure ongoing compliance with the BSA, a system of independent testing, and adequate training of appropriate personnel;

- (2) failing to comply with the Treasury Department's Financial Recordkeeping and Reporting of Currency and Foreign Transactions regulation, 31 C.F.R. Part 103, including but not limited to failing to file Currency Transaction Reports ("CTRs"), failing to file CTRs in a timely manner, failing to furnish required information in CTRs, failing to aggregate multiple transactions totaling over \$10,000 for reporting purposes, failing to perform annual reviews of exempt persons and document monitoring of exempt person transactions, failing to properly conduct records searches upon the request of the Financial Crimes Enforcement Network ("FinCEN"), failing to follow required identification procedures for reported transactions, failing to obtain required customer identification information, and failing to verify customer identification information; and
- (3) failing to file Suspicious Activity Reports ("SARs") as required by 12 C.F.R. § 353.3(a)(4) for transactions structured to evade BSA reporting requirements.

IT IS FURTHER ORDERED that the Bank, its institution-affiliated parties, and its successors and assigns, take affirmative action as follows:

1. **BSA OFFICER AND BSA REPORTING.**

- (a) Within 30 days from the effective date of this ORDER, the Bank shall designate a qualified officer responsible for managing, coordinating and monitoring the Bank's BSA compliance programs ("BSA Officer"). The BSA Officer shall have the responsibility and necessary authority to ensure the Bank's compliance with the BSA, including, without limitation, the identification and timely, accurate and complete reporting to the board of directors, law enforcement, and supervisory authorities of required currency transactions reports and reports regarding unusual or suspicious activity or known or suspected criminal activity perpetrated against or involving the Bank, providing training for the board of directors and appropriate Bank employees regarding BSA requirements, gathering and verifying information to confirm the identity of new Bank customers, and conducting searches and providing information as requested by FinCEN.

- (b) Within 60 days from the effective date of this ORDER, the BSA Officer shall review all high-risk accounts and high-risk transactions, including but not limited to a review of the Bank's large currency transactions, cash purchases of monetary instruments, and wire transfer activity for the period December 19, 2005, through the effective date of this ORDER, and shall prepare and file any necessary additional CTRs and SARs based upon the review. Documentation supporting any determinations made pursuant to this paragraph shall be retained in the Bank's records for such period of time as may be required by applicable rules or regulations.
- (c) Upon completion of the reviews required pursuant to paragraph 1(b) above, the Bank shall submit the findings of the reviews to the FDIC's Kansas City Regional Office ("Regional Office"). For additional CTRs and SARs filed as a result of the review, the findings submitted to the Regional Office shall identify, for CTRs, the name of the person or entity on whose behalf the transaction(s) was conducted and the date of the transaction(s), and for SARs, the name of the suspect(s), including any aliases, and the date of the suspicious activity.

2. **BSA RISK ASSESSMENT.**

- (a) Within 30 days from the effective date of this ORDER, the Bank shall perform a comprehensive assessment of the vulnerability of its banking operations to attempts to launder money, finance terrorism, or conduct other criminal activities ("BSA risk assessment"). The BSA risk assessment may be performed by qualified Bank personnel or an independent contractor/consultant acceptable to the Regional Office. The BSA risk assessment shall weigh all relevant factors, including identification and measurement of the specific risk characteristics of the Bank's products, services, customers, transactions, and geographic locations.
- (b) The Bank shall review and update its BSA risk assessment at least annually.
- (c) The initial BSA risk assessment and subsequent updates shall be reported to and reviewed by the Bank's board of directors and the board shall record its review in the minutes of the board of directors.

3. **BSA COMPLIANCE PROGRAM.**

- (a) Within 60 days from the effective date of this ORDER, the Bank shall develop, adopt, and implement a revised, written BSA compliance program designed to

ensure compliance with the BSA. The BSA compliance program shall be tailored to address the risk profile of the Bank identified in the BSA risk assessment required by paragraph 2 above. The BSA compliance program shall address all requirements of the BSA, including but not limited to:

- (i) providing for BSA training of all appropriate Bank employees and the Bank's board of directors;
 - (ii) detailing the scope and manner of independent testing of the Bank's BSA compliance program and requiring such testing on a regular basis;
 - (iii) providing for an effective system of internal controls to ensure ongoing compliance with the BSA, including, at a minimum, steps designed to:
 - (A) ensure that all required reports are completed accurately and in a timely manner; and
 - (B) verify that accurate records are maintained to comply with BSA recordkeeping requirements; and
 - (iv) establishing policies and procedures to identify and monitor higher risk accounts.
- (b) The BSA compliance program (and any subsequent modification) shall be submitted to the Regional

Office for review and comment. Within 30 days after receipt of any comments from the Regional Office, and after consideration of such comments, the board of directors shall approve the BSA compliance program (or any subsequent modification) and record its approval in the minutes of the board of directors. Thereafter, the Bank and its institution-affiliated parties shall implement and fully comply with the BSA compliance program (or any properly approved subsequent modification).

4. **TRAINING PROGRAMS.**

Within 60 days from the effective date of this ORDER, the Bank shall enhance and update its training program to provide for periodic training of the Bank's directors and appropriate Bank personnel and for appropriate recordkeeping to document such training. The Bank's training program shall ensure that all appropriate Bank personnel have information and knowledge of, and can comply with, the requirements of the BSA and the Bank's policies and procedures relating to BSA compliance.

5. **INDEPENDENT TESTING.**

(a) Within 90 days from the effective date of this ORDER, and at least annually thereafter, the Bank shall independently test its revised BSA compliance program

to ensure proper controls are in place and are effective. Independent testing shall be performed by a qualified individual or entity independent of the Bank's BSA compliance program. The independent testing shall include:

- (i) an evaluation of the overall integrity and effectiveness of the BSA compliance program, including policies, procedures, and processes;
- (ii) a review of the Bank's BSA risk assessment for reasonableness given the bank's risk profile (products, services, customers, and geographic locations);
- (iii) appropriate transaction testing to verify the Bank's adherence to the BSA recordkeeping and reporting requirements, including SARs, CTRs, CTR exemptions, and customer identification procedures;
- (iv) an evaluation of management's efforts to resolve violations and deficiencies noted in previous independent tests and regulatory examinations, including progress in addressing outstanding supervisory actions, if applicable;
- (v) a review of the Bank's BSA training programs for adequacy, accuracy, and completeness;

- (vi) a review of the effectiveness of the suspicious activity monitoring systems (manual, automated, or a combination) used for BSA compliance and related reports; and
 - (vii) an assessment of the overall process for identifying and reporting suspicious activity, including a review of filed or prepared SARs to determine their accuracy, timeliness, completeness, and effectiveness of the Bank's policy.
- (b) The individual or entity conducting the testing shall document the scope, procedures performed, transaction testing completed, and findings of the review. All testing documentation and workpapers shall be retained and made available for examiner review. Any violations, policy or procedures exceptions, or other deficiencies noted during the independent testing shall be reported to the board of directors or a designated committee of the board in a timely manner. The board of directors shall record the steps taken to correct any exceptions noted and address any recommendations in the minutes of the board of directors.

6. **CUSTOMER IDENTIFICATION PROGRAM.**

- (a) Within 60 days from the effective date of this ORDER, the Bank shall develop, adopt, and implement written policies and procedures enhancing its Customer Identification Program to ensure compliance with section 103.121 of the Department of the Treasury's Financial Recordkeeping and Reporting Regulations, 31 C.F.R. § 103.121.
- (b) The revised Customer Identification Program (and any subsequent modification) shall be submitted to the Regional Office for review and comment. Within 30 days after receipt of any comments from the Regional Office, and after consideration of such comments, the board of directors shall approve the Customer Identification Program (or any subsequent modification) and record its approval in the minutes of the board of directors. Thereafter, the Bank and its institution-affiliated parties shall implement and fully comply with the Customer Identification Program (or any properly approved subsequent modification).

7. **INFORMATION SHARING WITH FEDERAL LAW ENFORCEMENT AGENCIES.**

- (a) Within 60 days from the effective date of this ORDER, the Bank shall search required records pursuant to 31 C.F.R. § 103.100(b)(2)(i) of the Department of the

Treasury's Financial Recordkeeping and Reporting Regulations to satisfy information requests from the Financial Crimes and Enforcement Network ("FinCEN") made within the 12 months preceding the effective date of this ORDER. If the Bank identifies an account or transaction identified with any individual, entity, or organization named in a request from FinCEN, it shall report to FinCEN, in the manner and in the time frame specified in FinCEN's request, the information required by 31 C.F.R. § 103.100

- (b) While this ORDER is in effect, the Bank shall respond to any information request received from FinCEN in the manner and in the time frame specified in FinCEN's request and shall provide to FinCEN the information required by 31 C.F.R. § 103.100.

8. SUSPICIOUS ACTIVITY REPORTS.

Within 30 days from the effective date of this ORDER, the Bank shall develop, adopt and implement policies and procedures reasonably designed to identify and report suspicious activities ("SAR policies"). At a minimum, the SAR policies shall satisfy the requirements of Part 353 of the FDIC's Rules and Regulations, 12 C.F.R. Part 353, and shall be reasonably designed to identify misconduct from both internal and external sources. The Bank shall submit

the SAR policies to the Regional Office for review and comment. Within 10 days of receipt of any comments from the Regional Office, and after due consideration of any recommended changes, the Bank shall approve the SAR policies, which approval shall be recorded in the minutes of the board of directors. Thereafter, the Bank and its institution-affiliated parties shall implement and fully comply with the SAR policies. The SAR policies shall be reviewed, revised as appropriate, and approved by the board of directors annually.

9. CORRECTION OF VIOLATIONS.

Within 90 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law or regulations identified in the FDIC's Report of Examination of the Bank dated April 30, 2007. For each violation that is not eliminated or corrected, the board of directors at its next meeting subsequent to the 90-day correction period shall review and document in the minutes of their meeting why the violation was not eliminated or corrected.

10. DISCLOSURE TO SHAREHOLDERS.

Following the effective date of this ORDER, the Bank shall send, or otherwise furnish, to its shareholders a description of this ORDER (i) in conjunction with the

Bank's next shareholder communication, and (ii) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe this ORDER in all material respects. The description and any accompanying communication, notice or statement shall be sent to the FDIC, Division of Supervision and Consumer Protection, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room F-6066, Washington, D.C. 20429, for review at least 20 days prior to dissemination to shareholders. Any requests for changes made by the FDIC shall be made prior to dissemination of the description, communication, notice or statement to shareholders.

11. PROGRESS REPORTS.

Within 90 days from the effective date of this ORDER the Bank shall furnish a written progress report to the Regional Office, signed by each member of the Bank's board of directors, detailing the form, manner, and results of any actions taken to secure compliance with this ORDER. Thereafter, the Bank shall submit additional written progress reports as requested by the Regional Office.

12. MISCELLANEOUS PROVISIONS.

This ORDER shall be effective immediately upon its issuance by the FDIC.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and its successors and assigns.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC.

Issued Pursuant to Delegated Authority

Dated: July 19, 2007

By: _____
Thomas J. Dujenski
Deputy Regional Director
Kansas City Regional Office