
Instructions and Matrix for Bank Secrecy Act/Anti-Money Laundering Civil Money Penalties Against Institutions

Introduction

The following section describes FDIC policy and procedures governing the imposition of a Civil Money Penalty (CMP) in a Bank Secrecy Act/Anti-Money Laundering (BSA/AML) case. The section also includes the grounds for assessing a CMP and the factors considered in determining an amount. Staff should use the instructions and the BSA/AML CMP Matrix when considering the assessment of a CMP against an institution or institution-affiliated party (IAP) that is a corporate entity. Alternatively, when considering a CMP against individuals, staff should use the Instructions and the Matrix for CMPs Against Individuals.

Statutory criteria set forth in Section 8(i) of the Federal Deposit Insurance Act (FDI Act) must be considered for all CMP determinations. The FDIC adopted the *1998 FFIEC Interagency Policy Regarding the Assessment of Civil Money Penalties by the Federal Financial Institutions Regulatory Agencies* (Interagency Policy), which states in part, "In determining the amount and the appropriateness of initiating a civil money penalty assessment proceeding under statutes requiring consideration of five statutory factors, the agencies have identified 13 factors as relevant." Note that a CMP against institutions for BSA/AML Compliance Program failures may involve additional matters that should be considered along with the identified 13 factors.

Statutory Authority

Section 8(i)(2) of the FDI Act authorizes the FDIC to assess a CMP.

CMP Tiers

Section 8(i)(2) of the FDI Act authorizes the assessment of a CMP and divides them into three tiers. Penalties are assessed against an insured depository institution or IAP based on the severity of the violation, level of culpability, and can be levied for each day the actionable conduct continues. The statute sets forth penalty amounts for all three tiers, which are periodically adjusted for inflation. The current maximum penalty amount for each tier can be found in Section 308.132(c)(3)(i) of the FDIC Rules and Regulations.

Tier 1 – An insured depository institution or IAP may be assessed a CMP of up to \$7,500 per day for a violation of any law or regulation, any final or temporary order, any condition imposed in writing in connection with the granting of any application or other request by an institution, or any written agreement between an institution and the FDIC.

Tier 2 – An insured depository institution or IAP may be assessed a CMP of up to \$37,500 per day for a violation listed under Tier 1, recklessly engaging in an unsafe or unsound practice, or any breach of fiduciary duty, if the violation, practice, or breach;

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- Is part of a pattern of misconduct; or
- Causes or is likely to cause more than a minimal loss to the institution; or
- Results in financial gain or other benefit to such party.

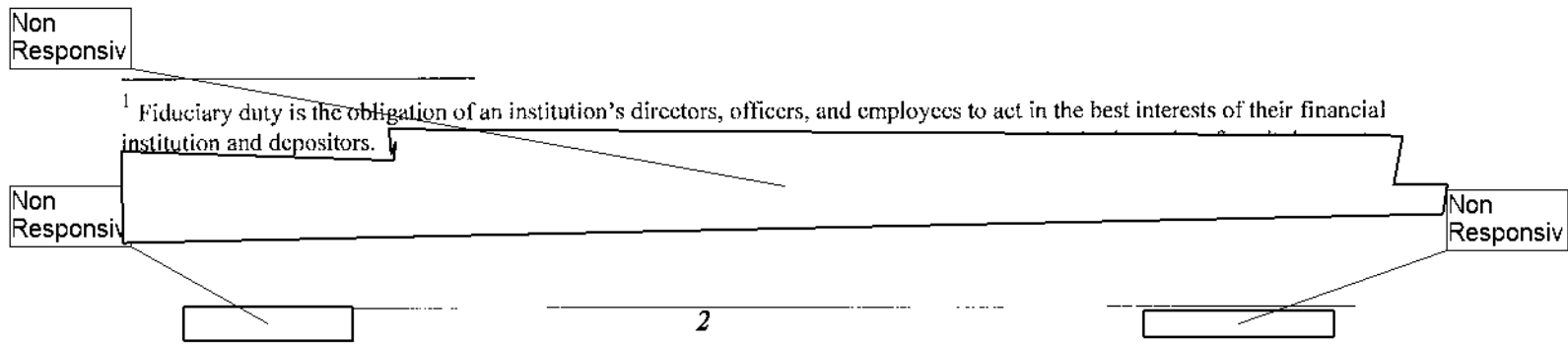
Tier 3 – An insured depository institution or IAP may be assessed a CMP for knowingly committing any violation, practice, or breach of a fiduciary duty listed under Tier 1 or 2 and knowingly or recklessly causing substantial loss to an institution or substantial financial gain or other benefit to such party. For a depository institution, the maximum CMP is the lesser of \$1,375,000 or 1 percent of the institution’s total assets per day during which the violation, practice, or breach continues. In the case of an IAP, the maximum fine is \$1,425,000 per day per violation.

Historically, most CMPs with a BSA/AML basis have been assessed a Tier 1 CMP and generally involved violations of laws, regulations, and FDIC formal enforcement actions. A CMP may be cumulative (*i.e.*, the maximum amount may be aggregated for every day the violation, practice, or breach continues). If the maximum possible Tier 1 CMP does not adequately reflect the serious nature of the misconduct (*e.g.*, a long history of noncompliance with laws and regulations, or evidence of the possible flow of criminal funds is detected), then a Tier 2 CMP would be appropriate if the elements were satisfied. A Tier 2 CMP may be justified based upon the finding of a pattern or practice of misconduct. For instance, misconduct that warrants a Tier 2 CMP would meet the standard as a reckless unsafe or unsound practice, or more routinely as a breach of fiduciary duty¹. A Tier 3 CMP may be justified when the institution or IAP knowingly or recklessly caused substantial financial loss or gain to the institution. Consulting with the FDIC’s Legal Division is strongly advised. Note that in institutional or IAP cases, the collective actions of individuals can be imputed to the entity.

Policy

A recommendation for assessment of a CMP against an institution or IAP should be considered in BSA/AML cases when one or more of the following criteria are present:

- A violation or practice that potentially exposes the insured depository institution to money laundering or other illicit financial activity or caused substantial harm to the public confidence in the institution;
- A violation or practice that is willful, flagrant, or demonstrates bad faith on the part of an insured depository institution or IAP (*e.g.*, repeated or multiple violations);



- Previous BSA formal or informal enforcement actions (e.g., Board Resolution, Memorandum of Understanding, Consent Order or CMP) have been ineffective in eliminating or deterring a violation, pattern or practice;
- The institution has a violation of the BSA/AML Compliance Program and a history of noncompliance with non-BSA/AML laws and regulations;
- Failure to maintain a satisfactory BSA/AML Compliance Program, which includes Pillar violations; and
- A violation or practice that directly or indirectly involves an IAP or related interest who received material or substantial benefit from the activity.

CMPs should be used with discretion as they are designed to be punitive. The primary purpose of the penalty is to sanction violators according to the degree of culpability and severity of the violation. The penalty should also be used as a deterrent against future violations. In order to ensure the penalty will be considered punitive and deter future violations, the BSA/AML CMP Matrix takes into consideration the institution's total assets. Effecting remedial action is not the primary purpose of a CMP. Remedial action, in the form of other corrective measures, may be separately pursued under Section 8(b)(6) of the FDI Act. A CMP should be considered in conjunction with such remedial actions.

**Considerations
In Assessing CMPs**

Section 8(i)(2)(G) of the FDI Act requires that, in determining whether to assess a CMP or the amount of a CMP, the FDIC must consider:

1. The size of the financial resources and good faith of the institution;

In determining a CMP amount, several quantitative and qualitative factors² should be considered, including the institution's asset size, capital level, and overall financial condition.

Consideration may be given to reducing the amount of the CMP, if the institution cooperates, makes full and timely corrective action, and/or assists the regulatory agency in the investigation.

2. The gravity of the violation;

²Recommendations to pursue a BSA/AML CMP must be sent to the Washington Office as a Pre-Review Memorandum, with a completed CMP Matrix and documentation that includes the quantitative and qualitative factors, including comparables, used to determine the CMP amount.

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If the FDIC determines that the violation or unsafe or unsound practice was particularly egregious, then a larger recommended CMP is warranted.

3. The institution's BSA/AML history of previous violations; and

Qualitative factors may include: the institution's regulatory enforcement history; the identification of an individual(s) who was willful and culpable in the violation(s) and his or her position(s) at the institution; the breakdown in the internal control environment as well as the corporate culture, including Board oversight; and the implementation of policies and procedures.

4. Such other matters as justice may require.

Consideration may be given to other possible fines, penalties, or monetary sanctions (e.g., Department of Justice, Financial Crimes Enforcement Network, Office of Foreign Assets Control, state authorities, or reimbursement of costs of prosecutors' investigations).

In addition, the Regional Office (RO) and Washington Office (WO) should consider recent BSA/AML-related CMP cases for comparison purposes to ensure that the CMP is appropriate for the nature and gravity of the issues.

Violations of law or regulation, any final or temporary order, any condition imposed in writing in connection with the granting of any application or other request by an institution, any written agreement between an institution and the FDIC, or any regulatory reporting requirement may result in a CMP. Additionally, a CMP may be imposed for unsafe or unsound banking practices and when there is evidence of possible money laundering or other movement of illicit funds.

The Interagency Policy Statement indicates that CMP recommendations should be initiated only when the finable violation or practice is believed to meet the test of gravity as required by the Financial Institutions Regulatory and Interest Rate Control Act of 1978, including consideration of the 13 relevant factors found in the Interagency Policy:

1. Evidence that the violation or practice was intentional or committed with disregard of the law or with a disregard of the consequences to the institution;
2. The duration and frequency of the violations or practices;
3. The continuation of the violations or practices after the respondent was notified or, alternatively, its immediate cessation and correction;
4. The failure to cooperate with the agency in effecting early resolution of the problem;
5. Evidence of concealment of the violation or practice or, alternatively, voluntary disclosure of the violation or practice;

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6. Any threat of loss, actual loss, or other harm to the institution, including harm to public confidence in the institution, and the degree of such harm;
7. Evidence that a participant or his or her associates received financial gain or other benefit as a result of the violation or practice;
8. Evidence of any restitution paid by a participant of losses resulting from the violation or practice;
9. History of prior violation or practice, particularly where they are similar to the actions under consideration;
10. Previous criticism of the institution or individual for similar actions;
11. Presence or absence of a compliance program and its effectiveness;
12. Tendency to engage in violations of law or unsafe or unsound banking practices; and
13. The existence of agreements, commitments, orders, or conditions imposed in writing intended to prevent the violation or practice.

Ability to Pay

The BSA/AML CMP Matrix should be used to calculate the CMP amount before any adjustments are made for mitigating factors, such as the amount of financial resources of the institution. The CMP amount should not be adjusted for corrective action since the matrix already provides credit to the institution for "corrective action" under Subtotal 2 of the BSA/AML CMP Matrix.

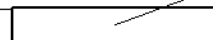
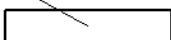
When determining the ability to pay a CMP, examiners should analyze the institution's financial condition, including Tier 1 capital, total capital, and earnings. The institution's assigned examination rating does not preclude examiners from completing the matrix. If there is cause to assess a CMP, the matrix should be completed and the institution's ability to pay should be evaluated after the penalty amount is determined.

Guidelines For Examiners

The guidelines listed below should be observed during examinations of institutions when a CMP may be recommended.

- RMS and Legal staff at the RO should be promptly notified of any examination, visitation, investigation, or other supervisory activity that uncovers misconduct that may warrant a CMP action. When the pursuit of a CMP appears warranted, examiners should consult with the RO for guidance on what evidence is required to support a CMP recommendation.
- Examiners should not discuss a potential CMP related to noncompliance with an existing 8(b) order with bank management. They may indicate generally that

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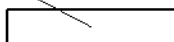
noncompliance with an order could result in further action by the FDIC, including, but not limited to, the assessment of a CMP.

- Evidence supporting a recommendation for a CMP should be segregated from regular examination documents to make it easier to support the CMP in administrative or judicial litigation.
- Apparent violations of laws and regulations or unsafe or unsound practices should be fully discussed with the institution's managers, but discussion of the CMP process should be limited. If a CMP recommendation appears likely, examiners may discuss criteria the FDIC considers and explain the administrative procedures followed to assess a CMP; RO Legal staff are available to provide advice to assist with such discussions. Examiners may indicate generally that violations of laws and regulations or unsafe or unsound practices could result in further action by the FDIC including, but not limited to, the assessment of a CMP.
- A determination of financial gain or other benefit to an individual or entity or financial loss to the institution resulting from the violations or unsafe or unsound practices should be considered. Such gain or loss is not necessary to support the assessment of a BSA/AML CMP.
- When violations or unsafe or unsound practices are of the type detailed in Section 8(i) of the FDI Act, and a CMP is contemplated as an appropriate administrative action, examiners should complete the BSA/AML CMP Matrix.
- Examiners, with consultation from RMS and Legal staff in the RO, should evaluate and consider all instances in the development of the CMP recommendation where law enforcement identifies specified unlawful activity.
- CMP actions against institutions may fall under the Equal Access to Justice Act, which provides that parties who prevail in contested administrative or judicial proceedings against a Federal agency may be able to recover litigation expenses from the agency if the agency's position in the proceeding was not substantially justified. For this additional reason, CMP recommendation memos and resulting enforcement actions should be properly supported by the evidence.

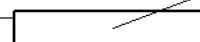
Guidelines for Using the BSA/AML CMP Matrix

The BSA/AML CMP Matrix incorporates the 13 factors identified by the Interagency Policy as relevant in determining the appropriateness of initiating a CMP assessment. These factors, along with those statutorily provided, are also used in determining the assessed amount of a CMP. There may be occasions where the examiner does not recommend a CMP based on the overall score. However, whenever a CMP is being considered against an institution, the BSA/AML CMP Matrix must be completed.

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The BSA/AML CMP Matrix is a tool intended to result in a consistent and equitable approach to develop a CMP amount. The BSA/AML CMP Matrix is offered only as guidance; it does not reduce the CMP process to a mathematical equation and should not be a substitute for experience and sound supervisory judgment. The BSA/AML CMP Matrix in no way limits the discretion of the FDIC to evaluate the precise facts and circumstances of each case, or other matters as justice requires, into the CMP determination.

Guidelines for Scoring the BSA/AML Matrix Factors Under Subtotal 1

The following instructions for scoring the matrix factors are provided for guidance only and are not intended to limit FDIC staff discretion. Ultimately, staff must complete the BSA/AML CMP Matrix based on the facts and circumstances of the particular case.

Where the information below refers to "Institution," it applies in the same manner to IAPs.

1. **Intent:** This factor requires a review of the extent to which the violation or practice was intentional, including whether the violation was committed with recklessness or willful disregard of the law.

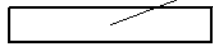
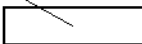
"No intent" (level "0" score) would be appropriate where an institution violated the law despite reasonable efforts and systems to ensure compliance.

"Careless" (level "1" score) would be appropriate where an institution made reasonable efforts to comply with the law but made an error or errors due to inadequate diligence.

"Should have known" (level "2" score) would be appropriate where an institution should have been aware of the risk associated with the conduct at issue but continued to act without addressing the risk. This would involve situations where an institution learned of the potential risk yet did nothing to mitigate such risk. Additionally, if an institution contracted out a service to a third party and the third party, including an affiliate, violated the law, the institution should have known about such violation because it should have been monitoring such activity.

"Reckless Conduct" or "Willful Disregard" (level "3" score) would be appropriate where an institution was aware that its internal controls environment, policies, procedures, and/or staffing likely would fail to detect and prevent a violation and yet did nothing to redress the risk. For example, if an institution were criticized during an examination for employing an insufficient number of staff given its high-risk transaction volume, and subsequently were to increase the transaction volume but not to increase staff, the institution's intent with respect to ensuing violations may be deemed reckless.

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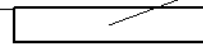
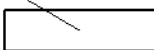
“Deliberate” (level “4” score) would be appropriate where an institution engaged in conduct that it knew would violate a law. This score requires the institution to have actively participated in – *i.e.*, to have knowingly aided and abetted – conduct that is deemed a violation. If an institution facilitated a key customer’s structuring, for example, such misconduct would qualify as deliberate.

2. **Concealment:** The focus of this factor is on the actions of the institution or officers, employees, or others working on the institution’s behalf when FDIC examiners or other FDIC personnel (or others such as the institution’s auditors, other regulatory agencies, or law enforcement) are attempting to determine whether an institution violated any law or regulation or engaged in unsafe and unsound practices. This factor would also apply if a corporate entity IAP sought to conceal violations or practices from bank management. Also, the focus of this factor is on deliberate (as opposed to inadvertent) conduct by the institution or its officers and employees in connection with withholding documents and information. This includes, but is not limited to, not providing documents or other information as requested by the examiners or FDIC personnel. Scoring of this factor should not consider actions by the institution or individuals after the FDIC identified the violation. Thus, any actions taken by the institution would be considered under the cooperation mitigating factor.

- a. Level “0” score: Applies to those situations in which the institution promptly supplies all documents and information requested regarding a possible violation of law or regulation.
- b. Level “1” score: Applies when the institution purposely complicates an issue to make it difficult to uncover, but supplies accurate and complete documents and information from which the violation can be ascertained by examiners.
- c. Level “2” score: Applies when the institution cannot provide documents or information because it deliberately failed to keep adequate records as required by law.
- d. Level “3” score: Applies when the institution both deliberately obstructs FDIC examiners or others in an attempt to make an issue difficult to uncover, and recklessly and/or intentionally failed to keep adequate records as required by law.
- e. Level “4” score: Applies in those situations where the institution deliberately falsified documents or destroyed documents with the intent to impede an investigation or review and/or provided inaccurate, misleading, or false information to FDIC examiners or others.

3. **BSA/AML Compliance Program Violation or Systemic Deficiencies:** This factor includes any BSA/AML law or regulation, any final or temporary order, any BSA/AML condition imposed in writing in connection with the granting of any application or other request by an institution, or any BSA/AML-related

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written agreement between an institution and the FDIC. Substantive violations (e.g., Program, Pillar or systemic) warrant a more severe score including, potentially, the highest score. A significant number of substantive violations may also justify the highest score.

4. **Failure to Report and/or Monitor for Suspicious Activity/Systemic Failure to Complete Currency Transaction Reports (CTR)s:** The institution exhibited systemic failures to file, or correctly file, reports required by the BSA, or, where required by law, failed to implement systems to ensure the reporting or accuracy of this data. The “Look Back” requirement in most cases is a provision of a formal enforcement action and would require the highest score.
5. **History of Previous Supervisory Actions:** This matrix factor refers to a formal or informal enforcement action that addressed the same or a related issue previously. This factor is based on the extent to which prior informal or formal enforcement actions or conditions imposed in writing by the FDIC were required to address or prevent a violation, underlying practice, or unsafe or unsound practice. The type of supervisory action taken will be considered when determining the score for this factor. The score for this factor will generally be assigned as follows:

Level “1” score: A different violation or deficiency (i.e., distinct root cause) resulted in an informal enforcement action.

Level “2” score: A similar violation or deficiency (i.e., same root cause) resulted in an informal enforcement action.

Level “3” score: Again, the same root cause but violations and deficiencies resulted in a formal enforcement action.

Level “4” score: The institution has an informal or formal enforcement action outstanding and has a history of noncompliance with laws and regulations.

6. **Continuation After Notification:** This factor is based on the bank’s response after notification. Notification occurs when an institution becomes aware that its action/non-action constitutes misconduct, a deficiency or a violation. Notification includes notice of misconduct by the FDIC, other regulatory agencies, external auditors, internal auditors, or other parties, including law enforcement. In addition, notification includes discovery by bank staff with notice to a member of management of the misconduct. The term “continuation” refers to the activity itself, not any lingering result. For example, an institution may not be collecting appropriate information on its customers as required under the Customer Identification Program Rule (CIP). If, after notification, the institution continues not to collect proper CIP information, this may be considered as continuing the violation.
7. **History of Previous Violations and Previous Deficiencies:** This factor is based on history of prior violations or practices (particularly where they are similar to the actions under consideration) and previous criticism (including any recommendations made in the Report of Examination or other supervisory correspondence) of the institution or IAP for similar actions.

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Violations or deficiencies need not be continuous to elevate concern; and violations or deficiencies that were identified in earlier examinations should be considered in applying this factor, even if they have been corrected or there has been an intervening examination in which no similar violation or deficiency was reported. An example follows:

- a. Level "1" score: Same or similar criticism. An example would be where there was criticism of BSA/AML training for not completing training for new employees at a prior examination, and a BSA/AML training deficiency was noted for lack of training for Board of Directors cited at current examination.
 - b. Level "2" score: Same root cause, different misconduct. An example would be deficiencies in the internal control environment resulting in suspicious activity reporting violations at the prior examination. During the current examination, the weak internal control environment led to the citation of information sharing violations.
 - c. Level "3" score: Same root cause, similar misconduct. An example would be an institution failing to have adequate BSA internal controls at a prior examination and now having suspicious activity report (SAR) and CTR violations resulting from inadequate internal controls at the current examination.
 - d. Level "4" score: Same root cause, same misconduct. An example would be where an institution was cited for a BSA internal control violation at the last examination and again at the current examination with the same circumstances.
8. ***Duration of Misconduct Prior to Notification or Discovery:*** "Notification" in this factor means the same as that under "Continuation after Notification." In determining the duration of the misconduct, the entire time period during which the misconduct occurred should be considered, not just the time period that was reviewed. The score on the matrix for this factor is based primarily on the length of time the misconduct occurred, with misconduct exceeding 18 months receiving the most severe score. Use the following timeframes to determine the assigned level:
- a. Level "1" score: Less than or equal to 6 months
 - b. Level "2" score: Over 6 months and up to 12 months
 - c. Level "3" score: Over 12 months and up to 18 months
 - d. Level "4" score: Over 18 months

9. ***Frequency of Misconduct prior to Notification or Discovery:*** "Notification" in this factor means the same as that under "Continuation after Notification." In

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determining the frequency of the misconduct, examiners need to first determine if the misconduct was isolated, infrequent, frequent, or a pattern or practice/systemic.

- a. Level “1” score: The institution’s misconduct was isolated. In assessing this factor, a single transaction that violates multiple regulations is considered one instance of misconduct.
- b. Level “2” score: The institution’s misconduct was infrequent. “Infrequent” means the occurrence of the misconduct took place over long intervals, and did not occur regularly.
- c. Level “3” score: The institution’s misconduct was frequent. “Frequent” means misconduct that occurs often, but not as regular as a pattern or practice.
- d. Level “4” score: The institution’s misconduct, deficiency or violation rises to the level of a pattern or practice/systemic. In assessing this factor, a pattern or practice may be found when each instance or transaction that is considered misconduct is based on systemic failures (e.g., 50 failures to file accurate and complete CTRs may be considered a systemic failure if the institution generally only files a small number of CTRs). Misconduct that is excluded due to the expiration of the statute of limitations should not be included when scoring this factor.

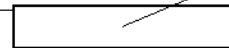
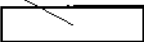
10. ***Gain or Other Benefit to the Institution and/or Loss or Risk of Loss to the Institution:*** This factor considers whether the institution received financial gain or other benefit from the misconduct at issue. In assessing this factor, examiners should consider any direct or indirect monetary gain or other benefit to the institution. A practice may not have resulted in monetary gain but may have resulted in some other benefit to the institution. Examiners may also find cases where there is no financial gain or other benefit, but there is loss or risk of loss. For example, an institution that permits structuring may not realize a gain or benefit, but repeated, extended, or flagrant BSA/AML failures subject the institution to risk of loss. BSA/AML failures that facilitate a fraud resulting in actual loss should receive the highest score.

11. ***Impact Other Than Loss:*** In assessing this factor, it is appropriate to consider any possible negative impact or harm to the bank and the banking industry, other than loss. Activity that facilitates money laundering or other illicit financial transactions could negatively affect the public’s confidence in the bank or the banking industry. Conducting a few transactions, or failing to report a few transactions, may present risks that are confined to one bank. In contrast, conducting high-risk, high-dollar, high-frequency transactions with other banks through funds transfers and correspondent banking may adversely impact public confidence in the bank or the banking industry.

12. ***Effectiveness of BSA/AML Internal Control Environment:*** Examiners should evaluate if and how an institution’s BSA/AML Compliance Program or lack thereof, contributed to the violation and/or deficiency in question for which a CMP is being considered. In applying this factor, the relative consideration is the

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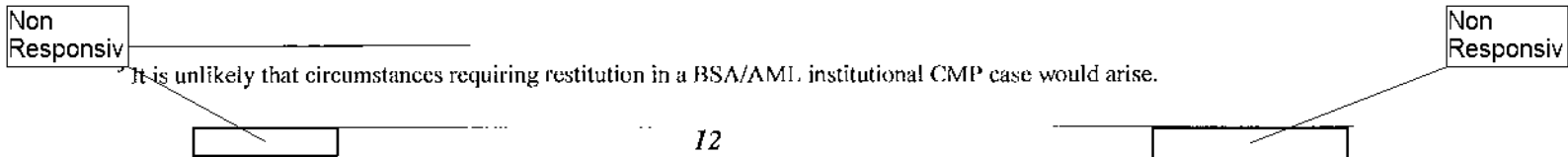
strength or weakness of the institution’s BSA/AML Compliance Program. In evaluating the BSA/AML Compliance Program, examiners should consider the extent to which the program components are effective. In general, the more components that have weaknesses, the greater the score. Additionally, if illicit financial transactions are detected, the highest score would be appropriate. Similarly, BSA/AML Compliance Programs that are so lacking as to permit violations to occur and remain undetected should also be accorded the most severe score. In contrast, a BSA/AML Compliance Program that identified the violation/deficiency, allowing the institution to initiate timely corrective measures, may receive a lower score. This factor should not be applied to the citing of the BSA/AML Program violation under 12 CFR Section 326.8.

Guidelines for Scoring the BSA Matrix Factors Under Subtotal 2

This portion of the matrix provides the institution positive consideration for corrective action, cooperation, and disclosure.

1. **Corrective Action and or Restitution³**: In assessing this factor, examiners should consider whether an institution has taken other remedial action to correct or mitigate all past harms arising out of the institution’s past practices. Steps taken to prevent future violations do not constitute restitution or remediation of past violations. An institution that self-identifies a violation after the examination commences, and provides full corrective action prior to notification of the violation by the FDIC or other regulatory agency, should be awarded the highest score for this factor. Partial corrective action(s) would include instances where the institution did not make full corrective action or did not properly identify all necessary corrective action(s).

2. **Cooperation and Disclosure**: In assessing this factor, examiners should consider the extent to which an institution has been cooperative after examiners have identified a violation, raised it with management, and the FDIC has begun to take steps to stop or remedy the violations through supervisory actions. The FDIC expects its institutions to fully cooperate with our examination efforts. An institution that self-identifies a potential violation and alerts the FDIC of its concerns regarding the issue, or proactively cooperates with the FDIC to resolve the issue, will be awarded the highest score of “4” for this factor. An example of proactive assistance would include where the institution begins to investigate the matter once it is discovered. If an institution does not meet the criteria for a score of “4” but provides full and prompt cooperation to the FDIC, the institution should receive a score of “3.” An institution that does not provide full and prompt cooperation may receive a score of “1” or “2.”



Factors to be Considered	0	1	2	3	4	Assigned Level	Weight Factor	Weight Factor X Level
Intent (1)	No intent	Careless	Should have Known	Reckless or Willful Disregard	Deliberate		15	
Concealment (5)	None	Purposeful complication of an issue / obstruction	Deliberate failure to keep adequate records	Deliberate obstruction and deliberately or recklessly failed to keep adequate records	Deliberate falsification or destroying of documents or providing false information to examiners or others		15	
BSA/AML Program violation or systemic deficiencies: (1)(11)(12)	None	Technical violations	Systemic violations or recurring violations that are not Pillar Violations	BSA/AML Program, Pillar violations	Failure to comply with Section 8(b)		10	
Failure to report Suspicious Activity and/or monitor for Suspicious Activity Look Back required and/or a systemic failure to complete CTRs (1)	None	Institution fails to report and/or implement systems designed to ensure accurate reporting of required data	Repeat failure to report and/or implement systems designed to ensure accurate reporting of required data	Numerous repeat failures to report and/or implement systems designed to ensure accurate reporting of required data	Substantial repeat failure and/or failure to implement appropriate monitoring systems to ensure data accuracy. Look Back or Transaction review required for SARs or CTRs		10	
History of all previous BSA/AML supervisory actions (13)	None	Different violation or deficiencies results in informal enforcement action issued	Similar violation or deficiencies results in informal enforcement action issued	Violations and deficiencies result in formal enforcement actions issued	Informal or formal enforcement actions outstanding; History of noncompliance with law, regulation or order		10	
Continuation after notification (3)		Violation(s) ceased promptly upon notification	Violation(s) continued for short period of time after notification, less than 3 months	Violation(s) continued for long period of time after notification, more than 3 months	Violation(s) still continuing		8	
History of previous violations or previous deficiencies (9) (10)	None	Same or similar criticism	Same root cause/different misconduct	Same root cause, similar misconduct	Same root cause/same misconduct		8	
Duration of misconduct prior to notification or discovery (2)		0 to 6 months	Over 6 and up to 12 months	Over 12 and up to 18 months	Over 18 months		8	
Frequency of misconduct prior to notification or discovery (2)		Isolated instance of misconduct	More than one instance of misconduct/ infrequent	Frequent/Repeated	Pattern or practice		8	
Gain or other benefit to institution (7); and/or loss or risk of loss to the institution	None		Indirect gain or benefit to institution; and/or some actual loss	Direct gain or benefit to institution; and/or moderate actual loss or risk of substantial loss	Substantial direct gain or benefit to institution; and/or substantial actual loss		6	
Impact other than loss (6)	None		Institution exposed to limited risk of money laundering	Moderate impact on banking industry or public confidence in banking due to an isolated instance of money laundering and/or other illicit transactions	Substantial impact on banking industry or public confidence in banking; Evidence of significant money laundering and other illicit financial transactions		6	

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Effectiveness of BSA Internal Control Environment (11)		Weak oversight, or policies are stale or procedures are weak	Practices vary from Board approved policies and procedures	Deficient oversight, lax compliance efforts, weak controls	Lax compliance efforts, deficient controls, money laundering and/or illicit transactions detected		6	
SUBTOTAL 1								
Corrective Action to Remediate deficiencies (13) and or Restitution (8)	No corrective action	Limited corrective action after notification	Complete corrective action after notification	Partial corrective action voluntarily before notification	Complete corrective action voluntarily before notification		4	
Cooperation and disclosure (4)	None	Limited disclosure or limited cooperation		Full disclosure and cooperation after notice	Institution self identifies voluntarily; full disclosure and cooperation before notice		4	
SUBTOTAL 2								
TOTAL (subtract 2 from 1)								

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MATRIX FOR BSA/AML CMPs AGAINST INSTITUTIONS

Points from Matrix	Base Penalty Range Total Assets \$1 Billion or less	Penalty Formula Total Assets Over \$1 Billion ¹
0 - 100	None ²	None
101-130	\$10,000 - \$25,000	Total Assets / 1 billion x penalty
131-150	\$25,000 - \$45,000	Total Assets / 1 billion x penalty
151-170	\$45,000 - \$65,000	Total Assets / 1 billion x penalty
171-190	\$65,000 - \$85,000	Total Assets / 1 billion x penalty
191-210	\$85,000 - \$200,000	Total Assets / 1 billion x penalty
211-220	\$200,000 - \$400,000	Total Assets / 1 billion x penalty
221-240	\$400,000 - \$600,000	Total Assets / 1 billion x penalty
241-260	\$600,000 - \$800,000	Total Assets / 1 billion x penalty
261-290	\$800,000 - \$1MM	Total Assets / 1 billion x penalty
291-310	\$1MM - \$2MM	Total Assets / 1 billion x penalty
311-330	\$2MM - \$3MM	Total Assets / 1 billion x penalty
331-350	\$3MM - \$4MM	Total Assets / 1 billion x penalty
351-370	\$4MM - \$5MM	Total Assets / 1 billion x penalty
371-390	\$5MM - \$6MM	Total Assets / 1 billion x penalty
391-400	\$6MM - \$7MM	Total Assets / 1 billion x penalty
400 +440 ³	\$7MM +	Total Assets / 1 billion x penalty

Note: The suggested CMP ranges are provided for guidance only and are not intended to limit staff discretion to assess a penalty below or above the recommended amounts, taking all facts into account.

¹The penalty amount for institutions over \$1 billion is determined using two steps. First, a penalty amount is determined using the range under "Total Assets over \$1 Billion." Second, that penalty amount is multiplied by total assets and divided by \$1 billion. For example, an institution with \$2.2 billion in total assets scores 248 points on the matrix. The recommended penalty range under \$1 billion column is \$600,000 to \$800,000. The penalty range for a \$2.2 billion institution would be \$1.32MM to \$1.76MM. (The actual calculation steps would be: first, Total Assets/\$1 billion or in this example, \$2.2 billion/1 billion for a factor of 2.2. Then, multiply this factor times the low end and high end of the range for banks up to \$1 billion. The result is: 2.2 x \$600,000, which results in a low end range of \$1.32MM and then 2.2 x \$800,000, which results in a high end range of \$1.76MM.)

² If a CMP are not pursued, examiners may still consider other appropriate supervisory action to address the deficiency.

³ In instances where the matrix score is over 400 and the bank's assets are more than \$1 billion, the statutory maximums per violation, per day, should be calculated and considered.

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