

Press Releases

April 26, 2006

OTS 06-020 - FinCEN and OTS Issue Bank Secrecy Act Enforcement Orders Against BankAtlantic

Office of Thrift Supervision

FOR RELEASE at 5:00 P.M. EDT

For further information

Wednesday, April 26, 2006

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OTS 06-020

202/906-6677

Joint Release

**Financial Crimes Enforcement Network
Office of Thrift Supervision**

FinCEN and OTS Issue Bank Secrecy Act Enforcement Orders Against BankAtlantic

WASHINGTON, D.C. - The Financial Crimes Enforcement Network (FinCEN) and the Office of Thrift Supervision (OTS) announced today that each has assessed a \$10 million civil money penalty against BankAtlantic of Fort Lauderdale, Florida, for violations of the Bank Secrecy Act. OTS also issued a Cease and Desist Order requiring BankAtlantic to take certain corrective actions. BankAtlantic, without admitting or denying the allegations, consented to the payment of the civil money penalty and issuance of the Orders by FinCEN and the OTS.

These actions demonstrate a coordinated effort on the part of the agencies that regulate and enforce the Bank Secrecy Act. In taking these actions, FinCEN and the OTS determined that BankAtlantic failed to implement an adequate Bank Secrecy Act anti-money laundering program that included internal controls and other measures to detect and report money laundering and other suspicious activity. In particular, the agencies found systemic defects in BankAtlantic's anti-money laundering program that resulted in the failure to timely file suspicious activity reports.

"This case, which involved tens of millions of dollars in unreported suspicious financial transactions, including more than \$10 million in suspected drug proceeds, is an example of serious and systemic violations of BSA requirements," said Robert W. Werner Director of FinCEN. "The actions taken today highlight how consequential it is for banks to have an effective anti-money laundering program in place to ensure that the financial system is not used to facilitate criminal activity."

OTS Director John Reich observed that, "the vast majority of insured depository institutions have BSA-compliant anti-money laundering programs in place. Today's action, however, is a reminder that institutions must remain vigilant to ensure BSA programs and systems are effectively implemented to detect and report potential money laundering activities."

The Orders are part of a coordinated action with the U.S. Department of Justice, which is also announcing today the execution of a Deferred Prosecution Agreement with BankAtlantic in connection with charges that BankAtlantic violated the Bank Secrecy Act by failing to maintain an effective anti-money laundering program. The penalties assessed by FinCEN and the OTS will be satisfied by a single \$10 million payment to the U.S. Department of Justice.

Copies of the agencies' enforcement actions are attached and are also available on the FinCEN website www.fincen.gov and on the OTS website at www.ots.treas.gov.

Attachments

FinCEN Civil Money Penalty - http://www.fincen.gov/bankatlantic_assessment.pdf

Cease and Desist Order - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2006-20a.pdf>

Stipulation and Consent - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2006-20b.pdf>

Civil Money Penalty - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2006-20c.pdf>

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.