



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

COMPL-2013-193233

SETTLEMENT AGREEMENT

This Settlement Agreement (the Agreement) is made by and between the U.S. Department of the Treasury's Office of Foreign Assets Control and Bank of America, N.A.

I. PARTIES

1. The Office of Foreign Assets Control (OFAC) administers and enforces economic sanctions against targeted foreign countries, regimes, terrorists, international narcotics traffickers, and persons engaged in activities related to the proliferation of weapons of mass destruction, among others. OFAC acts under Presidential national emergency authorities, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction.

2. Bank of America, N.A. (Bank of America or Respondent) is a national banking association organized under the laws of the United States. The Office of the Comptroller of the Currency is Bank of America's primary regulator.

II. FACTUAL STATEMENT

3. From on or about September 10, 2005 to on or about March 31, 2009, Bank of America appears to have violated § 598.203 of the Foreign Narcotics Kingpin Sanctions Regulations (the FNKSR) when it processed approximately 116 transactions for the following three Specially Designated Narcotics Traffickers (SDNTs): Adrian Orozco Cardenas, Luis M. Carrillo Rodriguez, and Carlos Alberto Sanchez Osuna. (*COMPL No.'s 900241, 900442, 800227*).

4. From on or about September 11, 2005 to on or about August 17, 2007, Bank of America appears to have violated § 536.201 of the Narcotics Trafficking Sanctions Regulations (the NTSR) when it processed approximately 92 transactions for the following three SDNTs: German Rosero Angulo, Freddy Orlando Dominguez, and Rolando Vidal Caggigas. (*COMPL No.'s 700690, 900238, 700008, 900244, 600731*).

5. From on or about October 31, 2006 to on or about March 3, 2009, Bank of America appears to have violated § 598.601 of the FNKSR, § 536.601 of the NTSR, and § 501.603 of the Reporting, Procedures and Penalties Regulations when it failed to file timely blocked property reports regarding five accounts owned by the following four SDNTs: Eleazar Fontes-Moreno, Maria Teresa Giraldo Castaneda, Oscar Ignacio Martan Rodriguez, and Luis Fernando Gaviria Mejia. (*COMPL No.'s 900236, 800629, 900233, 1000371*).

6. Although most of the apparent violations described above were disclosed by Bank of America to OFAC as a result of remedial action designed to correct the screening deficiency giving rise to the apparent violations, such disclosures do not qualify as voluntarily self-disclosed to OFAC within the meaning of OFAC's Economic Sanctions Enforcement Guidelines (the

Guidelines) because they were substantially similar to apparent violations of which OFAC was already aware. *See* 31 C.F.R. part 501, app A.

7. The apparent violations that took place prior to October 6, 2006, were not egregious. OFAC's administrative record contains no information showing that any member of Bank of America's staff or management had actual knowledge of the filter deficiency prior to October 6, 2006.

8. OFAC determined that the apparent violations that took place on or after October 6, 2006, constituted an egregious case.

III. TERMS OF SETTLEMENT

IT IS HEREBY AGREED by OFAC and Bank of America that:

9. In consideration of the undertakings of Bank of America in paragraph 10 below, OFAC agrees to release and forever discharge Bank of America, without any finding of fault, from any and all civil liability arising under the legal authorities that OFAC administers in connection with the apparent violations detailed in this Agreement (the Apparent Violations).

10. In consideration of the undertakings of OFAC in paragraph 9 above, Bank of America agrees:

- a. Within 15 days of the date Bank of America receives the unsigned copy of this Agreement to:
 - i. sign, date, and mail an original signed copy of this Agreement to: [REDACTED], Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220. Bank of America should retain a copy of the signed Agreement and a receipt or other evidence which shows the date Bank of America mailed the signed Agreement to OFAC; and
 - ii. arrange for the payment to the U.S. Department of the Treasury the amount of \$16,562,700. Bank of America's payment must be made either by an electronic funds transfer in accordance with the attached Electronic Funds Transfer (EFT) Instructions or by cashier's check or money order payable to the "U.S. Treasury" and referencing **COMPL-2013-193233**. Unless otherwise arranged with the U.S. Bureau of the Fiscal Service, Bank of America must either: (1) indicate payment by electronic funds transfer, by checking the box on the signature page of this Agreement or (2) enclose with this Agreement the payment by cashier's or certified check or money order.
- b. To provide OFAC with a presentation summarizing Bank of America's current procedures and policies as they relate to screening transactions and/or customers

for the purpose of compliance with the regulations administered by OFAC within six months of the date of this Agreement.

- c. To waive (i) any claim by or on behalf of Bank of America, whether asserted or unasserted, against OFAC, the U.S. Department of the Treasury, and/or its officials and employees arising out of the facts giving rise to the enforcement matter that resulted in this Agreement, including but not limited to OFAC's investigation of the Apparent Violations and (ii) any possible legal objection to this Agreement at any future date.

IV. MISCELLANEOUS PROVISIONS

11. This Agreement shall not constitute an admission or denial by Bank of America of any allegation made or implied by OFAC in connection with the Apparent Violations.

12. Except as provided in paragraph 9 above, this Agreement has no bearing on any past, present, or future OFAC actions, including the imposition of civil penalties, with respect to any activities by Respondent other than those set forth in the Apparent Violations.

13. OFAC may, in its sole discretion, issue a public statement about the facts of this Agreement, on its Web site or otherwise, including the identity of any entity involved, the settlement amount, and a brief description of the Apparent Violations.

14. This Agreement consists of four pages and expresses the complete understanding of OFAC and Bank of America regarding resolution of OFAC's enforcement matter involving the Apparent Violations. No other agreements, oral or written, exist between OFAC and Bank of America regarding resolution of this matter.

15. This Agreement shall inure to the benefit of and be binding on each party, as well as its respective successors or assigns.

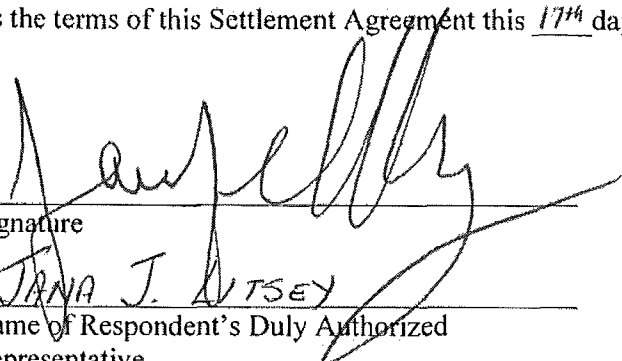
16. All communications regarding this Agreement shall be addressed to:

Bank of America, N.A.
Attn: Global Economic Sanctions
NY3-222-12-08
222 Broadway
New York, NY 10038

Attn: Sanctions Compliance & Evaluation
Office of Foreign Assets Control
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

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17. Bank of America accepts the terms of this Settlement Agreement this 17th day of July, 2014.



Signature
JANA J. TUTSEY

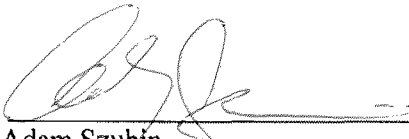
Name of Respondent's Duly Authorized Representative
DEPUTY GENERAL COUNSEL

Printed Title of Respondent's Duly Authorized Representative and Name of Entity (if applicable)

Please check this box if you have not enclosed payment with this Agreement and will instead be paying or have paid by electronic funds transfer (see paragraph 2(A)(ii) and the Electronic Funds Transfer Instructions enclosed with this Agreement).

AGREED:

Date: 7/22/14



Adam Szubin
Director
Office of Foreign Assets Control