

Web Posting

Credit Suisse AG Settles Allegations of Violations of Multiple Sanctions Programs. Credit Suisse AG (“Credit Suisse”) located in Zurich, Switzerland, has agreed to settle allegations of violations of the Iranian Transactions Regulations, 31 C.F.R. Part 560; the Burmese Sanctions Regulations, 31 C.F.R. Part 537; the Sudanese Sanctions Regulations, 31 C.F.R. Part 538; the Cuban Assets Control Regulations, 31 C.F.R. Part 515; the now-repealed Libyan Sanctions Regulations, 31 C.F.R. Part 550; and the Former Liberian Regime of Charles Taylor Sanctions Regulations, 31 C.F.R. Part 593, all of which were promulgated under either the International Emergency Economic Powers Act (“IEEPA”), 50 U.S.C. §§ 1701-06, or the Trading With the Enemy Act (“TWEA”), 50 U.S.C. App. §§ 1-44. Credit Suisse’s settlement with OFAC is part of a global settlement among Credit Suisse, OFAC, the U.S. Department of Justice, and the New York County District Attorney’s Office of the OFAC allegations and charges arising out of the conduct underlying the apparent violations described below. As part of this global settlement, Credit Suisse has agreed to pay an aggregate amount of USD 536,000,000. The Board of Governors of the Federal Reserve System has issued a consent Cease and Desist Order against Credit Suisse in connection with the case and is requiring the bank to implement an enhanced global regulatory compliance program. The Swiss Financial Market Supervisory Authority, as the home country supervisor of Credit Suisse, has agreed to assist the Board of Governors in the implementation and supervision of the Order.

Credit Suisse had standard procedures for using cover payments to avoid referencing parties subject to U.S. sanctions and omitting information, removing information, or providing incorrect information in payment messages in order to conceal the identities of U.S. sanctions targets — most notably Iran, Sudan, and Libya — in electronic funds transfer instructions executed through the United States on behalf of its bank and non-bank customers, and in securities transactions executed in the United States for a then-designated Libyan state-owned investment company and a bank located in Sudan. Based on OFAC’s analysis of information provided by Credit Suisse to OFAC, from August 2003 through December 2006, Credit Suisse routed at least 5,138 electronic funds transfers, with an aggregate value of approximately USD 644,258,000, through third-party banks located in the United States, in apparent violation of IEEPA or TWEA and the OFAC regulations related to the sanctions programs cited above. Credit Suisse did not voluntarily self-disclose these apparent violations under the terms of OFAC’s Economic Sanctions Enforcement Guidelines (“the Guidelines”). In addition, from September 2002 through June 2006, Credit Suisse Asset Management London engaged in 176 securities transactions, with an aggregate value of approximately USD 152,300,000, through Credit Suisse Securities (USA) LLC or its predecessor, Credit Suisse First Boston LLC, using code names for the accounts, in apparent violation of IEEPA, the Sudanese Sanctions Regulations, and the Libyan Sanctions Regulations. Credit Suisse Securities (USA) LLC voluntarily self-disclosed the apparent violations pertaining to the securities transactions. The total combined base penalty amount under the Guidelines for all apparent violations was approximately USD 1,703,568,000.

Credit Suisse has terminated the alleged illegal activities, has cooperated fully with OFAC, has undertaken substantial remedial steps, and will be implementing an enhanced global regulatory compliance program. OFAC mitigated the total potential penalty based on Credit Suisse's extensive and substantial cooperation, its remediation, the fact that OFAC had not issued a penalty notice or Finding of Violation against Credit Suisse in the five years preceding the transactions at issue, and Credit Suisse's willingness to enter into tolling agreements with OFAC. Credit Suisse substantially cooperated with OFAC by engaging an independent consulting firm to conduct an extensive review of all applicable incoming and outgoing payment messages during the review period and providing that information to OFAC in a comprehensive and well-organized manner. Mitigation was also extended because Credit Suisse agreed to settle the allegations of violations.

The entire Settlement Agreement between OFAC and Credit Suisse is posted under the Selected Settlement Agreements section of this website.