

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

)	
In the Matter of:)	
)	AA-EC-12-18
Citibank, N.A.)	
Sioux Falls, South Dakota)	
)	
)	

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through his national bank examiners and other staff of the Office of the Comptroller of the Currency (“OCC”), has conducted an examination of Citibank, N.A., Sioux Falls, South Dakota (“Bank”). The OCC has identified deficiencies in the Bank’s overall program for Bank Secrecy Act/anti-money laundering (“BSA/AML”) compliance and has informed the Bank of the findings resulting from the examination.

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated April 5, 2012, that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Cease and Desist Order (“Order”) by the Comptroller, pursuant to 12 U.S.C. 1818(b). The Bank has begun corrective action, and has committed to taking all necessary and appropriate steps to remedy the deficiencies identified by the OCC, and to enhance the Bank’s BSA/AML compliance program.

ARTICLE I

COMPTROLLER'S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) The OCC's examination findings establish that the Bank has deficiencies in its BSA/AML compliance program. These deficiencies have resulted in a BSA/AML compliance program violation under 12 U.S.C. § 1818(s) and its implementing regulation, 12 C.F.R. § 21.21 (BSA Compliance Program). In addition, the Bank has violated 12 C.F.R. § 21.11 (Suspicious Activity Report Filings); and 31 U.S.C. § 5318(i) and its implementing regulation, 31 C.F.R. § 1010.610 (Correspondent Banking).

(2) The Bank has failed to adopt and implement a compliance program that adequately covers the required BSA/AML program elements due to an inadequate system of internal controls and ineffective independent testing. The Bank did not develop adequate due diligence on foreign correspondent bank customers and failed to file Suspicious Activity Reports ("SARs") related to its remote deposit capture/international cash letter instrument activity in a timely manner.

(3) Some of the critical deficiencies in the elements of the Bank's BSA/AML compliance program include the following:

(a) The Bank has internal control weaknesses including the incomplete identification of high risk customers in multiple areas of the bank, inability to assess and monitor client relationships on a bank-wide basis, inadequate scope of periodic reviews of customers, weaknesses in the scope and documentation of the validation and optimization process applied to the

automated transaction monitoring system, and inadequate customer due diligence;

(b) The Bank failed to adequately conduct customer due diligence and enhanced due diligence on its foreign correspondent customers, its retail banking customers, and its international personal banking customers and did not properly obtain and analyze information to ascertain the risk and expected activity of particular customers;

(c) The Bank self-reported to the OCC that from 2006 through 2010, the Bank failed to adequately monitor its remote deposit capture/international cash letter instrument processing in connection with foreign correspondent banking;

(d) As a result of that inadequate monitoring, the Bank failed to file timely SARs involving remote deposit capture/international cash letter activity in its foreign correspondent banking business; and

(e) The Bank's independent BSA/AML audit function failed to identify systemic deficiencies found by the OCC during the examination process.

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(b), the Comptroller hereby ORDERS that:

ARTICLE II

COMPLIANCE COMMITTEE

(1) The Board shall maintain its Compliance Committee of at least three (3) directors, of which at least two (2) may not be employees or officers of the Bank or any of its subsidiaries or affiliates. In the event of a change of the membership, the name of any new member shall be submitted in writing to the Examiner-in-Charge of Large Bank Supervision at the Bank (“Examiner-in-Charge”). The Compliance Committee shall be responsible for monitoring and coordinating the Bank’s adherence to the provisions of this Order. The Compliance Committee shall meet at least monthly and maintain minutes of its meetings.

(2) Within ninety (90) days of this Order, and quarterly thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail the actions taken to comply with each Article of this Order, and the results and status of those actions.

(3) The Board shall forward a copy of the Compliance Committee’s report, with any additional comments by the Board, to the Deputy Comptroller for Large Bank Supervision (“Deputy Comptroller”) and the Examiner-in-Charge within ten (10) days of receiving such report.

ARTICLE III

COMPREHENSIVE BSA/AML ACTION PLAN

(1) Within sixty (60) days of this Order, the Bank shall submit to the Deputy Comptroller and the Examiner-in-Charge a plan containing a complete description of the

actions that are necessary and appropriate to achieve full compliance with Articles IV through XI of this Order (“BSA/AML Action Plan”). The Bank shall implement the BSA/AML Action Plan upon the Deputy Comptroller’s issuance of a written determination of no supervisory objection. In the event the Deputy Comptroller asks the Bank to revise the plan, the Bank shall immediately make the requested revisions and resubmit the plan to the Deputy Comptroller and Examiner-in-Charge. Following implementation, the Bank shall not take any action that will cause a significant deviation from, or material change to the BSA/AML Action Plan unless and until the Bank has received a prior written determination of no supervisory objection from the Deputy Comptroller.

(2) The Board shall ensure that the Bank achieves and thereafter maintains compliance with this Order, including, without limitation, successful implementation of the BSA/AML Action Plan. The Board shall further ensure that, upon implementation of the BSA/AML Action Plan, the Bank achieves and maintains an effective BSA/AML compliance program, in accordance with the BSA and its implementing regulations. In order to comply with these requirements, the Board shall:

- (a) require the timely reporting by Bank management of such actions directed by the Board to be taken under this Order;
- (b) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (c) require corrective action be taken in a timely manner for any non-compliance with such actions.

(3) The BSA/AML Action Plan must specify timelines for completion of each of the requirements of Articles IV through XI of this Order. The timelines in the BSA/AML Action Plan shall be consistent with any deadlines set forth in Articles IV through XI.

(4) Upon request by the Deputy Comptroller or the Examiner-in-Charge, the Bank shall modify the BSA/AML Action Plan to address any Matters Requiring Attention concerning BSA/AML matters, or citations of violations of law concerning BSA/AML matters, which the OCC may issue to the Bank following the effective date of this Order.

(5) The Bank shall ensure that it has sufficient processes, personnel, and control systems to implement and adhere to this Order. The BSA/AML Action Plan must specify in detail budget outlays and staffing, including aggregated staff compensation information in a format acceptable to the Examiner-in-Charge, that are necessary to achieve and maintain full compliance with Articles IV through XI of this Order.

(6) Any independent consultant or auditor engaged by the Bank or the Board to assist in the assessment of the BSA/AML Action Plan or other compliance with this Order must have demonstrated and specialized experience with the BSA/AML matters that are the subject of the engagement, and must not be subject to any conflict of interest affecting the consultant's or auditor's independence.

(7) Within ten (10) days of this Order, the Bank shall designate an officer to be responsible for coordinating and submitting to the OCC the written plans, reports, and other documents required to be submitted under the terms and conditions of this Order.

ARTICLE IV

MANAGEMENT AND ACCOUNTABILITY

(1) The Bank shall ensure there are clear lines of authority and responsibility for compliance management and BSA/AML compliance, and that competent and independent compliance management is in place on a full-time basis.

(2) The Bank shall ensure that compliance staff has the appropriate level of authority to implement the BSA/AML Compliance Program and, as needed, question account relationships and business plans. Compliance staff shall maintain independence from the business line, and not be subject to any form of evaluation or performance input from the business line.

(3) The Bank shall ensure that senior management and line of business management are accountable for effectively implementing bank policies and procedures, and fulfilling BSA/AML and Office of Foreign Assets Control (“OFAC”) obligations. The Board shall incorporate BSA and OFAC compliance into the performance evaluation process for senior and line of business management. Additionally, written Bank policies and procedures shall clearly outline the BSA/AML and OFAC responsibilities of senior management, and relevant business line employees, including, but not limited to, relationship managers, foreign correspondent banking personnel, private banking staff, and business development staff.

(4) The Bank shall develop appropriate objectives and means to measure the effectiveness of compliance management officers and compliance management personnel within each line of business and for those with responsibilities across lines of business.

ARTICLE V

BSA/AML COMPLIANCE PROGRAM EVALUATION

AND RISK ASSESSMENT

(1) Within 30 days of this Order, the Bank shall review its engagement with its current independent consultant on BSA/AML issues to review and ensure that the consultant's evaluation of the Bank's BSA/AML Compliance Program satisfies the requirements of this Article. This evaluation shall include assessments of the function's organizational structure, enterprise-wide effectiveness, the competency of management, accountability, staffing requirements, internal controls, customer due diligence processes, risk assessment processes, suspicious activity monitoring systems, audit/independent testing, and training.

(2) This evaluation shall also include a comprehensive assessment of the Bank's BSA/AML risk, including detailed quantification of risk to accurately assess the level of risk and the adequacy of controls. The comprehensive assessment shall include:

(a) An assessment of the AML risk associated with each line of business, and an enterprise-wide assessment of AML risk for higher risk products, customers, and services. This review shall include, but is not limited to, an assessment of risk associated with foreign correspondent banking, pre-paid cards and mobile banking, cash-intensive businesses, remote deposit capture, private banking, and other higher risk products, services, customers, or geographies. The purpose of the enterprise-wide assessment is to identify systemic AML risk that may not be apparent in a risk assessment focused on line of business or assessment units.

(b) Evaluation of the Bank's current methodology for quantifying the level of BSA/AML risk associated with specific customers. This evaluation shall result in the development of a comprehensive approach to quantifying BSA/AML risk for new and existing customers. The quantification of risk shall encompass a customer's entire relationship with the Bank, include the purpose of the account, actual or anticipated activity in the account (e.g., type and volume (number and dollar) of transaction activity engaged in), nature of the customer's business or occupation, customer location (e.g., customers' geographic location and where they transact business), types of products and services used by the customer, material changes in the customer's relationship with the Bank, as well as other factors discussed within the FFIEC BSA/AML Examination Manual.

(c) The identification of specific lines of business, geographies, products or processes where controls are not commensurate with the level of AML risk exposure.

(d) The risk assessment shall be refreshed periodically, the timeframe for which shall not exceed twelve months, or whenever there is a significant change in AML risk within the bank or line of business. The AML risk assessments shall also be independently reviewed for the adequacy of methodology and accuracy of findings.

(e) The aggregation of the Bank's enterprise-wide AML risk shall be logical and clearly supported in the work papers. The work papers and

supporting documentation shall be readily accessible for a third party review.

(3) A separate OFAC risk assessment shall be performed annually and include the same criteria.

(4) The Bank shall submit the BSA/AML Compliance Program evaluation, including the comprehensive BSA/AML risk assessment and the OFAC risk assessment, to the Examiner-in-Charge for supervisory non-objection. If the Examiner-in-Charge recommends changes to the evaluation or the assessments, the Bank shall incorporate those changes or suggest alternatives that are acceptable to the Examiner-in-Charge.

ARTICLE VI

CUSTOMER DUE DILIGENCE

(1) Within 90 days of this Order, the Bank shall ensure that appropriate customer due diligence policies, procedures, and processes are developed. These controls shall be implemented and applied on a bank-wide basis. Minimum corporate standards shall provide general guidance, and individual lines of business and AML compliance management shall develop standards based on their client base, products, services, geographic risk, and other AML risk factors. Customer due diligence shall be commensurate with the customer's risk profile, and sufficient for the bank to develop an understanding of normal and expected activity for the customer's occupation or business operations. The customer due diligence process shall include the following items:

(a) Information regarding the client's relationships with the Bank, all lines of business within the Bank, and all Bank subsidiaries. This includes

accounts within other lines of business, regions, and countries (as permitted by jurisdiction).

(b) An electronic due diligence database that is readily accessible to the relationship manager or other parties responsible for the customer relationship, AML compliance personnel, suspicious activity monitoring alert analysts and investigators, and quality control personnel.

(c) Customer due diligence shall be periodically updated to reflect changes in the customer's behavior, activity profile, derogatory information, periodic reviews of the customer relationship, or other factors that impact the AML risk for the client. The periodic update of due diligence shall be documented and subject to quality assurance processes.

(d) The client relationship AML risk score shall be detailed in the customer due diligence record, along with the supporting factors, including transaction activity, geographies involved, and suspicious activity monitoring alert and filing history among others.

(e) Specialized or enhanced due diligence for higher risk clients and/or products and services shall be implemented enterprise-wide. These due diligence standards shall comply with the FFIEC BSA/AML Examination Manual, the Interagency Guidance on Beneficial Ownership Information (OCC 2010-11), as well as industry standards.

(f) Management processes to periodically review the type and volume of customer activities where the size and nature of the account are such that a relationship manager is involved in supervising the account. The

purpose of these reviews shall be to determine if the customer's activity is reasonable, that customer due diligence is current and complete, and the customer risk rating is accurate. These reviews shall be documented and quality assurance processes must ensure the reviews are comprehensive and accurate. Standards and processes shall be established for elevating reviews for additional management consideration regarding increased monitoring, additional due diligence, or account closure.

(2) The Bank shall submit its policies and procedures for customer due diligence to the Examiner-in-Charge for prior supervisory non-objection. If the Examiner-in-Charge recommends changes to the policies or procedures, the Bank shall incorporate those changes or suggest alternatives that are acceptable to the Examiner-in-Charge.

ARTICLE VII

SUSPICIOUS ACTIVITY IDENTIFICATION AND REPORTING

(1) Within 60 days of this Order, the Bank shall develop and thereafter shall maintain a written program of policies and procedures to ensure, pursuant to 12 C.F.R. § 21.11, the timely and appropriate review and dispositioning of suspicious activity alerts, and the timely filing of SARs.

(2) Within 30 days of this Order, the Bank shall retain one or more independent consultants acceptable to the Examiner-in-Charge, or continue an existing or newly revised relationship with one or more independent consultants acceptable to the Examiner-in-Charge, to evaluate its suspicious activity identification processes to ensure

they are effective and provide comprehensive coverage to the Bank. This evaluation shall include an assessment of the capabilities of any surveillance and transaction monitoring systems used; the scope of coverage provided by the systems; and the management of those systems. Upon completion the Bank shall submit this evaluation to the Examiner-in-Charge for supervisory non-objection. The evaluation shall address, but not be limited to, the following issues:

(a) An assessment of the functionality of automated transaction monitoring systems used to determine if the systems are sufficiently robust to provide for the timely identification of potentially suspicious activity. A comprehensive listing of weaknesses or deficiencies in the system and the risks presented by these deficiencies shall be highlighted for management consideration.

(b) Management's implementation of each surveillance and transaction monitoring system shall ensure the following:

- i. The integrity of data feeding the transaction monitoring systems;
- ii. The system has been sufficiently tailored to the bank's risk profile and operations;
- iii. The system's functionality is being fully utilized;
- iv. The scenarios or rules selected for automated monitoring are appropriate and effective in identifying client activity that is unreasonable or abnormal given the nature of the client's occupation or business and expected activity;

- v. Sufficient management information and metrics are used to manage and adjust the system, as necessary;
- vi. Statistically valid processes are used to validate and optimize monitoring system settings and thresholds, and to measure the effectiveness of the automated system and individual scenarios, where appropriate;
- vii. Alert scoring methodology is used to prioritize work flows and to facilitate management of the system and the ongoing validation and optimization of system settings;
- viii. The adequacy of staffing to investigate and clear alerts;
- ix. The quality and completeness of information available to analysts working transaction monitoring alerts and conducting investigations;
- x. The standards for dispositioning different types of alerts are reasonable, communicated in writing to relevant staff and are adhered to by the alert investigators;
- xi. Adequate documentation is maintained to support the disposition of alerts;
- xii. The availability and adequacy of information to investigate potentially suspicious activity, including, if applicable, information from multiple lines of business a customer transacts with or information from bank subsidiaries;

- xiii. Standards that ensure accounts with high volumes of alerts are identified, elevated and properly categorized as high risk, and subject to enhanced due diligence and monitoring; and
- xiv. Sufficient quality control processes to ensure the surveillance and transaction monitoring system, alert management process, and SAR decisioning and filing are working effectively and according internal standards.

ARTICLE VIII

CASH LETTER SERVICES AND REMOTE DEPOSIT CAPTURE

(1) Within 90 days of this Order, the Board shall ensure that the Bank develop and that the Bank shall thereafter implement and maintain clear written policies, procedures and processes governing the use of cash letter services (“CLS”) and remote deposit capture (“RDC”) by all clients of the Bank. In particular, all CLS, including RDC, shall be properly monitored for suspicious activity and reported as necessary based upon the guidance set forth in the FFIEC BSA/AML Examination Manual. Data feeds for this automated monitoring must be tested for accuracy, and the logic employed in testing for suspicious activity must be clearly supported, reasonable, and independently validated.

(2) Within 90 days of this Order, the Bank shall establish and thereafter implement and maintain controls, commensurate with its BSA/AML risk, over the usage of RDC by all customers, and the Bank’s monitoring of RDC transactions. These controls shall include:

- (a) policies and procedures consistent with the January 14, 2009 Interagency Guidance on “Risk Management of Remote Deposit Capture” published by the FFIEC (OCC 2009-4);
- (b) policies and procedures for identifying, investigating, and resolving transactions that are identified as unusual;
- (c) policies and procedures for reporting suspicious activity;
- (d) periodic evaluations of line of business and compliance personnel knowledge of and adherence to Bank policies and procedures for identifying transactions that pose greater than normal risk for compliance with the BSA and its implementing regulations, in order to determine whether additional or enhanced training should be conducted; and
- (e) periodic evaluations of the sufficiency of staffing resources that support the line of business for the purpose of identifying and investigating unusual and/or suspicious activities.

(3) The Bank shall automate the monitoring of CLS and RDC transactions for suspicious activity to the extent practicable.

(4) The Bank shall submit its policies and procedures for management of the BSA/AML risk of CLS and RDC to the Examiner-in-Charge for prior supervisory non-objection. If the Examiner-in-Charge recommends changes to the policies or procedures, the Bank shall incorporate those changes or suggest alternatives that are acceptable to the Examiner-in-Charge.

ARTICLE IX

ACCOUNT/TRANSACTION ACTIVITY REVIEW (“LOOK-BACK”)

(1) Within 30 days of this Order, the Bank shall retain one or more independent consultants acceptable to the Examiner-in-Charge to supervise and certify an independent review of account and transaction activity (“look-back”) covering areas to be specified in writing by the Examiner-in-Charge.

(2) The purpose of the look-back is to determine whether suspicious activity was timely identified by the Bank, and, if appropriate to do so, was then timely reported by the Bank in accordance with 12 C.F.R. § 21.11.

(3) The look-back must be supervised and certified by independent consultant(s) with expertise in the review of CLS and RDC activity. The look-back shall be risk-based, including the risks identified in the Bank’s current risk assessment, and shall identify the sampling, software screening, or analytical techniques used to identify transactions that are subject to review for suspicious activity.

(4) Upon completion of the look-back, the written findings shall be reported to the Board, with a copy to the Examiner-in-Charge. The Bank shall file SARs, in accordance with 12 C.F.R. § 21.11, for any previously unreported suspicious activity identified during this review.

(5) Based upon the results of the look-back, the OCC, at its sole discretion, may expand the scope of the independent review or require a longer look-back period. If an additional look-back is deemed appropriate by the OCC, the Bank shall complete the look-back in accordance with this Article.

ARTICLE X

BSA INDEPENDENT TESTING AND AUDIT

(1) Within 90 days of this Order, the Bank shall develop and maintain an effective program to audit the Bank's BSA/AML compliance program ("Audit Program"). The Audit Program shall include, at a minimum:

- (a) a formal process to track and report upon Bank management's remediation efforts to strengthen the Bank's BSA/AML compliance program;
- (b) testing of the adequacy of internal controls designed to ensure compliance with the BSA and its implementing regulations;
- (c) a risk-based approach that focuses transactional testing on higher-risk accounts or geographic areas of concern; and
- (d) a requirement for prompt management response and follow-up to audit exceptions or other recommendations of the Bank's auditor.

(2) The Audit Program shall evaluate internal controls and effectively and timely identify non-compliance with policy, laws, rules, and regulations across lines of business and within each line of business. At least annually, the Audit Program shall evaluate the adequacy of the Bank's BSA Program based on the results of the independent testing, and considering changes in the quantity of AML risk or AML risk management.

(3) The Bank's audit function shall be adequately staffed with respect to experience level, specialty expertise regarding BSA/AML and OFAC, and number of the individuals employed.

(4) The Bank's Audit Program shall report all internal audit-identified deficiencies to the Compliance Committee, the Bank's Audit Committee, and to senior compliance management. The reports shall indicate the severity of the deficiencies, the risks, and the corrective actions. Corrective actions must be followed-up by internal audit within a reasonable period of time until closed. Monthly status reports on corrective action status shall be provided to the Compliance Committee and the Bank's Audit Committee.

(5) The Board and senior compliance management shall receive full information about the Bank's compliance management program in light of their obligation to oversee the Bank and to fulfill its fiduciary responsibilities and other responsibilities under law. Deficiencies in the program shall be identified and highlighted along with the risks.

(6) Within 90 days of this Order, the Bank shall submit the Audit Program to the Examiner-in-Charge for prior supervisory non-objection. If the Examiner-in-Charge recommends changes to the Audit Program, the Bank shall incorporate those changes or suggest alternatives that are acceptable to the Examiner-in-Charge.

ARTICLE XI

NEW PRODUCTS, SERVICES, OR LINES OF BUSINESS

(1) The Bank shall ensure that new products and services are subject to senior level compliance review and approval. These reviews must consider the quantity of BSA/AML and OFAC risk of the new product or service as well as the quality of risk management. At a minimum, these reviews must assess the ability of the Bank's compliance program to manage the risk, the anticipated growth in both the business and the compliance function, and the ability of alert investigators' to manage any anticipated increase in alert volume as a result of the new business.

(2) The Bank shall not enter into a new high-risk (quantity) line of business, or expand existing high-risk (quantity) lines of business, without conducting a risk assessment, a determination of compliance staffing impact, and without the prior approval of the OCC, which shall be obtained in the form of written supervisory non-objection from the Examiner-in-Charge.

ARTICLE XII

CLOSING

(1) Although this Order requires the Bank to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection by the Deputy Comptroller and/or the Examiner-in-Charge, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States to undertake any

action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) This Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the violations described in the Comptroller's Findings set forth in Article I of this Order. Provided, however, that nothing in this Order shall prevent the Comptroller from instituting other enforcement actions against the Bank or any of its institution-affiliated parties, including, without limitation, assessments of civil money penalties, based on the Findings set forth in this Order, or any other findings.

(4) This Order is and shall become effective upon its execution by the Comptroller, through his authorized representative whose hand appears below. The Order shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) Any time limitations imposed by this Order shall begin to run from the effective date of this Order, as shown below, unless the Order specifies otherwise. The time limitations may be extended in writing by the Deputy Comptroller for good cause upon written application by the Board. Any request to extend any time limitation shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with the time limitation, and shall be accompanied by relevant supporting documentation. The Deputy Comptroller's decision regarding the request is final and not subject to further review.

(6) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding the Comptroller or the United States. Without limiting the foregoing, nothing in this Order shall prevent any action against the Bank or its institution-affiliated parties by a bank regulatory agency, the United States Department of Justice, or any other law enforcement agency.

(7) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 5 day of April, 2012.

/s/Delora Ng Jee

Delora Ng Jee
Deputy Comptroller for International Banking
Supervision
Office of the Comptroller of the Currency

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:)	
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Citibank, N.A.)	
Sioux Falls, South Dakota)	
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**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to impose a cease and desist order on Citibank, N.A., Sioux Falls, South Dakota (“Bank”) pursuant to 12 U.S.C. § 1818(b), for violations of 12 U.S.C. § 1818(s); the Bank Secrecy Act, 31 U.S.C. §§ 5311 *et seq.*, including 31 U.S.C. § 5318(i); and Bank Secrecy Act regulations 12 C.F.R. §§ 21.11 and 21.21, and 31 C.F.R. § 1010.610.

The Bank, in the interest of compliance and cooperation, enters into this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation”) and consents to the issuance of a Consent Order, dated April 5, 2012 (“Consent Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, stipulate and agree to the following:

ARTICLE I

JURISDICTION

- (1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*
- (2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).
- (3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(b)(1).
- (4) As a result of this Consent Order:
 - (a) the Bank is an “eligible bank” pursuant to 12 C.F.R. § 5.3(g)(4) for the purposes of 12 C.F.R. Part 5 regarding rules, policies and procedures for corporate activities, unless otherwise informed in writing by the OCC.
 - (b) the Bank is not subject to the limitation of 12 C.F.R. § 5.51(c)(6)(ii) for the purposes of 12 C.F.R. § 5.51 requiring OCC approval of a change in directors and senior executive officers, unless otherwise informed in writing by the OCC.
 - (c) the Bank is not subject to the limitation on golden parachute and indemnification payments provided by 12 C.F.R. § 359.1(f)(1)(ii)(C) and 12 C.F.R. § 5.51(c)(6)(ii), unless otherwise informed in writing by the OCC.
 - (d) the Bank’s status as an “eligible bank” remains unchanged pursuant to 12 C.F.R. § 24.2(e)(4) for the purposes of 12 C.F.R. Part 24

regarding community and economic development, unless otherwise informed in writing by the OCC.

(5) The Consent Order shall not be construed to be a “written agreement, order, or capital directive” within the meaning of 12 C.F.R. § 6.4, unless the OCC informs the Bank otherwise in writing.

ARTICLE II

AGREEMENT

(1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the Consent Order by the Comptroller.

(2) The Bank consents and agrees that the Consent Order shall (a) be deemed an “order issued with the consent of the depository institution” pursuant to 12 U.S.C. § 1818(h)(2), (b) become effective upon its execution by the Comptroller through his authorized representative, and (c) be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(i).

(3) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(4) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to consent to the issuance of the Consent Order and/or execute the Consent Order.

(5) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department,

the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(6) The OCC releases and discharges the Bank from all potential liability for a cease and desist order that has been or might have been asserted by the OCC based on the violations described in the Comptroller's Findings set forth in Article I of the Consent Order, to the extent known to the OCC as of the effective date of the Consent Order. However, the violations alleged in Article I of the Consent Order may be utilized by the OCC in other future enforcement actions against the Bank or its institution-affiliated parties, including, without limitation, to assess civil money penalties or establish a pattern or practice of violations or the continuation of a pattern or practice of violations. This release shall not preclude or affect any right of the OCC to determine and ensure compliance with the terms and provisions of this Stipulation or the Consent Order.

(7) The terms and provisions of the Stipulation and the Consent Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Stipulation or the Consent Order, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Stipulation or the Consent Order.

ARTICLE III

WAIVERS

- (1) The Bank, by consenting to this Stipulation, waives:
- (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);

- (b) any and all procedural rights available in connection with the issuance of the Consent Order;
- (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (h), 12 C.F.R. Part 19;
- (d) all rights to seek any type of administrative or judicial review of the Consent Order;
- (e) any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or this Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412; and
- (f) any and all rights to challenge or contest the validity of the Consent Order.

ARTICLE IV

CLOSING

(1) The provisions of this Stipulation shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

(2) Nothing in this Stipulation shall preclude any proceedings brought by the Comptroller to enforce the terms of this Consent Order, and nothing in this Stipulation constitutes, nor shall the Bank contend that it constitutes, a waiver of any right, power, or

authority of any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice, to bring other actions deemed appropriate.

(3) The terms of the Stipulation and the Consent Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set her hand on behalf of the Comptroller.

/s/Delora Ng Jee
Delora Ng Jee
Deputy Comptroller for International Banking
Supervision
Office of the Comptroller of the Currency

April 5, 2012
Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/ Anthony M. Santomero
Anthony M. Santomero

April 4, 2012
Date

/s/ Ernesto Zedillo
Ernesto Zedillo

April 4, 2012
Date

/s/ Eugene M. McQuade
Eugene M. McQuade

4/1/12
Date

/s/ L. R. Ricciardi
Lawrence R. Ricciardi

4/1/12
Date

/s/ Michael E. O'Neill
Michael E. O'Neill

April 4, 2012
Date

/s/ Robert L. Joss
Robert L. Joss

April 4, 2012
Date

/s/ Robert L. Ryan
Robert L. Ryan

April 4, 2012
Date