

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

<b>In the Matter of:</b> Associated Bank, N.A. Green Bay, Wisconsin	) ) )	AA-EC-2014-60
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**CONSENT ORDER FOR A CIVIL MONEY PENALTY**

The Comptroller of the Currency of the United States of America (“Comptroller”), through his examiners and other staff of the Office of the Comptroller of the Currency (“OCC”), has conducted an examination of Associated Bank, N.A., Green Bay, Wisconsin (“Bank”), specifically to determine the adequacy of the Bank’s Bank Secrecy Act and Anti-Money Laundering (“BSA/AML”) compliance program. The OCC identified BSA/AML deficiencies in the Bank’s internal controls, independent testing, day-to-day monitoring and coordination, and training. These BSA/AML deficiencies occurred primarily during the period 2010 – 2012 and were addressed by a Consent Order issued by the OCC on February 23, 2012 (“Consent Order”), which in part required the Bank to undertake remedial actions with respect to its BSA/AML program. The OCC terminated the Consent Order on March 11, 2014 (Enforcement Action #2014-047, March 11, 2014)

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 for a Civil Money Penalty (“Stipulation”) that is accepted by the Comptroller. By this Stipulation, which is incorporated herein by reference, the Bank has consented to the issuance of this Consent Order for a Civil Money Penalty (“Order”) by the Comptroller.

## ARTICLE I

### COMPTROLLER'S FINDINGS

- (1) The Comptroller finds, and the Bank neither admits nor denies that, primarily during the period of 2010 - 2012:
  - (a) the Bank failed to (i) conduct adequate risk assessments, (ii) conduct sufficient customer due diligence, (iii) properly identify high-risk customers, and (iv) implement an adequate suspicious activity monitoring system;
  - (b) the Bank's independent testing of the Bank's BSA/AML compliance program was inadequate;
  - (c) the Bank's BSA officer and staff lacked the necessary resources and expertise, including knowledge of regulatory requirements;
  - (d) the Bank's BSA training efforts for staff were inadequate; and
  - (e) after conducting a lookback, the Bank filed 670 new Suspicious Activity Reports ("SARs").
  
- (2) In light of the findings of paragraph (1) of this Article, the OCC determined that the Bank violated the following BSA laws and regulations:
  - (a) 12 C.F.R. § 21.21, including specifically that the Bank: (i) lacked a system of internal controls to ensure ongoing compliance with the BSA, (ii) failed to provide for independent testing for compliance with the BSA, (iii) lacked a qualified BSA officer, and (iv) failed to provide adequate training to Bank personnel on the requirements of the BSA; and
  - (b) 12 C.F.R. § 21.11, by failing to file SARs in a timely manner.

- (3) As a result of the examination, and pursuant to the authority vested in him by the Federal Deposit Insurance Act, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE II

ORDER FOR A CIVIL MONEY PENALTY

(1) Without admitting or denying any wrongdoing, the Bank hereby consents to the payment of a civil money penalty in the amount of five hundred thousand dollars (\$500,000), which shall be paid upon execution of this Order.

- (a) If a check is the selected method of payment, the check shall be made payable to the Treasurer of the United States and shall be delivered to: Comptroller of the Currency, P.O. Box 979012, St. Louis, MO 63197-9000.
- (b) If a wire transfer is the selected method of payment, it shall be sent in accordance with instructions provided by the Comptroller.
- (c) The docket number of this case (AA-EC-2014-60) shall be entered on the payment document or wire confirmation and a photocopy of the payment document or confirmation of the wire transfer shall be sent immediately, by overnight delivery, to the Director of Enforcement and Compliance, Office of the Comptroller of the Currency, 400 7th Street, S.W., Washington, DC 20219.

(2) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. § 1818(h), (i).

ARTICLE III

CLOSING

(1) 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.

(2) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and 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.

(3) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(i), and expressly does not form, and may not be construed to form, a contract binding the Comptroller or the United States.

(4) 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.

(5) The provisions of this Order constitute a settlement of the civil money penalty proceeding contemplated by the Comptroller.

IT IS SO ORDERED, this 26 day of June, 2014.

/s/

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William D. Haas  
Deputy Comptroller  
Midsize Bank Supervision

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

In the Matter of: )  
Associated Bank )  
Green Bay, Wisconsin )

AA-EC-2014-60

**STIPULATION AND CONSENT TO  
THE ISSUANCE OF A CONSENT ORDER FOR A CIVIL MONEY PENALTY**

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate a civil money penalty proceeding against Associated Bank, N.A., Green Bay, Wisconsin (“Bank”) pursuant to 12 U.S.C. § 1818(i)(2), for violations of 12 U.S.C. § 1818(s); the Bank Secrecy Act, 31 U.S.C. §§ 5311 *et seq.*; and Bank Secrecy Act regulations 12 C.F.R. §§ 21.11 and 21.21.

The Bank, in the interest of compliance and cooperation, enters into this Stipulation and Consent to the Issuance of a Consent Order for a Civil Money Penalty (“Stipulation”) and consents to the issuance of a Consent Order for a Civil Money Penalty, dated June 26, 2014 (“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, 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(i).

## ARTICLE II

### AGREEMENT

(1) The Bank consents and agrees to issuance of the Order by the Comptroller.

(2) The Bank consents and agrees that the 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 Order and/or execute the 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 Office of the Comptroller of the Currency (“OCC”) releases and discharges the Bank from all potential claims and charges that have been or might have been asserted by the OCC based on the Comptroller’s Findings set forth in Article I of the Order, to the extent known to the OCC as of the effective date of the Order. However, the violations described in Article I of the Order may be utilized by the OCC in future enforcement actions (a) against the Bank, to establish a pattern of violations or the continuation of a pattern of violations, or (b) against the Bank’s institution-affiliated parties. 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 Order.

(7) The terms and provisions of this Stipulation and the 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 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 Order.

### ARTICLE III

#### WAIVERS

- (1) The Bank, by consenting to this Stipulation, waives:
  - (a) the issuance of an Assessment of a Civil Money Penalty pursuant to 12 U.S.C. § 1818(i)(2);
  - (b) any and all procedural rights available in connection with the issuance of the Order;
  - (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(h), (i)(2), and 12 C.F.R. Part 19;

- (d) all rights to seek any type of administrative or judicial review of the 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 the 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 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, he deems it appropriate to do so to fulfill the responsibilities placed upon him 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 the 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 this Stipulation and the 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 his hand on behalf of the Comptroller.

/s/  
\_\_\_\_\_  
William D. Haas  
Deputy Comptroller  
Midsize Bank Supervision

6/26/2014  
\_\_\_\_\_  
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/ 6/5/14  
John F. Bergstrom Date

/s/ 6/3/14  
Ruth M. Crowley Date

/s/ 6/3/14  
Philip B. Flynn Date

/s/ 6/3/14  
Ronald R. Harder Date

/s/ 6/4/14  
William R. Hutchinson Date

/s/ 6/3/14  
Robert A. Jeffe Date

/s/ 6/3/14  
Eileen A. Kamerick Date

/s/ 6/3/14  
Richard T. Lommen Date

/s/ 6/3/14  
Cory L. Nettles Date

/s/ 6/4/14  
J. Douglas Quick Date

/s/ 6/3/14  
Karen T. van Lith Date

/s/ 6/3/14  
John (Jay) B. Williams Date