

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

In the Matter of:)	
)	
First Abu Dhabi Bank USA, N.V.)	AA-ENF-2020-60
Washington, D.C.)	
)	
A Federal Branch of)	
)	
First Abu Dhabi Bank USA, N.V.)	
Willemstad, Curaçao)	
)	

CONSENT ORDER

WHEREAS, the Office of the Comptroller of the Currency (“OCC”) has supervisory authority over First Abu Dhabi Bank USA, N.V. Federal Branch, Washington D.C. (“Branch”);

WHEREAS, the Branch was previously known as NBAD Americas, N.V., until the 2017 merger of NBAD Americas, N.V.’s parent bank, the National Bank of Abu Dhabi, with First Gulf Bank;

WHEREAS, the OCC intends to initiate civil money penalty proceedings against the Branch pursuant to 12 U.S.C. § 1818(i), through the issuance of a Notice of Assessment of a Civil Money Penalty, for the Branch’s violations of 12 C.F.R § 21.21, 12 C.F.R § 21.11, and 31 C.F.R. § 1010.610;

WHEREAS, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Branch, by and through its General Manager, duly authorized by the Home Office, consents to the issuance of this Consent Order (“Order”), by the OCC through the duly authorized representative of the Comptroller of the Currency (“Comptroller”); and

NOW, THEREFORE, pursuant to the authority vested in the OCC by Section 8(i) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(i), the OCC hereby orders that:

ARTICLE I

JURISDICTION

(1) The Branch is a Federal branch licensed and examined by the OCC pursuant to the International Banking Act of 1978, as amended, 12 U.S.C. § 3101 et seq.

(2) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. §§ 1813(q), and 3108(b) and is therefore authorized to initiate and maintain this civil money penalty action against the Branch pursuant to 12 U.S.C. § 1818(i).

ARTICLE II

COMPTROLLER’S FINDINGS

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

(1) Primarily during the period of 2016 to 2019, the Branch violated 12 C.F.R. § 21.21, 12 C.F.R. § 21.11, and 31 C.F.R. § 1010.610. Specifically, the Branch failed to adopt and implement a compliance program that adequately covered the required BSA/AML program elements, and the Branch failed to timely file Suspicious Activity Reports (“SARs”) related to suspicious customer activity.

(2) Some of the critical deficiencies in the elements of the Branch’s BSA/AML compliance program that resulted in a violation of 12 C.F.R. § 21.21, included the following:

- The Branch had an inadequate system of internal controls, ineffective independent testing, a weak BSA Officer function, and insufficient staffing and training.
- The Branch had systemic deficiencies in its transaction monitoring systems

and alert management processes, which resulted in monitoring gaps. These systemic deficiencies resulted in alert and investigation backlogs, and led to a failure to file SARs in a timely manner.

- The Branch had systemic deficiencies in its customer due diligence, enhanced due diligence, and customer risk rating processes.

(3) The Branch failed to file the necessary SARs concerning suspicious customer activity in a timely manner, in violation of 12 C.F.R. § 21.11.

(4) The Branch failed to adopt and implement adequate due diligence programs for foreign correspondent accounts, in violation of 31 C.F.R. § 1010.610.

ARTICLE III

ORDER FOR A CIVIL MONEY PENALTY

(1) The Branch shall make payment of a civil money penalty in the total amount of five million dollars (\$5,000,000.00), which shall be paid upon the execution of this Order.

(2) Such payment shall be made by a wire transfer sent in accordance with instructions provided by the OCC and the docket number of this case (AA-ENF-2020-60) shall be entered on the wire confirmation. A photocopy of the wire confirmation shall be sent immediately, by overnight delivery, to the Director of Enforcement, Office of the Comptroller of the Currency, 400 7th Street, S.W., Washington, D.C. 20219.

ARTICLE IV

WAIVERS

- (1) The Branch, by executing and consenting to this Order, waives:
- (a) any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818;

- (b) any and all procedural rights available in connection with the issuance of this Order;
- (c) any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818 and 12 C.F.R. Part 19;
- (d) any and all rights to seek any type of administrative or judicial review of this Order;
- (e) any and all claims for fees, costs, or expenses against the OCC, or any of its officers, employees, or agents related in any way to this enforcement matter or this 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;
- (f) any and all rights to assert this proceeding, the consent to and/or the issuance of this Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity; and
- (g) any and all rights to challenge or contest the validity of this Order.

ARTICLE V

CLOSING

(1) This Order is a settlement of the civil money penalty proceeding against the Branch contemplated by the OCC, based on the violations of law described in the Comptroller's Findings set forth in Article II of this Order. The OCC releases and discharges the Branch from all potential liability for a civil money penalty order that has been or might have been asserted by the OCC based on the violations described in Article II of this Order, to the extent known to

the OCC as of the effective date of this Order. Nothing in this Order, however, shall prevent the OCC from:

- (a) instituting enforcement actions other than a civil money penalty order against the Branch based on the Comptroller's Findings set forth in Article II of this Order;
- (b) instituting enforcement actions against the Branch based on any other findings;
- (c) instituting enforcement actions against institution-affiliated parties (as defined by 12 U.S.C. § 1813(u)) based on the Comptroller's Findings set forth in Article II of this Order, or any other findings; or
- (d) utilizing the Comptroller's Findings set forth in Article II of this Order in future enforcement actions against the Branch or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

(2) Nothing in this Order is a release, discharge, compromise, settlement, dismissal, or resolution of any actions, or in any way affects any actions that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(3) This Order is:

- (a) an "order issued with the consent of the depository institution" within the meaning of 12 U.S.C. § 1818(h)(2);
- (b) an "effective and outstanding . . . order" within the meaning of 12 U.S.C. § 1818(i)(1); and
- (c) a "final order" within the meaning of 12 U.S.C. § 1818(i)(2) and (u).

(4) This Order is effective upon its issuance by the OCC, through the Comptroller's duly authorized representative.

(5) This Order is not a contract binding on the United States, the United States Treasury Department, the OCC, or any officer, employee, or agent of the OCC and neither the Branch nor the OCC intends this Order to be a contract.

(6) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Branch to consent to the issuance of this Order.

(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.

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

//s// Digitally Signed, Dated: 2020.10.09

Mark D. Richardson
Deputy Comptroller
Large Bank Supervision

IN TESTIMONY WHEREOF, the undersigned, as the General Manager of the Branch has hereunto set his signature on behalf of the Branch.

//s// Digitally Signed, Dated: 2020.10.09

Husam Arabiat
General Manager

Date