

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

In the Matter of:)	
)	
USAA Federal Savings Bank)	AA-EC-2022-3
San Antonio, Texas)	
)	

CONSENT ORDER

WHEREAS, the Office of the Comptroller of the Currency (“OCC”) has supervisory authority over USAA Federal Savings Bank, San Antonio, Texas (“Bank”);

WHEREAS, the OCC intends to initiate civil money penalty proceedings against the Bank pursuant to 12 U.S.C. § 1818(i), through the issuance of a Notice of Assessment of a Civil Money Penalty, for deficiencies in the Bank’s Bank Secrecy Act/Anti-Money Laundering (“BSA/AML”) compliance program which resulted in violations of law, rule, or regulation, including 12 U.S.C. §1818(s) and 12 C.F.R. § 21.21 (requiring a reasonably designed BSA/AML compliance program) and 12 C.F.R. § 163.180(d) (requiring timely filing of suspicious activity reports (“SARs”));

WHEREAS, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, by and through its duly elected and acting Board of Directors (“Board”), 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 Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a Federal savings association within the meaning of 12 U.S.C. § 1813(q)(1)(C), and is chartered and examined by the OCC. *See* 12 U.S.C. §§ 1461 *et seq.*, 5412(b)(2)(B).

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

ARTICLE II
COMPTROLLER’S FINDINGS

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

(1) The Bank has failed to implement and maintain a BSA/AML Compliance Program (“BSA/AML Program”) that adequately covers the required BSA/AML program components. Deficiencies include inadequate internal controls and risk management practices; suspicious activity identification, evaluation, and reporting; staffing; training; and third-party risk management, among others. These deficiencies resulted in a BSA/AML compliance program violation under 12 U.S.C. § 1818(s)(3)(A) and its implementing regulation, 12 C.F.R. § 21.21.

(2) The Bank has failed to correct problems with its BSA/AML Program that the OCC previously reported to the Bank relating to BSA/AML internal controls, resulting in a violation of 12 U.S.C. § 1818(s)(3)(B).

(3) The Bank has failed to file timely SARs as required by 12 C.F.R. § 163.180(d).

ARTICLE III

ORDER FOR A CIVIL MONEY PENALTY

(1) The Bank shall make payment of a civil money penalty in the total amount of sixty million dollars (\$60 million) 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-EC-2022-3) shall be entered on the wire confirmation. A photocopy of the wire confirmation shall be sent immediately 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 Bank, 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 109;
 - (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 Bank contemplated by the OCC, based on violations of law relating to the Bank's BSA/AML Program described in the Comptroller's Findings set forth in Article II of this Order. The OCC releases and discharges the Bank 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. Notwithstanding this release, the OCC expects the Bank to expeditiously undertake all necessary and appropriate actions to achieve compliance with Consent Order AA-EC-2022-2. The OCC expressly reserves its right to assess future civil money penalties, or take other supervisory and/or enforcement actions, including in circumstances where the OCC determines that the Bank is not making sufficient and sustainable progress towards achieving compliance with Consent Order AA-EC-2022-2. Such actions could include issuing a cease and desist order pursuant to 12 U.S.C. § 1818(b)(6) that imposes additional business restrictions, including

possible limitations on the declaration or payment of dividends, and/or requires the Bank to make changes to its senior executive officers or any and/or all members of the Board.

- (2) Nothing in this Order shall prevent the OCC from:
 - (a) instituting enforcement actions other than a civil money penalty order against the Bank based on the Comptroller's Findings set forth in Article II of this Order;
 - (b) instituting enforcement actions against the Bank based on any other findings, including but not limited to noncompliance with, or violation of, any other outstanding and effective enforcement action against the Bank;
 - (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 Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

(3) 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.

- (4) 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).

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

(6) 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 Bank nor the OCC intends this Order to be a contract.

(7) 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 Bank to consent to the issuance of this Order.

(8) 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: 2022.03.17

Joel Denkert
Deputy Comptroller
Midsize Bank Supervision

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

/s/	2 Mar, 2022
_____ Brad L. Conner	_____ Date
/s/	2 Mar, 2022
_____ David C. Darnell	_____ Date
/s/	3 Mar, 2022
_____ Karen E. Dyson	_____ Date
/s/	2 Mar, 2022
_____ Rhett A. Hernandez	_____ Date
/s/	2 Mar, 2022
_____ Karin Hirtler-Garvey	_____ Date
/s/	3 Mar, 2022
_____ Leo S. Mackay, Jr	_____ Date
/s/	3 Mar, 2022
_____ Wendy J. Murdock	_____ Date
/s/	7 Mar, 2022
_____ S. Wayne Peacock	_____ Date
/s/	6 Mar, 2022
_____ G. Patrick Phillips	_____ Date
/s/	4 Mar, 2022
_____ Robert Qutub	_____ Date
/s/	7 Mar, 2022
_____ J. Paul Vincent	_____ Date

/s/

Patricia Watson

3 Mar, 2022

Date