

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

In the Matter of:)	
)	
CNB Bank & Trust, N.A.)	AA-ENF-2024-47
Carlinville, IL)	
)	

CONSENT ORDER

WHEREAS, the Office of the Comptroller of the Currency (“OCC”) has supervisory authority over CNB Bank & Trust, N.A., Carlinville, Illinois (“Bank”);

WHEREAS, the OCC intends to initiate cease and desist proceedings against the Bank pursuant to 12 U.S.C. § 1818(b), through the issuance of a Notice of Charges, for the Bank’s violations of 12 C.F.R. § 21.21 and 31 C.F.R. §§ 1020.210(a)(2)(v) and 1020.220(a)(2)(ii)(A), engagement in unsafe or unsound practices relating to the Bank’s Bank Secrecy Act/anti-Money Laundering (“BSA/AML”) compliance, and failure to correct previously reported BSA/AML compliance problems. *See* 12 U.S.C. § 1818(b), (s)(3).

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(b) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(b), 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 national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), and is chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*

(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 cease and desist action against the Bank pursuant to 12 U.S.C. § 1818(b).

ARTICLE II
COMPTROLLER’S FINDINGS

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

(1) The Bank failed to develop and provide for the continued administration of a BSA/AML compliance program reasonably designed to assure and monitor compliance with the BSA and its implementing regulations, in violation of 12 C.F.R. § 21.21. *See* 12 U.S.C. § 1818(s)(3)(A). Deficiencies in the Bank’s BSA/AML compliance program included deficiencies related to internal controls, the BSA Officer, independent testing, and training.

(2) The Bank failed to correct a problem with its BSA/AML compliance program previously reported to the Bank by the OCC. *See* 12 U.S.C. § 1818(s)(3)(B).

(3) The Bank engaged in violations of 31 C.F.R. §§ 1010.210(a)(2)(v) (Customer Due Diligence) and 1020.220 (Customer Identification Program).

(4) The Bank engaged in unsafe or unsound practices related to its BSA/AML compliance program, BSA/AML and Office of Foreign Assets Control (“OFAC”) risk assessment, BSA/AML internal controls, BSA Officer, BSA/AML independent testing, and BSA/AML training.

ARTICLE III
COMPLIANCE COMMITTEE

(1) Within fifteen (15) days of the date of this Order, the Board shall appoint a Compliance Committee of at least three (3) members of which a majority shall be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates. The Board shall submit in writing to the Assistant Deputy Comptroller the names of the members of the Compliance Committee within ten (10) days of their appointment. In the event of a change of the membership, the Board shall submit in writing to the Assistant Deputy Comptroller within ten (10) days the name of any new or resigning committee member. The Compliance Committee shall monitor and oversee the Bank’s compliance with the provisions of this Order. The Compliance Committee shall meet at least quarterly and maintain minutes of its meetings.

ARTICLE IV
BSA/AML ACTION PLAN

(1) Within 30 (thirty) days of the date of this Order, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written plan detailing the remedial actions necessary to achieve and sustain compliance with the Bank Secrecy Act (“BSA”), as amended (31 U.S.C. § 5311 *et seq.*), and the regulations promulgated thereunder, the rules and regulations of the Office of Foreign Assets Control (“OFAC”), and relevant Executive Orders, and that incorporates the substantive requirements of Articles V through XI of this Order (“BSA/AML Action Plan”).

- (2) The BSA/AML Action Plan shall include at a minimum:
 - (a) a description of the corrective actions needed to achieve compliance with Articles V through XI of this Order;
 - (b) reasonable and well-supported timelines for completing the corrective actions required by of Articles V through XI of this Order; and
 - (c) the person(s) responsible for completing the corrective actions required by Articles V through XI of this Order.

(3) Upon receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the BSA/AML Action Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the BSA/AML Action Plan. The Board shall review the effectiveness of the BSA/AML Action Plan at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the BSA/AML Action Plan as needed or directed by the OCC.

(4) In the event the Assistant Deputy Comptroller requires changes to the BSA/AML Action Plan, the Bank shall promptly incorporate the required changes into the BSA/AML Action Plan and submit the revised BSA/AML Action Plan to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(5) Upon written request by the Assistant Deputy Comptroller, the Bank shall modify the BSA/AML Action Plan to address deficiencies in Matters Requiring Attention if such deficiencies substantially relate to the Bank's compliance with the BSA, as amended, the regulations promulgated thereunder, the rules and regulations of OFAC, or relevant Executive Orders.

(6) The Bank shall not take any action that will cause a significant deviation from, or material change to, the BSA/AML Action Plan that has received a written determination of no supervisory objection from the Assistant Deputy Comptroller without a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

(7) Where the Bank considers modifications to the BSA/AML Action Plan appropriate, the Bank shall submit a revised BSA/AML Action Plan containing the proposed modifications to the Assistant Deputy Comptroller for prior written determination of no supervisory objection. Upon receipt of a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall timely adopt the revised BSA/AML Action Plan and verify that Bank management has timely implemented all corrective actions required by this Order. Bank management, subject to Board review and ongoing monitoring, shall thereafter ensure adherence to the revised BSA/AML Action Plan, including the timelines set forth within the revised Action Plan.

(8) Within thirty (30) days of the submission of the BSA/AML Action Plan, and thereafter within thirty (30) days after the end of each quarter, the Bank shall prepare, and shall submit to the Board, a written BSA/AML Action Plan progress report setting forth in detail:

- (a) the specific corrective actions undertaken to comply with each Article of this Order;
- (b) the results and status of the corrective actions; and
- (c) a description of the outstanding corrective actions needed to achieve compliance with each Article of this Order and the party or parties responsible for the completion of outstanding corrective actions.

(9) The Board shall forward a copy of the report, with any additional comments by the Board or the Compliance Committee, to the Assistant Deputy Comptroller within ten (10) days of the first Board meeting following the Board's receipt of such report.

ARTICLE V
CUSTOMER DUE DILIGENCE AND RISK IDENTIFICATION

(1) Within sixty (60) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written customer due diligence program to ensure appropriate collection and analysis of customer information when opening new accounts, when renewing or modifying existing accounts for customers, and when the Bank obtains event-driven information indicating that it would be prudent to obtain updated information in order to understand the nature of its customer relationships and generate and maintain an accurate customer risk profile ("CDD Program"). The CDD Program shall also ensure the Bank operates in accordance with applicable law and regulations, including regulations addressing Customer Identification Program ("CIP") requirements under 31 C.F.R. § 1020.220 and customer due diligence requirements under 31 C.F.R. § 1020.210(a)(2)(v) and be consistent with the Bank's money laundering, terrorist financing and other illicit financial activity risk assessment. Refer to the *FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual*: "Customer Due Diligence" (rev. May 2018) and "Customer Identification Program" (rev. Feb. 2021) for guidance.

(2) The Bank's CDD Program shall include, at a minimum:

- (a) clear definitions of low-, moderate-, and high-risk customers;
- (b) a methodology for assigning defined risk levels to the customer base that

considers the customer's entire relationship and appropriate factors such as type of customer; purpose of the account; geographic location; and the expected account activity by type of service used, including the volume, velocity, and frequency by dollar amount and number;

- (c) risk-based requirements to collect, maintain, and update all information necessary to establish an accurate customer risk profile and facilitate ongoing monitoring to identify and report suspicious activity;
- (d) procedures to ensure the Bank gathers appropriate written CIP information for the opening of new accounts that ensure that the required customer identification information is maintained in compliance with 31 C.F.R. § 1020.220(a)(3);
- (e) procedures that contain a clear statement of management's and staff's responsibilities, including procedures, authority, and responsibility for reviewing and approving changes to a customer's risk profile, as applicable;
- (f) procedures to ensure staff responsible for gathering CDD information have sufficient authority, training, and skills to perform their assigned responsibilities;
- (g) procedures for identifying and timely remediating instances where required CDD information is missing or incomplete;
- (h) procedures to maintain an accurate and complete list of high-risk customers that identifies current customers and accounts exhibiting high-

risk characteristics for money laundering, terrorist financing, or other illicit activity; and

- (i) procedures for ongoing monitoring and periodic reviews of high-risk customers, which shall include, at a minimum:
 - (i) risk-based criteria establishing how often to conduct periodic reviews of high-risk customers;
 - (ii) documented evidence of transactional analysis, including comparing expected, historical, and current activity, the source and use of funds, trends, and activity patterns; and
 - (iii) documented critical analysis of all significant information in the file, including the identification of significant disparities, investigation of high-risk indicators and potentially suspicious activity, and well-supported conclusions;
- (j) procedures for a secondary review process of all initial and ongoing reviews for high-risk customers;
- (k) effective training for appropriate staff on high-risk customer initial and ongoing reviews; and
- (l) procedures to ensure that customer risk ratings are appropriately incorporated into the Bank's money laundering, terrorist financing and other illicit financial activity risk assessment.

(3) Upon receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Bank's CDD Program or to any subsequent amendment to the Bank's CDD Program, the Board shall adopt and Bank management, subject to Board review

and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Bank's CDD Program. The Board shall review the effectiveness of the Bank's CDD Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Bank's CDD Program as needed or directed by the OCC. Any amendment to the Bank's CDD Program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

ARTICLE VI
SUSPICIOUS ACTIVITY IDENTIFICATION, EVALUATION, AND REPORTING

(1) Within sixty (60) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written suspicious activity monitoring and reporting program to ensure the timely and appropriate identification, review, and disposition of unusual activity, and the filing of SARs consistent with 12 C.F.R. § 21.11 ("Suspicious Activity Review Program"). Refer to the *FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual: "Suspicious Activity Reporting – Overview"* (rev. Feb. 2015) for guidance.

- (2) The Bank's Suspicious Activity Review Program shall include, at a minimum:
- (a) procedures for identifying, evaluating, and reporting suspicious activity, known or suspected violations of Federal law, violations of the BSA, terrorist financing and other illicit financial activity, or suspicious transactions related to potential money laundering activity across all lines of business, including suspicious activity relating to the opening of new

accounts, the monitoring of current accounts, and transactions through the Bank;

- (b) standards for dispositioning different types of alerts that are reasonable, communicated in writing to relevant staff, and are adhered to by Bank staff;
- (c) requirements for the BSA Department staff to consider appropriate Customer Due Diligence (“CDD”) information when conducting alert reviews and suspicious activity investigations;
- (d) requirements for the maintenance of adequate documentation to support the disposition of alerts and case investigations;
- (e) procedures for an effective SAR decision-making process that require documenting individual decisions on whether to file SARs and key facts supporting each decision to not file a SAR;
- (f) procedures to ensure SARs are filed timely, completely, and accurately, with a sufficient description of the suspicious activity and the basis for filing;
- (g) procedures for reporting continuing suspicious activity;
- (h) procedures for when to escalate issues or problems to the Board or Bank management identified as the result of repeat or multiple SAR filings on customers or accounts;
- (i) ensuring that monitoring systems apply appropriate rules, thresholds and filters for monitoring transactions, accounts, customers, products, services,

and geographic areas commensurate with the Bank's BSA/AML risk profile that include:

- (i)* identification of areas outside of the monitoring system's analysis and implementation of manual processes to ensure the Bank identifies potential suspicious activity not reviewed by an automated system;
- (ii)* validation of the data inputs for any automated systems, which shall include inputs from all products, services, and transactions; and
- (iii)* analysis of the filtering thresholds established by the Bank;
- (iv)* periodic testing and monitoring of thresholds for their appropriateness to the Bank's customer base, products, services, and geographic areas;
- (v)* documentation supporting the Bank's methodology for establishing and adjusting thresholds and filters;
- (vi)* requirements that any changes to thresholds are approved at the senior management level and reported to the Board; and
- (vii)* requirements that documentation of any changes to the filtering thresholds is maintained and available for review;
- (j)* processes for ongoing, risk-based independent validation of alert triggers, parameters, and other settings, including factors for developing a customer risk profile;

- (k) processes for developing adequate documentation and prompt reporting of validation findings and prompt resolution of deficiencies identified during model validation. Refer to “Supervisory Guidance on Model Risk Management,” April 11, 2011 (OCC Bulletin 2011-12); “Bank Secrecy Act/Anti-Money Laundering: Interagency Statement on Model Risk Management for Bank Systems Supporting BSA/AML Compliance,” April 12, 2021 (OCC Bulletin 2021-19); and the “Model Risk Management” booklet of the *Comptroller’s Handbook* for more information; and
- (l) policies and procedures for investigating and responding to transactions identified as posing greater than normal risk for compliance with the BSA with well-documented dispositions of alerts from any source, including, but not limited to, an automated monitoring system, Bank employee referrals, and law enforcement inquiries;
- (m) procedures to ensure accurate and timely filing of SARs that comply with FinCEN’s filing instructions in accordance with 12 C.F.R. § 21.11; and
- (n) effective management information systems, commensurate with the Bank’s size and risk profile, that provide timely and accurate periodic written reports to management and the Board of the status of the Bank’s BSA/AML Program, including, but not limited to, trends in SAR and other filings, alert and investigation volumes, any backlogs in suspicious activity monitoring and reporting, and compliance with the BSA and this Order.

(3) Upon receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Bank's Suspicious Activity Review Program or to any subsequent amendment to the Bank's Suspicious Activity Review Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Bank's Suspicious Activity Review Program. The Board shall review the effectiveness of the Bank's Suspicious Activity Review Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Bank's Suspicious Activity Review Program as needed or directed by the OCC. Any amendment to the Bank's Suspicious Activity Review Program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

ARTICLE VII
DATA INTEGRITY REVIEW AND
SUSPICIOUS ACTIVITY REVIEW LOOK-BACK

(1) Within thirty (30) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, the Board shall submit to the Assistant Deputy Comptroller, for review and prior written determination of no supervisory objection, the name and qualifications of a qualified independent consultant to conduct an assessment of the integrity of the data input into the Bank's automated transaction monitoring system ("Data Integrity Review"), as well as the proposed engagement agreement for that party's services. The submission shall address in detail the consultant's specialized expertise in BSA/AML matters, include a proposed scope and timeline for completion that address the requirements of paragraph (2) of this Article. Upon receipt of the Assistant Deputy Comptroller's written determination of no supervisory

objection to the proposed engagement, the Board shall secure that consultant's services. Refer to "Use and Review of Independent Consultants in Enforcement Actions: Guidance for Bankers," Nov. 12, 2013 (OCC Bulletin 2013-33), for guidance.

(2) The purpose of the Data Integrity Review is to determine the nature and scope of deficiencies related to the integrity of the data input into the Bank's automated transaction monitoring system and the impact of such deficiencies on the Bank's ability to identify and report suspicious activity. The scope of the Data Integrity Review shall be communicated in writing by the Assistant Deputy Comptroller.

(3) Within thirty (30) days after completion of the Data Integrity Review, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, the consultant shall deliver a written report addressing the results of the Data Integrity Review to the Board. The Board, or a designated committee thereof, shall review and discuss this report in detail at its next meeting, and that discussion shall be reflected in the official minutes of that meeting. When providing the written report to the Board, the consultant conducting the Data Integrity Review shall, at the same time, directly provide a copy of the written report of the findings and recommendations from the Data Integrity Review to the Assistant Deputy Comptroller. All supporting materials and work papers associated with the Data Integrity Review shall be made available to the OCC upon written request.

(4) Within thirty (30) days after completion of the Data Integrity Review, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, the Bank shall submit to the Assistant Deputy Comptroller, for review and prior written determination of no supervisory objection, the name,

qualifications, and engagement terms of a proposed independent, third-party consultant (“SAR Look-Back Consultant”) to conduct a review and provide a written report on whether any SARs should be filed for any suspicious activity previously unreported due to any data integrity deficiencies identified in the Data Integrity Review (“SAR Look-Back”). The submission shall address in detail the consultant’s specialized expertise in BSA/AML matters, include a proposed scope and timeline for completion of the SAR Look-Back that address the requirements of paragraph (5) of this Article, and discuss the analytical techniques, tools, methodologies, factors, and other considerations to be used by the consultant in conducting the SAR Look-Back and the process the consultant will use for identifying and investigating customers, accounts and transactions. Refer to “Use and Review of Independent Consultants in Enforcement Actions: Guidance for Bankers,” Nov. 12, 2013 (OCC Bulletin 2013-33), for guidance.

(5) The purpose of the SAR Look-Back is to determine whether SARs should be filed for any previously unreported suspicious activity. The scope of the SAR Look-Back shall be determined in writing by the Assistant Deputy Comptroller.

(6) Upon receipt of the Assistant Deputy Comptroller’s written determinations of no supervisory objection to the proposed SAR Look-Back Consultant and the scope and timeline for completion of the consultant’s review, the Board shall enter into a written agreement with the consultant, consistent with the requirements of this Article, to conduct the SAR Look-Back. The proposed written agreement, and any proposed amendments to it, shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon execution, a copy of that written agreement, and any subsequent amendments thereto, shall be provided to the Assistant Deputy Comptroller.

(7) Upon execution of the written agreement with the Look-Back Consultant, Bank management, subject to Board review and ongoing monitoring, shall timely provide all information requested by the consultant.

(8) Within thirty (30) days of completion of the SAR Look-Back, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, the Look-Back Consultant shall provide the Board with a written report that addresses:

- (a) the number and types of customers, accounts, and transactions that the consultant reviewed;
- (b) a list of the customers, accounts, and transactions that the consultant concluded require additional investigation;
- (c) a list of any SARs that the consultant has recommended that the Bank should file for any previously unreported suspicious activity;
- (d) a list of existing SARs that the consultant has recommended the Bank should correct or amend; and
- (e) a list of customers, accounts, and transactions where, contrary to the consultant's recommendation, the Bank determined not to file a SAR or to amend existing SAR filings, and the reasons provided for that decision.

(9) The Board, or a designated committee thereof, shall review and discuss this report in detail at its next meeting, and that discussion shall be reflected in the official minutes of that meeting. When providing the written report to the Board, the SAR Look-Back Consultant shall, at the same time, directly provide a copy of the written report of the findings and recommendations from the SAR Look-Back to the Assistant Deputy Comptroller. All

supporting materials and work papers associated with the SAR Look-Back shall be made available to the OCC upon written request.

(10) Based upon the results of the SAR Look-Back, the OCC, at its sole discretion, may expand the scope of the SAR Look-Back, either in terms of the subjects to be addressed, or the time period(s) to be covered, or both (“Supplemental SAR Look-Back”). The Supplemental SAR Look-Back shall be carried out in a manner consistent with other requirements of this Article.

ARTICLE VIII **BSA/AML AND OFAC RISK ASSESSMENTS**

(1) Within sixty (60) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, the Bank shall develop a written institution-wide, ongoing BSA/AML Risk Assessment. The BSA/AML Risk Assessment shall reflect a comprehensive analysis of the Bank’s money laundering and terrorist financing and other illicit financial activity risks and provide strategies to control those risks and limit any identified vulnerabilities. Refer to the *FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual: “BSA/AML Risk Assessment”* (rev. March 2020) for guidance.

- (2) The BSA/AML Risk Assessment methodology shall include, at a minimum:
- (a) the identification of specific risk categories, including at a minimum:
 - (i) products and services offered;
 - (ii) customer type and entities served;
 - (iii) transaction types;
 - (iv) countries or geographic locations of customers and transactions;
- and

- (v) methods that the Bank uses to interact with its customers;
- (b) a detailed analysis of all pertinent data obtained regarding the specific risk categories, including at a minimum:
 - (i) volumes and types of transactions and services by country or geographic location; and
 - (ii) numbers of customers that typically pose higher BSA/AML risk, both by type of risk and by geographic location. The analysis to be conducted shall include an evaluation of all relevant information obtained through the Bank's processes, including the Bank's Customer Identification Program and Customer Due Diligence;
- (c) an assessment of BSA/AML risk both separately within the Bank's business lines and on a consolidated basis across all Bank activities and product lines;
- (d) an assessment of affiliate relationships and shared services to identify and analyze their impact on the Bank's BSA/AML risk profile;
- (e) a provision requiring maintenance of appropriate documentation of data and information used to support the Bank's BSA/AML Risk Assessment's conclusions (with supporting documentation readily accessible for third-party review); and
- (f) an inventory of internal controls designed to address the risks identified through the BSA/AML Risk Assessment and an assessment of the adequacy of those controls that incorporates findings from regulatory examinations, second-line testing, and audit reviews.

(3) The BSA/AML Risk Assessment shall be re-evaluated and/or refreshed by Bank management periodically, the timeframe for which shall not exceed twelve months, or whenever there is a significant change in BSA/AML risk within the Bank or the lines of businesses within the Bank.

(4) The Board shall review and approve the BSA/AML Risk Assessment and any subsequent updates and document its review in the Board minutes.

(5) Within sixty (60) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, and at least annually thereafter, the Board shall ensure that management performs a timely and effective written OFAC Risk Assessment which shall include, at a minimum:

- (a) an analysis of the products, services, customers, entities, transactions, and geographic locations in which the Bank is engaged, including those that are processed by, through or to the Bank, and quantify the OFAC risk to identify potential OFAC exposure.
- (b) an analysis of the nature and complexity of OFAC risks inherent in the Bank's operations;
- (c) controls implemented by the Bank to address the identified risks;
- (d) an analysis of those controls to determine their effectiveness; and
- (e) identification of the Bank's residual risk profile.

(6) The Board shall ensure that management updates the OFAC Risk Assessment annually and to reflect any changes in the Bank's risk profile such as when the Bank considers introducing new or expanded products, services, or customer types.

(7) The Board shall review and approve the OFAC Risk Assessment and any subsequent updates, document this review in the Board minutes.

ARTICLE IX
BSA/AML OFFICER AND STAFFING

(1) Within sixty (60) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, the Board shall ensure that the Bank maintains, at all times, a qualified BSA Officer vested with sufficient independence, authority, and resources to fulfill the duties and responsibilities of the position and ensure compliance with the requirements of the Bank Secrecy Act and its implementing regulations. The BSA Officer shall provide timely and accurate periodic reporting to the Board and senior management about the status of the Bank's BSA/AML program, including compliance with the BSA and this Order, including the BSA/AML Action Plan.

(2) In the event that the Bank's BSA Officer position is vacated, the Board shall promptly appoint a new BSA Officer. Prior to appointing a new BSA Officer, the Board shall submit to the Assistant Deputy Comptroller the following information for a prior written determination of no supervisory objection to appoint the individual as BSA Officer:

- (a) the information sought in the "Changes in Directors and Senior Executive Officers" and "Background Investigations" booklets of the Comptroller's Licensing Manual, together with a legible fingerprint card for the proposed BSA Officer;
- (b) a written statement of the Board's reasons for selecting the proposed BSA Officer; and

- (c) a written description of the proposed BSA Officer's duties and responsibilities.

(3) The Assistant Deputy Comptroller shall have the power to not provide a prior written determination of no supervisory objection to any proposed BSA Officer. However, a prior written determination of no supervisory objection to the proposed individual shall not constitute an approval or endorsement of the proposed individual. In addition, the requirement to submit information and the prior written no supervisory objection provisions of this paragraph are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Assistant Deputy Comptroller to complete the review and act on any such information within ninety (90) days.

(4) Within sixty (60) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, and no less than annually thereafter, Bank management shall prepare and submit to the Board a report detailing the duties, responsibilities, and reporting lines of the BSA Officer and BSA staff. Upon completion, this report must be submitted to the Assistant Deputy Comptroller.

(5) The Board shall ensure that the Bank has sufficient staff with appropriate skills and expertise needed to support the BSA Officer and the Bank's BSA/AML program and that such staff is vested with sufficient authority to fulfill their respective duties and responsibilities.

(6) Within sixty (60) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, and no less than annually thereafter, the Board shall review the adequacy of the Bank's BSA Officer and supporting staff and shall document its determinations in writing. The review shall evaluate and consider the effectiveness of the following:

- (a) the leadership, knowledge, training, and skills of the BSA Officer and staff;
- (b) the oversight and governance structures for BSA staff, including whether the Board and Bank management have the necessary knowledge to effectively oversee the Bank's compliance with the BSA; and
- (c) the staffing levels for the BSA/AML compliance function, consistent with the Bank's money laundering, terrorist financing, and other illicit financial activity risk assessment, including anticipated risks from new or expanded lines of business, products, and services, and the effectiveness of the Bank's BSA/AML program.

Upon completion, this review must be submitted to the Assistant Deputy Comptroller.

(7) Within sixty (60) days after completing the assessment under paragraph (6) of this Article, the Board shall ensure that the Bank implements any changes that are needed in the Bank's BSA Officer and supporting staff, including their responsibilities, authority, structure, independence, competencies, or capabilities. In particular, the Board shall ensure that the BSA Officer and supporting staff have sufficient training, authority, resources, and skill to perform their assigned responsibilities. The Board shall further ensure that it and Bank management have the necessary knowledge to effectively oversee the Bank's compliance with the BSA and that management information systems are effective. The Board shall also ensure that there are clear lines of authority and responsibility for the Bank's BSA/AML compliance function and staff.

ARTICLE X
BSA/AML INDEPENDENT TESTING

(1) Within sixty (60) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no

supervisory objection, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written BSA/AML independent testing program (“BSA/AML Audit Program”) to test the Bank’s compliance with the BSA, relative to its risk profile, and the overall adequacy of the Bank’s BSA/AML compliance program. Refer to the *FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual*: “BSA/AML Independent Testing” (rev. March 2020) and the “Internal and External Audits” booklet of the *Comptroller’s Handbook* for guidance.

(2) The BSA/AML Audit Program shall address and determine, at a minimum, whether:

- (a) the Bank’s money laundering, terrorist financing and other illicit financial activity risk assessment completely and accurately captures its risk profile and the methodology and approach used to develop the risk assessment are reasonable;
- (b) the policies, procedures, and processes for BSA/AML compliance are appropriate for the Bank’s risk profile;
- (c) the Bank adheres to its policies, procedures, and processes for BSA/AML compliance;
- (d) the Bank’s policies and procedures are reasonably designed to achieve compliance with the BSA and its implementing regulations;
- (e) the Bank’s overall process for identifying and reporting suspicious activity is adequate to comply with regulatory requirements;
- (f) the Bank’s information technology sources, systems, and processes used to support the BSA/AML compliance program are adequate;

- (g) BSA/AML training is provided for appropriate personnel, tailored to specific functions and positions, and includes supporting documentation; and
 - (h) management took appropriate and timely action to address any deficiencies previously noted by audit staff.
- (3) The BSA/AML Audit Program shall also include:
- (a) identification and analysis of the root cause of all significant BSA/AML weaknesses;
 - (b) effective processes to track, monitor, and follow up on all identified BSA/AML concerns, including issues identified by the OCC, and to review and verify all corrective actions; and
 - (c) assessments of the overall adequacy of the bank's BSA/AML compliance program.

(4) Upon receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Bank's BSA/AML Audit Program or to any subsequent amendment to the Bank's BSA/AML Audit Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Bank's BSA/AML Audit Program. The Board shall review the effectiveness of the Bank's BSA/AML Audit Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Bank's BSA/AML Audit Program as needed or directed by the OCC. Any amendment to the Bank's BSA/AML Audit Program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(5) Management shall require prompt reporting, no less than quarterly, of all deficiencies in BSA/AML processes and controls identified through the BSA/AML Audit Program to the Bank's Board or BSA/AML Audit Committee, and to senior management. The reports shall indicate the severity of the deficiencies, the risks, and the required corrective actions. The Board or BSA/AML Audit Committee shall ensure that management takes prompt action to remedy deficiencies cited in audit reports and that the BSA/AML Audit Program reviews and validates corrective action promptly.

ARTICLE XI
BSA/AML TRAINING

(1) Within sixty (60) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no supervisory objection, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable written BSA/AML training program ("BSA Training Program"). Refer to the *FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual: "BSA/AML Training"* (rev. March 2020) for guidance.

(2) The BSA/AML Training Program shall include, at a minimum:

- (a) relevant and appropriate periodic training for all Board members and all Bank personnel, including operational personnel, with BSA/AML responsibility, which shall be based on the individual's job-specific duties and responsibilities, and which shall specifically address:
 - (i) the Bank's BSA/AML policies and procedures;
 - (ii) regulatory requirements and guidance and the Bank's money laundering, terrorist financing, and other illicit financial activity risk profile, and any changes thereto;

- (iii)* high-risk customers;
 - (iv)* suspicious activity identification, monitoring, and reporting; and
 - (v)* high-risk activities.
- (b) appropriate training for other personnel outside the Bank's BSA/AML compliance function based on the individual's job-specific duties and responsibilities;
- (c) strategies for mandatory attendance, the frequency of training, procedures, timing for updating the training program and materials, the method for delivering training, and procedures to ensure employee training completion is tracked and documented; and
- (d) confirming that third parties performing BSA/AML compliance functions receive sufficient and ongoing training to perform their tasks effectively.

(3) Upon receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the BSA/AML Training Program or to any subsequent amendment to the program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the BSA/AML Training Program. The Board shall review the effectiveness of the BSA/AML Training Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the program as needed or directed by the OCC. Any amendment to the BSA/AML Training Program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(4) Within thirty (30) days of the date of this Order, or as otherwise specified in the BSA/AML Action Plan for which the OCC has provided a written determination of no

supervisory objection, the Board shall conduct a written assessment of the Bank's BSA/AML training to evaluate its operational effectiveness and provide the report to the Assistant Deputy Comptroller. Upon completing the assessment, the Board shall ensure that the Bank implements any changes that are needed in the Bank's BSA/AML training.

ARTICLE XII
GENERAL BOARD RESPONSIBILITIES

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Order, and shall verify that the Bank adheres to the corrective actions and they are effective in addressing the Bank's deficiencies that resulted in this Order.

(2) In each instance in which this Order imposes responsibilities upon the Board, it is intended to mean that the Board shall:

- (a) authorize, direct, and adopt corrective actions on behalf of the Bank as may be necessary to perform the obligations and undertakings imposed on the Board by this Order;
- (b) ensure the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Order;
- (c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Order;
- (d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Order;

- (e) require appropriate, adequate, and timely reporting to the Board by Bank management of corrective actions directed by the Board to be taken under the terms of this Order; and
- (f) address any noncompliance with corrective actions in a timely and appropriate manner.

ARTICLE XIII
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 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 these proceedings, the consent to and/or the issuance of this Order, as the basis for a claim of double jeopardy in any

pending or future proceedings 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 XIV
OTHER PROVISIONS

- (1) As a result of this Order, the Bank is not:
 - (a) precluded from being treated as an “eligible bank” for the purposes of 12 C.F.R. Part 5, unless the Bank fails to meet any of the requirements contained in subparagraphs (1) – (4) of 12 C.F.R. § 5.3, Definitions, *Eligible bank or eligible savings association*, or is otherwise informed in writing by the OCC;
 - (b) subject to the restrictions in 12 C.F.R. § 5.51 requiring prior notice to the OCC of changes in directors and senior executive officers or the limitations on golden parachute payments set forth in 12 C.F.R. Part 359, unless the Bank is otherwise subject to such requirements pursuant to 12 C.F.R. § 5.51(c)(7)(i) and (iii); and
 - (c) precluded from being treated as an “eligible bank” for the purposes of 12 C.F.R. Part 24, unless the Bank fails to meet any of the requirements contained in 12 C.F.R. § 24.2(e)(1)-(3) or is otherwise informed in writing by the OCC.

- (2) This Order supersedes all prior OCC communications issued pursuant to 12 C.F.R. §§ 5.3, 5.51(c)(7)(ii), and 24.2(e)(4).

ARTICLE XV
CLOSING

(1) This Order is a settlement of the cease and desist proceedings against the Bank contemplated by the OCC, based on the unsafe or unsound practices and/or violations of law 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 cease and desist order that has been or might have been asserted by the OCC based on the practices and/or violations described in Article II of this Order, to the extent known to the OCC as of the effective date of this Order. The OCC expressly reserves its right to assess civil money penalties or take other enforcement actions if the OCC determines that the Bank has continued, or failed to correct, the practices and/or violations described in Article II of this Order or that the Bank otherwise is violating or has violated this Order.

- (2) Nothing in this Order shall prevent the OCC from:
- (a) instituting enforcement actions other than a cease and desist 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 if the OCC determines that the Bank has continued, or failed to correct, the practices and/or violations described in Article II of this Order or that the Bank otherwise is violating or has violated this Order;
 - (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) a “cease-and-desist order issued upon consent” within the meaning of 12 U.S.C. § 1818(b);
- (b) a “cease-and-desist order which has become final” within the meaning of 12 U.S.C. § 1818(e);
- (c) an “order issued with the consent of the depository institution” within the meaning of 12 U.S.C. § 1818(h)(2);
- (d) an “effective and outstanding . . . order” within the meaning of 12 U.S.C. § 1818(i)(1); and
- (e) 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. Except as otherwise expressly provided herein, all references to “days” in this Order shall mean calendar days and the computation of any period of time imposed by this Order shall not include the date of the act or event that commences the period of time.

(6) The provisions of this Order shall remain effective except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller's duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Order, the Board or a Board-designee shall submit a written request to the Assistant Deputy Comptroller asking for the desired relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in detail the circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Order, and shall be accompanied by relevant supporting documentation. The OCC's decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(7) The Bank will not be deemed to be in compliance with this Order until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Order; the corrective actions are effective in addressing the Bank's deficiencies; and the OCC has verified and validated the corrective actions. An assessment of the effectiveness of the corrective actions requires sufficient passage of time for the Bank to demonstrate the sustained effectiveness of the corrective actions.

(8) 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.

(9) Each citation, issuance, or guidance referenced in this Order includes any subsequent citation, issuance, or guidance that replaces, supersedes, amends, or revises the referenced cited citation, issuance, or guidance.

(10) This Order applies to the Bank and all its subsidiaries.

(11) 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.

(12) All reports, plans, or programs submitted to the OCC pursuant to this Order shall be forwarded, via email, to the Assistant Deputy Comptroller.

(13) 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.

<u> /s/ </u> Chad Smith Assistant Deputy Comptroller St. Louis Field Office	<u> 6/18/2024 </u> Date
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IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of CNB Bank & Trust, N.A., Carlinville, Illinois have hereunto set their signatures on behalf of the Bank.

<u> /s/ </u> James Ashworth	<u> 6/18/24 </u> Date
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<u> /s/ </u> Judith E. Baker	<u> 6-18-24 </u> Date
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<u> /s/ </u> Rick R. Champley	<u> 6-18-24 </u> Date
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<u> /s/ </u> Shawn Davis	<u> 6/18/24 </u> Date
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<u> /s/ </u>	<u> 6-18-24 </u> Date
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<u> /s/ </u> Nancy Ruyle	<u> 6/18/24 </u> Date
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/s/ 6-18-24
James (Jim) Salske Date

/s/ 6-18-24
Kyle Schumacher Date

/s/ 6/18/24
Andrew (Andy) Timberg Date

/s/ 06/18/2024
Richard Walden Date
