

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of	)	
	)	Order No.: DC 10-006
	)	
	)	
THOMAS COMPLIANCE	)	
ASSOCIATES, INC.	)	Effective Date: June 16, 2010
	)	
An Institution-Affiliated Party Pursuant to	)	
12 U.S.C. § 1813(u)(3)	)	
Chicago, Illinois	)	
	)	

ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY

WHEREAS, THOMAS COMPLIANCE ASSOCIATES, INC. (TCA), Chicago, Illinois, by and through its authorized representative, has executed a Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation); and

WHEREAS, TCA, by executing the Stipulation, has consented and agreed to the issuance of this Order of Assessment of a Civil Money Penalty (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1818(i); and

WHEREAS, pursuant to delegated authority, the OTS Deputy Director of Examinations, Supervision and Consumer Protection (Deputy Director), is authorized to issue Orders of Assessment of a Civil Money Penalty where an institution affiliated party has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

Payment of Civil Money Penalty.

1. Effective immediately, TCA is ordered to pay the sum of fifty thousand dollars (\$50,000.00) by tendering a certified check or bank draft made payable to the order of the Treasury of the United States.

Indemnification Prohibited.

2. TCA shall pay such civil money penalty itself and is prohibited from seeking or accepting indemnification for such payment from any insured depository institution, subsidiary, and affiliated holding companies.

Effective Date, Incorporation of Stipulation.

3. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____
Thomas A. Barnes
Deputy Director, Examinations,
Supervision and Consumer Protection

Date: See Effective Date on page 1

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Chicago, Illinois	)	
_____	)	

STIPULATION AND CONSENT TO THE ISSUANCE OF
AN ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Deputy Director of Examinations, Supervision and Consumer Protection (Deputy Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed THOMAS COMPLIANCE ASSOCIATES, INC. (TCA), Chicago, Illinois, that grounds exist to initiate a civil money penalty assessment proceeding against TCA pursuant to 12 U.S.C. § 1818(i); and

WHEREAS, the Deputy Director, pursuant to delegated authority, is authorized to issue Orders of Assessment of a Civil Money Penalty where an institution-affiliated party has consented to the issuance of an order; and

WHEREAS, TCA desires to cooperate with the OTS to avoid the time and expense of an administrative civil money penalty proceeding by entering into this Stipulation and Consent to

the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation) without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraphs 1, 2 and 3 below concerning Jurisdiction, hereby stipulates and agrees as follows:

Jurisdiction.

1. TCA is a financial institution consulting firm and from 2004 through 2008 conducted over 50 onsite lending and compliance audits or reviews in over 20 savings associations. TCA proffered advice and direction to management and staff of savings associations concerning their banking transactions and banking procedures and policies, including but not limited to Bank Secrecy Act and Anti-Money Laundering (BSA/AML) independent testing and training.
2. By virtue of TCA's lending and compliance audits or reviews of savings association's transactions, policies and procedures, TCA participates in the conduct of the affairs of insured depository institutions. Accordingly, TCA is an institution-affiliated party within the meaning of 12 U.S.C. § 1813(u)(3).
3. Pursuant to 12 U.S.C. §§ 1813(q) and 12 U.S.C. 1464(d)(7)(D), (E) the Director of the OTS is the "appropriate Federal banking agency" to initiate and maintain a civil money penalty proceeding against TCA pursuant to 12 U.S.C. § 1818(i).

OTS Findings of Fact.

4. Based on information obtained by OTS through the exercise of its regulatory responsibilities, the OTS finds that TCA has engaged or participated in the following violations of law and unsafe or unsound practices, including:

- a. TCA engaged in a violation of law, as defined in 12 U.S.C. § 1813(v), by aiding its former employee Greg L. Diaz (Diaz) in Diaz's violations of a final and

outstanding Order of Prohibition issued by OTS pursuant to 12 U.S.C. § 1818(e), Order No. ATL-2004-08, effective March 4, 2004 (Prohibition Order) and aided Diaz in his violations of Section 19 of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. § 1829, after Diaz's guilty plea and misdemeanor conviction of 18 U.S.C. § 656 (embezzlement).

- b. Diaz began working for TCA in January 2004. TCA was informed that Diaz was subject to a Prohibition Order in October 2004, and TCA subsequently learned of Diaz's indictment, guilty plea and misdemeanor conviction of embezzlement in August 2005, yet continued to employ Diaz as a compliance consultant through July 2008, thereby allowing him to participate in the conduct of the affairs of savings associations.
- c. TCA sent Diaz to savings associations without Diaz obtaining regulatory approval, pursuant to Section 19(a)(1) of the FDIA, 12 U.S.C. § 1829(a)(1) and Section 8(e) of the FDIA, 12 U.S.C. § 1818(e), to participate in the conduct of the affairs of savings associations.
- d. TCA failed to inform TCA clients that Diaz was subject to a final and outstanding Prohibition Order and Diaz's misdemeanor conviction of embezzlement.
- e. TCA failed to inform its clients that TCA did not have fidelity bond insurance.
- f. Until September 2008, TCA did not conduct criminal background checks on its employees who were compliance consultants to savings associations.
- g. TCA failed to establish adequate procedures to safeguard its employees' work papers obtained through audits and consultations with savings associations.

Consent.

5. TCA consents to the issuance by the OTS of the accompanying Order of Assessment of a Civil Money Penalty (Order). TCA further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

Finality.

6. This Order is issued by the OTS under the authority of 12 U.S.C. § 1818(i). Upon the Effective Date, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

7. TCA waives the following:
- (a) the right to be served with a written notice of the OTS's assessment of a civil money penalty against it as provided by 12 U.S.C. § 1818(i) and 12 C.F.R. Part 509;
 - (b) the right to an administrative hearing including, without limitation, any such right provided by 12 U.S.C. §§ 1818(h) or 1818(i);
 - (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. §§ 1818(h) or 1818(i), or otherwise to challenge the validity of the Order;
 - (d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes, or otherwise; and

(e) the right to assert this proceeding, this consent to the issuance of the Order, and/or the issuance of the Order, the payment of any monies, or the provision of any other financial relief as contemplated by the 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.

OTS Authority Not Affected.

8. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent the OTS from taking any other action affecting TCA if at any time the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law. The OTS agrees not to institute further proceedings against TCA for the specific acts, omissions, or violations in the Findings of Fact set forth in Paragraph 4 above to the extent known to the OTS as of the Effective Date of the accompanying Order, unless such acts, omissions, or violations reoccur.

Other Governmental Actions Not Affected.

9. TCA acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 8 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of TCA that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

10. The laws of the United States of America shall govern the construction and validity of this Stipulation and the Order.

11. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or

unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Deputy Director in his sole discretion determines otherwise.

12. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

13. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

14. The terms of this Stipulation and the Order represent the final agreement of the parties with respect to the subject matters hereof and constitute the sole agreement of the parties with respect to such subject matters.

Signature of TCA.

15. TCA through its duly authorized representative, O. Tom Thomas, consents to the issuance of the Order and the execution of the Stipulation.

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WHEREFORE, TCA, through its authorized representative, executes this Stipulation.

**THOMAS COMPLIANCE
ASSOCIATES, INC.**
Chicago, Illinois

OFFICE OF THRIFT SUPERVISION

By: _____
O. Tom Thomas
Managing Principal/CEO

By: _____
Thomas A. Barnes
Deputy Director, Examinations,
Supervision and Consumer Protection

Date: See Effective Date on page 1