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Good afternoon. I am Jennifer Shasky Calvery, Director of the Financial Crimes Enforcement Network at the U.S. Department of the Treasury.

I would first like to thank Preet Bharara and the U.S. Attorney's Office for the Southern District of New York, as well as our colleagues in the Office of the Comptroller of the Currency, for their coordination with FinCEN on today's actions.

Today, JPMorgan has admitted its failure to report the Madoff Ponzi scheme to FinCEN and that its conduct violated the Bank Secrecy Act.

A bank files a suspicious activity report, or SAR, with FinCEN when it thinks a transaction may be suspicious. FinCEN, in turn, makes such SARs available to law enforcement. But today's action against JPMorgan is not just about a SAR reporting violation: it's about lost opportunities and the catastrophic consequences that can flow. When JPMorgan failed to file a SAR with FinCEN, an opportunity to stop this fraud was missed. JPMorgan's concerns about potential fraud went unheard, leaving law enforcement and regulators in the dark. A critical piece of the puzzle was left out, and innocent people continued to be victimized.

When JPMorgan suspected Mr. Madoff's fraud, JPMorgan chose to focus its efforts on its own investment exposure. Had JPMorgan provided the same level of attention and sophistication to its anti-money laundering responsibilities, it could potentially have saved other fraud victims untold misery and loss. This is an instance where a culture of compliance was lacking at the bank.

Of course, fraud, by its very nature, can be hard to detect. But in this case, there were many different points when JPMorgan in fact was suspicious. For instance, JPMorgan speculated internally that Madoff was running a "Ponzi scheme." JPMorgan filed a SAR in the United Kingdom. JPMorgan filed a second SAR in the United Kingdom. JPMorgan reduced its own risk exposure to Madoff-related investments. While JPMorgan did all of these things, the one thing it did not do was file a SAR with FinCEN at a time when it may have made a meaningful difference.

It is my hope that financial institutions learn from what has happened in this case, that they pay close attention to their AML programs, promote a culture of compliance, and file SARs when suspicions arise. As a result, not only will they protect their institution's bottom line, but they could potentially protect untold numbers of innocent people from falling victim to a similar devastating fraud.

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