



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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FinCEN Penalizes New Jersey Community Bank for Risky Dealings with Foreign Money Exchanges

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) today announced the [assessment](#) of a \$4.1 million civil money penalty against Saddle River Valley Bank in Saddle River, New Jersey. FinCEN has determined that the bank violated several provisions of the Bank Secrecy Act (BSA) from 2009 through May 2011. The Bank has consented to the assessment.

Working with the Office of the Comptroller of the Currency (OCC) and the U.S. Attorney's Office for the District of New Jersey, FinCEN concluded that the bank willfully violated aspects of the BSA's program, recordkeeping, and reporting requirements by lacking an effective anti-money laundering (AML) program reasonably designed to manage the risks of money laundering and other illicit activity, failing to conduct adequate due diligence on foreign correspondent accounts, and failing to detect and adequately report in a timely manner suspicious activities in the accounts of foreign money exchange houses, also known as casas de cambio. The Bank executed \$1.5 billion worth of inadequately monitored transactions on behalf of Mexican and Dominican casas de cambio despite publicly available information, such as a FinCEN advisory, that provided ample notice of the heightened risks of dealing with these institutions.

"It's pretty remarkable that a small community bank in suburban New Jersey was attracting more than a billion dollars in transactions with customers in Mexico and the Dominican Republic, and nobody thought it was too good to be true," FinCEN Director Jennifer Shasky Calvery said. "Banks of all sizes, in any part of the country, may be tempted by such lucrative ventures. However, banks must use common sense in evaluating customer risk or seemingly lucrative business could become quite the opposite."

FinCEN's penalty is concurrent with a \$4.1 million [civil money penalty](#) assessed by the OCC, and will be satisfied by one payment of \$4.1 million to the U.S. Department of the Treasury. In addition, the U.S. Attorney's Office for the District of New Jersey will collect \$4.1 million from

the bank through [civil asset forfeiture](#). The bank ceased operations in 2012 and the combined collection amount of \$8.2 million represents the majority of its remaining assets.

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FinCEN's mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.