

UNITED STATES DEPARTMENT OF THE TREASURY



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FinCEN Penalizes West Virginia Bank for Serious BSA Violations and Actions by a Branch Manager That Assisted Criminal Activity

WASHINGTON, D.C. – The Financial Crimes Enforcement Network (FinCEN) today announced the assessment of a \$4.5 million [civil money penalty](#) against Bank of Mingo of Williamson, West Virginia (Mingo), for willfully violating the Bank Secrecy Act (BSA). Mingo had severe and systemic failures in many aspects of its anti-money laundering (AML) program. As a result of these failures, Mingo processed millions of dollars in structured and suspicious cash transactions through the institution.

Mingo serviced high-risk customers without effectively monitoring their accounts for suspicious activity. In one example, Mingo was aware of a high volume of unusual cash transactions conducted by a corporate customer, yet failed to file the requisite currency transaction reports (CTRs) or suspicious activity reports (SARs). That customer conducted over \$9 million worth of structured transactions through Mingo's Williamson Branch. The manager of that branch, who is also the former Mayor of Williamson, was convicted in April 2014 of knowingly making a false statement to federal law enforcement agents during an investigation of that scheme to evade BSA reporting requirements.

“This bank's failure to implement and maintain an effective AML program exposed our financial system to significant abuse,” said FinCEN Director Jennifer Shasky Calvery. “And, when a bank insider actively promotes a culture of noncompliance, the risks are greatly increased.”

From 2008 through 2013, Mingo had significant deficiencies in all aspects of its AML program, including its internal controls, independent testing, training of personnel, and designation of a BSA officer with sufficient resources to adequately oversee its BSA compliance program. Mingo failed to properly assess the money laundering risk associated with its customers. Consequently, Mingo failed to properly designate many customers and their accounts as high risk; and failed to adequately monitor and detect the unusual currency transactions or suspicious activities in which these customers engaged.

FinCEN coordinated its enforcement action with actions by the Federal Deposit Insurance Corporation (FDIC) and the U.S. Attorney's Office for the Southern District of West Virginia. The total penalty of \$4.5 million will run concurrent with a \$3.5 million penalty by the FDIC, of which \$2.2 million is concurrent with the amount forfeited pursuant to the deferred prosecution agreement with the U.S. Attorney's Office. Accordingly, this penalty will be deemed satisfied by an immediate payment of \$1 million to the U.S. Department of the Treasury; with the remaining balance satisfied by payment of the FDIC civil money penalty and the U.S. Attorney's forfeiture. Director Shasky Calvery expressed her appreciation to the FDIC and the U.S. Attorney's Office for the Southern District of West Virginia for its contributions to the investigation in this action and strong partnership with FinCEN.

FinCEN seeks to protect the U.S. financial system from being exploited by illicit actors. Its efforts are focused on compromised financial institutions and their employees; significant fraud; third-party money launderers; transnational organized crime and security threats; and cyber threats. FinCEN has a broad array of enforcement authorities to target both domestic and foreign actors affecting the U.S. financial system.

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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.