



Financial Crimes Enforcement Network

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

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\$1 Million Penalty Assessed Against Pamrapo Savings for Bank Secrecy Act Violations

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) today announced the [assessment of a civil money penalty \(CMP\)](#) of \$1 million against Pamrapo Savings Bank, S.L.A., of Bayonne, N.J. for violating requirements under the Bank Secrecy Act (BSA). Pamrapo's lack of internal controls combined with unqualified BSA compliance personnel, relatively non-existent training and deficient independent testing resulted in a wholly ineffective BSA compliance program which, in turn, resulted in the failure to file a substantial number of currency transaction and suspicious activity reports in an accurate and timely manner. Pamrapo Savings Bank, without admitting or denying the allegations, consented to payment of the civil money penalty.

FinCEN found that between January 1, 2005 and April 21, 2009, the bank flagrantly and repeatedly disregarded the most basic BSA requirements which resulted in an ineffective Anti-Money Laundering program and significant reporting failures.

In addition, bank management did not heed a bank regulatory recommendation that a third party evaluate the bank's BSA program. Bank management misled regulators by indicating this recommendation was given strong consideration at the highest levels of the bank but decided against taking action on it, when in fact, this recommendation was not considered at all.

Further, the lack of understanding of basic BSA requirements resulted in the failure to identify, evaluate and risk rate dozens of higher risk accounts to mitigate potential BSA/AML risks.

“Without an effective AML program, a financial institution deprives law enforcement of valuable tools made available for investigations under the BSA, and exposes the institution to illicit activity,” said FinCEN Director James H. Freis, Jr. “Information reported to FinCEN can be the tip-off that triggers an investigation or provides significant support to an investigation already underway. This can only happen when a financial institution has an effective anti-money laundering program in place.”

The investigation and resulting civil money penalty by FinCEN was part of a coordinated effort with the United States Attorney's Office for the District of New Jersey, the Asset Forfeiture and Money Laundering Section of the U.S. Department of Justice (DOJ), and the Office of Thrift Supervision (OTS). FinCEN's assessment is in addition to forfeiture and civil money penalty actions by the DOJ and OTS, respectively, in March 2010.

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*F*inCEN's mission is to enhance U.S. national security, deter and detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial systems.