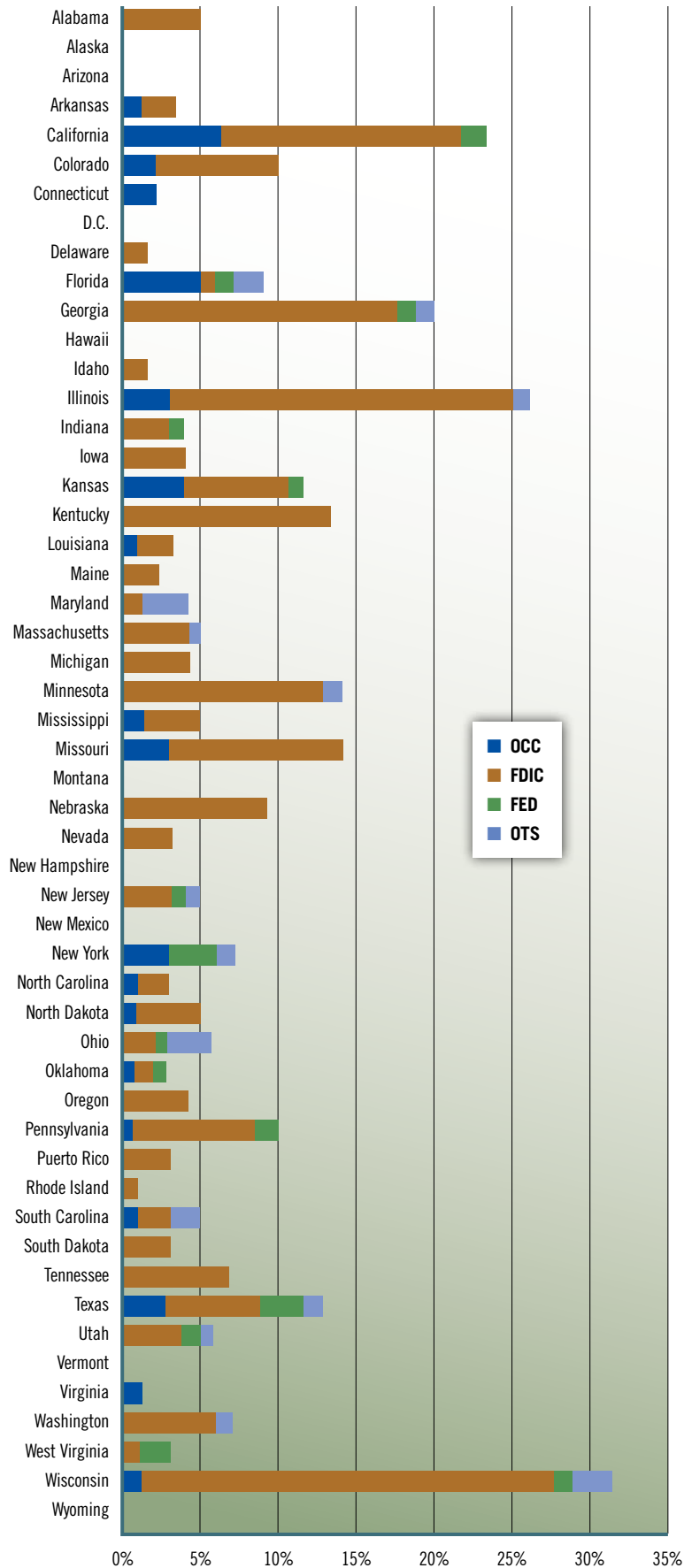


CHART 8—Enforcement Actions with Compliance Provisions by State, 2008–2009



used these provisions most frequently, imposing them in 64 percent and 50 percent of compliance-related formal enforcement actions, respectively.

- **Adequate Personnel:** 38 percent of the actions required the bank to improve the quality or quantity of its personnel. Most commonly, the actions required the bank to recruit a qualified chief compliance or BSA officer. A sizeable minority of these actions directed the bank to provide such officers with sufficient resources.
- **Risk Assessment:** 30 percent of the actions reviewed required the creation or enhancement of risk assessments, including compliance, BSA, OFAC, and information security risk assessments.
- **Other:** Less-common provisions included requirements for new product or account review processes or discontinuing certain types of transactions, processes, or programs, both of which appeared in fewer than 10 percent of the actions we reviewed. OCC enforcement actions were most likely to call for the establishment of a new product review process, with 27 percent of that agency’s compliance-related formal enforcement actions including such a requirement (all but one of these actions had a BSA focus). The OCC was also the agency that most frequently required an account review and imposed restrictions on business.

Specific Requirements Cited

We delved deeper into those enforcement actions that addressed BSA/OFAC, Reg. O, information security/privacy, ECOA or FHA, and UDAP to identify with which specific requirements the banks were being directed to comply. We present our results below.

BSA/OFAC

Forty-two formal enforcement actions, representing 40 percent of the actions citing specific regulations, included references to BSA or BSA and OFAC. Half of these 42 actions cited only BSA and related laws and regulations. However, as shown in Chart 6, our review also found that, if anything, BSA-related actions declined through the period of our review even as the total number of enforcement and compliance-related actions increased. We believe this somewhat anomalous trend has two causes: first, the banking industry made substantial progress in improving the quality of BSA compliance in the early years of this decade, leading to fewer cases in which enforcement actions are necessary; second, regulators often review mid-sized banks’ BSA compliance in the course of safety and soundness examinations. Given the increased need to focus exam resources on the CAMELS components of the safety and soundness exam, we suspect that in some cases examiners may have lacked sufficient resources to review BSA compliance as closely as in previous years.