

U.S. DEPARTMENT OF THE TREASURY

Press Center

**U.S. Treasury Department Announces \$619 Million Settlement with ING Bank, N.V.**

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Largest-Ever Settlement Reached in a Sanctions Case

WASHINGTON – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today announced a \$619 million settlement with ING Bank N.V. (ING Bank) to settle potential liability for apparent violations of U.S. sanctions. Today's settlement is the largest OFAC settlement of any kind to date. The settlement resolves OFAC's investigation into ING Bank's intentional manipulation and deletion of information about U.S.-sanctioned parties in more than 20,000 financial and trade transactions routed through third-party banks located in the United States between 2002 and 2007, primarily in apparent violation of the Cuban Assets Control Regulations (CACR), 31 C.F.R. part 515, but also of the Iranian Transactions Regulations (ITR), 31 C.F.R. part 560; the Burmese Sanctions Regulations (BSR), 31 C.F.R. part 537; the Sudanese Sanctions Regulations (SSR), 31 C.F.R. part 538; and the now-repealed version of the Libyan Sanctions Regulations (LSR), 31 C.F.R. part 550, which was in effect until 2004. ING Bank's settlement with OFAC is simultaneous with settlements with the U.S. Attorney's Office for the District of Columbia, the Department of Justice's National Security Division, the Department of Justice's Asset Forfeiture and Money Laundering Section and the New York County District Attorney's Office.

ING Bank's apparent violations, which totaled more than \$1.6 billion routed through the United States despite U.S. sanctions, arose out of policies at multiple offices of ING Bank's Wholesale Banking Division. Neither ING Bank's insurance nor its banking operations in the United States were subjects of this investigation. Beginning in the 1990s, at the instruction of senior bank management, ING Bank employees in Curacao began omitting references to Cuba in payment messages sent to the United States in order to prevent U.S. financial institutions from identifying and interdicting prohibited transactions. The practice of removing and omitting such information was also used by other branches of ING Bank's Wholesale Banking Division, including in France, Belgium, and the Netherlands, in processing U.S. dollar payments and trade finance transactions through the United States. In addition, ING Bank's senior management in France authorized, advised in the creation of, and ultimately provided fraudulent endorsement stamps for use by Cuban financial institutions in processing travelers check transactions, which disguised the involvement of Cuban banks in these transactions when they were processed through the United States. Moreover, ING Bank's Trade and Commodity Finance business at its Wholesale Banking branch in the Netherlands routed payments made on behalf of U.S.-sanctioned Cuban clients through other corporate clients to obscure the sanctioned clients' identities and its Romanian branch omitted details from a letter of credit involving a U.S. financial institution in order to finance the exportation of U.S.-origin goods to Iran.

In parallel with OFAC's civil enforcement action, OFAC referred this matter for criminal investigation in light of the sheer number of apparent violations, the array of stratagems employed by ING Bank to conceal its actions, and the seriousness of the conduct, which in some cases was ongoing for a very long period of time

"Our sanctions laws reflect core U.S. national security and foreign policy interests and OFAC polices them aggressively. Today's historic settlement should serve as a clear warning to anyone who would consider profiting by evading U.S. sanctions," said Adam Szubin, Director of Treasury's OFAC. "We commend our federal and state colleagues for their work on this important investigation."

"The fine announced today is the largest ever against a bank in connection with an investigation into U.S. sanctions violations and related offenses and underscores the national security implications of ING Bank's criminal conduct. For more than a decade, ING Bank helped provide state sponsors of terror and other sanctioned entities with access to the U.S. financial system, allowing them to move billions of dollars through U.S. banks for illicit purchases and other activities," said Assistant Attorney General for National Security, Lisa Monaco. "I applaud the agents, analysts and prosecutors who for years pursued this case."

"Investigations of financial institutions, businesses, and individuals who violate U.S. sanctions by misusing banks in New York are vitally important to national security and the integrity of our banking system," said New York County District Attorney Cyrus R. Vance, Jr. "These cases give teeth to sanctions enforcement, send a strong message about the need for transparency in international banking, and ultimately contribute to the fight against money laundering and terror financing. I thank our federal partners for their cooperation and assistance in pursuing this investigation."

ING Bank has assured OFAC that it has terminated the conduct leading to today's settlement. Under the settlement agreement, ING Bank is required to conduct a review of, and to submit a report to OFAC regarding, its policies and procedures and their implementation,

taking an appropriate risk-focused sampling of U.S. dollar payments to ensure that its OFAC compliance program is functioning effectively to detect, correct, and report any OFAC-sanctioned transactions that might occur.

ING Bank agreed to settle potential liability for its apparent violations of Treasury regulations for \$619 million with the obligation deemed satisfied by payment of that amount to the U.S. Department of Justice and the New York County District Attorney's Office for the same pattern of conduct.

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