
Joint Release

**Financial Crimes Enforcement Network
Federal Deposit Insurance Corporation
New York State Banking Department**

For immediate release

May 19, 2006

**Financial Crimes Enforcement Network, Federal Deposit Insurance Corporation,
and New York State Banking Department Assess Civil Money Penalties Against
Liberty Bank of New York**

The Financial Crimes Enforcement Network (FinCEN), Federal Deposit Insurance Corporation (FDIC), and New York State Banking Department (NYSBD) announced today the assessment of civil money penalties totaling \$600,000 against Liberty Bank of New York for violations of federal and state anti-money laundering laws and regulations. Liberty Bank, without admitting or denying the allegations, consented to payment of the civil money penalties.

In taking these actions, FinCEN, FDIC, and NYSBD determined that Liberty Bank failed to implement an adequate Bank Secrecy Act/anti-money laundering program, with internal controls and appropriate measures to detect and report money laundering and other suspicious activity in a timely manner. The agencies also found that systemic defects in Liberty Bank's anti-money laundering program resulted in a failure to comply with information sharing requests from law enforcement under section 314(a) of the USA PATRIOT Act.

"The effective enforcement of laws and regulations designed to safeguard our nation's financial system is a top priority for the FDIC," said Acting FDIC Chairman Martin Gruenberg. "Effective anti-money laundering programs at individual banks are not only a deterrent to criminal activity but also protect banks from harm. Bank management must be vigilant in this area, particularly as business grows and new products and services are introduced."

"Today's action against Liberty Bank of New York is a great example of what can be accomplished when state and federal regulators share information," said Diana L. Taylor, New York State Banking Superintendent. "The memorandum of understanding signed by the Banking Department and FinCEN in April 2005 has greatly improved regulators' and law enforcements' ability to take action against institutions that violate the Bank Secrecy Act and Anti-Money Laundering laws."

"The goal of the 314(a) program is to create an information partnership with the banking industry in a joint effort to protect the U.S. financial system from abuse by money launderers and terrorist financiers," said Robert W. Werner, Director of the Financial Crimes Enforcement Network. "The burden on banks is not great, but the results are often critically important. Liberty Bank failed in its obligations as a partner."

Copies of the agencies' enforcement actions are attached.

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Attachments

Federal Deposit Insurance Corporation

[Order to Pay Civil Money Penalty](#)

New York State Banking Department

[Order of Assessment of a Civil Money Penalty - PDF](#) 216k ([PDF Help](#))

Financial Crimes Enforcement Network

[Assessment of Civil Money Penalty - PDF](#) 2,537k ([PDF Help](#))

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FDIC-PR-49-2006