

For immediate release

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FDIC and FinCEN Assess Civil Money Penalty Against First Bank of Delaware

The Federal Deposit Insurance Corporation (FDIC) and the Financial Crimes Enforcement Network (FinCEN) today announced the assessment of concurrent civil money penalties of \$15 million against First Bank of Delaware, Wilmington, Delaware, for violations of the Bank Secrecy Act (BSA) and anti-money laundering (AML) laws and regulations. The Bank also settled civil charges, on related activities, brought by the U.S. Department of Justice, U.S. Attorney's Office for the Eastern District of Pennsylvania. All penalties will be satisfied by a \$15 million payment to the United States Treasury.

In taking these actions, the FDIC and FinCEN determined that the bank failed to implement an effective BSA/AML Compliance Program with internal controls reasonably designed to detect and report evidence of money laundering and other suspicious activity. Specifically, the bank failed to adequately oversee third-party payment processor relationships and related products and services in a manner commensurate with associated risks. The civil money penalty is the result of the bank's history of noncompliance with laws and regulations and its numerous violations of the BSA.

"Effective Bank Secrecy Act and anti-money laundering programs that are commensurate with the risk profile of the institution are vital to protecting our financial system," said Martin J. Gruenberg, Acting Chairman of the FDIC. "The significant penalty assessed in this case emphasizes the importance of having strong internal controls to assure compliance with anti-money laundering regulations and to detect and report potential money laundering or other illicit financial activities."

"To make money, First Bank of Delaware entered into risky lines of business and chose to disregard its Bank Secrecy Act responsibilities," said FinCEN Director Jennifer Shasky Calvery. "As a result of its failure to implement systems and controls to identify and report suspicious activities, as required by the BSA, financial predators were able to victimize consumers."

Additionally, on November 16, 2012, Bryn Mawr Trust Company, Bryn Mawr, Pennsylvania, purchased certain assets and assumed deposit liabilities from the First Bank of Delaware. The Delaware Office of State Bank Commissioner terminated First Bank of Delaware's charter and the FDIC terminated its deposit insurance.

Financial institutions seeking more information on BSA compliance with third party payment processors can refer to the FDIC's January 2012 and November 2008

guidance on payment processor relationships. In addition, FinCEN recently released an advisory on the subject, "Risk Associated with Third Party Payment Processors."

Attachments

- [FDIC Order to Pay Civil Money Penalty - PDF \(PDF Help\)](#)
- [Financial Crimes Enforcement Network Assessment of Civil Money Penalty - PDF \(PDF Help\)](#)

Media Contacts:

FDIC: David Barr, (202) 898-6992

FinCEN: Steve Hudak, (703) 905-5149

FDIC: PR-135-2012