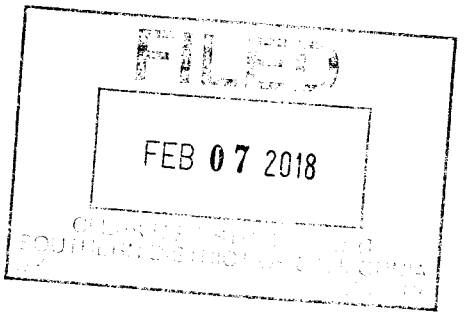

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

v.

RABOBANK, NATIONAL ASSOCIATION,

Defendant.

Case No. 18cr 0614-JM

INFORMATION

Title 18, U.S.C., Sec. 371 – Conspiracy to Commit an Offense and to Defraud the United States or an Agency Thereof

The United States Attorney charges:

INTRODUCTORY ALLEGATIONS

At all times material to this Information:

1. Rabobank, National Association ("RNA" or "Defendant") is a California-based national bank, and a subsidiary of Coöperatieve Rabobank U.A. ("RaboGroup"), a Dutch multinational banking and financial services company headquartered in Utrecht, Netherlands. Through 2013, Defendant operated no less than 100 branches throughout

California, including several in Imperial County, within the Southern District of California. Due to their proximity to the U.S.-Mexico border, Defendant knew the Imperial County branches, and the accounts opened and managed therein, were exposed to a heightened risk of being used and involved in receiving, transmitting, and laundering proceeds of criminal activity generated from narcotics trafficking and other illicit activity.

2. The Bank Secrecy Act ("BSA"), Title 31, United States Code, Section 5311 *et seq.*, required Defendant, among other things, to implement and maintain an anti-money laundering compliance program ("BSA/AML program") reasonably designed to (a) detect suspicious activity indicative of money laundering and other crimes and (b) assure and monitor compliance with the BSA's recordkeeping and reporting requirements, including the requirement to report to the Department of the Treasury any "suspicious transactions relevant to a possible violation of law or regulation." Such reports, referred to as "suspicious activity reports" or "SARs," are required under Title 31, United States Code, Section 5318(g)(1), and the regulations thereunder.

3. The Department of the Treasury's Office of the Comptroller of the Currency ("OCC") was Defendant's primary regulator, with a mission to ensure that national banks operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations. The OCC's nationwide staff of bank examiners conducts on-site reviews of national banks and provides sustained supervision of these institutions' operations. At all relevant times, the OCC had jurisdiction to examine Defendant's BSA/AML program. During such examinations, the OCC relies on the regulated financial institution, and the regulated financial institution is obligated, to provide all requested materials and to respond truthfully to any questions or inquiries. If the OCC uncovers significant deficiencies at a regulated financial institution, it has the power to take administrative action against the institution and impose various sanctions, including enhanced oversight and control, "Cease and Desist" orders, civil monetary penalties, and, in egregious situations, revocation of the financial institution's charter.

4. As set forth below, at all relevant times, Defendant acted through its officers,

directors, employees, and agents, including Executives A, B, and C, and Manager A, who were at all relevant times acting within the scope of their employment with Defendant.

5. Defendant, Executive A, Executive B, Executive C, Manager A, and others knew the OCC had sanctioned Defendant for its BSA/AML program deficiencies in 2006 and 2008 through, respectively, a Memorandum of Understanding ("2006 MOU") and a Formal Agreement ("2008 Formal Agreement"). Through certain of its executives and employees, Defendant knew that deficiencies in its BSA/AML program continued through 2012.

6. Defendant further knew that its BSA/AML program failures between 2009 and 2012 included implementing policies and procedures that precluded and suppressed investigations by Defendant's Monitoring and Investigations Unit ("M&I Unit") into potentially suspicious transactions by RNA accountholders or by persons conducting transactions on behalf of RNA accountholders, that may have been involved in money laundering or other illegal conduct. This preclusion and suppression of investigations resulted in the M&I Unit not properly monitoring, investigating, and reporting potentially suspicious transactions that were identified by Defendant's electronic monitoring software program called GlobalVision Patriot Officer ("GVPO").

7. GVPO identified, among other things, transactions by customers and through accounts deemed to be "High-Risk" and that Defendant knew were suspicious, as similar transactions had been the subject of prior SARs filed by Defendant. These High-Risk customers and accounts included those controlled and managed by Mexican businesses, nonresident aliens, and U.S.-based accountholders who transacted hundreds of millions of dollars in untraceable cash, sourced from Mexico and elsewhere, into and through RNA accounts. The RNA accounts through which this cash was deposited and transferred were primarily located and otherwise managed at Defendant's Calexico and Tecate branches located in the Southern District of California.

8. By no later than June 2010, Defendant was aware that the activity of certain of these High-Risk customers, including their corresponding cash transactions, and the

associated wire transfer activity, were indicative of international narcotics trafficking, organized crime, and money laundering. Despite this risk, Defendant solicited businesses and individuals conducting these transactions, even though, as Executive A acknowledged in a communication with the Calexico branch management, Defendant could not confirm how the cash was derived and lacked the sophistication or resources to perform the ongoing due diligence that would be required to mitigate the risk.

9. From in or about 2009 until 2012, these suspicious transactions generated repeated GVPO alerts for potential money laundering and other illegal activity. As a result of its ongoing BSA/AML program failures, Defendant failed to adequately monitor and conduct adequate investigations into these transactions and submit SARs to the Financial Crimes Enforcement Network ("FinCEN"), as required by the BSA.

Relevant Entities and Individuals

10. Executive A, a co-conspirator known to the parties, was a high-level executive at Defendant who, at all relevant times, had authority to bind Defendant. Executive A's responsibilities included management of Defendant's BSA/AML compliance program. Before joining Defendant, Executive A served as an OCC examiner in connection with the OCC's examinations of RNA. In or about September 2015, Defendant terminated Executive A's employment for certain conduct described herein.

11. Executive B, a co-conspirator known to the parties, was a high-level executive at Defendant who, at all relevant times, had authority to bind Defendant. Defendant terminated Executive B's employment in or about September 2015 for certain conduct described herein.

12. Executive C, a co-conspirator known to the parties, was a high-level executive at Defendant who, at all relevant times, had authority to bind Defendant. Defendant, as a result of conduct described herein, allowed Executive C to resign his position by December 1, 2015 and retire by the end of 2015.

13. George Martin (charged elsewhere) was hired in or about August 2007 as the

AML Monitoring and Investigations Manager, notwithstanding the fact he had no prior BSA/AML experience. Martin served in that role until in or about April 2012 when Defendant terminated his employment, in part, for conduct described herein. His duties as AML M&I Unit manager included supervising the unit, directing investigations, and reporting suspicious activity in accounts held at RNA.

14. From in or about March 2009 until his termination, Martin was supervised by Manager A, whose duties included making sure Defendant conducted adequate BSA/AML investigations and properly reported suspicious activity. In or about March 2013, Manager A was demoted multiple times due to the deficiencies identified in the BSA/AML program that he managed.

Defendant's Continuing Bank Secrecy Act and Anti-Money Laundering Failures

15. Defendant and the OCC entered into the 2006 MOU after Executive A, while acting as an examiner for the OCC, identified numerous and significant weaknesses in Defendant's BSA/AML program. During subsequent reviews, the OCC identified a number of continuing deficiencies in branches located within the Southern District of California and elsewhere, including training deficiencies, inaccurate and incomplete SARs, and as the December 4, 2007 OCC Supervisory Letter indicated, "ongoing and new weaknesses in management oversight and internal controls" and failure to implement procedures "to identify, monitor, and investigate large cash transactions for evidence of suspicious activity." After these reviews, the OCC and Defendant entered into the 2008 Formal Agreement, which mandated improvements in BSA Audit, BSA training, BSA Officer and Staff, and BSA Internal Controls at Defendant.

16. Executive A left the OCC and was hired by Defendant in or about February 2008. Approximately a year and a half later, Defendant was informed by the OCC, in or about September 2009, that it would be released from the 2008 Formal Agreement notwithstanding the fact that, according to those working in transaction monitoring at the time, the BSA function did not materially change during the time the Formal Agreement

was in place.

17. During certain periods in 2011, the M&I Unit had only two people to handle investigations and only three analysts to monitor and manage thousands of monthly alerts. In other words, during those particular periods, three people were tasked with reviewing approximately 2,300 alerts per month and two people were tasked with conducting more than 100 investigations per month, including approximately 75 customers per month for whom SAR determinations had to be made.

Despite Known Risks, Defendant Pursued Cash-Intensive Mexican Customers

18. On or about June 15, 2010, the Mexican government announced new anti-money laundering regulations that restricted the amounts of physical cash denominated in U.S. dollars that Mexican banks could receive. According to FinCEN guidance, Mexico adopted the regulations to "mitigate risks of laundering proceeds of crime tied to narcotics trafficking and organized crime."

19. Following the June 15, 2010 announcement of the Mexican government, Martin noted for a number of Defendant's employees, including Manager A and Executive A, that the Mexican government's latest restrictions on cash deposits made in Mexican banks would likely lead to increased cash deposits at Defendant's border branches in the Southern District of California.

20. The border branches, including those located in Calexico and Tecate, were heavily dependent on cash deposits from Mexico. Communications between the branch and compliance personnel indicate that Defendant knew these cash deposits at these branches were likely tied to narcotics trafficking and organized crime. In particular, the Calexico branch, located about two blocks from the U.S.-Mexico border, was the highest performing branch in the Imperial Valley region due to cash deposits from Mexico.

21. Defendant continued this practice of soliciting cash-intensive customers from Mexico while failing to employ appropriate BSA/AML policies and procedures to address the heightened risk until in or about May 2013, when executive management placed a moratorium on originating new account relationships for Mexico-based business entities.

Defendant Failed to Adequately Investigate and Report Suspicious Activity.

22. Through Martin and Manager A, Defendant developed and implemented policies and procedures that precluded and suppressed investigations into suspicious transactions that were occurring at Defendant's branches, including at branches located in the Southern District of California.

23. Defendant, through Martin and others, including Manager A, instructed Defendant's Financial Intelligence Unit staff to resolve or "clear" GVPO suspicious activity alerts at a per-day rate that Martin knew was impossible for M&I Unit personnel to both meet the review requirements and conduct adequate BSA/AML investigations into those suspicious customer transactions.

24. In order to meet these unrealistic performance metrics, Defendant created and implemented a number of policies and procedures that prevented adequate investigations into suspicious customer activity, including at branches located in the Southern District of California, identified by GVPO. Among them were (1) the "Verified List" and (2) the "Security CMIR Mitigation Policy."

25. In implementing the Verified List, Martin and Manager A improperly instructed staff that if a customer was "verified," no further review was necessary even when that customer's activity changed from the activity that Defendant had "verified." In communications with BSA/AML staff, Martin and Manager A also instructed them to aggressively increase the number of bank accounts on the Verified List.

26. Before the OCC lifted the 2008 Formal Agreement in 2009, Defendant had a list of less than ten verified customers. As a result of these policies and procedures, by 2012, Defendant had more than 1,000 "verified" customers. By aggressively placing customers on the Verified List and significantly limiting scrutiny into their transactions, Defendant increased the risk that it would fail to file SARs on suspicious transactions. As a result, High-Risk customers, including one of the Calexico branch's biggest depositors, conducted at least $100 million in suspicious transactions without a SAR being filed or accounts being timely closed.

27. Defendant used the Security CMIR Mitigation policy to justify the deliberate failure to investigate or file SARs on suspicious cross-border movements of cash effected by certain of Defendant's customers or their agents, including at branches located in the Southern District of California. For example, when a customer tried to explain hundreds of thousands of dollars in structured cash withdrawals as a way to transport cash across the U.S.-Mexico border without filing Reports of International Transportation of Currency or Monetary Instruments ("CMIRs") at the border, Defendant used this as an inappropriate justification to not file SARs on transactions at its branches, including branches located in the Southern District of California.

28. As another example, one of Defendant's business customers, based in Tecate, engaged in suspicious cash activity, including multiple cash withdrawals in structured amounts, throughout the time Defendant maintained its accounts. From in or about 2009 to in or about 2012, various individuals withdrew more than $1 million per year in cash, often at the Tecate branch in $9,500 increments – just below the $10,000 CMIR threshold – at different times on the same day. At the time, Defendant was aware that the structured, unreported, and untraceable cash from these withdrawals was then taken into Mexico.

29. Despite being aware of the suspicious nature of the customer's transactions by virtue of having filed SARs on the customer's structuring activity between 2004 and 2009, Defendant failed to file SARs on the customer's structuring between in or about 2010 and in or about August 2012. In total, no less than $7.3 million in cash withdrawals were structured between in or about 2009 and in or about July 2013, when Defendant finally closed the account.

30. Defendant also failed to file SARs on transactions often associated with money laundering and drug trafficking. For example, a Calexico branch customer was involved in the black market peso exchange, wherein criminal organizations launder U.S. dollars through U.S businesses through seemingly legitimate transactions such as buying and selling pesos, and often evidenced by account activity showing numerous, repeated cash deposits followed by international wire transfers. Despite being made aware in an e-

mail on or about February 24, 2010, that this Calexico branch customer was "using [the Calexico branch] staff resources to count and deposit (filtering) ... cash only to have the customer wire the money out to casa de cambios [sic] in Mexico on the following day of the deposit," Martin and Manager A decided to leave the account open because the Calexico branch wanted to pursue additional business from the customer.

31. On or about August 26, 2011, Martin notified Manager A that the accounts held by the customer and its owners were seized pursuant to a court order and the owners were "suspected of being participants in a major drug smuggling and money laundering operation." Martin elaborated:

> Apparently, the drug cartels are using these accounts and couriers to smuggle millions in USD of illicit proceeds from Mexico, into the US, and repatriating those funds to Mexico at casas de cambio in Mexicali....

32. Despite the seizure of funds in the accounts for suspected money laundering, Defendant left the customer's accounts open until December 2011 and did not file its first SAR on the customer until approximately ten months later, in or about October 2012.

Executive D Warned Defendant's Management of its BSA/AML Program Failures

33. In or around July 2012, Executive A was promoted to a position within RaboGroup in the Netherlands and Defendant hired Executive D to replace Executive A in her role, which included responsibility for management of Defendant's BSA/AML program.

34. Almost immediately, Executive D learned that Defendant's BSA Department had stopped filing SARs on continuing activity it had previously reported. Of particular concern were the Calexico and Tecate branches that held deposits of Defendant's High-Risk Mexico-based customers.

35. On or about September 10, 2012, Executive D alerted Executives B and C about her concerns. Executive D gave a more complete report of her concerns, on or about October 3, 2012, in a presentation to Defendant's Executive Management Group.

36. In making her report, Executive D also warned Defendant's Executive Management Group that, in addition to taking enforcement actions against large banks

> the OCC also is finding a rising number of BSA/AML problems in, and taking appropriate supervisory and enforcement actions against, midsize and community institutions, for problems that include ineffective account monitoring, inadequate tracking of certain high risk customers and bulk cash transactions, and lapses in monitoring suspicious activity.

Defendant Retains the Consultant to Perform a BSA/AML Program Assessment

37. In approximately December 2012, in part because of the deficiencies known by Defendant's management, Defendant retained the services of the Consultant, a public accounting, consulting, and technology firm that provided tax, advisory, risk, and performance services to financial institutions, to perform a program assessment of Defendant's BSA/AML program.

38. The Consultant conducted its BSA/AML program assessment for Defendant between approximately December 2012 and January 2013. As part of its assessment, the Consultant prepared several documents for Defendant and worked with Defendant's senior management to finalize each of the documents, including: (i) "Rabobank Anti-Money Laundering Program Assessment and Roadmap Executive Report;" (ii) "Rabobank Anti-Money Laundering Staffing Assessment – Executive Report;" (iii) "Rabobank AML Program Roadmap"; and (iv) "High Level Roadmap" (collectively, the "Consultant's Reports").

39. The Consultant's Reports noted various deficiencies in Defendant's BSA/AML program, including among others:

a. Failures in Defendant's High-Risk customer management program;

b. The obvious deficiencies, known by Defendant, both in the total number and substandard qualifications of BSA/AML program staff;

c. Defendant's continued failure to maintain a strong "Culture of Compliance," in that Defendant seldom followed through with risk management practices, including, for example, lack of robust training for employees and lack of awareness

of money laundering detection techniques;

d. Defendant's slowness in addressing significant backlogs of SAR filings and Enhanced Due Diligence reviews on its customers, transactions, and accounts; and

e. The inability of Defendant's AML department to recognize the most significant money laundering threats.

40. On or about January 31, 2013, the Consultant's lead analyst presented its findings, as set forth in the Consultant's Reports, to Defendant's Executive Management Group, including Executives B and C. On or about February 5, 2013, the Consultant's lead analyst presented the same information to Defendant's Board of Directors and the Board's Compliance Committee.

41. Between January 2013 and March 2013, Executives A, B, and C, and other RNA officers obtained and exchanged multiple versions of the Consultant A Reports.

The OCC's 2012/13 BSA/AML Program Examination

42. In or about November 2012, before Defendant retained the Consultant, the OCC started its annual BSA/AML program examination of Defendant as part of its 2012 supervisory cycle.

43. During an initial meeting with OCC examiners, Executive D made a substantially similar presentation to the one that she had previously delivered to Defendant's Executive Management Team in or about October 2012, regarding her concerns about the deficient state of Defendant's BSA/AML program, in particular transactions originating at its branches located in the Southern District of California.

44. On or about February 8, 2013, the OCC sent a draft letter to Defendant detailing its initial findings (the "OCC's Initial Report"), in which it noted the findings were "not dissimilar to concerns covered by the former January 23, 2008 Formal Agreement," and it was "considering citing a violation of the Bank Secrecy Act for a deficient compliance program ... [and] whether the Bank has failed to maintain a compliance program reasonably designed to assure and monitor compliance with the Bank

Secrecy Act, requiring the issuance of a Cease and Desist Order."

45. The potential for a cease-and-desist order raised concerns for Defendant, as such an adverse finding by the OCC would endanger Defendant's pending merger with another RaboGroup subsidiary – a merger that would result in a bank with total consolidated assets of $16.7 billion.

46. In or about February 2013, Defendant's senior management tasked Executive D with heading up Defendant's response to the OCC's Initial Report.

47. On or about February 22, 2013, Executive C e-mailed a RaboGroup executive explaining that he intended to ask Executive D not to join an upcoming OCC meeting, in part, because he did not want to "risk others contradicting our findings." On or about February 22, 2013, Executive C e-mailed a different RaboGroup executive, recommending that "we terminate [Executive D] as I do not have any confidence she will best represent the Bank going forward."

48. On or about February 25, 2013, Executive C called Executive D into his office and informed Executive D she would not be allowed to participate in a discussion with the OCC regarding the OCC's Initial Report. Instead, Executives A and B would now lead the response to the OCC.

49. The next day, Executive D wrote to Executives B and C, warning of the "exponential[ ]" risk Defendant faced if law enforcement focused on its suspicious cross-border activity in the Southern District of California. Executive D further warned that: "if the Bank is found to be misleading, RNA will [face] far reaching consequences that will exceed any enforcement action."

50. On or about February 28, 2013, Executive C called Executive D into his office and informed her she was being placed on a leave of absence.

51. While on this mandated leave of absence, Executive D continued to send e-mails about the danger Defendant faced, including a March 6, 2013 e-mail to an RNA Board member suggesting the Board conduct its own inquiry of Defendant's BSA/AML program "particularly before representing to the OCC or any agency that the issues cited

by RNA are limited and that the program is sound/effective."

52. Executive D remained on this leave of absence until in or about July 2013, when Defendant terminated her employment.

53. After Executive C removed Executive D from her role interacting with the OCC but before her formal termination, Executives A and B drafted Defendant's March 15, 2013 Response to the OCC's Initial Report (the "Response"), which included a number of false and misleading statements, including that:

a. Defendant's BSA/AML program functioned to identify issues as they arose in processing alerts and subpoenas, including transactions and accounts located within the Southern District of California, and management reacted appropriately to address personnel and resource allocation issues;

b. Defendant's Internal Audit at all times exercised its functions independently without any attempt by management to unduly influence the scope of the BSA audit; and

c. Defendant's BSA/AML training was properly designed and successfully met its goals.

54. After Defendant delivered its Response, the OCC BSA/AML examination team conducted additional interviews with Defendant personnel, including Defendant's branch staff located in the Southern District of California.

55. Additionally, as a part of the OCC's expanded BSA/AML program examination, the OCC asked Defendant to produce the Consultant's Reports.

COUNT I

[CONSPIRACY TO COMMIT AN OFFENSE AND TO DEFRAUD THE UNITED STATES – 18 U.S.C. § 371]

56. The introductory allegations set forth in Paragraphs 1 through 55 are realleged and incorporated by reference as if fully set forth herein.

57. Beginning no later than March 2013 and continuing through April 2013, defendant RABOBANK, NATIONAL ASSOCIATION, did knowingly and intentionally

conspire and agree with Executive A, Executive B, and Executive C, and others (A) to defraud the United States of and concerning its governmental functions and rights, including its right to have the affairs of the Office of the Comptroller of the Currency of the United States Department of the Treasury conducted honestly and impartially, free from deceit, craft, dishonesty, trickery, unlawful impairment, impediment, and obstruction; and (B) to commit an offense against the United States – that is, to corruptly obstruct and attempt to obstruct an examination of a financial institution by an agency of the United States with jurisdiction to conduct an examination of such financial institution, to wit the Office of the Comptroller of the Currency of the United States Department of the Treasury, in violation of 18 U.S.C. §1517.

Manner and Means

58. It was part of the conspiracy that Executives A, B, and C, acting within the scope of their authority and in part to benefit RNA, would conceal from the OCC the existence of, and the substance of the information contained within, the Consultant's Reports.

59. It was a further part of the conspiracy that Executives A, B, and C, acting within the scope of their authority and in part to benefit RNA, would delay and limit disclosure of the Consultant's Reports to the OCC, despite specific and repeated requests by OCC examiners.

60. It was a further part of the conspiracy that Executives A, B, and C, acting within the scope of their authority and in part to benefit RNA, would attempt to mislead and obstruct the OCC by not correcting misrepresentations by RNA employees made to the OCC regarding the existence of, and the information contained within, the Consultant's Reports.

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Overt Acts

61. The following overt acts in furtherance of the conspiracy, among others, were committed:

a. On or about March 21, 2013, an OCC examiner e-mailed Executive A asking for "a copy of the assessment report of the bank's BSA program that [the Consultant] was engaged to perform in January 2013."

b. That same day, Executive A forwarded the OCC's request to Executive B, writing, in part, "I think the right answer is that [the Consultant] did not perform an assessment. That while they were engaged to perform a market study/peer benchmark for management and the board, the project was shelved before any report could be issued."

c. After musing, "I wonder why they are asking for this now?", Executive B responded to Executive A, in part:

> To the best of my knowledge, [the Consultant] never provided a final report... They did produce a draft that was shared with management ...? My guess is that copies of the draft are floating around ... So I believe your statement is accurate, although should we say no 'final report was issued'? The obvious concern is they then ask for the draft from [the Consultant].

d. The next day, March 22, 2013, Executive A e-mailed Executive B a revised draft e-mail response to the OCC that continued to contain false and misleading statements, and which she forwarded to the OCC on the same day:

> [the Consultant] did not complete an assessment. While they were engaged to perform a market study/peer benchmark analysis for the benefit of management and the board, the project was suspended before any report was issued....we have recently asked [the Consultant] to assist us on several projects, including the BSA/AML risk assessment. We anticipate having a draft in time for the next board meeting in early May.

e. That same day, Executive C replied to Executive A, "[a] good response. I wonder where [the OCC examiner] heard [the Consultant] did a program assessment?"

f. Executive A responded to Executive C's e-mail that same day, confirming her

awareness of the Consultant's Reports and what she would do if the OCC had them:

> [Executive D] mentioned it at the exit meeting in February in [San Francisco]. What I don't know is whether she took it upon herself to share the draft report. If I hear back from [the OCC] indicating they have a draft report, I'll schedule a call to discuss with her why we reject the initial conclusions.

g. In response, also on or about March 22, 2013, Executive C replied to Executives A and B, confirming his awareness of the Consultant's Reports and ratifying the false and misleading approach Executive A had taken in responding to the OCC, "Ok let's hope she did not provide a draft report. If she did your approach with [the OCC examiner] is a good one."

h. On or about March 25, 2013, the OCC again requested a copy of the Consultant's Reports:

> [I]t was our understanding that [the Consultant] provided management with a report or documents of some type related to BSA. We would like a copy of what bank management received from [the Consultant], even if it was only preliminary or partial.

i. Still on March 25, 2013, Executive A and Executive B exchanged e-mails about possession and distribution of the Consultant's Reports, and thereafter, Executive B sent Executive A additional versions of the Consultant's Reports that were the subject of the OCC's now repeated request.

j. On or about March 25, 2013, notwithstanding the fact that she had, and could have produced, the Consultant's Reports that the OCC had repeatedly requested, Executive A, consistent with a draft she had sent Executives B and C, e-mailed the OCC a benign document called "Rabobank-AML Program Enhancement Update 03-01-13," a forward-looking proposal prepared by the Consultant outlining some generic steps Defendant could take to enhance its BSA/AML program.

k. On or about April 8, 2013, the OCC Regional Manager called Executive C and asked Defendant to provide the OCC with any document that the Consultant produced during its assessment.

l. During the call, Executive C made false and misleading statements to the OCC

Regional Manager. For example, Executive C said, as noted by the OCC Regional Manager, that "[the Consultant] did not leave anything after their presentation, but that [Executive C] would work with [the Consultant] to get a copy" and that the assessment was not in line with Defendant's findings and so management had rejected it.

m. On or about April 11, 2013, Executive C e-mailed members of Defendant's senior management about the call with the OCC Regional Manager including, among others, an RNA Board Member and Executive A, conceding that they would be providing the OCC with the Consultant's Reports.

n. Thereafter, on or about April 18, 2013, Executive A e-mailed, among others, Executives B and C a draft of the "[the Consultant] Report Cover Memo," which, later that same day, accompanied Defendant's disclosure to the OCC of the Consultant A Reports it had been withholding. That e-mail and subsequent cover letter to the OCC contained a number of false and misleading statements, including:

i. "[One of the Consultant Reports], dated January 31, 2013, was provided only to [Executive D] with a copy to Legal Counsel. ... We are not aware of further distribution;" and

ii. "Management now understands from correspondence sent to the OCC by [Manager B] that [Executive D] shared the document with her. We are not aware of further distribution."

o. These statements were false and misleading because the Consultant's Reports had been distributed to several people, including Executives A and B, before both the OCC's March 21, 2013 request and Defendant's response effectively denying its existence.

p. Defendant's April 18, 2013 letter to the OCC with its false and misleading statements was signed by Executive C, copying Executives A and B, among others.

q. Also in or about April 2013, Manager B reported her concerns about Defendant's BSA/AML compliance program to the OCC. Approximately two weeks

later, Executive A demoted Manager B from her position.

All in violation of Title 18, United States Code, Section 371.

DATED: February 7, 2018

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