



*United States Attorney
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**FOR IMMEDIATE RELEASE
JULY 6, 2007**

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U.S. ANNOUNCES AGREEMENT WITH UNITED BANK FOR AFRICA

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, today announced an agreement (the "Agreement") resolving the criminal liability of UNITED BANK FOR AFRICA PLC ("UBA") relating to UBA's obstruction, between 2000 and 2004, of the Government's criminal and civil investigations into money laundering of fraud proceeds through accounts held at UBA, including an account in the name of Zamora Nigeria Limited ("Zamora"). The Government civilly forfeited more than \$5 million in fraud proceeds from that account in December 2003.

The Agreement provides that UBA will not be prosecuted for any crimes (except possibly criminal tax violations) related to its participation in obstructing the criminal and civil investigations. The Agreement further provides that UBA will forfeit \$5,334,331, representing proceeds of fraud laundered through a Zamora account at UBA, and that UBA will continue to cooperate with the Government.

UBA's Offending Conduct

UBA acknowledged, in a statement of facts that is part of the Agreement entered into today, that it took the position, in response to inquiries made by the Government in both civil and criminal investigations, that UBA and Zamora were unrelated, independent entities. In support of that position, UBA intentionally created and then supplied to the Government certain fake, backdated documents, which had the effect of substantially obstructing the Government's investigations. Specifically, in 2000, after being informed of the Government's investigation, UBA created and produced to the Government certain phony, backdated letters purporting to reflect the resignation in March 1998 of an individual who was actually on the payroll of UBA from 1997 until 2000, and who simultaneously held the position of General Manager at Zamora between March 1998 and 2000. During the same time period, UBA and Zamora in fact had a close financial and business relationship: among other things, expenditures and personnel

actions of Zamora were routinely approved by UBA officials.

The Original Government Investigation

In or about late 1999, the United States Attorney's Office and the United States Secret Service began a civil forfeiture investigation into possible money laundering through the Zamora account, which account was opened in UBA's New York, New York branch in March 1998. The Government alleged that the account had been used to launder the proceeds of fraudulent activity. In January 2000, the Government seized, and in 2003 ultimately forfeited, in excess of \$5 million from that account, on the grounds that the Zamora account had been used to facilitate the transmission of at least that amount of the proceeds of various fraud schemes in which victims were fraudulently induced to send monies to Nigeria. In turn, those funds were restored to victims of various fraud schemes.

Shortly after the commencement of the civil case, a grand jury in the Southern District of New York began a related criminal investigation. The Government issued subpoenas and official requests for information to UBA in connection with those investigations, seeking to learn what relationship, if any, existed between UBA and Zamora during the period from 1998 to early 2000. It was in response to those inquiries that UBA asserted, from 2000 to at least 2004, that UBA and Zamora were and had always been separate and completely independent entities. In connection with that claim, UBA provided to the Government the phony, backdated resignation documents described above.

The Investigation by the Central Bank of Nigeria

In 2004, the Central Bank of Nigeria ("CBN"), as a result of its own investigation into the relationship between UBA and Zamora, concluded that UBA had violated various provisions of the Nigerian Banks and Other Financial Institutions Act of 1991 (the "BOFIA"), and imposed upon UBA civil penalties totaling 93 million Naira -- or approximately USD \$700,000. Contemporaneously, several members of UBA's Board of Directors, including UBA's then Chairman of the Board, as well as the then Managing Director of UBA's subsidiary, UBA Capital & Trust, resigned from their respective offices at UBA. Those former directors no longer have any position of control at UBA.

The Change in Management and Directorship at United Bank for Africa in 2005

Following the departure of the then-Chairman and the other board members, UBA operated under interim, replacement management until July 2005, at which point UBA merged with

another Nigerian bank, which was at the time known as Standard Trust Bank Plc. After the merger, the new, combined bank, operating under a new Board and management and new controlling shareholders, kept the name UBA. It is this new UBA management and new Board with which the Government has negotiated and reached the Agreement.

The Decision to Enter Into a Non-Prosecution Agreement

The Government's decision to enter into the non-prosecution agreement took into account, among other factors:

- (1) UBA's cooperation, since the arrival of new management and directorship in 2005, with the Government's continuing investigation, by, among other things:
 - (a) making and assisting in making available for interview multiple witnesses, both from within the United States and from Nigeria,
 - (b) providing certain documentation from international locations that the Government would not otherwise have been able to obtain in a reasonably timely fashion, and
 - (c) providing detailed explanations for UBA's transactions;
- (2) UBA's commitment to continue to cooperate;
- (3) UBA's remedial actions, including
 - (a) the agreement by UBA's New York Branch, in January 2007, to the entry of a Consent Order (the "Consent Order") with the Office of the Comptroller of the Currency ("OCC") (to which UBA's New York Branch is principally subject for federal regulation and examination) relating to the implementation of reforms of the New York Branch's operations and internal controls to assure present and continuing compliance with the Bank Secrecy Act, which Consent Order includes, among other things, substantial restrictions on affiliate transactions and transactions with UBA insiders such as executive officers, directors and shareholders,
 - (b) UBA's undertaking of a detailed and searching review of the New York Branch's internal anti-

money laundering controls and operations by outside auditors, consultants and legal counsel, and its adoption of a detailed plan of reforms that UBA has worked to implement and institutionalize, in accordance with the terms of the Consent Order,

- (c) UBA's hiring of a new Compliance Officer for the New York Branch, its addition of three full-time compliance staff to bolster the Branch's compliance capabilities, and its engagement of an independent audit firm to address internal audit and control issues,
 - (d) UBA's enhancement of the customer due diligence capabilities of the New York Branch through, among other things, implementation of new, computerized transaction monitoring software designed to track suspicious activity,
 - (e) UBA's confirmation that the former Chairman is now divested of any holding of ownership of UBA, and
 - (f) the agreement by the New York Branch, on May 2, 2007, to the assessment by the OCC of a \$500,000 civil money penalty;
- (4) the absence of any evidence of similar misconduct by UBA since new management took over in 2005; and
 - (5) the consequences that a criminal indictment could have upon the ongoing operations and employees of UBA.

In light of the above, and after careful balancing of all the factors set forth in the Department of Justice's "Principles of Federal Prosecution Business Organizations," the Office has concluded that criminal prosecution of UBA is not necessary to serve the public interest.

Mr. GARCIA praised the investigative efforts of the United States Secret Service in this case.

This investigation is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorney DAVID M. SIEGAL is in charge of the investigation.