

Remarks by  
Thomas J. Curry  
Comptroller of the Currency  
Regarding  
HSBC Bank USA, N.A.  
New York, New York  
December 11, 2012

It's a pleasure to join Assistant Attorney General Lanny Breuer, Undersecretary of the Treasury David Cohen, and the others here today on this important occasion.

The Office of the Comptroller of the Currency is proud to join the U.S. Department of Justice, the Board of Governors of the Federal Reserve System, the Financial Crimes Enforcement Network, the Office of Foreign Assets Control, and the New York County District Attorney's Office in taking action to prevent our nation's financial institutions from being misused to launder money, finance terrorism, and commit other criminal activities.

Today, the OCC is assessing a \$500 million civil money penalty against HSBC Bank USA for violating the Bank Secrecy Act and failing to comply with an existing cease and desist order issued by the OCC in October 2010. In addition to this penalty, the OCC is issuing a separate cease and desist order directing the bank to correct deficiencies in its enterprise-wide compliance program. The OCC is the primary prudential regulator of HSBC Bank USA, and our examiners will monitor the bank's corrective actions and compliance with these orders.

Today's \$500 million penalty against HSBC is the largest penalty ever assessed by the OCC. The size of the penalty reflects the severity and duration of the violations. It demonstrates the OCC's resolve to take firm action when warranted to ensure compliance with the law and to hold banks accountable when they fail to live up to those standards. These actions send a strong message to the bank and the financial services industry to make compliance with the law a priority to safeguard their institutions from being misused in ways that threaten American lives. The action also highlights the importance of banks' effectively managing operational risk and the consequence of failing to do so.

The actions taken against HSBC are a milestone for BSA compliance and enforcement that also serve to remind us that we must remain vigilant against these abuses and continue to work to prevent criminals and terrorists from taking advantage of our nation's financial institutions. Malicious individuals and organizations constantly seek ways to exploit weakness in our systems, and are becoming more sophisticated every day. Succeeding in this complex environment requires the cooperation of financial institutions and ever more coordination across agencies, and across borders. That is important work, and the OCC is proud to share that responsibility with federal banking and law enforcement agencies.

I want to close by expressing my personal gratitude to the men and women at the OCC and each of the agencies represented here for their hard work and dedication. Today's actions would not have been possible without their efforts. And, I'd like to thank our host for holding this conference to announce these important actions.