

# GAO Highlights

Highlights of [GAO-16-297](#), a report to congressional requesters

## Why GAO Did This Study

Over the last few years, billions of dollars have been collected in fines, penalties, and forfeitures assessed against financial institutions for violations of requirements related to financial crimes. These requirements are significant tools that help the federal government detect and disrupt money laundering, terrorist financing, bribery, corruption, and violations of U.S. sanctions programs.

GAO was asked to review the collection and use of these fines, penalties, and forfeitures assessed against financial institutions for violations of these requirements—specifically, BSA/AML, FCPA, and U.S. sanctions programs requirements. This report describes (1) the amounts collected by the federal government for these violations, and (2) the process for collecting these funds and the purposes for which they are used. GAO analyzed agency data, reviewed documentation on agency collection processes and on authorized uses of the funds in which collections are deposited, and reviewed relevant laws. GAO also interviewed officials from Treasury (including the Financial Crimes Enforcement Network and the Office of Foreign Assets Control), Securities and Exchange Commission, Department of Justice, and the federal banking regulators.

GAO is not making recommendations in this report.

View [GAO-16-297](#). For more information, contact Lawrence Evans at (202) 512-8678 or [evansl@gao.gov](mailto:evansl@gao.gov) or Diana C. Maurer at (202) 512-9627 or [maurerd@gao.gov](mailto:maurerd@gao.gov).

March 2016

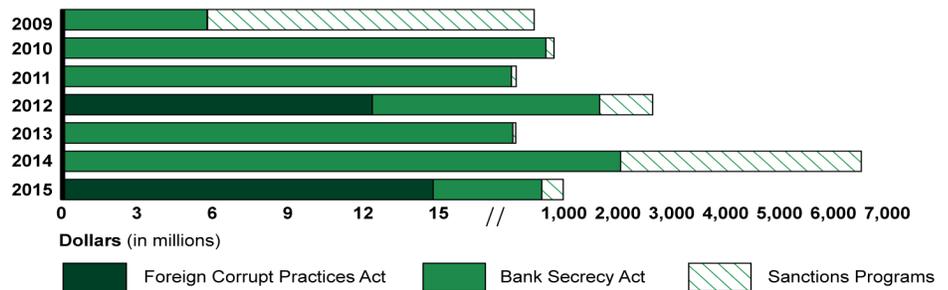
## FINANCIAL INSTITUTIONS

# Fines, Penalties, and Forfeitures for Violations of Financial Crimes and Sanctions Requirements

## What GAO Found

Since 2009, financial institutions have been assessed about \$12 billion in fines, penalties, and forfeitures for violations of Bank Secrecy Act/anti-money-laundering regulations (BSA/AML), Foreign Corrupt Practices Act of 1977 (FCPA), and U.S. sanctions programs requirements by the federal government. Specifically, GAO found that from January 2009 to December 2015, federal agencies assessed about \$5.2 billion for BSA/AML violations, \$27 million for FCPA violations, and about \$6.8 billion for violations of U.S. sanctions program requirements. Of the \$12 billion, federal agencies have collected all of these assessments, except for about \$100 million.

### Collections of Fines, Penalties, and Forfeitures from Financial Institutions for Violations of Bank Secrecy Act/Anti-Money Laundering, Foreign Corrupt Practices Act, and U.S. Sanctions Programs Requirements, Assessed in January 2009–December 2015



Source: Department of the Treasury, Department of Justice, regulators' data. | GAO-16-297

Agencies have processes for collecting payments for violations of BSA/AML, FCPA, and U.S. sanctions programs requirements and these collections can be used to support general government and law enforcement activities and provide payments to crime victims. Components within the Department of the Treasury (Treasury) and financial regulators are responsible for initially collecting penalty payments, verifying that the correct amount has been paid, and then depositing the funds into Treasury's General Fund accounts, after which the funds are available for appropriation and use for general support of the government. Of the approximately \$11.9 billion collected, about \$2.7 billion was deposited into Treasury General Fund accounts. The BSA and U.S. sanctions-related criminal cases GAO identified since 2009 resulted in the forfeiture of almost \$9 billion through the Department of Justice (DOJ) and Treasury. Of this amount, about \$3.2 billion was deposited into DOJ's Asset Forfeiture Fund (AFF) and \$5.7 billion into the Treasury Forfeiture Fund (TFF), of which \$3.8 billion related to a sanctions case was rescinded in fiscal year 2016 appropriations legislation. Funds from the AFF and TFF are primarily used for program expenses, payments to third parties, including the victims of the related crimes, and payments to law enforcement agencies that participated in the efforts resulting in forfeitures. As of December 2015, DOJ and Treasury had distributed about \$1.1 billion to law enforcement agencies and about \$2 billion was planned for distribution to crime victims. Remaining funds from these cases are subject to general rescissions to the TFF and AFF or may be used for program or other law enforcement expenses.