



By: TA | AP Brief

US hits Bank of America with \$1.2 billion fine for violating money laundering and sanctions laws



The U.S. Treasury Department said Tuesday that it's imposing \$1.2 billion in fines on Bank of America for allegedly violating anti-money laundering and sanctions laws.

The fines on America's second-biggest bank amount to the third-largest in the department's history.

"When a bank of this size fails to meet its anti-money laundering and sanctions obligations, the consequences extend far beyond its own walls, exposing the entire U.S. financial system to significant illicit finance risks," Treasury Secretary Scott Bessent said in a statement. "Today's actions send a clear message that even the biggest financial institutions are not above the law."

Treasury said Bank of America also reached an \$11.6 million settlement with the department's Office of Foreign Assets Control over "apparent violations of numerous sanctions programs, including on Iran, Russia, narcotics, and global terrorism."

In a statement, Treasury said its Financial Crimes Enforcement Network (FinCEN) assessed the \$1.2 billion penalty for Bank of America's "failure to mitigate and report priority national security risks, including Chinese Money Laundering Networks and illicit finance along the southwest border."

The third-largest penalty ever

The penalty includes \$750 million that will go to the U.S. Office of the Comptroller of the Currency, the largest fine ever imposed by that federal bank regulatory agency.

Treasury said that Bank of America "admits that it willfully violated" the 1970 Bank Secrecy Act, which requires banks to help the government detect and prevent money laundering.

"Financial crime compliance is serious, and we are responsible for getting it right," Bank of America said in a statement. "We worked with regulators to reach these penalty resolutions

stemming from violations cited in the previously reported 2024 (Comptroller of the Currency) Consent Order and FinCEN's investigation.

"We have invested billions of dollars in technology and dedicated thousands of employees to combat financial crime, and our team is far along with and committed to completing the work required to address the issues raised by our regulators."

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The latest action is the third-largest penalty ever issued by the Treasury Department, behind a roughly \$4 billion settlement in 2023 with Binance, the world's largest cryptocurrency exchange, and an approximately \$3 billion settlement with Canada-based TD Bank the following year.

Both those historic actions happened as part of the Biden administration's focus on anti-money laundering and efforts to promote compliance with the then-emerging virtual currency industry.

Months later, **Binance founder** and CEO Changpeng Zhao, was sentenced to four months in prison over charges that he looking the other way as criminals used his platform to move money connected to child sex abuse, drug trafficking and terrorism.