

**PPM 5310-13**

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**Section: Bank Supervision****Subject: Institution-Affiliated Party Enforcement  
Actions and Related Matters**

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**To:** Deputy Comptrollers, Department and Division Heads, District Counsel, and All Examining Personnel

**Purpose**

This *Policies and Procedures Manual* (PPM) issuance establishes general policies and procedures for Office of the Comptroller of the Currency (OCC) staff when the OCC takes enforcement actions against a current or former institution-affiliated party (collectively, IAP) in response to violations of laws, regulations, final agency orders, conditions imposed in writing, or written agreements (collectively, violations); unsafe or unsound practices; or breaches of fiduciary duty.

**Background and Scope**

This PPM generally applies to enforcement actions against IAPs of national banks, federal savings associations, and federal branches and agencies of foreign banks (collectively, banks).<sup>1</sup> Most IAP enforcement actions result from misconduct identified through the bank supervision process, OCC investigations, law enforcement investigations or prosecutions, other agency referrals, or the OCC's Fast Track Enforcement Program (Fast Track Program).<sup>2</sup> IAP enforcement actions range in severity from informal supervisory letters to formal prohibition actions. The type of action taken by the OCC depends on the particular facts, circumstances, and severity of the identified misconduct.

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<sup>1</sup> This PPM applies to IAPs who are natural persons. Examiners considering an action against an IAP that is a corporate entity (e.g., independent contractor) should consult with OCC legal staff in the appropriate District Counsel's office or the Enforcement and Compliance Division.

<sup>2</sup> Under the Fast Track Program, the OCC uses information, primarily from Suspicious Activity Reports, to identify misconduct that may warrant OCC action against IAPs. Typically, actions resulting from the Fast Track Program involve prohibiting an IAP under 12 USC 1818 from participating in the conduct of the affairs of an insured depository institution or the OCC notifying an individual that he or she has been automatically prohibited by operation of law under 12 USC 1829. Refer to PPM 5310-8, "Fast Track Enforcement Program," for more information.

Other PPMs address the details of civil money penalty (CMP) actions, actions affecting individuals under the OCC’s Fast Track Program, enforcement actions against banks, and actions to enforce securities laws and regulations.<sup>3</sup>

This PPM provides internal OCC guidance and does not create substantive or procedural rights enforceable at law or in any administrative proceeding. This PPM also does not supersede or limit the applicability of any other OCC policy that may provide more explicit guidance or establish supplemental procedures applicable to IAP enforcement actions.

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<sup>3</sup> Refer to PPM 5000-7, “Civil Money Penalties”; PPM 5310-8, “Fast Track Enforcement Program”; PPM 5310-3, “Bank Enforcement Actions and Related Matters”; and PPM 5310-5, “Securities Activities Enforcement Policy.”

## I. Introduction

An enforcement action against an IAP may serve as a deterrent to, encourage correction of, or prevent

- violations (including any action, alone or with another or others, for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation);<sup>4</sup>
- unsafe or unsound practices; or
- breaches of fiduciary duty.<sup>5</sup>

Enforcement actions against IAPs reinforce the accountability of individuals for their conduct regarding the affairs of a bank. An IAP enforcement action may be used on a stand-alone basis or in conjunction with other supervisory or enforcement actions.

An IAP, as defined at 12 USC 1813(u), includes

- any director, officer, employee, or controlling stockholder (other than a bank holding company or savings and loan holding company) of, or agent for, an insured depository institution;
- any other person who has filed or is required to file a change-in-control notice (refer to 12 USC 1817(j) and 12 CFR 5.50);
- any shareholder (other than a bank holding company or savings and loan holding company), consultant, joint venture partner, and any other person as determined by the OCC (by regulation or case-by-case) who participates in the conduct of the affairs of an insured depository institution; and
- any independent contractor (including any attorney, appraiser, or accountant) who knowingly or recklessly participates in any violation of law or regulation, breach of fiduciary duty, or unsafe or unsound practice, which caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the insured depository institution.<sup>6</sup>

The resignation, termination of employment or participation, or separation of an IAP (including a separation caused by the bank's closing) does not affect the OCC's jurisdiction and authority to take an enforcement action under 12 USC 1818 against the IAP if the enforcement action is

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<sup>4</sup> Refer to 12 USC 1813(v).

<sup>5</sup> For more information on fiduciary duties, refer to the OCC's *The Director's Book: Role of Directors for National Banks and Federal Savings Associations* and the "Insider Activities" booklet of the *Comptroller's Handbook*.

<sup>6</sup> Examiners considering an action against an individual affiliated with an uninsured national banking association, uninsured federal branch or agency, or a third-party service provider (including an independent contractor) should consult with OCC legal staff in the appropriate District Counsel's office or the Enforcement and Compliance Division.

finalized or a notice of charges (to commence litigation) is served within six years of the date the IAP resigned, ceased employment or participation, or otherwise separated from the bank.<sup>7</sup>

Most IAP enforcement actions are also subject to a five-year statute of limitations.<sup>8</sup> This means that the OCC generally finalizes an enforcement action, files a notice of charges, or executes a tolling agreement with the IAP within five years of when the claim accrues. Generally, the claim accrues upon the IAP's misconduct that meets the statutory standard for the enforcement action (e.g., a violation, an unsafe or unsound practice, or a breach of fiduciary duty) or, when relevant, upon the effect of such misconduct (e.g., loss to the bank). There are other situations when the claim may continue beyond five years from the IAP's initial misconduct (e.g., if there are multiple or continuing instances of misconduct). Examiners should consult with OCC legal staff in the appropriate District Counsel's office (District Counsel) or the Enforcement and Compliance Division (E&C) (collectively, OCC legal staff), depending on who has responsibility as described in the "OCC Legal Staff Responsibilities" section of this PPM, with questions about IAP enforcement action jurisdiction or statute of limitations.

## II. Types of IAP Enforcement Actions

IAP enforcement actions can be either formal or informal.

- **Informal IAP enforcement actions** do not require consent from the IAP or litigation through an administrative proceeding (litigation)<sup>9</sup> prior to issuance and are effective when issued by the OCC. Informal IAP enforcement actions are typically not published or made available to the public.<sup>10</sup>
- **Formal IAP enforcement actions** are, in most cases, issued pursuant to 12 USC 1818, either with the consent of the IAP or through litigation. Litigation begins with the OCC's filing of a notice of charges. Formal IAP enforcement actions that are issued by consent (rather than through litigation) are typically titled "Consent Order." Formal IAP enforcement actions issued under 12 USC 1818 are typically published or made available to the public, and some are enforceable through the federal court system. In addition, violations of most formal enforcement actions issued under 12 USC 1818 can provide the legal basis for the assessment of CMPs.

Table 1 summarizes the types of informal and formal IAP enforcement actions most commonly used. Refer to appendix A of this PPM for detailed information about each of these types of actions.

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<sup>7</sup> Refer to 12 USC 1818(i)(3).

<sup>8</sup> Refer to 28 USC 2462.

<sup>9</sup> Refer to 12 CFR 19 and 109 for more information about OCC administrative proceedings.

<sup>10</sup> In certain cases in which an IAP receives an informal enforcement action, the OCC may notify the bank that the IAP has received an informal enforcement action from the OCC.

Table 1: Summary of IAP Enforcement Actions

Enforcement action	Formal or informal	Description	Statutory basis
Supervisory letter <sup>a, b</sup>	Informal	A supervisory letter may be issued in any case in which the OCC wishes to communicate a concern about a supervisory problem or issue and a CMP or other IAP enforcement action against the IAP may not be warranted.	NA
Reprimand <sup>a</sup>	Informal	A reprimand is a strongly worded document used when either a personal cease-and-desist order or a CMP against an IAP is legally supportable but the OCC chooses not to pursue the action.	NA
Personal cease-and-desist order (PC&D)	Formal	A PC&D requires an IAP to cease and desist from a violation or unsafe or unsound practice, take affirmative action to correct or remedy the conditions resulting from any such violation or practice, or adhere to limitations placed on the IAP's activities or functions.	12 USC 1818(b)
Restitution order	Formal	A restitution order, which is a type of PC&D, requires an IAP to make restitution (or provide reimbursement, indemnification, or guarantee against loss).	12 USC 1818(b)(6)
Temporary cease-and-desist order (temporary C&D)	Formal	A temporary C&D, which is effective upon service, temporarily requires an IAP to cease and desist from a violation or unsafe or unsound practice or take certain affirmative actions. The OCC may issue a temporary C&D only after filing a notice of charges seeking a PC&D.	12 USC 1818(c)
Prohibition order	Formal	A prohibition order prohibits an IAP from participation, in any manner, in the conduct of the affairs of any insured depository institution. <sup>c</sup>	12 USC 1818(e)
Suspension order	Formal	A suspension order, which is effective upon service, temporarily suspends the IAP from office or prohibits the IAP from participation in the affairs of the bank. The OCC may issue a suspension order only after filing a notice of charges for a prohibition order.	12 USC 1818(e)
Prohibition/suspension order for criminal conduct	Formal	A prohibition or suspension order for criminal conduct temporarily suspends an IAP indicted for certain crimes from office or prohibits the IAP from participation, in any manner, in the conduct of the affairs of any insured depository institution. If the IAP is ultimately convicted of the crime, the OCC issues either a permanent prohibition order or an 1829 prohibition notification.	12 USC 1818(g)
CMP	Formal	Refer to PPM 5000-7 for more information about CMPs.	PPM 5000-7

<sup>a</sup> PPM 5000-7, "Civil Money Penalties," also addresses the issuance of a reprimand in lieu of a CMP and the use of a supervisory letter. As discussed in appendix A of this PPM, however, the use of a supervisory letter or reprimand may also be appropriate when an IAP enforcement action other than a CMP is under consideration.

<sup>b</sup> As used in this PPM, "supervisory letter" refers solely to a supervisory letter sent to an IAP or other individual or entity (not a bank).

<sup>c</sup> In addition to providing for a general prohibition from the banking industry, 12 USC 1818(e) also provides for an IAP's "removal" from a particular bank. The statutory grounds for a "removal" from a particular bank are the same as those for a "prohibition" from participating in the affairs of any bank. Because a prohibition effectively removes the IAP from a particular bank, the OCC typically issues a prohibition order instead of a removal order if there is a legal basis.

### III. Other Actions Affecting Individuals

In addition to the informal and formal IAP enforcement actions listed in the “Types of IAP Enforcement Actions” section of this PPM, there are other types of actions that affect individuals. Table 2 summarizes some other types of actions, generally published or made available to the public, that affect individuals. Refer to appendix A of this PPM for more information, including the OCC’s processes related to these actions.

**Table 2: Summary of Other Actions Affecting Individuals**

Enforcement action	Formal or informal	Description	Statutory basis
1829 prohibition notification	Formal	An 1829 prohibition notification is a letter sent by the OCC to an individual who has been convicted of, or entered into certain judicial programs as an alternative to prosecution for, certain crimes informing the individual that he or she has been automatically prohibited by operation of law (12 USC 1829) from being an IAP, owning or controlling any insured depository institution, or otherwise participating in the affairs of any insured depository institution except with the prior written consent of the Federal Deposit Insurance Corporation (FDIC).	12 USC 1829
Removal, suspension, and debarment of accountants	Formal	A removal, suspension, or debarment of an independent public accountant, potentially including his or her accounting firm, from performing the independent audit and attestation services for banks required by 12 USC 1831m.	12 USC 1831m(g)(4)
Prompt corrective action (PCA) dismissal of directors or senior officers	Formal	FDIC-insured banks are subject to certain restrictions and actions depending on the bank’s PCA capital category. These can include a PCA dismissal, which is the dismissal of a director or senior executive officer from office. A PCA dismissal is a PCA action against a bank, but the IAP has certain procedural rights.	12 USC 1831o(f)(2)(F)

Additionally, the condition of the bank may affect individuals in other ways. For example, banks that are in “troubled condition,” as defined in 12 CFR 5.51, must provide written notice to the OCC before adding or replacing directors or senior executive officers (i.e., the “914 process”) and are subject to golden parachute restrictions under 12 CFR 359. Refer to the “Changes in Directors and Senior Executive Officers” booklet of the *Comptroller’s Licensing Manual* for more information about the 914 process. Finally, through the issuance of an enforcement action against the bank, the OCC has the authority under 12 USC 1818(b)(6) to require the bank to take affirmative action to correct or remedy any conditions resulting from a violation or an unsafe or unsound practice.<sup>11</sup>

### IV. Decision Authority and OCC Legal Staff Responsibilities

The Comptroller has delegated to the Major Matters Supervision Review Committee (MMSRC) or to the senior deputy comptrollers for bank supervision the primary responsibility to use the OCC’s enforcement authority to accomplish the OCC’s supervisory and enforcement objectives.

<sup>11</sup> Refer to PPM 5310-3, “Bank Enforcement Actions and Related Matters” for additional information about C&D orders and consent orders against banks.

In certain cases, senior deputy comptrollers re-delegate authority to initiate, negotiate, execute, modify, or terminate enforcement actions, including IAP enforcement actions. As used throughout this PPM, “decision maker” means the MMSRC or the OCC official with the relevant delegated enforcement authority.

### Supervision Review Committees

The OCC has supervision review committees (SRC) that, among other things, review or make enforcement decisions and promote consistent application of OCC policies. The supervisory office<sup>12</sup> and assigned OCC legal staff are typically responsible for presenting recommendations regarding enforcement actions to the appropriate committee.

- **Major Matters Supervision Review Committee:** The MMSRC makes enforcement decisions on cases of heightened importance because of their visibility, policy sensitivity, involvement of multiple agencies, nature of the issues, or potential systemic impact.
- **Washington Supervision Review Committee (WSRC):** The WSRC reviews enforcement action recommendations within its authority and serves as an advisory committee for the appropriate senior deputy comptroller, who makes the final decision for his or her cases or decides to refer the case to the MMSRC.
- **District or Midsize Supervision Review Committees (DSRC or MSRC):** Each OCC district office and the Midsize Bank Supervision division has an SRC that reviews enforcement action recommendations within its authority and serves as an advisory committee for the appropriate deputy comptroller, who makes the final decision for his or her cases or decides to refer the case to the WSRC or the MMSRC.

### OCC Legal Staff Responsibilities

The OCC legal staff responsible for a case varies by the SRC review required or whether the case involves litigation. Generally, District Counsel are primarily responsible for cases that require DSRC or MSRC review, while E&C has responsibility for cases that require MMSRC or WSRC review or litigation. In most cases, responsibility transfers as indicated in table 3.

**Table 3: Responsible OCC Legal Staff by Type of SRC**

Type of IAP matter	Responsible OCC legal counsel (generally)
MMSRC	E&C
WSRC	E&C
DSRC or MSRC	District Counsel
Case that begins with the DSRC or MSRC, then goes to the MMSRC or WSRC or otherwise involves litigation	Begins with District Counsel, then transfers to E&C <ul style="list-style-type: none"> <li>• after referral to the MMSRC or WSRC, or</li> <li>• before filing a notice of charges to commence litigation.</li> </ul>

<sup>12</sup> For purposes of this PPM, “supervisory office” refers to the examiner-in-charge, problem bank specialist, assistant deputy comptroller, director, associate deputy comptroller, or deputy comptroller, as appropriate, depending on the OCC business unit.

If District Counsel is primarily responsible for a case that may need to be presented to the MMSRC or the WSRC or in which there is a likelihood of litigation, then District Counsel should promptly notify and consult E&C early in the process, well before any SRC consideration. In situations in which the District Counsel has primary responsibility for a case against one IAP but E&C has primary responsibility for related cases involving other IAPs, E&C typically, after conferring with District Counsel, handles all the related cases. Similarly, in cases involving multiple related enforcement actions against an IAP in which E&C has primary responsibility for at least one of the actions, the entire matter is handled by E&C.

District Counsel and E&C also consult with specialized counsel in certain types of cases (e.g., cases involving certain consumer laws, securities laws, or the Bank Secrecy Act) or when otherwise appropriate.

## **V. IAP Enforcement Action Procedures**

The following are general procedures that describe the OCC's typical process for most informal and formal IAP enforcement actions. These procedures provide general guidance but do not establish any requirements for taking an enforcement action, and the OCC may deviate from these procedures as appropriate.

If a CMP is under consideration, refer to PPM 5000-7, "Civil Money Penalties," for applicable procedures. The following procedures do not apply to certain unique actions, including PCA dismissals of directors or senior executive officers and actions that are processed under the OCC's Fast Track Program. Examiners and the supervisory office should collaborate with OCC legal staff throughout the process for considering, recommending, and initiating the actions enumerated in the "Types of IAP Enforcement Actions" and "Other Actions Affecting Individuals" sections of this PPM.

### **Identification of Misconduct and Consultation With Supervisory Office**

An examiner who identifies or otherwise becomes aware of serious potential misconduct by an IAP should consult with the appropriate supervisory office and OCC legal staff. Early and ongoing consultation with the supervisory office and OCC legal staff is important to determine whether an IAP enforcement action is likely warranted and legally supportable (or if a supervisory letter is appropriate) based on known facts and circumstances before committing additional agency resources to the matter.<sup>13</sup> In certain cases, it may be appropriate to conduct a formal investigation to obtain relevant facts (refer to the "Formal Investigations" section of this PPM). The determination of the need for a formal investigation may occur at any time before the OCC decision maker authorizes the enforcement action.

Examiners who become aware of a current or former IAP who has been charged with, convicted of, or entered into a pretrial diversion program for a crime involving dishonesty, breach of trust, money laundering, or monetary transactions should contact OCC legal staff.

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<sup>13</sup> Refer to appendix A of this PPM for a discussion of the legal standards for each type of action.



Following consultation with OCC legal staff, if one or more IAP enforcement actions are likely warranted and legally supportable, the supervisory office must develop and submit an IAP enforcement action referral to OCC legal staff for review.<sup>14</sup> The determination of whether any and which type(s) of enforcement action is appropriate depends on case-specific facts, circumstances, and legal considerations. Based on specific facts and circumstances, it may be appropriate for the supervisory office to recommend multiple enforcement actions against an IAP. The supervisory office's referral must detail its recommendation and include the supporting documentation. The supporting documentation must be sufficient to demonstrate the misconduct at issue and the IAP's responsibility for the misconduct. As stated in the "OCC Legal Staff Responsibilities" section of this PPM, if District Counsel has primary responsibility for a case that may need to be presented to the MMSRC or the WSRC or otherwise may result in litigation, District Counsel should promptly notify and consult E&C throughout the process.

### **15-Day Letter**

If the supervisory office is considering recommending a formal IAP enforcement action, the supervisory office should consult with OCC legal staff regarding whether it is appropriate to issue a 15-day letter. After the supervisory office and OCC legal staff consult and obtain any necessary approval from the appropriate decision maker, the OCC will send the 15-day letter to the IAP, proceed without issuing a 15-day letter (if appropriate), or resolve the matter by issuing a supervisory letter or taking no further action.

A 15-day letter may be sent in non-CMP cases in addition to CMP cases. The 15-day letter typically

- informs the IAP that the OCC is considering initiating a formal enforcement action against the IAP;
- describes the misconduct giving rise to the potential OCC enforcement action; and
- provides an opportunity for the IAP to submit information relevant to the OCC's consideration of an enforcement action.

The supervisory office should consult with OCC legal staff regarding the content of a 15-day letter. OCC legal staff usually prepares 15-day letters. The 15-day letter should reference all formal IAP enforcement actions being considered. In cases in which a CMP is also under consideration, the 15-day letter should solicit certain other information, including the IAP's personal financial information. The IAP has 15 calendar days from receipt to respond to the 15-day letter. Upon request by the IAP, the OCC may, at its discretion, extend this 15-day period, provided any extension will not affect the OCC's time frames and ability to meet any statute of limitations deadline.

### **Authorization of Enforcement Action**

After the OCC receives the IAP's response to the 15-day letter (if issued), or the response period has ended without a response from the IAP, the supervisory office and OCC legal staff

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<sup>14</sup> While the referral should be written and well-supported, in some cases the referral may be submitted by email rather than as a formal memorandum.

must finalize their review of the facts and evidence, including consideration of the 15-day letter response and any additional relevant information. OCC legal staff (together with the supervisory office) then must prepare an SRC memorandum addressing the factual and legal basis of the recommended IAP enforcement action and present the case to the appropriate SRC. Generally, if the case begins with a review by the DSRC or the MSRC but will also require review by the MMSRC or the WSRC, the District office or Midsize Bank Supervision must submit the referral and recommendation to E&C to review and present the case to the MMSRC or the WSRC.

There may be cases in which, after sending a 15-day letter, the supervisory office and OCC legal staff determine that a reprimand or formal enforcement action against an IAP is not warranted or legally supportable based on the facts and circumstances known to the OCC. In such cases, the OCC may, after obtaining any required approval from the appropriate decision maker, resolve the matter by issuing a supervisory letter or taking no further action.

If the OCC decides not to take an enforcement action after sending a 15-day letter to the IAP, a “no action” letter stating that the OCC has decided not to pursue an enforcement action may be appropriate. A “no action” letter is not an adjudication on the merits and does not prevent the OCC from taking any action affecting or against the IAP if, at any time, the OCC deems it appropriate to do so. Nor does the “no action” letter constitute a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, including the U.S. Department of Justice, to bring other actions deemed appropriate.

### **Enforcement Action**

After the appropriate decision maker approves an IAP enforcement action, the supervisory office and OCC legal staff must prepare the enforcement action documents. Informal IAP enforcement actions are effective upon issuance by the OCC. If a formal IAP action is authorized, OCC legal staff generally sends the IAP a letter that discloses the OCC’s enforcement action decision and includes a proposed consent order. The letter typically provides that the IAP may either consent or contest the action and that if the IAP does not consent to the action within a fixed period, the OCC will file a notice of charges to begin litigation. Upon request by the IAP, the OCC may, at its discretion, extend the response period, provided any extension will not affect the OCC’s time frames and ability to meet any statute of limitations deadline.

- **Action issued by consent:** If the IAP consents to the issuance of the formal IAP enforcement action, then the consent order will be effective upon execution by the IAP and the OCC.
- **Action issued through litigation:** If the response period has expired and the IAP did not consent or respond to the proposed consent order, the OCC will file a notice of charges, which formally commences the administrative hearing process (litigation). The OCC makes a notice of charges public upon or shortly after filing, except when, in its discretion, the OCC determines that publication of the notice would be contrary to the public interest. Additionally, administrative hearings are public unless the OCC determines that an open

hearing would be contrary to the public interest.<sup>15</sup> When there is an administrative hearing, OCC examiners are generally required to provide litigation support and serve as witnesses. E&C attorneys represent the OCC in the administrative hearing process, and their work is managed and supervised by the Director of E&C. Throughout the process, E&C should update OCC stakeholders, including the responsible supervisory office, as appropriate, to keep them apprised of the progress of the case until its resolution through settlement or a final decision following the administrative hearing process.

## VI. Formal Investigations

In most cases, documents and information may be obtained from the bank by the OCC pursuant to its examination authority. An order of investigation (OOI), however, may be appropriate when the OCC's examination authority is not sufficient to obtain documents or other information needed to accomplish OCC objectives, including determining whether (or to what extent) there has been misconduct by an IAP.<sup>16</sup> For example, an OOI is generally appropriate when sworn testimony is needed, or when subpoenas are needed to obtain documents from sources outside the bank. The OOI is a supplement to, and not a replacement for, the OCC's examination process.

Pursuant to an OOI, the OCC may issue subpoenas to obtain documents and sworn testimony. The OCC may issue document subpoenas to IAPs and to third parties (i.e., individuals and entities not directly affiliated with the bank). The OCC may also issue subpoenas to obtain sworn testimony (under oath, transcribed by a court reporter) from IAPs or other individuals, who may be subject to criminal penalties if they do not testify accurately and honestly. Pursuant to 12 CFR 19.181 (national banks) and 12 CFR 112.3 (federal savings associations), information and documents obtained or used in the OOI are confidential (i.e., nonpublic OCC information).

If the supervisory office determines that an OOI may be appropriate, it should consult with OCC legal staff. The supervisory office and OCC legal staff should consider the need for, scope of, and resource requirements for any investigation. If the supervisory office and OCC legal staff determine that there is a basis for initiating an OOI, the supervisory office (together with OCC legal staff) must obtain the necessary approval from the appropriate decision maker. Before opening an OOI that does not require presentation to the MMSRC or WSRC, the District Counsel should consult with the Director of E&C to ensure proper coordination of investigations.

Upon the initiation of an OOI, OCC legal staff and the supervisory office should prepare an investigative plan. Investigations should be conducted with a clear supervisory objective and a realistic strategy for achieving that objective. Accordingly, OOI investigative plans must focus

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<sup>15</sup> Refer to 12 CFR 19.33 and 109.33.

<sup>16</sup> OOIs are conducted pursuant to 12 USC 481 (national banks), 12 USC 1464(d) (federal savings associations), 12 USC 1817(j), 12 USC 1818(n), 12 USC 1820(c), 12 USC 3102(b) (federal branches and agencies), 12 USC 3108(a) and (b) (federal branches and agencies), 12 USC 3110 (federal branches and agencies), 12 CFR 19.180-184 (national banks), and 12 CFR 112 (federal savings associations).

on specific issues, describe investigatory steps, include time frames for completion, and be updated periodically as necessary. Investigations are often resource-intensive and require ongoing supervisory and legal attention. While the goal of investigations is to gain a complete understanding of the relevant conduct or transactions, investigations should nonetheless be conducted efficiently. Upon completion of an investigation, the supervisory office together with OCC legal staff must determine whether to recommend any enforcement action based on the findings to the appropriate decision maker and proceed accordingly. Finally, upon completion of an investigation, the supervisory office together with legal staff must seek approval from the appropriate decision maker to terminate the OOI.

## **VII. Content of IAP Enforcement Actions**

IAP enforcement actions should address the misconduct that served as the grounds for the enforcement action. IAP enforcement actions must be drafted by or in consultation with OCC legal staff.

Informal IAP enforcement actions should generally describe the misconduct and notify the IAP that future misconduct may result in additional OCC enforcement actions. Standard language for supervisory letters and reprimands is available from OCC legal staff, but may be tailored as appropriate to individual facts and circumstances.

Formal IAP enforcement actions should generally use standard introduction, closing, and other language provided by the Director for E&C and must be tailored appropriately to address the specific misconduct of the IAP. Formal IAP enforcement actions must

- include a “Comptroller’s Findings” section (unless the OCC has previously filed a notice of charges) that clearly and succinctly summarizes the underlying basis for the enforcement action;
- specifically state any requirements placed on the IAP and list any restrictions or limitations on the IAP’s activities; and
- assign time frames, as appropriate, by which the IAP must act, complete any required actions, or be subject to restrictions or limitations on activities.

## **VIII. Timeliness of IAP Enforcement Actions**

The OCC’s policy is to take IAP enforcement actions as soon as practical, including during an examination if circumstances warrant.

IAP enforcement action recommendations based on facts gathered pursuant to an OOI should generally be presented to the appropriate SRC expeditiously upon completion of the investigative work. The investigative work is typically considered to be complete when the assigned legal and supervisory team has accomplished the tasks set out in the investigation plan (e.g., completion of the last sworn statement, interview, or document review).

Cases involving unique circumstances, including those that entail coordination with other agencies (such as when federal or state prosecutors are pursuing a case against an IAP), may

add to the time needed to process a case or present an IAP enforcement action recommendation to the appropriate SRC. The legal and supervisory team should account for and describe these unique circumstances in the OOI investigative plan. In the event that law enforcement requests in writing that the OCC suspend or delay its investigative work for a certain period, the OCC must be sensitive to its own supervisory and statute of limitations concerns when considering such a request and the duration of the requested suspension.

## **IX. Documentation in OCC Supervisory Information Systems**

The consistent administration of the OCC's enforcement action documentation is important. The responsible supervisory office and OCC legal staff must maintain accurate records of OCC enforcement actions against IAPs. This includes recording and maintaining actions, status, financial payment information (if applicable), relevant tracking dates, and supporting documents in the appropriate supervisory information systems. Supervisory offices and OCC legal staff must follow established procedures for entering, tracking, and closing IAP enforcement actions in the OCC's supervisory information systems. The OCC's supervisory information systems must include the following relevant supporting documentation:

- The executed enforcement action document(s).
- The decision to initiate, modify, or terminate the enforcement action, including any SRC memorandums and other supporting decision documents.
- Relevant internal correspondence, correspondence with the IAP (and, if applicable, documentation of the IAP's receipt of correspondence), and correspondence with other agencies (if applicable).
- The nature and extent of corrective actions, including when the actions were completed (if applicable).

## **X. Public Disclosure of IAP Enforcement Matters**

The OCC is required to publish and make available to the public certain final enforcement actions against IAPs, including prohibition orders, PC&Ds, restitution orders, CMPs, and any termination or modification of such actions. The OCC also publishes a listing of individuals who receive 1829 prohibition notifications. In addition, notices of charges are typically posted on the OCC's website. The OCC may, at its discretion, choose not to publish a particular action or delay publication under exceptional circumstances.<sup>17</sup>

The OCC's Public Affairs office issues a monthly news release listing recent public enforcement actions, including public IAP enforcement actions. The listing includes the name of the IAP, the name of the bank with which the IAP is (or was) affiliated when the misconduct occurred, the type of action (including notices of charges), and the date of the action. The monthly news release is available on the "News Releases" section of the OCC's website. Published IAP enforcement actions, including published notices of charges, are also posted and available via a searchable "Enforcement Actions" page on the OCC website.

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<sup>17</sup> Refer to 12 USC 1818(u).

In certain cases, the OCC may issue a news release for an enforcement action when appropriate. Examiners should consult with Public Affairs and OCC legal staff in these instances.

**Disclosures by IAPs**

Disclosures described in the preceding paragraphs refer only to the OCC's required or discretionary disclosures. IAPs are not permitted to disclose the existence of any nonpublic informal action, any potential (non-final) enforcement action (including any 15-day letter or proposed, unexecuted consent order), or any information obtained in the course of a formal investigation (including subpoenas) to a party other than their attorney without OCC authorization following a request submitted in accordance with 12 CFR 4, subpart C. Nothing in this paragraph, however, is intended to relieve any IAP of independent obligations to make required disclosures pursuant to laws, regulations, or professional obligations. An IAP seeking to make a required disclosure pursuant to an independent obligation must submit a request to the OCC in accordance with 12 CFR 4, subpart C.

All public IAP enforcement actions are considered to be public at the time they are executed (i.e., signed by both the IAP and the appropriate OCC official) unless the OCC otherwise notifies the IAP. IAPs may, therefore, disclose executed documents described in this paragraph without further action by the OCC (i.e., prior to publication by the OCC).

For further information regarding OCC enforcement actions against IAPs, please contact E&C at (202) 649-6200 or Special Supervision at (202) 649-6450.

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## Appendix A: Informal and Formal Actions

### Informal IAP Enforcement Actions

Informal IAP enforcement actions are typically not published or made available to the public. There are two types of informal IAP enforcement actions.

**Supervisory letter (not public):** A supervisory letter may be issued to an IAP in any case in which the OCC wishes to communicate a concern about a supervisory problem or issue.<sup>18</sup> A supervisory letter generally should be used when a CMP or other enforcement action against an IAP may not be warranted, but the OCC nonetheless wishes to communicate a concern about a supervisory problem or issue. The OCC may issue a supervisory letter regardless of whether legal grounds exist for a CMP or other formal IAP enforcement action. For more information about the issuance of supervisory letters when a CMP is under consideration, refer to PPM 5000-7, “Civil Money Penalties.”

**Reprimand (not public):** A reprimand is a strongly worded document used when either a PC&D or a CMP against an IAP is legally supportable but the OCC decides not to pursue the action.

- **Reprimand in lieu of PC&D:** A reprimand in lieu of a PC&D is appropriate when there is no prior history of misconduct and the issuance of a reprimand in lieu of a PC&D will achieve OCC supervisory objectives.
- **Reprimand in lieu of CMP:** A reprimand in lieu of a CMP is appropriate under certain circumstances, including when the IAP CMP matrix results in a small suggested CMP amount, when the issuance of a reprimand in lieu of a CMP will achieve OCC supervisory objectives, and if certain other factors described in PPM 5000-7, “Civil Money Penalties,” are satisfied.

### Formal IAP Enforcement Actions

Many formal IAP actions are designated as “public” because they are generally required to be published or made available to the public. 12 USC 1818(u), however, provides the OCC with the authority to delay or withhold publication under certain exceptional circumstances. Formal IAP enforcement actions issued by consent (rather than through litigation) are typically titled “Consent Order.”

**Personal cease-and-desist order (public):** A PC&D may be issued to an IAP pursuant to 12 USC 1818(b) when an IAP engages in an unsafe or unsound practice or violates a law, rule,

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<sup>18</sup> Supervisory letters are typically issued to IAPs, but there may be situations in which it is appropriate to issue a supervisory letter to other individuals or entities. Examiners considering issuing a supervisory letter to an individual or entity that is not an IAP should consult with OCC legal staff.

regulation, condition imposed in writing,<sup>19</sup> or a written agreement (for example, an operating agreement made enforceable under 12 USC 1818 or a formal agreement).

The PC&D may require the IAP to cease and desist from the unsafe or unsound practice or violation, to take affirmative action to correct or remedy any conditions resulting from any violation or practice, or adhere to limitations placed on the IAP's activities or functions.

A PC&D can be issued with the consent of the IAP. Alternatively, a PC&D can be imposed on an involuntary basis after the issuance of a notice of charges, a hearing, a recommended decision by an administrative law judge, and a final decision and order by the Comptroller. The Comptroller's decision to issue a PC&D in this manner is appealable to a U.S. Court of Appeals (either the D.C. Circuit or the circuit in which the home office of the bank is located). The OCC may enforce a PC&D through application to a U.S. District Court. Violations of a PC&D can provide the legal basis for additional enforcement actions, including the assessment of CMPs.

**Restitution order (public):** A restitution order is a type of PC&D, authorized under 12 USC 1818(b)(6), that can be used to require an IAP to take affirmative action to correct or remedy any conditions resulting from any violation or unsafe or unsound practice, including a requirement to make restitution (or provide reimbursement, indemnification, or guarantee against loss) if the IAP was unjustly enriched in connection with the violation or practice, or the violation or practice involved a reckless disregard for the law, any applicable regulations, or prior order.

A restitution order can be issued with the consent of the IAP. Alternatively, a restitution order can be imposed on an involuntary basis after the issuance of a notice of charges, a hearing, a recommended decision by an administrative law judge, and a final decision and order by the Comptroller. The Comptroller's decision to issue a restitution order in this manner is appealable to a U.S. Court of Appeals (either the D.C. Circuit or the circuit in which the home office of the bank is located). The OCC may enforce a restitution order through application to a U.S. District Court. Violations of a restitution order can provide the legal basis for additional enforcement actions, including the assessment of CMPs.

**Temporary cease-and-desist order (not public except for the related notice of charges for a PC&D):** A temporary C&D temporarily requires an IAP to cease and desist from a violation or unsafe or unsound practice or take certain affirmative actions. A temporary C&D may be issued by the OCC pursuant to 12 USC 1818(c) following the filing of a notice of charges seeking a PC&D. The OCC may issue a temporary C&D to an IAP when the violation or unsafe or unsound practice described in the notice of charges, or the continuation of the violation or practice, is likely to cause the bank's insolvency, significant dissipation of the bank's assets or earnings, weaken the bank's condition, or otherwise prejudice the interests of the bank's depositors prior to the completion of the proceedings resulting from the notice of charges. A

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<sup>19</sup> A "condition imposed in writing" under 12 USC 1818 is defined as any condition imposed in writing by a federal banking agency in connection with any action on any application, notice, or other request by the depository institution or institution-affiliated party. This definition includes conditions imposed on a bank by the supervisory office as well as conditions imposed by the OCC's Licensing Division.



temporary C&D may also be imposed if the notice of charges specifies a bank's books and records are so incomplete or inaccurate that the OCC is unable, through the normal supervisory process, to determine the financial condition of the bank or the details or purpose of any transaction(s) that may have a material effect on the financial condition of the bank, or if the notice of charges specifies that any person has engaged in certain false advertising, misuse of FDIC names, or misrepresentations to indicate insured status as described in 12 USC 1828(a)(4).

Although a temporary C&D may be challenged by an IAP in U.S. District Court within 10 days of issuance, it is effective upon issuance and remains effective and enforceable, unless set aside, limited, or suspended by the court, until a final PC&D is in place or the OCC dismisses the charges in the notice. The OCC may enforce a temporary C&D through application to a U.S. District Court. Violations of a temporary C&D can provide the legal basis for the assessment of CMPs.

**Prohibition order (public):** A prohibition order is a final order issued pursuant to 12 USC 1818(e) to prohibit the IAP from any participation, in any manner, in the conduct of the affairs of any insured depository institution. Examiners should consult with OCC legal staff for more information about the scope of a prohibition order. The OCC may issue a prohibition order pursuant to 12 USC 1818(e)(1) if the IAP's conduct satisfies each of the following three elements:<sup>20</sup>

- **Misconduct:** The IAP directly or indirectly violated any law or regulation, any final C&D order, any condition imposed in writing,<sup>21</sup> or any written agreement between the bank and the OCC; engaged or participated in an unsafe or unsound practice; or breached a fiduciary duty.
- **Effect:** By reason of the IAP's violation, practice, or breach, the bank has suffered or will probably suffer financial loss or other damage; the interests of the bank's depositors have been or could be prejudiced; or the IAP has received financial gain or other benefit.
- **Culpability:** The individual's violation, practice, or breach involves personal dishonesty on the part of the IAP or demonstrates willful or continuing disregard on the part of the IAP for the bank's safety or soundness.

A prohibition order can be issued with the consent of the IAP. Alternatively, a prohibition order can be imposed on an involuntary basis after the issuance of a notice of charges, a hearing, a recommended decision by an administrative law judge, and a final decision and order by the Comptroller. The Comptroller's decision to issue a prohibition order in this manner is appealable to a U.S. Court of Appeals (either the D.C. Circuit or the circuit in which the bank's home office

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<sup>20</sup> Alternatively, a prohibition may be issued, under 12 USC 1818(e)(2), for certain violations of 31 USC chapter 53, subchapter II ("Monetary Transactions: Records and Reports on Monetary Instrument Transactions"); 18 USC 1956 ("Laundering of Monetary Instruments"), 1957 ("Engaging in Monetary Transactions in Property Derived From Specified Unlawful Activity"), or 1960 ("Prohibition of Unlicensed Money Transmitting Businesses"); and 12 USC 3201 et seq. ("Depository Institution Interlocks Act"). For additional information, consult with OCC legal staff.

<sup>21</sup> Refer to footnote 19.

is located). Violations of a prohibition order can provide the legal basis for additional civil enforcement and criminal actions,<sup>22</sup> including the assessment of CMPs.

**Suspension order (not public except for the related notice of charges for a prohibition order):** A suspension order temporarily suspends an IAP from office or prohibits the IAP from participation in the affairs of the bank. A suspension order may be issued by the OCC pursuant to 12 USC 1818(e) following the filing of a notice of charges seeking an IAP's prohibition if the OCC determines that such action is necessary to protect the bank or the bank's depositors.

Although a suspension order may be challenged by an IAP in U.S. District Court within 10 days of issuance, it is effective upon issuance and remains effective and enforceable, unless stayed by the court, until a final prohibition order is in place, or the OCC dismisses the charges in the notice. Violations of a suspension order can provide the legal basis for additional civil enforcement and criminal actions, including the assessment of CMPs.

**Prohibition/suspension order for criminal conduct (public):** A prohibition order or a suspension order for criminal conduct temporarily suspends an IAP from office or prohibits the IAP from participation, in any manner, in the conduct of the affairs of any insured depository institution. A prohibition order or a suspension order for criminal conduct may be issued by the OCC pursuant to 12 USC 1818(g) if the IAP is indicted for a crime involving dishonesty or a breach of trust that is punishable by more than one year imprisonment; a criminal violation of 18 USC 1956 ("Laundering of Monetary Instruments"), 1957 ("Engaging in Monetary Transactions in Property Derived From Specified Unlawful Activity"), or 1960 ("Prohibition of Unlicensed Money Transmitting Businesses"); or a criminal violation of 31 USC 5322 ("Criminal Penalties") or 5324 ("Structuring Transactions to Evade Reporting Requirement Prohibited"), and the IAP's continued service or participation may pose a threat to the interests of the depositors or may threaten to impair public confidence in a depository institution.

A prohibition order or a suspension order issued by the OCC pursuant to 12 USC 1818(g) is effective upon issuance and is temporary in that it remains effective and enforceable until the indictment is finally disposed of or until terminated or modified by the OCC. Within 30 days of issuance, the IAP may request an opportunity to appear before the OCC at an informal hearing to challenge the order. Violations of a prohibition order or suspension order issued pursuant to 12 USC 1818(g) can provide the legal basis for additional civil enforcement and criminal actions, including the assessment of CMPs.

If a judgment of conviction or agreement to enter into a pretrial diversion program<sup>23</sup> or other similar program is entered against the IAP, the OCC either pursues a permanent prohibition order under 12 USC 1818(g)(1)(C) or issues an 1829 prohibition notification, as appropriate.

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<sup>22</sup> Law enforcement agencies, not the OCC, initiate and prosecute criminal enforcement actions.

<sup>23</sup> Under a typical federal pretrial diversion program, an offender enters into a program of supervised probation and, upon successful completion, the U.S. Attorney will decline prosecution and the charges will be dismissed. Similar programs at the state level have various names, including deferred prosecution agreements, but are considered a pretrial diversion program covered by this statute.

Alternatively, if the IAP is acquitted of the criminal charge, the OCC may still pursue a civil enforcement action, including a prohibition order under 12 USC 1818(e) or other enforcement action against the IAP, as appropriate.

Examiners who become aware of a current or former IAP who has been charged with, convicted of, or entered into a pretrial diversion program for a crime involving dishonesty, breach of trust, money laundering, or monetary transactions should contact OCC legal staff. IAPs convicted of certain crimes are also subject to the 12 USC 1829 prohibitions described below.

**Civil money penalty (public):** Refer to PPM 5000-7, “Civil Money Penalties.”

### **Other Actions Affecting Individuals**

**1829 prohibition notification (public):** Under 12 USC 1829, individuals who are convicted of or enter into a pretrial diversion program<sup>24</sup> for a crime involving dishonesty, breach of trust, or money laundering are, by operation of law, automatically barred from being an IAP with respect to any insured depository institution or from directly or indirectly owning, controlling, or otherwise participating in the affairs of any insured depository institution. Upon receipt of relevant judgment and conviction documents from a state or federal court involving a current or former IAP at an OCC-supervised insured depository institution, the OCC issues a letter informing the IAP of the automatic prohibition. Although not technically an OCC enforcement action, the fact that an 1829 prohibition notification has been sent to an IAP is made public on the OCC’s website. An individual, under certain circumstances, may apply to the FDIC for a termination of this automatic prohibition. An individual who knowingly violates the prohibition is subject to civil and criminal enforcement actions.

Most 1829 prohibition notifications are processed as part of the OCC’s Fast Track Program. Refer to PPM 5310-8, “Fast Track Enforcement Program.” Examiners who become aware of a current or former IAP who has been convicted of or entered into a pre-trial diversion program for a crime involving dishonesty, breach of trust, or money laundering should consult OCC legal staff to have the matter processed under the OCC’s Fast Track Program as appropriate.

**Removal, suspension, and debarment of accountants from performing audit services (public):** Pursuant to 12 USC 1831m(g)(4), the OCC may remove, suspend, or bar an independent public accountant, upon a showing of good cause, from performing audit services required by 12 USC 1831m. As described in 12 CFR 19.241-46, under certain circumstances the OCC may take an action to remove, suspend, or debar independent public accountants and their accounting firms from performing independent audit and attestation services for banks required under 12 USC 1831m and 12 CFR 363. The OCC may remove, suspend, or debar an independent public accountant (i.e., any individual who performs or participates in providing audit services) if the OCC finds, among other things, that the accountant lacks qualifications to perform audit services; has knowingly or recklessly engaged in conduct that results in a violation of applicable professional standards; has engaged in certain negligent conduct; has knowingly or recklessly given (or participated in giving) false or misleading information to the OCC; or has

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<sup>24</sup> Refer to footnote 23.

engaged in, or aided and abetted, a material and knowing or reckless violation of any provision of the federal banking or securities laws, rules, and regulations or any other law. If the OCC determines that there is good cause for the removal, suspension, or debarment of a member or employee of an accounting firm, the OCC may also remove, suspend, or debar such firm or one or more offices of such firm.

Under 12 CFR 19.243, the OCC may initiate a proceeding to remove, suspend, or debar an accountant or accounting firm from performing audit services by issuing a written notice of intention to take such action. The accountant or accounting firm may request a hearing. If the OCC issues a written notice of intention to remove, suspend, or debar an accountant or accounting firm from performing audit services, the OCC may also, under certain circumstances, immediately suspend an accountant or accounting firm from performing audit services. A suspended accountant or accounting firm may, within 10 calendar days of service of a written notice of immediate suspension, file with the OCC a petition for a stay. The immediate suspension is effective upon service of the written notice of immediate suspension and remains in effect until the OCC issues a stay, dismisses the charges in the notice of intention, or issues a final order of removal, suspension, or debarment.

Under certain circumstances enumerated in 12 CFR 19.244, an independent accountant or accounting firm is automatically (i.e., by operation of law) removed, suspended, and debarred if sanctioned by certain other agencies (e.g., the Board of Governors of the Federal Reserve System, the FDIC, and the U.S. Securities and Exchange Commission).

**Prompt corrective action dismissal of directors or senior executive officers (FDIC-insured banks only, public):** This is a PCA action against the bank, but it affects the director or senior executive officer, who has certain procedural rights, including the right to notice and an informal OCC hearing to consider reinstatement. FDIC-insured banks are subject to mandatory and discretionary restrictions and actions depending on the bank's PCA capital category.<sup>25</sup> These can include a PCA dismissal, which is a PCA directive against the bank. Under 12 USC 1831o(f)(2)(F), 12 CFR 6, 12 CFR 19.230-31 (national banks), and 12 CFR 165.9 (federal savings associations), the OCC may require a critically undercapitalized bank, a significantly undercapitalized bank, or an undercapitalized bank that has failed to submit or fails in any material respect to implement an acceptable capital plan to dismiss from office a director or senior executive officer who has held office for more than 180 days immediately before the bank became undercapitalized. This action constitutes a dismissal from a specific bank and is not a prohibition from employment at all insured depository institutions.

To effect a PCA dismissal, the OCC first issues a notice of intent to issue a PCA directive to the bank, unless the OCC finds it necessary to issue a PCA directive without providing such notice. The bank is given an opportunity to respond to the notice of intent and explain why the proposed PCA directive is not necessary, suggest any modifications to the proposed PCA directive, or provide any other relevant information to support its position. After considering the bank's response, the OCC may issue the PCA directive as proposed or in modified form, determine that

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<sup>25</sup> Refer to 12 USC 1831o, 12 CFR 6, 12 CFR 165 (federal savings associations); and OCC Bulletin 2018-33, "Prompt Corrective Action."

no action is necessary, or seek more information from the bank. The OCC must also serve a copy of the PCA directive (or relevant portions) upon the director or senior executive officer who is to be dismissed.

The director or senior executive officer may request reinstatement and an informal hearing, but the dismissal remains in effect while the request for reinstatement is pending unless the OCC orders otherwise. The director or senior executive officer bears the burden of proving that his or her continued employment would materially strengthen the bank's ability to become adequately capitalized and to correct the unsafe or unsound condition or unsafe or unsound practice, as applicable. Violations of a PCA dismissal can provide the legal basis for additional enforcement actions against the bank and the director or senior executive officer, including the assessment of CMPs. A PCA directive, including a PCA dismissal, may also be enforced through application to a U.S. District Court.

**Appendix B: Abbreviations**

CFR	U.S. Code of Federal Regulations
CMP	civil money penalty
DSRC	District Supervision Review Committee
E&C	Enforcement and Compliance Division
FDIC	Federal Deposit Insurance Corporation
IAP	institution-affiliated party
MMSRC	Major Matters Supervision Review Committee
MSRC	Midsized Supervision Review Committee
OCC	Office of the Comptroller of the Currency
OOI	order of investigation
PCA	prompt corrective action
PC&D	personal cease-and-desist order
PPM	<i>Policies and Procedures Manual</i>
SRC	supervision review committee
USC	U.S. Code
WSRC	Washington Supervision Review Committee

## Appendix C: References

References are generally applicable to national banks and federal savings associations unless otherwise noted.

### Laws

- 12 USC 481, “Appointment of Examiners; Examination of Member Banks, State Banks, and Trust Companies; Reports” (national banks)
- 12 USC 1464, “Federal Savings Associations” (federal savings associations)
- 12 USC 1813, “Definitions”
- 12 USC 1817, “Assessments”
- 12 USC 1818, “Termination of Status as Insured Depository Institution”
- 12 USC 1820, “Administration of Corporation”
- 12 USC 1828, “Regulations Governing Insured Depository Institutions”
- 12 USC 1829, “Penalty for Unauthorized Participation by Convicted Individual”
- 12 USC 1831m, “Early Identification of Needed Improvements in Financial Management”
- 12 USC 1831o, “Prompt Corrective Action”
- 12 USC 3102, “Establishment of Federal Branches and Agencies by Foreign Bank” (federal branches and agencies)
- 12 USC 3108, “Regulation and Enforcement” (federal branches and agencies)
- 12 USC 3110, “Penalties” (federal branches and agencies)
- 12 USC 3909, “General Authorities”
- 18 USC 1956, “Laundering of Monetary Instruments”
- 18 USC 1957, “Engaging in Monetary Transactions in Property Derived From Specified Unlawful Activity”
- 18 USC 1960, “Prohibition of Unlicensed Money Transmitting Business”
- 24 USC 2462, “Time for Commencing Proceedings”
- 31 USC 5322, “Criminal Penalties”
- 31 USC 5324, “Structuring Transactions to Evade Reporting Requirement Prohibited”

### Regulations

- 12 CFR 4, subpart C, “Release of Non-Public OCC Information”
- 12 CFR 5.50, “Change in Control of a National Bank or Federal Savings Association”
- 12 CFR 5.51, “Changes in Directors and Senior Executive Officers of a National Bank or Federal Savings Association”
- 12 CFR 6, “Prompt Corrective Action”
- 12 CFR 19, “Rules of Practice and Procedure” (national banks)
- 12 CFR 28.19, “Enforcement” (federal branches and agencies)
- 12 CFR 109, “Rules of Practice and Procedure in Adjudicatory Proceedings” (federal savings associations)
- 12 CFR 112, “Rules for Investigative Proceedings and Formal Examination Proceedings” (federal savings associations)
- 12 CFR 165, “Prompt Corrective Action” (federal savings associations)

12 CFR 359, “Golden Parachute and Indemnification”  
12 CFR 363, “Annual Independent Audits and Reporting Requirements”

**Policies and Procedures Manual**

PPM 5000-7, “Civil Money Penalties”  
PPM 5310-3, “Bank Enforcement Actions and Related Matters”  
PPM 5310-5, “Securities Activities Enforcement Policy”  
PPM 5310-8, “Fast Track Enforcement Program”

**Other Publications**

“Changes in Directors and Senior Executive Officers,” *Comptroller’s Licensing Manual*  
*The Director’s Book: Role of Directors for National Banks and Federal Savings Associations*  
“Insider Activities,” *Comptroller’s Handbook*  
OCC Bulletin 2018-33, “Prompt Corrective Action”