

TITLE 12 - BANKS AND BANKING
CHAPTER 17 - BANK HOLDING COMPANIES

§ 1847. Penalties

(a) Criminal penalty

(1) Whoever knowingly violates any provision of this chapter or, being a company, violates any regulation or order issued by the Board under this chapter, shall be imprisoned not more than 1 year, fined not more than \$100,000 per day for each day during which the violation continues, or both.

(2) Whoever, with the intent to deceive, defraud, or profit significantly, knowingly violates any provision of this chapter shall be imprisoned not more than 5 years, fined not more than \$1,000,000 per day for each day during which the violation continues, or both.

Every officer, director, agent, and employee of a bank holding company shall be subject to the same penalties for false entries in any book, report, or statement of such bank holding company as are applicable to officers, directors, agents, and employees of member banks for false entries in any books, reports, or statements of member banks under section 1005 of title 18.

(b) Civil money penalty

(1) Penalty

Any company which violates, and any individual who participates in a violation of, any provision of this chapter, or any regulation or order issued pursuant thereto, shall forfeit and pay a civil penalty of not more than \$25,000 for each day during which such violation continues.

(2) Assessment; etc.

Any penalty imposed under paragraph (1) may be assessed and collected by the Board in the manner provided in subparagraphs (E), (F), (G), and (I) of section 1818 (i)(2) of this title for penalties imposed (under such section) and any such assessment shall be subject to the provisions of such section.

(3) Hearing

The company or other person against whom any penalty is assessed under this subsection shall be afforded an agency hearing if such association or person submits a request for such hearing within 20 days after the issuance of the notice of assessment. Section 1818 (h) of this title shall apply to any proceeding under this subsection.

(4) Disbursement

All penalties collected under authority of this subsection shall be deposited into the Treasury.

(5) "Violate" defined

For purposes of this section, the term "violate" includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

(6) Regulations

The Board shall prescribe regulations establishing such procedures as may be necessary to carry out this subsection.

(c) Notice under this section after separation from service

The resignation, termination of employment or participation, or separation of an institution-affiliated party (within the meaning of section 1813 (u) of this title) with respect to a bank holding company (including a separation caused by the deregistration of such a company) shall not affect the jurisdiction and authority of the Board to issue any notice and proceed under this section against any such party, if such notice is served before the end of the 6-year period beginning on the date such party ceased to be such a party with respect to such holding company (whether such date occurs before, on, or after August 9, 1989).

(d) Penalty for failure to make reports**(1) First tier**

Any company which—

(A) maintains procedures reasonably adapted to avoid any inadvertent error and, unintentionally and as a result of such an error—

(i) fails to make, submit, or publish such reports or information as may be required under this chapter or under regulations prescribed by the Board pursuant to this chapter, within the period of time specified by the Board; or

(ii) submits or publishes any false or misleading report or information; or

(B) inadvertently transmits or publishes any report which is minimally late,

shall be subject to a penalty of not more than \$2,000 for each day during which such failure continues or such false or misleading information is not corrected. The company shall have the burden of proving that an error was inadvertent and that a report was inadvertently transmitted or published late.

(2) Second tier

Any company which—

(A) fails to make, submit, or publish such reports or information as may be required under this chapter or under regulations prescribed by the Board pursuant to this chapter, within the period of time specified by the Board; or

(B) submits or publishes any false or misleading report or information,

in a manner not described in paragraph (1) shall be subject to a penalty of not more than \$20,000 for each day during which such failure continues or such false or misleading information is not corrected.

(3) Third tier

Notwithstanding paragraph (2), if any company knowingly or with reckless disregard for the accuracy of any information or report described in paragraph (2) submits or publishes any false or misleading report or information, the Board may, in its discretion, assess a penalty of not more than \$1,000,000 or 1 percent of total assets of such company, whichever is less, per day for each day during which such failure continues or such false or misleading information is not corrected.

(4) Assessment; etc.

Any penalty imposed under paragraph (1), (2), or (3) shall be assessed and collected by the Board in the manner provided in subsection (b) of this section (for penalties imposed under such subsection) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such subsection.

(5) Hearing

Any company against which any penalty is assessed under this subsection shall be afforded an agency hearing if such company submits a request for such hearing within 20 days after the issuance of the notice of assessment. Section 1818 (h) of this title shall apply to any proceeding under this subsection.

(May 9, 1956, ch. 240, § 8, 70 Stat. 138; Pub. L. 95–630, title I, § 106(a), Nov. 10, 1978, 92 Stat. 3647; Pub. L. 97–320, title IV, § 424(a), (d)(4), Oct. 15, 1982, 96 Stat. 1522, 1523; Pub. L. 101–73, title IX, §§ 905(i), 907 (j), 911 (e), Aug. 9, 1989, 103 Stat. 461, 475, 481.)

Amendments

1989—Subsec. (a). Pub. L. 101–73, § 907(j)(1), substituted heading and pars. (1) and (2) for first two sentences which read as follows: “Any company which willfully violates any provision of this chapter, or any regulation or order issued

NB: This unofficial compilation of the U.S. Code is current as of Jan. 4, 2012 (see <http://www.law.cornell.edu/uscode/uscp.html>).

by the Board pursuant thereto, shall upon conviction be fined not more than \$1,000 for each day during which the violation continues. Any individual who willfully participates in a violation of any provision of this chapter shall upon conviction be fined not more than \$10,000 or imprisoned not more than one year, or both.”

Subsec. (b). Pub. L. 101–73, § 907(j)(2), added headings and amended text generally. Prior to amendment, subsec. (b) read as follows:

“(1) Any company which violates or any individual who participates in a violation of any provision of this chapter, or any regulation or order issued pursuant thereto, shall forfeit and pay a civil penalty of not more than \$1,000 per day for each day during which such violation continues: Provided, That the Board may, in its discretion, compromise, modify, or remit any civil money penalty which is subject to imposition or has been imposed under authority of this subsection. The penalty may be assessed and collected by the Board by written notice. As used in the section, the term ‘violates’ includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

“(2) In determining the amount of the penalty the Board shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the company or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

“(3) The company or person assessed shall be afforded an opportunity for agency hearing, upon request made within ten days after issuance of the notice of assessment. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5. The agency determination shall be made by final order which may be reviewed only as provided in section 1848 of this title. If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

“(4) If any company or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the Board, the Board shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

“(5) The Board shall promulgate regulations establishing procedures necessary to implement this subsection.

“(6) All penalties collected under authority of this subsection shall be covered into the Treasury of the United States.”

Subsec. (c). Pub. L. 101–73, § 905(i), added subsec. (c).

Subsec. (d). Pub. L. 101–73, § 911(e), added subsec. (d).

1982—Subsec. (b)(1). Pub. L. 97–320 inserted proviso giving the Board discretionary authority to compromise, etc., any civil money penalty imposed under this subsection, and substituted “may be assessed” for “shall be assessed”.

1978—Pub. L. 95–630 designated existing provisions as subsec. (a) and added subsec. (b).

Effective Date of 1989 Amendment

Amendment by section 907(j) of Pub. L. 101–73 applicable to conduct engaged in after Aug. 9, 1989, except that increased maximum penalties of \$5,000 and \$25,000 may apply to conduct engaged in before such date if such conduct is not already subject to a notice issued by the appropriate agency and occurred after completion of the last report of the examination of the institution by the appropriate agency occurring before Aug. 9, 1989, see section 907(l) of Pub. L. 101–73, set out as a note under section 93 of this title.

Amendment by section 911(e) of Pub. L. 101–73 applicable with respect to reports filed or required to be filed after Aug. 9, 1989, see section 911(i) of Pub. L. 101–73, set out as a note under section 161 of this title.

Effective Date of 1978 Amendment

Amendment by Pub. L. 95–630, relating to imposition of civil penalties, applicable to violations occurring or continuing after Nov. 10, 1978, see section 109 of Pub. L. 95–630, set out as a note under section 93 of this title.