



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

MUL-546197

SETTLEMENT AGREEMENT

This settlement agreement (the “Agreement”) is made by and between the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and JPMorgan Chase Bank, National Association (“JPMC”).

I. PARTIES

1. OFAC administers and enforces economic sanctions against targeted foreign countries, regimes, terrorists, international narcotics traffickers, and persons engaged in activities related to the proliferation of weapons of mass destruction, among others. OFAC acts under Presidential national emergency authorities, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction.

2. JPMC is a national banking association organized under the laws of the United States. The Office of the Comptroller of the Currency is JPMC’s primary regulator.

II. FACTUAL STATEMENT

3. From on or about December 12, 2005, to on or about March 31, 2006, JPMC processed 1,711 electronic funds transfers in which the Government of Cuba or a Cuban national had an interest, in the aggregate amount of \$178,530,954.27, in apparent violation of the prohibition against dealing in property in which Cuba or a Cuban national has an interest, 31 C.F.R. § 515.201.

4. On or about February 5, 2008, JPMC processed an electronic funds transfer in the amount of \$88,036.96, for the benefit of a person designated pursuant to Executive Order (“E.O.”) 13348 of July 22, 2004, in apparent violation of the prohibition against dealing in property and interests in property of persons designated pursuant to E.O. 13348, 31 C.F.R. § 593.201. JPMC voluntarily self-disclosed this apparent violation.

5. On or about April 27, 2006, JPMC processed or rejected four electronic funds transfers, in the aggregate amount of €65,000 (approximately \$80,596.75), for the benefit of Al-Aqsa Foundation, an entity designated pursuant to E.O. 13224 of September 23, 2001, in apparent violation of the prohibition against dealing in property and interests in property of persons designated pursuant to E.O. 13224, 31 C.F.R. § 594.201. JPMC voluntarily self-disclosed these apparent violations.

6. On or about May 24, 2006, JPMC processed a 32,000 ounce transfer of gold bullion worth approximately \$20,560,000 for the benefit of the Government of Iran in apparent violation of the prohibition against the “exportation... directly or indirectly, from the United States, or by a United States person, ... of any... services to Iran or the Government of Iran,” 31 C.F.R. § 560.204. On or about November 12, 2008, JPMC also processed an electronic funds transfer in the amount of

\$79,066.03 relating to a transaction involving an Iranian entity, in apparent violation of the prohibition against engaging in “any transaction ... related to... goods or services of Iranian origin or owned or controlled by the Government of Iran,” 31 C.F.R. § 560.206; and the prohibition against facilitating “... any transaction by a foreign person where the transaction by that foreign person would be prohibited ... if performed by a United States person,” 31 C.F.R. § 560.208.

7. From on or about January 16, 2007, to on or about October 28, 2008, JPMC processed two electronic funds transfers in the aggregate amount of \$241,610.00 for the benefit of entities designated pursuant to E.O. 13382 of June 28, 2005, in apparent violation of the prohibition against dealing in property and interests in property of persons designated pursuant to E.O. 13382, 31 C.F.R. § 544.201. Also, from on or about April 24, 2009, to on or about March 19, 2010, JPMC processed two trade finance transactions in the aggregate amount of \$5,649,270.14 involving vessels identified by OFAC as blocked property pursuant to E.O. 13382 of June 28, 2005, in apparent violation of the prohibition against dealing in property and interests in property of persons designated pursuant to E.O. 13382, 31 C.F.R. § 544.201. JPMC voluntarily self-disclosed these apparent violations.

8. On or about November 14, 2006, and on or about January 29, 2008, JPMC rejected rather than blocked a \$120,000 funds transfer and processed a \$79,308.80 trade finance transaction, respectively, for the benefit of the Government of Sudan and/or persons in Sudan, in apparent violation of the prohibitions against, respectively, (1) dealing in property or interests in property of the Government of Sudan that come within the United States, 31 C.F.R. § 538.201(a), and (2) the “exportation or reexportation, directly or indirectly, to Sudan of any goods... or services from the United States or by a United States person,” 31 C.F.R. § 538.205. JPMC voluntarily self-disclosed the January 29, 2008, apparent violation.

9. On or about November 8, 2010, JPMC failed to respond completely to an OFAC administrative subpoena dated October 13, 2010, in apparent violation of the requirement to provide at any time as may be required by the Director, “...complete information relative to any transaction,” 31 C.F.R. § 501.602.

III. TERMS OF SETTLEMENT

OFAC and JPMC hereby agree as follows:

10. In consideration of the undertakings of JPMC in paragraph 11 below, OFAC agrees to release and forever discharge JPMC, without any finding of fault, from any and all civil liability arising under the legal authorities that OFAC administers in connection with the apparent violations detailed in this Agreement (“Apparent Violations”).

11. In consideration of the undertakings of OFAC in paragraph 10 above, JPMC agrees:

- a. Within 30 days of the date JPMC receives the unsigned copy of this Agreement to:
 - i. sign, date, and mail an original signed copy of this Agreement to the Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW – Annex 4004, Washington, DC 20220, Attn:

Assistant Director, SC&E. JPMC should retain a copy of the signed Agreement and a receipt or other evidence which shows the date JPMC mailed the signed Agreement to OFAC; and

- ii. pay to the U.S. Department of the Treasury the amount of \$88,300,000. JPMC's payment must be made either by an electronic funds transfer in accordance with the attached "Electronic Funds Transfer (EFT) Instructions" or by check or money order payable to the "U.S. Treasury" and referencing **FAC No. MUL-546197**. JPMC must either: (1) indicate payment by electronic funds transfer by checking the box on the signature page of this Agreement; or (2) enclose payment by cashier's or certified check or money order together with the signed original Agreement to be returned to OFAC at the address in subparagraph a(i) above.
 - b. To provide OFAC with copies of any and all updates to JPMC's internal procedures and policies on compliance with the regulations administered by OFAC for a period of two years from the date of this Agreement. During the same two year period, JPMC will also submit to OFAC's Sanctions Compliance & Evaluation Division the results of any internal or external audits of the bank's compliance with the sanctions programs administered by OFAC, including an explanation of remedial measures JPMC has taken in response to such audits.
 - c. To waive any claim by or on behalf of JPMC, whether asserted or unasserted, against OFAC, the U.S. Department of the Treasury, and/or its officials and employees arising out of the facts giving rise to the civil penalty matter that resulted in this Agreement, including but not limited to OFAC's investigation of the Apparent Violations, and of any possible legal objection to this Agreement at any future date.
12. This Agreement shall not constitute an admission or denial by JPMC of any allegation made or implied by OFAC in connection with the Apparent Violations.
13. Except as provided in paragraph 10 above, this Agreement has no bearing on any past, present, or future OFAC actions, including the imposition of civil penalties, with respect to any activities by Respondent other than those set forth in the Apparent Violations.
14. OFAC may, in its sole discretion, issue a public statement about the facts of this Agreement, on its Web site or otherwise, including the identity of any entity involved, the settlement amount, and a brief description of the Apparent Violations.
15. This Agreement consists of five pages and one attachment and expresses the complete understanding of OFAC and JPMC regarding resolution of OFAC's civil penalty matter involving the Apparent Violations. No other agreements, oral or written, exist between OFAC and JPMC regarding resolution of this matter.

16. This Agreement shall inure to the benefit of and be binding on each party, as well as its respective successors or assigns.

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JPMC accepts the terms of this Settlement Agreement this 25th day of August, 2011.



Signature

Anthony J. Horan

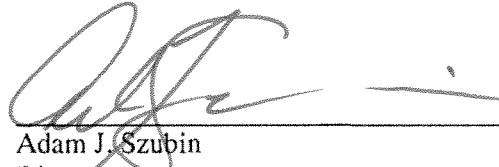
[Name of JPMC's Duly Authorized Representative]

Corporate Secretary

[Title of JPMC's Duly Authorized Representative]

Please check this box if you have not enclosed payment with this Agreement and will instead be paying or have paid by electronic funds transfer (see paragraph 11(a)(ii) and the electronic funds transfer instructions attached to the Agreement).

Date: August 25, 2011



Adam J. Szubin
Director
Office of Foreign Assets Control