

NR 98-6
January 16, 1998

OCC Will Hold Hearing; Agency Seeks Fines,
Restitution From Former Bank Chairman

WASHINGTON, D.C. -- The Office of the Comptroller of the Currency (OCC) today announced that the agency will convene a public hearing on Monday, January 29, 1998, in the agency's administrative proceedings against Jose E. Alegria, former chairman of the board of Banco Nacional, Hato Rey, Puerto Rico.

The OCC is seeking to prohibit Alegria from banking, to assess a civil money penalty of \$200,000 and to obtain restitution of \$448,052. The hearing will focus on the OCC's allegations that Alegria borrowed more money from Banco Nacional than the law allows for bank insiders and used the proceeds of loans to other persons to conceal the extent of his borrowing. The bank lost at least \$400,000 on one nominee loan to Alegria.

The agency further charges that Alegria and his partners acquired control of the bank in 1989 without informing the OCC, as required by the Change in Bank Control Act.

The hearing will begin at 10 a.m. at the United States District Court, Federal Building, Court Room 193, 150 Carlos Chardon Avenue, San Juan, Puerto Rico. OCC administrative hearings are open to the public.

#

The OCC charters, regulates and supervises more than 2,600 national banks and 66 federal branches and agencies of foreign banks in the United States, accounting for 56 percent of the nation's banking assets. Its mission is to ensure a safe, sound and competitive national banking system that supports the citizens, communities and economy of the United States.