

**UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION
DEPARTMENT OF THE TREASURY**

In the Matter of:)	
)	Adjudicatory Proceeding
PAMELLIA J. WILSON,)	
)	No.: AP-11-02
Senior Vice President and)	
Institution Affiliated Party of)	Effective Date: March 15, 2011
)	
Colombo Bank)	
Rockville, Maryland)	
OTS Docket No. 08575)	
)	
)	

**NOTICE OF INTENTION TO REMOVE AND PROHIBIT AND NOTICE OF
CHARGES AND HEARING AND NOTICE OF
ASSESSMENT OF A CIVIL MONEY PENALTY**

I. PRELIMINARY STATEMENT

1. The Acting Director of the Office of Thrift Supervision (OTS), pursuant to Sections 8(e) and 8(i)(2)(B) of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. §§ 1818(e) and (i)(2)(B), issues this Notice of Charges and Hearing for Removal and Prohibition and Notice of Assessment of a Civil Money Penalty (Notice). By issuing this Notice, the OTS commences administrative adjudicatory proceedings and assesses civil money penalties against Pamellia J. Wilson (Respondent or Wilson) a Senior Vice President and institution-affiliated party (IAP) of Colombo Bank, Rockville, Maryland, a Federally chartered savings association (Colombo).

2. OTS charges that Respondent, in her capacity as an officer and IAP of Colombo, engaged in a violation of subchapter II of chapter 53 of title 31 and such violation was not inadvertent or unintentional.

3. OTS charges that grounds exist to:
 - (a) remove Respondent from Colombo and prohibit her from further participation in the affairs of Colombo and other insured depository institutions pursuant to Section 8(e)(2) of the FDIA, 12 U.S.C. § 1818(e)(2); and
 - (b) assess a civil money penalty against Respondent, pursuant to section 8(i)(2)(A) of the FDIA, 12 U.S.C. § 1818(i)(2)(A).

II. JURISDICTION

4. Colombo, at all times relevant to this action, has been a federal savings bank with a charter issued under the Home Owners' Loan Act (the HOLA). *See* 12 U.S.C. §§ 1461 *et seq.*

5. Colombo, at all times relevant to this action, has been subject to examination, supervision, and regulation by the OTS. *See* 12 U.S.C. §§ 1463 and 1464.

6. Respondent, at all times relevant to this action, has served as the Senior Vice President of Colombo and is an "institution-affiliated party" of Colombo. *See*, 12 U.S.C. § 1813(u)(1).

7. The Director of the OTS is the "appropriate Federal banking agency" with jurisdiction to initiate and maintain removal and prohibition and civil money penalty proceedings against an IAP. *See* 12 U.S.C. §§ 1818(e) and (i)(2); 1813(q)(4) and 1464(d)(1)(A).

8. Because Respondent is, and at all relevant times, has been an IAP of Colombo, she is subject to the authority of the OTS to initiate and maintain these administrative proceedings against her pursuant to the provisions of Section 8 of the FDIA, 12 U.S.C. § 1818.

III. FACTUAL ALLEGATIONS AND CHARGES

9. In general, 31 U.S.C. § 5313(a), and regulations promulgated under its authority, 31 C.F.R. § 103.22, obligate financial institutions to file Currency Transaction Reports (CTRs)

with the government in cases of currency transactions involving more than \$10,000. Congress enacted this law because individuals involved in criminal activity frequently engage in large cash transactions. The purpose of the requirement to file CTRs is to assist civil and criminal law enforcement in identification, investigation, and prosecution of a variety of illegal activities, including money laundering, embezzlement, and tax evasion.¹

10. Between April 20, 2007 and September 30, 2007, Respondent served as the Association's Bank Secrecy Act Officer responsible for the filing of CTRs on behalf of the Association.

11. Between April 20, 2007 and September 30, 2007, Respondent failed to file sixty-nine (69) CTRs that the Association was required to file.

12. Respondent prepared and submitted a signed report to the Association's board of directors (Board) at the July Board meeting certifying that 38 of the CTRs referred to in the immediately preceding paragraph had been filed and that the filings were done electronically.

13. The July Board report submitted by Respondent regarding the filing of CTRs was false in that the CTRs covered by such certification had not been filed as asserted.

14. Respondent's failure to file CTRs, and submission of at least one false report to the Board, was not inadvertent or unintentional.

IV. STATUTORY CHARGES UNDER 12 U.S.C. § 1818(e)(2)

Respondent has Engaged in Actions that Satisfy the Grounds for an Order of Removal and Prohibition Under Section 8(e)(2) of the FDIA.

15. OTS realleges paragraphs 9 through 14 above.

¹ See generally H.R. Rep. No. 975, 91st Cong., 2d Sess., reprinted in 1970 U.S.C.C.A.N. 4394, 4396; Federal Financial Institutions Examination Council, *Bank Secrecy Act/Anti-Money Laundering Examination Manual*, p. 3 (2007); Financial Crimes Enforcement Network, *Use of Currency Transaction Reports*, Report to Congress, p. 4 (October 2002); Rusch, *Hue and Cry in the Counting-House: Some Observations on the Bank Secrecy Act*, 37 Cath. U. L. Rev. 465, 469-73 (1988).

16. By the actions described above, Respondent has engaged in a violation, as that term is defined by 12 U.S.C. § 1813(v), of the requirements of subchapter II of Chapter 53 of title 31 of the U.S. Code, *viz.* 31 U.S.C. § 5313, and that provision's implementing regulations at 31 C.F.R. §§ 103.22 and 103.27(a), by failing to timely file CTRs. *See* §8(e)(2)(A)(i) of the FDIA, 12 U.S.C. § 1818(e)(2)(A)(i).

17. Respondent's violation of subchapter II of Chapter 53 of title 31 of the U.S. Code and the implementing regulations at 31 C.F.R. §§ 103.22 and 103.27(a), was not inadvertent or unintentional.

V. REQUESTED RELIEF AND NOTICE OF HEARING

18. Notice is hereby given that a hearing will be held in Rockville, Maryland for the purpose of taking evidence on the charges specified above in order to determine whether an appropriate order of removal and prohibition should be issued under Section 8(e)(2) of the FDIA, 12 U.S.C. § 1818(e)(2), to remove and prohibit the future participation by Respondent in the affairs of, *inter alia*, any insured depository institution, or any holding company thereof.

VI. STATUTORY CHARGES UNDER SECTION 8(i)(2) of the FDIA

Respondent Has Engaged in Actions that Satisfy the Grounds for Assessment of Second-Tier Civil Money Penalties Against Respondent Under Section 8(i)(2)(A) of the FDIA.

19. OTS realleges paragraphs 9 through 14 above.

20. Respondent has engaged in violations of law or regulation, as recited in paragraphs 15 and 17 *supra*. *See* §8(i)(2)(A)(i) of the FDIA, 12 U.S.C. § 1818(i)(2)(A)(i).

Aggregate Amount of Assessed Civil Penalties

21. Based on the foregoing, the grounds exist, pursuant to 12 U.S.C. § 1818(i)(2)(A), to assess a first-tier civil money penalty against Respondent. After taking into account the size

of Respondent's financial resources, good faith considerations, the gravity of the violations, the history of previous violations, and such other matters as justice may require, the OTS hereby assesses a civil money penalty of \$15,000 against Respondent.

Civil Penalty Payment Directions and Procedural Matters

22. It is hereby ordered that Respondent shall forfeit and pay the civil money penalty of \$15,000.

23. The civil money penalties set forth in this Notice are assessed by the OTS pursuant to sections 8(i)(2) of the FDIA, 12 U.S.C. § 1818(i)(2). Except as the OTS may otherwise order in writing, remittance of the payment of the penalties set forth herein shall be made by delivering to the OTS Financial Operations at 1700 G Street, N.W., Washington, D.C. 20552 a cashier's check or official bank check in the amount of \$15,000 payable to the order of the Treasury of the United States.

24. Notice is given, pursuant to section 8(i)(2)(H) of the FDIA, 12 U.S.C. § 1818(i)(2), that Respondent is afforded an opportunity for a formal hearing, if requested, concerning the above assessment of civil money penalties. A hearing will be held with respect to the assessment against Respondent, provided that within twenty (20) days after issuance and service of this Notice, Respondent files a written request for a hearing concerning the assessment. Any request for such a hearing must be filed with the Office of Financial Institution Adjudication (OFIA), 3501 North Fairfax Drive, Suite D8116, Arlington, VA 22226, and with the OTS, c/o Sandra Evans, Secretary for Adjudicatory Proceedings, (sandra.evans@ots.treas.gov), 1700 G Street, N.W., Washington, D.C. 20552, within twenty (20) days after issuance and service of this Notice on Respondent. **Respondent is encouraged to file any request for a hearing electronically with the Office of Financial Institution**

Adjudication at ofia@fdic.gov. Respondent shall also serve a copy of any such request upon Susan L. Chomicz, Deputy Chief Counsel – Enforcement, (susan.chomicz@ots.treas.gov), Office of Thrift Supervision, 1700 G St., N.W., Washington, D.C. 20552; upon V. Scott Bailey, Senior Attorney, Office of Thrift Supervision, 1700 G Street, N.W., Washington, DC 20552 (vernon.bailey@ots.treas.gov); and upon Jessica Burrell, Senior Attorney, Office of Thrift Supervision, 1700 G Street, N.W., Washington, DC 20552 (jessica.burrell@ots.treas.gov).

25. Any hearing held concerning the civil money penalty assessments, as described above, shall be combined with the hearing of the other matters set forth in the foregoing Notice, including those concerning the issuance of a removal and prohibition order.

26. If Respondent fails to file a request for a hearing within the aforementioned twenty-day (20-day) period, the above assessment of civil money penalties in the aggregate amount of \$15,000 shall constitute a final and unappealable assessment order of the OTS against Respondent as provided by 12 U.S.C. § 1818(i)(2)(E). *See also* 12 C.F.R. § 509.19(c)(2). Any final and unappealable assessment order may be referred to the United States Department of Justice for collection against the subject of the assessment order.

VII. PROCEDURES GENERALLY

27. The OTS hereby appoints Administrative Law Judge C. Richard Miserendino (ALJ) of OFIA to preside over any hearing held regarding the subject of this Notice. Unless otherwise set by the ALJ or by agreement of the parties, the hearing should commence on or before sixty days following service of this Notice. The exact time of day and any change in location will be announced at a later time by the ALJ. The hearing will be conducted before the ALJ in accordance with the provisions of the Administrative Procedure Act, 5 U.S.C. §§ 554-557, as made applicable by 12 U.S.C. § 1818(h) and 12 C.F.R. Part 509.

28. Respondent is directed to file an Answer to this Notice within twenty (20) days with OFIA, Attn: Honorable C. Richard Miserendino, ALJ, 3501 N. Fairfax Drive, Suite VS-D8116, Arlington, VA 22226-3500, with the Secretary for Adjudicatory Proceedings, Office of the Chief Counsel, OTS, 1700 G. Street, N.W. Washington, D.C. 20552, and with the attorneys whose names appear on the accompanying certificate of service, within twenty days from the date of service of this Notice of Charges, in accordance with 12 C.F.R. § 519.19. Respondent is encouraged to file any answer electronically with the Office of Financial Institution Adjudication at ofia@fdic.gov. Failure to answer within this time period shall constitute a waiver of the right to appear and contest the allegations contained in this Notice and shall, upon the OTS's motion, cause the ALJ or the OTS to find the facts in this Notice to be as alleged and to issue an appropriate order.

29. Section 509.10 of the OTS rules, 12 C.F.R. § 509.10, governs the filing of papers in this proceeding. Except as otherwise provided by that rule, any papers required to be filed shall be filed with the Office of Financial Institution Adjudication, 3501 N. Fairfax Drive, Suite VS-D8 1 13, Arlington, VA 22226-3500.

30. Respondent also shall serve a copy of each and every of filing on: OTS, c/o Sandra Evans, Secretary for Adjudicatory Proceedings, (sandra.evans@ots.treas.gov), 1700 G St., N.W., Washington, D.C. 20552; Susan L. Chomicz, Deputy Chief Counsel – Enforcement, (susan.chomicz@ots.treas.gov), Office of Thrift Supervision, 1700 G. Street, N.W. Washington, D.C. 20552; V. Scott Bailey, Senior Attorney, Office of Thrift Supervision, 1700 G Street, N.W., Washington, DC 20552 (vernon.bailey@ots.treas.gov); and Jessica Burrell, Senior Attorney, Office of Thrift Supervision, 1700 G Street, N.W., Washington, DC 20552 (jessica.burrell@ots.treas.gov).

31. Within twenty (20) days after service of this Notice, Respondent may file a written request for a private hearing. Section 509.23 of the OTS rules, 12 C.F.R. § 509.33, sets out the requirements for any such request and any replies thereto. The evidentiary hearing of this matter before the presiding ALJ will be open to the public, unless the Director of the OTS, in his sole discretion, determines that an open hearing will be contrary to the public interest. *See* 12 U.S.C. § 1818(u)(2). The Director (or a duly authorized representative) will rule on any request filed under Section 509.33(a), and copies of any such request should be sent to the Director of OTS, c/o Ms. Sandra Evans, Secretary for Adjudicatory Proceedings, Office of Thrift Supervision, 1700 G Street, N.W. – Fifth Floor, M2, Washington, D.C. 20552.

The Office of Thrift Supervision, by its Acting Director (or his duly authorized designee), issues this Notice on this 15th day of March, 2011.

OFFICE OF THRIFT SUPERVISION

By: _____ /s/

Name: Thomas A. Barnes

Title: Deputy Director Examinations, Supervision
and Consumer Protection

(Pursuant to delegated authority)