

# **EXHIBIT K**

## JUSTICE NEWS

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### **BNP Paribas Sentenced for Conspiring to Violate the International Emergency Economic Powers Act and the Trading with the Enemy Act**

BNP Paribas S.A. (BNPP), a global financial institution headquartered in Paris, was sentenced today for conspiring to violate the International Emergency Economic Powers Act (IEEPA) and the Trading with the Enemy Act (TWEA) by processing billions of dollars of transactions through the U.S. financial system on behalf of Sudanese, Iranian and Cuban entities subject to U.S. economic sanctions. BNPP was sentenced to a five-year term of probation, and ordered to forfeit \$8,833,600,000 to the United States and to pay a \$140,000,000 fine. Today's sentencing is the first time a financial institution has been convicted and sentenced for violations of U.S. economic sanctions, and the total financial penalty—including the forfeiture and criminal fine—is the largest financial penalty ever imposed in a criminal case.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Preet Bharara of the Southern District of New York, Assistant Director in Charge Diego Rodriguez of the FBI's New York Field Office and Chief Richard Weber of the Internal Revenue Service-Criminal Investigation (IRS-CI) made the announcement. U.S. District Court Judge Lorna G. Schofield of the Southern District of New York imposed the sentence.

"BNP Paribas flouted U.S. sanctions laws to an unprecedented extreme, concealed its tracks, and then chose not to fully cooperate with U.S. law enforcement, leading to a criminal guilty plea and nearly \$9 billion penalty" said Assistant Attorney General Caldwell. "BNPP deliberately disregarded the law and provided rogue nations, and Sudan in particular, with vital access to the global financial system, helping that country's lawless government to harbor and support terrorists and to persecute its own people. Today's sentence demonstrates that financial institutions will be punished severely but appropriately for violating sanctions laws and risking our national security interests."

"BNPP, the world's fourth largest bank, has now been sentenced to pay a record penalty of almost \$9 billion for sanctions violations that unlawfully opened the U.S. financial markets to Sudan, Iran, and Cuba," said U.S. Attorney Bharara. "BNPP provided access to billions of dollars to these sanctioned countries, and did so deliberately and secretly, in ways designed to evade detection by the U.S. authorities. The sentence imposed today is appropriate for BNPP's years-long and wide-ranging criminal conduct."

"The sentencing of BNP Paribas Bank and the \$9 Billion monetary penalty should sound the alarm to international financial institutions thinking of perpetrating these crimes," said Chief Weber. "The ability of IRS-CI and our partners to expose blatant violations of U.S. embargos and sanctions has changed the way financial matters are handled worldwide. We will continue to use our financial expertise to uncover these types of violations, as well as methodical and deliberate actions to conceal prohibited transactions from U.S. regulators and law enforcement."

In connection with its guilty plea on July 9, 2014, BNPP admitted that from at least 2004 through 2012, it knowingly and willfully moved over \$8.8 billion through the U.S. financial system on behalf of Sudanese, Iranian and Cuban sanctioned entities, in violation of U.S. economic sanctions. The majority of illegal payments were made on behalf of sanctioned entities in Sudan, which was subject to U.S. embargo based on the Sudanese government's role in facilitating terrorism and committing human rights abuses. BNPP processed approximately \$6.4 billion through the United States on behalf of Sudanese sanctioned entities from July 2006 through June 2007, including approximately \$4 billion on behalf of a financial institution owned by the government of Sudan, even as internal emails showed BNPP



employees expressing concern about the bank's assisting the Sudanese government in light of its role in supporting international terrorism and committing human rights abuses during the same time period. Indeed, in March 2007, a senior compliance officer at BNPP wrote to other high-level BNPP compliance and legal employees reminding them that certain Sudanese banks with which BNPP dealt "play a pivotal part in the support of the Sudanese government which . . . has hosted Osama Bin Laden and refuses the United Nations intervention in Darfur."

Similarly, from October 2004 through early 2010, BNPP knowingly and willfully processed approximately \$1.74 billion on behalf of Cuban sanctioned entities. BNPP admitted that it continued to do U.S. dollar business with Cuba long after it was clear that such business was illegal. BNPP further admitted that its conduct with regard to the Cuban embargo was both "cavalier" and "criminal."

BNPP also engaged in more than \$650 million of transactions involving entities tied to Iran, and this conduct continued into 2012—nearly two years after the bank had commenced an internal investigation into its sanctions compliance and pledged to cooperate with the government. The illicit Iranian transactions included transactions for a petroleum company based in Dubai that was effectively a front for an Iranian petroleum company and an Iranian oil company.

In accepting BNPP's guilty plea, Judge Schofield stated that BNPP's actions "not only flouted U.S. foreign policy but also provided support to governments that threaten both our regional and national security and, in the case of Sudan, a government that has committed flagrant human rights abuses and has known links to terrorism." Judge Schofield further stated that the forfeiture of over \$8 billion will "surely have a deterrent effect on others that may be tempted to engage in similar conduct, all of whom should be aware that no financial institution is immune from the rule of law."

The Justice Department is exploring ways to use the forfeited funds to compensate individuals who may have been harmed by the sanctioned regimes of Sudan, Iran and Cuba. As a preliminary step in this process, the Justice Department is inviting such individuals or their representatives to provide information describing the nature and value of the harm they suffered. Beginning today (May 1, 2015), interested persons can learn more about this process and submit their information at [www.usvbnpp.com](http://www.usvbnpp.com) , or call 888-272-5632 (within North America) or 317-324-0382 (internationally).

In addition to its federal criminal conviction, BNPP pleaded guilty in New York State Supreme Court to falsifying business records and conspiring to falsify business records. BNPP also agreed to a cease and desist order and to pay a civil monetary penalty of \$508 million to the Board of Governors of the Federal Reserve System. The New York State Department of Financial Services announced that BNPP agreed to, among other things, terminate or separate from the bank 13 employees, including the Group Chief Operating Officer and other senior executives; suspend U.S. dollar clearing operations through its New York Branch and other affiliates for one year for business lines on which the misconduct centered; extend for two years a monitorship put in place in 2013; and pay a monetary penalty of \$2.24 billion. In satisfying its criminal forfeiture penalty, BNPP will receive credit for payments it made in connection with its resolution of these related state and regulatory matters. The Treasury Department's Office of Foreign Assets Control also levied a fine of \$963 million, which will be satisfied by payments made to the Justice Department.

This case was investigated by the IRS-CI's Washington Field Office and FBI's New York Field Office. This case was prosecuted by Deputy Chief Craig Timm and Trial Attorney Jennifer E. Ambuehl of the Criminal Division's Asset Forfeiture and Money Laundering Section and Assistant U.S. Attorneys Andrew D. Goldstein, Martin S. Bell, Christine I. Magdo and Micah W.J. Smith of the Southern District of New York.

The New York County District Attorney's Office conducted its own investigation alongside the Justice Department in this case. The Justice Department expressed its gratitude to the Board of Governors of the Federal Reserve, the Federal Reserve Bank of New York, the New York State Department of Financial Services and the Treasury Department's Office of Foreign Assets Control for their assistance with this matter.

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Criminal Division

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