

Texas Department of Banking

Press Release

Department of Banking Enters into an Agreed Order with Bancosal, Inc.

Date: May 4, 2005

Texas Banking Commissioner Randall S. James entered into an Agreed Order with a Texas licensed money service business, Bancosal, Inc., Houston, Texas, for its systematic failure to properly monitor Texas wire transmissions for compliance with applicable State and Federal laws. Bancosal was first given notice of the wire transmission recordkeeping deficiencies and Anti-Money Laundering program inadequacies by the Department in July, 2003, following a routine examination. Commissioner James issued a Cease & Desist Order against Bancosal on November 9, 2004 relating to these same issues when the company failed to demonstrate improvement after a follow-up examination in July, 2004.

The Order, dated April 29, 2005, requires Bancosal to properly monitor Texas wire transmissions for compliance with the Bank Secrecy Act, vigorously enforce its internal Anti-Money Laundering program, including adequate training, appropriate supervision and independent reviews, and ensure that all required suspicious activity reports are completed accurately and filed timely. The Order also requires Bancosal to pay a \$250,000 administrative penalty to the Department for its past conduct.

Commissioner James stated, "This Agreed Order did not result from infrequent, minor or technical problems. Overall, Texas banks and money service businesses are recognized for their diligence and commitment to compliance with state and federal laws designed to impede money laundering and terrorist financing by criminal organizations and they do an excellent job complying with the substance and intent of these laws. I am pleased that Bancosal has now firmly committed to implement high standards in its own operations, and we look forward to Bancosal achieving its compliance goals."

Bancosal is a wholly-owned subsidiary of Banco Salvadorëno, S.A., a foreign bank based in El Salvador, Central America. The parent organization has no bank organization presence in the United States.