

Definitions of the Exemptions Under the Freedom of Information Act – 5 U.S.C. § 552

EXEMPTIONS

Pursuant to 5 U.S.C. § 552 (b), the Freedom of Information Act does not apply to matters that are --

- (1)(A) specifically authorized under criteria established by an Executive Order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified under such Executive Order;
- (2) related solely to the internal personnel rules and practices of an agency;
- (3) specifically exempted from disclosure by statute, provided that such statute;
 - (A) requires that the matters be withheld from the public so as to leave no discretion on the issue, or
 - (B) establishes particular criteria for withholding or refers to particular kinds of matters to be withheld;
- (4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (5) inter-agency or intra-agency memoranda or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (6) personnel and medical files and similar files the disclosure of which constitutes a clearly unwarranted invasion of personal privacy;
- (7) records or information compiled for law enforcement purpose, but only to the extent that the production of such records or information
 - (A) could reasonably be expected to interfere with enforcement proceedings,
 - (B) would deprive a person of a right to a fair trial or impartial adjudication,
 - (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy,
 - (D) could reasonably be expected to disclose the identity of a confidential source, including a state, local or foreign agency or authority, or any private institution which furnished information on a confidential basis, and, in the case of a record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source,
 - (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosures could reasonably be expected to risk circumvention of the law, or
 - (F) could reasonably be expected to endanger the life or physical safety of any individual;
- (8) contained in or related to examination, operating or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (9) geological and geophysical information and data, including maps, concerning wells.

Appeal Rights

ADMINISTRATIVE APPEAL

You may file an appeal with the Department of the Treasury when:

- Access to records has been denied in part or in whole;
- There has been an adverse determination of your requestor category;
- Your request for fee waiver or reduction has been denied;
- It has been determined that no responsive records exist; or
- Your request for expedited processing has been denied.

Your appeal, other than an appeal of a denial for expedited processing, must be submitted within 35 days after (1) the date of the initial determination, or (2) the date of the letter transmitting the last records released, whichever is later, except in the case of a denial of expedited processing. An appeal of a denial for expedited processing must be made within 10 days of the date of the initial determination to deny expedited processing. The appeal must be in writing, signed by you or your representative, and contain the following information:

- Your name and address;
- Date of your initial request;
- Date of the letter denying your request;
- Description of why you believe the initial determination was in error; and
- The FOIA/PA number assigned to your request.

Please mail your appeal to: Freedom of Information Act Appeal
Disclosure Services, DO
1500 Pennsylvania Ave., N.W.
Department of the Treasury
Washington, D.C. 20220

The deciding official on your appeal will be the Director, Office of Foreign Assets Control.

Responsive Documents

(25 Pages)

(b) (6)

From: Tuchband, Matthew
Sent: Tuesday, November 06, 2012 9:08 AM
To: (b) (6)
Subject: FW:

Just an fyi regarding (b) (6) interest in HSBC-related matter last night. It didn't look like this was going anywhere, so I didn't bring you into it. If the discussion is kick-started this morning, I'll definitely loop you in.

----- Original Message -----

From: Meade, Christopher
Sent: Monday, November 05, 2012 10:19 PM
To: Tuchband, Matthew
Cc: Weideman, Christian; Bieger, Peter; (b) (6)
Subject: Re:

Thanks a lot, Matthew.

----- Original Message -----

From: Tuchband, Matthew
Sent: Monday, November 05, 2012 09:53 PM
To: Meade, Christopher
Cc: Weideman, Christian; Bieger, Peter; (b) (6)
Subject: RE:

Here are two additional discussions contained in the "Interim Management Statement 3Q 2012" that reference the investigation.

From p.9:

Anti-money laundering, Bank Secrecy Act and Office of Foreign Assets Control investigations. These results include an additional provision of US\$800m in relation to US anti-money laundering, Bank Secrecy Act and Office of Foreign Asset Control investigations, the background and risk factors relating to which are set out in Note 25 on the Financial Statements and in the 'Top and emerging risks' section starting on page 104 of the Interim Report 2012. We are actively engaged in ongoing discussions with the relevant authorities regarding steps to achieve a resolution, including potential fines, penalties and forfeitures, although no agreement has yet been reached. The resolution of at least some of these matters is likely to involve the filing of corporate criminal as well as civil charges and the imposition of significant fines, penalties and/or monetary forfeitures. While the prosecution of corporate criminal charges in these types of cases has most often been deferred through an agreement with the relevant authorities, the US authorities have substantial discretion, and prior settlements can provide no assurance as to how the US authorities will proceed in these matters. It should be noted that any amounts payable are assessed separately by each agency investigating these matters, and the amounts paid to one agency may or may not be offset against or otherwise taken into account in determining amounts payable to other agencies. There is a high degree of uncertainty in making any estimate of the ultimate cost; it is possible that the amounts when finally determined could be higher, possibly significantly higher, than the amount accrued.

From p. 27

Operating expenses increased, driven by an additional provision for US law enforcement and regulatory matters of US\$800m relating to AML, BSA and OFAC investigations, along with increased compliance costs as we continued to address the requirements of the regulatory

consent orders covering foreclosure activities, and as we invested in process enhancements and infrastructure related to AML, BSA and OFAC consent orders.

-----Original Message-----

From: Weideman, Christian
Sent: Monday, November 05, 2012 9:34 PM
To: Meade, Christopher; Bieger, Peter; (b) (6); Tuchband, Matthew
Subject: Re: 2012"

There's a statement on the HSBC website (www.hsbc.com), under "group news." Specifically, the "3Q 2012 message from Stuart Gulliver, Group Chief Executive," second paragraph:

"The third quarter results include an additional provision of US\$800m in relation to the ongoing US anti-money laundering, Bank Secrecy Act and Office of Foreign Assets Control investigations. We are actively engaged in discussions with US authorities to try to reach a resolution, but there is not yet an agreement. The US authorities have substantial discretion in deciding exactly how to resolve this matter. Indeed, the final amount of the financial penalties could be higher, possibly significantly higher, than the amount accrued. We have also made UK customer redress provisions of US\$353m, mainly in respect of Payment Protection Insurance."

----- Original Message -----

From: Meade, Christopher
Sent: Monday, November 05, 2012 09:22 PM
To: Bieger, Peter; (b) (6); Tuchband, Matthew
Cc: Weideman, Christian
Subject:

HSBC apparently made a statement today about possible criminal charges (it was reported in the press). Was there an 8K or another such filing? Could you find the actual language they used? Thanks.

From: (b) (6)
To: (b) (6)
Subject: RE: AGC meeting
Date: Thursday, October 11, 2012 10:33:00 AM

Sure:

(b)(5)

(b)(5)

-----Original Message-----

From: (b) (6)
Sent: Thursday, October 11, 2012 10:04 AM
To: (b) (6)
Subject: AGC meeting

Per Matthew's suggestion, might you be able to send me a sentence on the status of each HSBC and SCB?

(b) (6)

From: Tuchband, Matthew
Sent: Monday, October 08, 2012 4:44 PM
To: Weideman, Christian; Meade, Christopher; Maher, Mike Disabled
Cc: (b) (6)
Subject: FW: Updated Secretary Travel Schedules to India and Japan Oct. 5
Attachments: HMT_OFAC_FinCEN 3pm 10-8 clean.doc; Osborne to Bernanke 9-10-12.pdf

Chris, Chris, and Mike,

This is a heads up on the attached draft Information Memorandum for the Secretary in preparation for the his expected upcoming meeting with George Osbourne of HMT in London regarding U.S. actions with respect to Standard Chartered Bank and HSBC. At Adam Szubin's request (per the email chain copied below), OFAC and FinCen have worked on refining a draft that Adam penned over the weekend. We have provided legal review of the document this afternoon and believe it is accurate, though we understand that it is still being finalized and therefore may yet change a bit. For your reference, I have also attached the September 10 letter George Osbourne sent to Ben Bernanke and copying Secretary Geithner.

If you have any questions about this, please don't hesitate to reach out to (b) (6) or me.

- Matthew

From: Szubin, Adam
Sent: Sunday, October 07, 2012 5:32 PM
To: (b) (6); Hammerle, Barbara; (b) (6); Alvarado, Peter; Smith, John; (b) (6)
Wood, Dennis; (b) (6); Steele, Charles; Tuchband, Matthew
Cc: Fowler, Jennifer; O'Reilly, DeAnna
Subject: Re: Updated Secretary Travel Schedules to India and Japan Oct. 5

We were asked last week whether fincen or ofac saw concerns with taking this mtg and jen and I said no. I offered that we could draft pts if there was a desire, but no one replied. In any case, here's a start at a memo, with an attached summary of the 2 cases. These will need work from ofac and a bunch of input from fincen, but I will be offline until tues night, and I think this will need to be sent to execsec by monday afternoon, so I wanted to share a draft of what this might look like. I have no pride of authorship, so please edit away.

From: (b) (6)
Sent: Saturday, October 06, 2012 08:25 AM
To: Szubin, Adam; Hammerle, Barbara; (b) (6); Alvarado, Peter; Smith, John; (b) (6); Wood, Dennis;
(b) (6)
Cc: Fowler, Jennifer; O'Reilly, DeAnna
Subject: Fw: Updated Secretary Travel Schedules to India and Japan Oct. 5

I don't think I saw email traffic on this so I apologize if I am double tracking. It looks like TFG will meet with George Osborne on the margins of Bank/Fund. Are OFAC and FinCEN preparing points on SCB and HSBC for this memo? Thanks!

From: Maher, Mike
Sent: Saturday, October 06, 2012 07:19 AM
To: (b) (6); Fowler, Jennifer
Subject: Fw: Updated Secretary Travel Schedules to India and Japan Oct. 5

See below re need for talking points. Jen and Adam said they would prep but not sure anyone driving it from your office. Have a great weekend.

From: Das, Himamauli
Sent: Friday, October 05, 2012 07:59 PM
To: Maher, Mike
Subject: Fw: Updated Secretary Travel Schedules to India and Japan Oct. 5

Mike, Pls see below. Following up on Std Chartered and HSBC. Adam volunteered FinCEN and OFAC to draft points on a mtg b/w TFG and OFAC, but not sure if there was follow-up. Could you pls loop then in on request.

Thanks, Him

From: (b) (6)
Sent: Friday, October 05, 2012 07:51 PM
To: Sobel, Mark; (b) (6); Murden, Bill
Cc: (b) (6); Das, Himamauli
Subject: RE: Updated Secretary Travel Schedules to India and Japan Oct. 5

Thx for that update
Ok to let Him coordinate on that. No need for you to circulate it (b) (6)

From: Sobel, Mark
Sent: Friday, October 05, 2012 7:50 PM
To: (b) (6); (b) (6); Murden, Bill
Cc: (b) (6); Das, Himamauli
Subject: RE: Updated Secretary Travel Schedules to India and Japan Oct. 5

Ok

Him Das as I understand it is coordinating TFI/OFAC/GC input. Happy for TFI to clear.

(b) (6) – can you make sure they have it. Thanks.

From: (b) (6)
Sent: Friday, October 05, 2012 7:46 PM
To: (b) (6); Sobel, Mark; (b) (6); Murden, Bill
Cc: (b) (6); (b) (6); Das, Himamauli
Subject: RE: Updated Secretary Travel Schedules to India and Japan Oct. 5

Please have TFI clear as well. Szubin's shop I believe but you or Mark/Bill may know better.

From: (b) (6)
Sent: Friday, October 05, 2012 5:43 PM
To: (b) (6); Sobel, Mark; (b) (6); Murden, Bill
Cc: (b) (6); (b) (6); Das, Himamauli
Subject: RE: Updated Secretary Travel Schedules to India and Japan Oct. 5

I've asked the Banking Office, AGC, the Middle East Office, and Tax Policy for talking points. I told them it was OK to get them to me on Tuesday.

From: (b) (6)
Sent: Friday, October 05, 2012 5:41 PM
To: Sobel, Mark; (b) (6); (b) (6); Murden, Bill; (b) (6)
Cc: (b) (6); Das, Himamauli
Subject: RE: Updated Secretary Travel Schedules to India and Japan Oct. 5

Looping in (b) (6)

From: Sobel, Mark
Sent: Friday, October 05, 2012 5:40 PM
To: (b) (6); Murden, Bill
Cc: (b) (6); Das, Himamauli
Subject: RE: Updated Secretary Travel Schedules to India and Japan Oct. 5

Bill went home sick.

Guess you'll have to deal with me. But I'm adding Him Das for obvious reasons too.

From: (b) (6)
Sent: Friday, October 05, 2012 5:36 PM
To: (b) (6); Murden, Bill; Sobel, Mark
Cc: (b) (6)
Subject: Fw: Updated Secretary Travel Schedules to India and Japan Oct. 5

Need osbourne bilat briefer.

Banking should add points

(b) (6) or i can give you the guidance on banking. She wants you to add things from today's meeting)

From: (b) (6)
Sent: Friday, October 05, 2012 05:09 PM
To: (b) (6)

(b) (6)

Cc: (b) (6)
Subject: RE: Updated Secretary Travel Schedules to India and Japan Oct. 5

Looping in (b) (6)

FYI – new bilat with George Osborne is now on the schedule ahead of Draghi on Thursday.

FYI – de Guindos bilat now confirmed for Friday ahead of Siluonov bilat.

From: (b) (6)

Sent: Friday, October 05, 2012 3:21 PM

To: (b) (6)

(b) (6)

Subject: RE: Updated Secretary Travel Schedules to India and Japan Oct. 5

Please find attached updated schedules for the Secretary's upcoming travel. We will send another version schedule before wheels up. On the India schedule, the Prime Minister's meeting is still not confirmed.

Best,

(b) (6)

INFORMATION MEMORANDUM

TO: Secretary Timothy Geithner

FROM:

Chancellor Osborne addressed a September 10 letter to Chairman Bernanke following the NY Department of Financial Services' ("DFS") issuance of an order threatening to withdraw the state banking license of Standard Chartered Bank ("SCB"). Noting the close collaboration between our two governments on financial issues, especially combating money laundering and financial crime, Osborne raised two primary concerns. (b) (5)

(b) (5)

The team of U.S. regulators and prosecutors jointly pursuing investigations of SCB and HSBC are drawing close to a resolution. In addition to OFAC (SCB, HSBC) and FinCEN (HSBC), the SCB and HSBC investigations involve a range of federal and state prosecutorial and regulatory offices, most notably the Department of Justice (SCB, HSBC), the Manhattan District Attorney's Office ("DANY") (SCB, HSBC), the Federal Reserve Board of Governors (SCB, HSBC), and the Office of the Comptroller of the Currency (HSBC).

Attached below is a summary of the sanctions and anti-money laundering ("AML") violations in SCB and HSBC.

(b) (5)

(b) (5)

As to HSBC, it will almost certainly face a record-breaking fine/forfeiture, mainly due to its egregious violations of AML laws. That said, USG authorities believe that the conduct at issue with respect to AML violations in HSBC was qualitatively worse than those of the largest offenders to date, and warrants a commensurate penalty. For example, against the backdrop of a warning from FinCEN of the risks associated with U.S.-Mexico cross border cash and additional warnings of the drug trafficking and money laundering risks associated with Mexico, HSBC Bank USA, N.A. ("HBUS") gave Mexico its lowest risk rating, did not perform any customer due diligence on the correspondent account it held for its Mexican affiliate (which, itself, had substantial AML breakdowns), performed nearly no transaction monitoring on wire transfers emanating from Mexico, and failed to conduct any transaction monitoring on bulk U.S. dollars returned to HBUS from Mexico through its banknotes product line from mid-2006 to mid-2009.

(b) (5)

With respect to Treasury's coordination with the UK Government, we have coordinated with the UK's Financial Services Authority ("FSA") on all cases involving British banks and continue to do so in the SCB and HSBC matters. Indeed, the FSA has played a role in OFAC's past settlement agreements to date, monitoring the remedial steps that have been agreed to by British banks. Unfortunately, DFS notified USG authorities only hours before its public announcement on SCB, (b) (5)

Attachment: Summary of Cases

HSBC Bank, plc. The case against HSBC and/or its subsidiaries is currently pending with the Office of Foreign Assets Control ("OFAC"), the New York County District Attorney's Office ("DANY"), various sections of the Department of Justice ("DOJ"), the Board of Governors of the Federal Reserve System ("FBG")/Federal Reserve Bank of New York ("FRBNY"), the Financial Crimes Enforcement Network ("FinCEN"), and the Office of the Comptroller of the Currency ("OCC"). The UK's Financial Services Authority ("FSA") has also been involved, and had been asked to assist in any final action to ensure remediation in London. It is difficult to say when the case will come to closure, but it will hopefully be over the course of the next month to month and a half. (b) (5)

(b) (5)

(b) (5) OFAC is reviewing additional information just supplied to it by the bank and is expecting to be able to finalize a proposed settlement figure shortly. (b) (5)

(b) (5)

Sanctions Facts: In March 2010, DANY commenced an investigation into payments processed by the HSBC Group that appeared to violate U.S. sanctions regulations. Shortly thereafter OFAC, DOJ, FRBNY, and the OCC initiated similar investigations. At the direction of the investigating agencies, HSBC conducted a transaction review of its major payment processing gateways in the UK, Hong Kong, and Canada. By April 2012, OFAC's review of the transactions revealed approximately 2,500 transactions, valued at more than \$439 million involving potential violations of the Burmese, Cuban, Iranian, Sudanese, WMD, and the now-repealed Libyan, sanctions programs. HSBC in London and Dubai obscured or removed references to Iran in payment instructions sent through the United States. HSBC's conduct was also the topic of recent hearings and a report published by the U.S. Senate Homeland Security & Government Affairs Permanent Subcommittee on Investigations.

AML Facts: FinCEN, OCC, and DOJ have recently concluded investigations of HSBC Bank USA, N.A. ("HBUS"). FBG/FRBNY has recently concluded a related investigation of the holding company for HBUS, HSBC North America Holdings, Inc. ("HNAH"). The investigations revealed that the AML failures of HSBC Bank USA, N.A. ("HBUS"), were pervasive and systemic and included: inadequate risk ratings for countries, customers, and products; failures to monitor large volumes of high risk transactions and related failures to file suspicious activity reports; clearance of large numbers of alerts without any review; and failure to perform any customer due diligence on foreign affiliates holding U.S. correspondent accounts.

The failures of HBUS were exacerbated by the stove piping of information between the parent (HSBC, plc), its holding companies (including HNAH), and affiliates (including HBUS and HSBC Mexico S.A. Banco). Among other things, the AML failures resulted in \$60 trillion in wire transactions through the United States being excluded from monitoring each year, \$15 billion in bulk U.S. currency entering the United States from abroad being excluded from monitoring over a three year period, and related failures to timely file at least 7000 suspicious activity reports. Moreover, as a result of the DOJ criminal investigation, we know criminals took advantage of the lax AML program at HBUS to launder at least \$881 million in drug trafficking-related funds through the bank.

Non-Responsive

Non-Responsive

PAGES 12, 13 AND 14 - REMOVED - PENDING FURTHER REVIEW.

(b) (6)

From: (b) (6)
Sent: Wednesday, September 12, 2012 3:07 PM
To: Tuchband, Matthew; (b) (6)
Cc: (b) (6); (b) (6); (b) (6); (b) (6); (b) (6)
Subject: RE: HSBC team
Attachments: HSBC; FW: HSBC Group; FW: HSBC Group; FW: password

Thanks, everyone!

Attached are the email from Compliance with an electronic version of the memo and spreadsheets, an email from (b) (6) attaching a letter from HSBC's counsel concerning the non-Iranian transactions, and an email from (b) (6) attaching the spreadsheets OFAC received from the bank as well as the letter representing that the transactions in the spreadsheet did not appear to be licensed or exempt under then-applicable regulations. The fourth email is just a password that is needed to access some of the documents in the in the third email.

All of these documents should all also be in hard copy in the binder. (b) (6) got a bit of a head start (which is only fair since I think Burma has the highest number of transactions), and has already inserted some comments in an electronic version of the memo. If possible, I think we should try to consolidate comments into one redline that we send back to Compliance.

In terms of timing and general atmospherics --

(b) (5)

(b) (5)

I would be happy to meet and discuss this further now if folks think that would be helpful. We might also consider using a small portion of our time on file Friday to discuss the case after folks have had a chance to start reviewing the documents.

Again, thanks to everyone for jumping on this one.

(b) (6)

From: Tuchband, Matthew
Sent: Wednesday, September 12, 2012 2:21 PM
To: (b) (6); (b) (6)
Cc: (b) (6)
Subject: HSBC team

Now that I've had the chance to speak with each of you, I can announce the HSBC team:

(b) (6)
(b) (6)
(b) (6)
(b) (6)

Burma
Sudan and Cuba
Iran
NPWMD and Libya

Thanks in advance for each of you for the work this will entail this week and next week. I hope to send around shortly a guide for determining how many entries you need to review on the spreadsheet in order to adequately spot-check and not have to go through every apparent violation. (b) (6) may follow up with you regarding the atmospherics and other aspects of this matter.

- Matthew

(b) (6)

From: (b) (6)
Sent: Tuesday, September 11, 2012 1:43 PM
To: Meade, Christopher; Weideman, Christian
Cc: (b) (6); Maher, Mike; Tuchband, Matthew; (b) (6)
Subject: HSBC Update

Chris and Chris,

At Matthew's request, I am giving you this update on the multiagency sanctions and money laundering investigation of HSBC. We had a status call this morning with the (b)(5)
(b)(5) The U.S. regulatory agencies, including OFAC, all reported that they are moving as quickly as possible to put together administrative penalty actions. (b)(5)
(b)(5)

(b)(5)

(b)(5)

We will let you know as soon as we hear more, but please let us know if you have any questions or concerns.

Thanks.

(b) (6)
Assistant Chief Counsel for Designations and Enforcement
Office of the Chief Counsel (Foreign Assets Control)
United States Department of the Treasury
tel: (b) (6)
(b) (6)

Tuchband, Matthew

From: Tuchband, Matthew
Sent: Tuesday, September 11, 2012 1:31 PM
To: (b) (6)
Subject: RE: Update on HSBC

Tyler,

This looks great. The only change I would make would be (b) (5) [REDACTED] If you are OK with this change, please make it and then send the email off to the Chrises and cc'ing Mike, (b) (6) [REDACTED], and me. Thanks for putting this together.

- Matthew

From: (b) (6)
Sent: Tuesday, September 11, 2012 11:24 AM
To: Tuchband, Matthew
Subject: Update on HSBC

Here is the draft. Let me know if you see anything that needs to be changed (assume this will go to the Chrises with copies to Mike and (b) (5) [REDACTED]).

Chris and Chris,

At Matthew's request, I am giving you this update on the multiagency sanctions and money laundering investigation of HSBC. We had a status call this morning with the (b) (5) [REDACTED]. The U.S. regulatory agencies, including OFAC, all reported that they are moving as quickly as possible to put together administrative penalty actions. (b) (5) [REDACTED]
(b) (5) [REDACTED]

(b) (5) [REDACTED]

(b) (5) [REDACTED]

We will let you know as soon as we hear more, but please let us know if you have any questions or concerns.

Thanks.

(b) (6) [REDACTED]
Assistant Chief Counsel for Designations and Enforcement

Office of the Chief Counsel (Foreign Assets Control)

United States Department of the Treasury

tel: (b) (6)

(b) (6)

Tuchband, Matthew

From: Tuchband, Matthew
Sent: Tuesday, September 04, 2012 9:37 PM
To: Meade, Christopher; Weideman, Christian
Cc: Maher, Mike; (b) (6); (b) (6); (b) (6)
Subject: HSBC developments

Chris and Chris,

There were developments today in the interagency coordination related to HSBC that I think warrant bringing to your attention. In OFAC's weekly interagency call this morning, which included (b)(5)

(b)(5)

(b)(5)

So far, these developments have remained with the agencies and have not made it to the news media, notwithstanding the continuing coverage of the SCB and other bank matters.

As always, (b) (6) and I are available if you have any follow-up questions on this or any of the other open OFAC enforcement matters involving foreign banks. I will update you at the time of any further significant developments.

- Matthew

Tuchband, Matthew

From: Tuchband, Matthew
Sent: Tuesday, September 04, 2012 3:53 PM
To: (b) (6)
Subject: Draft email to the Chrises

(b) (6),

Can you tell me what you think (and help me fill in the blanks) of the following brief email to the Chrises re: HSBC?

Chris and Chris,

There have been developments in the interagency coordination related to HSBC that I think warrant bringing to your attention. In our weekly interagency call today, which included (b)(5)

(b)(5)

(b)(5)

As always, (b) (6) and I are available if you have any follow-up questions on this or any of the other open OFAC enforcement matters involving foreign banks.

- Matthew

From: Mike.Maher(b) (6)
To: Bradley, Bill; Clark, Cynthia
Cc: (b) (6)
Subject: Fw: HSBC developments
Date: Wednesday, September 05, 2012 5:48:40 AM

Bill: pls give me a call this morning.

Vr Mike

----- Original Message -----

From: Tuchband, Matthew
Sent: Tuesday, September 04, 2012 09:37 PM
To: Meade, Christopher; Weideman, Christian
Cc: Maher, Mike; (b) (6) ; (b) (6) ; (b) (6)
Subject: HSBC developments

Chris and Chris,

There were developments today in the interagency coordination related to HSBC that I think warrant bringing to your attention. In OFAC's weekly interagency call this morning, which included (b) (5)

(b) (5)

(b) (5)

So far, these developments have remained with the agencies and have not made it to the news media, notwithstanding the continuing coverage of the SCB and other bank matters.

As always, (b) (6) and I are available if you have any follow-up questions on this or any of the other open OFAC enforcement matters involving foreign banks. I will update you at the time of any further significant developments.

- Matthew

From: Mike.Maher@ (b) (6)
To: (b) (6); Bradley, Bill; Clark, Cynthia
Subject: FW: HSBC Update
Date: Tuesday, September 11, 2012 3:33:11 PM

Pls see the very thorough update provided by ofac below. Couple things:

Bill: looks like your client was on the call. Your office should participate in these. Let me know if your client objects.

(b) (5)

Bill: Do we know what the violations are that (b) (5) is considering? Are the (b) (5) violations? Could you pls provide some insight into this.

(b) (5)

Pls lay out the legal provisions that drives this.

From: (b) (6)
Sent: Tuesday, September 11, 2012 1:43 PM
To: Meade, Christopher; Weideman, Christian
Cc: (b) (6); Maher, Mike; Tuchband, Matthew; (b) (6)
Subject: HSBC Update

Chris and Chris,

At Matthew's request, I am giving you this update on the multiagency sanctions and money laundering investigation of HSBC. We had a status call this morning with the (b) (5) (b) (5). The U.S. regulatory agencies, including OFAC, all reported that they are moving as quickly as possible to put together administrative penalty actions. (b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

We will let you know as soon as we hear more, but please let us know if you have any questions or concerns.

/o:p>

Thanks,

(b) (6)

Assistant Chief Counsel for Designations and Enforcement

Office of the Chief Counsel (Foreign Assets Control)

United States Department of the Treasury

tel: (b) (6)

(b) (6)

From: Mike.Maher@ (b) (6)
To: Bradley, Bill; Clark, Cynthia; (b) (6)
Cc: Egan, Brian
Subject: FW: New Developments in HSBC
Date: Thursday, November 08, 2012 10:51:44 AM

Fysa

From: (b) (6)
Sent: Thursday, November 08, 2012 10:31 AM
To: Meade, Christopher; Weideman, Christian
Cc: (b) (6); Egan, Brian; Maher, Mike; Tuchband, Matthew
Subject: New Developments in HSBC

Chris and Chris,

(b) (5)

(b) (5)

(b) (5)

(b) (5)

We will keep you updated as this situation develops, but please let us know if you have any questions or concerns.

Thanks,
(b) (6)

(b) (6)
Assistant Chief Counsel for Designations and Enforcement
Office of the Chief Counsel (Foreign Assets Control)
United States Department of the Treasury
tel: (b) (6)
(b) (6)

From: (b) (6)
To: (b) (6); Reynolds, Frederick
Subject: FW: NPR Arizona request for Interview on HSBC

It's OK to say "no" if she's wrapped up on the Hill. A quick answer is best.

-----Original Message-----

From: John.Sullivan (b) (6) [mailto:John.Sullivan (b) (6)]
Sent: Tuesday, December 11, 2012 2:49 PM
To: Natalie.Earnest@ (b) (6); (b) (6); (b) (6)
Subject: Re: NPR Arizona request for Interview on HSBC

I am about to get on a flight back and David is in a meeting.

I think (b) (6) would be great for this. (b)(5)
(b)(5)

----- Original Message -----

From: Earnest, Natalie W.
Sent: Tuesday, December 11, 2012 02:46 PM
To: (b) (6); (b) (6)
Cc: Sullivan, John
Subject: NPR Arizona request for Interview on HSBC

This might be a good one for (b) (6), if you have time for it today. Believe his deadline is 2 pm MT.

----- Original Message -----

From: Michel Marizco [mailto:michelmarizco@ (b) (6)]
Sent: Tuesday, December 11, 2012 01:55 PM
To: Sullivan, John
Subject: Interview

Hi John, Michel Marizco with NPR Arizona.

I'm producing a story on the HSBC settlement. Just have a couple questions about the case, nothing beyond what's been published in your release. I'm at (b) (6) My deadline is today, if you don't mind.

Michel

Michel Marizco
Tucson | Border Reporter
KJZZ 91.5 FM
NPR Arizona

(b) (6) U.S.
Mexico

BorderReporter.com
Twitter <<http://twitter.com/%21/borderreporter>>

From: John Sullivan (b) (6)
To: Cohen, David
Cc: Szubin, Adam; (b) (6); Fowler, Jennifer; Wood, Dennis; (b) (6); Hammerle, Barbara;
(b) (6); Earnest, Natalie W.; (b) (6); (b) (6); Reynolds, Frederick
Subject: NYT Story on HSBC
Date: Monday, December 10, 2012 4:39:00 PM

David,

Jessica Silver-Greenberg at NYT is writing that there were disagreements between the Fed/Treasury and DOJ about the HSBC settlement. With Fed/Treasury pushing for what ultimately happened with the deferred settlement and DOJ pushing for an indictment (or something similar). She heard that there was supposed to be a meeting between TFG and Holder on the issue.

I of course did not comment on anything but I wanted you to be aware.

span style='font-size:11.0pt'>John Sullivan
Spokesperson for Terrorism and Financial Intelligence
The Department of the Treasury
202-622-1343

From: John.Sullivan@ (b) (6)
To: Hammerle, Barbara; Earnest, Natalie W.
Cc: Cohen, David; Szubin, Adam; (b) (6) Wood, Dennis
Subject: Re: NPR
Date: Thursday, December 13, 2012 8:21:15 AM

I will look into it.

----- Original Message -----

From: Hammerle, Barbara
Sent: Thursday, December 13, 2012 06:21 AM
To: Sullivan, John; Earnest, Natalie W.
Cc: Cohen, David; Szubin, Adam; (b) (6); Wood, Dennis
Subject: NPR

NPR story running now where a professor "acting" as Geithner "quoted" him as saying HSBC could not be allowed a criminal prosecution.