

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

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In the Matter of	)	CONSENT ORDER
	)	
AMERIS BANK	)	
MOULTRIE, GEORGIA	)	FDIC-16-0227b
	)	
(Insured State Nonmember Bank)	)	
_____	)	

The Federal Deposit Insurance Corporation (“FDIC”) is the appropriate Federal banking agency for Ameris Bank, Moultrie, Georgia (“Bank”), under section 3(q) of the Federal Deposit Insurance Act (“Act”), 12 U.S.C. § 1813(q).

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a “STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER” (“CONSENT AGREEMENT”), dated December 13, 2016, that is accepted by the FDIC and the Georgia Department of Banking and Finance (“Department”). The Department may issue an order pursuant to section 7-1-91 of the Official Code of Georgia Annotated, GA Code Ann. Section 7-1-91 (1985).

With the CONSENT AGREEMENT, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or regulation related to weaknesses in the Bank’s compliance with the Bank Secrecy Act, 31 U.S.C. §5311 et seq., 12 U.S.C. §1829b and 12 U.S.C. §§1951-1959 (“BSA”); subchapter II of Chapter 53 of Title 31 of the United States Code and its implementing regulations, 31 C.F.R. Chapter X; the FDIC’s BSA compliance regulations, 12 C.F.R. Part 353 (“Part 353”) and 12 C.F.R. § 326.8; and 12 U.S.C. § 1818(s) (collectively referred to as “BSA Rules”), to the issuance of this Consent Order (“ORDER”) by the FDIC and the Department.

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and GA Code Ann. Section 7-1-91 (1985) have been satisfied, the FDIC and the Department hereby order that:

BOARD SUPERVISION

1. (a) As of the effective date of this ORDER, the Board shall increase its participation in the affairs of the Bank, assuming full responsibility for the approval of sound policies and objectives and for the supervision of all of the Bank's activities, consistent with the role and expertise commonly expected for directors of banks of comparable size. This participation shall include meetings to be held no less frequently than monthly at which, at a minimum, the following BSA related areas shall be reviewed and approved: audit reports; internal control reviews including management's responses; high-risk deposit accounts; non-bank financial institutions; domestic Automated Clearing House Transactions ("ACH"); BSA risk rating; BSA staffing; BSA training; BSA independent testing; BSA compliance; and compliance with this ORDER. Board meeting minutes shall document these reviews and approvals, including the names of any dissenting directors.

(b) Within 30 days from the effective date of this ORDER, the Board shall establish a Board committee ("Directors' Committee"), consisting of at least five members, to oversee the Bank's compliance with the ORDER. At least three of the members of the Directors' Committee shall be directors not employed in any capacity by the Bank other than as a director. The Directors' Committee shall formulate and review monthly reports detailing the Bank's actions with respect to compliance with this ORDER. The Directors' Committee shall present a report detailing the Bank's adherence to this ORDER to the Board at each regularly scheduled Board meeting. Such report shall be recorded in the appropriate minutes of the Board's meetings and shall be retained in the Bank's records. Establishment of this committee does not in any way

diminish the responsibility of the entire Board to ensure compliance with the provisions of this ORDER.

BSA COMPLIANCE PROGRAM

2. Within 90 days from the effective date of this ORDER, the Bank shall revise, adopt, and implement a written BSA Compliance Program, including policies and procedures, which fully meets all requirements of 12 C.F.R. § 326.8, addresses the deficiencies and recommendations contained in the Report of Examination dated July 18, 2016 (“Report”), and which is designed to ensure and maintain full compliance with the BSA. The BSA Compliance Program shall be tailored to address the risk profile of the Bank identified in the Bank’s BSA risk assessment required by paragraph 3 of this ORDER. The BSA Compliance Program will also ensure and maintain full compliance with all anti-money laundering (“AML”) laws, regulations, and rules and those relating to the Office of Foreign Asset Control (“OFAC”). The Bank shall submit the BSA Compliance Program to the Regional Director of the FDIC’s Atlanta Regional Office (“Regional Director”) and the Department (collectively, “Supervisory Authorities”) for non-objection or comment. Within 30 days of receipt of the Supervisory Authorities’ non-objection or comments and after incorporation and adoption of all comments, the Board shall approve the BSA Compliance Program, which approval shall be recorded in the minutes of the Board meeting. Within 30 days of such Board approval, the Bank shall implement and fully comply with the BSA Compliance Program in a manner acceptable to the Supervisory Authorities as determined at subsequent examinations or visitations of the Bank.

RISK ASSESSMENT

3. (a) Within 60 days from the effective date of the ORDER, the Board shall review and revise as appropriate its written policies, procedures, and processes for a risk assessment of the

Bank's operations ("Risk Assessment") consistent with the guidance for risk assessments set forth in the Federal Financial Institutions Examination Council's Bank Secrecy Act/Anti-Money Laundering Examination Manual (http://www.ffiec.gov/bsa_aml_infobase/default.htm) ("BSA Manual").

(b) Within 60 days from the effective date of the ORDER, the Bank shall conduct a Risk Assessment and thereafter shall conduct a Risk Assessment no less than annually. The Board shall review and approve the Risk Assessment and forward it to the Supervisory Authorities with the progress report required by this ORDER that is next due following the Board's approval. The Risk Assessment shall weigh all relevant factors, including identification and measurement of the specific risk characteristics of the Bank's products, services, customers, affiliates, noncustomers, and geographic locations, with analysis of the major risk categories including foreign nationals, non-resident aliens, ACH, high-risk deposit accounts, and non-bank financial institutions. The Risk Assessment shall address all pertinent risk factors that affect the overall BSA/AML risk profile of the Bank, including the deficiencies and recommendations contained in the Report, and ensure that risk ratings are accurate and well supported by qualitative and quantitative data.

INTERNAL CONTROLS

4. (a) Based on the results of the Risk Assessment, within 90 days from the effective date of the ORDER, the Bank shall revise its system of internal controls designed to ensure full compliance with the BSA ("BSA Internal Controls") taking into account its size and risk profile and addressing the deficiencies and recommendations contained in the Report.

(b) At a minimum, the BSA Internal Controls shall include policies, procedures, and processes addressing the following areas:

(i) Suspicious Activity Monitoring and Reporting: Taking into account its size and risk profile, the Bank shall develop, adopt, and implement policies, procedures,

processes, and systems, including, if applicable, automated software monitoring systems, for monitoring, detecting, and reporting suspicious activity being conducted in all areas within or through the Bank. To the extent that the Bank uses automated software monitoring, the Bank shall ensure that the program for the automated software addresses the specific risk profile of Bank customers and provides reports of suspicious activities targeted to the specific characteristics of the Bank's customers. The Bank shall develop, adopt, and implement a validation program for any automated software monitoring system. The Bank shall develop, adopt, and implement policies on conducting transactions with noncustomers that include OFAC reviews for noncustomers. The Bank shall monitor all areas of the Bank for suspicious activity, including, but not limited to: cash transactions, international and domestic wire transfers, ACH, foreign nationals, non-resident aliens, high-risk deposit accounts, and non-bank financial institutions accounts. The Bank shall cause the timely, accurate, and complete filing of Suspicious Activity Reports ("SARs"). The Bank shall require the appropriate level of documentation and support for any decision to file or not to file a SAR, as required by law.

(ii) Customer Due Diligence: The Bank shall review and enhance its customer due diligence ("CDD") policies, procedures, and processes for new and existing customers ("CDD Program"):

(A) the CDD Program shall be consistent with guidance for CDD set forth in the BSA Manual;

(B) the CDD Program shall operate in conjunction with the Bank's Customer Identification Program ("CIP"); and

(C) At a minimum, the CDD Program shall include:

(1) a risk rating system to assess the Bank's customer base to ensure that the risk level of each customer is accurately identified based on the potential for money laundering or other illicit activity posed by the customer's activities. Each risk rating

assessment shall take into account the purpose of the account, the anticipated type and volume of account activity, types of products and services offered, and locations and markets served by the customer;

(2) policies and procedures with respect to high-risk accounts and customers, including a formal visitation program for all high-risk customers, periodic update of risk grades based on changes in risk factors, and a process for obtaining higher-level approvals for accounts and transactions where appropriate;

(3) an appropriate level of ongoing monitoring commensurate with the customer's risk level to ensure that the Bank can reasonably detect suspicious activity and accurately determine whether the customer requires enhanced due diligence ("EDD");

(4) a sufficient level of customer information at account opening and appropriate analysis of that information to assist and support the risk rating assigned;

(5) procedures for documenting and supporting the risk analysis conducted under the CDD process, including procedures for validating risk ratings assigned at account opening and resolving issues in the event insufficient or inaccurate information is obtained; and

(6) procedures to reasonably ensure the timely identification and accurate reporting of known or suspected criminal activity, as required by Part 353.

(iii) Enhanced Due Diligence: The Bank shall establish EDD policies, procedures, and processes to conduct EDD necessary for those categories of customers that the Bank has reason to believe pose a heightened risk of suspicious activity ("EDD Program"), including, but not limited to, high-risk accounts:

(A) the EDD program shall be consistent with the guidance for EDD set forth in the BSA Manual;

(B) the EDD Program shall operate in conjunction with the Bank's CIP and CDD policies, procedures and processes; and

(C) At a minimum, the EDD Program shall include:

(1) procedures to determine the frequency of ongoing reviews based on customer risk level;

(2) procedures to determine the appropriate documentation necessary to conduct and support ongoing reviews and analyses in order to reasonably understand the customer's normal and expected transactions; and

(3) procedures to reasonably ensure the timely identification and accurate reporting to law enforcement and the Supervisory Authorities of known or suspected criminal activity against or involving the Bank, as required by Part 353.

(iv) The policies, procedures, and processes that comprise the Bank's BSA Internal Controls shall operate in conjunction with each other and shall be consistent with the guidance for account/transaction monitoring and reporting set forth in the BSA Manual, including dissemination of the high-risk customer list to appropriate departments within the Bank.

(v) Required Reporting: The Bank's BSA Internal Controls shall provide for periodic reports that address the following areas of activity: high-volume wire transfer accounts, activity by risk code, and transactions by country. The reports shall also include tracking data to ensure appropriate CIP information is obtained, site visitations are conducted, and monitoring and SAR reporting systems procedures are being implemented in a timely manner. Such reports shall be provided to the Board prior to each Board meeting.

(c) The BSA Internal Controls shall be submitted to the Supervisory Authorities for comment. Within 30 days of receipt of the Supervisory Authorities' comments and after incorporation and adoption of all comments, the Board shall approve the BSA Internal Controls,

which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the BSA Internal Controls.

BSA TRAINING

5. (a) The Bank shall ensure that all appropriate personnel are aware of, and can comply with, the requirements of the BSA applicable to the individual's specific responsibilities to assure the Bank's compliance with the BSA.

(b) Within 60 days from the effective date of this ORDER, the Bank shall revise, adopt, and implement effective training programs designed for the Board, management, and staff and their specific compliance responsibilities on all relevant aspects of laws, regulations, and Bank policies, procedures and processes relating to the BSA ("Training Program"). The Training Program shall ensure that all appropriate personnel are aware of, and can comply with, the requirements of the BSA on an ongoing basis, including as they relate to high-risk accounts, products, and services. The Training Program shall, at a minimum, include:

- (i) An overview of the BSA for new staff along with specific training designed for their specific duties and responsibilities upon hiring;
- (ii) Training on the Bank's BSA, AML, and OFAC policies, procedures and processes along with new rules and requirements as they arise for appropriate personnel designed to address their specific duties and responsibilities;
- (iii) A requirement that the Bank fully document the training of each employee with respect to the BSA Compliance Program, automated software, BSA, AML, and OFAC policies, procedures, and processes; and
- (iv) A requirement that training be conducted no less frequently than annually.

BSA OFFICER, STAFF, AND RESOURCES

6. (a) Within 30 days from the effective date of this ORDER, the Bank shall retain a third party consultant who will develop a written analysis and assessment of the Bank's BSA

staffing needs (“BSA Staff Report”) for the purpose of ensuring the Bank employs BSA staff with the requisite ability, experience, and other qualifications necessary to ensure BSA compliance. The BSA Staff Report shall be developed within 90 days from the effective date of this ORDER and shall include, at a minimum:

- (i) Identification of both the type and number of officer and staff positions needed to properly implement, manage, supervise the Bank’s BSA Compliance Program;
- (ii) Written evaluation of the BSA Officer, to determine whether this individual possesses the ability, experience and other qualifications required to perform present and anticipated duties, including, but not limited to, adherence to the Bank’s BSA Compliance Program;
- (iii) A plan to recruit and hire any additional or replacement personnel with the requisite ability, experience, and other qualifications to fill those officer or staff member positions consistent with the needs identified in the BSA Staff Report; and
- (iv) An organizational chart.

(b) Within 90 days from receipt of the BSA Staff Report, the Bank shall formulate a written plan (“BSA Staff Plan”) that incorporates the findings of the BSA Staff Report, a plan of action in response to each recommendation contained in the BSA Staff Report, and a time frame for completing each action. The BSA Staff Plan shall include, at a minimum, consideration of the Bank’s size and growth plans, geographical areas served, products and services offered, and changes in the BSA/AML and OFAC practices, procedures, rules, and regulations.

(c) The Board shall review and approve the BSA Staff Plan. Periodically thereafter, but no less often than annually, the Bank shall assess its BSA staffing needs to ensure adequate and appropriate BSA staffing resources are in place at all times. Such BSA Staff Plan and its implementation shall be satisfactory to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

(d) Within 60 days from the effective date of this ORDER, the Board shall designate a qualified individual or individuals (“BSA Officer”), acceptable to the Supervisory Authorities, with delegated authority and adequate and appropriate resources to implement the Bank’s BSA Compliance Program. The BSA Officer’s qualifications shall be commensurate with the complexity of the Bank’s activities and the appointment of the BSA Officer shall conform to the guidance regarding BSA officers set forth in the BSA Manual. The BSA Officer shall report to the Board and shall provide reports as required directly to the Board or to the Directors’ Committee established by the Board pursuant to paragraph 1(b) of this ORDER.

INDEPENDENT TESTING

7. Within 60 days from the effective date of the ORDER, the Bank shall contract for an independent testing program to test the Bank’s compliance with the BSA, AML, and OFAC rules and regulations. The scope of the testing to be performed shall be in writing and reviewed and approved by the Board. Testing results and recommendations for improvement shall be in writing and shall be approved by the Board within 60 days of completion. Testing procedures shall be consistent with the guidance for independent testing set forth in the BSA Manual. Thereafter, the Bank shall have independent testing performed no less than annually.

BSA REPORTS

8. The Bank shall ensure that all required reports including Currency Transaction Reports (“CTRs”), SARs, Reports of International Transportation of Currency or Monetary Instruments, Reports of Foreign Bank and Financial Accounts, and any other similar or related reports required by law or regulation are completed accurately and properly filed within required timeframes.

LOOK BACK REVIEW

9. (a) Within 30 days from the effective date of this ORDER, the Bank shall engage an independent qualified firm, acceptable to the Supervisory Authorities, to conduct a review of all

high-risk accounts and high-risk transaction activity for the time period beginning January 1, 2015 through the effective date of this ORDER to determine whether suspicious activity was properly identified and reported in accordance with the applicable suspicious activity reporting requirements (“Look Back Review”).

(b) Within 60 days from the effective date of this ORDER, the Bank shall submit to the Supervisory Authorities for non-objection a written plan to conduct the Look Back Review (“Look Back Review Plan”) that sets forth:

- (i) The scope of the Look Back Review, including the types of transactions to be reviewed;
- (ii) The methodology for conducting the Look Back Review, including any sampling procedures to be followed;
- (iii) The expertise and resources devoted to the Look Back Review;
- (iv) The anticipated completion date of the Look Back Review; and
- (v) A commitment that any interim reports, draft reports or work papers associated with the Look Back Review will be made available to the Supervisory Authorities upon request.

(c) Within 120 days of receipt of the Supervisory Authorities’ non-objection to the Look Back Review Plan, the Look Back Review shall be completed and submitted to the Board. The Bank shall prepare any CTRs and SARs necessary based on the Look Back Review.

(d) The review firm shall present its findings from the Look Back Review directly to the Board at a Board meeting and the presentation, conclusions, and discussion of the findings shall be reflected in the minutes for the meeting.

(e) Upon completion of the Look Back Review, the Bank shall submit a copy of the Look Back Review and copies of any additional SARs and CTRs filed to the Supervisory Authorities.

VIOLATIONS OF LAW, REGULATION, AND CONTRAVENTION OF POLICY

10. Within 60 days from the effective date of this ORDER, the Bank will eliminate and/or correct all violations of laws, regulations, and/or contraventions of statements of policy in the Report and shall adopt and implement appropriate procedures to ensure future compliance with all such applicable federal and state laws, regulations, and/or statements of policy.

PROGRESS REPORTS

11. Within 30 days from the end of the first quarter following the effective date of this ORDER, and within 30 days from the end of each quarter thereafter, the Bank shall furnish written progress reports to the Supervisory Authorities detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Supervisory Authorities have released the Bank in writing from making further reports. All progress reports and other written responses to this ORDER shall be reviewed by the Board and made a part of the appropriate Board meeting minutes.

DISCLOSURE TO SHAREHOLDERS

12. Following the issuance of this ORDER, the Bank shall send a copy of this ORDER, or otherwise furnish a description of this ORDER, to its parent holding company. The description shall fully describe this ORDER in all material respects.

OTHER ACTIONS

The provisions of this ORDER shall not bar, estop, or otherwise prevent the FDIC or any other federal or state agency or department from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This ORDER shall be effective on the date of issuance.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside by the Supervisory Authorities.

Issued Pursuant to Delegated Authority.

Dated: December 16, 2016

By:

/s/

Michael J. Dean
Regional Director
Division of Risk Management Supervision
Federal Deposit Insurance Corporation

