

FEDERAL DEPOSIT INSURANCE CORPORATION  
WASHINGTON, D.C.  
and  
STATE OF GEORGIA  
DEPARTMENT OF BANKING AND FINANCE  
ATLANTA, GEORGIA

_____	)	
In the Matter of	)	CONSENT ORDER
	)	
FIRST IC BANK	)	
DORAVILLE, GEORGIA	)	FDIC-22-0041b
	)	
(Insured State Nonmember Bank)	)	
_____	)	

The Federal Deposit Insurance Corporation (“FDIC”) is the appropriate Federal banking agency for First IC Bank, Doraville, Georgia (“Bank”), under section 3(q) of the Federal Deposit Insurance Act (“Act”), 12 U.S.C. § 1813(q). The Georgia Department of Banking and Finance (“GDBF”) is the primary regulator over the Bank pursuant to O.C.G.A. § 7-1-60.

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 June 6, 2022, that is accepted by the FDIC and the GDBF.

With the CONSENT AGREEMENT, the Bank has consented, without admitting or denying any 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; 12 U.S.C. § 1818(s); and Records and Reports of Currency

Transactions, O.C.G.A. § 7-1-910 et seq., (collectively referred to as “BSA Rules”), to the issuance of this Consent Order (“ORDER”) by the FDIC and the GDBF.

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and O.C.G.A. § 7-1-91 have been satisfied, the FDIC and the GDBF hereby order that:

### **BOARD SUPERVISION**

1. (a) The Board must immediately enhance its oversight of the Bank’s BSA/AML Compliance Program and assume full responsibility for the approval of sound BSA/AML policies, procedures, and processes reasonably designed to assure and monitor the Bank’s compliance with the BSA Rules, 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 areas shall be reviewed and approved to the extent they relate to BSA Rules compliance: audit reports; internal control reviews including management's responses; higher-risk deposit accounts; non-bank financial institutions; domestic Automated Clearing House Transactions (“ACH”); BSA risk rating; BSA staffing; BSA training; BSA independent testing; and compliance with this ORDER. Board meeting minutes shall document these reviews and approvals, including the names of any dissenting directors.

(b) Within 45 days from the effective date of this ORDER, the Board shall establish a Board committee (“Directors’ Committee”), consisting of at least three members, to oversee the Bank’s compliance with this ORDER. The majority 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.

### **MANAGEMENT**

2. The Board shall have and retain management qualified to oversee all aspects of the Bank's BSA/AML Compliance Program, as defined below. Management shall ensure compliance with the BSA Rules. Each member of management involved in BSA activities and compliance shall have the qualifications and experience commensurate with his or her duties and responsibilities related to BSA/AML compliance.

### **BSA/AML COMPLIANCE PROGRAM**

3. Within 180 days from the effective date of this ORDER, the Bank shall revise, adopt, and implement a written BSA/AML 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 December 3, 2021 ("Report"), and which is designed to ensure and maintain full compliance with the BSA Rules. The BSA/AML Compliance Program shall be tailored to address the risk profile of the Bank identified in the Bank's BSA risk assessment required by paragraph 4 of this ORDER. The BSA/AML Compliance Program will also ensure and maintain full compliance with the BSA Rules. The Bank shall submit the BSA/AML Compliance Program to the Regional Director of the FDIC's Atlanta Regional Office ("Regional Director") and the GDBF's Commissioner (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 agreed upon comments, the Board shall approve the BSA/AML 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/AML

Compliance Program in a manner acceptable to the Supervisory Authorities as determined at subsequent examinations or visitations of the Bank.

### **RISK ASSESSMENT**

4. (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 assessing the money laundering, terrorist financing, and other illicit financial activities risk profile of the Bank (“Risk Assessment”) within business lines and across all activities and legal entities.

(b) Within 90 days from the effective date of this ORDER, the Bank shall conduct a Risk Assessment and thereafter shall conduct a Risk Assessment no less than annually. The Risk Assessment shall address the deficiencies identified in the Report. 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 of the Risk Assessment. 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, and geographic locations, with analysis of the major risk categories including foreign nationals, non-resident aliens, ACH, higher-risk deposit accounts, and non-bank financial institutions. The Risk Assessment shall address all pertinent risk factors that affect the overall money laundering, terrorist financing, and other illicit financial activities 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**

5. (a) Based on the results of the Risk Assessment, within 150 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 Rules (“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 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, higher-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 the BSA Rules.

(ii) Within 60 days from the effective date of this ORDER, the Bank shall retain an independent third party to validate the settings, rules and parameters for any automated software monitoring system which the Bank has developed, adopted, and implemented. Validation by the independent third party shall be completed within 210 days from the effective date of this ORDER. The findings from the validation shall be presented 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.

(iii) 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 the BSA rules for CDD set forth in 31 C.F.R. § 1020.210(a)(2)(v));

(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 higher-risk accounts and customers, including a formal visitation program for all higher-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;

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

(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.

(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 higher-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 non-objection or comment. Within 30 days of receipt of the Supervisory Authorities' non-objection or comments and after incorporation and adoption of any agreed upon 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**

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

(b) Within 120 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 Rules (“Training Program”). The Training Program shall ensure that all appropriate personnel are aware of, and can comply with, the requirements of the BSA Rules on an ongoing basis, including as they relate to higher-risk accounts, products, and services. The Training Program shall, at a minimum, include:

- (i) An overview of the BSA Rules for new staff along with specific training designed for their specific duties and responsibilities upon hiring;
- (ii) Training on the Bank's BSA/AML policies, procedures and processes for appropriate personnel designed to address their specific duties and responsibilities, along with training for such personnel on any newly-issued requirements under the BSA Rules as they may arise;
- (iii) A requirement that the Bank fully document the training of each employee with respect to the BSA/AML Compliance Program, automated software, BSA/ AML policies, procedures, and processes;
- (iv) Training to ensure effective identification, monitoring, and reporting of suspicious activity; and
- (v) A requirement that training be conducted no less frequently than annually.

#### **BSA OFFICER, STAFF, AND RESOURCES**

7. (a) Within 60 days from the effective date of this ORDER, the Bank shall 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 compliance with the BSA Rules. The BSA Staff Report shall include, at a minimum:



- (i) Identification of both the type and number of officer and staff positions needed to properly implement, manage, and supervise the Bank's BSA/AML 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/AML 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 30 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 Bank's BSA/AML policies and procedures or the BSA Rules.
- (c) The Board shall review and approve the BSA Staff Plan. Such BSA Staff Plan and its implementation shall be satisfactory to the Supervisory Authorities as determined at subsequent examinations and/or visitations.
- (d) 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.
- (e) Within 120 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/AML 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. Thereafter, the BSA Officer shall report to the Board and shall provide reports as required directly to the Board or to the Directors' Committee.

### **INDEPENDENT TESTING**

8. Within 120 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 Rules. 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 reviewed 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**

9. 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 reports required by the BSA Rules are completed accurately and properly filed within required timeframes.

### **LOOK BACK REVIEW**

10. (a) Within 60 days from the effective date of this ORDER, the Bank shall identify a qualified individual that is independent of the Bank's BSA department, or an independent qualified firm acceptable to the Supervisory Authorities, to conduct a review of all higher-risk accounts and higher-risk transaction activity for the time period beginning June 30, 2020,

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 90 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 180 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 SARs necessary based on the Look Back Review.

(d) The findings from the Look Back Review shall be presented 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 filed to the Supervisory Authorities.

### **CORRECTIVE ACTION**

11. Within 180 days from the effective date of this ORDER, the Bank will eliminate and/or correct all violations of the BSA Rules cited in the Report.

### **PROGRESS REPORTS**

12. Within 45 days from the end of the first quarter following the effective date of this ORDER, and within 45 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 shall be reviewed by the Board and made a part of the appropriate Board meeting minutes.

### **DISCLOSURE TO SHAREHOLDERS**

13. 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 shareholders in conjunction with the Bank's next shareholder communication. 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 this 17th day of June, 2022

By:

/s/  
Frank R. Hughes  
Acting Regional Director  
Division of Risk Management Supervision  
Federal Deposit Insurance Corporation

The GDBF having duly approved the foregoing ORDER, and the Bank, through its Board, agree that the issuance of said ORDER by the FDIC shall be binding as between the Bank and the GDBF to the same degree and to the same legal effect that such ORDER would be binding on the Bank if the GDBF had issued a separate ORDER that included and incorporated all of the provisions of the foregoing ORDER, pursuant to O.C.G.A. § 7-1-91.

Dated this 25th day of May, 2022.

By:

/s/

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Kevin B. Hagler  
Commissioner  
Department of Banking and Finance  
State of Georgia