

# RISKCHECK

September 2020

## LATEST NEWS ON OPERATIONAL RISK

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# OPERATIONAL RISK NEWS

## **Global banks fined over \$5.5bn for anti-money laundering rule breaches**

*Aug 17<sup>th</sup>, 2020* - Global financial institutions were fined \$5.6 billion for non-compliance with anti-money laundering and related regulations in the first seven months of the year.....

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## **OCC Assesses \$80 Million Civil Money Penalty Against Capital One**

*Aug 06<sup>th</sup>, 2020* - The Office of the Comptroller of the Currency (OCC) today assessed an \$80 million civil money penalty against Capital One, N.A., and Capital One Bank (USA), N.A..... [Read full story](#)

## **Scotiabank to pay \$127M in fines for traders' price fixing of precious metals Social Sharing**

*Aug 19<sup>th</sup>, 2020* - The Bank of Nova Scotia has agreed to pay more than \$127 million US in fines to settle criminal investigations into a price manipulation scheme in the price of precious metals that some of its traders were engaged in..... [Read full story](#)

## **RBI imposed penalty on Four Co-operative Banks**

*Aug 14<sup>th</sup>, 2020* - Four cooperative banks have been charged with a total penalty of Rs 10 lakh by Reserve Bank of India (RBI) for deficiencies in regulatory compliance..... [Read full story](#)

## **Bank of Ireland slapped with €1.66m regulatory fine**

*Aug 04<sup>th</sup>, 2020* - The Central Bank said its €2.37m penalty had been reduced by 30% under its settlement discount scheme.... [Read full story](#)

## **Gaursons chairman's son held for cheating Bank of Baroda, Syndicate Bank of Rs 80 crore: CBI**

*Aug 01<sup>th</sup>, 2020* - Rahul Gaur, the son of real estate group Gaursons' chairman BL Gaur and his wife Navneet, have been booked by the CBI for allegedly cheating the Bank of Baroda .. [Read full story](#)

## **U.S. Treasury clears CBZ of \$385mln penalty**

*Aug 31<sup>th</sup>, 2020* - ZIMBABWE'S largest lender CBZ Holdings Limited says the U.S Treasury Department has cleared it of having to pay a \$385 million penalty for processing transactions.... [Read full story](#)

## **MNB fines unauthorized investor HUF 275 mln**

*Aug 14<sup>th</sup>, 2020* - The National Bank of Hungary (MNB) imposed a fine of HUF 275 million for the unauthorized collection of funds to be repaid by Attila U. and permanently prohibited its continuation..... [Read full story](#)

## **EX-Raymond James Rep Suspended for Unauthorized Trading**

*July 27<sup>th</sup>, 2020* - The Financial Industry Regulatory Authority suspended a former Raymond James broker for 10 days and fined him \$5,000 after he exercised discretion in a client's account without written authorization..... [Read full story](#)

# OPERATIONAL RISK NEWS

## **Coronavirus: Arrest over £110k Bounce Back Loan fraud**

*Aug 14<sup>th</sup>, 2020* - More than £110,000 in crypto-currency believed to have come from fraudulent loans designed to help small businesses during Covid-19 has been seized..... [Read full story](#)

## **Bahrain fines Iranian banks implicated in money laundering**

*Aug 28<sup>th</sup>, 2020* - Bahrain's High Criminal Court sentenced three Future Bank officials to five years in prison each and to \$1 million fines on Thursday, in the latest of a series of money-laundering cases by the Central Bank of Iran and other banks,..... [Read full story](#)

## **Arkansas man pleads guilty to bank fraud, false statements in connection to COVID relief fraud**

*Aug 06<sup>th</sup>, 2020* - An Arkansas project manager has pleaded guilty to bank fraud charges for filing fraudulent bank loan applications seeking more than \$8 million in forgivable Paycheck Protection Program (PPP) loans..... [Read full story](#)

## **CBI takes up investigation into ₹45-cr. fraud at Indian Bank**

*Aug 06<sup>th</sup>, 2020* - Three suspects, including a bank official, have been accused of forging documents and cheating Indian Bank of ₹45 crore. The Central Bureau of Investigation (CBI) has registered a case into the alleged term deposit scam..... [Read full story](#)

## **Odessa Councilman Named in Bank Fraud Lawsuit**

*Aug 10<sup>th</sup>, 2020* - A lawsuit alleging over \$13 million in bank fraud names a local banker and elected city official in a lawsuit that plaintiffs described as a "Ponzi-style" scheme,..... [Read full story](#)

## **Axis Bank, Kotak Mahindra Bank allege Rs 1,204-crore fraud by Cox & Kings: Report**

*Aug 09<sup>th</sup>, 2020* - Allegations of fraud worth Rs 1,204 crore against Cox & Kings, made by Axis Bank and Kotak Mahindra Bank, are under investigation by the Mumbai Police's economic offences wing..... [Read full story](#)

## **Gujarat-based businessman booked in three more bank fraud cases**

*Aug 10<sup>th</sup>, 2020* - The CBI has booked a Gujarat-based businessman, the companies associated with him and others, in three more cases alleging bank loan fraud of about ₹192 crore..... [Read full story](#)

## **CBI books Auro Gold Jewellery, directors in ₹229-crore bank fraud case**

*Aug 04<sup>th</sup>, 2020* - The CBI has booked Auro Gold Jewellery Private Limited, its directors and guarantors in connection with a ₹229-crore bank loan fraud case..... [Read full story](#)

## **Once Again Rs 1,530 Crore Fraud Reported from Banks**

*Aug 20<sup>th</sup>, 2020* - Despite all the stringent rules by the central government and the Reserve Bank of India (RBI), cases of fraud from banks are not decreasing. The Central Bureau of Investigation (CBI) has registered an FIR in the case of a swindle worth Rs 1,530 crore..... [Read full story](#)

# OPERATIONAL RISK NEWS

## **NIRAV MODI FRAUD CASE: PNB receives Rs 24.33 crores as the first tranche of recovery from the US**

*Aug 01<sup>th</sup>, 2020* - Around 84,545 fraud cases - involving about Rs 1.85 trillion - were reported by scheduled commercial banks ..... [Read full story](#)

## **Pakistani fintech CEO accused of \$1.9m fraud, denies allegation**

*Aug 27<sup>th</sup>, 2020* - Aurangzeb Khan said that in mid-2017 Ghazanfar secured an Rs50 million investment from China and an additional Rs150 million investment – worth a total of \$1.9 million at the time... [Read full story](#)

## **KYC fraud: Senior citizen duped of ₹3.18 lakh**

*Aug 04<sup>th</sup>, 2020* - Borivli police have booked an unknown person for duping a 67-year-old senior citizen of ₹3.18 lakh. The accused posed as an executive from a popular eWallet service provider and under the pretext of updating the KYC..... [Read full story](#)

## **FBR catches Rs 1.4 billion money laundering scam in federal capital**

*Aug 28<sup>th</sup>, 2020* - The intelligence wing of the Federal Board of Revenue (FBR) has unearthed money a Rs 1.4 billion money laundering scandal in the federal capital..... [Read full story](#)

## **Bank frauds more than double in FY20 to ₹1.85 trillion: RBI annual report**

*Aug 25<sup>th</sup>, 2020* - Frauds reported by banks of ₹100,000 and above have more than doubled in value to ₹1.85 trillion in FY20, with the number of such cases increasing 28%..... [Read full story](#)

## **Citi's \$900-million 'clerk error' is worst Wall Street bungle in a long time**

*Aug 16<sup>st</sup> 2020* - Even for Citigroup Inc., it was big money. On Wednesday, loan operations staff at the New York bank wired \$900 million, seemingly on behalf of Revlon Inc., to lenders ..... [Read full story](#)

## **RNC Investigating Possible Link Between Stolen SUV and Stolen ATM**

*Aug 18<sup>st</sup> 2020* - The RNC are investigating two early morning thefts in the capital city that may be linked..... [Read full story](#)

## **Dozens arrested in widespread ATM theft scam at Santander bank branches**

*Aug 19<sup>d</sup> 2020* - More than two dozen people who used prepaid debit cards to steal from ATMs at banks around New Jersey have been arrested, according to three law enforcement sources.... [Read full story](#)

## **Wapakoneta Police searching for bank robbery suspect**

*Aug 21<sup>th</sup>, 2020* - Police in Wapakoneta are asking the public for help identifying a suspect wanted for robbing a bank on Friday..... [Read full story](#)

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## RISKCHECK

RiskCheck Operational Risk newsletter is published monthly. It keeps you abreast with the latest news, events and external risk exposures which could potentially impact your organization. Both national as well as international potentially high risk events are covered in this newsletter.

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