

Five Takeaways From FinCEN's First Enforcement Action Against Trust Company

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In [this article](#), Ian Herbert and Leah Moushey discuss FinCEN's first-ever enforcement action against a trust company and potential implications for other trust companies. FinCEN alleged that South Dakota-based Kingdom Trust violated the Bank Secrecy Act (BSA) by failing to report hundreds of suspicious transactions, among other things, resulting in a \$1.5 million civil penalty. "Kingdom Trust's anti-money laundering (AML) compliance shortcomings may seem obvious to an outside observer. But the lessons for other trust companies are clear. Any trust company that has not dedicated sufficient resources for BSA compliance obligations (including SAR requirements) could easily find themselves in FinCEN's crosshairs... [A]s a trust company's business model grows and expands into different business lines and geographies, it is important that AML compliance grows along with it," the authors wrote.