

## Insured Depository Institution Screening Statute

12 USCS § 1829

### § 1829. Penalty for unauthorized participation by convicted individual

#### (a) Prohibition.

**(1) In general.** Except with the prior written consent of the Corporation--

**(A)** any person who has been convicted of any criminal offense involving dishonesty or a breach of trust or money laundering, or has agreed to enter into a pretrial diversion or similar program in connection with a prosecution for such offense, may not--

(i) become, or continue as, an institution-affiliated party with respect to any insured depository institution;

(ii) own or control, directly or indirectly, any insured depository institution; or

(iii) otherwise participate, directly or indirectly, in the conduct of the affairs of any insured depository institution; and

**(B)** any insured depository institution may not permit any person referred to in subparagraph (A) to engage in any conduct or continue any relationship prohibited under such subparagraph.

#### **(2) Minimum 10-year prohibition period for certain offenses.**

**(A) In general.** If the offense referred to in paragraph (1)(A) in connection with any person referred to in such paragraph is--

(i) an offense under--

(I) section 215, 656, 657, 1005, 1006, 1007, 1008, 1014, 1032, 1344, 1517, 1956, or 1957 of title 18, United States Code; or

(II) section 1341 or 1343 of such title which affects any financial institution (as defined in section 20 of such title); or

(ii) the offense of conspiring to commit any such offense,

the Corporation may not consent to any exception to the application of paragraph (1) to such person during the 10-year period beginning on the date the conviction or the agreement of the person becomes final.

#### **(B) Exception by order of sentencing court.**

(i) In general. On motion of the Corporation, the court in which the conviction or the agreement of a person referred to in subparagraph (A) has been entered may grant an exception to the application of paragraph (1) to such person if granting the exception is in the interest of justice.

(ii) Period for filing. A motion may be filed under clause (i) at any time during the 10-year period described in subparagraph (A) with regard to the person on whose behalf such motion is made.

**(b) Penalty.** Whoever knowingly violates subsection (a) shall be fined not more than \$ 1,000,000 for each day such prohibition is violated or imprisoned for not more than 5 years, or both.

(c) [Not enacted]

#### **(d) Bank holding companies.**

(1) In general. Subsections (a) and (b) shall apply to any company (other than a foreign bank) that is a bank holding company and any organization organized and operated under section 25A of the Federal Reserve Act [[12 USCS §§ 611](#) et seq.] or operating under section 25 of the Federal Reserve Act [[12 USCS §§ 601](#) et seq.], as if such bank holding company or organization were an insured depository institution, except that such subsections shall be

applied for purposes of this subsection by substituting "Board of Governors of the Federal Reserve System" for "Corporation" each place that term appears in such subsections.

(2) Authority of Board. The Board of Governors of the Federal Reserve System may provide exemptions, by regulation or order, from the application of paragraph (1) if the exemption is consistent with the purposes of this subsection.

**(e) Savings and loan holding companies.**

(1) In general. Subsections (a) and (b) shall apply to any savings and loan holding company as if such savings and loan holding company were an insured depository institution, except that such subsections shall be applied for purposes of this subsection by substituting "Director of the Office of Thrift Supervision" for "Corporation" each place that term appears in such subsections.

(2) Authority of Director. The Director of the Office of Thrift Supervision may provide exemptions, by regulation or order, from the application of paragraph (1) if the exemption is consistent with the purposes of this subsection.