



ANNUAL COMPLIANCE REVIEW

2024

The accountability year: TD Bank, BOI live, and the perimeter expands

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A Note from the Founder

If 2023 was the year the regulator demonstrated willingness, 2024 was the year the regulator demonstrated reach. TD Bank pleaded guilty in October to BSA violations and conspiracy to commit money laundering, paying over 3 billion dollars across DOJ, FinCEN, OCC, and the Federal Reserve. It was the largest BSA resolution in US history and the first time a top-ten US bank had been convicted of a BSA-program crime. The OCC imposed an asset cap. The monitor will sit inside the institution for at least three years.

The same year, FinCEN's Beneficial Ownership Information reporting went live on January 1. The agency issued final rules extending BSA program obligations to registered investment advisers and to certain residential real estate transfers. The perimeter of who is a covered financial institution under the BSA was the widest it had ever been. For sectors that had not previously had to build a BSA program (investment advisers, settlement agents, title insurance providers) 2024 was the year the build began.

For the CCO reading this, the story of 2024 is that the regulator was no longer just signaling: it was acting at scale. Programs that had been told to remediate in 2018, 2019, 2020, were now paying multi-billion dollar consequences. And new sectors were absorbing program-building work that banking had taken decades to accumulate. The bench-strength challenge across the industry, already acute, became defining. Experienced BSA officers, model-validation specialists, and sanctions-tooling architects were the most-recruited compliance roles of the year.

Trends and Year-over-Year Comparison

Compared to 2023, the shift was from outsized single-target cases to systemic regulatory expansion. Binance in 2023 was about one company. TD in 2024 was about the BSA framework's willingness to take down a top-ten US bank, while at the same time pulling RIAs and real estate professionals into program obligations. Total enforcement was approximately 3.55 billion dollars in 2024 per the Paul Weiss year-end summary, of which TD alone accounted for the bulk.

The trend moving into 2025 was clear: enforcement would normalize at a lower headline total because TD-scale cases are rare, but coverage would expand because the perimeter rules issued in 2024 would phase in through 2025 and 2026. Compliance leaders had to plan for two simultaneous realities: tighter bank enforcement, and brand-new program builds in adjacent sectors. The talent pipeline became the dominant operating concern.

A second trend: individual accountability matured into a discipline. TD's plea named patterns of individual conduct. Mid-level employees were indicted. The DOJ's monitoring posture began to look more like the FCPA monitor model from a decade earlier, with named individual oversight and formal reporting protocols. BSA officer tenure and indemnification terms became board-level discussion topics in a way they had not been five years earlier.

The Five Most Important Items of 2024

This is the short list. If a Chief Compliance Officer reads nothing else in this review, these are the five developments that mattered most in 2024, why they mattered, and what they meant for a working AML program.

1. TD Bank pleads guilty to BSA violations in a 3.09 billion dollar resolution

On October 10, 2024, TD Bank N.A. and its parent pleaded guilty to conspiracy to commit money laundering and BSA program violations. The settlement totaled approximately 3.09 billion across DOJ (1.43 billion criminal penalty and 452 million forfeiture), FinCEN (1.3 billion), OCC (450 million), and the Federal Reserve (123.5 million). Between 2018 and 2024, approximately 18.3 trillion dollars of customer activity (about 92 percent of transactions) went unmonitored. The OCC imposed an asset cap on the institution. An independent compliance monitor was installed for at least three years.

The conduct findings were extreme. Three separate money-laundering networks had moved hundreds of millions of dollars of narcotics proceeds through TD branches. Branch employees in some cases facilitated the activity directly. Internal reviews that should have escalated the patterns did not. Cost-of-compliance decisions had been made that prioritized headcount reductions over transaction-monitoring quality. For every other large US bank, the case became the basis for an immediate self-review against the same patterns: branch-level activity, head-office monitoring quality, compensation pressure on compliance investment, and the integrity of internal escalation.

2. Beneficial Ownership Information reporting goes live

On January 1, 2024, FinCEN's BOI reporting system went live. Reporting companies in existence before that date had one year to file. New entities had 30 days. Over the course of the year, court challenges (Northern District of Alabama in March, Texas Top Cop Shop in December) led to a series of injunctions and stays, complicating a system that was supposed to be a baseline national registry.

The implementation became a case study in how good rulemaking can be derailed by litigation timing. FinCEN's outreach was thorough. The reporting interface worked. Small-entity compliance guides were widely available. But the constitutional challenges created compliance ambiguity for reporting companies, particularly small businesses, and the rule's status moved in and out of effect multiple times. For banking compliance teams the operational impact was bounded (the 2016 CDD rule still requires BOI collection at account opening regardless of CTA status), but the planned integration with FinCEN's database had to be postponed.

3. FinCEN issues the Investment Adviser AML rule

On August 28, 2024, FinCEN finalized rules extending BSA obligations to certain SEC-registered investment advisers and exempt reporting advisers. The original effective date of January 1, 2026 was later postponed to 2028, but the substantive obligations (program, SAR filing, recordkeeping, independent testing) had been defined and adviser firms began building.

For the investment adviser industry, the rule was historic. Advisers had been outside the BSA perimeter since the rule was first proposed in 2003 and shelved. Twenty years later, the gap closed. The build challenge is

significant: most advisers do not have BSA officers, do not have transaction-monitoring infrastructure, and have not historically maintained the customer-due-diligence file structure the BSA requires. Vendor markets for adviser-AML software, outsourced BSA officer services, and adviser-specific training expanded rapidly through Q4 2024.

4. FinCEN issues the Residential Real Estate Reporting rule

Also on August 28, 2024, FinCEN finalized the residential real estate rule requiring covered industry professionals (settlement agents, title insurance providers, and others in a defined cascade) to report non-financed transfers of residential property to legal entities or trusts. The rule's effective date was set for December 1, 2025.

The cascade structure was novel. The rule named a primary reporting party (typically the settlement agent) and a sequence of backup parties to ensure reporting responsibility could not fall through the cracks. The rule covered residential property (not commercial) and only non-financed transfers (cash purchases). For title insurance providers and settlement agencies, the year became one of vendor selection, template re-design, and staff training.

5. Sanctions tempo continues at war-footing pace

OFAC issued thousands of additional designations across Russia, Iran, North Korea, the secondary maritime services chain enforcing the oil price cap, and the China-Russia component supply chain. Russia secondary sanctions risk was formalized through the December 2023 executive order, with EO 14114 and follow-on guidance shaping how foreign banks handled correspondent risk on Russia-adjacent transactions through 2024.

The G7 oil price cap regime entered its second full year of operation, and the attestation framework had matured. Maritime services compliance (insurance, brokerage, flagging) became a sub-discipline with its own vendor market and its own examiner attention. The Office of Financial Sanctions Implementation in the UK published several enforcement actions during the year, and the EU's Russia sanctions package reached its 14th iteration.

Other Material Developments

Beyond the top five, 2024 produced a set of regulatory, enforcement, and supervisory developments that did not dominate the headlines but materially affected how compliance programs are designed and tested. The items below are the ones that came up most in the program reviews and customer conversations we ran throughout the year.

Bank of America receives an OCC cease-and-desist

In December 2024, the OCC issued a cease-and-desist order against Bank of America over BSA, AML, and sanctions program deficiencies. The order did not include a civil money penalty, but it required a comprehensive program overhaul. Examination findings included SAR filing timeliness, customer due diligence quality, and internal controls weaknesses. Bank of America initiated a multi-year remediation program that will dominate its compliance organization's agenda through 2026.

Wells Fargo enters a formal agreement with the OCC

Wells Fargo, N.A. entered into a formal agreement with the OCC in 2024 over BSA program issues. No civil money penalty was assessed, but the agreement imposed restrictions on new products and services until remediation milestones were met. The regulator's tool of choice for institutions with the resources to remediate is increasingly the structural order, not the monetary penalty.

FinCEN runs a fentanyl-precursor sanctions campaign

FinCEN, Treasury, and OFAC coordinated on a campaign in 2024 targeting fentanyl precursor chemical flows from China and Mexico, including designations of money laundering organizations supporting the cartels and advisories instructing financial institutions on red flags. The campaign extended into Q4 with multiple SDN designations covering chemical-supply networks and money-mover groups operating across the US-Mexico border.

SEC and FINRA examination focus on AML at small broker-dealers

Multiple 2024 examination priority letters named AML as a focus area for small and mid-sized broker-dealers, particularly around penny-stock and microcap activity. FINRA disciplinary actions during the year named several CCOs and BSA officers personally, extending the individual-accountability pattern from banking into broker-dealer compliance.

European Union finalizes the AML package

In May 2024, the EU formally adopted its AML package, including the AML Regulation (AMLR), the AML Directive (AMLD6), and the regulation establishing the new EU AML Authority (AMLA). The new framework will phase in from 2027 onward and will significantly reshape compliance obligations for EU-active institutions. AMLA will directly supervise approximately 40 of the riskiest cross-border EU financial institutions, with its headquarters in Frankfurt.

FATF assessment cycle continues

FATF removed the UAE from gray list at the February 2024 plenary. The Philippines remained gray-listed. The compliance impact at correspondent banks was continued enhanced due diligence on counterparties domiciled in gray-listed jurisdictions, with UAE corridors gradually relaxed during the second half of the year.

Crypto regulation gap narrows

DOJ continued bringing cases against crypto exchanges. KuCoin pleaded guilty in January 2025 for 2018-2024 activity, but the underlying conduct happened largely through 2024. The SEC continued treating most token activity as securities regulation. Enforcement coverage of decentralized protocols remained the open question, and the year ended with multiple cases still in active litigation.

FinCEN cleans up CDD rule update

FinCEN published an interim final rule in early 2024 updating the 2016 CDD rule to align with the BOI access framework. The rule confirmed that financial institutions could continue collecting BOI directly from customers at onboarding while the BOI database was being populated, and clarified the eventual interplay between FinCEN-sourced and institution-collected BOI data.

OCC publishes BSA program guidance updates

The OCC issued updated BSA examination procedures during 2024, emphasizing program governance, BSA officer authority, and the role of internal audit. The updates were a continuation of the multi-year supervisory focus on governance, with explicit examiner expectations about BSA officer reporting lines, board-level metrics, and the integration of BSA findings into enterprise risk reporting.

Notable Fines and Enforcement Actions

The table below lists the headline AML, BSA, and sanctions enforcement actions of 2024, along with the regulator and the penalty amount. Where the action involved multiple regulators in a coordinated resolution, the combined amount is shown and the agencies are listed in the regulator column. This is not exhaustive: it is the set of cases that drove the most attention from compliance teams and boards during the year.

Company	Regulator	Amount	Notes
TD Bank N.A. and TD Bank US Holding Company	DOJ / FinCEN / OCC / Federal Reserve	3.09 billion USD	Largest BSA resolution in US history, October 2024
Bank of America	OCC	Cease-and-desist (no CMP)	Comprehensive BSA program overhaul required
Wells Fargo, N.A.	OCC	Formal agreement (no CMP)	Restrictions on new products and services
Starling Bank	UK FCA	29 million GBP	Sanctions screening control failures
Metropolitan Commercial Bank	Federal Reserve / NYDFS	30 million USD (NYDFS portion)	BSA failures connected to the MovoCash prepaid program
OKX (announced 2025, conduct 2024)	DOJ	504 million USD	Unlicensed money transmission and AML failures
KuCoin (announced 2025, conduct 2024)	DOJ	297 million USD	BSA violations 2018-2024
Toronto Dominion individuals	DOJ	Indictments of mid-level employees	Personal accountability cases tied to TD scheme
Star Entertainment Group	AUSTRAC	100 million AUD	Casino AML/CTF failures, May 2024
Block Inc. precursor	OCC review	Examination findings	Set up the multi-state 80 million USD 2025 action

Closing Note

If you take one thing from 2024 it is this: a top-ten US bank pleaded guilty to a BSA program crime. That had never happened before. The asset cap is not a paper consequence. It is a binding limit on the bank's ability to grow. The monitor is not a press release. It is three years of an outside lawyer inside the institution.

2025 would be a different kind of year. The regulator's attention would shift, the BOI rule would be partially rolled back, and the crypto enforcement posture would change. But the precedent set in 2024 (that BSA program failure can be a federal crime at any scale) is permanent. Compliance investment decisions made in 2024 will continue to differentiate institutions for the next decade.

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