

- Our collaboration with OCIF (since around December 2021) will aid OCIF in projecting their oversight responsibilities to other Puerto Rican IFE's almost certainly increasing voluntary compliance with PR laws and standards. The action by OCIF, and public collaboration with the IRS, will have a positive impact overall in Puerto Rico by displaying their commitment to provide strong oversight, increasing confidence in the Puerto Rico financial industry. The Puerto Rico Governor, Secretary of State and Secretary of Treasury also agree and have expressed a desire to potentially participate in any event we hold.
- When the CRS countries and/or OECD want to list Puerto Rico as a high risk/tax haven jurisdiction in the future, the U.S. Department of Treasury will be able to recall this action as proof that there is a strong regulator there and that inappropriate conduct will not persist in Puerto Rico.

Actions Taken By OCIF:

- OCIF conducted an examination of EPB based on their normal examination procedures and annual renewal process coupled with the negative media attention the bank was receiving from various articles and the Australian 60 minutes piece stemming from the J5 investigation. The findings of the exam included:
 1. Failure of the bank to take corrective actions required by OCIF (I.E. Consent Order).
 2. Failure of the bank to provide financial statements as required.
 - a. 2019 financial statements were retroactively de-qualified by the auditor (Deloitte)
 - b. 2020 and 2021 financial statements have not been provided as the bank is unable to engage with an auditing firm
 3. Main principle of the bank did not provide requested documents and misrepresented facts in meetings with OCIF.
 4. Capitalization account was negative – OCIF required a capitalization plan to which the bank did not provide and/or was not accepted by OCIF.
 5. Determined ownership did not have knowledge or experience to operate the financial institution – Change of Ownership plans provided by the bank were not sufficient
 6. False representations to OCIF

Important Points

- Of concern to OCIF, was how many employees would lose their job if EPB was debanked? This was a priority point for OCIF and it was determined that there were very few employees in Puerto Rico; potentially only one full time employee. Other employees with the bank are located elsewhere to include St. Vincent and Grenadine—but again, the number is thought to be very small.
- OCIF, as the financial institution regulator, decided on their own and in consultation with their governor, Secretary of Treasury, and Secretary of State, to de-bank the financial institution. **They believe the risk posed by allowing continued operation outweighs the impact of potential loss of employment.**

Ongoing J5 Actions:

- Even with OCIF taking action on EPB, there remains cases underway in the other J5 countries related to this original investigation
 1. Estimated numbers:
 - a. Australia: 1 criminal, 2 or more civil
 - b. Canada: No criminal, single digit civil

- c. Netherlands: 1 criminal, no discussion of civil
- d. United Kingdom: 17 criminal, several civil but still being determined
- e. U.S.: 1 criminal, No civil (bank advertised they did not take USPERs so numbers were limited)

Ongoing CI Actions:

- There are currently ongoing investigations numbered by CI related to the bank:
 - 1. The bank itself (WDCFO)
 - 2. One USPER who provided false passport to open an account at the bank (Grand Jury out of Southern Carolina) (WDCFO)