

Board of Governors of the Federal Reserve System

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Press Release



Release Date: September 19, 2013

For immediate release

The Federal Reserve Board on Thursday announced that JPMorgan Chase & Co., New York, New York (JPMC), a registered bank holding company, will pay a \$200 million penalty for deficiencies in the bank holding company's oversight, management, and controls governing its Chief Investment Office (CIO).

The consent Order of Assessment of a Civil Money Penalty against JPMC cites the failure by JPMC to appropriately inform its board of directors and the Federal Reserve of deficiencies in risk-management systems identified by management. On January 14, 2013, the Board issued a consent Cease and Desist Order requiring JPMC to take prompt action to correct these deficiencies, which represented unsafe or unsound practices at JPMC. The Board's Cease and Desist Order followed the disclosure of significant losses in a large synthetic credit portfolio that was managed by the CIO.

The Board's action on Thursday was taken in coordination with the Office of the Comptroller of the Currency, the Securities and Exchange Commission, and the Financial Conduct Authority of the United Kingdom. The penalties issued by the agencies total approximately \$920 million.

For media inquiries, call 202-452-2955.

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