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Release Number 8880-24

CFTC Orders U.S. Bank to Pay \$6 Million and Oppenheimer to Pay \$1 Million for Recordkeeping and Supervision Failures for Firm-Wide Use of Unapproved Communication Methods

March 19, 2024

Washington, D.C. — The Commodity Futures Trading Commission today issued two orders simultaneously filing and settling charges against **U.S. Bank, N.A.**, a swap dealer, and against **Oppenheimer & Co., Inc.**, an introducing broker, for failing to maintain and preserve records that were required to be kept under CFTC recordkeeping requirements and failing to diligently supervise matters related to their businesses as CFTC registrants.

The settling registrants admit the facts detailed in the orders, are ordered to cease and desist from further violations of recordkeeping and supervision requirements, and are ordered to comply with specified remedial undertakings.

The orders require U.S. Bank to pay a \$6 million civil monetary penalty and Oppenheimer to pay a \$1 million civil monetary penalty.

Background

The orders find from at least 2019 to the present, both U.S. Bank and Oppenheimer failed to stop employees, including those at senior levels, from communicating using unapproved communication methods, including messages sent via personal text. The firms were required to keep certain of these written communications because they related to the firm’s CFTC-registered businesses. These written communications generally were not maintained and preserved by either firm, and neither firm generally would have been able to provide them promptly to the CFTC if and when requested.

Each order further finds the firm-wide use of unapproved communication methods violated each firm’s internal policies and procedures, which generally prohibited business-related communication via unapproved methods. Further, some of the supervisory personnel responsible for ensuring compliance with the firm’s policies and procedures also used unapproved communication methods to engage in business-related communications, in violation of firm policy.

Since December 2021, the CFTC has imposed \$1.124 billion in civil monetary penalties on 22 financial institutions for their use of unapproved communication methods, in violation of CFTC recordkeeping and supervision requirements. [See CFTC Press Release Nos. [8470-21](#); [8599-22](#); [8699-23](#); [8701-23](#); [8762-23](#); [8763-23](#); [8794-23](#)]

Related Civil Actions

The U.S. Securities and Exchange Commission (SEC) recently announced entry of orders filing and settling charges against an SEC-registered U.S. Bank affiliate and Oppenheimer and imposing civil monetary penalties for recordkeeping and supervision violations related to the use of unapproved communication methods.

The Division of Enforcement staff responsible for these actions are Devin Cain; Alejandra de Urioste; R. Stephen Painter, Jr.; Lenel Hickson, Jr.; and Manal M. Sultan.

-CFTC-

RELATED LINKS
Order: Oppenheimer & Co. Inc.
Order: U.S. Bank N.A.

Resources

- CFTC Regulations
- Commodity Exchange Act
- Privacy Policy
- Web Policy
- FOIA
- EEO Statement
- No Fear Act
- Accessibility Statement
- Procurement
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