

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the Matter of

BHUSHAN BHANGALE,

a former institution-affiliated party of

BNP PARIBAS USA, INC.
New York, New York,

Its Non-Bank Subsidiary
BNP PARIBAS RCC INC.
Jersey City, New Jersey, and

BNP PARIBAS
NEW YORK BRANCH
New York, New York.

Docket No. 21-022-E-I
Docket No. 21-022-CMP-I

Order of Prohibition and Order for
Assessment of Civil Money Penalty
Issued Upon Consent Pursuant to
Sections 8(e) and 8(i) of the Federal
Deposit Insurance Act, as Amended

WHEREAS, pursuant to sections 8(e) and 8(i) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. §§ 1818(e) and 1818(i), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issues this Order of Prohibition and Assessment of Civil Money Penalty (“Order”) upon the consent of Bhushan Bhangale (“Bhangale”), a former institution-affiliated party, pursuant to sections 3(u) and 8(b)(4) of the FDI Act, 12 U.S.C. § 1813(u) and 1818(b)(4), of BNP Paribas USA, Inc. (“BNPP USA”), an intermediate bank holding company subject to the supervision of the Board of Governors, BNPP USA’s non-bank subsidiary, BNP Paribas RCC Inc., and the New York branch of BNP Paribas S.A., a foreign bank as defined by section 1(b)(7) of the International Banking Act, 12 U.S.C. § 3101(7) and subject to the supervision of the Board of Governors under 12 U.S.C. § 1813(q), that conducts operations in the United States through various branches, offices and subsidiaries

including through the New York branch of BNP Paribas S.A. and BNPP USA (collectively, the “Bank”);

WHEREAS, from at least 2013 through 2018 (the “Relevant Period”), while employed as a data management and data quality professional at the Bank, Bhangale entered into an arrangement with a third-party individual (the “Individual A”) whereby Bhangale obtained contingent workers from certain third-party information technology sourcing companies associated with the Individual A (the “IT Companies”) for work on various projects at the Bank;

WHEREAS, during the Relevant Period, in exchange for Bhangale hiring contingent workers from the IT Companies, Individual A paid Bhangale a percentage of the fees received by the IT Companies from the Bank for the contingent workers’ services;

WHEREAS, during the Relevant Period, Bhangale received at least \$100,000 to which he was not entitled as a Bank employee;

WHEREAS, Bhangale presently is not employed at any insured depository institution, including any institution or agency specified in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A);

WHEREAS, Bhangale’s conduct was contrary to the Bank’s written policies;

WHEREAS, Bhangale’s conduct posed financial, legal, and reputational risks to the Bank;

WHEREAS, Bhangale’s conduct constituted violations of law or regulation, unsafe or unsound practices, and breaches of fiduciary duty;

WHEREAS, by affixing his signature hereunder, without admitting or denying any allegation made or implied by the Board of Governors in connection herewith, Bhangale has consented to the issuance of this Order by the Board of Governors and has agreed to comply with

each and every provision of this Order, and has waived any and all rights he might have pursuant to 12 U.S.C. § 1818, 12 CFR Part 263, or otherwise: (a) to the issuance of a notice of intent to prohibit on any matter implied or set forth in this Order; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any manner the basis, issuance, terms, validity, effectiveness, or enforceability of this Order or any provision hereof.

NOW THEREFORE, prior to final adjudication of or finding on any issue of fact or law implied or set forth herein, and solely for the purpose of settlement of this proceeding without protracted or extended hearings or testimony:

IT IS HEREBY ORDERED, pursuant to section 8(e) of the FDI Act, 12 U.S.C. § 1818(e), that:

1. Bhangale, without the prior written approval of the Board of Governors and, where necessary pursuant to section 8(e)(7)(B) of the FDI Act, 12 U.S.C. § 1818(e)(7)(B), another Federal financial institutions regulatory agency, is hereby and henceforth prohibited from:

(a) participating in any manner in the conduct of the affairs of any institution or agency specified in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), including, but not limited to, any insured depository institution or any holding company of an insured depository institution, or any subsidiary of such holding company, or any foreign bank or company to which subsection (a) of 12 U.S.C. § 3106 applies and any subsidiary of such foreign bank or company;

(b) soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A);

(c) violating any voting agreement previously approved by any Federal banking agency; or

(d) voting for a director, or serving or acting as an institution-affiliated party, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), such as an officer, director or employee, in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A).

2. The Board of Governors hereby imposes a civil money penalty on Bhargale in the amount of \$100,000 which shall be paid within thirty (30) days of the execution of this Order by Fedwire transfer of immediately available funds to the Federal Reserve Bank of Richmond, ABA No. ABA No. 051000033, beneficiary, Board of Governors of the Federal Reserve System. The Federal Reserve Bank of Richmond, on behalf of the Board of Governors, shall distribute this sum to the U.S. Department of Treasury, pursuant to section 8(i) of the FDI Act (12 U.S.C. § 1818(i)).

3. All communications regarding this Order shall be addressed to:

(a) Richard M. Ashton, Esq.
Deputy General Counsel
David Williams, Esq.
Associate General Counsel
Board of Governors of
the Federal Reserve System
20th & C Streets, N.W.
Washington, DC 20551

(b) Bhushan Bhangale

With a copy to:

Thomas W. Hartmann, Esq.
The Hartmann Law Firm LLC
56 Ellisen Rd
Watchung, NJ 07069
(908) 769-6888

4. Any violation of this Order shall separately subject Bhangale to appropriate civil or criminal penalties, or both, under sections 8(i) and (j) of the FDI Act, 12 U.S.C §§ 1818(i) and (j).

5. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any other Federal or state agency or department, from taking any other action affecting Bhangale; provided, however, that the Board of Governors shall not take any further action against Bhangale relating to the matters addressed by this Order based upon facts presently known by the Board of Governors. This release and discharge shall not preclude or otherwise affect (i) any right of the Board of Governors to determine and ensure compliance with this Order, or (ii) any proceedings brought by the Board of Governors to enforce the terms of this Order.

6. Each provision of this Order shall remain fully effective and enforceable until expressly stayed, modified, terminated, or suspended in writing by the Board of Governors.

