

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

In the Matter of

AMERICAN EXPRESS COMPANY
New York, New York

and

AMERICAN EXPRESS TRAVEL
RELATED SERVICES COMPANY, INC.
New York, New York

Docket No. 26-052-B-HC

Order to Cease and Desist Issued
Upon Consent Pursuant to the Federal
Deposit Insurance Act, as Amended

WHEREAS, American Express Company, New York, New York (“Amex”), a registered bank holding company, owns and controls American Express Travel Related Services Company, Inc., New York, New York (“TRS”), a registered bank holding company, and American Express National Bank, New York, New York (the “Bank,” and collectively with Amex and TRS, the “Firm”);

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”) is the appropriate federal supervisor of Amex and TRS;

WHEREAS, consistent with section 252.33(a)(2) of Regulation YY of the Board of Governors (12 C.F.R. § 252.33(a)(2)), Amex is required to maintain an enterprise-wide risk management program designed to identify and manage risks across the consolidated organization;

WHEREAS, Amex has adopted an enterprise-wide risk management program designed to identify and manage compliance with all applicable anti-money laundering (“AML”) laws, rules, and regulations, including the Bank Secrecy Act (“BSA”) (31 U.S.C. § 5311 *et seq.*); the

rules and regulations issued thereunder by the U.S. Department of the Treasury (31 C.F.R. chapter X); and the AML regulations issued by the appropriate federal supervisors of the Firm and its bank and nonbank subsidiaries, including but not limited to section 225.4(f) of Regulation Y of the Board of Governors (12 C.F.R. § 225.4(f)) (collectively, the “BSA/AML Requirements”); and the regulations issued by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) (31 C.F.R. chapter V) (the “OFAC Regulations”);

WHEREAS, Amex has a number of legal entities, including TRS and its subsidiary national Bank, that must comply with the BSA/AML Requirements and the OFAC Regulations;

WHEREAS, the Board of Governors has conducted an investigation into the Firm’s failure to timely and sufficiently to detect, investigate, and report certain suspicious activity;

WHEREAS, recent supervisory assessments of Amex conducted by the Federal Reserve Bank of New York (“Reserve Bank”) identified significant deficiencies in Amex’s enterprise-wide financial crimes risk management program, including weaknesses in transaction monitoring, fraud referral processes, third-party risk assessment, and financial crimes risk management;

WHEREAS, the Office of the Comptroller of the Currency (the “OCC”), the appropriate federal supervisor of the Bank, has issued a consent cease-and-desist order and civil money penalty against the Bank for failing to comply with the relevant BSA/AML Requirements (the “OCC Order”);

WHEREAS, it is the common goal of the Board of Governors, the Reserve Bank, Amex, and TRS that the Firm operate in a safe and sound manner and in compliance with all applicable federal and state laws, rules, and regulations;

WHEREAS, Amex and TRS have fully cooperated with the Board of Governors and the Reserve Bank, and have undertaken remedial actions to address the foregoing deficiencies;

WHEREAS, the Board of Governors, Amex, and TRS have mutually agreed to enter into this consent Cease and Desist Order (the “Order”) pursuant to sections 8(b)(1) and (b)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. § 1818(b)(1), (b)(3)); and

WHEREAS, the board of directors of Amex (the “Amex Board”), at a duly constituted meeting, adopted resolutions authorizing and directing the undersigned to enter into this Order on behalf of Amex and TRS, and consenting to compliance with each and every provision of this Order by Amex and TRS, and waiving any and all rights that Amex and TRS may have pursuant to section 8 of the FDI Act, including but not limited to: (a) the issuance of a notice of charges on any and all matters set forth in this Order; (b) a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) judicial review of this Order or any provision hereof; and (d) challenge or contest in any manner the basis, issuance, terms, validity, effectiveness, or enforceability of this Order or any provision thereof.

NOW, THEREFORE, it is hereby ordered that, before the filing of any notices, or taking any testimony or adjudication of or finding on any issues of fact or law herein, and without Amex or TRS admitting or denying any allegation made or implied by the Board of Governors in connection herewith, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended hearings or testimony pursuant to sections 8(b)(1) and (b)(3) of the FDI Act (12 U.S.C. § 1818(b)(1), (b)(3)), Amex and TRS shall cease and desist, and take affirmative actions as follows:

Board Oversight

1. Within 90 days of the effective date of this Order, the Amex Board shall submit a written plan to the Reserve Bank to execute the Amex Board’s oversight of the matters identified in this Order. The plan shall include the following four items:

(a) actions the Amex Board will take to hold senior management accountable for executing effective remediation plans as required by this Order and the OCC Order;

(b) actions the Amex Board will take to ensure that senior management has adequate resources to execute the remediation required by this Order and the OCC Order;

(c) actions the Amex Board will take to ensure senior management implements and maintains an effective enterprise-wide BSA/AML compliance risk management program; and

(d) actions that the Amex Board will take to ensure effective reporting and escalation to enable the Amex Board to oversee management's execution of the matters identified in this Order and the OCC Order.

BSA/AML Compliance Risk Management Program

2. Within 90 days of the effective date of this Order, Amex shall submit an acceptable written plan to the Reserve Bank to improve the Firm's enterprise-wide BSA/AML compliance risk management program. The plan shall include the following six items:

(a) written policies, standards, and procedures, that ensure business-line and legal entity compliance with the BSA/AML Requirements;

(b) measures to ensure that BSA/AML compliance functions with respect to transaction monitoring are performed to meet regulatory requirements, including methodologies for establishing, analyzing, testing, and documenting monitoring rules and thresholds that consider factors such as type of customer, type of product or service, and geographic location;

(c) a customer due diligence program that meets regulatory requirements and that is commensurate with the Firm's money laundering, terrorist financing, and other illicit financial activity risk;

(d) a suspicious activity reporting program that identifies, evaluates, and reports timely suspicious activity or suspected violations of law across all lines of business;

(e) measures to ensure effective, risk-based oversight of the full range of BSA/AML systems, including processes and controls that oversee and use information from network partnerships, ATM partners, and third parties engaged to support BSA/AML compliance; and

(f) measures to ensure that material BSA/AML and sanctions risk management issues and risk exposures across business lines and legal entities are appropriately assessed, addressed, and escalated in a timely manner by senior management and the Amex Board or a committee thereof, as appropriate.

OFAC Compliance

3. Within 90 days of the effective date of this Order, TRS shall submit a written plan acceptable to the Reserve Bank to address TRS's compliance with the OFAC Regulations, including, but not limited to, a methodology for assessing OFAC risks, training related to compliance with the OFAC Regulations appropriate to the employee's job responsibilities that is provided on an ongoing, periodic basis, and enhanced policies and procedures, including OFAC screening procedures.

Accountability for Employees Involved in Misconduct

4. Amex and TRS shall not in the future directly or indirectly retain any individual as an officer, employee, agent, consultant, or contractor of the Firm or any subsidiary or affiliate thereof who, based on the investigative record compiled by the Firm during the period 2024 to the present: (i) participated in the misconduct underlying this Order; (ii) was subjected to formal disciplinary action as a result of the Firm's internal disciplinary or performance reviews in connection with the misconduct underlying this Order; and (iii) either separated from the Firm or

had his or her employment legally terminated in connection with the misconduct underlying this Order.

5. Amex and TRS shall continue to cooperate fully with and provide substantial assistance to the Board of Governors, including, but not limited to, the provision of information, testimony, documents, records, and other tangible evidence, and shall perform analyses as directed by the Board of Governors in connection with any investigations of individuals who are or were institution-affiliated parties of the Firm and who were involved in the misconduct underlying this Order. For purposes of clarity and not limitation, “substantial assistance,” as used in this Order means the Firm will use its best efforts, as determined by the Board of Governors, to make available for interviews or testimony, as requested by the Board of Governors, present or former officers, directors, employees, agents, and consultants of the Firm. This obligation includes, but is not limited to, sworn testimony pursuant to administrative subpoena as well as interviews with regulatory authorities. Cooperation under this paragraph shall include identification of witnesses who, to the Firm’s knowledge, may have material information regarding the matters under investigation.

Approval, Implementation, and Progress Reports

6. Amex and TRS shall submit the written plans as set forth in paragraphs 1, 2, and 3 of this Order. Each plan shall contain a timeline for full implementation with specific deadlines for completion of each component of the plan.

(a) Within ten (10) days of approval by the Reserve Bank, Amex and TRS shall adopt the approved plan. Upon adoption, Amex and TRS shall promptly implement the approved plan and thereafter fully comply with it.

(b) During the term of this Order, the approved plans shall not be amended or rescinded without the prior approval of the Reserve Bank.

7. Within 45 days after the end of the first full calendar quarter following the date of this Order and each quarter thereafter, the Amex Board, or an authorized committee thereof, shall submit to the Reserve Bank written progress reports detailing the form and manner of all actions taken to comply with the provisions of this Order, a timetable and schedule to implement specific remedial actions to be taken, the results thereof, and copies of all written progress reports required under the OCC Order. The Reserve Bank may, in writing, discontinue the requirement for the progress reports, request modification of form or content, or modify the reporting schedule.

Communications

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

- a. Jason A. Gonzalez
Deputy Associate General Counsel
Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Washington, D.C. 20551
- b. Toni Dechario
Institutional Supervision Program Lead
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045
- c. Lauren Seeger
General Counsel
American Express
200 Vesey Street
51st Floor
New York, New York 10285
- d. Bernadette Miragliotta
Managing Counsel Litigation & Investigations
American Express Company
200 Vesey Street
49th Floor
New York, New York 10285

Miscellaneous

9. Notwithstanding any provision of this Order to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to Amex and TRS, as applicable, to comply with any provision of this Order.

10. The provisions of this Order shall be binding on Amex, TRS, and each of their institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(3)), in their capacities as such, and its successors and assigns.

11. Each provision of this Order shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank.

12. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state agency from taking any other action affecting Amex, TRS, or any of its subsidiaries, or any of its current or former institution-affiliated parties and its successors and assigns.

13. Nothing in this Order, express or implied, shall give to any person or entity, other than the parties hereto and their successors hereunder, any legal or equitable right, remedy, or claim under this Order.

By order of the Board of Governors of the Federal Reserve System, effective this 8th day of October, 2026.

AMERICAN EXPRESS COMPANY
and

AMERICAN EXPRESS TRAVEL RELATED
SERVICES COMPANY, INC.

By: /s/ Bernadette Miragliotta
Bernadette Miragliotta
Managing Counsel Litigation & Investigations

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

By: /s/ Michele Taylor Fennell
Michele Taylor Fennell
Associate Secretary of the Board