REMARKS

TD Bank Press Conference

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Good afternoon. I'm Philip Sellinger, United States Attorney for the District of New Jersey.

Today, TD Bank is pleading guilty in the District of New Jersey for its staggering and pervasive AML failures, which include permitting multiple major money laundering networks to flourish and move hundreds of millions of dollars through TD Bank locations in New Jersey and across the United States.

Despite its legal obligation to maintain an effective AML program, TD Bank instead implemented a fundamentally flawed and outdated AML program allowing for staggering money laundering and other criminal activity to thrive at the Bank. Even though its business, risks, and profits were increasing significantly, TD Bank held its compliance budget essentially flat year-over-year. The Bank categorically failed over time to update its transaction monitoring scenarios, which are supposed to capture suspicious activity for further analysis. From 2014 to late 2022, it added zero new scenarios, significantly contributing to an outdated, stale, and wholly ineffective AML program.

Further, banks of TD's size use automated transaction monitoring systems to meet their legal obligation to identify, and report suspicious activity, like the movement of drug money. TD Bank intentionally excluded common types of financial transactions from its automated transaction monitoring system. This meant, for example, that TD Bank chose essentially not to monitor anyone using checks to commit crimes. So while it nominally had a compliance program, from January 2018 to April 2024, TD Bank failed to monitor approximately 92% of its total transactions, amounting to approximately $18.3 trillion of transaction activity.

Additionally, in April 2017, the Bank began offering access to Zelle—which allowed customers to transfer money using their mobile devices. But TD Bank effectively created no way to monitor its Zelle activity, so that – for example – a drug trafficker could transfer thousands of dollars a month without being flagged.

TD Bank's stunningly widespread failures allowed criminal proceeds to flow through the Bank.

For example, a major money launderer, Da Ying Sze [DA YING ZEE], known to TD Bank employees as "David," laundered more than $470 million through TD Bank.

David bribed TD Bank employees with more than $57,000 in gift cards. And David on a near daily basis brazenly dumped piles of cash at TD Bank branch counters, which he used to conduct transactions in other people's names. Another network laundered $120 million in illicit funds through TD Bank using purported diamond, gold, and jewelry businesses, which the Bank's deficient AML program failed to identify as suspicious.

- Separately, five TD Bank employees helped facilitate major money laundering activities from inside the Bank. For example, a New Jersey-based Bank employee—allegedly in exchange for bribes—facilitated money launderers' efforts to use ATM withdrawals to move tens of millions of dollars from the United States to Colombia for drug traffickers.

TD Bank's AML failures were well known at every level of the Bank. The Bank knew it was significantly underspending on compliance, year-after-year. The Bank knew it wasn't monitoring huge swaths of banking activity. And it knew that millions of dollars were being funneled through TD bank accounts from the U.S. to Colombia, using ATMs. It knew that peer-to-peer money transfers, like Zelle, went essentially unmonitored. It knew that employees had repeatedly identified the need for new transaction monitoring scenarios to adequately capture money laundering and other risks the Bank faced.

And it adopted zero changes to really fix any of these massive problems-repeatedly prioritizing profits and convenience over meeting its legal obligations.

It is no wonder, then, that the motto "America's Most Convenient Bank" was used as a joke among employees to describe TD Bank being convenient for criminals.

I want to credit all of the extraordinary work done on this case by the prosecution team, including Marko Pesce, Angelica Sinople, and Cynthia Trochez at the USAO-DNJ and our partners at MLARS, IRS Criminal Investigations, FDIC-OIG, and the DEA.

Thank you.