

Subsec. (e). Pub. L. 102-242, §251(a)(3), added subsec. (e).

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the transfer date, see section 351 of Pub. L. 111-203, set out as a note under section 906 of Title 2, The Congress.

EFFECTIVE DATE OF 1991 AMENDMENT

Pub. L. 102-242, title II, §251(a)(4), Dec. 19, 1991, 105 Stat. 2332, provided that: "Paragraph (2) of section 33(a) of the Federal Deposit Insurance Act [12 U.S.C. 1831j(a)(2)] (as added under the amendment made by paragraph (1)) shall be treated as having taken effect on January 1, 1987, and for purposes of any cause of action arising under such paragraph (as so effective) before the date of the enactment of this Act [Dec. 19, 1991], the 2-year period referred to in section 33(b) of such Act shall be deemed to begin on such date of enactment."

**§ 1831k. Reward for information leading to recoveries or civil penalties**

**(a) In general**

An appropriate Federal banking agency, with the concurrence of the Attorney General, may pay a reward to a person who provides original information which leads to—

(1) recovery of a criminal fine, restitution, or civil penalty—

(A) under—

- (i) this chapter;
- (ii) the Federal Credit Union Act [12 U.S.C. 1751 et seq.];
- (iii) section 93(b), 164, or 481 to 485 of this title;
- (iv) the Federal Reserve Act [12 U.S.C. 221 et seq.];
- (v) the Bank Holding Company Act Amendments of 1970;
- (vi) the Bank Holding Company Act of 1956 [12 U.S.C. 1841 et seq.];
- (vii) the Home Owners' Loan Act [12 U.S.C. 1461 et seq.]; or
- (viii) section 3663 of title 18 pursuant to a conviction for an offense referred to in subparagraph (B) of this paragraph,

(B) pursuant to a conviction for an offense under section 215, 656, 657, 1005, 1006, 1007, 1014, 1341, 1343, or 1344 of title 18 affecting a depository institution insured by the Federal Deposit Insurance Corporation, or for a conspiracy to commit such an offense; or

(C) under section 1833a of this title; or

(2) a forfeiture under section 981 or 982 of title 18 that arises in connection with a depository institution insured by the Federal Deposit Insurance Corporation.

**(b) Percentage limitation**

An appropriate Federal banking agency may not pay a reward under subsection (a) of more than 25 percent of the amount of the fine, penalty, restitution, or forfeiture or \$100,000, whichever is less.

**(c) Officials and persons ineligible**

An appropriate Federal banking agency may not pay a reward under subsection (a) to—

(1) an officer or employee of the United States or of a State or local government who provides information described in subsection

(a), obtained in the performance of official duties; or

(2) a person who—

- (A) deliberately causes or participates in the alleged violation of law or regulation, or
- (B) knowingly or recklessly provides substantially false information to such an agency or the Attorney General.

**(d) Nonreviewability**

Any agency decision under this section is final and not reviewable by any court.

(Sept. 21, 1950, ch. 967, §2[34], as added Pub. L. 101-73, title IX, §933(a), Aug. 9, 1989, 103 Stat. 495; amended Pub. L. 101-647, title XXV, §2586, Nov. 29, 1990, 104 Stat. 4903; Pub. L. 103-325, title VI, §602(a)(62), (63), Sept. 23, 1994, 108 Stat. 2291.)

REFERENCES IN TEXT

The Federal Credit Union Act, referred to in subsec. (a)(1)(A)(ii), is act June 26, 1934, ch. 750, 48 Stat. 1216, as amended, which is classified generally to chapter 14 (§1751 et seq.) of this title. For complete classification of this Act to the Code, see section 1751 of this title and Tables.

The Federal Reserve Act, referred to in subsec. (a)(1)(A)(iv), is act Dec. 23, 1913, ch. 6, 38 Stat. 251, as amended, which is classified principally to chapter 3 (§221 et seq.) of this title. For complete classification of this Act to the Code, see References in Text note set out under section 226 of this title and Tables.

The Bank Holding Company Act Amendments of 1970, referred to in subsec. (a)(1)(A)(v), is Pub. L. 91-607, Dec. 31, 1970, 84 Stat. 1760, as amended. For complete classification of this Act to the Code, see Short Title of 1970 Amendment note set out under section 1841 of this title and Tables.

The Bank Holding Company Act of 1956, referred to in subsec. (a)(1)(A)(vi), is act May 9, 1956, ch. 240, 70 Stat. 133, as amended, which is classified principally to chapter 17 (§1841 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1841 of this title and Tables.

The Home Owners' Loan Act, referred to in subsec. (a)(1)(A)(vii), is act June 13, 1933, ch. 64, 48 Stat. 128, as amended, which is classified generally to chapter 12 (§1461 et seq.) of this title. For complete classification of this Act to the Code, see section 1461 of this title and Tables.

AMENDMENTS

1994—Subsec. (a)(1)(A)(iii). Pub. L. 103-325, §602(a)(62), substituted "section" for "sections" and "or" for "and".

Subsec. (a)(2). Pub. L. 103-325, §602(a)(63), inserted period at end.

1990—Subsec. (a)(1). Pub. L. 101-647, §2586(1), struck out ", in an amount that exceeds \$50,000," after "recovery" in introductory provisions.

Subsec. (a)(2). Pub. L. 101-647, §2586(2), amended par. (2) generally. Prior to amendment, par. (2) read as follows: "a forfeiture under section 981 or 982 of title 18 that—

"(A) arises in connection with a depository institution insured by the Federal Deposit Insurance Corporation; and

"(B) exceeds \$50,000."

**§ 1831l. Coordination of risk analysis between SEC and Federal banking agencies**

Any appropriate Federal banking agency shall notify the Securities and Exchange Commission of any concerns of the agency regarding significant financial or operational risks to any registered broker or dealer, or any registered municipal securities dealer, government securities

broker, or government securities dealer for which the Commission is the appropriate regulatory agency (as defined in section 78c of title 15), resulting from the activities of any insured depository institution, any depository institution holding company, or any affiliate of any such institution or company if such broker, dealer, municipal securities dealer, government securities broker, or government securities dealer is an affiliate of any such institution, company, or affiliate.

(Sept. 21, 1950, ch. 967, §2[35], as added Pub. L. 101-432, §7, Oct. 16, 1990, 104 Stat. 975.)

**§ 1831m. Early identification of needed improvements in financial management**

**(a) Annual report on financial condition and management**

**(1) Report required**

Each insured depository institution shall submit an annual report to the Corporation, the appropriate Federal banking agency, and any appropriate State bank supervisor (including any State bank supervisor of a host State).

**(2) Contents of report**

Any annual report required under paragraph (1) shall contain—

(A) the information required to be provided by—

(i) the institution's management under subsection (b); and

(ii) an independent public accountant under subsections (c) and (d); and

(B) such other information as the Corporation and the appropriate Federal banking agency may determine to be necessary to assess the financial condition and management of the institution.

**(3) Public availability**

Any annual report required under paragraph (1) shall be available for public inspection. Notwithstanding the preceding sentence, the Corporation and the appropriate Federal banking agencies may designate certain information as privileged and confidential and not available to the public.

**(b) Management responsibility for financial statements and internal controls**

Each insured depository institution shall prepare—

(1) annual financial statements in accordance with generally accepted accounting principles and such other disclosure requirements as the Corporation and the appropriate Federal banking agency may prescribe; and

(2) a report signed by the chief executive officer and the chief accounting or financial officer of the institution which contains—

(A) a statement of the management's responsibilities for—

(i) preparing financial statements;

(ii) establishing and maintaining an adequate internal control structure and procedures for financial reporting; and

(iii) complying with the laws and regulations relating to safety and soundness which are designated by the Corporation

and the appropriate Federal banking agency; and

(B) an assessment, as of the end of the institution's most recent fiscal year, of—

(i) the effectiveness of such internal control structure and procedures; and

(ii) the institution's compliance with the laws and regulations relating to safety and soundness which are designated by the Corporation and the appropriate Federal banking agency.

**(c) Internal control evaluation and reporting requirements for independent public accountants**

**(1) In general**

With respect to any internal control report required by subsection (b)(2) of any institution, the institution's independent public accountant shall attest to, and report separately on, the assertions of the institution's management contained in such report.

**(2) Attestation requirements**

Any attestation pursuant to paragraph (1) shall be made in accordance with generally accepted standards for attestation engagements.

**(d) Annual independent audits of financial statements**

**(1) Audits required**

The Corporation, in consultation with the appropriate Federal banking agencies, shall prescribe regulations requiring that each insured depository institution shall have an annual independent audit made of the institution's financial statements by an independent public accountant in accordance with generally accepted auditing standards and section 1831n of this title.

**(2) Scope of audit**

In connection with any audit under this subsection, the independent public accountant shall determine and report whether the financial statements of the institution—

(A) are presented fairly in accordance with generally accepted accounting principles; and

(B) comply with such other disclosure requirements as the Corporation and the appropriate Federal banking agency may prescribe.

**(3) Requirements for insured subsidiaries of holding companies**

The requirements for an independent audit under this subsection may be satisfied for insured depository institutions that are subsidiaries of a holding company by an independent audit of the holding company.

**(e) Repealed. Pub. L. 104-208, div. A, title II, § 2301(a), Sept. 30, 1996, 110 Stat. 3009-419**

**(f) Form and content of reports and auditing standards**

**(1) In general**

The scope of each report by an independent public accountant pursuant to this section, and the procedures followed in preparing such report, shall meet or exceed the scope and pro-