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British Banks Pays \$340 Million Fine for Iran Dealings

This is the VOA Special English Economics Report.

The British bank Standard Chartered agreed this week to pay three hundred forty million dollars to a United States financial regulator. The agreement is designed to settle charges that the bank illegally hid financial business with Iranian interests. The wording of the agreement notes that the financial business in question amounted to at least two hundred fifty billion dollars.

Standard Chartered said it "strongly rejects" the charges. The bank said it will fight efforts to withdraw its license to do business in New York, an important financial center.

Standard Chartered is Britain's fifth largest bank. New York state's top bank regulator accused the bank of being a "rogue institution" from two thousand one to twenty ten.

The regulator said the bank made hundreds of millions of dollars in fees from about sixty thousand financial exchanges with Iranian financial institutions. The reported exchanges were made through the bank's New York offices.

One official said the dealings exposed the United States banking system to terrorists, illegal drug traffickers and rogue states. The United States Federal Bureau of Investigation is carrying out a criminal investigation. Other United States regulators also have opened their own investigations and are not part of the settlement.

United States law has tightly controlled financial dealings with Iran since nineteen seventy-nine. That year, fifty-two Americans were taken hostage in Tehran for four hundred forty-four days. But western concerns about Iran's possible nuclear program are central to the case.

Bank expert Bert Ely told VOA that the investigation is part of an effort by several Western countries to limit Iran's nuclear program. They accuse Iran of trying to develop a nuclear weapon.

BERT ELY: "Enforcement of the bank secrecy act and the money-laundering laws are just an on-going effort by the financial regulators to again choke off cash flows to Iran as much as possible and make it as difficult as possible for Iran to sell its oil internationally, but also to buy equipment and parts needed for its nuclear enrichment activities."

Standard Chartered is not the only British bank that has faced fines recently. Barclays agreed to pay fines of about four hundred fifty million dollars to American and British officials in July.

Barclays is one of eighteen banks that set an important measure of borrowing costs for banks, the London Interbank Offering Rate, or LIBOR. Officials said Barclays lied to them about its interest costs. This made the bank appear stronger than it was. But LIBOR is used to set many interest rates paid by millions of people around the world.

And that's the VOA Special English Economics Report. I'm Mario Ritter.