



OIG-26-023

**FINANCIAL REGULATION & OVERSIGHT AND FISCAL SERVICE**

**Safety and Soundness: Failed Bank Limited Review – Santa Anna National Bank**

March 11, 2026

**Office of Inspector General  
Department of the Treasury**

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DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

March 11, 2026

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**MEMORANDUM FOR JONATHAN V. GOULD  
COMPTROLLER OF THE CURRENCY**

**From:** Dianna L. Jones /s/  
Audit Director for Financial Regulation & Oversight and  
Fiscal Service

**Subject:** Failed Bank Limited Review of Santa Anna National Bank,  
Santa Anna, Texas

This memorandum presents the results of our review of the failure of Santa Anna National Bank (the Bank), which operated one office in Santa Anna, Texas. The Bank was an insured national bank without trust powers and no holding company, chartered on December 1, 1933. As of March 31, 2025, the Bank reported total assets of \$77 million. On June 27, 2025, the Office of the Comptroller of the Currency (OCC) closed the Bank and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. As of September 30, 2025, FDIC estimated the loss to the Deposit Insurance Fund to be \$23.5 million.

Because the loss to the Deposit Insurance Fund is less than \$50 million as set forth by section 38(k) of the Federal Deposit Insurance Act, we limited our review of the Bank's failure to: (1) ascertaining the grounds identified by OCC for appointing FDIC as receiver, and (2) determining whether any unusual circumstances exist that might warrant a more in-depth review of the loss. In performing our review, we: (1) examined documentation related to the appointment of FDIC as receiver, and (2) reviewed OCC reports of examination for the 5-year period before the Bank's failure. We performed our fieldwork from August 2025 through January 2026.

All work completed complies with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Federal Offices of Inspectors General*, which require that the work adheres to the professional standards of independence, due professional care, and quality assurance to ensure the accuracy of the information presented.<sup>1</sup>

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<sup>1</sup> <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf>

## **Cause of Santa Anna National Bank's Failure**

OCC appointed FDIC as receiver based on the following grounds: (1) the Bank experienced substantial dissipation of assets or earnings due to unsafe or unsound practices; (2) the Bank was in an unsafe or unsound condition to transact business; (3) the Bank's unsafe or unsound practices or conditions were likely to cause insolvency or substantial dissipation of assets or earnings; (4) the Bank's unsafe or unsound practices or conditions were likely to weaken the Bank's condition; (5) the Bank's assets were less than the Bank's obligations to its creditors and others, including members of the Bank, and (6) the Bank was critically undercapitalized.

The primary cause of the Bank's failure was a critical breakdown in the Bank's internal controls which allowed fraudulent activity to occur that affected a substantial portion of the Bank's credit portfolio. Deficiencies in the Bank's Board oversight and internal controls and other unsafe or unsound practices masked weaknesses in the Bank's loan portfolio, created excessive credit risk, and resulted in inaccurate representations of the Bank's financial condition. As a result of the identification of discrepancies in its books and records, the Bank had to recognize losses that exceeded the Bank's capital, rendering the Bank insolvent and critically undercapitalized.

## **Conclusion**

We determined that an in-depth review of the Bank's failure is warranted given that fraud was a significant contributing factor to the Bank's failure. Performing an in-depth review will provide an opportunity to further evaluate the cause of failure and OCC's supervision of the Bank to determine whether there are any lessons to be learned from this failure. The planned scope of our in-depth review will include, but not be limited to, reviewing OCC bank examination work papers that substantiate the results reported in OCC's reports of examination for 2017 through 2023, particularly in the evaluation areas of asset quality, loan portfolio, and management. We anticipate completing the in-depth review by no later than December 2026.

We provided a draft of this memorandum to OCC management for comment. In their response, OCC management stated that they took no exception with our conclusions. A list of the recipients of this memorandum is provided as Attachment 1.

We appreciate the courtesies and cooperation provided to our staff during the review. If you have any questions, you may contact me at (202) 997-4491, or contact Andrew Morgan, Audit Manager at (202) 486-3420.

## **Attachment 1: Distribution**

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