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Labor and Regulation Department Warns Free Lakota Bank Not Licensed

PIERRE, S.D. – The South Dakota Department of Labor and Regulation warns potential customers Free Lakota Bank is not licensed, chartered or regulated by the Division of Banking. The bank also does not have FDIC insurance.

State Division of Banking Director Bret Afdahl says the bank lists its address as a post office box in Pine Ridge, but the bank has no physical presence in Pine Ridge.

According to its website www.freelakotabank.com, the customer converts his money to silver and deposits the silver bullion with the bank. The bank pays the customer an interest rate in silver, and the customer withdraws his deposit in silver.

If the customer agrees for his deposit to be used in the Free Lakota Bank General Development Fund, the bank will make loans with it. If the customer does not agree, the bank charges a service fee in silver.

“I encourage people to use caution and do their own due diligence before depositing anything with Free Lakota Bank,” said Director Afdahl.

The Division of Banking reached out to the Oglala Sioux Tribe and was told Free Lakota Bank is not licensed or connected to the tribe. The Division has also been unable to confirm Free Lakota Bank is a member of the Independent Community Bankers of America, as it claims on its website. A search of the Secretary of State’s corporate database shows no results for Free Lakota Bank.

The mission of the Division of Banking is to charter, license, regulate, supervise and provide guidance to South Dakota financial entities in order to instill consumer confidence, protect consumer interests and promote economic stability through a common sense, efficient and risk-focused approach. For more information, visit dlr.sd.gov/banking