

**UNITED STATES OF AMERICA
NATIONAL CREDIT UNION ADMINISTRATION
NATIONAL CREDIT UNION ADMINISTRATION BOARD**

IN THE MATTER OF)	
)	
Charles W. Bradford)	
)	No. 91-1001III
An Institution Affiliated Party and)	
Person Participating in the Affairs)	
of Capitol Credit Union)	
)	

ORDER OF PROHIBITION

Pursuant to Section 206(i)(1) of the Federal Credit Union Act, 12 U.S.C. §1786(i)(1), you are hereby notified that you are prohibited from participating in any manner in the affairs of any federally insured credit union. This prohibition results from activities you engaged in during your affiliation with Capitol Credit Union (Capitol CU). This prohibition is effective immediately upon service. In accordance with Section 206(g)(7)(A) of the Federal Credit Union Act, 12 U.S.C. §1786(g)(7)(A), this Order shall constitute a prohibition from further participation in any manner in the affairs of any federally insured financial institution, or other entity identified therein, without the written permission of the appropriate federal regulatory agency. This Order has been issued based upon the following information.

On or about June 4, 1991, you pleaded guilty to Criminal Indictment LR-91-90, which alleged violations of Title 18, United States Code, Sections 1006 and 657. (A copy of the Indictment is attached to this Order and incorporated by reference herein.) You pleaded guilty to one count of embezzlement and one count of making false entries in the credit union's records. The offenses to which you pleaded guilty involve personal dishonesty and breach of trust. Your continued participation in the affairs of any federally insured credit union may pose a threat to the interests of credit union members and may threaten to impair public confidence in the credit union involved.

From 1961 until March 18, 1991, you were employed as the manager of Capitol CU, a state-chartered, federally-insured credit union. The indictment to which you pleaded guilty alleges that for approximately twenty years you misrepresented to the Board of Directors of Capitol CU the amount of quarterly dividends, so as to create the impression the credit union was more profitable than it actually was. You then made false entries in the credit union's records in order to conceal the misrepresentations. The cumulative effect of the false entries caused Capitol CU to suffer a loss of approximately \$2,966,030.14. Furthermore, the indictment alleges that from approximately April, 1989, until March 14, 1991, you embezzled approximately \$435,714.70 from Capitol CU by creating false accounts, making fictitious deposits to the false accounts, and then withdrawing the money for your own use.

A conviction for the false entry in financial records charge is a felony punishable by imprisonment of up to twenty years and a fine of up to \$1,000,000.00. A conviction for the embezzlement charge is a felony punishable by imprisonment of up to thirty years and a fine of up to \$1,000,000.00. On August 22, 1991, in accordance with your pleas of guilty, you were sentenced to imprisonment for fifty-seven months (a copy of the Judgement in a Criminal Case is attached to this Order and incorporated by reference herein). Because you have not filed a notice of appeal within the time required, your conviction is now final.

NOTICE OF HEARING

Pursuant to Section 206(i)(3), of the Federal Credit Union Act, 12 U.S.C. §1786(i)(3), you may request in writing, within thirty days of service of this Order, an opportunity for a hearing at which you may present evidence and argument that your continued participation in the affairs of any federally insured credit union would not, or would not be likely to, pose a threat to the interests of that credit union's members or threaten to impair public confidence in the credit union. Any such request should be sent to: Secretary of the Board, National Credit Union Administration, Washington, D.C. 20456. This hearing will be held in Washington, D.C., in accordance with Subpart D of Part 747 of NCUA's Rules and Regulations, 12 C.F.R. §747.301 et seq.

PENALTY FOR VIOLATION OF ORDER OF PROHIBITION

Pursuant to Section 206(k)(2) of the Federal Credit Union Act, 12 U.S.C. §1786(k)(2), any violation of this Order may subject you to a Civil Money Penalty of up to \$1,000,000.00 a day for each day said violation continues. In addition, pursuant to Section 206(l) of the Federal Credit Union Act, 12 U.S.C. §1786(l), any violation of this Order is a felony offense that is punishable by imprisonment of up to five years and a fine of up to \$1,000,000.00.

Dated this _____ day of October, 1991.

National Credit Union Administration
by

Becky Baker
Secretary of the Board

CERTIFICATE OF SERVICE

This is to certify that I have served the foregoing Order of Prohibition in the Matter of Charles W. Bradford, by depositing the same with the U.S. Postal Service, certified mail, return receipt requested, addressed to John W. Hall, the attorney of record for Mr. Bradford.

Date

Jon J. Canerday
Office of General Counsel
National Credit Union Administration