## UNITED STATES OF AMERICA NATIONAL CREDIT UNION ADMINISTRATION Alexandria, Virginia

In the Matter of

Kaye Cornell

Docket No.: 17-0067-R1

#### **NOTICE OF PROHIBITION**

WHEREAS on or about October 31, 2016, Kaye Cornell ("Cornell") was sentenced on the charge of Credit Union Misapplication, 18 U.S.C. § 657, a charge to which she previously pleaded guilty, in the United States District Court for the Eastern District of Michigan, in connection with her employment at Michigan Legacy Credit Union;

WHEREAS a violation of 18 U.S.C. § 657 is a criminal offense involving dishonesty and breach of trust;

#### NOW, THEREFORE, YOU ARE HEREBY NOTIFIED THAT:

1. Pursuant to 12 U.S. C. § 1785(d)(1)(A) and 12 U.S.C. § 1829(a)(1)(A), Cornell is prohibited from becoming an "institution affiliated party" of any insured depository institution, as defined in 12 U.S.C. § 1786(r); otherwise participating, directly or indirectly, in the conduct of the affairs of any insured depository institution; and owning or controlling, directly or indirectly, any insured depository institution;

2. Pursuant to 12 U.S. C. § 1785(d)(1)(B) and 12 U.S.C. § 1829(a)(1)(B), no insured depository institution may permit Cornell to engage in any conduct or continue in any relationship prohibited in paragraph 1 above;

3. Pursuant to 12 U.S.C. § 1785(d)(3) and 12 U.S.C. § 1829(b), whoever knowingly violates paragraph 1 or 2 above is subject to a fine of not more than \$1 million for each day such prohibition is violated, or imprisonment for not more than five (5) years, or both;

4. The "Judgment in a Criminal Case" document, Case No. 15-20241-01, is made a part hereof and is incorporated herein by reference; and

ISSUED this 26 day of <u>Jne</u>, 2017.

# NATIONAL CREDIT UNION ADMINISTRATION

By:

Rob F. Robine Trial Attorney NCUA Office of General Counsel

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AO 245B (Rev. 02/16)	Judgment in a Criminal Case
	Sheet 1

UNITED STATES	DISTRICT COURT			
Eastern Dist	rict of Michigan			
UNITED STATES OF AMERICA	JUDGMENT IN A CRIMINAL CASE			
D-1, KAYE CORNELL	Case Number: 15-20241-01 USM Number: 50475-039			
	) Stacey M. Studnicki Defendant's Attorney			
THE DEFENDANT:	) Delendam's Attorney			
I pleaded guilty to count(s) 1 of the Indictment				
pleaded nolo contendere to count(s) which was accepted by the court.				
after a plea of not guilty.				
The defendant is adjudicated guilty of these offenses:				
Title & Section Nature of Offense	Offense Ended Count			
18 U.S.C. § 657 Credit Union Misapplication	9/30/2012 1			
The defendant is sentenced as provided in pages 2 through the Sentencing Reform Act of 1984.	of this judgment. The sentence is imposed pursuant to			
The defendant has been found not guilty on count(s)				
Count(s) is are	dismissed on the motion of the United States.			
It is ordered that the defendant must notify the United States or mailing address until all fines, restitution, costs, and special assessm the defendant must notify the court and United States attorney of mat	attorney for this district within 30 days of any change of name, residence, ents imposed by this judgment are fully paid. If ordered to pay restitution, terial changes in economic circumstances.			
	10/31/2016			
	Date of Imposition of Judgment			

and or imposition of suchitem

s/Arthur J. Tarnow

Signature of Judge

Arthur J. Tarnow, Senior U.S. District Judge

Name and Title of Judge

## 11/22/2016

Date

AO 245B (Rev. 02/16) Judgment in Criminal Case Sheet 2 --- Imprisonment

#### DEFENDANT: D-1, KAYE CORNELL CASE NUMBER: 15-20241-01

# IMPRISONMENT

The defendant is hereby committed to the custody of the Federal Bureau of Prisons to be imprisoned for a total term of:

1 day, time served.

☐ The court makes the following recommendations to the Bureau of Prisons:

The defendant is remanded to the custody of the United States Marshal.

The defendant shall surrender to the United States Marshal for this district:

□ at □ a.m. □ p.m.

as notified by the United States Marshal.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

before 2 p.m. on

as notified by the United States Marshal.

as notified by the Probation or Pretrial Services Office.

#### RETURN

on

I have executed this judgment as follows:

Defendant delivered on	to	
a	, with a certified copy of this judgment.	
	UNITE	D STATES MARSHAL
	Ву	

DEPUTY UNITED STATES MARSHAL

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AO 245B (Rev. 02/16) Judgment in a Criminal Case Sheet 3 — Supervised Release

DEFENDANT: D-1, KAYE CORNELL CASE NUMBER: 15-20241-01 Judgment-Page

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SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of : 5 years.

The defendant must report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state or local crime.

The defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.

- The above drug testing condition is suspended, based on the court's determination that the defendant poses a low risk of future substance abuse. (Check. if applicable.)
- D The defendant shall not possess a firearm, ammunition, destructive device, or any other dangerous weapon. (Check, if applicable.)
- The defendant shall cooperate in the collection of DNA as directed by the probation officer. (Check, if applicable.)
- The defendant shall comply with the requirements of the Sex Offender Registration and Notification Act (42 U.S.C. § 16901, et seq.) as directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in which he or she resides, works, is a student, or was convicted of a qualifying offense. (Check. if applicable.)
- The defendant shall participate in an approved program for domestic violence. (Check. if applicable.)

If this judgment imposes a fine or restitution, it is a condition of supervised release that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page.

#### STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer in a manner and frequency directed by the court or probation officer;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- the defendant shall support his or her dependents and meet other family responsibilities;
- the defendant shall work regularly at a lawful occupation, unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer at least ten days prior to any change in residence or employment;
- the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- the defendant shall not associate with any persons engaged in criminal activity and shall not associate with any person convicted of a felony, unless granted permission to do so by the probation officer;
- the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court; and
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

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DEFENDANT: D-1, KAYE CORNELL CASE NUMBER: 15-20241-01

# SPECIAL CONDITIONS OF SUPERVISION

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1. The defendant shall make monthly installment payments on any remaining balance of the restitution at a rate and schedule recommended by the probation department and approved by the Court.

2. The defendant shall no incur any new credit charges or open additional lines of credit without the approval of the probation officer.

3. The defendant shall provide the probation officer access to any requested financial information.

AO 245B (Rev. 02/16) Judgment in a Criminal Case Sheet 5 — Criminal Monetary Penalties

DEFENDANT: D-1, KAYE CORNELL CASE NUMBER: 15-20241-01

## CRIMINAL MONETARY PENALTIES

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The defendant must pay the total criminal monetary penalties under the schedule of payments on Sheet 6.

TO	TALS	\$	Assessment 100.00	\$	Fine	\$ 282,117	
			tion of restitution is de rmination.	ferred until	An Amended Judgn	tent in a Criminal Case	e (AO 245C) will be entered
Ø	The defe	endant	must make restitution	(including community i	restitution) to the follo	wing payees in the amou	nt listed below.
	If the de the prior before th	fendan ity orc ne Unit	t makes a partial paym ler or percentage paym led States is paid.	nent, each payee shall re nent column below. Ho	ceive an approximatel wever, pursuant to 18	y proportioned payment, U.S.C. § 3664(i), all non	unless specified otherwise in federal victims must be paid
N	ame of P	ayec		and the States of the States and the second se	Total Loss*	Restitution Ordered	Priority or Percentage
C	UNA MI	utual C	Group		\$282,117.66	\$282,117.66	
P	O Box 6	69					
V	vaverly,	IA 506	577				
С	laim # B	09422	267				/
	1						
	-Bastra - Contractor						
				ŝ			
		A.					
					· · · · · ·		n maan an
TO	TALS		\$	282,117.66	\$	282,117.66	
				t to plea agreement \$			
	The def	fendant	must pay interest on i	restitution and a fine of	more than \$2,500, unl	ess the restitution or fine	is paid in full before the

fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

The court determined that the defendant does not have the ability to pay interest and it is ordered that:

 $\square$  the interest requirement is waived for the  $\square$  fine  $\square$  restitution.

□ the interest requirement for the □ fine □ restitution is modified as follows:

\* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996. AO 245B (Rev. 02/16) Judgment in a Criminal Case Sheet 5A — Criminal Monetary Penalties

### DEFENDANT: D-1, KAYE CORNELL CASE NUMBER: 15-20241-01

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# ADDITIONAL TERMS FOR CRIMINAL MONETARY PENALTIES

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The Court waives the imposition of a fine, the costs of incarceration and the costs of supervision, due to the defendant's lack of financial resources.

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AO 245B (Rev. 02/16) Judgment in a Criminal Case Sheet 6 — Schedule of Payments

DEFENDANT: D-1, KAYE CORNELL CASE NUMBER: 15-20241-01

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

A	Lump sum payment of \$ 100.00 due immediately, balance due
	in accordance C, D, E, or F below; or
B	Payment to begin immediately (may be combined with $\Box C$ , $\Box D$ , or $\Box F$ below); or
С	Payment in equal       (e.g., weekly, monthly, quarterly) installments of \$       over a period of         (e.g., months or years), to commence       (e.g., 30 or 60 days) after the date of this judgment; or
D	Payment in equal (e.g., weekly, monthly, quarterly) installments of \$ over a period of (e.g., months or years), to commence (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
E	Payment during the term of supervised release will commence within (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or

F D Special instructions regarding the payment of criminal monetary penalties:

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during the period of imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

- The defendant shall pay the cost of prosecution.
- The defendant shall pay the following court cost(s):

The defendant shall forfeit the defendant's interest in the following property to the United States:

Pursuant to 18 U.S.C. § 981(a)(2) and the Preliminary Order of Forfeiture entered by the Court on 9/22/16 (Doc. # 27), which is incorporated by this reference, a money judgment is imposed against defendant, in favor of the United States, in the amount of \$282,117.66.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.

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