NCUA
National Credit Union Administration

Office of Inspector General

OIG-26-10

Limited Review of Copper & Glass Federal Credit Union

September 24, 2026

OFFICE OF INSPECTOR GENERAL

Memorandum

SENT BY EMAIL

DATE: September 24, 2026

TO: See Distribution List

FROM: Acting Inspector General Marta Erceg Marta Erceg

SUBJECT: Limited Review of Copper & Glass Federal Credit Union

This memorandum presents the results of our limited review of the circumstances related to the loss incurred by the National Credit Union Share Insurance Fund (Share Insurance Fund) with respect to Copper & Glass Federal Credit Union (Copper & Glass), Glassport, Pennsylvania, chartered in 1938. As of September 30, 2025, the credit union reported $7,147,745 in total assets. On April 1, 2026, the NCUA placed Copper & Glass into an involuntary liquidation. OMEGA Federal Credit Union immediately purchased and assumed Copper & Glass's assets, member shares, and loans. In accordance with the purchase and assumption agreement, the NCUA approved cash assistance in part to resolve the outstanding prior undivided earnings deficit. This assistance resulted in an estimated loss to the Share Insurance Fund of $2,890,428.

The Federal Credit Union Act requires the Inspector General to identify any non-material losses that were incurred by the Share Insurance Fund with respect to insured credit unions during the preceding 6-month period and determine the grounds identified for appointing the NCUA Board[1] as the liquidating agent for a credit union, determine whether any unusual circumstances existed that might warrant an in-depth review, and prepare a written report on the results of our determinations.[2] Applying these steps is what comprised our limited review. This loss to the Share Insurance Fund occurred during the period of April 1, 2026, through September 30, 2026.[3]

With respect to Copper & Glass, because the loss to the Share Insurance Fund was less

[1] Pursuant to NCUA Delegations of Authority, a Regional Director has the authority to act as the liquidating agent in certain circumstances, which was the case for this credit union.
[2] 12 U.S.C. § 1790d(j)(4).
[3] There are two semiannual reporting periods: (1) April 1 through September 30 and (2) October 1 through March 31.

than the material loss threshold set forth in the Federal Credit Union Act,[4] we conducted a limited review. We performed procedures that included: (1) reviewing and summarizing examination[5] reports, supervisory memoranda, and other pertinent documents; (2) assessing the CAMELS[6] ratings assigned to the credit union during the 5 years preceding the loss; (3) conducting interviews with NCUA personnel; (4) determining whether any investigative actions were taken, planned, or considered regarding credit union officials; and (5) analyzing supervisory history and other supervisory review methods. We performed our fieldwork from June 2026 through August 2026.

All work completed complied with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Federal Offices of Inspector General (August 2012), which requires that the work adheres to the professional standards of independence, internal control, and quality assurance to ensure the accuracy of the information presented.

Cause of Loss to the Share Insurance Fund

The loss to the Share Insurance Fund resulted from Copper & Glass becoming insolvent due to losses resulting from fraud. Management operated the credit union with weak internal controls, including a lack of proper recordkeeping and insufficient segregation of duties, due to a limited number of employees. These weak internal controls led to: (1) concerns with call report errors and cash counts; (2) insider abuse; and (3) fraudulent activity.

The NCUA was alerted in late 2025 by a corporate credit union that held these accounts for Copper & Glass that Copper & Glass had frequently been overdrawing its transactional account and fully accessing its line of credit, which had increased from $300,000 to $500,000. This prompted an investigation by the Region's Division of Special Actions on November 6, 2025. As part of a review of the credit card files by examiners, NCUA revealed insider fraud committed by the then-credit union manager. This individual had sole access to the third-party credit card servicing system and exploited this access to increase credit lines on her and her spouse's accounts.

During the examination with an effective date of March 31, 2021, material concerns were identified with record keeping, cash counts, and call report errors. These concerns continued and were noted in the four subsequent examinations. NCUA examiners issued a

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[4] A loss is material if it exceeds the sum of $25 million and an amount equal to 10 percent of the total assets of the credit union on the date on which the NCUA Board initiated assistance under section 1788 of the Federal Credit Union Act or was appointed liquidating agent. In such a case, the Inspector General would conduct a material loss review. Id. § 1790d(j)(1)-(2).

[5] For most small federal credit unions with less than $50 million in total assets and CAMELS ratings of 1, 2, or 3, the NCUA follows its Small Credit Union Examination Program, a streamlined program that focuses on the most pertinent areas of risk in these institutions. Small credit unions with a CAMELS rating of 4 or 5 are generally overseen under the NCUA's risk-focused program, which concentrates on the highest-risk areas.

[6] **C**apital adequacy, **A**sset quality, **M**anagement, **E**arnings, **L**iquidity, and **S**ensitivity to market risk.

Document of Resolution,[7] Examiner's Findings,[8] and a Regional Director's letter[9] to emphasize the issues identified through examinations since 2021. The examination with an effective date of December 31, 2022, found that a teller, who later became the manager identified above, violated a credit union policy and internal control to not perform transactions on her personal and relatives' accounts. Despite this, the board promoted the teller to be the new manager in 2024. The board of directors lacked the knowledge and capabilities to oversee the credit union effectively. On November 6, 2025, examiners identified material credit card fraud perpetuated by the same manager, who was subsequently terminated. The credit union became insolvent after writing off the fraudulent balances of approximately $3.5 million in December 2025. Examination reports from 2021 to 2025 consistently highlighted weak internal controls, negative earnings, and inaccurate call reporting. These issues remained unresolved or reappeared in subsequent reviews.

The credit union was conserved on November 18, 2025. The NCUA involuntarily liquidated Copper & Glass on April 1, 2026, and entered into a cash assisted purchase and assumption agreement with OMEGA Federal Credit Union, which immediately assumed the failed institution's operations.

Conclusion

The loss to the Share Insurance Fund resulted primarily from the weak internal controls that allowed for insider fraud that caused the credit union to become insolvent. Based on our review of the causes of the loss to the Share Insurance Fund, we determined that there were no unusual circumstances that would necessitate an in-depth review of the loss.

We appreciate the cooperation and courtesies NCUA management and staff provided to us during the limited review. If you have any questions, please contact me at 703-518-6350.

Distribution List:
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[7] Problems included in a Document of Resolution must be significant enough that an examiner would recommend escalating to the next level of elevated enforcement action for failure to correct the problem. Document of Resolution items are those that management must begin to address immediately or within a compressed timeframe due to the risk associated with the problem. A Document of Resolution must concisely describe a problem (including all supporting facts) and outline the corrective action necessary to resolve it.
[8] Examiner's Findings reflect problems credit union management must address, but do not currently threaten the viability of the credit union or represent systemic violations. Management can decide the timeframe and approach for correcting these problems and can do so in the normal course of business.
[9] A Regional Director's Letter is used when a credit union has serious or persistent problem areas that are not being resolved through field supervision alone. It is used to further emphasize the areas of concern.

General Counsel Frank Kressman
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Office of Inspector General

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Pursuant to Pub. L. 117-263 § 5274, non-governmental organizations and business entities identified in this report have the opportunity to submit a written response for the purpose of clarifying or providing additional context to any specific reference. Comments must be submitted to oigmail@ncua.gov within 30 days of the report publication date as reflected on our public website. Any comments will be appended to this report and posted on our public website. We request that submissions be Section 508 compliant and free from any proprietary or otherwise sensitive information. A response that does not satisfy the purpose set forth by the statute will not be attached to the final report.