

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

In the Matter of) LARRY DEAN KRUEGER) An Institution Affiliated Party and) Person Participating in the Affairs) of the Shoreline Credit Union)) Docket No. 96-1201A-IV
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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 in which you engaged during your affiliation with Shoreline Credit Union (the Credit Union). 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. You were a employee at the Credit Union and had the title President. As evidenced by the Criminal Judgment filed on November 13, 1996, you pled guilty to bank fraud, namely, 18 U.S.C. §1344(2). A copy of the Criminal Judgment entered by the United States District Court for the Eastern District of Wisconsin is attached.

The offense to which you pled guilty was committed while you were employed by the Credit Union. At the time of your criminal actions, the Credit Union was federally insured.

This offense involves 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.

NOTICE OF OPPORTUNITY FOR 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 a credit union's members or threaten to impair public confidence in the credit union. Such a request must state with particularity the relief desired, the grounds therefor, and must include, when available, supporting evidence.

Any such request should be sent to: Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428. This hearing will be held in the Washington, D.C. metropolitan area, or such other place as designated by the Board, in accordance with Subpart D of Part 747 of NCUA's Rules and Regulations, 12 C.F.R. §747.301 *et seq.*

Such a hearing would begin within 30 days following the NCUA Board's receipt of your request for a hearing, unless the Board granted a request from you to hold the hearing at a date later than 30 days from receipt of the hearing request. The hearing would be conducted before a Presiding Officer designated by the

NCUA Board to conduct the hearing. At such a hearing, you could appear personally, through counsel, or personally with counsel. You would have the right to introduce relevant and material written materials or, at the discretion of the NCUA Board, oral testimony, and to present an oral argument before the Presiding Officer.

Neither the formal rules of evidence nor the adjudicative procedures of the Administrative Procedure Act, 5 U.S.C. §§554-57, nor Subpart A of Part 747 of NCUA's Rules and Regulations governing non-felony prohibition actions would apply to such a hearing. The NCUA Board would have the discretion to permit the presentation of witnesses, within specified time limits, so long as a list of such witnesses is furnished to the Presiding Officer at least ten days prior to the hearing. For further information regarding the hearing procedure, see 12 C.F.R. §747.307.

The criteria to be considered at such a hearing would be as follows:

- (1) Whether the alleged offense is a crime which is punishable by imprisonment for a term exceeding one year under state or federal law, and which involves dishonesty or breach of trust;
- (2) Whether the continued presence of the subject individual in his or her position may pose a threat to the interest of the credit union's members because of the nature and extent of the individual's participation in the affairs of the insured credit union or the nature of the offense with which the individual has been charged;
- (3) Whether there is cause to believe that there may be an erosion of public confidence in the integrity, safety, or soundness of a particular credit union, either generally or in the particular locality in which the credit union is situated, if the subject individual is permitted to remain in his or her position in an insured credit union;
- (4) Whether the individual is covered by the credit union's fidelity bond and, if so, whether the bond is likely to be revoked, or whether coverage under the bond will be affected adversely as a result of the information, indictment, complaint, judgment of conviction or entry into a pretrial diversion or other similar program; and
- (5) Any other factors which, in the specific case, appear relevant to the decision to continue in effect, rescind, terminate, or modify a suspension, prohibition, or removal order, except that the ultimate question of the guilt or innocence of the subject individual with regard to the crime with which he or she has been charged shall not be considered. 12 C.F.R. §747.311.

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 December, 1996

National Credit Union Administration

by

Nicholas Veghts

Regional Director, Region IV
National Credit Union Administration

CERTIFICATE OF SERVICE

This is to certify that I have served the foregoing Order of Prohibition by depositing the same with the U.S. Postal Service, certified mail, return receipt requested, addressed to:

Larry Dean Krueger
3508 Bellevue Place
Two Rivers, Wisconsin 54241

P.O. Box 401
Two Rivers, WI 54241

Date
Richard S. Schulman
Trial Attorney
Office of General Counsel