

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

In the Matter of)	
KATHLEEN O'SULLIVAN)	
An Institution Affiliated Party and)	
Participating in the Affairs Person)	Docket No. 97-05-01-I
of the St. Agnes Hospital Employees)	
Federal Credit Union,)	
White Plains, New York)	
)	

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 St. Agnes Hospital Employees Federal 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 pleaded guilty to one count of Title 18, United States Code, Section 657, embezzlement. You were sentenced on February 11, 1997, by the U.S. District Court for the Southern District of New York, to imprisonment for thirty months, followed by supervised release for five years, and ordered to pay restitution of \$210,000. A copy of the Judgment in a Criminal Case, dated February 19, 1997, is attached to this Order as Attachment 1 and is incorporated by reference herein. Because an appeal has not been filed within the time specified by the Federal Rules of Appellate Procedure, your conviction is now final.

The offense of which you were convicted, embezzlement from a credit union, was committed while you were employed as the treasurer/manager of the St. Agnes Hospital Employees Federal Credit Union of White Plains, New York. It was discovered that during the six years you served as treasurer/manager of the St. Agnes Hospital Employees Federal Credit Union, you embezzled more than \$200,000 from the credit union. Your criminal misconduct caused St. Agnes Hospital Employees Federal Credit Union to be liquidated, at a cost to the National Credit Union Share Insurance Fund of approximately \$262,000. At the time of your criminal actions, St. Agnes Hospital Employees Federal Credit Union was a federally chartered and insured credit union.

The offense to which you pleaded guilty 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 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, 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.

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 _____

National Credit Union Administration

by

ANTHONY J. LaCRETA

Acting Regional Director, Region I

National Credit Union Administration

CERTIFICATE OF SERVICE

This is to certify that I have served the foregoing Order of Prohibition in the Matter of Kathleen O'Sullivan, by depositing the same with the U.S. Postal Service, certified mail, return receipt requested, addressed to J. Brian Hansbury, Esq., 3020 Westchester Avenue, Purchase, NY 10577-2525, attorney for Ms. O'Sullivan.

Date _____

Jon J. Canerday

Trial Attorney

Office of General Counsel