

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

IN THE MATTER OF Arthur C. DeParlos Former Manager and Treasurer of LYCL Postal and Federal Employees Federal Credit Union, Williamsport, Pennsylvania	No. 98-0612-II
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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 you engaged in during your affiliation with LYCL Postal and Federal 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, misapplication and embezzlement of credit union funds. You were sentenced on September 12, 1997, by the U.S. District Court for the Middle District of Pennsylvania, to imprisonment for twelve months and one day, followed by supervised release for three years. A copy of the Judgment in a Criminal Case, dated September 17, 1997, is attached to this Order as Attachment 1 and is incorporated by reference herein. Because you waived your right to an appeal, your conviction is now final.

The offense of which you were convicted, misapplication and embezzlement from a credit union, was committed while you were employed as manager and treasurer of LYCL Postal and Federal Employees Federal Credit Union located in Williamsport, Pennsylvania. It was discovered that in and around January 1, 1991, and continuing through on or about October 25, 1993, you had knowingly and willfully, embezzled and misapplied the sum of approximately \$47,648.00 of the moneys, funds, credits, securities, and other things of value, entrusted to the custody and care of yourself and the credit union by making fraudulent payments from credit union accounts to fictitious companies that you would then place into your personal share accounts at the credit union. You also fraudulently took and converted for your own use and benefit an insurance settlement check in the approximate amount of \$8,500 payable to the credit union for terminate damage to the credit union office building. At the time of your criminal actions, LYCL Postal and Federal Employees Federal Credit Union was a federally-chartered 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 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, Virginia 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 National Credit Union Administration'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(I) of the Federal Credit Union Act, 12 U.S.C. §1786(I), 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.

Date this day of June, 1998

National Credit Union Administration

by

Tawana J. James
Regional Director, Region II
National Credit Union Administration