

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

IN THE MATTER OF)	
)	
JAMES WINSTON DABNEY)	
)	
An Institution Affiliated Party and)	No. 95-0101 V
Person Participating in the Affairs)	
of the Zia Credit Union)	
)	

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 Zia 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 from a financial institution insured by the National Credit Union Administration Board. You were sentenced on August 29, 1994, by the U.S. District Court for the District of New Mexico, to home detention for five months, supervised release for five years and ordered to perform 500 hours of community service. A copy of the Judgment in a Criminal Case, dated September 7, 1994, 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 was committed while you were employed as the Comptroller and Vice-president in charge of operations of the Zia Credit Union of Los Alamos, New Mexico. You pleaded guilty to embezzling \$307,635 from the credit union. In a letter to the president of Zia Credit Union you admitted to taking credit union funds for your own purposes. An audit of the credit union revealed that the statements from the corporate credit union had not been reconciled for eight years, enabling you to issue credit union drafts to pay for your personal expenses and at later dates deleting any record of the transactions from the general ledger. At the time of your criminal actions, Zia Credit Union was a federally 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 Washington, D.C., 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 this _____ day of November, 1994

National Credit Union Administration
by

JOHN S. RUFFIN
Regional Director, Region V
National Credit Union Administration

CERTIFICATE OF SERVICE

This is to certify that I have served the foregoing Order of Prohibition in the Matter of James Winston Dabney, by depositing the same with the U.S. Postal Service, certified mail, return receipt requested, addressed to James P. Piazza, Esq., 2454 S.W. 9th Street, Los Alamos, New Mexico 50315, attorney for Ms. Friend.

Date

Jon J. Canerday
Trial Attorney
Office of General Counsel