

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

In the Matter of)
)
)
BORINQUEN)
FEDERAL CREDIT UNION,)
and its **BOARD OF DIRECTORS** and)
SUPERVISORY COMMITTEE)
)
Philadelphia, Pennsylvania)

Docket #11-0022-R2

CEASE AND DESIST ORDER

WHEREAS, Borinquen Federal Credit Union has executed a Stipulation and Consent to Cease and Desist Order (“Stipulation and Consent”) and consented to the issuance of this Cease and Desist Order (“Order”), pursuant to Section 206(e) of the Federal Credit Union Act, 12 U.S.C. § 1786(e), and Part 747 of the National Credit Union Administration Rules and Regulations, 12 C.F.R. § 747, *et seq.*; and

WHEREAS, pursuant to the Federal Credit Union Act and the National Credit Union Administration Rules and Regulations, the National Credit Union Administration Board (“Board”) has authority to issue a final Order where the Respondent consents to the issuance of such an Order; and

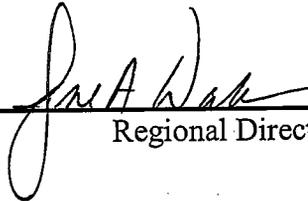
WHEREAS, the Board has considered the terms and conditions agreed to in the Stipulation and Consent;

NOW THEREFORE, IT IS ORDERED THAT:

1. The Board has jurisdiction over Borinquen Federal Credit Union pursuant to Section 206(e) of the Federal Credit Union Act.
2. The Stipulation and Consent dated June 6, 2011 is approved and is incorporated into this Order by reference.
3. The effective date of the Order is June 6, 2011.

FOR THE NATIONAL CREDIT UNION ADMINISTRATION BOARD

BY:


Regional Director

Dated: 6-7-2011

2. Jurisdiction.

(a) The Credit Union is an "insured credit union" within the meaning of the Federal Credit Union Act, 12 U.S.C. § 1786(e).

(b) Pursuant to the authority vested in the NCUA Board under Section 206 of the Federal Credit Union Act, 12 U.S.C. § 1786, and Part 747 of the NCUA Rules and Regulations, it is an appropriate Federal agency to maintain enforcement proceedings against such an insured credit union. Therefore, the Credit Union is subject to the authority of the NCUA to initiate and maintain proceedings against it.

3. Consent. The Credit Union consents to the issuance by the NCUA Board of the accompanying Cease and Desist Order. Pursuant to the Federal Credit Union Act, the Credit Union consents to the following terms and conditions:

Effective June 6, 2011, the Credit Union shall immediately:

1. Engage a certified public accounting firm acceptable to the Regional Director of the National Credit Union Administration no later than June 15, 2011, to perform a May 31, 2011, "financial statement audit" of the Credit Union's financial statements and perform a verification of member accounts pursuant to sections 715.12 and 715.8 of the NCUA Rules and Regulations, respectively. This is based on serious and persistent record keeping problems and the failure to perform or obtain an annual audit.

2. Ensure the CPA opinion audit and verification of members' accounts performed for December 31, 2010 is completed and presented to the board of directors by June 30, 2011, and prior to the completion of the May 31, 2011 "financial statement audit".
3. Ensure the May 31, 2011 audit is completed and presented to the board of directors by July 31, 2011, 60 days after the effective date of the audit.
4. Follow all requirements outlined in the final CPA opinion audit report, including adjusting entries, as necessary.
5. Provide full cooperation and complete access to all Credit Union records, including reconciled bank accounts to the auditor. Do not obstruct, delay or interfere in any manner with the audit. Hire a person to facilitate the audit or to perform other duties so the manager will be free to comply in a timely manner with all requests from the CPA performing the audit.
6. Require that the auditor provide NCUA with a copy of all reports provided to the Credit Union, including drafts and the final report, contemporaneously with the Credit Union.
7. Require the auditor, upon request of employees of NCUA, to provide progress reports and work papers, records of interviews, or any other information used in preparation of the audit.
8. Take appropriate measures to protect the integrity of all records. Comply with all federal rules applicable to maintaining financial records and do not destroy any records before the opinion audit as required by this Order is completed to the satisfaction of NCUA.

9. Reconcile and bring current all financial records, including bank and cash accounts, by June 30, 2011, and the 25th of every month thereafter.
10. Establish and oversee a BSA compliance program that meets all regulatory requirements and specifically accomplishes the following by June 30, 2011:
 - a. Identifies and reports transactions indicative of money laundering and other suspicious activity;
 - b. Performs an annual assessment of BSA risks;
 - c. Maintains a list of high risk and moderate risk members and ensuring the activity of high risk and moderate risk members are reviewed and analyzed periodically;
 - d. Monitors business accounts based on the initial risk assessment of the business account activity; and
 - e. Obtain, and then annually require, an independent, qualified third party to perform independent testing of BSA activities and processes, including suspicious activity reporting.

4. Modification. The Credit Union and the NCUA agree that the above items in the preceding paragraph will remain in effect unless modified in writing by the NCUA Region II Director. The Credit Union agrees that any such modification shall constitute an amendment to the Order and shall be fully enforceable by NCUA.

5. Waivers. The Credit Union waives its right to an administrative hearing to the Cease and Desist Order as provided for in Section 206 of the Federal Credit Union Act, 12 U.S.C. § 1786. It further waives its right to seek judicial review of the Cease and Desist Order or otherwise challenge the validity or legality of the Order.

6. Finality. The Cease and Desist Order will be issued pursuant to Section 206 of Federal Credit Union Act, 12 U.S.C. § 1786. Upon its issuance by the NCUA Board, it shall be a final Order, effective and fully enforceable by the NCUA.

WHEREFORE, in consideration of the foregoing, the undersigned, on behalf of the NCUA and the Credit Union, execute this Stipulation and Consent to Cease and Desist Order.

FOR THE CREDIT UNION:

Annette Rosa President
Name & Title

6/6/2011
Date

FOR THE NATIONAL CREDIT UNION ADMINISTRATION BOARD

Jane A Walters
By: Jane A. Walters
Regional Director, Region II

6-7-2011
Date