

**UNITED STATES OF AMERICA
NATIONAL CREDIT UNION ADMINISTRATION
Alexandria, Virginia**

In the Matter of)
)
Nicole Cheung)
_____)

Docket No.: 14-0200-R5

NOTICE OF PROHIBITION

WHEREAS on or about August 25, 2014, Nicole Cheung (“Cheung”) was sentenced on the charge of Embezzlement and Misapplication of Funds by Credit Union Employee, 18 U.S.C. § 657, a charge to which she had previously pleaded guilty, in connection with her employment at OTS Employees Federal Credit Union, in the United States District Court for the District of Hawaii;

WHEREAS a violation of 18 U.S.C. § 657 is a criminal offense involving dishonesty and breach of trust;

NOW, THEREFORE, YOU ARE HEREBY NOTIFIED THAT:

1. Pursuant to 12 U.S. C. § 1785(d)(1)(A) and 12 U.S.C. § 1829(a)(1)(A), Cheung is prohibited from becoming an “institution affiliated party” of any insured depository institution, as defined in 12 U.S.C. § 1786(r); otherwise participating, directly or indirectly, in the conduct of the affairs of any insured depository institution; and owning or controlling, directly or indirectly, any insured depository institution;

2. Pursuant to 12 U.S. C. § 1785(d)(1)(B) and 12 U.S.C. § 1829(a)(1)(B), no insured depository institution may permit Cheung to engage in any conduct or continue in any relationship prohibited in paragraph 1 above;

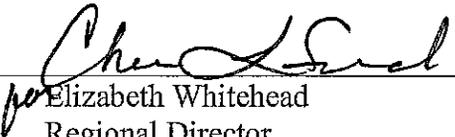
3. Pursuant to 12 U.S.C. § 1785(d)(3) and 12 U.S.C. § 1829(b), whoever knowingly violates paragraph 1 or 2 above is subject to a fine of not more than \$1 million for each day such prohibition is violated, or imprisonment for not more than five (5) years, or both;

4. The "Judgment in a Criminal Case" document, Case No. 1:14CR00459-001, is made a part hereof and is incorporated herein by reference; and

5. This Notice of Prohibition shall be effective and enforceable on the date set forth below.

IT IS SO ORDERED this 14 day of November, 2014.

NATIONAL CREDIT UNION ADMINISTRATION BOARD

By: 
Elizabeth Whitehead
Regional Director
NCUA Region V

FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

United States District Court
District of Hawaii

AUG 28 2014
at _____ o'clock and _____ min. _____ M.
SUE BEITIA, CLERK

UNITED STATES OF AMERICA
v.
NICOLE CHEUNG

JUDGMENT IN A CRIMINAL CASE

Case Number: 1:14CR00459-001
USM Number: 03396-122
Peter Wolff FPD
Defendant's Attorney

RECEIVED
2014 OCT 15 AM 10:53
U.S. MARSHAL'S SERVICE
HONOLULU, HI.

THE DEFENDANT:

- pleaded guilty to count: 1 of the Information.
- pleaded nolo contendere to count(s) _____ which was accepted by the court.
- was found guilty on count(s) _____ after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

<u>Title & Section</u>	<u>Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
18 USC 657	Embezzlement and misapplication of funds by credit union employee	9/2012	1

The defendant is sentenced as provided in pages 2 through 6 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

- The defendant has been found not guilty on count(s) _____ and is discharged as to such count(s).
- Count(s) _____ (is)(are) dismissed on the motion of the United States.

It is further ordered that the defendant must notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States Attorney of material changes in economic circumstances.

AUGUST 26, 2014

Date of Imposition of Judgment

Signature of Judicial Officer

SUSAN OKI MOLLWAY, Chief United States District
Judge

Name & Title of Judicial Officer

AUG 26 2014

Date

AO 246B (Rev. 6/05) Judgment in a Criminal Case
Sheet 2 - Imprisonment

CASE NUMBER: 1:14CR00459-001
DEFENDANT: NICOLE CHEUNG

Judgment - Page 2 of 6

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of: TWENTY (20) DAYS

FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

OCT 17 2014
at 9 o'clock and 15 min. A.M.
SUE BEITIA, CLERK

The court makes the following recommendations to the Bureau of Prisons:

The defendant is remanded to the custody of the United States Marshal.

The defendant shall surrender to the United States Marshal for this district.

at ___ on ___.

as notified by the United States Marshal.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

before 10:00 a.m. on 10/4/14.

as notified by the United States Marshal.

as notified by the Probation or Pretrial Services Officer.

RETURN

I have executed this judgment as follows:

FEDERAL DETENTION CENTER

P.O. BOX 38647

HONOLULU, HI 96820

self-surrendered
Defendant delivered on OCT 04 2014 to

at _____, with a certified copy of this judgment.

J. Ray Armondii
UNITED STATES MARSHAL
WARDEN

By *J. Lucia*
Deputy U.S. Marshal
CORRECTIONAL SYSTEMS OFFICER

AO 245B

(Rev. 6/06) Judgment in a Criminal Case
Sheet 3 - Supervised Release

CASE NUMBER: 1:14CRO0459-001
DEFENDANT: NICOLE CHEUNG

Judgment - Page 3 of 6

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of: FIVE (5) YEARS

The defendant must report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state, or local crime.

That the defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of commencement on supervision and at least two periodic drug tests thereafter, but not more than 8 valid drug tests per month during the term of supervised release.

- The above drug testing condition is suspended, based on the court's determination that the defendant poses a low risk of future substance abuse. (Check if applicable.)
- The defendant shall not possess a firearm, ammunition, destructive device, or any other dangerous weapon (Check if applicable.)
- The defendant shall cooperate in the collection of DNA as directed by the probation officer. (Check if applicable.)
- The defendant shall register in person with the state sex offender registration agency in the jurisdiction where the defendant resides, works, or is a student within 3 business days after being sentenced or after being released from custody pursuant to the Sex Offender Registration and Notification Act (Title I of the Adam Walsh Child Protection and Safety Act of 2006). For initial registration purposes only, the defendant shall also register in the jurisdiction in which convicted if such jurisdiction is different from the jurisdiction of residence. (Check if applicable.)
- The defendant shall participate in an approved program for domestic violence. (Check if applicable.)

If this judgment imposes a fine or restitution, it is a condition of supervised release that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page.

STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without permission of the court or probation officer;
- 2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow instructions of the probation officer;
- 4) the defendant shall support his or her dependants and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training or other acceptable reasons;
- 6) the defendant shall notify the probation officer ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

AO 245B

(Rev. 6/05) Judgment In a Criminal Case
Sheet 3 - Supervised Release

CASE NUMBER: 1:14CR00459-001
DEFENDANT: NICOLE CHEUNG

Judgment - Page 4 of 6

SPECIAL CONDITIONS OF SUPERVISION

1. The defendant shall participate in an alcohol abuse assessment, and shall participate in any treatment recommended by the evaluator, as directed by the Probation Officer.
2. The defendant shall participate in a mental health assessment, and shall participate in any treatment recommended by the evaluator, as directed by the Probation Officer.
3. The defendant shall serve 3 months of home detention with location monitoring as arranged by the Probation Office. During this time, the defendant shall remain at her place of residence during nonworking hours and shall not leave her residence without the approval of the Probation Office. The defendant shall wear a location monitoring device and follow the location monitoring procedures pursuant to the Participant's Agreement and shall earn leave as determined by the Probation Office. The defendant will also be responsible for the payment of the location monitoring costs as directed by the Probation Office.
4. Restitution of \$21,607.00 is due to CUMIS Insurance Society, Inc. Any unpaid balance is to be paid during the period of supervision in monthly installments of not less than 10% of the defendant's gross monthly income. The court may order that this requirement be changed from time to time as the defendant's circumstances warrant, but no court order shall be required for the defendant's voluntary agreement to pay more than the court-ordered minimum. Interest is waived while the defendant is serving any term of imprisonment and shall begin accruing on any remaining balance on the defendant's release on supervision. Payments shall be made by payroll deduction, when applicable. The defendant shall notify the probation officer of any change in the defendant's economic circumstances that affect the defendant's ability to pay. The defendant's economic circumstances shall be reviewed by the probation officer on at least an annual basis.
5. The defendant shall execute all financial disclosure forms, and provide the Probation Office and the Financial Litigation Unit of the U.S. Attorney's Office access to any requested financial information to include submitting to periodic debtor's examinations as directed by the Probation Office.
6. The defendant shall notify the Probation Office of any contemplated employment and shall obtain approval from the Probation Office for all employment. Unless the defendant is self-employed, she may not be employed in any capacity wherein she has custody, control, or management of her employer's funds.
7. The defendant shall provide to the Probation Office a signed release authorizing credit checks and an accurate financial statement, with supporting documentation, as to all sources and amounts of income and all expenses of the defendant and any business owned, in whole or in part, by the defendant.
8. The defendant is prohibited from incurring credit charges and lines of credit without the prior approval of the Probation Office, until such time that the restitution is paid in full.
9. The defendant shall apply all monies received from income tax refunds, lottery winnings, inheritance, judgments and any anticipated or unexpected financial gains to the outstanding Court-ordered financial obligation, at the discretion and direction of the Probation Office.
10. The defendant shall submit her person, property, house, residence, vehicle, papers, or office to a search conducted by a United States Probation Officer. Failure to submit to a search may be grounds for revocation of release. The defendant shall warn any other occupants that the premises may be subject to searches pursuant to this condition. An officer may conduct a search pursuant to this condition only when reasonable suspicion exists that the defendant has violated a condition of her supervision and that the areas to be searched contain evidence of this violation. Any search must be conducted at a reasonable time and in a reasonable manner.

AO 245B

(Rev. 6/05) Judgment In a Criminal Case
Sheet 6 - Schedule of Payments

CASE NUMBER: 1:14CR00459-001
DEFENDANT: NICOLE CHEUNG

Judgment - Page 6 of 6

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties are due as follows:

- A Lump sum payment of \$ __ due immediately, balance due
 not later than __, or
 in accordance C, D, E, or F below; or
- B Payment to begin immediately (may be combined with C, D, or F below); or
- C Payment in equal __ (e.g., weekly, monthly, quarterly) installments of \$ __ over a period of __ (e.g., months or years), to commence __ (e.g., 30 or 60 days) after the date of this judgment; or
- D Payment in equal __ (e.g., weekly, monthly, quarterly) installments of \$ __ over a period of __ (e.g., months or years), to commence __ (e.g., 30 or 60 days) after the release from imprisonment to a term of supervision; or
- E Payment during the term of supervised release will commence within __ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F Special instructions regarding the payment of criminal monetary penalties:
Restitution of \$21,607.00 is due to CUMIS Insurance Society, Inc. Any unpaid balance is to be paid during the period of supervision in monthly installments of not less than 10% of the defendant's gross monthly income. The court may order that this requirement be changed from time to time as the defendant's circumstances warrant, but no court order shall be required for the defendant's voluntary agreement to pay more than the court-ordered minimum. Interest is waived while the defendant is serving any term of imprisonment and shall begin accruing on any remaining balance on the defendant's release on supervision. Payments shall be made by payroll deduction, when applicable. The defendant shall notify the probation officer of any change in the defendant's economic circumstances that affect the defendant's ability to pay. The defendant's economic circumstances shall be reviewed by the probation officer on at least an annual basis.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the Clerk of the Court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number, Total Amount, Joint and Several Amount, and corresponding pay, if appropriate.

The defendant shall pay the cost of prosecution.

The defendant shall pay the following court cost(s):

The defendant shall forfeit the defendant's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.