

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

\_\_\_\_\_) )  
**IN THE MATTER OF** ) )

PAUL A. BRAHAM ) )

An Institution Affiliated Party and ) )  
Person Participating in the Affairs ) )  
of the Cleveland Heights Employees Credit Union ) )

No. 96-1201 IV

**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 Cleveland Heights Employees 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 1344, financial institution fraud. You were sentenced on October 26, 1995, by the U.S. District Court for the Northern District of Ohio, to imprisonment for one day, followed by supervised release for three years, ordered to perform two hundred hours of community service and ordered to pay a fine in the amount of \$2,000. A copy of the Judgment in a Criminal Case, dated October 26, 1995, 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, financial institution fraud, is the result of your performing audits of the Cleveland Heights Employees Credit Union of Cleveland Heights, Ohio. You held yourself out as a certified public accountant, or "CPA", when you knew you did not hold such accreditation. As a result of the misrepresentation of your credentials, the Cleveland Heights Employees Credit Union retained you to perform audits and provide other services normally provided by a CPA. Your audits failed to detect the massive embezzlements perpetrated upon the credit union by the manager and head teller. These embezzlements ultimately rendered the credit union insolvent. At the time of your criminal actions, Cleveland Heights Employees Credit Union was a federally insured credit union. Your actions are sufficient to make you an institution-affiliated party and subject to the jurisdiction of the National Credit Union Administration.

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 this 21st day of November, 1996

**National Credit Union Administration**

by

--S--

\_\_\_\_\_  
NICHOLAS VEGHTS  
Regional Director, Region IV  
National Credit Union Administration

---

**CERTIFICATE OF SERVICE**

This is to certify that I have served the foregoing Order of Prohibition in the Matter of Paul A. Braham, by depositing the same with the U.S. Postal Service, certified mail, return receipt requested, addressed to Paul A. Braham, 3982 Green Street, Perry, OH 44081-9664.

Date 12-6-1996

--S--

\_\_\_\_\_  
Jon J. Canerday  
Trial Attorney  
Office of General Counsel