

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

\_\_\_\_\_ )  
In the Matter of )

Kathryn Sue Simmerman )  
\_\_\_\_\_ )

Docket No.: 16-0001-R1

**NOTICE OF PROHIBITION**

WHEREAS on or about January 4, 2016, Kathryn Sue Simmerman (“Simmerman”) was sentenced on the charges of Embezzlement by a Credit Union Employee, 18 U.S.C. § 657, and Structuring, 31 U.S.C. § 5324(a)(3) and (d)(1), charges to which she had previously pleaded guilty, in connection with her employment at Shoreline Federal Credit Union, in the U.S. District Court for the Western District of Michigan;

WHEREAS violations of 18 U.S.C. § 657 and 31 U.S.C. § 5324(a)(3) and (d)(1) are criminal offenses 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), Simmerman 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 Simmerman 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;

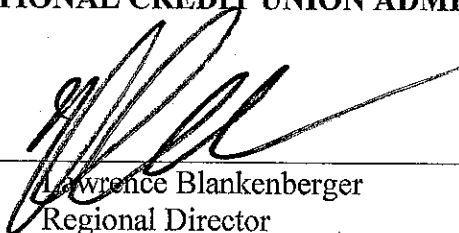
4. The "Judgment in a Criminal Case" document, Case No. 1:15-CR-127, is made a part hereof and is incorporated herein by reference; and

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

IT IS SO ORDERED this 29<sup>th</sup> day of January, 2016.

**NATIONAL CREDIT UNION ADMINISTRATION BOARD**

By: \_\_\_\_\_

  
Lawrence Blankenberger  
Regional Director  
NCUA Region I

**United States District Court**  
Western District of Michigan

UNITED STATES OF AMERICA

JUDGMENT IN A CRIMINAL CASE

-vs-

Case Number: 1:15-CR-127

KATHRYN SUE SIMMERMAN

USM Number: 18822-040

Donald Davis/Gary Springstead  
Defendant's Attorney

**THE DEFENDANT:**

- pleaded guilty to Counts One and Two of an 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 offense(s):

<u>Title &amp; Section</u>	<u>Offense Ended</u>	<u>Count No.</u>
18 U.S.C. § 657	February 3, 2015	One
31 U.S.C. § 5324(a)(3) and (d)(1)	February 3, 2015	Two

Nature of Offense

-Embezzlement by Credit Union Employee

-Structuring

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

**IT IS 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.

Date of Imposition of Sentence: January 4, 2016

Date: January 5, 2016

/s/ Robert Holmes Bell  
ROBERT HOLMES BELL  
UNITED STATES DISTRICT JUDGE

AO 245B (MIWD Rev. 01/13)- Judgment in a Criminal Case

Judgment – Page 2

Defendant: KATHRYN SUE SIMMERMAN

Case Number: 1:15-CR-127

### IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of **78 months as to Count 1 and 60 months as to Count 2, to be served concurrently.**

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

- That the defendant be placed as close as possible to her family in West Michigan.

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 2:00 P.M. on \_\_\_\_\_.

As notified by the United States Marshal.

As notified by the Probation or Pretrial Services Office.

### RETURN

I have executed this judgment as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Defendant delivered on \_\_\_\_\_ To \_\_\_\_\_

At \_\_\_\_\_, with a certified copy of this judgment.

\_\_\_\_\_  
United States Marshal

By: \_\_\_\_\_  
Deputy United States Marshal

### SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of **2 years as to each of Counts 1 and 2, to be served concurrently.**

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.

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 release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.

- The above drug testing condition is suspended, based on the court's determination that the defendant poses a low risk of future substance abuse.
- The defendant shall not possess a firearm, ammunition, destructive device, or any other dangerous weapon.
- The defendant shall cooperate in the collection of DNA as directed by the probation officer.
- The defendant shall comply with the requirements of the Sex Offender Registration and Notification Act (42 U.S.C. § 16901, *et seq.*) As directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in which he or she resides, works, is a student, or was convicted of a qualifying offense.
- The defendant shall participate in an approved program for domestic violence.

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 the permission of the court or probation officer;
2. The defendant shall report to the probation officer in a manner and frequency directed by the court or probation officer;
3. The defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
4. The defendant shall support his or her dependents 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 at least ten (10) 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 by the probation officer;
11. The defendant shall notify the probation officer within seventy-two (72) 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; and
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.

### **SPECIAL CONDITIONS OF SUPERVISION**

1. The defendant shall provide the probation officer with access to any requested financial information.
2. The defendant shall not apply for, nor enter into, any loan or other credit transaction without the approval of the probation officer.
3. The defendant shall be employed unless her health or other reasons prohibit her from being employed.
4. The defendant shall not be employed in any position that involves having custody of an employer's property.

AO 245B (MIWD Rev. 01/13)- Judgment in a Criminal Case

Judgment - Page 5

Defendant: KATHRYN SUB SIMMERMAN

Case Number: 1:15-CR-127

**CRIMINAL MONETARY PENALTIES<sup>1</sup>**

The defendant must pay the total criminal monetary penalties under the Schedule of Payments on the following pages.

<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
<b>\$100.00</b>	-0-	<b>\$1,945,000</b>

- The determination of restitution is deferred until \_\_\_\_\_. An Amended Judgment in a Criminal Case (AO 245C) will be entered after such determination.
- The defendant shall make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(I), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Amount of Loss</u>	<u>Amount of Restitution Ordered</u>	<u>Priority Order or Percentage of Payment</u>
Shoreline Federal Credit Union	\$670,000.00	\$670,000.00	#1
CUMIS Insurance Society	\$1,275,000.00	\$1,275,000.00	#2

- Restitution amount ordered pursuant to plea agreement: \$
- The defendant must pay interest on restitution and/or a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options in the Schedule of Payments may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).
- The Court determined that the defendant does not have the ability to pay interest and it is ordered that:
  - the interest requirement is waived for the fine.
  - the interest requirement is waived for the restitution.
  - the interest requirement for the fine is modified as follows:
  - the interest requirement for the restitution is modified as follows:

<sup>1</sup> Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

### SCHEDULE OF PAYMENTS

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

- A  Lump sum payment of **\$200.00** due immediately, balance due  
 not later than \_\_\_\_\_, or  
 In accordance with  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 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:

The defendant shall have paid \$200,000 towards her restitution by December 31, 2016. Upon defendant's release from imprisonment, she shall meet with her supervising probation officer to discuss her financial situation. Thereafter, the probation officer shall submit a proposed payment plan to the Court. The defendant shall apply all monies received from income tax refunds, lottery winnings, judgments, and/or any other anticipated or unexpected financial gains to any outstanding court-ordered financial obligations.

Unless the court has expressly ordered otherwise in the special instructions above, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during the period of 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, 399 Federal Building, 110 Michigan N.W., Grand Rapids, MI 49503, unless otherwise directed by the court, the probation officer, or the United States Attorney.

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), Joint and Several Amount, and corresponding payee, 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.