

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

In the Matter of)
)
)

Cynthia Vaughan)

) Docket No.: 10 - 0011 R1
)
)

Former Employee / Institution-Affiliated)
Party of)
Rockland Employees FCU)
Spring Valley, New York)
_____)

NOTICE OF PROHIBITION

Pursuant to Section 206(i)(1)(A)(i) of the Federal Credit Union Act ("FCUA"), 12 U.S.C. §1786(i)(1)(A)(i), you are hereby notified that you are prohibited from participating in any manner in the affairs of any federally insured credit union. The Notice of Prohibition ("Notice") is being issued because a complaint was issued against you by the United States Attorney, Southern District of New York charging you with bank fraud. The complaint is based on your fraudulent activities while employed at Rockland Employees Federal Credit Union, Spring Valley, New York.

This Notice is effective immediately upon service. In accordance with Section 206(i)(1)(B) (ii) of the FCUA, 12 U.S.C. § 1786 (i)(1)(B)(ii), this Notice shall constitute a prohibition from further participation in any manner in the affairs of any federally insured financial institution, or other entity identified therein, until such time as the complaint is finally disposed of or until terminated by the National Credit Union Administration Board. This Notice has been issued based upon the following

information: On January 21, 2010, you were charged with bank fraud pursuant to 18 U.S.C. §1344 in your capacity as manager of Rockland Employees FCU of Spring Valley, New York. ("Credit Union"). Due to the nature of the offenses to which you were charged 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 FCUA, 12 U.S.C. § 1786(i)(3), you may request in writing, within thirty days of service of this Notice, 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. Pursuant to 12 C.F.R. § 747.306, your request must state with particularity the relief desired, the grounds, and must include, when available, supporting evidence.

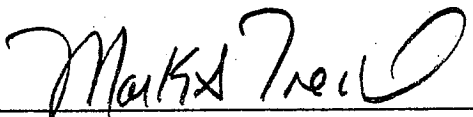
Any such request shall be sent to: Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428, with a copy sent to Trial Attorney Dana Brewington at the same address. The hearing will be held in the Washington, D.C. metropolitan area, in accordance with Subpart D of Part 747 of the National Credit Union Administration's Rules and Regulations, 12 C.F.R. § 747.301 *et. seq.* You may appear at the hearing personally, through counsel, or personally with counsel. The proceedings will be recorded and you will be entitled to a transcript after payment of the costs thereof. Witnesses may be called in the discretion of the NCUA

Board. If witnesses are permitted, you may cross examine any witnesses called by the NCUA's enforcement staff, and they in turn may cross-examine any witnesses called by you. The Presiding Officer of the hearing will make his or her recommendations to the NCUA Board, where possible, within ten business days following the close of the record.

PENALTY FOR VIOLATION OF NOTICE OF PROHIBITION

Pursuant to Section 206(k)(2) of the FCUA, 12 U.S.C. § 1786(k)(2), any violation of this Order may subject you to a civil money penalty. In addition, pursuant to Section 206(l) of the Federal Credit Union Act, 12 U.S.C. § 1786(l), any violation of this Notice is a felony offense that is punishable by imprisonment of up to five years and a fine of up to \$1,000,000.

National Credit Union Administration

By 
Mark A. Treichel, Region 1
Regional Director
National Credit Union Administration

Dated: 4-21-10

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

- v. - :

CYNTHIA VAUGHAN, :

Defendant. :

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INDICTMENT

10 Cr. 233

COUNT ONE

The Grand Jury charges:

1. From at least in or about October 2000, up to and including in or about June 2006, in the Southern District of New York and elsewhere, CYNTHIA VAUGHAN, the defendant, unlawfully, willfully, and knowingly did execute and attempt to execute a scheme and artifice to defraud a financial institution, the deposits of which were insured by the National Credit Union Administration, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution by means of false and fraudulent pretenses, representations, and promises, to wit, VAUGHAN had money transferred from Rockland Employees Federal Credit Union operating accounts without authorization, into her own account and accounts under her control, in part by representing the transfers as legitimate, approved transactions,

and by using other individuals' teller identification numbers to complete the transfers.

(Title 18, United States Code, Section 1344.)

COUNT TWO

The Grand Jury further charges:

2. From at least in or about July 1999, up to and including in or about June 2006, in the Southern District of New York and elsewhere, CYNTHIA VAUGHAN, the defendant, unlawfully, willfully, and knowingly did execute and attempt to execute a scheme and artifice to defraud a financial institution, the deposits of which were insured by the National Credit Union Administration, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution by means of false and fraudulent pretenses, representations, and promises, to wit, VAUGHAN used Rockland Employees Federal Credit Union corporate credit cards to obtain goods and services for her own personal use, and paid the credit card bills using money from Rockland Employees Federal Credit Union operating accounts that were unrelated to the charges on the cards.

(Title 18, United States Code, Section 1344.)

COUNT THREE

The Grand Jury further charges:

3. On or about January 5, 2004 and January 10, 2006,

in the Southern District of New York and elsewhere, CYNTHIA VAUGHAN, the defendant, unlawfully, willfully, and knowingly did execute and attempt to execute a scheme and artifice to defraud a financial institution, the deposits of which were insured by the National Credit Union Administration, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution by means of false and fraudulent pretenses, representations, and promises, to wit, VAUGHAN drafted two letters purporting to be from the Chairman of the Board of Directors of the REFCU approving salary increases for herself, without the Chairman's permission, forged the Chairman's signature on one of the letters and used the other letter to obtain money from the REFCU.

(Title 18, United States Code, Section 1344.)

FORFEITURE ALLEGATION

4. As the result of committing the offenses in violation of Title 18, United States Code, Section 1344, as alleged in Counts One through Three of this Indictment, CYNTHIA VAUGHAN, the defendant, shall forfeit to the United States, pursuant to 18 U.S.C. § 982, any property constituting, or derived from, proceeds obtained directly or indirectly as a result of such violation, including but not limited to a sum of money representing the amount of proceeds obtained as a result of the offense charged in Counts One through Three of this

Indictment.

Substitute Asset Provision

5. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third person;


(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982, to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982)


FOREPERSON


PREET BHARARA
United States Attorney