

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

In the Matter of)

CRYSTAL L. SMITH,)

Former Employee of)
Bluegrass Community Federal Credit Union)
Ashland, Kentucky)

Docket No. 09-0050-R3

ORDER OF PROHIBITION

Pursuant to Section 206(i)(1)(C) of the Federal Credit Union Act ("FCUA"), 12 U.S.C. §1786(i)(1)(C), 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 your conviction for activities you engaged in during your affiliation with Bluegrass Community Federal Credit Union, Ashland, Kentucky.

This prohibition is effective immediately upon service. In accordance with Section 206(g)(7)(A) of the FCUA, 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 were convicted of Knowingly and with Intent to Defraud Did Use an Unauthorized Access Device, 18 U.S.C § 1029(a)(2); Did Knowingly Use, Without Lawful Authority, a Means of Identification of Another Person in Relation to a Felony Offense, 18 U.S.C. § 1028A; Being an Employee of a Credit Union

Willfully Misapplied or Embezzled, Abstracted, and Other Things of Value, 18 U.S.C. § 657; Bank Fraud, 18 U.S.C. § 1344. On July 6, 2009, you were sentenced by the United States District Court the Eastern District of Kentucky to 57 months imprisonment; 5 years supervised probation and ordered to pay restitution in the amount of \$178,709.01.

You committed the offense to which you were convicted in your capacity as Administrative Assistant of Bluegrass Community Federal Credit Union. Due to the nature of the offense to which you were convicted 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 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. 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 Associate General Counsel John k. Ianno 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 at 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 ORDER 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 Order 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



Alonzo Swann III, Region III
Regional Director
National Credit Union Administration

Dated: October 20, 2009

UNITED STATES DISTRICT COURT

EASTERN

District of KENTUCKY - NORTHERN DIVISION

UNITED STATES OF AMERICA

JUDGMENT IN A CRIMINAL CASE

V.

CRYSTAL SMITH

Case Number: 0:09-CR-1-DLB-1

USM Number: 10830-032

Michael J. Curtis
Defendant's Attorney

Court Reporter: Kathy Davis

THE DEFENDANT:

X pleaded guilty to count(s) 1, 2, 3, AND 7 OF INDICTMENT

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</u>	<u>Count</u>
18:1029(a)(2)	Knowingly and with Intent to Defraud Did Use an Unauthorized Access Device	05/16/2008	1
18:1028A	Did Knowingly Use, Without Lawful Authority, a Means of Identification of Another Person in Relation to a Felony Offense	12/05/2007	2
18:657	Being an Employee of a Credit Union Willfully Misapplied or Embezzled, Abstracted, and Other Things of Value	05/16/2008	3
18:1344	Bank Fraud	08/15/2008	7

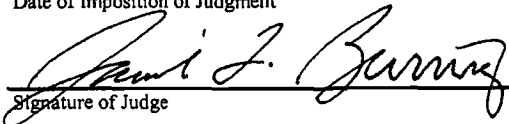
The defendant is sentenced as provided in pages 2 through 6 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984, as amended or modified by the Supreme Court's January 12, 2005 decision in *United States v. Booker* and *United States v. Fanfan*.

The defendant has been found not guilty on count(s) _____

X Count(s) 4, 5, 6, and 8 is X are dismissed on the motion of the United States.

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.

JULY 6, 2009
Date of Imposition of Judgment


Signature of Judge

Name and Title of Judge

JULY 7th, 2009
Date

DEFENDANT: CRYSTAL SMITH
CASE NUMBER: 0:09-CR-1-DLB-1

IMPRISONMENT

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

33 months on each of Counts One, Three, and Seven, to be served concurrently with each other, and 24 months on Count Two, to be served consecutively to Counts One, Three, and Seven, for a total term of 57 months.

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

- (1) The defendant shall serve his sentence at the FMC in Lexington, Kentucky.
- (2) The defendant shall receive mental health services offered by 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 _____ a.m. p.m. 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 p.m. on 08/24/2009

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 _____

a _____, with a certified copy of this judgment.

UNITED STATES MARSHAL

By _____

DEPUTY UNITED STATES MARSHAL

DEFENDANT: CRYSTAL SMITH
CASE NUMBER: 0:09-CR-1-DLB-1

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of :

3 years on Count One; 1 year on Count Two; and, 5 years on each of Counts Three and Seven. All terms of supervised release are to be served concurrently for a total term of 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.

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. (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 comply with the requirements of the Sex Offender Registration and Notification Act (42 U.S.C. § 16901, *et* 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. (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 the 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 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 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; 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.

DEFENDANT: CRYSTAL SMITH
CASE NUMBER: 0:09-CR-1-DLB-1

SPECIAL CONDITIONS OF SUPERVISION

1. The defendant shall provide the probation officer with access to any requested financial information.
2. The defendant shall not incur new credit charges or open additional lines of credit without the approval of the probation officer unless she is in compliance with the installment payment schedule.
3. The defendant shall participate in a program of mental health treatment at the direction and discretion of the probation officer, until such time as the defendant is released from the program by the probation officer.

Pursuant to Public Law 108-405, Revised DNA Collection Requirements Under the Justice for All Act of 2004, the defendant shall submit to DNA collection if the offense of conviction is a felony.

ACKNOWLEDGMENT

Upon a finding of a violation of probation or supervised release, I understand that the Court may (1) revoke supervision, (2) extend the term of supervision, and/or (3) modify the conditions of supervision.

These conditions have been read to me. I fully understand the conditions and have been provided a copy of them.

(Signed) _____
(Defendant)

Date

U. S. Probation Officer/Designated Witness

Date

DEFENDANT: CRYSTAL SMITH
CASE NUMBER: 0:09-CR-1-DLB-1

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments on Sheet 6.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
TOTALS	\$ 400.00	\$ WAIVED	\$ 178,709.01

The determination of restitution is deferred until _____. An *Amended Judgment in a Criminal Case* (AO 245C) will be entered after such determination.

The defendant must 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 Loss*</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
Cumis Insurance Society, Inc. (CUNA) P.O. Box 1221 Madison, Wisconsin 53701-1221 Claim No. B0785484		\$156,517.88	
City National Bank of West Virginia Attn.: Mary F. Charles Security Director/Fraud Control 25 Gatewater Road Cross Lanes, West Virginia 25313		\$13,599.01.00	
Bluegrass Community Credit Union 2205 Carter Avenue Ashland, Kentucky 41005		\$8,592.12	
TOTALS	\$ _____ 0	\$ _____ 178,709.01	

X Restitution amount ordered pursuant to plea agreement \$ 178,709.01

The defendant must pay interest on restitution and 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 on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

X The court determined that the defendant does not have the ability to pay interest and it is ordered that:

X the interest requirement is waived for the fine X restitution.

the interest requirement for the fine restitution is modified as follows:

* 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.

DEFENDANT: CRYSTAL SMITH
CASE NUMBER: 0:09-CR-1-DLB-1

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 \$ 179,109.01 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 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:
Special Assessment in the amount of \$400.00 is due and payable immediately. Additionally, the defendant shall pay restitution in the amount of \$156,517.88 to Cumis Insurance Society, Inc.; \$13,599.01 to City National Bank of West Virginia; and, \$8,592.12 to Bluegrass Community Credit Union. Restitution is due and payable immediately. During her term of incarceration, the defendant shall make minimum quarterly payments of \$25. If she is employed by Unicor Prison Industries, her minimum quarterly payment shall become \$60. Upon her release from imprisonment, a payment schedule will be set by the Court regarding any outstanding restitution owed by the defendant. Payments shall be made to: Clerk, U.S. District Court, 1405 Greenup Avenue, Ste. 336, Ashland, Kentucky 41101.

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 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.