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

In the Matter of	)	
James Scalzo	)	Docket No.: 17-0011-R4

#### **NOTICE OF PROHIBITION**

WHEREAS on or about August 1, 2008 and July 5, 2009, James Scalzo ("Scalzo") was sentenced on one count of Bank Fraud, 18 U.S.C. § 1344, and two counts of Money Laundering, 18 U.S.C. § 1956, charges to which he previously pleaded guilty, in the United States District Court for the Eastern District of Wisconsin, in connection with his employment at Consumers Cooperative Credit Union;

WHEREAS violations of 18 U.S.C. §§ 1344 and 1956 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), Scalzo 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 Scalzo 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;
- The "Judgment in a Criminal Case" document, District Court Case No. 12-CR 262, is made a part hereof and is incorporated herein by reference; and

ISSUED this 2nd day of March, 2017.

NATIONAL CREDIT UNION ADMINISTRATION

Rob F. Robine

Trial Attorney

NCUA Office of General Counsel

# UNITED STATES DISTRICT COURT

## EASTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA

## JUDGMENT IN A CRIMINAL CASE

JAMES SCALZO Case Number: 12-CR-262 USM Number: 12087-089 Michael Cohn Defendant's Attorney Carol Kraft Assistant United States Attorney THE DEFENDANT: pleaded guilty to counts one and two 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: Title & Section Nature of Offense Offense Ended Count 18 U.S.C. § 1344 bank fraud 8/1/108 1 18 U.S.C. § 1956 money laundering 7/5/09 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) ☐ is ☐ 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 the United States attorney of material changes in economic circumstances. July 18, 2013 Date of Imposition of Judgment /s Lynn Adelman Signature of Judicial Officer Lynn Adelman, District Judge Name & Title of Judicial Officer July 19, 2013 Date

AO 245B (Rev. 06/05) Judgment in a Criminal Case:
Sheet 2 - Imprisonment

Defendant:

JAMES SCALZO

Case Number:

12-CR-262

#### **IMPRISONMENT**

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of: 35 months on counts one and two running concurrently.

	The court makes the following recommendations to the Bureau of Prisons: placement at a facility close to defendant's home.
	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.
$\boxtimes$	The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons,
	before 2 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
_	, with a certified copy of this judgment.
	UNITED STATES MARSHAL
	By
	DEPUTY UNITED STATES MARSHAL

AO 245B (Rev. 06/05) Judgment in a Criminal Case: Sheet 3 - Supervised Release

Defendant:

JAMES SCALZO

Case Number:

12-CR-262

#### SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of: three years on counts one and two running 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. (Check, if applicable.)
- $\boxtimes$ 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 with the state sex offender registration agency in the state where the defendant resides, works, or is a student, as directed by the probation officer. (Check, if applicable.)
- The defendant shall participate in an approved program for domestic violence. (Check, if applicable.)

If this judgment imposes a fine or a 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;
- 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;
- the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- the defendant shall support his or her dependents and meet other family responsibilities;
- 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;
- 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;
- the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 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;
- 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 notification and to confirm the defendant's compliance with such notification requirement.

Defendant:

JAMES SCALZO

Case Number:

12-CR-262

#### ADDITIONAL SUPERVISED RELEASE TERMS

The defendant is to pay any balance of the restitution at a rate of not less than \$200 per month. The defendant will also apply 100 percent of his yearly federal and state tax refunds toward payment of the restitution. The defendant shall not change exemptions without prior notice to the supervising probation officer.

The defendant shall not hold employment having fiduciary responsibilities during the supervision term without first notifying the employer of his conviction. The defendant shall not hold self-employment having fiduciary responsibilities without consent of the supervising probation officer.

The defendant shall not open new lines of credit, which includes the leasing of any vehicle or other property, or use existing credit resources without the prior approval of the supervising probation officer.

The defendant is to cooperate with the Child Support Enforcement Unit in payment of any child support or arrearages and to make regular payments at the direction of the supervising probation officer.

AO 245B (Rev 06/05) Judgment in a Criminal Case: Sheet 5 - Criminal Monetary Penalties

Defendant:

JAMES SCALZO

Case Number:

12-CR-262

## CRIMINAL MONETARY PENALTIES

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

		Assessmen	t	Fine	Restitution		
	Totals:	\$200.00		\$	\$TBD		
	☐ The determination of such determination.	of restitution is deferre	d 90 days. An A	mended Judgment in a	Criminal Case (AO 245C) will be entere	ed after	
	☐ The defendant must	t make restitution (inc	luding communi	ty restitution) to the fo	ollowing payees in the amount listed belo	w.	
	If the defendant makes	a partial payment, each percentage payment c	pavee shall rece	ve an approximately n	roportioned payment, unless specified oth 8 U.S.C. § 3664(i), all nonfederal victim		
Na	me of Payee	Total	Loss*	Restitution	Ordered Priority or Percen	itage	
To	tals:	s		_ s			
	Restitution amount ordered pursuant to plea agreement \$						
	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).						
	The court determined that	he court determined that the defendant does not have the ability to pay interest, and it is ordered that:					
	☐ the interest requirement	ent is waived for the	□ fine	□ restitution			
	☐ the interest requirement	ent for the	□ fine	☐ restitution	is modified as follows:		

<sup>\*</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.

Defendant:

JAMES SCALZO

Case Number:

12-CR-262

## SCHEDULE OF PAYMENTS

Ц						
	ving a	assessed the defendant's ability to pay, payment of the total criminal monetary penalties shall be due as follows:				
A	$\boxtimes$	Lump sum payment of \$200.00 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 $\square$ C, $\square$ D, or $\square$ 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:				
	ancial	ess the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties ing imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Responsibility Program are made to the clerk of the court.				
	Ioint	and Several				
	Defe	Defendant and Co-Defendant Names, Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate:				
	The d	defendant shall pay the cost of prosecution.				
	The d	lefendant shall pay the following court cost(s):				
	The d	efendant 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.