

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

In the Matter of JAMES GARY EARLY An Institution Affiliated Party and Person Participating in the Affairs of the Charleston Naval Shipyard Federal Credit Union Charleston, South Carolina	Docket No. 98-0802-III
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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 Charleston Naval Shipyard Federal 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 1006, unlawful participation in a credit union loan. You were sentenced on February 25, 1998, by the U.S. District Court for the District of South Carolina, to imprisonment for one day, followed by supervised release for three years, and ordered to pay a fine in the amount of \$1,000. A copy of the Judgment in a Criminal Case, dated February 26, 1998, 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, unlawful participation in a credit union loan, was committed while you were employed as the vice-president of commercial lending at the Charleston Naval Shipyard Federal Credit Union of Charleston, South Carolina. The information to which you pleaded guilty alleges that on or about December 12, 1990 and February 19, 1991, you participated in the approval of two loans, in the amount of \$132,000 and \$170,000, from the credit union to a Randolph C. Evans. However, you actually received the proceeds from these two loans and used them for your own commercial ventures and for other personal uses. Such action was in direct violation of NCUA's regulations and the credit union's commercial lending policy, which you helped draft. At the time of your criminal actions, Charleston Naval Shipyard Federal Credit Union was a federally-chartered credit union.

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

