

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY

In the Matter of)	
)	
JACQUELINE BROWN,)	OCC AA-EC-2021-04
Former Senior Loan Processor)	
)	
GN Bank)	
Chicago, Illinois)	

NOTICE OF CHARGES FOR ORDER OF PROHIBITION

Take notice that on a date to be determined by the Administrative Law Judge, a hearing will commence in the Northern District of Illinois, or such other location to be determined by the Administrative Law Judge, pursuant to 12 U.S.C. § 1818(e), concerning the charges set forth herein to determine whether an Order should be issued by the Office of the Comptroller of the Currency (“OCC”) against Jacqueline Brown (“Respondent”), a former Senior Loan Processor at GN Bank, Chicago, Illinois (“Bank”). Such order would prohibit Respondent from participating in any manner in the conduct of the affairs of any federally insured depository institution or any other institution, credit union, agency or entity referred to in 12 U.S.C. § 1818(e).

The hearing afforded Respondent shall be open to the public unless the Comptroller of the Currency (“Comptroller”), in his discretion, determines that holding an open hearing would be contrary to the public interest.

In support of this Notice of Charges for Prohibition (“Notice”), the OCC charges the following:

ARTICLE I
JURISDICTION

At all times relevant to the charges set forth below:

- (1) The Bank is an “insured depository institution” as defined in 12 U.S.C. § 1813(c)(2).
- (2) Respondent was an employee of the Bank and is an “institution-affiliated party” of the Bank as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years from the date hereof. *See* 12 U.S.C. § 1818(i)(3).
- (3) The Bank is a federal savings association within the meaning of 12 U.S.C. § 1813(b)(2) and 12 U.S.C. § 1462(3).
- (4) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q) and is therefore authorized to initiate and maintain this prohibition action against Respondent pursuant 12 U.S.C. § 1818(e).

ARTICLE II
BACKGROUND

- (5) The Bank employed Respondent from on or about August 1, 2016 until terminating her on or about February 19, 2020.
- (6) As a Senior Loan Processor, Respondent was responsible for preparing loan closing documents, entering new loans in the Bank’s core operating system, changing various system fields to dictate how the core operating system managed each loan, and responding to customer inquiries.

(7) As a Bank employee, Respondent owed fiduciary duties to the Bank and was obligated to comply with all applicable laws, and to carry out her duties and responsibilities in a safe and sound manner.

ARTICLE III

RESPONDENT CIRCUMVENTED BANK CONTROLS TO SIGNIFICANTLY OVERDRAW HER PERSONAL LINE OF CREDIT

(8) On September 22, 2020, the OCC took Respondent's sworn testimony.

(9) During Respondent's sworn testimony before the OCC, Respondent asserted her Fifth Amendment right against self-incrimination and refused to answer all substantive questions, including those related to the allegations in this Article.

(10) As described herein, Respondent engaged in unsafe or unsound practices, breached her fiduciary duty to the Bank and violated federal law, including 18 U.S.C. § 656, § 1005, § 1344 and 31 U.S.C. § 5324, by circumventing Bank controls to enable herself to significantly overdraw her line of credit at the Bank and embezzle Bank funds for her own personal use.

(11) On or about December 7, 2018, Respondent opened a checking account at the Bank.

(12) On or about February 4, 2019, the Bank approved Respondent's request for a \$13,500 unsecured line of credit.

(13) In her role as Senior Loan Processor, Respondent had access to the Bank's core operating system.

(14) On or about February 4, 2019, Respondent utilized her employee number to enter her unsecured loan into the Bank's core operating system and failed to code the loan as an employee loan.

(15) From approximately February 8, 2019 to May 3, 2019, Respondent accessed the core operating system on multiple occasions and performed changes to the system fields on her loan to “Allow balance over credit limit” and “Do not report as line of credit.”

(16) These fields are ordinarily marked either “Y” for yes or “N” for no.

(17) During the relevant period, Respondent changed both system fields multiple times from “no” to “yes” and vice versa.

(18) On or about May 3, 2019, Respondent utilized her employee number to change both fields to “yes” and did not make any further changes to the system fields after this point.

(19) On or about May 3, 2019, the Bank’s former Chief Executive Officer approved an increase in the credit limit for Respondent’s unsecured line of credit to \$16,000.

(20) The Respondent processed and funded her own loan in the Bank’s core operating system using her employee number.

(21) The loan file maintenance that Respondent performed in the Bank’s core operating system on or about May 3, 2019, enabled her to draw on the line of credit above the credit limit of \$16,000.

(22) On or about July 22, 2019, Respondent began making withdrawals on her line of credit that were above the \$16,000 approved credit limit.

(23) From on or about July 22, 2019, to on or about February 19, 2020, Respondent accessed her line of credit to make:

- (i) numerous transfers from her line of credit to her checking account, sometimes more than once per day, usually in the amount of \$6,000;

- (ii) several large cash withdrawals from automated teller machines, teller and/or third-party mobile payments from her checking account, totaling approximately \$216,638;
- (iii) casino withdrawals from her checking account, totaling approximately \$139,013; and
- (iv) miscellaneous purchases, cell phone, insurance and utility payments.

(24) By February 19, 2020, Respondent had overdrawn her line of credit so that it had reached a balance of \$460,943.

(25) As an employee of the Bank, Respondent was responsible for knowing that the threshold for Currency Transaction Report (CTR) filings was \$10,000.

(26) Each of Respondent's cash withdrawals from her checking account was under \$10,000, and consequently the Bank filed no CTR with respect to her transactions.

(27) In February 2020, the Bank discovered Respondent's misconduct and found that Respondent had overdrawn her line of credit by approximately \$444,943.

(28) On or about February 19, 2020, the Bank terminated Respondent's employment and filed a police report.

(29) On or about February 20, 2020, Respondent sent a text message to another Bank employee, admitting the misconduct and stating: "I over drew my line of credit and it may cost me my position, but I'm a consumer and it presented itself, the opportunity so I took it and took care of some family obligations, and some foolishness."

(30) Respondent's misconduct resulted in her financial gain and caused the Bank to suffer a loss of approximately \$444,943, which takes into consideration her approved line of credit for \$16,000.

(31) As of March 31, 2020, the Bank charged off approximately \$460,739, equal to Respondent's loan balance at the time.

ARTICLE IV

LEGAL BASES FOR REQUESTED RELIEF

(32) This Article repeats and realleges all previous Articles in this Notice.

(33) By reason of Respondent's misconduct as described in Article III, the OCC seeks an Order of Prohibition against Respondent pursuant to 12 U.S.C. § 1818(e) on the following grounds:

- (i) Respondent engaged in unsafe or unsound practices in conducting the affairs of the Bank, violated the law, including 18 U.S.C. § 656, § 1005, § 1344 and 31 U.S.C. § 5324, and/or breached her fiduciary duty to the Bank;
- (ii) By reason of Respondent's misconduct, the Bank suffered financial loss or other damage and/or Respondent received financial gain or other benefit;
and
- (iii) Respondent's unsafe or unsound practices, violations of law, and/or breach of fiduciary duty involved personal dishonesty and/or demonstrated a willful and continuing disregard for the safety and soundness of the Bank.

ARTICLE VII

ANSWER AND OPPORTUNITY FOR HEARING

Respondent is directed to file a written Answer to this Notice within twenty (20) days from the date of service of this Notice in accordance with 12 C.F.R. § 19.19(a) and (b). The

original and one copy of any Answer shall be filed with the Office of Financial Institution Adjudication, 3501 North Fairfax Drive, Arlington, VA 22226-3500. Respondent is encouraged to file any Answer electronically with the Office of Financial Institution Adjudication at ofia@fdic.gov. A copy of any Answer shall also be filed with the Hearing Clerk, Office of the Chief Counsel, Office of the Comptroller of the Currency, 400 7th Street, SW, Washington, D.C. 20219, HearingClerk@occ.treas.gov, and with the attorney whose name appears on the accompanying certificate of service. **Failure to Answer within this time period shall constitute a waiver of the right to appear and contest the allegations contained in this Notice, and shall, upon the OCC's motion, cause the Administrative Law Judge or the Comptroller to find the facts in this Notice to be as alleged, upon which an appropriate order may be issued.**

PRAAYER FOR RELIEF

The OCC prays for relief in the form of the issuance of an Order of Prohibition against Respondent pursuant to 12 U.S.C. § 1818(e).

Witness, my hand on behalf of the OCC, given this 21st day of July 2021.

//s// Digitally Signed, Date: 2021.07.21

Michael R. Brickman
Deputy Comptroller for Special Supervision