



National Credit Union Administration
UNITED STATES OF AMERICA
NATIONAL CREDIT UNION ADMINISTRATION
NATIONAL CREDIT UNION ADMINISTRATION BOARD

In the Matter of the
 Cease-and-Desist Order of

 Korean American Catholics Federal Credit Union

 Respondent.

Dkt No. 02-0901-I

FINAL CEASE AND DESIST ORDER

WHEREAS, On September 16, 2002, Korean American Catholics Federal Credit Union ("the Credit Union") through its officer and directors has executed a Consent to a Cease and Desist Order, which is accepted and approved by the National Credit Union Administration Board ("the NCUA Board") acting through its counsel; and

WHEREAS, the credit union has consented and agreed to the issuance of this Order pursuant to Section 206(e)(1) of the Federal Credit Union Act, 12 U.S.C. §1786(e)(1), and Part 747 of the National Credit Union Administration Rules and Regulations.

NOW THEREFORE, IT IS ORDERED THAT:

1. The Credit Union is an "institution-affiliated party" within the meaning of Section 206(r) of the Federal Credit Union Act ("the Act"), 12 U.S.C. §1786(r).

2. The Consent to the Cease and Desist Order is made a part hereof and is incorporated herein by reference.

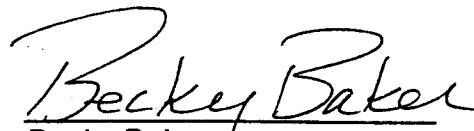
3. The Credit Union shall take all actions as specified in paragraphs one (1) through five (5), pages two (2) through four (4) of the executed Consent Cease and Desist Order.

4. This Final Order shall be effective on the date it is issued.

NATIONAL CREDIT UNION ADMINISTRATION BOARD

Dated:

10/21/02



Becky Baker
Secretary, NCUA Board



National Credit Union Administration
REGION I

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

In the Matter of the)	
Cease-and-Desist Order of)	
)	Dkt No. 02-0901-I
)	
Korean American Catholics Federal Credit Union)	
)	
Respondent.)	
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CONSENT CEASE AND DESIST ORDER

The National Credit Union Administration Board ("NCUA Board"), by and through its undersigned counsel, and Korean American Catholics Federal Credit Union ("Credit Union") hereby stipulate and agree as follows:

1. Consideration. The National Credit Union Administration is of the opinion that grounds exist to initiate an administrative cease and desist action against the Credit Union pursuant to Section 206(f)(1) of the Federal Credit Union (FCU) Act, 12 U.S.C. §1786(f)(1). The Credit Union, without admitting or denying that said grounds exist (except those set forth as to Jurisdiction in paragraph 2), desires to avoid the time, cost, and expense of administrative litigation. Accordingly, the Credit Union consents to the issuance by the NCUA Board of a Cease and Desist Order ("Order").
2. Jurisdiction.
 - (a) The Credit Union is an "institution-affiliated party" within the meaning of Section 206(r) of the Federal Credit Union Act, 12 U.S.C. §1786(r).

(b) Pursuant to the authority vested in the Board of the National Credit Union Administration under Section 206(g) of the Federal Credit Union Act, 12 U.S.C. §1786(g), and Part 747 of the National Credit Union Administration Rules and Regulations, it is an appropriate Federal agency to maintain enforcement proceedings against such institution-affiliated party. Therefore, the Credit Union is subject to the authority of the National Credit Union Administration to initiate and maintain enforcement proceedings against it.

3. Consent. The Credit Union consents to the issuance by the NCUA Board of the accompanying Order. The Credit Union agrees that the Order complies with all requirements of the Federal Credit Union Act and consents to the following terms and conditions:

The Credit Union (including all directors, committee members, officers, and employees) shall immediately:

1. Take immediate steps to fully investigate potential violations of the Bank Secrecy Act (BSA) regarding Currency Transaction Report and Suspicious Activity Report requirements, which occurred between January 1, 1997 and May 20, 2002 (the date the Credit Union reset the defaults on its data processing system's cash activity monitoring report from \$10,000 to \$3,000). The scope of the investigation shall be as follows:
 - a. Create a schedule of all cash activity by members for the period in question.
 - b. Complete and file any and all Currency Transaction Reports with the U.S. Treasury and, if necessary, any and all Suspicious Activity Reports (SARs) with FinCEN for these accounts covering the period between January 1, 1997 and May 20, 2002.

JUNE 30, 2003 *JB*

c. Complete Parts 1(a) and 1(b) by no later than ~~December 31, 2002.~~

2. Credit Union shall, by September 30, 2002, develop, through an independent BSA compliance expert, a compliance program to ensure the credit union is compliant with its BSA policy, the BSA, and the NCUA Rules and Regulations.
3. Credit Union shall provide weekly training to all employees to ensure compliance with the BSA.
4. Credit Union shall not notify any member that they are providing an SAR to FinCEN.
5. Credit Union shall engage an independent outside auditor acceptable to the Regional Director of the National Credit Union Administration no later than September 30, 2002, to conduct a full compliance and internal control audit of the credit union.
 - a. The auditor will complete the compliance and internal control audit by December 31, 2002.
 - b. Credit Union shall not obstruct, delay, or interfere with the compliance and internal control audit.
 - c. Credit Union shall provide full cooperation and access to the auditor.
 - d. Credit Union shall require the auditor to provide the National Credit Union Administration with a copy of all reports provided to the Credit Union, both draft and final reports, at the same time the reports are provided to the Credit Union.

e. Credit Union shall require the auditor to provide upon the request of employees of the National Credit Union Administration all work papers and records of interviews related to the compliance and internal control audit.

4. Waivers. The Credit Union waives its right to the administrative hearing provided for in Section 206(e)(1) of the Federal Credit Union Act, 12 U.S.C. §1786(e)(1). The Credit Union waives its right to seek judicial review of the Order or otherwise challenge the validity or legality of the Order.

5. Finality. The Order is issued pursuant to Section 206(f)(1) of Federal Credit Union Act, 12 U.S.C. §1786(f)(1). Upon its issuance by the NCUA Board, it shall be a final Order, effective and fully enforceable by the NCUA.

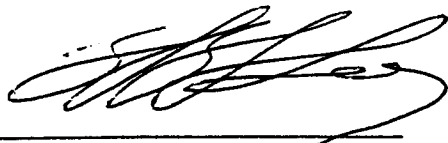
WHEREFORE, in consideration of the foregoing the undersigned, on behalf of the NCUA, and the Credit Union execute this Stipulation and Consent to Issuance of a Cease and Desist Order.

By: 
National Credit Union Administration

10-4-02
Date


Steven Lee, Chairman

SEPTEMBER 16, 2002
Date



Hwang Ho Lee, Vice-Chair

9/16/02

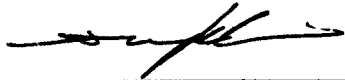
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Andrew Park, Secretary

9/16/02

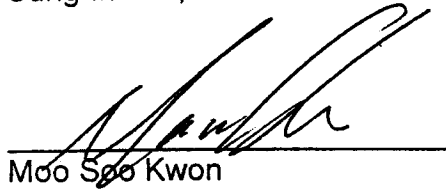
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Sung Ik Kim, Treasurer

9/16/02

Date



Moo Soo Kwon

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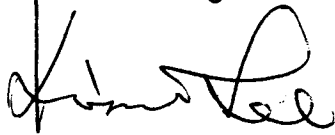
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Hae Duk Chung

9/16/02

Date



Kie San Lee

9/16/02

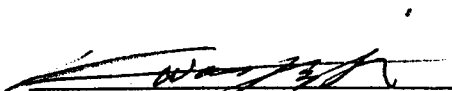
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Myung In Huh

09/16/02

Date



Kwan Joong Kwon

09/16/2002

Date