

Farm Credit Administration

1501 Farm Credit Drive
McLean, Virginia 22102-5090
(703) 883-4000

INFORMATIONAL MEMORANDUM



January 16, 1998

To: Chairman, Board of Directors
Each Farm Credit System Institution

The Chief Executive Officer
All Farm Credit System Institutions

From: Roland E. Smith, Director /s/
Office of Examination

Subject: Orders of Removal, Suspension, or Prohibition

This memorandum updates previous information submitted to the Farm Credit Administration (FCA) by Federal banking agencies regarding individuals who have received Orders of Removal, Suspension, or Prohibition (Orders). Under 12 U.S.C. § 1818(e), any person who has been removed, suspended, or prohibited from participating in the conduct of the affairs of a depository institution insured by the Federal Deposit Insurance Corporation may not participate in any manner in the conduct of the affairs of any institution chartered under the Farm Credit Act of 1971, as amended, without prior approval by both the agency issuing the original Order and FCA.

Subsequent to the list of Orders distributed to Farm Credit System (FCS) institutions by memorandum dated June 13, 1997, FCA received notification of the attached Orders issued by the National Credit Union Administration, the Office of Thrift Supervision, the Office of the Comptroller of the Currency, and/or the Board of Governors of the Federal Reserve System.

Additionally, FCA issues Notices of Prohibition informing individuals that they are prohibited from serving in any FCS institution as a result of a conviction of a criminal offense involving dishonesty or a breach of trust. Section 5.65(d) of the Farm Credit Act of 1971, as amended (Act), 12 U.S.C. §2277a-14, provides that, except with the prior written consent of the FCA, it shall be unlawful for any person convicted of any criminal offense involving dishonesty or a breach of trust to serve as a director, officer, or employee of any FCS institution. An institution that violates Section 5.65(d) can be fined \$100 per day for each day the violation occurs. Section 5.65(d) does not impose a penalty against the individual. This memorandum also includes an individual who has received a Notice of Prohibition from FCA.

As stated in previous communications on this subject, this is not a complete list and should not be relied upon as the only source of information about Orders. As Chairman and Chief Executive Officer of a Federal financial institution, you are responsible for being aware of all Orders issued by FCA and Federal banking agencies. You should independently verify who is precluded from serving in your institution and are encouraged to obtain copies of all Orders.

Attachment