

FEDERAL DEPOSIT INSURANCE CORPORATION  
WASHINGTON, D.C.

_____	)	
In the Matter of:	)	NOTICE OF INTENTION TO
	)	PROHIBIT FROM FURTHER
	)	PARTICIPATION, NOTICE OF
DESPINA SKABARDONIS, individually,	)	ASSESSMENT OF CIVIL MONEY
and as an institution-affiliated party of,	)	PENALTY, FINDINGS OF FACT AND
	)	CONCLUSIONS OF LAW,
FIRST CENTRAL SAVINGS BANK	)	ORDER TO PAY, AND
GLEN COVE, NEW YORK	)	NOTICE OF HEARING
	)	
	)	FDIC-13-0444e
(INSURED STATE NONMEMBER BANK)	)	FDIC-13-0443k
_____	)	

The Federal Deposit Insurance Corporation ("FDIC") has determined that Despina Skabardonis ("Respondent"), individually, and as an institution-affiliated party of First Central Savings Bank, Glen Cove, New York ("Bank"), has directly or indirectly violated laws and/or regulations, participated in or engaged in unsafe or unsound banking practices and/or breaches of her fiduciary duty to the Bank; that as a result of such conduct, the Bank has suffered financial loss or other damage and Respondent has received financial gain or other benefit by reasons of such violations, practices and/or breaches of fiduciary duty; and that such violations, practices and/or breaches of fiduciary duty demonstrate the Respondent's personal dishonesty and her willful or continuing disregard for the safety or soundness of the Bank.

Further, the FDIC has determined that Respondent's violations of laws and/or regulations, reckless unsafe or unsound practices and/or breaches of his fiduciary duty caused or were likely to cause more than a minimal loss to the Bank and resulted in pecuniary gain or other benefit to Respondent.

The FDIC, therefore, institutes this proceeding for the purpose of determining whether an appropriate order should be issued against Respondent under the provisions of section 8(e) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(e), prohibiting her from further participation in the conduct of the affairs of the Bank, or any other insured depository institution or organization listed in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A), without the prior written approval of the FDIC and such other appropriate federal financial institutions regulatory agency, as that term is defined in section 8(e)(7)(D) of the Act, 12 U.S.C. § 1818(e)(7)(D).

Further, the FDIC institutes this proceeding for the assessment of a civil money penalty against Respondent under the provisions of section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2).

The FDIC hereby issues this NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION ("NOTICE OF PROHIBITION") pursuant to section 8(e) of the Act, 12 U.S.C. § 1818(e), and this NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY, AND NOTICE OF HEARING ("NOTICE OF ASSESSMENT") pursuant to section 8(i) of the Act, 12 U.S.C. § 1818(i), and Part 308 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308, and alleges as follows:

### **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

#### **JURISDICTION AND BACKGROUND**

1. At all times pertinent to this proceeding, the Bank was a corporation existing and doing business under the laws of the State of New York, having its principal place of business at Glen Cove, New York.

2. The Bank has been, at all times pertinent to this proceeding, an insured State nonmember bank, subject to the Act, 12 U.S.C. §§ 1811-1831aa, the FDIC Rules and Regulations, 12 C.F.R. Chapter III; and the laws of the State of New York.

3. From January 2008 through January 2010, Respondent served as a teller and/or a supervisor of the Bank.

4. At all times pertinent to this proceeding, Respondent was an “institution-affiliated party” (“IAP”) as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and for purposes of sections 8(e)(7), 8(i) and 8(j) of the Act, 12 U.S.C. §§ 1818(e)(7), 1818(i) and 1818(j).

5. The FDIC is the “appropriate Federal banking agency” with respect to the Bank within the meaning of section 3(q)(3) of the Act, 12 U.S.C. § 1813(q)(3), and has jurisdiction over the Bank, Respondent, and the subject matter of this proceeding.

### MISCONDUCT

6. From on or about January 9, 2009 until on or about December 29, 2009, Respondent embezzled approximately \$119,202 from four Bank customers by engaging in unauthorized cash and ATM withdrawals and by forging the customers’ signatures on checks that were used to pay Respondent’s debts. Respondent also used someone else’s identity without their permission to open an account that was used to funnel some of the embezzled proceeds.

7. *Customer A*: From on or about January 9, 2009 until on or about February 28, 2009, Respondent performed five unauthorized cash withdrawals, totaling \$9,800, on the checking account of Customer A. The unauthorized cash withdrawals occurred as follows: January 9, 2009 (\$2,000), February 10, 2009 (\$2,000), February 13, 2009 (\$2,000), February 25,

2009 (\$1,800), and February 28, 2009 (\$2,000). The Respondent also closed Customer A's account without authorization.

8. **Customer B:** On or about April 14, 2009, Respondent opened a savings account for Customer B. On or about the same date, Respondent opened a checking account in Customer B's name without Customer B's authorization. On or about April 24, 2009, Respondent transferred \$60,000 from Customer B's savings account to the checking account that Respondent opened under Customer B's name without Customer B's authorization. Respondent then changed Customer B's mailing address without Customer B's authorization. Respondent also ordered two debit cards that were mailed to the branch where she was working at the time. On or about September 23, 2009, Respondent transferred an additional \$9,500 from Customer B's savings account to the checking account that Respondent opened under Customer B's name without Customer B's authorization. From April 24, 2009 to October 19, 2009, \$69,500 was withdrawn from the checking account that Respondent opened under Customer B's name without Customer B's authorization via non-bank ATMs.

9. **Customer C:** On or about October 2, 2009, Respondent ordered checks on the checking account of Customer C. The checks were delivered to the branch where the Respondent was working at the time. Checks from Customer C's account were used to pay Respondent's bills. On or about October 6, 2009, Respondent closed an IRA account belonging to Customer C without the customer's authorization. On or about the same date, Respondent opened a savings account in the name of Customer C without the customer's authorization. The proceeds of the closed account were deposited into the savings account that Respondent controlled. During 2009, Respondent embezzled approximately \$35,402 from Customer C by conducting unauthorized transactions.

10. *Customer D:* On or about November 16, 2009, Respondent ordered checks on the account of Customer D. The checks were delivered to the branch where the Respondent was working at the time. On or about December 11, 2009, a check in the amount of \$2,300 and a check in the amount of \$2,200 made payable to Customer D were drawn on the account. The proceeds of these checks were then deposited into the accounts of Customer C and Customer E. Respondent then used the proceeds to pay her credit card bills.

11. *Customer E:* On or about October 6, 2009, Respondent used Customer E's identity to open an account without Customer E's authorization. On the same date, Respondent changed Customer E's address to the branch address where she was working at the time. Respondent also ordered a debit card, which was mailed to the branch where she was working at the time. On or about October 22, 2009, Respondent ordered checks for the account in the name of Customer E. The checks were delivered to the branch where Respondent was working at the time. Respondent used this account to funnel some of the embezzled proceeds.

#### **Grounds for Section 8(e) Prohibition Order**

12. As a result of Respondent's foregoing acts, omissions and/or practices, Respondent has engaged in violations of law.

13. As a result of the Respondent's foregoing acts, omissions and/or practices, Respondent has recklessly engaged in unsafe or unsound practices and has breached her fiduciary duties to the Bank.

14. By reason of the Respondent's violations, practices and/or breaches alleged herein, the Bank has suffered financial loss and other damage, as well as risk of loss, and Respondent received a pecuniary gain or other benefit.

15. Respondent's violations, acts, omissions and/or practices alleged herein demonstrate personal dishonesty and a willful or continuing disregard for the safety or soundness of the Bank.

#### **Grounds for Section 8(i)(2) Civil Money Penalty**

16. As a result of the foregoing facts and conclusions, Respondent's violations of law and/or regulations, reckless unsafe or unsound practices and/or breaches of fiduciary duty caused more than a minimal loss to the Bank, and Respondent received a pecuniary gain or other benefit.

17. As a result of the foregoing facts and conclusions, Respondent recklessly engaged in unsafe or unsound practices in conducting the affairs of the Bank, causing more than a minimal loss to the Bank, and Respondent received a pecuniary gain or other benefit.

18. As a result of the foregoing facts and conclusions, Respondent breached her fiduciary duty to the Bank.

#### **ORDER TO PAY**

19. By reason of the violations, reckless unsafe or unsound practices and/or breaches of fiduciary duty set forth in this NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION, ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY, AND NOTICE OF HEARING ("NOTICE"), the FDIC has concluded that a civil money penalty should be assessed against Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2). After taking into account the appropriateness of the penalties with respect to the size of financial resources and the good faith of Respondent, the gravity of the violations, reckless unsafe or unsound practices and/or breaches of fiduciary duty, and such other matters as justice may require, it is:

ORDERED, that by reason of the violations, reckless unsafe or unsound practices and/or breaches of fiduciary duty set forth in the NOTICE, a penalty of \$195,000 be, and hereby is, assessed against Respondent pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2);

FURTHER ORDERED, that the effective date of this ORDER TO PAY be, and hereby is, stayed with respect to Respondent until 20 days after the date of receipt of the NOTICE by Respondent, during which time Respondent may file an answer to the charges in the NOTICE and request a hearing pursuant to section 8(i)(2)(h) of the Act, 12 U.S.C. § 1818(i)(2)(h), and section 308.19 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.19.

If Respondent fails to file a request for a hearing within 20 days of receipt of this NOTICE, the penalty assessed against Respondent, pursuant to this ORDER TO PAY, will be final and shall be paid within 60 days after the date of receipt of this NOTICE.

#### **NOTICE OF HEARING**

20. IT IS FURTHER ORDERED, that, if Respondent requests a hearing with respect to the charges alleged in this NOTICE, and, the hearing shall commence sixty (60) days from the date of receipt of this NOTICE, in New York, New York, or at such other date or place upon which the parties to this proceeding and the Administrative Law Judge may agree. The purpose of the hearing will be for the taking of evidence on the charges, findings and conclusions stated herein in order to determine: (1) whether a permanent order should be issued to prohibit the Respondent from further participation in the conduct of the affairs of any insured depository institution or organization enumerated in section 8(e)(7)(A) of the Act, 12 U.S.C. § 1818(e)(7)(A), without the prior permission of the FDIC and the appropriate federal financial institutions regulatory agency, as that term is defined in section 8(e)(7)(D) of the Act, 12 U.S.C. § 1818(e)(7)(D); and (2) whether the FDIC's ORDER TO PAY should be sustained.

21. The hearing will be public, and in all respects conducted in accordance with the provisions of the Act, 12 U.S.C. §§ 1811-1831aa, the Administrative Procedure Act, 5 U.S.C. §§ 551-559, and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308. The hearing will be held before an Administrative Law Judge to be appointed by the Office of Financial Institution Adjudication pursuant to 5 U.S.C. § 3105. The exact time and precise location of the hearing will be determined by the Administrative Law Judge.

22. In the event Respondent requests a hearing, Respondent is hereby directed to file an answer to this NOTICE within 20 days from the date of service as provided by section 308.19 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.19.

23. An original and one copy of the answer, any such request for a hearing, and all other documents in this proceeding must be filed in writing with the Office of Financial Institution Adjudication, 3501 N. Fairfax Dr., Suite VS-D8116, Arlington, Virginia 22226-3500, pursuant to section 308.10 of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.10. Also, copies of all papers filed in this proceeding shall be served upon the Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, N.W., (NYA-5070), Washington, D.C. 20429, A. T. Dill III, Assistant General Counsel, Supervision Branch, Federal Deposit Insurance Corporation, 550 17th Street, N.W., (MB-2042), Washington, D.C. 20429, and upon Ashby G. Hilsman, Regional Counsel, New York Regional Office, Federal Deposit insurance Corporation, 350 Fifth Avenue, Suite 1200, New York, New York, 10118.

#### **PRAYER FOR RELIEF**

24. The FDIC prays that an Order of Prohibition pursuant to 12 U.S.C. § 1818(e) be issued against Respondent and, unless the penalty assessed against Respondent by the foregoing

ORDER TO PAY becomes final and unappealable pursuant to 12 U.S.C. § 1818(i)(2)(E)(ii), that an Order to Pay Civil Money Penalty pursuant to 12 U.S.C. § 1818(i) in the amount of \$195,000 be issued against Respondent.

Pursuant to delegated authority.

Dated at Washington, D.C., this 30<sup>th</sup> day of December, 2013.

/s/  
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Christopher J. Newbury  
Associate Director  
Division of Risk Management Supervision