FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of DAJANA SARAJLIC, individually and as an institution-affiliated party of EVERETT CO-OPERATIVE BANK Everett, Massachusetts (INSURED STATE NONMEMBER BANK)	)	NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION FDIC-15-0138e

The Federal Deposit Insurance Corporation ("FDIC") has determined that Dajana Sarajlic ("Respondent"), individually and while an institution-affiliated party of Everett Co-operative Bank, Everett, Massachusetts ("Bank"), has directly or indirectly participated or engaged in unsafe or unsound banking practices; that because of these practices the Respondent has received financial gain or other benefit and the Bank suffered financial loss or other damage; and that such practices demonstrate the Respondent's personal dishonesty and/or her willful or continuing disregard for the safety or soundness of the Bank. Therefore, the FDIC institutes this proceeding for the purpose of determining whether an appropriate order should be issued against the Respondent under the provisions of section 8(e) of the Federal Deposit Insurance Act (the "Act"), 12 U.S.C. § 1818(e), prohibiting the Respondent from further participation in the conduct of the affairs of the Bank and 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).

The allegations set forth below demonstrate that, during December 2013 through March 2014, the Respondent, while employed as a customer service representative of the Bank, made numerous unauthorized withdrawals from the deposit accounts of deceased Bank customers, thereby misappropriating $35,271.60 from the Bank.

The FDIC hereby issues this NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION pursuant to section 8(e) of the Act, 12 U.S.C. § 1818(e), and Part 308 of the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308, and alleges as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

I. The FDIC has jurisdiction over this matter.

1. At all times pertinent to this proceeding, the Bank was a corporation existing and doing business under the laws of the State of Massachusetts, having its principal place of business at Everett, Massachusetts. The Bank is and 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 Rules and Regulations of the FDIC, 12 C.F.R. Chapter III; and the laws of the State of Massachusetts.

2. The Respondent was an employee of the Bank at all times pertinent to this proceeding. The Bank hired the Respondent on or about September 7, 2005, and the Respondent remained employed by the Bank until it terminated her employment on April 7, 2014.

3. At all times pertinent to the charges herein, the Respondent was a Bank-related "institution-affiliated party" as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and for purposes of section 8(e)(7) of the Act, 12 U.S.C. § 1818(e)(7).

4. The FDIC has jurisdiction over the Bank, the Respondent and the subject matter of this proceeding.

II. Factual Background.

A. Respondent's Employment as a Customer Service Representative at the Bank

5. At all times pertinent to this matter, the Respondent worked for the Bank as a customer service representative at the Bank's main office in Everett, Massachusetts.

6. As a customer service representative, the Respondent had a Bank cash drawer and met with Bank customers in connection with the opening and closing of deposit accounts as well as deposits to and withdrawals from their accounts. The Respondent also engaged in account maintenance activities such as establishing account lock-outs and updating account addresses.

7. At all times pertinent to this proceeding, the Bank used an electronic teller platform system to record all transactions relating to the deposit accounts of its customers.

8. The Respondent had access to and was a user of the Bank's electronic teller platform system ("teller system"). To use it, the Respondent had to log in using her unique employee number. The teller system tracked and logged the Respondent's entries, including changes to accounts.

9. The teller system utilized several different account status settings. An account could be in "active," "inactive," "dormant," or "lock-out" status. Customer service representatives could conduct certain transactions, including cash withdrawals up to $1,000, and make changes to an active or inactive account, without a supervisor's approval. Cash withdrawals over $1,000 required a supervisor's signature.

10. The account statuses, "dormant" and "lock-out," were supposed to prevent withdrawals from an account absent a supervisor's override. The dormant status was automatic after an account had been inactive for several years. A customer service representative could

manually place a lock-out on an account. It was standard Bank practice to place a lock-out on an account if the Bank discovered the owner had died.

11. In connection with her work at the Bank, the Respondent was required to comply with the Bank's policies, procedures, and practices.

B. The Now-Deceased Bank Customers and Their Deposit Accounts

12. A Bank customer, identified herein as "Mr. T.S.", was the sole owner of NOW interest checking account # XXXX6128 (the "T.S. Checking Account").

13. Mr. T.S. died in 2012, at the age of 87.

14. After Mr. T.S.'s death, the T.S. Checking Account went into inactive status in the teller system.

15. A Bank customer, identified herein as "Mr. O.B.", was the sole accountholder of savings account # XXX68 (the "O.B. Savings Account") and of checking account # XXXX7006 (the "O.B. Checking Account").

16. Mr. O.B. died in December 2008, at the age of 84.

17. After Mr. O.B.'s death, the O.B. Savings Account and the O.B. Checking Account went into dormant status in the teller system.

18. A Bank customer, identified herein as "Mr. N.P.", was the sole owner of Certificate of Deposit account # XXXX1395 (the "N.P. CD Account").

19. Mr. N.P. died in April 2009, at the age of 89.

III. Respondent's Misappropriations from Deceased Customer Accounts

A. Respondent Misappropriated $9,440.02 from the T.S. Checking Account

20. On December 21, 2013, the Respondent without authorization used the teller system to return the T.S. Checking Account to active status.

21. From December 23, 2013, through December 31, 2013, Respondent made four cash withdrawals, totaling $9,440.02, from the T.S. Checking Account, thereby bringing the account to zero balance. The Respondent effected the withdrawals by using "counter checks" on the dates and in the amounts identified below.

DATE	CHECK NO.	AMOUNT	PAYEE
Dec. 23, 2013	xx01	$2,440.00	Mr. T.S.
Dec. 27, 2013	xx02	$2,500.00	Mr. T.S.
Dec. 28, 2013	xx04	$4,000.00	Cash
Dec. 31, 2013	xx04 (2^{nd} one)	$ 500.02	Mr. T.S.

22. Mr. T.S. was deceased at the time of these transactions. The Respondent forged Mr. T.S.'s signature on each of the counter checks identified in the preceding paragraph.

23. The Respondent retained for her own use the $9,440.02 that she withdrew from the T.S. Checking Account.

24. The above-described actions by the Respondent were contrary to the Bank's policies, procedures, and practices.

25. In April 2014, the Bank discovered that the Respondent had engaged in the above-identified unauthorized withdrawals from the T.S. Checking Account. The Bank used its own funds to restore to the T.S. Checking Account the $9,440.02 the Respondent had misappropriated.

B. Respondent Misappropriated $2,401.58 from the O.B. Accounts

26. On January 8, 2014, and January 10, 2014, the Respondent without authorization used the teller system to return the O.B. Savings Account and the O.B. Checking Account to active status.

27. The Respondent made two unauthorized cash withdrawals totaling $1,044.22 from the O.B. Savings Account. The Respondent made a cash withdrawal of $600.00 on January 8, 2014, and made a cash withdrawal of $444.22 on January 10, 2014.

28. The Respondent forged Mr. O.B.'s signature on the withdrawal slips for both of the above-mentioned cash withdrawals from the O.B. Savings Account.

29. On January 10, 2014, and January 11, 2014, the Respondent made two cash withdrawals, totaling $1,357.36, from the O.B. Checking Account, thereby bringing the account to a zero balance. The Respondent effected the withdrawals by using "counter checks" on the dates and in the amounts identified below.

DATE	CHECK NO.	AMOUNT	PAYEE
Jan. 10, 2014	xx01	$555.78	Mr. O.B.
Jan. 11, 2014	xx02	$801.58	Mr. O.B.

30. Mr. O.B was deceased at the time of these transactions. The Respondent forged Mr. O.B.'s signature on each of the counter checks identified in the preceding paragraph.

31. The Respondent retained for her own use the $2,401.58 that she withdrew from the two above-mentioned accounts of Mr. O.B.

32. The above-described actions by the Respondent were contrary to the Bank's policies, procedures, and practices.

33. In April 2014, the Bank discovered that the Respondent had engaged in the unauthorized withdrawal of $2,401.58 from the O.B. accounts. The Bank used its own funds to restore to the O.B. accounts the $2,401.58 that had been misappropriated by the Respondent.

C. Respondent Misappropriated $23,430.00 from the N.P.'s CD Account

34. On December 21, 2010, the Respondent used the teller system to establish an account lockout on the N.P. CD Account.

35. On January 8, 2014, the Respondent without authorization used the teller system to remove the account lockout she had established in 2010.

36. The Respondent, on twenty-six (26) occasions from February 8, 2014, through March 22, 2014, misappropriated $23,430.00 from Mr. N.P.'s CD Account. The Respondent effected the misappropriations by making unauthorized cash withdrawals from the N.P. CD Account on the dates and in the amounts listed below.

	TIME-STAMP DATE	AMOUNT		TIME-STAMP DATE	AMOUNT
1	02/08/14	$2,000.00	14	03/10/14	$400.00
2	02/12/14	$400.00	15	03/14/14	$760.00
3	02/12/14	$800.00	16	03/15/14	$990.00
4	02/12/14	$800.00	17	03/15/14	$990.00
5	02/15/14	$640.00	18	03/15/14	$990.00
6	02/19/14	$900.00	19	03/19/14	$940.00
7	02/19/14	$900.00	20	03/19/14	$980.00
8	02/19/14	$400.00	21	03/19/14	$980.00
9	02/22/14	$990.00	22	03/21/14	$840.00
10	02/22/14	$990.00	23	03/21/14	$900.00
11	02/22/14	$990.00	24	03/22/14	$990.00
12	02/28/14	$950.00	25	03/22/14	$980.00
13	02/28/14	$950.00	26	03/22/14	$980.00
				TOTAL	$23,430.00

37. Mr. N.P. was deceased at the time of these withdrawals. The Respondent forged Mr. N.P.'s signature on the withdrawal slips for each of the above-identified cash withdrawals.

38. The Respondent retained for her own use the $23,430.00 that she withdrew from the N.P. CD Account.

39. The above-described actions by the Respondent were contrary to the Bank's policies, procedures, and practices.

40. On or about April 1, 2014, an attorney for the N.P. estate notified the Bank that Mr. N.P. had passed away in 2009, and Bank officers began looking into activity in the N.P. CD Account.

41. On or about April 7, 2014, two Bank officers met with the Respondent and asked her about the withdrawals from the N.P. CD Account during February and March 2014. At that time, the Respondent admitted to the two Bank officers that she had taken $23,430.00 from the N.P. CD Account during those months.

42. On April 7, 2014, the Bank terminated the Respondent's employment.

43. On or about April 8, 2014, the Bank used its own funds to restore to the N.P. CD Account the $23,430.00 that the Respondent had misappropriated.

IV. Respondent Engaged in Unsafe or Unsound Banking Practices Which Caused Loss to the Bank and Personal Financial Benefit to the Respondent

44. In connection with the actions and events described in Paragraphs 1 through 43, the Respondent engaged in unsafe or unsound banking practices, including, but not limited to, the following:

a) Misappropriating funds from Bank customer deposit accounts;

b) Falsifying Bank records by, among other things, forging the signatures of deceased Bank customers on Bank counter checks and withdrawal slips relating to the cash withdrawals; and

c) Making unauthorized entries in the Electronic Teller Platform System to remove an Account Lock-Out contrary to the Bank's policies, procedures, and practices.

45. As a result of the foregoing unsafe or unsound banking practices, the Respondent received personal financial benefit or gain of $35,271.60.

46. After the Bank's management discovered that the Respondent had misappropriated funds from the N.P. CD Account, Bank officers conducted an internal investigation, including a review of the Bank's records, for the purpose of ascertaining whether the Respondent had misappropriated funds from other customer accounts. In connection with this internal investigation the Bank engaged a bank consulting firm to perform forensic accounting services. The bank consulting firm performed forensic accounting services and provided the Bank a written report of its findings. The Bank paid $6,355.00 to the bank consulting firm for those services.

47. As a result of the foregoing unsafe or unsound banking practices by the Respondent, the Bank incurred a loss of no less than $41,626.60, which is the sum of (i) the $35,271.60 reimbursed to the misappropriated accounts described above, and (ii) the $6,355.00 paid to the bank consulting firm for its services.

CONCLUSIONS OF LAW

48. Paragraphs 1 through 47 are re-alleged and incorporated herein by reference.

49. As a result of the Respondent's foregoing acts, omissions, and/or practices, the Respondent has engaged and/or participated in unsafe or unsound acts, omissions and/or practices in connection with the Bank.

50. As a result of the Respondent's unsafe or unsound acts, omissions, and/or practices, as set forth above, the Bank suffered a financial loss or other damage of no less than $41,626.60. The Respondent received a financial gain or other benefit in the amount of $35,271.60.

51. The unsafe or unsound acts, omissions, and/or practices of the Respondent, as set forth above, evidence personal dishonesty and/or willful or continuing disregard by the Respondent for the safety or soundness of the Bank.

NOTICE OF HEARING

52. Notice is hereby given that a hearing shall commence sixty (60) days from the date of service of this NOTICE upon the Respondent, or on such date as may be set by the Administrative Law Judge assigned to hear this matter at BOSTON, MASSACHUSETTS, or at such other place as the parties to this proceeding and the Administrative Law Judge may agree, for the purpose of taking evidence on the charges herein specified, in order to determine whether a permanent order should be issued to prohibit the Respondent from further participation in the conduct of the affairs of the Bank and 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).

53. 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's 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.

54. Respondent is hereby directed to file an answer to the NOTICE OF INTENTION TO PROHIBIT FROM FURTHER PARTICIPATION within twenty (20) days from the date of service, as provided by section 308.19 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.19. An original and one copy of all papers filed in this proceeding shall be served upon the Office of Financial Institution Adjudication, 3501 N. Fairfax Drive, Suite VS-D8116, Arlington, VA 22226-3500, pursuant to section 308.10 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.10. Respondent is encouraged to file any answer electronically with the Office

of Financial Institution Adjudication at ofia@fdic.gov. Also, copies of all papers filed in this proceeding shall be served upon the Executive Secretary Section, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429, A. T. Dill, III, Assistant General Counsel, Enforcement Section, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D. C. 20429, and David A. Schecker, Regional Counsel, Federal Deposit Insurance Corporation, Regional Office, 15 Braintree Hill Office Park, Braintree, Massachusetts 02184.

Pursuant to delegated authority.

Dated at Washington, D.C. this 22nd day of August, 2017.

/s/
Patricia A. Colohan
Associate Director
Division of Risk Management Supervision
Federal Deposit Insurance Corporation