

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

<u>In the Matter of</u>	)	NOTICE OF INTENTION TO
	)	PROHIBIT FROM FURTHER
TYLESHIA RAMEKIA EUNIECE PUGH, an	)	PARTICIPATION, NOTICE OF
institution-affiliated party of	)	ASSESSMENT OF CIVIL MONEY
	)	PENALTY, FINDINGS OF FACT
BANK OZK	)	AND CONCLUSIONS OF LAW,
LITTLE ROCK, AKANSAS	)	ORDER TO PAY, NOTICE OF
	)	HEARING, and PRAYER FOR
	)	RELIEF
(INSURED STATE NONMEMBER BANK))	
	)	FDIC-21-0018e
	)	FDIC-21-0020k
<u>RESPONDENT’S NMLS UI# N/A</u>)	

The Federal Deposit Insurance Corporation (“FDIC”) has determined that TYELISHA RAMEKIA EUNIECE PUGH (“Respondent” or “Pugh”), was a teller at BANK OZK, LITTLE ROCK, ARKANSAS (“Bank”), and an institution-affiliated party of the Bank. Respondent, directly or indirectly, engaged in or participated in unsafe or unsound banking practices in connection with the Bank in approximately 2017. Respondent’s acts and failures to act caused loss the Bank and demonstrated Respondent’s personal dishonesty and willful disregard for the safety and soundness of the Bank.

**NOTICE OF INTENTION TO PROHIBIT
FROM FURTHER PARTICIPATION**

The FDIC issues this Notice of Intention to Prohibit from Further Participation and Findings of Fact and Conclusions of Law (collectively, “Notice of Charges”) under 12 U.S.C. § 1818(e) and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308, subparts A and B. This proceeding will determine whether an order should be issued against Respondent under 12

U.S.C. § 1818(e), to prohibit Respondent from further participation in the conduct of the affairs of the Bank, and any other insured depository institution or organization listed in 12 U.S.C. §1818(e)(7)(A) without the prior written approval of the FDIC and other appropriate Federal financial institutions regulatory agency.

NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY

The FDIC further issues this Notice of Assessment of Civil Money Penalty, Findings of Fact and Conclusions of Law, and Order to Pay (collectively, “Notice of Assessment”) under 12 U.S.C. § 1818(i)(2), and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308, subparts A and B. This proceeding assesses a \$35,000 civil money penalty against the Respondent under 12 U.S.C. § 1818(i)(2), unless the Respondent formally objects by timely requesting a hearing under 12 U.S.C. § 1818(i)(2)(H).

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The FDIC makes the following allegations against Respondent:

I. Jurisdiction

1. At all relevant times, the Bank was a corporation existing and doing business under the laws of the State of Arkansas, having its principal place of business in Little Rock, Arkansas.
2. At all relevant times, the Bank has been an insured State nonmember bank, subject to 12 U.S.C. §§ 1811-1831aa, 12 C.F.R. Chapter III, and the laws of the State of Arkansas.
3. At all relevant times, Respondent was an employee of the Bank and was a teller at the Bank’s Mobile, Alabama branch from 2016 until she was fired for cause in 2018.
4. At all relevant times, Respondent was an “institution-affiliated party” of the Bank under 12 U.S.C. § 1813(u) and for purposes of 12 U.S.C. § 1818(e)(7), 1818(i), and 1818(j).
5. The FDIC has jurisdiction over the Bank, Respondent, and the subject matter of this proceeding.

II. Misconduct

6. In early October 2017, Respondent accessed Bank software to identify and run reports, including on large deposit customers.

7. Those reports included customers throughout all of the Bank's branches and not just the branch where Respondent was employed.

8. Respondent had no apparent business-related reason for querying the reports listed above for non-branch customers, and she had no prior history of running these reports.

9. Among the account holders who appeared in Respondent's search results for the largest bank deposit accounts were two customer – Victim 1 and Victim 2.

10. On October 11, 2017, Pugh made inquiries in the Bank's system into the account of Victim 1 at least two different times.

11. Victim 1 did not conduct a transaction with Respondent on that day and did not frequent the branch where Respondent was employed.

12. Respondent has no apparent business-related purpose for accessing Victim 1's account.

13. Respondent again made inquiries into the Victim 1 account on October 17, 2017.

14. On October 18, 2017, an individual posing as Victim 1 entered Respondent's branch and asked for Respondent by name. The individual requested that Respondent process a \$100,000 wire transfer from the Victim 1 account ("Victim 1 Wire") to an unrelated account at another depository institution held in the name of Customer A ("Customer A Account").

15. Respondent processed the Victim 1 Wire using only one form of identification, a driver's license.

16. After reviewing the Victim 1 account information, Respondent would have been aware that Victim 1's account transaction occurred at Texarkana-area branches outside of the region for Respondent's branch.

17. The driver's license Respondent accepted when processing this transaction was fraudulent.

18. On November 13, 2017, Victim 1 executed an Affidavit of Unauthorized Transaction, stating he had not authorized the \$100,000 wire transfer and that he had been a victim of identity theft.

19. The Bank tried to recover the funds from the Customer A Account that was the beneficiary of the Victim 1 Wire transaction but was unable to do so because the funds already had been withdrawn from that account.

20. The Bank reimbursed Victim 1 for the unauthorized wire transfer, resulting in a loss to the Bank of \$100,000.

21. On October 30, 2017, Respondent made an inquiry into the account of Victim 2.

22. As with the Victim 1 account, Respondent's inquiry had no business-related purpose because Victim 2 neither conducted a transaction with the Bank that day, nor did Victim 2 frequent the branch where Respondent was employed.

23. On November 9, 2017, a different individual posing as Victim 2 entered Respondent's branch and requested two withdrawals totaling \$20,000. Respondent was the teller who processed these transactions.

24. Respondent issued a cashier's check in the amount of \$10,000 to the individual believed to be posing as Victim 2.

25. The cashier's check was made payable to the holder of the Customer A Account holder. The Customer A Account was also the beneficiary of the unauthorized Victim 1 Wire.

26. Respondent also distributed \$10,000 in cash at the teller line to the individual posing as Victim 2.

27. Respondent only obtained one form of identification, a driver's license, when processing the transactions.

28. Respondent would have known from reviewing the Victim 2 account that most transactions occurred in the Gulfport region of Florida outside the region of Respondent's branch.

29. The driver's license Respondent accepted was fraudulent.

30. On November 17, 2017, the real owner of the Victim 2 account signed a notarized Affidavit of Unauthorized Transaction, stating that she had not authorized the \$20,000 withdrawal and claiming that she had been a victim of identity theft.

31. The Bank was unable to recover the funds from the Customer A Account, the recipient of the cashier's check, because the funds were no longer in that account.

32. The Bank reimbursed Victim 2 for the unauthorized transfers, resulting in a loss to the Bank in the amount of \$20,000.

33. In 2018, the Bank received information from law enforcement authorities that the Bank had been one of the victims of a widespread conspiracy to steal funds from banking accounts using stolen identities.

34. Two individuals, Philip Deans and Krishna Jannor - John Marsh (collectively "Co-Conspirators"), pled guilty to conspiracy to commit bank fraud in violation of 18 U.S.C. § 1349.

35. Each Co-Conspirator specifically identified the two accounts belonging to Victims 1 and 2, and admitted to making unauthorized transactions from these accounts.

36. Law enforcement officials further disclosed that they had been told that one of the Co-Conspirators confessed that the Co-Conspirators had worked with an insider at the Bank's branch who facilitated the thefts.

37. Based on the information received from law enforcement authorities, the Bank initiated an internal investigation into the unauthorized transactions involving Victim 1 and Victim 2.

38. The Bank's 2018 investigation confirmed that Respondent was the teller who processed both unauthorized transactions.

39. It also revealed that Respondent had made inquiries, as detailed above, into the accounts of Victim 1 and Victim 2 prior to the unauthorized transactions.

40. Respondent inquired into Victim 1's account at least six days before the unauthorized transaction and approximately ten days prior to the Victim 2 unauthorized transactions.

41. When questioned as part of that 2018 investigation, Respondent offered no explanation for making these customer account inquiries.

42. Respondent was terminated for cause on July 6, 2018.

CONCLUSION OF LAW

43. As a result of the above acts, omissions, and practices, Respondent recklessly engaged or participated in unsafe or unsound banking practices in connection with the Bank under 12 U.S.C. § 1818(e) and (i)(2).

44. The above acts, omissions, and practices resulted in financial loss to the Bank under 12 U.S.C. § 1818(e) and (i)(2).

45. The above acts, omissions, and practices of the Respondent alleged above demonstrate the Respondent's personal dishonesty under 12 U.S.C. § 1818(e).

46. The above acts, omissions, and practices of the Respondent alleged above demonstrate Respondent's willful disregard for the safety and soundness of the Bank under 12 U.S.C. § 1818(e).

ORDER TO PAY

Based on the above Findings of Fact and Conclusions of Law, the FDIC determined that Respondent's reckless unsafe or unsound practices merit a civil money penalty. After taking into account the appropriateness of the penalty and considering the following factors under 12 U.S.C. § 1818(i)(2)(G) to the extent information is available to the FDIC: size of the Respondent's

financial resources and good faith, the gravity of the violation(s), the history of previous violation(s), and such other matters as justice may require, it is:

ORDERED that by reason of Respondent's reckless unsafe or unsound practices listed above, a \$35,000 penalty is assessed against TYLESHIA RAMEKIA EUNIECE PUGH under 12 U.S.C. § 1818(i)(2).

FURTHER ORDERED that the Order to Pay is stayed until 20 days after the date of service of this Notice of Assessment to allow Respondent time to object to the Order to Pay.

If Respondent wants to object to the Order to Pay, Respondent must formally request a hearing in writing within 20 calendar days after service of this Notice of Assessment, as explained at 12 U.S.C. § 1818(i)(2)(H). Respondent may object to the Order to Pay by requesting a hearing in a formal Answer, as specified in 12 C.F.R. § 308.19. **If Respondent fails to request a hearing to object to the Order to Pay within 20 calendar days from the date of service of this Notice of Assessment, the penalty assessed against Respondent will be final and unappeasable under 12 U.S.C. § 1818(i)(E)(ii) and 12 C.F.R. § 308.19(c)(2) and must be paid within 60 calendar days after the date of service of this Notice of Assessment.**

NOTICE OF HEARING

Respondent must file an Answer to object to the Notice of Charges within 20 days from the date of service under 12 C.F.R. § 308.19. Respondent may file one document containing both the Answer to the Notice of Charges and a request for hearing on the Order to Pay. The hearing will be held before the Administrative Law Judge ("ALJ") assigned by the Office of Financial Institution Adjudication ("OFIA") under 5 U.S.C. § 3105. The hearing on the Notice of Charges will begin on a date set by the ALJ in Mobile, Alabama or in another location set by the ALJ. The

