

Sample Talking Points: Embezzlement

Following are preliminary questions and responses to consider related to the specific crisis of embezzlement and should not be taken as concrete and absolute. This is not a “script”, but rather a guide for talking points when addressing the media or members.

Here are some key points to emphasize when responding to a reporter, member, etc.:

- The credit union’s deposits are insured by the National Credit Union Administration, an agency of the federal government.
- The incident has not impacted the safety and soundness of the credit union.
- Members are able to access their accounts.
- The credit union is fully cooperating with law enforcement.

If a reporter keeps pressing for information you do not feel comfortable sharing, you can always refer back to the key points and the basic facts of the case. For more persistent questioning, it is reasonable to state, “Due to the ongoing investigation it would not be appropriate to comment on that question at this time.”

Remember, this information relates specifically to communicating (what you say) during a crisis. Your Board and leadership should thoroughly discuss **action steps** (what you do) to take during a crisis.

Q & A

What happened?

It was discovered that an employee of (insert credit union name) allegedly embezzled money from the credit union during the (insert length of time) of her employment. That employee no longer works at the credit union.

The incident was immediately reported to the authorities (and the employee was then arrested. Add this part only if the employee was arrested.)

How much money are we talking about?

The total amount discovered missing was (insert amount).

When did you first learn of this problem?

We discovered the problem (date, time).

How long has this been going on?

To our knowledge at this time, had funds had been taken during the person’s (insert length of time) employment here.

Do you know who is involved?

The employee under investigation is (name).

Have you been in contact with the employee in question?

(Yes I have. Or No, I have not.)

Is the problem contained?

To our knowledge the problem has been contained to the (dollar amount) mentioned. No member funds have been compromised and no other funds at the credit union are involved. (Insert credit union name) continues to operate with the same integrity that it has been known for in our community for (how many?) years.

Who does this impact?

The situation has been contained. No member account was compromised and no individual's funds were involved. Our members can enjoy peace of mind as (insert credit union name) is financially sound and this situation has not impacted our day-to-day operations. Funds are federally insured by the National Credit Union Administration, an agency of the federal government. In addition, the situation will not affect the rates, services, or products offered to members. Members can access their accounts as usual.

Who is accountable for this situation?

The employee suspected of being involved in this situation is no longer employed by (insert credit union name) and—based on the findings of the current investigation being conducted by law enforcement—will be held accountable for his/her actions. However, as president (or manager) of the credit union, I accept responsibility for the sound operation of the credit union and I commend our staff for helping to identify and act upon the problem in such a quick manner.

What are you doing to correct this problem to minimize future risk?

(Insert credit union name) has taken swift, aggressive action to address this situation. We are participating in an ongoing investigation with law enforcement. We have evaluated our internal policies and found that our processes under these types of circumstances are effective.

TO STAFF:

Any inquiries by media should be directed to (CU spokesperson name) ONLY. Staff, Board members and management are not to speak directly to the media about this situation under any circumstances.

NOTE: In the event that a staff member is pressured by a member to share information, or if the staff member is uncertain, an easy answer to any question about this situation is: "I'm sorry, because the situation is still under investigation, I am not at liberty to discuss _____." The best way to handle this, is to let staff know that questions about the case should be referred to the credit union manager.

TO CEO:

Reiterate to staff that they are not to discuss this situation with anyone within or outside of the credit union. Considering the sensitive nature of the issue, such conversations could be damaging to the credit union and could jeopardize the investigation. If staff has any information they feel could be of assistance in the investigation they are to follow whatever procedures you stipulate. You decide whom they should contact within the credit union and how that contact is to be made.

Here is sample verbiage your credit union can customize to inform members of the closing of a sponsor company or a company whose employees make up a large number of the credit union's membership.

We at (insert CU name) realize that (insert sponsor or company name)'s recent decision to (close, downsize, etc.) has raised questions and concerns about our credit union. This letter is to help get you the latest information regarding our business and to clarify any misconceptions you may have about the relationship between (insert CU name) and (insert sponsor or company name).

We are not a subsidiary of (insert sponsor or company name)

(Insert CU name) is a separate entity, operating under the rules and regulations of the federal government. And as with all other credit unions, we operate under the supervision of the Federal Reserve and the National Credit Union Administration.

In fact, as a federally-insured credit union, we are not able to be a business line or subsidiary of any private or public company, including the company whose employees the credit union will service; which is sometimes referred to as the 'sponsor company.'

The only relationship a credit union may have with its sponsor company such as our relationship with (insert sponsor or company name) is to have an understanding of the credit union's commitment to serve the sponsor company's employees.

Ownership of any credit union, including (insert CU name), is based on the equal shares of our current membership at any given time, and no other group or company.

So now that (insert sponsor or company name) has shut-down, what happens to the credit union?

Absolutely nothing. Because we are a completely separate company we will not be affected by the closing of (insert sponsor or company name).

Are the funds safe in my credit union account?

Yes, they are absolutely safe! By federal law, credit union funds and any funds that members hold in savings or have borrowed in loans with the credit union are completely separate from any other organization, including its sponsor company.

Therefore, your credit union funds are safe, **are not frozen**, and are always available to you no matter what. Your funds are also federally-insured for up to \$250,000 per account and can never be lost as a result of the reorganization or closure of its sponsor company.

Are checks from my credit union account are still good?

Yes. Because we are a completely separate company, checks that are issued from accounts with (insert CU name) or issued by our tellers also marked as being issued by (insert CU name), are guaranteed by our own financial status. When the check indicates it is from the '*federal credit union*,' you'll know it is safe from anything that's happening with (insert sponsor or company name).

I still have more questions, where can I call?

(Insert CU name) staff will always be able to assist and answer your questions. Please feel free to call us during normal business hours. Further, if you have specific questions on how credit unions are organized or how credit unions are separate from their sponsor companies, call our federal regulatory agency the National Credit Union Administration and their consumer hot line, at 1.800.755.1030.

An Important Message for Members Affected by the Shutdown of (insert sponsor or company name)

Dear Members,

Your friends at (insert credit union name) are shocked and saddened by the shutdown of (insert sponsor or company name), but we are available to assist you in whatever way we can.

Our staff is here to assist you. While our credit union could not have known how drastic the news would be or how its timing might affect individuals more acutely than others, our dedicated staff is always available to assist you.

Your credit union funds have never been in danger. It's important to understand that your credit union funds are completely separate from (insert sponsor or company name). In fact, there is no freeze on your funds and all of your own checks, as well as any of our teller checks are fully enforceable. Because we are a separate organization and one that is federally insured, our credit union's funds and your funds were never in danger of being affected by or frozen because of (closure, bankruptcy proceedings, etc.) of (insert sponsor or company name).

(Here you may insert information on any programs or services your credit union has or will be implementing for members who will lose or have lost their jobs.)

(Insert this paragraph only if you have developed FAQs)

We can help you understand a few things. We know this time of uncertainty brings with it many questions. We will do our best to help you navigate this trying time. We've put together important answers to many of your questions. These answers on the back side of this letter, and are also available at our website or in our branch.

On behalf of all credit union employees, our Board, and our management team, we appreciate your support and offer ours in your time of need.

Sincerely,

(President/CEO)