



OIG-26-06

Limited Review of Teamsters Local 92 Federal Credit Union

June 22, 2026



OFFICE OF INSPECTOR GENERAL

Memorandum

SENT BY EMAIL

DATE: June 22, 2026

TO: See Distribution List

FROM: Acting Inspector General Marta Erceg *Marta Erceg*

SUBJECT: Limited Review of Teamsters Local 92 Federal Credit Union

This memorandum presents the results of our limited review of the circumstances related to the loss incurred by the National Credit Union Share Insurance Fund (Share Insurance Fund) with respect to Teamsters Local 92 Federal Credit Union (Teamsters), Canton, Ohio, chartered on May 6, 1969. As of September 30, 2025, the credit union reported \$1,913,845 in assets. On December 29, 2025, the NCUA approved the merger of Teamsters into Seven Seventeen Credit Union (7 17) with cash assistance to cover identified deficiencies, contract obligations, and necessary building remediation costs that 7 17 would have otherwise assumed. Specifically, the assistance funded: (1) accounts receivable and prepaid expense write-offs, (2) a fraud audit, (3) the cost of hiring a bond attorney to assist with the bond claim, (4) the cost of terminating the core system that 7 17 did not use, (5) an amount representing the excess liabilities over assets, and (6) costs to remediate the deteriorated building, including environmental hazard cleanup, demolition, and repaving, to prepare the property for sale. This assistance resulted in an estimated loss to the Share Insurance Fund of \$787,148.¹

The Federal Credit Union Act requires the Inspector General to identify any non-material losses that were incurred by the Share Insurance Fund with respect to insured credit unions during the preceding 6-month period and determine the grounds identified for appointing the NCUA Board as the liquidating agent for a credit union (the credit union was not liquidated here, so there was no need to determine these grounds), determine whether any unusual circumstances existed that might warrant an in-depth review, and prepare a

¹ This estimated loss is comprised of \$487,148 in cash assistance for the merger and up to \$300,000 in cash assistance for demolishing the credit union's building and preparing the land for sale.

written report on the results of our determinations.² Applying these steps is what comprised our limited review. This loss to the Share Insurance Fund occurred during the period of October 1, 2025, through March 31, 2026.³

With respect to Teamsters, because the loss to the Share Insurance Fund was less than the material loss threshold set forth in the Federal Credit Union Act,⁴ we conducted a limited review. We performed procedures that included: (1) reviewing and summarizing examination⁵ reports, supervisory memoranda, and other pertinent documents; (2) assessing the CAMELS ratings⁶ assigned to the credit union during the 5 years preceding the loss; (3) conducting interviews with NCUA personnel; (4) determining whether any investigative actions were taken, planned, or considered regarding credit union officials; and (5) analyzing supervisory history and other supervisory review methods. We performed our fieldwork from April 2026 through May 2026.

All work completed complied with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Federal Offices of Inspector General (August 2012), which require that the work adheres to the professional standards of independence, internal control, and quality assurance to ensure the accuracy of the information presented.

Cause of Loss to the Share Insurance Fund

The loss to the Share Insurance Fund resulted from Teamsters becoming critically undercapitalized and insolvent due to extensive operational, financial, and governance failures. Teamsters operated for an extended period with two employees and a composite CAMELS rating of **5**.⁷ The credit union had long-standing recordkeeping deficiencies, weak internal controls, including poor segregation of duties, lack of oversight, and inadequate policies and procedures, and numerous accounting errors that produced unreliable financial reporting and an inadequately funded allowance for loan losses. Significant weaknesses in the loan portfolio—including missing documentation, improper underwriting, fictitious and forged loans, and insider abuse—further impaired asset quality.

² 12 U.S.C. § 1790d(j)(4).

³ There are two semiannual reporting periods: (1) April 1 through September 30 and (2) October 1 through March 31.

⁴ A loss is material if it exceeds the sum of \$25 million and an amount equal to 10 percent of the total assets of the credit union on the date on which the NCUA Board initiated assistance under section 1788 of the Federal Credit Union Act or was appointed liquidating agent. In such a case, the Inspector General would conduct a material loss review. *Id.* § 1790d(j)(1)-(2).

⁵ For most small federal credit unions with less than \$50 million in total assets and CAMELS ratings of 1, 2, or 3, the NCUA follows its Small Credit Union Examination Program, a streamlined program that focuses on the most pertinent areas of risk in these institutions. Small credit unions with a CAMELS rating of 4 or 5 are generally overseen under the NCUA's risk-focused program, which concentrates on the highest-risk areas.

⁶ Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risk. Examiners assign each CAMELS component and an overall, composite score, a rating of "1" (no cause for supervisory concern) through "5" (greatest supervisory concern).

⁷ Descriptions of the CAMELS ratings can be found at the following location on NCUA's website:

[Appendix A NCUA's CAMELS Rating System \(CAMELS\) \(Revised\) | NCUA](#)

These issues were compounded by delayed audits, an outdated core processing system, a cash shortage, and unauthorized payroll payments. Liquidity deteriorated further following major member withdrawals driven by concerns over potential embezzlement, further pushing the credit union into insolvency. Although indicators of fraud existed, the NCUA did not determine fraud to be the cause of the cash-assisted merger.⁸ Rather, the credit union's insolvency stemmed from systemic operational failures. The poor condition of the credit union's facilities contributed approximately \$300,000 of the total \$787,148 loss, due to the building's severe deterioration and minimal liquidation value.

During a September 30, 2024, examination, the NCUA determined the most recent supervisory committee audit was never fully completed and no audit report had been issued, and that Teamsters had not undergone an audit since September 30, 2021. In February 2025, the NCUA held an examination exit meeting with credit union management and board members for the September 30, 2024, examination.⁹ At this meeting, the credit union management and board members in attendance communicated that the credit union board had approved a resolution to pursue a voluntary merger and indicated their intent to execute a management agreement with another credit union as part of the merger process. Two weeks later, the NCUA met with credit union management and board members to discuss the voluntary merger process and assisted the credit union in identifying potential merger partners. As a result of those efforts, Teamsters entered into a management agreement with the management of 7 17, reflecting early supervisory intervention before the credit union's ultimate decline. However, during the September 30, 2025, examination, the NCUA determined the credit union was critically undercapitalized, insolvent, and warranted a composite CAMELS rating of **1**. Due to Teamsters' deteriorating financial condition, governance lapses, and compounding operational problems, the NCUA concluded that its ongoing operations were not viable and that the credit union had no realistic prospect of restoring capital, requiring the NCUA to take mandatory supervisory action within 90 days.¹⁰ Because Teamsters was insolvent, it qualified for a supervisory merger.¹¹ After considering all alternatives, the NCUA determined that a cash-assisted supervisory merger was the most expeditious and cost-effective option for the credit union, its members, and the Share Insurance Fund.

Conclusion

The loss to the Share Insurance Fund resulted from the credit union's severe and persistent

⁸ Because the NCUA did not retain the bond, the financial significance of the fraud audit results was limited. Consequently, 7 17 took on the responsibility for identifying potential fraud.

⁹ The credit union had previously cancelled attempts to schedule a final exit interview or joint conference.

¹⁰ Within 90 calendar days after a credit union is classified as critically undercapitalized, the NCUA is required to take one of the following three actions: (1) place the credit union into conservatorship, (2) place the credit union into liquidation (which may include a purchase and assumption), or (3) take other corrective action, such as requiring a merger.

¹¹ Where the acquired credit union is a single or multiple common bond charter and the continuing federal credit union is a multiple common bond charter, the merger may be classified by NCUA as "supervisory" when NCUA determines supervisory concerns exist.

deficiencies in recordkeeping, which, together with inadequate internal controls, led to insufficient loan loss reserves, unreliable documentation, and a failure to operate in a safe and sound manner. Although several contributing factors existed, including deteriorated facilities, the primary cause of insolvency was the breakdown of the accounting and internal control environment, rather than a singular fraud event or unique external circumstance. Because Teamsters was a very small credit union, any one of these weaknesses could have led to failure. These types of issues are common among small credit unions, where limited staffing and resources make it more difficult to maintain strong internal controls and oversight.

Based on our review of the causes of the loss to the Share Insurance Fund, we determined that there were no unusual circumstances that would necessitate an in-depth review of the loss.

We appreciate the cooperation and courtesies NCUA management and staff provided to us during the limited review. If you have any questions, please contact me at 703-518-6350.

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