

**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

_____ )		
In the Matter of )	Order No.:	DC-11-013
)		
)		
<b>DANUTA GRACE KRUKOWSKI</b> )	Effective Date:	February 8, 2011
)		
Former Bank Secrecy Act Officer and )		
Institution-Affiliated Party of )		
)		
PAMRAPO SAVINGS BANK, SLA )		
Bayonne, New Jersey )		
OTS Docket No. 05584 )		
_____ )		

**ORDER OF PROHIBITION**

**WHEREAS**, Danuta Grace Krukowski (Krukowski) has executed a Stipulation and Consent to the Issuance of an Order of Prohibition (Stipulation); and

**WHEREAS**, Krukowski, by executing the Stipulation, has consented and agreed to the issuance of this Order of Prohibition (Order) by the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1818(e); and

**WHEREAS**, pursuant to delegated authority, the OTS Deputy Director of Examinations, Supervision and Consumer Protection (Deputy Director), is authorized to issue Orders of Prohibition where the individual has consented to the issuance of an order.

**NOW, THEREFORE, IT IS ORDERED that:**

**Prohibition.**

1. Krukowski, except upon the prior written consent of OTS (acting through its Director or an authorized representative thereof) and any other “appropriate Federal financial institutions regulatory agency,” for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(a) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

- (i) any insured depository institution as defined in 12 U.S.C. § 1813(c);
- (ii) any institution treated as an insured depository institution under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4) and any subsidiary thereof, or treated as a savings and loan holding company under 12 U.S.C. § 1818(b)(9) and any subsidiary thereof;
- (iii) any insured credit union under the Federal Credit Union Act (12 U.S.C. §§ 1751 et seq.);
- (iv) any institution chartered under the Farm Credit Act of 1971 (12 U.S.C. §§ 2001 et seq.);
- (v) any appropriate Federal depository institutions regulatory agency, within the meaning of 12 U.S.C. § 1818(e)(7)(D); and
- (vi) the Federal Housing Finance Agency and any Federal Home Loan Bank;

(b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in 12 U.S.C. § 1818(e)(7)(A);



**UNITED STATES OF AMERICA**  
**Before The**  
**OFFICE OF THRIFT SUPERVISION**

In the Matter of	)	Order No.:	DC-11-013
	)		
<b>DANUTA GRACE KRUKOWSKI</b>	)	Effective Date:	February 8, 2011
	)		
Former Bank Secrecy Act Officer and	)		
Institution-Affiliated Party of	)		
	)		
PAMRAPO SAVINGS BANK, SLA	)		
Bayonne, New Jersey	)		
OTS Docket No. 05584	)		

**STIPULATION AND CONSENT TO THE ISSUANCE OF AN**  
**ORDER OF PROHIBITION**

**WHEREAS**, the Office of Thrift Supervision (OTS), acting by and through its Deputy Director of Examinations, Supervision and Consumer Protection (Deputy Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Danuta Grace Krukowski (Krukowski), the former Bank Secrecy Act Officer of Pamrapo Savings Bank, SLA, Bayonne, New Jersey, OTS Docket No. 05584 (Pamrapo or Association), that grounds exist to initiate an administrative Prohibition proceeding against her pursuant to 12 U.S.C. § 1818(e); and

**WHEREAS**, the Deputy Director, pursuant to delegated authority, is authorized to issue Orders of Prohibition where the individual has consented to the issuance of an order; and

**WHEREAS**, Krukowski desires to cooperate with the OTS and to avoid the time and expense of such administrative Prohibition proceeding by entering into this Stipulation and Consent to the Issuance of an Order of Prohibition (Stipulation) and, without admitting or denying that such grounds exist, or the Findings of Fact or opinions and conclusions of the OTS, but only admitting the statements and conclusions in Paragraphs 1 -3 below concerning Jurisdiction, hereby stipulates and agrees to the following:

**Jurisdiction.**

1. At all times relevant to this Stipulation, the Association was a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association was an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. As the former Bank Secrecy Act Officer of the Association, Krukowski is deemed to be an “institution-affiliated party,” as defined in 12 U.S.C. § 1813(u), and served in such capacity within six (6) years of the Effective Date as shown on the first page (see 12 U.S.C. § 1818(i)(3)).
3. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative prohibition proceeding against institution-affiliated parties. Therefore, Krukowski is subject to the jurisdiction of the OTS to initiate and maintain an administrative prohibition proceeding against her pursuant to 12 U.S.C. § 1818(e).

**OTS Findings of Fact.**

4. Krukowski was employed as the Bank Secrecy Act Officer of the Association at all times pertinent to the events described herein. The OTS finds that Krukowski recklessly engaged in, and aided and abetted in several violations of law and regulation when she failed to correct deficiencies in Pamrapo's Bank Secrecy Act/Anti-Money Laundering (BSA/AML) compliance programs despite knowledge of the deficiencies over an extended period of time. In her role as the Association's Bank Secrecy Act Officer, Krukowski recklessly failed to ensure the Association appropriate filed Currency Transaction Reports and/or Suspicious Activity Reports. The Association paid a total of \$6 million in fines and penalties to government agencies in connection with deficiencies in its BSA/AML programs. By virtue of her actions, Krukowski recklessly engaged in unsafe or unsound practices in conducting the affairs of the Association and breached her fiduciary duty to the Association.

5. Accordingly:

(a) Krukowski has, directly or indirectly, violated (as defined in 12 U.S.C. § 1813(v)) a law or regulation, and/or a final cease-and-desist order, and/or a condition imposed in writing by a Federal banking agency in connection with the grant of an application or other request by the Association, and/or any written agreement between the Association and the OTS; and/or engaged or participated in any unsafe or unsound practices in connection with the Association; and/or committed or engaged in any act, omission, or practice which constitutes a breach of her fiduciary duty;

(b) and, by reason of such violation, practice, or breach by Krukowski, the Association has suffered or will probably suffer financial loss or other damage; and/or

the interests of the Association's depositors have been or could be prejudiced; and/or Krukowski has received financial gain or other benefit by reason of such violation, practice, or breach;

(c) and, such violation, unsafe or unsound practice, or breach by Krukowski involves personal dishonesty on the part of Krukowski; and/or demonstrates willful or continuing disregard by Krukowski for the safety or soundness of the Association.

**Consent.**

6. Krukowski consents to the issuance by the OTS of the accompanying Order of Prohibition (Order). Krukowski further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

**Finality.**

7. The Order is issued by the OTS under 12 U.S.C. § 1818(e). Upon the Effective Date it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

**Waivers.**

8. Krukowski waives the following:
- (a) the right to be served with a written notice of the OTS's charges against her as provided by 12 U.S.C. § 1818(e) and 12 C.F.R. Part 509;
  - (b) the right to an administrative hearing of the OTS's charges against her as provided by 12 U.S.C. § 1818(e) and 12 C.F.R. Part 509;

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to the OTS enforcement matter and/or the Order, whether arising under common law, federal statutes or otherwise.

**Agreement for Continuing Cooperation.**

9. Krukowski agrees that she will fully cooperate with the OTS including, but not limited to, at the OTS's written request, on reasonable notice and without service of subpoena, providing discovery and testifying truthfully at any deposition, or at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding brought by the OTS or other appropriate federal banking agency, relating to Pamrapo or its service corporations, holding company, subsidiaries, or institution-affiliated parties.

**OTS Authority Not Affected.**

10. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting Krukowski if, at any time, the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

**Other Governmental Actions Not Affected.**

11. Krukowski acknowledges and agrees that her consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 10 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Krukowski that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

**Acknowledgment of Criminal Sanctions.**

12. Krukowski acknowledges that the Stipulation and Order are subject to the provisions of 12 U.S.C. § 1818(j), which includes potential imprisonment of not more than five (5) years and/or a fine of not more than \$1,000,000 for her knowing participation, directly or indirectly, in any manner, in the conduct of the affairs of an institution as set forth in the Order.

**Miscellaneous.**

13. The laws of the United States of America shall govern the construction and validity of this Stipulation and the Order.

14. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Deputy Director in his or her sole discretion determines otherwise.

15. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

16. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

17. The terms of this Stipulation and the Order represent the final agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters.

18. This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Deputy Director, or other authorized representative.

**WHEREFORE**, Krukowski executes this Stipulation.

Accepted by:

**DANUTA GRACE KRUKOWSKI**

**OFFICE OF THRIFT SUPERVISION**

By:                   /s/                    
Danuta Grace Krukowski

By:                   /s/                    
Thomas A. Barnes  
Deputy Director, Examinations, Supervision and  
Consumer Protection

Date: See Effective Date on page 1