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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

In the matter of:

DALE L. LOUNSBURY,

Respondent.

Docket No. 2022-41-01

**CONSENT ORDER TO CEASE AND DESIST
AND ACKNOWLEDGING EMPLOYMENT
BAR**

This matter concerns the activities of DALE L. LOUNSBURY (Respondent) in his former capacity as an employee of a financial institution and as they relate to the State of Idaho Department of Finance acting through its Financial Institutions Bureau (Department), collectively the Parties. In support of entry of this Consent Order and to fully resolve the matters referenced herein, the Department and Respondent agree and consent to the following, and to entry of same by the Director in this Consent Order. This Consent Order is entered into pursuant to the Idaho Financial Fraud Prevention Act, Idaho Code § 67-2750 *et seq.* (the Act).

FINDINGS OF FACT

1. Respondent, DALE L. LOUNSBURY, was a resident of the state of Idaho and an employee of Bank of Commerce (the Bank) in Rexburg, Idaho, during 2020. Respondent was employed at the Bank of Commerce branch located at 3113 South 25th East, Ammon, Idaho 83406-5732. Respondent currently resides in Rigby, Idaho.

2. During his employment with the Bank, Respondent served as a Vice President ("VP")/Branch Manager/Loan Officer.

3. On or about May 5, 2020, Respondent conducted an unauthorized transaction by withdrawing approximately \$30,000 in cash from one of the Bank's customer's line of credit and informed the Bank's staff that he would personally deliver the cash to the customer. This customer subsequently denied making such a request or receiving such funds.

4. On or about August 6, 2020, Respondent withdrew an additional approximate amount of \$60,000 from a loan he opened in the same customer's name and informed the Bank's staff that he would personally deliver the cash to the customer. The customer has denied making such a request or receiving such funds.

5. The unauthorized withdrawals conducted by Respondent on May 5, 2020, and August 6, 2020, total the approximate sum of ninety-thousand dollars (\$90,000).

6. At no time did any of Respondent's supervisors at the Bank authorize Respondent to conduct the foregoing transactions, nor were Respondent's supervisors at the Bank aware of Respondent's unauthorized transactions at the time he conducted them.

7. At no time did the owner or a signer on any of the above-described line of credit account from which Respondent withdrew funds authorize Respondent to conduct the

transaction, nor did the owner or a signer on the account receive the funds withdrawn or transferred or any benefit therefrom.

8. The foregoing transactions were investigated by the Federal Bureau of Investigation. Subsequently, a Grand Jury determined that there was probable cause to charge Respondent, and the United States Attorney's Office filed a one count criminal indictment against Respondent in the United States District Court for the District of Idaho on April 14, 2021, in Case No. 4:21-cr-108. The Indictment included the charge of Embezzlement by Bank Employee, 18 U.S.C. § 656. Respondent pled guilty to the charge on May 17, 2022. A Judgment in Criminal Case was entered, and Respondent was sentenced to the Federal Bureau of Prisons for a term of two months.

9. The Department of Finance has since been informed that Respondent was recently released from prison.

CONCLUSIONS OF LAW AND VIOLATIONS

10. All foregoing paragraphs above are hereby reiterated and incorporated by reference.

11. The Act prohibits persons from engaging in certain types of fraudulent financial activity in the state of Idaho. Idaho Code § 67-2752(6) provides that it is unlawful, for any person,

While serving as an employee, agent or representative of a financial institution, to obtain or attempt to obtain the money, funds, credits, assets, securities, or other property owned by, held by, or under the custody or control of, the financial institution by means of false or fraudulent pretenses, representations, or promises or by means of any fraudulent device, scheme or artifice, or through the use of a fraudulent monetary instrument.

12. Respondent's conduct as set forth above constitutes obtaining money, funds, credits, assets, securities, or other property owned by or under the custody or control of a financial institution by false or fraudulent pretenses, representations, or promises or by means of a fraudulent device, scheme or artifice, or through the use of a fraudulent monetary instrument, while Respondent served as an employee, agent or representative of a financial institution, in violation of Idaho Code § 67-2752(6).

13. Idaho Code § 67-2752(2) provides that it is unlawful, for any person,

To obtain or attempt to obtain money, funds, credits, assets, securities, or other property owned by, or under the custody or control of a financial institution by means of false or fraudulent pretenses, representations, or promises or through the use of any fraudulent device, scheme, artifice, or fraudulent monetary instrument.

14. Respondent's conduct as set forth above constitutes obtaining money, funds, credits, assets, securities, or other property owned by or under the custody or control of a financial institution by false or fraudulent pretenses, representations, or promises or by means of a fraudulent device, scheme, or artifice or through the use of a fraudulent monetary instrument, in violation of Idaho Code § 67-2752(2).

15. Idaho Code § 67-2752(1) provides that it is unlawful, for any person, "[t]o employ any device, scheme or artifice to defraud a financial institution."

16. Respondent's conduct, as set forth above, constitutes employing a device, scheme or artifice to defraud a financial institution, in violation of Idaho Code § 67-2752(1).

17. Idaho Code § 67-2755(2) provides that whenever it appears to the Director that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act, the Director may in her discretion Order the person to cease and

desist from the violation or attempted violation of the Act and, after giving reasonable notice and opportunity for a hearing, issue the following:

- (a) An order restoring to any financial institution any consideration, funds, or property acquired or transferred in violation of the Act;
- (b) An order that the person violating the Act pay a civil penalty to the Department in an amount not to exceed five thousand dollars (\$5,000) for each violation;
- (c) An order that the person violating the Act pay costs which may include an amount representing reasonable attorney's fees and reimbursement for investigative efforts;
- (d) An order granting other appropriate remedies.


18. Idaho Code § 67-2753 provides that a person who has been convicted of any criminal offense involving dishonesty, breach of trust or fiduciary duty, or money laundering or who has been found to have violated this act, shall not seek employment with, accept employment by, become employed by, or continue in their employment with an Idaho state chartered or licensed financial institution, except with prior written consent of the Director.

19. The Parties knowingly and voluntarily agree to the contents of and to the entry of this Consent Order to resolve the issues raised herein and to obviate the need for any further proceedings, and the Department and Respondents further waive their rights to a hearing before the Director, to present evidence, and to seek any further review of the entry of this final Consent Order. By her signature below, the Director deems it appropriate and based on

good cause to enter the Consent Order. The parties shall bear their own costs and attorney fees.

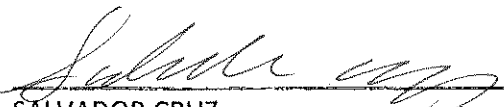
20. The parties understand and agree that if and when the Director adopts the terms of this Consent Order by affixing her signature, this Consent Order will become a final order, and the parties further agree to waive all rights to seek reconsideration and judicial review of this Consent Order.

DATED this 21st day of August, 2022.


DALE L. LOUNSBURY

DATED this 29th day of August, 2022.

STATE OF IDAHO
DEPARTMENT OF FINANCE


SALVADOR CRUZ
Financial Institutions Bureau Chief

ORDER

The Director, having reviewed the foregoing, and good cause being shown therefor, THE DIRECTOR HEREBY FINDS that Respondent has violated the Idaho Financial Fraud Prevention Act, Idaho Code § 67-2750 *et seq.*, and incorporates and adopts the foregoing.

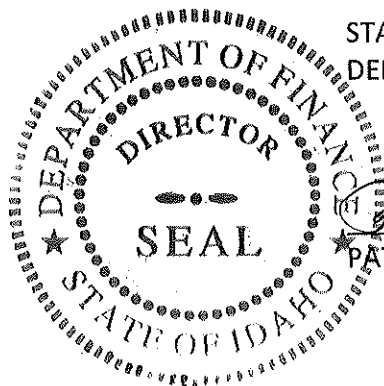
NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

Respondent shall CEASE AND DESIST from violations of the Idaho Financial Fraud Prevention Act, including, but not limited to, obtaining or attempting to obtain money, funds, credits, assets, securities, or other property owned by, or under the custody or control of a financial institution by means of false or fraudulent pretenses, representations, or promises or through the use of any fraudulent device, scheme, artifice, or fraudulent monetary instrument, or to employ any device, scheme or artifice to defraud a financial institution.

Pursuant to Idaho Code § 67-2753, it is further ORDERED that Respondent shall not seek or accept employment with, or become employed by, an Idaho chartered or licensed financial institution as defined in Idaho Code § 67-2751(4) without the prior written consent of the Director.

IT IS SO ORDERED.

DATED this 29th day of August 2022.



STATE OF IDAHO
DEPARTMENT OF FINANCE



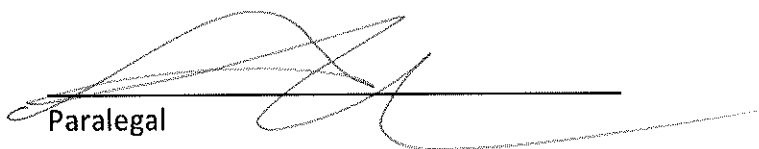
PATRICIA R. PERKINS, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 29th day of August 2022, I caused a true and correct fully-executed copy of the foregoing CONSENT ORDER TO CEASE AND DESIST AND ACKNOWLEDGING EMPLOYMENT BAR to be served on the following by the designated means:

Dale Lounsbury
243 North 2nd Street
Rigby, ID 83442

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- overnight delivery
- email: dale.lounsbury1994@yahoo.com



Paralegal