



The Commonwealth of Massachusetts

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Press Release

Shinnick admits to theft that destroyed Norwood School Employees Credit Union

Begins serving jail sentence on April 8

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Former Coakley Middle School vice principal Stephen Shinnick pled guilty on Friday, April 1, 2001, to abusing his position as treasurer of the Norwood School Employee Federal Credit Union to loot more than a quarter of a million dollars from the institution, leaving it insolvent.

“This was an egregious breach of trust, and it involved not a momentary lapse of reason but hundreds of criminal actions over several years,” Norfolk District Attorney Michael W. Morrissey said after Shinnick had pled guilty to all of the charges against him. “We felt strongly that in addition to being ordered to pay restitution, substantial incarceration was warranted in this case.”

Shinnick, born 11-24-46, of Norwood, was indicted by a Norfolk County Grand Jury last year on three counts of Larceny over \$250 by Continuing Scheme, which incorporated the several actions that constitute:

1. Using Credit Union funds to pay \$164,516.46 in personal bills;
2. Using Credit Union funds to issue checks payable to Shinnick totaling \$130,402.74
3. Using Credit Union Funds to make payments to Shinnick's children totaling \$13,000.

In a written sentencing memorandum submitted to Judge Kenneth Fishman, Assistant District Attorney Greg Connor, District Attorney Morrissey's chief white collar prosecutor, argued that Shinnick should serve 30 months behind bars the upper end of the sentencing guidelines for a larceny of this scale followed by a 5-year probation with enforced restitution payments.

Defense attorney Robert Goldstein asked Judge Fishman to sentence Shinnick to probation with no jail time. Judge Fishman sentenced Shinnick to 2 ½ years in the House of Correction with 6 months to serve and the balance suspended for 5 years; he also issued an order of restitution with the probation department to order the payment schedule based on Shinnick's ability to pay when he is released from incarceration. And Shinnick is also ordered to continue treatment for compulsive gambling addiction when he is released.

ADA Connor's sentencing memorandum addressed how the stolen funds were used: “While it is understood that Mr. Shinnick suffers from a gambling addiction, he did not sacrifice his own lifestyle while he stole from his friends. He and his wife went to Sky Restaurant in Norwood every Friday night. He vacationed in Nantucket and took cruises. The money he spent did not all go to the lottery, but went to him. Mr. Shinnick paid his credit card bills, auto lease, mortgage and life insurance policy out of the credit union check book. He paid for his trips to Nantucket and his daughter's wedding. He gave his family gifts.”

District Attorney Morrissey praised the Norwood Police Department, Detective Robert Rinn who began the investigation, and ADA Connor, who conducted the grand jury investigation that produced these indictments. “This was an extremely complex and time-consuming grand jury investigation,” District Attorney Morrissey said. “Over the course of more than a year, we employed the services of a retired Department of Revenue fraud investigator to conduct a forensic audit on the credit union's books and used grand jury subpoenas to track down who benefited from every misdirected dollar.”

According to court documents, the discovery of the theft and the opening of the investigation made clear to officials at NSEFCU that the credit union was without sufficient funds to continue operation. But the NSEFCU received an influx of money from concerned members to prevent a run on the bank. The NSEFCU held a type of business insurance through the Cuna Mutual Group in the form of a \$250,000 bond on the credit union. The remainder of the loss was absorbed by the Rockland Federal Credit Union when it agreed to acquire the NSEFCU.

Any and all defendants mentioned are legally innocent until proven guilty.