



## **Bookkeeper charged with embezzling**

**Posted: Thursday, August 30, 2001 11:00 pm**

Gazette Staff

A 63-year-old bookkeeper has been accused of embezzling nearly \$50,000 from the Billings Elks Lodge.

Therese E. Krueger was arraigned Thursday in District Court, where she is charged with felony theft. She pleaded innocent to the charge and was released without bond.

Prosecutors say Krueger was the bookkeeper for the Elks Lodge, where members became suspicious three years ago of shortages in bank deposits. An investigation by the Billings Police Department and Internal Revenue Service discovered that \$47,263 was taken between June 1998 and April 2000.

Prosecutors say Krueger made adjustments in a computer program she used to record the club's deposits and payments in order to reduce the bank balance to hide missing funds. Krueger is also accused of writing business checks that were never sent.



## Bookkeeper investigated again for embezzling

GREG TUTTLE Of The Gazette Staff | Posted: Thursday, January 15, 2004 11:00 pm

A bookkeeper accused of embezzling nearly \$50,000 from the Elks Club three years ago is under investigation for a similar crime at the Northern Plains Resource Council.

Therese E. Krueger, 65, appeared Thursday in District Court, where Judge Susan Watters ordered her held at the county jail on \$100,000 bond. Watters rejected a request from prosecutors to set her bond at \$250,000, and denied a defense attorney's request that the defendant be released without bond.

Chief Deputy County Attorney Mark Murphy said the high bond amount was necessary because Krueger is accused of committing a financial crime similar to the case filed against her nearly three years ago. Krueger was charged in 2001 with felony theft after authorities said she stole more than \$47,000 while working as a bookkeeper for the Billings Elks Club.

Krueger pleaded not guilty to the charge and was released without bond. Her trial has been delayed several times and is now scheduled to begin in March, Murphy said.

According to court records, an arrest warrant was issued for Krueger on Tuesday and she was booked into the county jail later that day.

Prosecutors said the arrest warrant, signed by Judge Gregory Todd, was issued based on new allegations that Krueger stole money from the Northern Plains Resource Council, where she also worked as a bookkeeper. The thefts happened both before and after she was charged in 2001, according to an affidavit filed by prosecutors.

Krueger has not been charged with a crime connected to the Northern Plains Resource Council, a nonprofit environmental organization based in Billings. But charges are pending, prosecutors said.

Murphy said the amount of money that authorities believe Krueger stole from the environmental group is still being determined. In court records, prosecutors described the amount as greater than the amount Krueger is accused of stealing from the Elks Club.

Prosecutors also say the thefts were committed in a similar manner. According to an affidavit filed in the case, Krueger took cash from the organization and covered the missing money in financial records by writing dummy checks.

"The dummy checks did not clear the bank account and were presumed never sent to the payees, and apparently later destroyed," prosecutors said in the Elks Club case.

The financial records kept by Krueger indicated that the checks were paid by the bank, prosecutors said.

"On occasion, the day's business deposits were short, but (Krueger) failed to increase the book balances to cover shortages," the affidavit said. "The investigation revealed (Krueger) later appeared to have lost track of how much money she was taking from the club and was reducing the bank balance amounts for no apparent reason."

Krueger is accused of embezzling money from the Elks Club between June 1998 and April 2000. She was charged in District in August 2001 and was released.

As a condition of her release, Krueger was ordered to obey all laws, prosecutors said in an affidavit. The police investigation into money missing from the Northern Plains Resource Council "establishes probable cause that before and since her release," Krueger has embezzled money from that organization, the affidavit states. Prosecutors said they will ask that Krueger's release order be revoked at a hearing on Tuesday.

Prosecutors said Krueger was fired as NPRC bookkeeper on Dec. 30.



## Gambling addict admits embezzlement

TOM HOWARD Of The Gazette Staff | Posted: Thursday, January 29, 2004 11:00 pm

A Billings woman admitted Wednesday that she embezzled more than \$400,000 while she worked as a bookkeeper at the Billings Elks Club and the Northern Plains Resource Council.

Therese E. Krueger, 65, pleaded guilty to two charges of felony theft.

District Judge Gregory Todd refused a defense attorney's request to release Krueger without bond until sentencing.

"She owns a home in Billings and has two sons who are doing their best to take care of her," said defense attorney Jeff Michael. "My client needs time to get her affairs in order. She is not a flight risk and she has no prior record."

Michael said Krueger stole the money because she has a gambling problem.

Krueger could receive up to 10 years and prison and a \$50,000 fine for each count.

Chief Deputy County Attorney Mark Murphy said he plans to recommend that Krueger receive prison time. Michael said he will argue for a suspended sentence because of Krueger's age and because she is not a threat to the community.

Krueger admitted embezzling money from the Elks Club between June 1998 and April 2000. Prosecutors said Krueger stole more than \$47,000 while she was employed at the club. She also admitted stealing \$374,000 from the Northern Plains Resource Council, a Billings-based environmental organization, between September 1999 and December of last year.

In her plea agreement, Krueger said she forged 217 checks from NPRC during the time she worked there.

Krueger was charged with the theft from the Elks Club in August of 2001 and was released to await trial. She was also working at NPRC at the time.

Teresa Erickson, NPRC staff director, said she was aware of the charge against Krueger, but Krueger was allowed to keep her job on the idea that a person is innocent until proven guilty.

NPRC also brought in an independent accountant who recommended stricter financial controls. But even with the new financial policies in place, no evidence of embezzlement was uncovered until last year, Erickson said.

Erickson said NPRC staff members were shocked to learn about the theft because they had developed a close relationship with Krueger.

"What's difficult about this is that money was stolen from all of our members. We're an organization founded on trust," Erickson said.

She said NPRC has insurance to cover the financial losses. Members were informed of the theft, Erickson said, "and that resulted in an outpouring from people who said they wanted to help."

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## Woman sentenced for embezzling

Posted: Wednesday, November 30, 2005 11:00 pm

A Billings woman who embezzled from her employer was sentenced Monday in District Court.

Judge Gregory Todd gave Melissa Anne Whirley, 30, a six-year deferred prison sentence for felony theft by embezzlement. He also ordered Whirley to pay about \$25,000 in restitution after prosecutors said that is the amount they could prove the woman stole from Rimrock Express Lube between 2001 and 2003.

Whirley worked in the business office of the company. She was charged in January 2004, about three months after she resigned from the job when the financial crimes surfaced. Prosecutors said Whirley took money out of cash deposits, used company vouchers at retail stores, cashed employee bonus checks and misused a company credit card.



U.S. attorney says defendant stole from 2 employers

## Billings woman gets prison

CLAIR JOHNSON Of The Gazette Staff | Posted: Thursday, December 20, 2007 11:00 pm

A Billings woman who embezzled \$176,000 from her employer after having stolen thousands from her previous employer will spend 4 1/2 years in federal prison.

U.S. District Judge Richard Cebull on Thursday sentenced Melissa Anne Whirley, 32, at the top of the guideline range of 54 months, which included 30 months for mail fraud and a mandatory consecutive two years for aggravated identity theft. He also ordered her to pay \$206,493 restitution.

Whirley pleaded guilty in June.

Cebull called Whirley's lack of respect for the law the worst he'd seen. As Whirley was being convicted and sentenced in state District Court in 2005 for stealing from Rimrock Auto Group, she had begun stealing from her new employer, Design 3 Engineering, a local engineering company.

"And you kept at it," Cebull told Whirley. "In simple terms, it's hard to believe."

Whirley tearfully apologized to Design 3 co-owner Tom Scott, who was in the courtroom, and to her family.

"I know I abused your trust," Whirley told Scott as she turned to face him. "You guys were so good to me. I'm sorry. I do need help."

Scott told the judge he felt sorry for Whirley's family but that "she definitely came to us with the idea of stealing, and she should be punished."

Whirley's embezzlement over nearly three years has had a "drastic" effect on the company that he and two others started about 30 years ago, Scott said.

Whirley's theft forced two of the partners to take loans to keep the company afloat, and the business had to lay off a young employee because it had no money to train him, he said. Scott, who is 59, said he and other senior partners are having to rethink retirement.

Scott said he has lost his trust in people, questions everything and has many accounting problems because of the way Whirley hid things, he said.

"We're still fighting to keep our heads above water," he said. "The impact keeps going and going and affects every one of us."

Whirley worked for Design 3 as a bookkeeper and receptionist from February 2004 until December 2006. She wrote checks to herself totaling \$176,016 and cashed them, covering up by making entries in books showing that the checks were paid to vendors and other parties.

Whirley also made unauthorized charges on the credit cards of two Design 3 owners for more than \$3,000.

Dave Merchant, a federal defender, asked for a total sentence of 30 months in prison. Merchant said Whirley had a drug problem, never asked for help and needs counseling. Merchant said there was nothing to show for all the money Whirley stole and that he advised her not to sell her house because she and her husband have

three children.

Whirley needed "time out" to reflect on what was important, Merchant said. She failed to learn from her first embezzlement conviction, put her family in jeopardy and continued stealing, he said.

First Assistant U.S. Attorney Kurt Alme asked for a high-end sentence.

"This was deliberate. This was calculated. This was planned over a long period of time," he said.

Whirley began stealing from Rimrock Auto Group in 2001, got caught in October 2003 and was fired, Alme said. In February 2004, Whirley went to work for Design 3 and began stealing a month later. Meanwhile, Whirley was charged in state court in January 2004 with embezzling nearly \$50,000 from Rimrock Auto Group.

State District Judge Gregory Todd sentenced Whirley in November 2005 to a deferred 72-month sentence for the Rimrock Auto thefts.

Design 3 was not notified of what had happened at Rimrock Auto, Alme said. He asked for strict conditions for Whirley's supervised release after prison to reduce the chance of Whirley stealing from another employer.

Cebull ordered Whirley to get permission from her probation officer before getting another job and to disclose her convictions to future employers. He allowed Whirley to remain free until she is assigned to a federal prison.

# Missoulian

## Embezzlements: Thieves often fly under the radar, steal with ease

By TRISTAN SCOTT of the Missoulian | Posted: Sunday, November 22, 2009 7:00 am

While working as a bookkeeper at Bitterroot Resort, Laci E. McVey doctored records, forged checks, and ultimately stole \$255,290 in the course of about seven months.

She spent the money jet-setting around the country with her fiance, treating herself to an exorbitant day at a Missoula salon, buying pricey karaoke equipment, and purchasing brand-new appliances from a Vann's store in Hamilton.

McVey financed a Chevy Avalanche, made payments on her country club membership and gave herself salary increases and bonuses. She used a company debit card to make dozens of unauthorized purchases, deposited checks into her personal bank account, and paid off a \$15,000 debt to Costco credit card services.

She was finally caught in February 2007 when business owner Tom Maclay began to suspect money was being embezzled from Bitterroot Resort. But even before she came to work for Maclay, McVey had already been fired by a previous employer, Destination Financial Services in Missoula. She had stolen nearly \$40,000 from that company in a span of six months, forging checks and making unauthorized credit card transactions between December 2004 and May 2005.

That information never found its way into McVey's employment file at Bitterroot Resort.

When McVey was given a suspended sentence with the Department of Corrections last year, she joined the ranks of a rising number of perpetrators who, in the past half-decade or so, have demonstrated a startling number of characteristics common among convicted embezzlers.

They are often repeat offenders who fly under the radar until their offenses become so egregious they cannot be ignored, or when a shift in management or a change in the economic climate make the losses impossible to ignore. They are in positions of trust, often maintaining a company's records, managing its finances and making the bank deposits without any oversight. And they fleece businesses for hundreds of thousands of dollars.

"I think that there is an increasing number of very high-dollar cases," said Missoula County Attorney Fred Van Valkenburg. "And it's hard to know exactly why, but it would appear that people who are in positions of trust start out taking small amounts of money and test the system, and when they discover that they're not getting caught, they just sort of move on and continue to take more and more."

And, the perpetrators are almost exclusively women.

"One of the things that is obvious, and it is politically incorrect to say so, is that there is a much greater likelihood that women will commit this crime than men, and that may be part of the trust issue," Van Valkenburg said. "You see a clear overrepresentation of men when you get into violent crimes, like homicides and assaults, but I would say these types of cases are more often women."

Ravalli County Attorney George Corn highlighted six cases that his office has prosecuted to conviction since 2003. In all of the cases, the thieves were bookkeepers or office managers and had a close personal relationship with their employers.

"Trusted above all other employees," is how Corn said business owners described employees caught embezzling money. "Jovial, efficient, a team player – a friend, not just an employee."

In five of the six cases, the women had prior unreported thefts.

Twila Hallford, 40, was convicted in 2003 of stealing \$335,851 from the privately run Teller Wildlife Refuge over two years

starting in 2001. She worked as the nonprofit organization's bookkeeper, and pleaded guilty to felony counts of embezzlement, forgery, theft and other crimes.

Ravalli County District Court Judge Jeffrey Langton sentenced Hallford to 60 years in prison with 40 years suspended, but a Montana Supreme Court sentence review panel reduced her sentence to 10 years with 7 1/2 suspended in 2005. On Jan. 29, 2007, Hallford was granted parole from the Montana Department of Corrections.

In August, Hallford was charged with stealing as much as \$11,000 from her new employer, Bitterroot Wireless. She admitted to the thefts in a letter to the court.

"Here she gets out of prison and gets a job handling finances, and in August of this year the owner realizes he was being ripped off," Corn said. "And you recover so little. The six cases total \$1.3 million, and \$84,000 is all we recovered."

Dorothea M. Knudson, 48, was sentenced in September 2006 for embezzling \$249,764 from a small business in the Bitterroot Valley. The following month, 49-year-old Patricia Everett went to prison for stealing \$246,218 from a different business.

"All of these are small businesses," Corn said. "And they're all women."

"It's a big issue. When you have thefts this big from small companies, they are driven to their knees. They have to lay people off, they lose health care, they have to take out loans to continue operating."

One embezzlement forced a health care professional to lay off five of his six employees, Corn said.

"It looted his retirement fund," he said. "He had to go into debt."

According to a study by the U.S. Chamber of Commerce, one-third of all business bankruptcies are due to employee theft.

Corn said in all six of the Ravalli County cases, the women's managerial responsibilities included receiving money, making deposits, writing checks, reviewing bank statements, reporting to the business owner and reporting to a CPA.

"There was no oversight. And that's common in a small business," Corn said. "That goes back to the trust issue. But you can't just sign blank checks, even if you've known the person since high school. You have to make sure you're reviewing bank statements and company credit cards."

Four of the six women used company-issued credit cards to make personal purchases, Corn said.

In Montana, there are currently 105 offenders serving sentences for felony theft by embezzlement, although records keepers with the Department of Corrections only began distinguishing theft cases from embezzlement cases in the past four years.

"Bottom line, there are more offenders convicted of theft by embezzlement in the system than our numbers show," said DOC spokesman Bob Anez.

Lisa Barton, who works for the Montana Department of Labor and Industry as field auditor, said as a private citizen she has been working to develop and promote uniform safeguards to protect small businesses against embezzlement.

"I'm interested in this because I have worked for other employers who have been victims of embezzlement," she said.

Barton, of Molt, said businesses that are embezzled are not likely to report the crime because of adverse publicity and shame, and aren't truthful during reference checks with an embezzler's future employer because they are afraid of being sued.




"Many embezzlers don't even hide their previous employment. They list the names of employers on resumes because they are so confident that they will get away with it, and their next employer becomes a potential victim also," she said. "Why rob with a gun when a resume is so much easier?"

Barton said she has urged the Montana Legislature to implement an offender registry for convicted embezzlers, and to establish an embezzlement investigation and audit team to provide investigative leadership for Montana's county attorneys.

She also said panels who review the prison terms of embezzlers too often agree to lesser sentences without understanding the consequences.

“They wouldn’t do that for the guy who robs the Quikway and gets a hundred bucks, but they do it to white women who embezzle hundreds of thousands of dollars all of the time,” she said.

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	Make	Body	Price	
	<b>Chevrolet</b>	<b>Dodge...</b>	<b>Jeep</b>	
	Avalanche (2)	Dakota	Liberty	
	Blazer (3)	Ram 1500	<b>Nissan</b>	
	C2500	Ram 2500 (2)	Frontier	

## WOMAN SENTENCED FOR EMBEZZLING THOUSANDS FROM BOZEMAN COMPANY

By Beth Saboe

Posted: Mar 9, 2010 4:10 PM

Updated: Mar 10, 2010 2:47 PM

A Three Forks woman was sentenced to prison for embezzling more than \$100,000 from a Bozeman company.

Diane Corrick worked at Radiant Engineering from 2004 to 2008. Last year, she pleaded guilty to felony embezzlement. She appeared in Gallatin County District Court Tuesday where Judge Holly Brown sentenced her to 10 years in the Montana State Women's Prison with three years suspended.

Corrick must also repay \$140,000.

Radiant Engineering is a Bozeman company that specializes in plumbing and heating equipment. Co-owner Bob Knebel told the judge he and his business partners feel betrayed by Corrick's theft.

"We put a lot of trust in Ms. Corrick. She ran our books and we were very foolish in not have two signers on the checks. She was very devious in getting money out of us. She was very creative in what she did," said Knebel.

He added that the combination of Corrick's theft and the downturn in the local economy has nearly crippled their business. "We've struggled over the last 16 months just to keep the doors open," said Knebel.

Knebel owns Radiant Engineering with Dale Pickard and his wife Debra De Bode. According to Pickard, the majority of the funds Corrick embezzled was borrowed money, leaving the company more than \$100,00 in the hole. "Her moral compass has been broken," said Pickard.

Corrick took the stand before learning her sentence and told the court she regrets taking the money. She was taken into custody once the prison term was handed down.



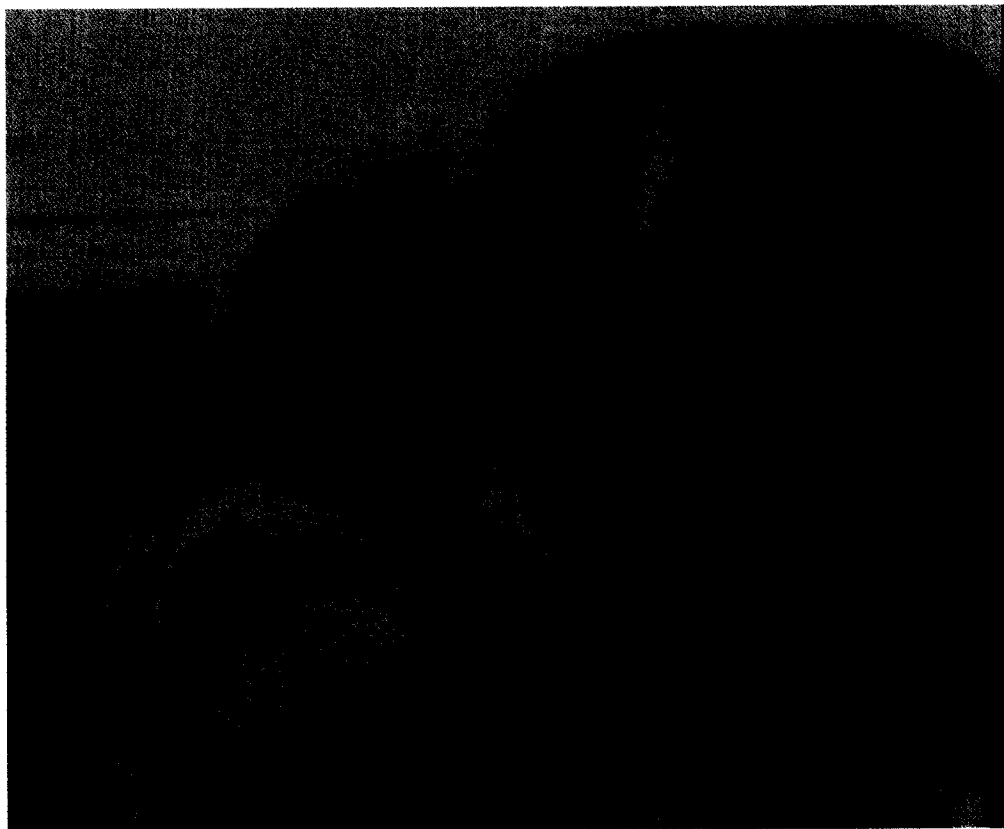
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### Gallatin County Welfare Eligibility Examiner

- Created 82 ghost recipients
- From 1992 - 1997, embezzled \$287,759
- Two households
- Graduate school
- Two children
- Microwave, water cooler for office
- \$20,000 salary



**Volunteer Treasurer for MSU Alpha Gamma Delta sorority**

- From 1989 - 1998, embezzled \$178,000
- Two children in college, without jobs but with spending money
- Owned \$190,000 house with hot tub, computers, expensive stereo
- Never employed
- Husband's salary = \$48,000



### MSU Student Health Services fraud case

- 1985 - 1998
- Estimated \$757,000 embezzled
- Birthday lunches, anniversary gifts, horses, SUVs, house with land, two children, uninsured medical bills
- \$20,000 salary (max)



### **Embezzled from Bozeman Non-Profit Corporation**

- In 1985, embezzled \$20,000 from Big Brothers Big Sisters
- Used money to pay outstanding bills at a Bozeman health club she and her then-husband owned

