

**Program:** Theft of \$450,000, a Nickel at a Time

**Speaker:** Greg Wright, Certified Fraud Examiner, CFP

**Introduced by:** Bill Dick

**Attendance:** 118

**Guests:** G. Mitchell Steckler, Ruth A. Schmidt, Jeff Berty, Phyllis Cockerill, Betty Wright, Bob & Barbara Hamlett, Dennis Matthews

**Scribe:** Dick Carter

**Editor:** Bonnie Carter

Our speaker, Greg Wright, Certified Fraud Examiner, explained how a large sum of money was stolen in small denominations in the absence of adequate controls. This was presented to us as a true case study of Juanita Hoagland who was found guilty of the largest theft ever discovered by the Indiana Board of Accounts. The money taken was from Late Book Fees accounts at the Indianapolis Public Library. The Late Book Fee at the time was five cents per day! Greg also noted that every small business is a potential victim, especially medical and dental practices.

The case study stated that the person convicted of the Indianapolis Public Library theft worked in the Library Central Office. Sometime before 1978, she learned of a flaw in the accounting system. She skimmed cash every day and took an average \$1,500 per month. Her salary was \$1,575 per month. She was successful for possibly 10 to 14 years.

On Monday, February 29, 1988, she took the day off from work. The State Board of Accounts was auditing the Nora Public Library. Auditors Andrew Jackson and Mike Bozymski were trying to reconcile Nora's cash receipts; they could not find a copy of a form #200. They called the Library Central Business Office. Another accounting clerk went to Juanita's desk to find the receipt book and records. The auditors at Nora could not find all of the cash receipts produced by the central accounting office for the late book fines.

The central office accounting clerk read off the missing receipt values, but the central office account totals did not agree with the Nora account totals. Mike and Andy went to the Central Office to find the files. They found that half of the form #200 carbon copies did not agree with the originals. Yes, half were bogus.

Juanita Lynn Hoagland was suspended on Friday, March 4, 1988. A complete investigation was launched. During examination of available records from 1982 through 1988, a total of \$482,811 was found to be missing! On May 5, 1988, state auditors met with her and she confessed. The Prosecutor charged her with 40 counts of theft and forgery. On November 18, 1988, she was sentenced to three years in prison. On November 23, 1988, she entered prison. How long did she serve? She served 5 months and 3 days, from November 23, 1988 to April 26, 1989.

On March 10, 1998 she applied to work at IU. Greg said that her application to IU was not truthful, in that she denied that she had been convicted of a felony. Then, on April 5, 1998, she started working at IU with a salary \$23,982. On June 3, 2004 she filed for Chapter 7 in U.S. Bankruptcy Court. On January 7, 2005, the Indiana Attorney General settled the \$455,991 judgment for \$22,200 in monthly payments of \$300, five cents on the dollar. Later, Greg questioned her about her application form

submitted to IU. Eight days later on October 24, 2014, Juanita Lynn Hoagland Mimms resigned from Indiana University.



Greg Wright