My First Case from Beginning to End

Embezzlement

Dawn Myers, CFE, CPA



All About Me

- Shelton High School graduate
- Bachelors in Accounting Saint Martin’s
- Certified Public Accountant
- Certified Fraud Examiner
- Masters of Science in Forensic Accounting
- Business in Cannabis
- Introductory Tribal Finance & Accounting Program

Presentation Topics

- How I got my first case
- Conflict of interest
- How the case moved from investigation to prosecution
- The scheme
- Taking the witness stand
- Using reference binders in court
- Workpapers vs Report
- Mental and emotional toll
- Verdict and lessons learned

How the Case Landed on My Desk

- Got my business license to give fraud presentations
- Sold tickets to a non-profit event
- Someone asked if I was a Forensic Accountant
- “I can be” and provided my information
- Board president contacted me



Appearance Conflict of Interest



- Accused was stepmom of my son's best friend
- No personal relationship, but disclosed potential appearance of conflict to board
- Ensured transparency and ethical compliance

The Scheme

- Customers were routinely pressured to use cash as the preferred payment method
- Cash payments were withheld from company bank deposits
- Product purchases were recorded, but corresponding cash sales were omitted from revenue records
- Ten family members received complimentary products and were promised future services at no charge



Workpaper Triple Check Reconciliation

Deposit 3-way check July 2017 - December 2021 & 2-way check January 2013 - June 2017

Deposit Report Totals					Carbon Copy					Per Bank Records			
Date	Contract #	Cash Amount	Check Amount	Credit Card	Deposit Slip Date	Cash	Check	Not Selected	Credit Card	Cleared Date	Cash Amount	Check Amount	Credit Card
2/8/2021	7096		450.00		2/1/2021	550.00				2/2/2021			4,080.80
	7336			60.00	2/25/2021	420.00				2/3/2021			60.00
	7358/7364			4,080.80	2/26/2021		7,200.00			2/8/2021		450.00	
	7357			400.00						2/9/2021			400.00
										2/11/2021			4,524.80
2/21/2021	7366			4,524.80						2/23/2021		3,275.00	
	7365		50.00							2/24/2021			
	7365		50.00							2/25/2021			1,200.00
	7026		100.00										
	7368		1,200.00										
	7369		1,800.00										
	7370			1,200.00									
	7360		75.00										
3/4/2021	5722		400.00		3/9/2021	100.00				3/4/2021			900.00
	7373			900.00	3/9/2021	924.00				3/4/2021		7,600.00	
	7372		7,200.00		3/18/2021			200.00		3/8/2021			3,324.80
	7374			3,324.80	3/22/2021			400.00		3/12/2021			150.00
					3/22/2021			1,200.00		3/16/2021			380.80
3/16/2021	7374		924.80							3/16/2021		5,631.07	
	7376		1,300.00							3/30/2021			500.00
	7377		2,724.80										
	7096		450.00										
	7365		30.00										
	7373			150.00									
	7378			380.80									
			201.47										

Triple Check Reconciliation (Cash Deposited)

Deposit 3-way check July 2017 - December 2021 & 2-way check January 2013 - June 2017

Deposit Report Totals					Carbon Copy						Per Bank Records			
Date	Contract #	Cash Amount	Check Amount	Credit Card	Deposit Slip Date	Receipt Number	Cash	Check	Not Selected	Credit Card	Cleared Date	Cash Amount	Check Amount	Credit Card
	7092		100.00											
4/8/2019	7143			350.00	4/3/2019	1977		1,817.60			4/1/2019			300.00
	7144			200.00	4/11/2019	1978	100.00				4/3/2019			275.00
	7035		300.00		4/11/2019	1979	443.08				4/4/2019			200.00
	7096		220.00		4/15/2019	1980		1,066.24			4/5/2019			2,000.00
	7144			300.00	4/15/2019	1981		1,066.24			4/8/2019			1,000.00
	7086	50.00			4/22/2019	1982	140.00				4/9/2019	50.00	2,337.60	
	7146			200.00	4/25/2019	1983		100.00			4/10/2019			1,000.00
	7148			275.00							4/11/2019			707.20
	7147			2,000.00			3.08				4/15/2019			2,283.84
	7072		1,817.60								4/15/2019	520.00	3,379.60	
											4/19/2019			100.00
4/15/2019	7149			1,000.00							4/22/2019			100.00
	7149			707.20							4/22/2019	160.00	5,890.72	
	7150			2,283.82							4/26/2019			2,528.64
	7078	100.00												
5/7/2019	7154			2,528.64	5/3/2019	1984		800.00			5/7/2019		8,212.00	
	7092		100.00		5/7/2019	1985	100.00				5/8/2019			2,772.00
	7096		160.00		5/17/2019	1986	50.00				5/9/2019			1,769.73
	7096		80.00		5/16/2019	1987		228.48			5/13/2019			7,713.80
	7156		2,295.00		5/16/2019	1988	100.00				5/15/2019			788.80
	7156		405.00		5/20/2019	1989		100.00			5/17/2019			1,500.00
	7158		800.00		5/28/2019	1990		1,000.00			5/17/2019	250.00	3,228.48	

Workpaper Analysis

Documented Cash Receipts Undeposited

Year	*Undeposited*
2021	21,334.00
2020	18,090.00
2019	8,977.75
2018	9,730.00
2017	6,460.00
2016	11,287.00
2015	24,534.10
2014	15,817.32
2013	2,727.23
Total	118,957.40

Product Expenses Compared to Revenues

	Amounts			Revenues	
Year	Expenses	Revenues	Difference	less Actual	
2010	23,790.50	49,293.72	25,503.22		2.07
2011	28,813.50	54,103.17	25,289.67		1.88
2012	21,965.40	53,191.73	31,226.33		2.42
2013	29,068.00	34,387.10	5,319.10		1.18
2014	40,535.86	50,415.10	9,879.24		1.24
2015	34,834.77	47,208.00	12,373.23		1.36
2016	28,542.50	23,075.00	(5,467.50)		0.81
2017	35,080.00	44,370.00	9,290.00	25,790.00	1.26
2018	32,186.00	33,836.05	1,650.05	30,535.95	1.05
2019	40,825.78	24,103.36	(16,722.42)	57,548.20	0.59
2020	27,408.25	36,704.04	9,295.79	18,112.46	1.34
2021	34,955.25	46,235.62	11,280.37	23,674.88	1.32
	378,005.81	496,922.89	118,917.08	**155,661.49**	
				Estimated short	
			Actual short	$126,945.07	

Comparison of Missing Deposit to Suspect Acct

Date	Deposit Amount	Description	Payroll	Cash	Suspicious	Deposits that match up with missing deposits
10/13/2015	350.00	Deposit			350.00	
10/23/2015	1,000.00	Deposit			1,000.00	
10/28/2015	1,901.52	Deposit	1,001.52		900.00	
11/5/2015	100.00	Deposit			100.00	11/3/15 $100
11/10/2015	3,000.00	Deposit			3,000.00	11/10/15 $3,650
12/8/2015	900.00	Deposit			900.00	12/8/15 $960
1/4/2016	1,200.00	Deposit			1,200.00	12/31/2015 $1,500
1/6/2016	700.00	Deposit			700.00	1/6/16 $700
3/8/2016	1,117.20	Deposit			1,117.20	
5/9/2016	1,000.00	Deposit			1,000.00	
5/27/2016	1,000.00	Deposit			1,000.00	5/26/16 $1,500
6/20/2016	500.00	Deposit			500.00	
7/11/2016	1,500.00	Deposit			1,500.00	7/11/16 $2,152
8/12/2016	50.00	Deposit			50.00	
8/15/2016	350.00	Deposit			350.00	
8/30/2016	200.00	Deposit			200.00	8/30/16 $200
9/6/2016	350.00	Multiple Deposit			350.00	9/1/16 $450
10/3/2016	700.00	Multiple Deposit			700.00	10/3/16 $900
10/4/2016	350.00	Multiple Deposit			350.00	
11/2/2016	205.00	Multiple Deposit			205.00	11/2/16 $200
11/3/2016	350.00	Multiple Deposit			350.00	
11/8/2016	1,373.87	Multiple Deposit	1,373.87			
12/1/2016	2,000.00	Multiple Deposit			2,000.00	
12/12/2016	300.00	Multiple Deposit			300.00	
12/29/2016	650.00	Multiple Deposit			650.00	

Investigation Timeline

- Contacted: March 2023
- First draft report: May 2023
- Police used my forensic review as basis for investigation
- I found input error → updated report: August 2023
- Case forwarded to prosecutor
- Received ~10 subpoenas due to repeated postponements
- Trial: December 10–26, 2025

Submitting My Work to the Detective

- Delivered report and full workpaper binder to Detective
- Binder organized with tabs and reference attachments
- "Oh So Pretty!"
- Detective forwarded materials to prosecutor
- Offered to walk prosecutor through the binder
- "Oh my . . . . Gawd!"

What the Prosecutor Received

- Files scanned in black & white PDFs
- Section names not logically labeled
- OCR quality poor due to scanning



- Offered to prepare a clean binder for their use, but ended up sharing files and office prepared instead

After Jury Selection

- Reviewed prosecutor’s binder together
- Verified accuracy of each section
- Ensured consistency with my original workpapers



Taking the Witness Stand

- Selected workpapers displayed to jury via document scanner
- Allowed to reference my binder prepared by prosecutor's office



Prosector’s Binder

- Asked to look up certain deposits
- Second Excel file tab was not printed
- Wrong report version included input error



Educated Jury on Occupational Fraud 101 (Fraud Triangle)

- Pressure: financial difficulties, family problems, addiction
- Rationalization: Complaints about pay, Intention to pay it back, I deserve this after the way company treated me



Educated the jury on Occupational Fraud 101 (continued)

- Opportunity: lack of supervision, weak internal controls, excessive trust in one individual, poor record keeping, no segregation of duties

- Red Flags of Fraud: financial difficulties, living beyond one's means, irritability, unwillingness to share duties

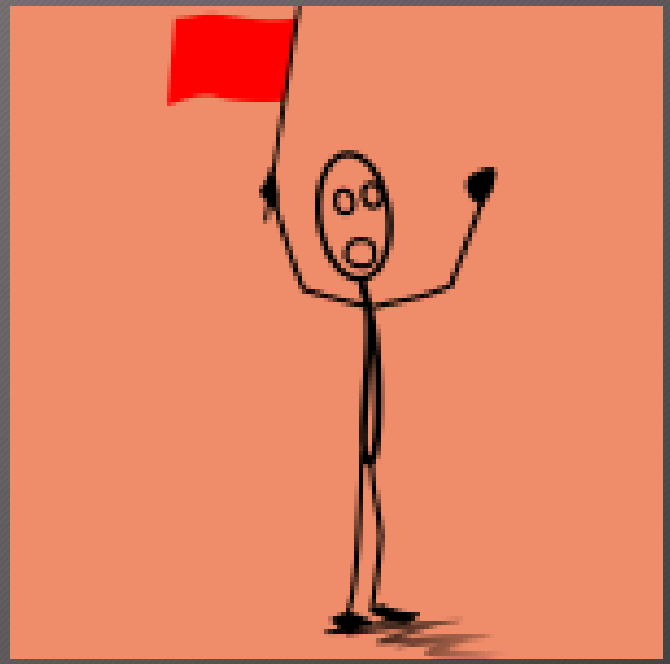


Defense Strategy

- Defense asked defendant about “Ms. Miyarz” Red flags

- "Ms. Defendant did you have any Red flags?"
  - Financial difficulties?
  - Living beyond means?
  - Sharing duties?
  - Family problems?

- “No I have been happily married for 3-1/2 years”



Workpapers

- Formed basis of my report
- I assumed they were “for my eyes only”
- Jury received workpapers — not the report
- Report excluded because it was “cumulative”
- Realized importance of fully labeled, jury-ready workpapers

Yes or No

- All testimony recorded
- Yes or No answers
- No elaboration allowed
- No nonverbal responses (I slipped a couple times)



Courtroom Conduct

- Observed remainder of trial from audience
- Learned importance of neutral facial expressions
- Judge monitored reactions closely







Mental Exhaustion:

- Second-guessing statements
- Worrying about impact on case
- Concern over binder accuracy
- Wishing workpapers were more polished
- Wanting to explain more about fraud indicators



Defendant Testified

- Rarely advised to take the stand
- Stated on stand that board member told her that family was allowed to free services
  - Family contracts showed paid via CC
  - No payments were discovered



- All cash received was stored securely in the office safe (that didn’t close all the way)

Defendant Testified (continued)

- Cash was used to cover daily operational expenses
- Transactions were recorded in accounting system as expenses occurred



- “Just the way things were done there”
- Asserted that no funds were used for personal benefit

Jury Deliberation

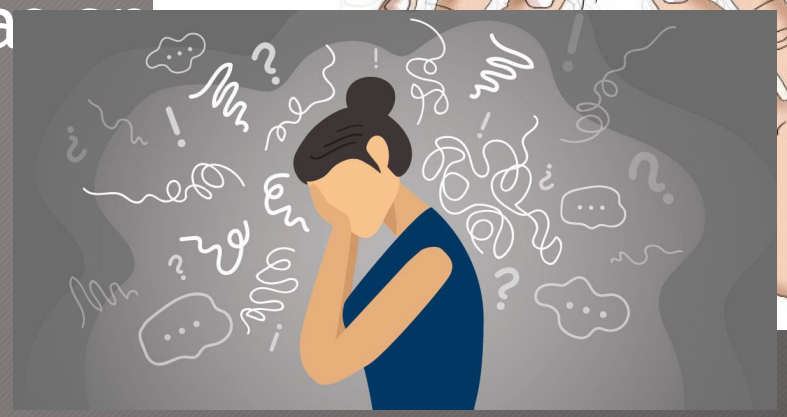
- Deliberations began Tuesday before Christmas
- Dismissed early Christmas Eve
- Returned Friday
- Verdict ready at 1:30 PM
- Guilty verdict read at 2:10 PM
- Exceptional sentence approved by jury

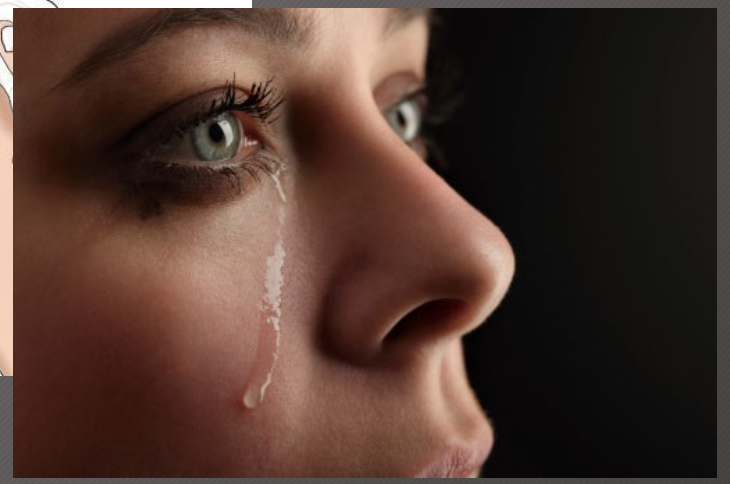


Emotional

- Text message received jury verdict was ready
- My hands shook and knees bounced
- Did I do enough on the client's behalf?
- Was the jury able to understand my workpapers?
- When the verdict wa

I cried!!!





Sentencing Day

- Sentencing took place February 5th
- Sat next to Investigator
- Skeptical
  - Even though the jury approval an exceptional sentence
  - First time offense
- Prosector requested SEVEN years

Exceptional Sentence Requirements

- Jury approved exceptional sentence
- Three facts must be proven beyond a reasonable doubt
  1. Vulnerable Victims
  2. Cruelty – multiple incidents
  3. Abuse of Trust of a fiduciary responsibility

Judge Decision

- Before judge determined sentence gave defendant opportunity to make statement
- “At this point there is nothing I can say”
- Judge was stern
- Asked how long other person worked in office – deducted three months
- Sentence = 108 months!!! One month for every month worked

Sentence Effective Immediately

- I left before she was escorted from courtroom
- Family was present so I gave them privacy

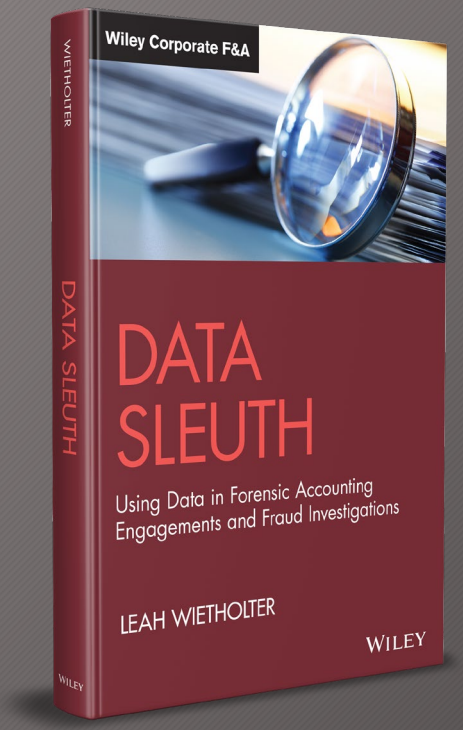


Lessons Learned

- Double check prosecution binder
- Maintain strict version control
- Prepare workpapers as if a jury will see them
- Expect attempts to discredit you
- Control facial expressions

Resources

- Data Sleuth – Leah Wietholter of Workman Forensics
- Data Sleuth: Using Data in Forensic Accounting Engagement and Fraud Investigations



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