



Posted on Thu, Nov. 16, 2006

Ex-city clerk found guilty of money laundering, embezzlement

Associated Press

OWENSBORO, Ky. - A federal jury found a western Kentucky city clerk guilty of money laundering and embezzling more than \$900,000 in city funds over three years, a U.S. attorney said.

Sara B. Stevens, 46, of Clay was found guilty Tuesday after a six-day trial in U.S. District Court in Owensboro, U.S. Attorney David L. Huber said in a statement.

Stevens had worked as Providence's city clerk from 2001 until she was placed on administrative leave in April 2004. One of her duties was to supervise the collection of millions of dollars in utility payments received from Providence residents each year.

She was accused of embezzling more than \$900,000 of utility payments between January 2001 and April 2004, and laundering a portion of those funds by buying a car for Eric Smith, a former city police officer. She concealed the source of stolen funds by giving Smith \$10,000 in cash and told him to deposit it into his own bank account, and then to write a \$10,000 check to the city as repayment for the car, Huber said.

Smith previously pleaded guilty and is expected to be sentenced Friday in Owensboro.

A review of Providence's utility fund records revealed that between 2001 and April 2004, more than \$900,000 in utility payments were credited as received without any corresponding bank deposit. The investigation also revealed that Stevens wrote herself at least five city checks totaling more than \$18,000, without authorization, Huber said.

Three other clerks who worked for Stevens testified that they had each counted their own cash drawers every day in the past, but that Stevens changed the procedures and essentially took over counting the cash drawers herself. After this change was implemented, large shortages were noticed in the cash drawers, and resident complaints of uncredited payments increased, Huber said.

Stevens faces up to 70 years imprisonment, a \$1,750,000 fine, and supervised release for five years.

Stevens is set to be sentenced before Judge Joseph McKinley Jr. on Feb. 13, 2007.

© 2006 AP Wire and wire service sources. All Rights Reserved.
<http://www.kentucky.com>