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Couple pleads guilty to embezzlement

Christian Hill

A couple accused of embezzling about \$1.9 million from Fisher Jones Family Dentistry in Olympia pleaded guilty to multiple felonies Thursday as part of a plea agreement, about four weeks before their trial was to begin.

Prosecutors and Lori Doughty's defense attorney will recommend that a judge sentence her to 10 years in prison. The state will seek a 17-month prison sentence for her husband, Michael. Sentencing is May 11. The Doughtys, who live in Lacey, remain free on bail until then.

"I believe we made a statement that embezzlement will not be tolerated in Thurston County," Senior Deputy Prosecuting Attorney Joe Wheeler said.

Jim Jones, who co-owns Fisher Jones Family Dentistry along with Matt Fisher, said he told his employees about the plea agreement earlier in the day. It ended one of the largest embezzlement cases ever prosecuted in Thurston County.

"We feel like we have a great future, and now we can move on," he said.

The partners were able to right the ship after the embezzlements, Jones said, but he added that the \$1.9 million in losses set their retirement plans back 10 years. The losses weren't insured.

Lori Doughty, 38, forged company checks to pay off credit cards that the couple used to support a lavish lifestyle. They laundered some of the money through her husband's business, First Response Emergency Medical Training Corp.

Rick Cordes, the attorney representing Michael Doughty, said his client maintains that his wife led him to believe the money was from a legitimate source. He said prosecutors would have had to prove that he knew the money was from an illegitimate source and took an active part in the scheme. But other factors prompted him to change his plea, the attorney said.

"Even though he did not do this, there certainly was risk involved (in letting the jury hear the case) to both him and Lori, as well as exposure of this process to his kids," Cordes said.

The court-appointed attorney representing Lori Doughty did not return a phone call seeking comment Thursday.

Prosecutors hired a forensics examiner, Ken Wilson, to track the stolen money by reviewing hundreds of financial records. According to his report, the Doughtys between December 1998 and summer 2005 spent:

- **\$200,000** on clothes
- **\$100,000** on dining out.
- **\$185,000** on hotels.
- **\$74,000** on airline tickets.
- **\$32,000** at Starbucks.

The Doughtys also made large donations to area sports teams and North Thurston Public Schools.

Before Lori Doughty was arrested July 18, 2005, the couple owned a boat, personal watercraft, expensive jewelry and a 7-Series BMW with a license plate that read: "Envy Us." Michael Doughty, 46, was arrested in August.

Multiple charges

Lori Doughty pleaded guilty to 15 of the 19 felonies that prosecutors charged her with: first-degree theft and multiple counts of forgery, money laundering and unlawful use of criminal proceeds. Prosecutors dropped the charge of leading organized crime for allegedly managing her husband and her parents with criminal intent; that charge could have led to a life sentence. Her parents also used the credit cards, Wheeler said, but will not be prosecuted. Prosecutors also dropped conspiracy charges.

Michael Doughty pleaded guilty to four of the 18 felonies filed against him: unlawful use of criminal proceeds, money laundering and two counts of forgery.

The dental practice has recovered about \$80,000. The Doughtys will be required to pay restitution after they get out of prison, but it's doubtful Fisher Jones will recover a substantial sum.

Jones said he hopes the case's resolution sends a message to businesses to get their financial systems in order.

"We don't want any more victims of this crime," he said.

Christian Hill covers the city of Lacey and military for The Olympian. He can be reached at 360-754-5427 or chill@theolympian.com.