

Judge Sentences Former Company Vice President/Chief Financial Officer for Stealing Nearly \$800,000 in Company Funds

January 13 2021 12:57 PM



ST. LOUIS – United States District Judge Audrey G. Fleissig sentenced Lynese Cargill to 21 months in prison and ordered Cargill to make restitution to the victim in the amount of \$707,964.35 today. The 51-year-old St. Louis County, Missouri resident pleaded guilty, in September, to three counts of wire fraud related to her former position as vice president and chief financial officer of Common Ground Public Relations, Inc.

Cargill was one of the two founders of Common Ground and served as the firm's Vice President and Chief Financial Officer. Beginning in or about 2008 and continuing through in or about March 31, 2020, Cargill devised, and knowingly participated in a

scheme to defraud and obtain money from Common Ground by means of materially false and fraudulent pretenses, representations, and promises in the total amount of \$785,615.25.

Cargill issued 80 unauthorized bank checks to herself written on Common Ground's bank account totaling \$198,980.23. In order to conceal this aspect of her fraudulent scheme, Cargill made false and misleading entries in the internal financial and accounting records of Common Ground, purporting to make these unauthorized bank checks appear to be legitimate when, in fact, she knew they were not.

Cargill was issued both a Citibank MasterCard credit card and an American Express credit card by Common Ground to be used to pay for legitimate company expenses, such as necessary travel and other business expenses. Cargill used both of her company issued credit cards to make personal purchases, unrelated to the legitimate business and operations of Common Ground. Cargill's unauthorized credit card charges were for such personal expenses as airfare, hotels, automobiles, clothing, cosmetics, medi-spas, restaurants and miscellaneous retail purchases. These company issued credit card purchases were done by Cargill without the knowledge and authority of Common Ground. During the period of her fraudulent scheme, Cargill made approximately 2,841 unauthorized company issued MasterCard credit card purchases for personal use items and expenses, totaling approximately \$351,748.42, and an additional approximately 1,166 unauthorized company issued American Express credit card purchases for personal use items and expenses, totaling approximately \$190,200.66.

Cargill applied for and obtained two different \$1,000,000 life insurance policies, but instead of naming Common Ground as the sole beneficiary, as required under the shareholder agreement, Cargill named her then husband, B.H., as the sole beneficiary on both policies. Cargill then made premium payments on both policies, totaling \$5,244.00, with funds from Common Ground's bank accounts.

Cargill also used Common Ground bank funds to pay for charges on three of her personal credit cards totaling approximately \$38,516.94. None of these charges which was paid for with Common Ground funds was authorized by Common Ground, and was not for the legitimate business or operations of Common Ground.

In order to conceal her fraudulent scheme, Cargill moved funds between Common Ground bank accounts to falsely inflate the balance of the firm's operating account when she provided financial updates to the president and chief executive officer of the firm. In furtherance of her scheme, Cargill caused unauthorized wire transfers to be made from Common Ground's bank account to make payments on her personal credit card charges.

The Federal Bureau of Investigation investigated this case. Assistant U.S. Attorney Hal Goldsmith is handling the case for the U.S. Attorney's Office.