



# Judge Sentences Former Accounting Clerk for Defrauding the Company

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ST. LOUIS – United States District Judge Henry Autrey sentenced Stephanie Baker to 12 months and one day in prison along with restitution to the victims in the amount of \$192,336.74 today. The 48-year-old O’Fallon, Missouri, resident pleaded guilty, in October, to three counts of mail fraud related to her former position in the accounting department of Prairie Farms Dairy Supply Company.

Baker was an employee of Prairie Farms, working in that company’s accounting department. Baker’s duties and responsibilities included applying and allocating Prairie Farms customer payments to their customer accounts. As part of her duties, Baker would routinely receive checks from Prairie Farms customers, and make accounting entries to apply those checks to each customer’s account and therefore reduce the balance owed to Prairie Farms of that particular customer account by the amount of the check received.

C.S. owned and operated a Dairy Queen restaurant franchise in southern Illinois. DQ Columbia maintained an account at Prairie Farms and purchased and received products from Prairie Farms on a regular basis. DQ Columbia was required under its franchise agreement to order and receive substantially all its food, dairy products and supplies from Prairie Farms.

Beginning in or about March, 2018 and continuing through in or about December, 2018, Baker devised, intended to devise, and knowingly participated in a scheme to defraud and obtain money from Prairie Farms and C.S., in an approximate amount of \$192,336.74, by means of materially false and fraudulent pretenses, representations and promises.

Baker received and applied payments from Prairie Farms customers other than DQ Columbia to DQ Columbia’s account. DQ Columbia, therefore, received credit and a

reduction in its account balance for payments that were not made by DQ Columbia, but instead were made by other Prairie Farms customers. Further, the other Prairie Farms customers who made the actual payments did not receive credit and a reduction in their own account balances. As part of her scheme, Baker misapplied approximately \$143,933.74 in other customer payments to the DQ Columbia account. Baker withheld and did not mail out statements to the other Prairie Farms customers so that those other customers would not realize that their prior payments to Prairie Farms had not been credited to their accounts.

Baker falsely represented, to C.S., for DQ Columbia to continue receiving food, dairy products and supplies from Prairie Farms, C.S. needed to make cash payments personally to Baker. At Baker's direction, C.S. met with Baker on numerous occasions and delivered cash to Baker based upon Baker's false representations that she would deliver the cash to Prairie Farms and credit DQ Columbia's account accordingly. In fact, Baker kept the cash she received from C.S., did not credit DQ Columbia's account for the cash payments, and used the cash for her own personal use, including for the boarding and related expenses for show horses and other general living expenses, unrelated to the legitimate business of Prairie Farms. C.S. met with Baker on numerous occasions and made cash payments to Baker totaling approximately \$48,403.00. Prairie Farms and its owners had no knowledge of the cash payments which C.S. made to Baker and received no portion of these cash payments.

Baker received numerous checks from Prairie Farms customers through the U.S. mail and as part of her scheme misapplied those payments as credits to the account of DQ Columbia. .

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