

# **Former St. Louis Accounting Firm Bookkeeper Pleads Guilty to \$670K Fraud Scheme**

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ST. LOUIS – Paula Smith, 68, of O’Fallon, Missouri, appeared before United States District Court Judge Matthew T. Schelp on today’s date and pleaded guilty to a federal information charging her with three counts of mail fraud and one count of money laundering.

Smith was a bookkeeper at an accounting firm that managed a lucrative trust account for a client (the D.E.W. Trust). The D.E.W. Trust, which was at one time valued at \$8.6 million, had over twenty named beneficiaries, including twelve charitable organizations in St. Louis, Missouri. Between October 2013 and June 2018, Smith defrauded the D.E. W. Trust and its beneficiaries by writing numerous checks totaling \$670,000 from the D. E.W. Trust to herself. None of the funds should have gone to Smith.

In an attempt to conceal her scheme, Smith manipulated the accounting records for the D.E.W. Trust by mislabeling the aforementioned fraudulent checks as being advance payments to a trustee and as payments to a vendor. As a result of these fraudulent transactions, there were less available funds to be properly distributed to the intended charitable organization beneficiaries of the D.E.W. Trust.

Smith used the funds to personally enrich herself, including to buy a 2017 Chevrolet Silverado K1500 and a 2018 Keystone Hornet Hideout 26RLS Travel Trailer.

Smith will be sentenced for the above offenses at 10:00 a.m. on October 21, 2021.

The above case was investigated by the Federal Bureau of Investigation and the Montgomery Bank Anti-Money Laundering Team. Assistant United States Attorney Kyle T. Bateman is handling the matter.