



**United States Department of Justice  
United States Attorney's Office  
District of Minnesota**

**Frank J. Magill,  
United States Attorney**

David Anderson, Public Affairs Specialist  
(612) 664-5684; cell: (612) 730-2251

# **News Release**

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## **University of St. Thomas employee pleads guilty to embezzling from the school**

A 61-year-old New Brighton woman pleaded guilty today in federal court in connection with a scheme to defraud her employer – the University of St. Thomas.

Gayle Janis Schmidt pleaded guilty to one count of wire fraud and one count of unauthorized access to a protected computer. She entered her plea Dec. 8 in Minneapolis before United States District Court Judge James Rosenbaum. Schmidt was charged Nov. 17.

According to Schmidt's plea agreement, she admitted that from October 2000 through February 2007 she did knowingly and intentionally embezzle more than \$120,000 from the university, where she worked in the accounting department of the university's management center processing payments for people enrolled in seminars conducted by the university. Schmidt was employed by the university from September 1990 to February 2007, and she worked in the management center since 1999.

Schmidt admitted she executed a scheme to defraud by using the university's Internet-based credit card processing system to transfer funds from university bank accounts to her own credit card accounts. In her capacity, Schmidt accessed the credit card processing system to refund canceled enrollment fees. However, Schmidt was not authorized to use the university's computer system or processing system to obtain money for her personal use.

Schmidt made more than 120 separate transfers, totaling approximately \$122,000, to four credit card accounts held in her name. In accessing and using the Internet-based credit card processing system to fraudulently obtain money, Schmidt engaged in interstate wire communications. Specifically, on Feb. 14, 2006, Schmidt used the system to place a credit for \$1,895 on her own credit card account.

Schmidt faces a potential maximum penalty of 20 years in prison on the wire fraud count and five years in prison on the charge of unauthorized access to a protected computer. Judge Rosenbaum will determine Schmidt's sentence at a future date.

This case is the result of an investigation by the Federal Bureau of Investigation Cybercrime Task Force and the St. Paul Police Department, and is being prosecuted by Assistant U.S. Attorney Timothy C. Rank.