



Department of Justice

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MEDICAL PRACTICE OFFICE MANAGER SENTENCED ON MAIL FRAUD AND TAX CHARGES IN CONNECTION WITH THEFT FROM EMPLOYER

CINCINNATI – Karen S. Schmidt, 44, of Amberley Village was sentenced in United States District Court here today to 21 months in prison, three years of supervised release, a \$5,000 fine, and restitution. In May 2009 Schmidt pleaded guilty to one count of mail fraud and one count of filing a false federal income tax return with the Internal Revenue Service (IRS) in connection with stealing money from the medical practice where she worked as office manager.

Carter M. Stewart, United States Attorney for the Southern District of Ohio, Jose A. Gonzalez, Special Agent in Charge, Internal Revenue Service Criminal Investigation (IRS), and Gerald A. O'Farrell, Assistant Inspector in Charge, U.S. Postal Inspection Service announced the sentence handed down today by Senior U.S. District Judge Herman J. Weber.

According to court documents, between May 2005 and November 2007, Schmidt charged personal purchases on company-owned credit cards, pocketed cash received from patients, and created false invoices which she sent to the company and paid them using company checks. As office manager, she attempted to conceal the fraud from auditors.

Schmidt admitted that she failed to report \$38,298.09 taken from her employer on her 2005 federal income tax returns.

Senior Judge Weber ordered that Schmidt pay \$55,910 in restitution to Ohio Valley Orthopaedics, and \$10,723 in restitution to the IRS.

Carter commended the joint investigation by FBI and IRS agents, and Assistant U.S. Attorney Jennifer Barry, who prosecuted the case.

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