

NECA Gone Wild

A Chapter Theft Case Study (2015–
2017)

AEI Panel Presentation

Presenter: Jim Deckert

Executive Summary

- Internal theft discovered in early 2016
 - Total loss: \$274,816.38
 - Theft undetected for over 3 years
 - Perpetrator: Long-tenured office manager
 - Result: 3-year prison sentence (10 months served)

Key Characters

- Jason Walden – Chapter Manager (started Aug 2015)
 - Barb Basil – Office Manager (8+ years)
 - John Kellamis – Chapter President
 - Scott Goodspeed – Chapter Governor
 - Detective Gary Frascone – Lead Investigator
 - Jim Deckert – Presenter

How It Went Undetected

- Poor internal controls
 - Overreliance on accounting summaries
 - Trust in long-term employee
 - No direct board access to bank statements
 - Growth masked losses

Discovery Timeline

- Late 2015: Audit inconsistencies
 - Early 2016: \$100,000 CD opened without approval
 - February 2016: Deep financial review begins
 - Single-signature checks identified
 - \$40,000 found in under 10 minutes

Financial Impact

- Bank review identified \$130,000+ quickly
 - Final total: \$274,816.38
 - Little recovery achieved
 - Restitution payments ≈ \$25/month

Confession & Legal Outcome

- Police notified within 48 hours
 - Confession obtained during termination meeting
 - Grand jury and court proceedings (2017)
 - 3-year prison sentence
 - 4 years probation + restitution

Hard Truths Learned

- Trust is not an internal control
 - Accounting software does not prevent fraud
 - Audits don't always catch theft
 - Fraud destroys small organizations quietly
 - Speed matters when fraud is discovered

Controls Implemented

- Monthly board review of bank statements
 - Random transaction testing by board
 - Segregation of duties enforced
 - Statements sent directly to officers
 - Live online bank reviews during meetings

Key Message

- Boards must verify, not just review
 - Governance protects reputation and members
 - If it can happen here, it can happen anywhere

Closing Thought

- “We didn’t lose the chapter—
 - but we paid \$275,000 for an education.”
 - If this story prevents one chapter from repeating it,
 - it’s worth sharing.