
State of Minnesota,

Plaintiff,

COMPLAINT

Summons

vs.

KAREN JANE BREYETTE DOB: 03/22/1962

8670 Trista Lane East
St. Bonifacius, MN 55375

Defendant.

The Complainant submits this complaint to the Court and states that there is probable cause to believe Defendant committed the following offense(s):

COUNT I

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4), with reference to: 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 08/10/2010

Control #(ICR#): 15002633

Charge Description: That on or about August 10, 2010 through December 31, 2010, in Hennepin County, Minnesota, KAREN JANE BREYETTE, obtained property or services from PenRad Technologies by swindling the company using artifice, trick, device or other means, and the property or services had a value of more than Thirty-Five Thousand Dollars (\$35,000.00).

COUNT II

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4), with reference to: 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 08/10/2012

Control #(ICR#): 15002633

Charge Description: That on or about August 10, 2012 through December 31, 2012, in Hennepin County, Minnesota, KAREN JANE BREYETTE, obtained property or services from PenRad Technologies by swindling the company using artifice, trick, device or other means, and the property or services had a value of more than Thirty-Five Thousand Dollars (\$35,000.00).

COUNT III

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 01/01/2013

Control #(ICR#): 15002633

Charge Description: That on or about January 1, 2013 through June 30, 2013, in Hennepin County, Minnesota, KAREN JANE BREYETTE, obtained property or services from PenRad Technologies by swindling the company using artifice, trick, device or other means, and the property or services had a value of more than Thirty-Five Thousand Dollars (\$35,000.00).

COUNT IV

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 07/01/2013

Control #(ICR#): 15002633

Charge Description: That on or about July 1, 2013 through December 31, 2013, in Hennepin County, Minnesota, KAREN JANE BREYETTE, obtained property or services from PenRad Technologies by swindling the company using artifice, trick, device or other means, and the property or services had a value of more than Thirty-Five Thousand Dollars (\$35,000.00).

COUNT V

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 01/01/2014

Control #(ICR#): 15002633

Charge Description: That on or about January 1, 2014 through June 30, 2014, in Hennepin County, Minnesota, KAREN JANE BREYETTE, obtained property or services from PenRad Technologies by swindling the company using artifice, trick, device or other means, and the property or services had a value of more than Thirty-Five Thousand Dollars (\$35,000.00).

COUNT VI

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 07/01/2014

Control #(ICR#): 15002633

Charge Description: That on or about July 1, 2014 through December 31, 2014, in Hennepin County, Minnesota, KAREN JANE BREYETTE, obtained property or services from PenRad Technologies by swindling the company using artifice, trick, device or other means, and the property or services had a value of more than Thirty-Five Thousand Dollars (\$35,000.00).

COUNT VII

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4), with reference to: 609.52.3(1)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 01/01/2015

Control #(ICR#): 15002633

Charge Description: That on or about January 1, 2015 through June 30, 2015, in Hennepin County, Minnesota, KAREN JANE BREYETTE, obtained property or services from PenRad Technologies by swindling the company using artifice, trick, device or other means, and the property or services had a value of more than Thirty-Five Thousand Dollars (\$35,000.00).

STATEMENT OF PROBABLE CAUSE

Complainant is a Detective with the Minnetonka Police Department and, working with other officers from the Minnetonka Police Department, has investigated a case involving theft from PenRad Technologies (“PenRad”), by KAREN JANE BREYETTE (“Defendant” herein), while Defendant was working for PenRad as its controller/book keeper. Based upon the evidence reviewed, Complainant determined that BREYETTE stole \$682,881.54 from PenRad between August 10, 2010 and June 30, 2015.

In investigating this matter, Complainant reviewed documents including banking and financial records for PenRad and Defendant, interviewed employees of PenRad, executed a search warrant at Defendant’s home, and interviewed Defendant. During her interview, Defendant did admit to stealing hundreds of thousands of dollars from PenRad.

KAREN JANE BREYETTE (DOB: March 22, 1962) is a 53-year-old woman who resides at 8670 Trista Lane in St. Bonifacius, Hennepin County, Minnesota. Defendant was employed at PenRad Technologies from January 2008 through May 2015. PenRad is a medical technology company which focuses on mammography informatics. PenRad is currently located in Buffalo, Wright County, Minnesota, but was located in Minnetonka, Hennepin County, Minnesota until August 2012. In early 2008, PenRad was seeking a controller/book keeper. Defendant was hired and started at the company on January 21, 2008. She began stealing within five months of starting. As the company accountant, Defendant had access to both the accounting software used by the company to track expenses and to the electronic payment process used to pay employees and vendors. Initially, she stole from the company by exploiting her access to the company’s payroll system and by using her company credit card for personal purchases. But she eventually expanded her schemes to include forging company checks and arranging for fraudulent wire transfers of company funds.

Payroll Theft

The largest category of theft was abuse of the payroll system, which Defendant controlled. She used that system to fraudulently pay herself and her then husband, F.B., more money than they were entitled. For example, on September 1, 2010, Defendant was supposed to receive a paycheck of \$1,569.51. She correctly recorded that amount in the company’s accounting software. When she arranged for the electronic payment, however, she transferred \$2,569.51 into her personal account, thereby taking \$1,000 from the company. As another example, on August 10, 2010, she gave herself \$10,000 to which she was not entitled, recording in the books as a “quarterly commission.” Defendant committed this type of theft for herself and F.B. sporadically in 2008 and 2009. The frequency of the thefts and the amount she was taking increased significantly in toward the end of 2009 and into 2010. Then, in 2011 and 2012, the thefts largely stopped. Indeed, throughout parts of 2011 and 2012, Defendant logged her pay into the company’s accounting software as if everything was normal, but then did not transfer any of the funds into her personal bank account. This apparent attempt to repay the money that she had previously taken failed to balance out her earlier thefts. Indeed, from 2008 through 2012 she stole \$185,830.71, and then failed to pay herself \$62,118.62. Regardless of Defendant choosing to forgo some of her salary in 2011 and 2012, her choice overpay herself in years prior was a theft by swindle, and indeed her choosing to forgo pay is in essence an admission that she had previously stolen from her employer.

In 2013, Defendant stopped deferring her salary and began stealing again. This time, however, she took far larger amounts of money and did so on a more regular basis. In 2013, she overpaid herself \$167,424.30. In 2014, she stole \$205,165.85, and in the first five months of 2015, she took \$105,509.12.

Credit Card Theft

At the same time as she was falsely increasing her pay, she was stealing from the company by using the company credit card for personal purchases. This theft started in June 2008, just six months after she started at the company and began as small purchases at service station near her home. Her use of the company credit card escalated as time went on. In December 2011, for example, she spent \$6,500 on the company credit card for hotel rooms via hotels.com. She made purchases at online retailers, clothing stores, home improvement stores, jewelry stores, and other locations. The largest single fraudulent purchase on the credit card came in March 2013, when she put \$24,588.06 on the company credit card to pay for a vacation for herself and her mother.

In total, from when she started in January 2008 until she left in May 2015, Defendant stole \$139,631.35 from the company by fraudulently using the company credit card for personal expenses.

Forged Checks

On at least five occasion, Defendant cut checks from the company account and then forged the signature of the company president on the checks. Four of the checks, each for about \$4,000, were written directly to Defendant. The last check, however, for \$6,830 was written to "ILB," which stands for Independent Living Bullion, a seller of gold and silver coins and bars. Silver bullion bars were recovered from Defendant's house when a search was executed.

Fraudulent Wire Transfers

On at least three occasions, Defendant arranged for wire transfers of large sums of money directly from the company's accounts. None of these transactions were legitimate. Two of the transfers, totaling \$42,000, were sent to the accounts of a company called "Gentle Green Cleaners." Defendant was a part owner of that company. The third wire transfer, of \$32,000, was sent to a personal bank account in Macomb, Michigan. Defendant has admitted on several occasions that she made this transfer, but will not state who received the money.

Conclusion

Abusing her access to the company's books and bank accounts, Defendant stole some \$872,093.84. Because she was successful at hiding her thefts, it was not until May 2015 that she was discovered. As such, her thefts in 2008, 2009 and the beginning of 2010 are outside the statute of limitations. This complaint charges Defendant with stealing \$682,881.54, in 7 counts.

- Count 1: From August 10, 2010 through December 31, 2010, Defendant stole \$52,470.58;
- Count 2: August 10, 2012 through December 31, 2012, Defendant stole \$37,163.50;
- Count 3: January 1, 2013 through June 30, 2013, Defendant stole \$96,428.61;
- Count 4: July 1, 2013 through December 31, 2013, Defendant stole \$124,025.50;
- Count 5: January 1, 2014 through June 30, 2014, Defendant stole \$90,301.18;
- Count 6: July 1, 2014 through December 31, 2014, Defendant stole \$121,872.91; and
- Count 7: January 1, 2015 through June 30, 2015, Defendant stole \$139,987.12.

Defendant is not in custody.

SIGNATURES AND APPROVALS

Complainant requests that Defendant, subject to bail or conditions of release, be:
(1) arrested or that other lawful steps be taken to obtain Defendant's appearance in court; or
(2) detained, if already in custody, pending further proceedings; and that said Defendant otherwise be dealt with according to law.

Complainant

Allen Ringate
Sgt
14600 Minnetonka Blvd
Minnetonka, MN 55345
Badge: S34

Electronically Signed:
08/10/2015 11:21 AM

Subscribed and sworn to before the undersigned.

**Notary Public or
Judicial Official**

Nancy S Walsh
Records Secretary, County of
Hennepin
14600 Minnetonka Blvd
Minnetonka, MN 55345
Notary ID: 20249266

Commission expires: 01/31/2020
Electronically Signed:
08/10/2015 11:26 AM

Being authorized to prosecute the offenses charged, I approve this complaint.

Prosecuting Attorney

Morgan D Kunz
Assistant Hennepin County
Attorney
300 S 6th St
Minneapolis, MN 55487
(612) 348-5550

Electronically Signed:
08/10/2015 10:31 AM

FINDING OF PROBABLE CAUSE

From the above sworn facts, and any supporting affidavits or supplemental sworn testimony, I, the Issuing Officer, have determined that probable cause exists to support, subject to bail or conditions of release where applicable, Defendant's arrest or other lawful steps be taken to obtain Defendant's appearance in court, or Defendant's detention, if already in custody, pending further proceedings. Defendant is therefore charged with the above-stated offense(s).

SUMMONS

THEREFORE YOU, THE DEFENDANT, ARE SUMMONED to appear on _____, _____ at _____ AM/PM before the above-named court at 401 Fourth Avenue S, Minneapolis, MN 55415 to answer this complaint.

IF YOU FAIL TO APPEAR in response to this SUMMONS, a WARRANT FOR YOUR ARREST shall be issued.

WARRANT

To the Sheriff of the above-named county; or other person authorized to execute this warrant: I order, in the name of the State of Minnesota, that the Defendant be apprehended and arrested without delay and brought promptly before the court (if in session), and if not, before a Judge or Judicial Officer of such court without unnecessary delay, and in any event not later than 36 hours after the arrest or as soon as such Judge or Judicial Officer is available to be dealt with according to law.

Execute in MN Only

Execute Nationwide

Execute in Border States

ORDER OF DETENTION

Since the Defendant is already in custody, I order, subject to bail or conditions of release, that the Defendant continue to be detained pending further proceedings.

Bail: \$35,000.00

Conditions of Release:

This complaint is issued by the undersigned Judge as of the following date: August 10, 2015.

Judicial Officer

Mary R. Vasaly
Judge

Electronically Signed: 08/10/2015 11:39 AM

Sworn testimony has been given before the Judicial Officer by the following witnesses:

**COUNTY OF HENNEPIN
STATE OF MINNESOTA**

State of Minnesota

Plaintiff

vs.

Karen Jane Breyette

Defendant

Clerk's Signature or File Stamp:

RETURN OF SERVICE

I hereby Certify and Return that I have served a copy of this Summons upon the Defendant herein named.

Signature of Authorized Service Agent: