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## KOMO News

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# Guilty plea in \$1.9 million embezzlement from Olympia dentist

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By Associated Press  
April 6, 2007

OLYMPIA, Wash. (AP) - A woman who worked as a dental office bookkeeper and her husband have pleaded guilty to swiping about \$1.9 million, one of the biggest and most complex embezzlement cases in the state capital.

In a plea agreement, Thurston County prosecutors said Thursday they would recommend a 10-year prison term for Lori L. Doughty, 39, formerly employed by Fisher Jones Family Dentistry in Olympia, and a year and five months for her husband, Michael G. Doughty, 46, both of Lacey.

Both were allowed to remain free after entering their pleas to multiple felony counts Thursday in Superior Court pending sentencing on May 11.

"I believe we made a statement that embezzlement will not be tolerated in Thurston County," Deputy Prosecutor Joseph Wheeler said.

The dental firm has recovered about \$80,000 and the Doughtys will likely be ordered to make restitution after they get out of prison, but lawyers said it was unlikely much of the uninsured loss would be recovered.

Co-owner James M. Jones said the business had managed to stay afloat, but he and his partner have had to set back their retirement plans by about a decade.

"We feel like we have a great future, and now we can move on," Jones said.

In documents filed in court, prosecutors wrote that the Doughtys maintained a lavish lifestyle with a scheme so tangled that a forensics examiner had to be hired to trace the funds and determine how much was taken.

Investigators wrote that Lori Doughty forged company checks to pay off credit cards for herself and her husband and laundered some of the money through her husband's business, First Response Emergency Medical Training Corp. Her parents also used the credit cards but will not be prosecuted, Wheeler said.

After reviewing hundreds of financial records, forensics examiner Ken Wilson wrote that

between December 1998 and July 18, 2005, when Lori Doughty was arrested, the couple spent \$200,000 on clothes, \$100,000 at restaurants, \$185,000 on hotels, \$74,000 on airline tickets and \$32,000 at Starbucks.

Her husband, arrested in August, was originally charged with 18 felonies but pleaded guilty to four - unlawful use of criminal proceeds, money laundering and two counts of forgery.

Lori Doughty, initially charged with 19 felonies, pleaded guilty to 15 - first-degree theft and multiple counts of forgery, money laundering and unlawful use of criminal proceeds.