



# Department of Justice

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Southern District of Iowa

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## **FORMER CLINTON COMMUNITY SCHOOL DISTRICT EMPLOYEE PLEADS GUILTY TO THEFT OF FEDERAL FUNDS**

DAVENPORT, IA - On May 11, 2011, Denisa Babcock, age 37, of Camanche, Iowa, pled guilty to theft from a local government agency receiving federal funds, announced United States Attorney Nicholas A. Klinefeldt. This crime carries a potential penalty of up to ten years imprisonment, a fine of up to \$250,000, or both fine and imprisonment, a period of supervised release of not more than three years, and a \$100 special assessment to the Crime Victim Fund. The court may also enter an order for restitution at the time of sentencing. A formal sentencing date will be set after the sentencing status conference which is scheduled for August 12, 2011. Babcock was ordered released pending sentencing under the supervision of the U.S. Probation Office, and a preliminary order of forfeiture was entered forfeiting real and personal property, including funds, to the United States.

As part of the plea proceeding, Babcock admitted that from November 2005 to December 2009, she was employed by the Clinton Community School District as the day-to-day supervisor of the accounting functions. During this time period, Babcock embezzled and converted to her own use property in excess of \$5,000. Specifically, Babcock stole checks and cash belonging to the Clinton Community School District, and then deposited these checks in personal bank accounts for her own use. As a result of this criminal offense, the Clinton Community School District had a loss in excess of \$1,000,000.00.

In addition to her employment at the school district, Babcock also owned a private business that provided E-rate services to various other school districts in the United States. This E-Rate service filed paperwork for various school districts enabling them to get discounts for telecommunication services from the FCC. Babcock unlawfully deposited checks belonging to these other school districts in her personal bank account. These checks totaled approximately \$49,000.

Babcock used the stolen money to help pay off her home mortgage and personal student loans, fund retirement plans, and purchase a boat, vehicles, real property, and numerous personal items.

This investigation was conducted by the Federal Bureau of Investigation and the Clinton Police Department, and the case is being prosecuted by the United States Attorney's Office for the Southern District of Iowa.

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