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Former Municipal Finance Director in CT Admits Stealing \$800,000 from Town.

In a case with similarities to that of Sharon Scanlon in Shelton, the finance director of Plymouth has pleaded guilty to stealing more than \$800,000 from that Litchfield County town.

David J. Bertnagel, 41, of Thomaston, waived his right to indictment on Feb. 20 in Bridgeport federal court and admitted to theft and tax charges stemming from his embezzlement scheme.

Bertnagel pleaded guilty to one count of theft from a local government receiving federal funds, which carries a maximum term of imprisonment of 10 years, and one count making and subscribing a false tax return, which carries a maximum term of imprisonment of three years.

He is scheduled to be sentenced on May 15. He was arrested on Jan. 20.

Sharon Scanlon, Shelton's former assistant finance director, is now in prison after being charged with stealing \$914,000 from the city. She was prosecuted at the state — not the federal — level, and also pleaded guilty.

Three years as finance director

According to the criminal complaint, Bertnagel was employed as the finance director for the town of Plymouth from October 2011 to October 2014. He previously worked as a part-time employee in the town's Finance Department.

Plymouth is a town of about 12,000 people in northwestern Connecticut, slightly north of Waterbury and off Route 8.

Feds: Issued checks to himself

From about October 2011 through October 2014, it is alleged that Bertnagel issued 207 checks totaling approximately \$808,030 from the town's payroll account to himself.

Prosecutors said Bertnagel used the embezzled funds to make mortgage payments, pay credit card bills, fund home improvement projects and purchase more than \$100,000 in coins, stamps and other collectibles.

He also converted more than \$182,000 of the stolen funds by way of cashed checks, ATM withdrawals and money orders, according to prosecutors.

Tax returns, federal funding

Bertnagel's federal tax returns for the 2012 and 2013 tax years failed to report any of his embezzled income, resulting in a tax loss to the government of \$145,564 for those two years. He also did not file a tax return with the IRS for the 2011 tax year.

Since 2011, the town of Plymouth has received approximately \$450,000 in grant awards from the

U.S. Department of Health and Human Services.

Will pay restitution

As part of his plea agreement, Bertnagel agreed to make restitution in the amount of \$808,030 to the town of Plymouth, and he must cooperate with the IRS to pay all outstanding taxes, penalties and interest.

He also has agreed to forfeit more than \$45,000 that he held in bank accounts, and assorted jewelry, stamps, coins and other collectibles that were seized on the date of his arrest.

FBI and IRS involved

This matter is being investigated by the Connecticut Public Corruption Task Force, which includes the Federal Bureau of Investigation, Internal Revenue Service's Criminal Investigation Division, U.S. Postal Inspection Service, and inspector generals from the U.S. Department of Housing and Urban Development, and U.S. Department of Health and Human Services. The case is being prosecuted by Asst. U.S. Attorney Christopher M. Mattei.

The U.S. Attorney's Office for Connecticut is reminding citizens they can report corrupt activity to the Connecticut Public Corruption Task Force by calling 800-CALL-FBI (800-225-5324).

The Scanlon case in Shelton

Sharon Scanlon was the assistant finance director for the city of Shelton. She left her position in 2012 after an investigation began into her possible embezzlement of city funds. She had worked for the city for 17 years.

Scanlon was arrested on state charges in January 2013 and accused of stealing \$914,000 in city money over the course of a decade, ending in July 2012.

The indictment charged her with 56 counts of first-degree forgery and one count of first-degree larceny.

She eventually pleaded guilty to one count each of first-degree forgery and first-degree larceny, and was sentenced to four-and-a-half years in state prison in January 2014.

"This is a serious case — a violation of the trust of the taxpayers of the city of Shelton," State's Attorney Kevin Lawlor told the court when Scanlon was being sentenced.

Issuing city checks to herself

Based on court evidence, Scanlon was writing municipal checks to herself and then listing them in city ledgers as either voided or payable to other people.

Her scheme began to unravel in June 2012 when co-workers noticed a city check for \$7,825, made out to no one, on Scanlon's desk that had been voided.

The workers wrote down the check number and later saw in bank records it had been made out to "Sharon Scanlon" but was listed as voided in the city's check ledger.

When being sentenced, Scanlon told the court, "I'll spend the rest of my life trying to make amends for this crime, both financially and emotionally."

By Shelton Herald on February 20, 2015

— as edited by Brad Durrell for the Shelton Herald

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