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St. Croix Woman Pleads Guilty to Embezzling \$372K from Employer Through Banco Popular Payroll System

Nicole Morales admitted to inflating payroll records and wiring funds to herself; sentencing set for March 2025 with up to 20 years in prison possible

Crime / **Published On November 19, 2024 05:35 AM /**

Staff Consortium **November 19, 2024**

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ST. CROIX — United States Attorney Delia L. Smith announced on Monday that Nicole Morales, 48, of Altadena, California, and a native of St. Croix, has pleaded guilty to three counts of wire fraud. Morales appeared before Magistrate Judge Emile A. Henderson III to enter her plea.

Sentencing in this case is scheduled for March 19, 2025, where Morales faces a maximum sentence of up to 20 years in prison. A federal district court judge will determine the final sentence after weighing the U.S. Sentencing Guidelines and other statutory considerations.

According to court records, Morales began her employment as Office Manager at Nichols, Newman, Logan, Grey, and Lockwood, P.C. in St. Croix on November 10, 2015. Her responsibilities included processing payroll through Banco Popular. However, starting on December 31, 2015, Morales used her access to QuickBooks accounting software to manipulate payroll figures fraudulently.

The scheme involved Morales inflating her payroll amounts in QuickBooks and transferring unauthorized funds from her employer's Banco Popular account into three personal bank accounts under her control. After transferring the funds, Morales would adjust the QuickBooks records to reflect her legitimate income and payroll amounts, according to court documents. She then generated reports with the corrected figures for employer approval, effectively concealing her fraudulent activities.

This pattern of deception continued until January 11, 2019, during which Morales embezzled a total of \$372,496.34 from the firm.

The case was investigated by the Federal Bureau of Investigation and prosecuted by Assistant United States Attorney Daniel H. Huston. Federal authorities emphasized the seriousness of Morales's actions, which represented a significant breach of trust over the course of several years.

Morales now awaits sentencing, where she could face substantial penalties, including imprisonment and restitution obligations, reflecting the severity of her crimes.