



City of Placentia Press Release

For Immediate Release

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CITY RECOVERS NEARLY ALL OF EMBEZZLED FUNDS

PLACENTIA, CA – The City of Placentia has successfully received \$1 million from an insurance claim filed as a result of the embezzlement and misappropriation of \$5.16 million by former Finance Services Manager Michael Nguyen. The City's total recovery of the embezzled funds is now at \$4.16 million and the City continues to pursue additional recovery of funds.

On September 6, 2016 the City filed a claim for \$1 million, the maximum allowed by its policy, with its insurance provider AIG. The City has been in discussions for several months with AIG to demonstrate and provide evidence of the fraudulent activity in spite of its previous internal controls. AIG has recently agreed to pay the full insurance claim based on the supporting documentation received from the City.

"Recovering the stolen funds has been a high priority since we first became aware of the thefts," said Mayor Craig Green. "Given that most victims of embezzlement rarely recover any of their stolen funds, our recovery of \$4.16 million is pretty incredible."

Michael Nguyen, a former employee of the City of Placentia's Finance Department plead guilty on March 10, 2017 for his role in the embezzlement of \$5.16 million in public funds and has accepted the court's offer of 25 years in prison. He has agreed to pay approximately \$10 million in fines and \$2.6 million in restitution.

The City, working in conjunction with the Orange County District Attorney's Office, has successfully recovered over 80% of the stolen funds. "We are pleased that our insurance carrier has paid the maximum amount on the claim. The City will continue to remain steadfast in recovering the balance of the stolen funds for the residents of Placentia. As we have stated in the past, we will continue to bring justice to those responsible" said City Administrator Arrula.

For more information on this case, please visit www.placentia.org/DAinvestigation.

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