

16 FEBRUARY 2023

Ms Walden has pleaded guilty to a charge of fraud. Over a period of about 19 months, while working as a finance officer at Eastside Lutheran College, she defrauded her employer of a total of just over \$142,700.

Initially Ms Walden was supervised by the school's operations manager. A practice was adopted whereby blank cheques would be signed for her, and she would be trusted to complete them honestly. On 69 occasions between August 2018 and November 2019 she wrote cheques, purportedly for refunds, and cashed them. She manipulated data in the school's computerised accounting system to create plausible false entries, often using the name of a family affiliated with the school. She then made cheques out to cash and cashed them at local banks. The total value of the cheques cashed was \$123,888.72. At about the end of 2019 the operations manager left the school. After that, on 10 occasions from January to April 2020, Ms Walden directly transferred money from the school's bank account into bank accounts of her own. The amounts transferred totalled \$18,820.44.

Ms Walden ceased offending only when she got caught. The school's bank alerted the school registrar to possible fraudulent activity on 1 April 2020. Ms Walden admitted fraudulently obtaining money from the school's account at a meeting the next day, but admitted only that she had been doing that since February 2020. At another meeting on 6 April 2020 she confessed that she had been fraudulently obtaining money from the school since 2018. A full audit and a police investigation were subsequently undertaken. Ms Walden assisted by providing details of the methodologies that she had used.

It appears that Ms Walden was living beyond her means. She began misappropriating money to meet expenses. She went on to spend much of the misappropriated money on take-away food and drinks, clothing purchased on-line, holidays, toys, and a trip to visit her brother in Western Australia. Her employment was terminated as a result of the fraud. She set out to reimburse the school, and in fact has paid back a little more than she took. She made a series of 35 payments totalling \$138,883.12 between April and July 2020, long before she was charged. She paid a further \$7,899.23 in August 2022. To make these payments she withdrew funds from her superannuation and borrowed from family members and friends.

Ms Walden was aged 31 to 33 during the period of her offending and is now 36. She has prior convictions for offences that she committed in 2010 when she stole a blank cheque from her then employer, forged it, cashed it, and obtained proceeds of \$3,000. For that escapade a magistrate sentenced her to 84 hours' community service. She was only 23 years old at that time. It appears that she obtained that money in order to satisfy an unreasonable demand from her then husband – a violent man from whom she finally separated in 2012. She has no other significant prior convictions.

Ms Walden has four children – two aged 13 and 11 to her former husband and two to her current partner, now aged 4 years and 1 year. She acts as a part-time carer for her disabled father, an amputee, on three days each week. Despite her offending she has obtained part-time employment with a fencing company. She has been an industrious worker for practically all her adult life.

Ms Walden has a very unfortunate history of sexual abuse during her childhood and adolescence. She has suffered from a range of psychiatric symptoms for many years, but did not seek treatment for her problems until after her fraud against the school was detected. She has been diagnosed as suffering from a complex post-traumatic stress disorder. She is having ongoing treatment from a psychiatrist and a psychologist. She has also been diagnosed as suffering from an adjustment disorder in relation to the psychological consequences of her fraud being detected, and consequent embarrassment and fears of imprisonment. There is some suggestion that her post-traumatic stress disorder led to a degree of impulsivity during the period of her offending, but it cannot be asserted that the connection with her offending was any higher than that.

Because of the scale and duration of Ms Walden's offending, and the fact that she is not a first offender or a youthful offender, I have had to consider very carefully whether I should send her to prison. I have decided to make a home detention order instead. A probation officer has reported that she is suitable for such an order. If I had not considered her suitable for home detention I would certainly have sent her to prison. However I think a home detention order is more appropriate, having regard to a number of factors. It is significant that since her offending was detected she has behaved very appropriately, obtaining and continuing treatment from a psychiatrist and a psychologist for her previously undiagnosed psychiatric condition, repaying the total amount misappropriated most of it long before being charged and without any civil proceedings having been commenced against her, by making full admissions, by pleading guilty at an early stage, and by obtaining alternative employment. It is also significant that imprisonment would interfere with her recovery from her mental health problems and deprive her one year old daughter of her mother. She is undoubtedly remorseful. The probation officer reported that she described feeling guilt-ridden and confused as to how she could commit such a crime. The probation officer reported that she was considered unsuitable for an order requiring community service. Despite suggestions that people close to her could facilitate arrangements for her to perform community service, I do not think that I should inflict that on her over and above a home detention order.

I will proceed to sentence. Rachael Nga Huia Walden I convict you and make a home detention order for an operative period of 10 months from today. That order will include conditions which will apply for the whole of the operative period, as follows:

- You must not commit an offence punishable by imprisonment.
- You must reside at [address withheld].
- You must be there at all times except when you are not there for a relevant reason as specified in s 42AD(4) of the *Sentencing Act* 1997. That includes going somewhere with your probation officer's permission.
- You must permit a police officer, probation officer or prescribed officer to enter those premises.
- You must permit a police officer to conduct a search of the premises, conduct a frisk search of you, and take a sample of any substance found on the premises or on your person.
- You must submit to electronic monitoring, which may include wearing or carrying an electronic device.
- You must not remove, tamper with, damage, disable or interfere with the proper functioning of any electronic device or equipment used for the purpose of electronic monitoring.
- You must not allow anyone else to remove, tamper with, damage, disable or interfere with the proper functioning of any electronic device or equipment used for the purpose of electronic monitoring.

- You must comply with all reasonable and lawful directions given to you in relation to the electronic monitoring, including directions as to the installation, attachment or operation of a device or a system used for the purpose of electronic monitoring, if those directions are given to you by a police officer, probation officer, a prescribed officer or any other person whose function involves installation or operation of a device or system used for the purposes of electronic monitoring.
- You must maintain in operating condition an active mobile phone service, provide the contact details to Community Corrections, and be accessible for contact through that device at all times.
- You must attend the Community Corrections Office at 75 Liverpool Street for induction into this order no later than 10am tomorrow.
- You must submit to the supervision of a Community Corrections officer as required by that officer.
- You must not take any illicit or prohibited substances.
- You must not take any medication containing an opiate, benzodiazepine, bupropion hydrochloride or pseudoephedrine unless you provide written evidence from a medical professional that you have been prescribed that medication.
- You must not consume any alcohol. You must submit to a breath test, a urine test, or other test for the presence of alcohol if directed to do so by a police officer or a Community Corrections officer.
- You must submit to testing for illicit drugs if directed to do so by a police officer or a Community Corrections officer.