

INSURANCE JOURNAL

Insurance Covers Most of the Money Embezzled From Neb. County

Douglas County, Neb.'s insurance company reimbursed the county for most of the \$121,593 the former head of the Treasurer's motor vehicle division embezzled.

The county board on accepted a \$101,593 payment from its insurance provider to replace the money Fred Cappellano took between May 2002 and last June.

Cappellano, 49, pleaded guilty to four counts of embezzlement last September. The North Bend man is serving an 18-month sentence in federal prison.

Cappellano was also ordered to pay \$121,593 in restitution.

Doug Semisch, assistant U.S. attorney in Omaha, said Cappellano has not yet paid any restitution.

"If he takes a job in any of the prison programs, money from that can be used toward restitution," Semisch said. "But the pay is very low."

The insurance settlement was paid through a county policy with Travelers Casualty and Surety Co., said Patrick Bloomingdale, assistant county administrator.

The policy paid all of the county's losses except for a \$20,000 deductible, Bloomingdale said.

Cappellano, who worked in the treasurer's office 31 years, has said his crimes were fueled by his gambling addiction, brought on in part by a family tragedy.

According to court records, Cappellano would go against protocol to get money by asking clerks for cash refunds for vehicle registrations.

Cappellano was placed on administrative leave July 1 after an audit turned up irregularities. He was fired by County Treasurer Julie Haney just days before his arrest.

Haney, who said she felt betrayed by Cappellano, has since said she will no longer offer cash refunds.

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