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UC embezzler sentenced to five years in prison

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Mary Nicholls, the Watsonville woman who embezzled \$429,000 from UC-Santa Cruz, today was sentenced to five years in prison.

The sentence came after prosecutor Gary Brayton called Nicholls' previous statements that most of the money went for her son's crack-cocaine habit "a distressing lie."

"Miss Nicholls knows it's a lie," said Brayton, who said less than a third of the money went for the drug habit of Mike Nicholls, 28, one of Mary Nicholls' four adult children.

Nicholls, 53, was spending money on clothes, "phenomenal bills" of \$600 to \$800 at factory-outlet stores, and phone bills that regularly exceeded \$500 a month, Brayton said at the sentencing

hearing before Santa Cruz Superior Court Judge Sam Stevens.

Nicholls was virtually broke when she was arrested at her Kilburn Street apartment in September.

"She was buying a lot of things for herself," said Brayton. He quoted from a letter Nicholls sent out at Christmastime 1992, saying times were tight because of budget cuts at UCSC, where Nicholls worked for six years.

"I suggest it was not a blue Christmas at the Nicholls home," said Brayton, saying Nicholls embezzled around \$15,000 at that time.

In addition to money for Mike Nicholls' drug habit, Mary Nicholls was also buying things for her other children and paying for private-school tuition for her grandchildren, Brayton said.



Mary Nicholls

Nicholls once spent \$8,000 on nine round-trip plane tickets for a family vacation in Arkansas, Brayton said.

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Mike Nicholls was on that trip, Brayton said, sarcastically questioning prior statements from Mary Nicholls about how dependent her son was on drugs.

"It must have been a sight for him to be smoking his crack-cocaine as he flew through the friendly skies," Brayton said.

Judge Stevens ruled that the series of thefts were essentially one crime; he could have sentenced her to up to 10 years.

Defense attorney Ken Azevedo asked that Nicholls be given probation, saying she is in poor health with diabetes, high blood pressure and other ailments.

Nicholls, who pleaded guilty to all 14 counts of theft against her, realizes "she made an extremely wrong decision," Azevedo said.

Azevedo said all the money stolen didn't go to Mike Nicholls' drug habit, but said it was a higher percentage than what Brayton estimated.

Mike Nicholls would not appear in court or write a letter, Azevedo said. He quoted from a letter Mike Nicholls wrote to his mother in jail, saying, "I am so very sorry. I don't think I can forgive myself."

The embezzlement is believed to be the largest in University of California history.

Nicholls, an administrative assistant, wrote 199 checks for honoraria (guest speakers) and three for travel advances between July 1989 and last September. None of the checks was for a legitimate event, an after-the-fact internal audit showed.

The audit, released three weeks ago, showed Nicholls took advantage of a financial system with few controls. She was cashing the checks herself.

The \$1 million account she was stealing from had no detailed budget, and no system was in place to make sure the people she was writing checks to were legitimate.

The Student Services office where Nicholls worked had untrained staff members, the audit said, and workers left unbalanced ledgers unresolved "because they were uncomfortable pressing (Nicholls) for answers, because she easily became upset," the audit said.

Nicholls' thefts gradually increased, the audit said. She embezzled \$23,125 in 1989-90; \$63,350 in 1990-91; \$108,050 in 1991-92; \$175,950 in 1992-93; and \$59,500 between last July 1 and her arrest three months later.

The university has already corrected or is in the process of correcting the weaknesses, the audit said.