



News

Debt-driven mother jailed

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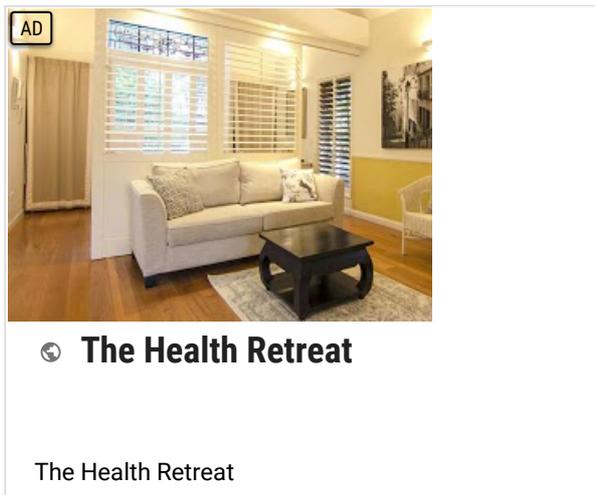
CourierMail

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BANKS and other lenders kept issuing credit cards to a desperate mother, who used them to rack up more than \$100,000 of debt.

The spiralling debt has landed her in jail after she took the drastic step of stealing from her employer in a bid to meet the massive interest repayments.

Bundaberg mother-of-two Michelle Fay McPhee, 35, will spend the next six months behind bars for taking \$80,543 from government insurer WorkCover over three years while she was a case manager there.



McPhee wept in the Brisbane District Court dock yesterday as Judge Michael Noud heard details of her crippling financial situation which led to the fraud.

After her bosses detected the theft in an internal audit in mid-2006 and she was sacked, McPhee declared herself bankrupt in a bid to manage her credit-card debts. A document tendered to the court showed her debt exceeded \$102,000 – on 10 different cards.

She and her husband – who was said to be unaware of his wife's financial problems at the time – have since sought financial advice.

Her barrister, Steve Zillman, told the court she was in charge of her young family's finances but was always struggling to make ends meet and found credit cards easy to obtain. At one point she had 15.

He said the money she stole from her employer, via 129 separate transactions, was to fund the cards, not for "high living" expenses.

McPhee has no criminal history.

A financial report prepared for the sentencing hearing said McPhee never wanted to steal the money from her employer but "could see no way out" of her credit-card debt.

"Whilst Michelle's initial debt appears from her instructions to have been the result of overspending, due to the hefty credit-card rates of up to 18 per cent, the debt became out of control and unmanageable for an average wage earner," the report said.

Prosecutor David Nardone told the court McPhee had repaid all of the stolen funds to WorkCover after her parents re-mortgaged their home.

Mr Zillman later said McPhee and her husband were committed to repaying that debt.

Judge Noud told McPhee she was entitled to some leniency.

He imposed a jail term of three years on the single charge of stealing as a servant, but ordered it suspended after she had served six months.

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