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A federal judge expressed little sympathy on Wednesday for Kelly Harbert, a former bank executive who was once featured in the *Arkansas Democrat-Gazette* for her charity work but later admitted defrauding seven banks by creating loans in the names of unsuspecting friends and her own parents.

Harbert, 46, was sentenced to 30 months — or 2½ years — in prison, and was ordered to repay \$441,912.49 to the seven banks.

The sentence reflects a seven-month break from the low end of the 37- to 46-month penalty range recommended by federal sentencing guidelines. But U.S. District Judge Leon Holmes cited the "sustained, repeated acts of dishonesty by someone in a position of trust" over other people's money in refusing to give her more of a break.

Although federal statutes don't permit probation in lieu of prison for Harbert's crimes, defense attorney Erin Cassinelli of Little Rock urged the judge to consider allowing Harbert to serve some of her prison time at a halfway house or at home, under electronic monitoring.

Cassinelli said that after Harbert was caught in 2010, and both before and after she was indicted last summer, she has tried to "preserve" funds to repay the banks, and has continued to perform charity work — despite losing her home and filing for bankruptcy.

In a court document, Cassinelli said that Harbert's husband, Nathan, lost his job as an officer with Arvest Bank, "despite having no knowledge of Ms. Harbert's illegal activities," and was forced to move to Colorado, where Kelly Harbert frequently stays and helps feed the homeless and does volunteer work for churches.

Prior to her indictment, Harbert worked with 33 charity programs and directed dozens of events, and, "Her cheerful spirit and giving character inspired many other people to participate as volunteers in support of those less fortunate," Cassinelli said.

Assistant U.S. Attorney Angela Jegley didn't make a specific sentencing recommendation. She told the judge

that while the situation was "profoundly sad," Harbert didn't deserve a break for the publicity she has received as a result of being in the public eye, or because she has said she intended to replace the funds before anyone knew they were gone, after paying down her debts.

"Many people believe they can pay the money back and avoid the shame of being discovered," Jegley said.

Harbert, a former senior vice president at One Bank & Trust in Little Rock, pleaded guilty in January to bank fraud, money laundering and the unauthorized use of another person's Social Security number, saying she had become overextended financially.

Cassinelli described the situation in a sentencing memorandum as "extreme personal debt she had kept secret for years" and that she "refused to acknowledge to her friends and family, including her husband."

The memo continued: "As rates increased and property values decreased, she eventually could not keep up with the debt payments and obtained fraudulent loans to pay those past debts, continuing to pay one debt with proceeds of another for several years. She

kept up with the payments on all the loans, including the fraudulent loans (paying over \$150,000 on those included in the indictment) until June of 2010, when she could not keep up any longer."

While the memo indicates the fraud had been going on for years, Jegley said the three charges to which Harbert pleaded guilty were committed in late April and early May of 2010.

Harbert initially faced 22 charges involving the theft of \$550,000.

While one side of Holmes' courtroom was filled with people offering moral support for Harbert, the only testimony was provided by Layton Stuart, the chairman, president, chief executive officer and sole shareholder of One Bank.

"We viewed Kelly as one of the faces of the bank, and one of the best and brightest" of the loan officers, he said, adding, "She was probably the only female I would have possibly considered as president of the bank."

Stuart said Harbert was the highest paid of all the loan officers, making an annual salary of about \$135,000 when she was fired for the fraud.

Holmes ordered Harbert to report to prison by Oct. 15. He said he expects that the U.S. Bureau of Prisons will incarcerate her in a low-security prison.



Harbert