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Karen Rhett was the bookkeeper at a South Carolina real estate agency for the better part of 25 years, according to federal court documents. She was also embezzling from it, prosecutors said.

A federal judge [sentenced the 59-year-old](#) to three years in prison on Monday, April 4, after she pleaded guilty to felony charges last year. She was also ordered to spend three years on supervised release and pay restitution.

Rhett's defense attorney did not immediately respond to McClatchy News' request for comment on April 6. But he said in court filings that she took full responsibility for

the theft after the FBI showed up at her home in Mount Pleasant, just outside of

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estate agency run by David and Elizabeth Simmons.

“It took three long years of tedious investigative work by the family and a forensic accountant (former IRS Special Agent) to uncover this sophisticated and complex fraudulent scheme,” Bart Daniel, who represented the Simmons, told McClatchy News in a statement. “The Simmons Family is relieved that justice has finally been served.”

Prosecutors said Rhett oversaw the company’s accounting and business records and was “in a position of trust” when she allegedly began siphoning off money.

She is accused of transferring money to herself, often moving the funds between other business entities before it eventually landed in her account. Rhett also made up business invoices for bogus expenses and wrote checks to herself before recording the payments as legitimate, the government said.

The Simmons eventually fired her, and FBI agents visited Rhett at home in July 2020, court documents state.

According to her attorney, Rhett confessed to the embezzlement the following month and began cooperating with federal investigators.

“It should be understood that Karen made the decision to confess entirely on her own and quickly, within one week of the F.B.I. knocking upon the door of her home,” her attorney said.

Rhett [sold the 4,000-square-foot house](#) she shared with her husband and daughter for \$982,000 in December 2020, according to real estate listings. Her lawyer said she wrote a check for restitution totaling \$640,633 and submitted it to the court in January 2021.

Rhett was charged by criminal information and pleaded guilty to charges of wire

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“Karen is convinced that Cupcake Bouquets by Karen, LLC would afford her the means by which she can make meaningful payments toward full restitution,” her attorney said in sentencing documents. “In terms of taking on new orders and building this business as it stands now, Karen has been careful not to take on too many new orders or to grow too quickly as her imminent future is, at best, uncertain.”

Rhett’s lawyer had asked the judge to sentence her to a period of home confinement, pointing in part to her struggles with depression since the charges came to light and a recent diagnosis of Fibromyalgia.

He also said it is important for Rhett to be home with her 21-year-old daughter, who has reportedly struggled with her own mental health after a short-lived career as a singer-songwriter. According to sentencing documents, her daughter previously sang at “various east coast school gymnasiums and performance halls with a message against bullying” as a teenager.

Rhett submitted six letters of support penned by her therapist and various family members also calling for leniency.

“Karen has suffered the consequences of a self-imposed sentence, shame and guilt before her friends and family and the entire community,” her lawyer said. “She has endured the loss of virtually her every possession and she has suffered the continuous agony of dark depression. She has been punished severely already.”

At sentencing, the judge recommended Rhett serve her prison sentence at FPC Alderson in West Virginia so that she can receive medical treatment. Once she is released, the judge barred her from having any contact with the victims.

The amount of restitution she owes is listed as “TBD” in the court docket.

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