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Roseville woman who swindled $600K from New Brighton employer spared prison

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A self-admitted gambling addict was spared prison Tuesday for swindling more than $600,000 from a New Brighton portable storage company while she was employed as its accounting specialist.

Ramsey County District Judge Sophia Vuelo stayed a nearly five-year prison term for Kylie Marie Larson and gave the 32-year-old a downward departure from state sentencing guidelines that includes a year in the workhouse and 10 years of probation. She must serve 60 days in jail before being eligible for electronic home monitoring.

Larson was ordered to pay back the $606,790.42 that she stole from her former employer — Portable Storage of MN, a family-run business that operates under the name Big Blue Box — from late November 2020 to late March 2024.

The charges say Larson used her "position of trust" at the business to employ an "elaborate and sophisticated scheme" for her personal monetary gain.

Through bank records, charges say, New Brighton police investigator Joe Pyka discovered Larson made nearly 230 transactions — a mix of ATM withdrawals and debit-card purchases — at Running Aces, Mystic Lake and Little Six casinos — totaling just shy of $294,000.

She made nearly 1,200 Amazon purchases, spending more than $130,000 on groceries, alcohol, home improvement supplies, clothing, electronics, digital subscriptions, luggage and sex toys, among other items.

In March, after reaching an agreement with the prosecution, Larson pleaded guilty to one count each of theft by swindle and identity theft and faced a presumptive prison term. She agreed to the restitution as part of the plea.

The prosecution, which had agreed to dismiss 10 other charges, asked Vuelo for a five-year prison term, with Assistant Ramsey County Attorney Thomas Madison noting Larson's past similar convictions in his argument against probation.

In 2021, while working for Big Blue Box, Larson was put on probation in Dakota County for check forgery and theft by swindle for defrauding a previous employer. Although Big Blue Box ran a background check on Larson before she was hired in 2020, the business did not catch the case because she had not yet been charged.

Larson's attorney, Ryan Garry, told the judge that Larson has been diagnosed with a "severe" gambling disorder and began outpatient treatment and therapy the same month she was charged. She attends therapy weekly and outpatient treatment three times a week, he said.

Vuelo cited a number of factors in making her decision. She said Larson is "particularly motivated to change, if she was not in the past" and that she's young enough to "still turn her life around and truly be a positive, contributing member of our society." Larson has "the ability and know-how and the intellect to earn a living," the judge said, while ordering that 30 percent of her monthly earnings go toward restitution.

Fired from previous job

According to the 17-page criminal complaint, Larson was hired by Portable Storage as an account specialist on Sept. 21, 2020. She passed a background check, but the company did not speak with her former employer as part of the hiring process.

Less than a month earlier, on Aug. 12, Larson was fired from her accountant job with Southview Senior Communities in Lilydale. A review of Southview's finances showed Larson wrote out eight fraudulent checks between February 2020 — the same month she was hired — and July 17, 2020, totaling just over $24,000.

Once at Big Blue Box, Larson had access to and regularly handled sensitive financial information through the company's bookkeeping software, online bank accounts, financial statements, credit card and checks. "(A co-worker) indicated that (Larson) was an enthusiastic and well-liked employee during most of her tenure with Portable Storage," the complaint says.

But Larson had another secret, starting in February 2022 when she was charged in Ramsey County District Court with obtaining unemployment benefits through false representation. The criminal complaint says she received more than $16,300 in unemployment benefits while working at Portable Storage, spending at least $30,000 at Mystic Lake Casino and over $10,000 at Running Aces.

Larson's co-worker at Big Blue Box eventually stumbled upon the theft at the New Brighton company in October 2023 while working on company accounts. The worker noticed in QuickBooks software several discrepancies in payments to a vendor — Arrow Towing, out of Nebraska. Larson had no explanation for the discrepancies, despite being given until early February to come up with one.

After her arrest on the charges, Larson said she had a gambling addiction and had been trying to get help for a long time. She cited difficulty with being a single mother and seeing her daughter's friends go on trips when she could not buy groceries. At the end of the interview, Larson said: "I knew this day was going to come, but I didn't know when."

Company had $10K insurance policy

One side of the courtroom gallery was full with employees of Big Blue Box. Andrew Longbella, chief financial officer, read a prepared statement on behalf of the company, which was founded in 2001 by his uncle William Kirkpatrick.

Earlier, prosecutor Madison had noted the company had an insurance policy to cover employee theft in the amount of $10,000.

Outside of the monetary loss, Longbella said, the major impact of the crime was that Kirkpatrick, who served as CEO, "had to deal with the discovery of this theft and the impact to his company in the final months of his life." At the same time the theft was discovered, he said, Kirkpatrick's battle with melanoma took a turn for the worse and he died on July 26 at age 57.

"I watched as he painfully spent countless hours with me, helping to navigate decisions and the potential impacts to our company," he said. "... Precious time that was taken away from him and his family that he would not get back."