

**IN THE SUPREME COURT
OF THE
STATE OF INDIANA**

IN THE MATTER OF)
)
STEVEN K. RAQUET)
Attorney No. 6448-34)

DISCIPLINARY COMPLAINT

The Indiana Supreme Court Disciplinary Commission (“Commission”), having found reasonable cause to believe the Respondent’s acts, if proved, would warrant disciplinary action, by its Executive Director, G. Michael Witte, pursuant to Indiana Admission and Discipline Rule 23, Section 12, files and presents this verified Disciplinary Complaint (“the Complaint”) against Steven K. Raquet. The Complaint is as follows:

1. Steven K. Raquet (“Respondent”) is an active attorney in good standing, who was admitted to practice law in the State of Indiana on June 3, 1983, subjecting him to the Court’s disciplinary jurisdiction.
2. At all times relevant to this proceeding, Respondent practiced law in Howard County, Indiana.
3. In 2007, the Respondent was disciplined by the Court under cause number 34S00-0603-DI-99 where the Respondent received a 30-day suspension with automatic reinstatement beginning on August 31, 2007. The suspension was the result of the Respondent’s violating Rule of Professional Conduct 8.4(b) for the commission of a criminal act that reflects adversely on a lawyer’s honesty, trustworthiness, or fitness as a lawyer.

Facts

4. In his law practice, the Respondent has maintained an Interest On Lawyers Trust Account (“IOLTA”) at Salin Bank, account ending in x9814¹ (the “trust account”).

5. On or about October 31, 2017, trust account check number 5654, in the amount of \$750.00, and trust account check number 5650, in the amount of \$350.00, were presented for payment which resulted in an overdraft of the trust account.

6. On or about November 1, 2017, trust account check number 5651, in the amount of \$157.00, was presented for payment which resulted in another overdraft of the trust account.

7. On or about November 3, 2017, a deposit was made to the trust account in the amount of \$1,407.00, resulting in a positive balance to the Respondent’s trust account.

8. On or about November 8, 2017, trust account check number 5604, in the amount of \$200.00, was presented for payment which resulted in another overdraft of the trust account.

9. On November 9, 2017 and November 22, 2017, the Commission sent notices of the overdrafts to the Respondent and demanded a documented explanation for the series of overdrafts to the Respondent’s trust account.

10. On November 24, 2017, the Respondent submitted a response to the demand for explanation regarding the overdrafts to his trust account.

11. The Respondent admitted in his response that he was advised on November 7, 2017 by a bank employee that his trust account was overdrawn.

12. The Respondent admitted that the Respondent’s wife, Paula Raquet (“Paula”), had

¹ At the time of filing, the financial institution holding the Respondent’s trust account 9814 was known as Salin Bank; however, on April 29, 2019, Salin Bank will change names to Horizon Bank to reflect a merger between the financial institutions.

been responsible for the bookkeeping duties of the Respondent's trust account up to and including December 31, 2016.

13. The Respondent advised that Paula retired on December 31, 2016 and Paula's bookkeeping duties were reassigned to another employee of the law firm.

14. The Respondent admitted that "[a]fter receiving notice from the Bank of the overdrafts, I, with my wife's assistance, on November 10th, 11th and 12th, and with the agreement of my former partners, reviewed every entry in the Law Firm books, as well as every entry to and check written from my trust account."

15. From the Respondent and Paula's initial review, throughout 2017, multiple deposits were placed into incorrect accounts including the firm's general account ("business account") and other attorneys' trust accounts.

16. The Respondent advised that the employee that was responsible for the incorrect deposits had been "placed on administrative leave by the law firm, pending a further review by a Certified Public Accountant of the trust accounts and associated records."

17. The Respondent admitted that check #5651 had been issued to the Howard County Clerk in the amount of \$157.00 involved client funds intended for a dissolution filing fee.

18. On January 19, 2018, Deb Ryan ("Ryan") of Ryan Accounting, P.C. submitted a letter advising the Commission that she had been engaged by the Respondent to assist him in responding to the matters involving his trust account.

19. Ryan advised that she reviewed bank records, the trust receipts ledger, deposits and disbursements to the trust account and individual client ledgers.

20. Ryan advised that she performed a monthly reconciliation for the time period of January 1, 2017 to December 31, 2017.

21. Ryan found that “all instruments and cash were not deposited intact.”

22. Ryan found that “not all funds were properly deposited to [the Respondent’s] trust bank account. Some of these funds were deposited to accounts belonging to other attorneys and some of the cash receipts from clients were not deposited to any bank accounts at all.”

23. Ryan further found that “[d]isbursements on behalf of a client or a third-party beneficiary were made before sufficient funds were deposited and available in the trust account for that client or third-party beneficiary.”

24. Ryan also found that due to bookkeeper errors and theft, “the deposits for some of the client’s trust funds had not been deposited to [the Respondent’s] trust bank account...”

25. The employee that had been assigned to handle the day-to-day bookkeeping of his trust account, which had previously been assigned to Paula, was Kimberly Jackson (“Jackson”).

26. Jackson took over Paula’s duties involving the Respondent’s trust account on January 2, 2017.

27. Jackson was responsible for producing a spreadsheet on a monthly basis with client names along with available client funds to the Respondent.

28. The monthly spreadsheet included a total of the available balance of client funds in the trust account.

29. Jackson was responsible for creating deposit tickets and depositing money into the Respondent’s trust account, other attorneys’ trust accounts, and a general operating account (“law account”) of the firm.

30. The Respondent did not review deposits before they were made.

31. The Respondent did not review Jackson's monthly spreadsheets other than to confirm that the total amount remaining in the account was the same as indicated by his bank statement.

32. The Respondent admitted that Jackson had "pocketed cash receipts from clients, but had entered those receipts in [the Respondent's] accounting ledgers as if they had been properly deposited in his attorney trust account."

33. The Respondent further admitted that Jackson had "deposited checks that should have been deposited in [the Respondent's] attorney trust account into the trust accounts held by his office colleagues."

34. Jackson had presumably orchestrated a scheme to "misdirect[] deposits [in] an effort to avoid an overdraft in the other accounts, from which she was siphoning funds."

35. On January 13, 2018, Jackson was charged by the Howard County Prosecutor with one count of Theft as a Level 5 Felony and seven counts of Forgery as Level 6 Felonies under cause number 34C01-1801-F5-20.

36. On November 13, 2017, three (3) deposits were made into the Respondent's trust account in the amounts of \$3,010.00, \$1,315.00, and \$8,942.12 due to Jackson's mismanagement of the Respondent's trust account.

37. On November 17, 2017, one (1) deposit was made into the Respondent's trust account in the amount of \$4,162.68 due to Jackson's mismanagement of the Respondent's trust account.

38. On January 17, 2018, one (1) deposit was made into the Respondent's trust

account in the amount of \$1,075.19 due to Jackson's mismanagement of the Respondent's trust account.

39. The Respondent admitted that Jackson was tasked with accepting payments of client funds, recording such receipts in a log book and/or client ledger, and depositing client funds in the Respondent's trust account.

40. The Respondent admitted that he is responsible for Jackson's mismanagement of his trust account.

41. Further, the Respondent admitted that he learned through Ryan's reconciliation of his trust account, that the Respondent had held earned funds totaling \$5,217.47 in his trust account, along with client funds, that had not been disbursed from his trust account over a period of years.

42. Over a period of numerous years, the Respondent's internal policy was to deposit both client funds and the Respondent's own earned funds into his trust account.

43. The Respondent failed to disburse over \$5,000.00 of his earned funds from his trust account until Ryan determined during a reconciliation that the Respondent was keeping the earned funds in the trust account.

44. The Respondent has admitted that he probably did not supervise Jackson regarding his trust account.

Disciplinary Charges

45. Based on the foregoing, the Respondent failed to deposit all funds held in trust in accounts clearly identified as "trust" or "escrow" accounts. The Respondent has violated *Indiana Admission and Discipline Rule 23, Section 29(c)(1)*.

46. Based on the foregoing, the Respondent failed to deposit all receipts into his trust account intact. The Respondent has violated *Indiana Admission and Discipline Rule 23, Section 29(c)(4)*.

47. Based on the foregoing, the Respondent failed to hold property of clients or third persons that are in his possession in connection with a representation separate from the lawyer's own property. The Respondent violated Rule 1.15(a) of the *Indiana Rules of Professional Conduct*.

48. Based on the foregoing, the Respondent kept more of his own funds in the trust account than necessary to be reasonably sufficient to maintain a nominal balance. The Respondent violated Rule 1.15(b) of the *Indiana Rules of Professional Conduct*.

49. Based on the foregoing, the Respondent having direct supervisory authority over Jackson, a nonlawyer, regarding his trust account failed to make reasonable efforts to ensure that Jackson's conduct was compatible with the professional obligations of the Respondent. The Respondent violated Rule 5.3(b) of the *Indiana Rules of Professional Conduct*.

WHEREFORE the Executive Director prays that Steven K. Raquet be disciplined as warranted for professional misconduct, and that the Respondent be ordered by the Court to pay such expenses to the Clerk of the Court as shall be prepared and submitted to the Court by the Executive Director as an itemized statement of expenses allocable to this case incurred in the course of investigation, hearing and review procedures, pursuant to Indiana Admission and Discipline Rule 23, Section 21.

Respectfully submitted,



G. Michael Witte
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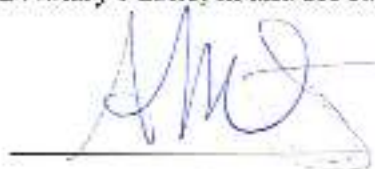
STATE OF INDIANA)
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COUNTY OF MARION) SS:

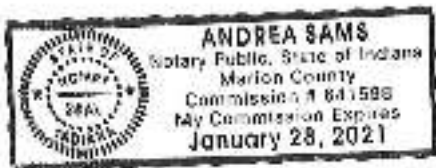
G. Michael Witte, being duly sworn upon his oath, deposes and says that he is the Executive Director of the Disciplinary Commission of the Supreme Court of Indiana appointed pursuant to Ind. Admis. Disc. R. 23(8)(a); that he makes this affidavit as Executive Director of the Disciplinary Commission, and that the facts set forth in the above and foregoing Disciplinary Complaint are true as he is informed and believes.



G. Michael Witte

Subscribed and sworn to before me, a Notary Public, in and for said County and State,
this 24th day of April, 2019.





Andrea Sams
Commission #641598
My Commission expires January 28, 2021
County: Marion

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Disciplinary Complaint was deposited in the United States Mail, certified, return receipt number 7017 2620 0000 1621 7585, postage prepaid, on this 24th day of April, 2019, addressed to the following:

Steven K. Raquet
c/o Margaret Christensen
Bingham Greenebaum Doll
2700 Market Tower, 10 West Market Street
Indianapolis, IN 46204



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