

## **Fox Guarding the Henhouse: Fraud Manager Sentenced for Stealing \$65,000 From Credit Union She Was Meant to Protect**



A Montana credit union's operations manager has been sentenced to prison for committing the very crimes she was hired to prevent. Kelly Jo Muzzana, 40, will serve 12 months and one day in federal prison for embezzling more than \$65,000 from Altana Federal Credit Union in Billings, where she was entrusted with protecting members from fraud.

U.S. District Judge Susan P. Watters handed down the sentence on May 7, 2025, ordering Muzzana to pay full restitution immediately and serve three years of supervised release after imprisonment.

## **She Was Responsible For Fraud Department**

As Operations Manager, Muzzana was responsible for managing Altana's "entire fraud-alert process" and overseeing the employees who documented customers' fraud claims. In a stunning betrayal of trust, she exploited this position to facilitate her own criminal scheme.

"Muzzana created duplicate bank cards for customers' accounts and took them home with her," according to the U.S. Attorney's press release. "She did the same with cards that Altana received in the mail that were undelivered to customers."

The operations manager then used these unauthorized cards to make purchases online and at retail stores including Target and Walmart. When customers reported fraudulent transactions, Muzzana personally handled many of these complaints, effectively investigating herself.

The scheme collapsed when a customer reported one of Muzzana's fraudulent purchases directly to law enforcement. When a detective contacted the credit union to investigate, Muzzana downloaded a recording of the call and, upon learning of the investigation, "fled the building and never returned."

## **Big Impact To The Credit Union She Worked At**

Altana CEO Jason Hagadone noted in a victim impact statement that the credit union "suffered significant reputation risk from this incident." He explained, "As a financial institution, our members entrust us with one of the most important aspects of their life: their finances. Kelly breached that trust by stealing and using their debit cards."

The case was investigated by the Billings Police Department and FBI, with Assistant U.S. Attorney Benjamin Hargrove securing the conviction. Muzzana had previously pleaded guilty in July 2024 to embezzlement by a credit union employee.