



# City of Canton

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## Statement on legal settlement in case involving former city clerk

On January 3, 2022, former Canton City Clerk/Treasurer Lolly Melander plead guilty to one count of theft by swindle in Fillmore County District Court. According to the criminal complaint, Melander wrongfully, unlawfully and feloniously swindled City of Canton funds in excess of \$35,000 between February 1, 2011 and March 1, 2019. The theft by swindle charge was one of 26 felony charges filed against Melander following an investigation prompted by a routine financial audit. Based on findings from the Office of the Minnesota State Auditor, Melander was accused of misappropriating funds totaling \$134,639 between 2011 and 2019. She resigned as clerk/treasurer on March 11, 2019, after more than 15 years on the job.

Under terms of the settlement negotiated by Fillmore County Attorney Brett Corson, representing the State of Minnesota, Melander will serve 120 days in jail, with work release privileges. Restitution to the City of Canton is in the amount of \$93,916, with credit for \$24,000 Melander previously reimbursed to the City. If she satisfies the restitution requirement within 10 years and complies with all probationary terms, Melander will be eligible for a stay of adjudication. Attorney Corson presented details of the settlement to the Canton City Council on December 8, 2021, during closed session.

“We support the settlement,” stated Canton Mayor Nick Prestby. “Our focus has been on the restitution aspect and getting back as much money as possible for our taxpaying residents.”

Since Melander’s resignation, the City has implemented safeguards to prevent future financial wrongdoing. A deputy clerk has been added to the administrative staff for additional oversight and a new accounting, billing and payroll system has been installed.

“We’re confident we have the staff and resources in place to restore integrity to city hall,” added Mayor Prestby. “It’s time for Canton to move on.”

Melander is scheduled to be sentenced on March 7, 2022.

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