

PILOT PICKS

[GARDENING Q&A](#) [FATHER'S DAY LOOK-ALIKES](#) [LASKIN ROAD WORK](#) [GIRL SCOUT GARDEN](#) [PULLUP RECORD](#) [SPORTS COMPLEX](#)



COURTS & CRIME

[Home](#) / [News](#) / [Local News](#) / [Courts & Crime](#)

http://pilotonline.com/news/local/crime/game-company-embezzlement-was-betrayal-to-family/article_1556f39b-0517-5851-844d-1f9915e873d6.html

Game company embezzlement was betrayal to family

Michelle Washington
Jul 28, 2009





Rick Eddleman and Warren Holland were once as close as brothers.

Their fathers worked together in masonry, and as boys the two laid brick in the summers. Eddleman, the elder by two years, dated and later married Holland's younger sister, Teri.

For years, Holland told a favorite family story of the day Eddleman saved his life when they were young men. Holland swam toward shore with a leg cramp during a family outing at a lake. He struggled as the other leg cramped.

"Rick pulled me in," he said.

As adults, Holland hired Eddleman to manage the finances and computer

systems for his Norfolk company, Decipher Inc., which makes trading-card and role-playing games. The position gave Eddleman access to all of the company's books, checks and credit cards.

Eddleman used them to steal millions.

The theft continued for almost 10 years, until the missing money nearly toppled the company. In the years after March 2001, when the embezzlement was discovered, Holland reduced his 100-person staff to about seven with three rounds of layoffs. He hasn't had a paycheck in six years. He mortgaged his home and sold his office building, emptied his retirement savings, and poured the proceeds into saving his company.

Eddleman, 58, was sentenced Monday to six years and five months in prison for his guilty plea to 12 counts of embezzlement. He had almost nothing to show for the thefts. His retirement account held about \$25,000. Eddleman declined repeated requests through his lawyer for an interview, did not return calls to his home, and declined an interview after his Circuit Court hearing.

He spoke in court on Monday.

"I am completely ashamed of everything I've done," he said. "I know one of the worst possible things I've done is to violate the trust of the position I was put in."

Holland does not expect that the stolen money will be returned, despite the judge's order that Eddleman pay \$910,000 in restitution.

He also does not expect to talk to Eddleman again.

"I don't have any relationship with him at all," Holland said.

Holland sometimes talks about himself and his company as one being.

He founded Decipher in 1983. Each year brought more success. Holland created scratch-off games – like lottery tickets – that could be mailed to troops serving in the first Gulf War. Decipher earned a huge market share in role-playing games such as "How to Host a Murder ," and in collectible card games such as "Lord of the Rings" and "Star Trek."

"The cards are precious objects of art," Holland said.

About the time that Decipher began to thrive, Holland said, Eddleman's construction company failed.

"We're doing really well," Holland told his brother-in-law. "Why don't you come in and do the computers?"

That was in May 1992. Before long, Eddleman had taken over management of Decipher's finances.

"A few months after that, I gave him authority to sign checks," Holland said.

Eddleman began stealing from the company a short time later.

From September 1992 until March 2001, Eddleman stole at least \$1.5 million. That's according to evidence in the criminal case against him. Prosecutor Marc West said he could have filed thousands of criminal charges against Eddleman, for far more than \$1.5 million, but chose to focus on a few to keep the case from becoming overwhelming. Documents in a lawsuit Holland filed against him assess the damage at nearly \$9 million.

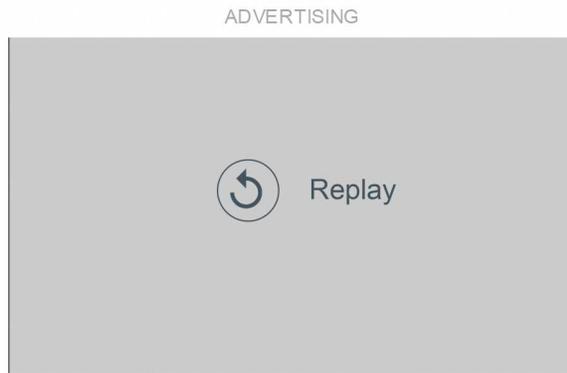
His methods were myriad. Eddleman wrote himself two checks every payday, doubling his \$100,000-plus salary. He wrote checks to his wife and children, forged their names and cashed them. He made himself loans and tricked his staff into believing the money had been repaid by distributing the debt throughout the company's books. As finance director, he was supposed to review the company's credit card statements for unauthorized personal expenses. Instead, he racked up hundreds of thousands of dollars in charges himself.

Holland cites one example. On the day one of Eddleman's daughters married, Holland said, a group of wedding guests gathered to play a round of golf. Eddleman collected money from the players for greens fees, pocketed the cash and then charged the full amount on his Decipher credit card.

"It was literally dozens and dozens of ways," Holland said. "It was not a crime. It was a lifestyle."

Eddleman got away with it for so long because he had total control of the company's books and computers, Holland said. Eddleman oversaw the implementation of various software accounting packages and was the only one

who knew how to use them all. Holland approved buying new and better accounting software, but Eddleman repeatedly blocked its use by saying it wouldn't work for Decipher.



Holland believes that Eddleman eventually started spending money to run the company out of business to conceal his theft. If the company didn't exist, Holland asked, who would be checking the books?

Eddleman began to complain about his workload and long hours, Holland said, so he decided to offer some help. In the fall of 2000, Holland hired an accountant to take over as chief financial officer. Shortly after the accountant started working for Decipher, he found \$120,000 worth of unexplained payments to Eddleman. The accountant told Holland, and Holland asked his company president, Cindy Thornburg, to talk to Eddleman.

Eddleman told Thornburg that he had borrowed the money and intended to

pay it back. He swore that was all he took. Thornburg also looked on Eddleman as family. Her immediate concern was not for the money, but for his well-being.

"My first assumption was that he was going to kill himself," Thornburg said.

The theft seemed out of character, and she feared he must be under some terrible pressure to have taken the money. She made an appointment for him with a therapist and called his wife. Thornburg and Holland allowed Eddleman to resign and paid him a severance package.

And then, Thornburg said, "it started unraveling."

The more they looked, the more theft they found. Holland and members of his staff combed through the company's books, hauled canceled checks out of their warehouse, reviewed credit card statements. Eddleman had lied to them and stolen from them on a daily basis for nearly a decade.

Even worse than the theft, Holland said, was the effect of Eddleman's betrayal on his family. Holland's parents had treated Eddleman like a son. They owned a stake in the company, so he had stolen from them, too. Holland had established a trust to keep a portion of the company for his nieces. Holland's sister, Teri, remains married to Eddleman and supports him. Holland fears that when his parents die, he will have little to no contact with her.

Thornburg also struggled to reconcile the Eddleman she knew with the one who deceived her so often and so easily.

Years ago, Thornburg said, three men robbed her and a friend at gunpoint. It took less than two minutes; the robbers got about \$200. They were caught quickly, and told police they didn't shoot because Thornburg had done them no wrong.

Those total strangers, even while pointing a gun at her, Thornburg said, showed her more compassion than Eddleman.

"He pretended to be my friend," she said. "He stole from me for 10 years, and he used a computer instead of a gun."

Recuperating from the theft has taken years.

Holland first pursued a lawsuit against Eddleman. In answering questions posed by Holland and his lawyers, Eddleman admitted to three-quarters of his crimes. In March 2008, a circuit judge ordered Eddleman to pay Decipher \$8.9 million, plus interest.

J. Bradley Reaves represented Decipher in the lawsuit. After the court order, Eddleman had to answer questions from Reaves about his assets and how his debt to Decipher could be repaid. Any question regarding finances is fair, Reaves said.

"Can you turn out your pockets? Let me see your watch," Reaves asked Eddleman. "He said he had one dollar for parking. We didn't take it."

Reaves said no one could determine where the money had gone. It appeared

Eddleman had used the cash to live a lifestyle far beyond his salary, but one that accumulated little in material assets.

In his responses to the lawsuit, Eddleman admitted to using his company credit card to pay for thousands of dollars in restaurant meals. He bought works of art on Decipher's credit card, and clothes at Nordstrom, Banana Republic and Old Navy. He bought flowers and Godiva chocolates and jewelry. He racked up hundreds of dollars in charges almost every month at bookstores like Barnes & Noble. He charged \$6,000 to pay for a vacation, and then pocketed a cash refund from the company when he canceled the trip.

Reaves said he was not surprised.

"He's the head of accounting," Reaves said. "If he pulled up in a brand new 911 Turbo, everyone would say 'Where did you get the money for that \$150,000 car?'"

Holland and Thornburg hope a new game called "Fight Klub" will get their company back on track. They hope Eddleman's sentencing will help them put the theft behind them.

Before deputies placed Eddleman in handcuffs and led him away, he apologized.

"In my heart of hearts, I am deeply regretful," he said.

Holland and Thornburg could not believe his apology.

"There have been too many lies," Thornburg said during her testimony.

Michelle Washington, (757) 446-2287, michelle.washington@pilotonline.com

      0 Shares

Michelle Washington

