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**Re: All criminal charges dismissed against Spokane Dermatologist, Dr. William “Phil” Werschler,
arising from federal indictment alleging misuse of COVID relief funds**

Attorneys representing Dr. Werschler and his associated businesses are pleased to announce the Government’s dismissal of the criminal case with prejudice against Dr. Werschler and three associated entities—Spokane Dermatology Clinic, Premier Clinical Research L.L.C., and 3rd and Sherman Plaza L.L.C. (“the Companies”). The Government has further agreed to a settlement of any potential civil claims arising from the allegations in the indictment. The outright dismissal of a federal criminal indictment with prejudice (meaning the case may not be refiled in the same court and the judgment is final) is extraordinarily rare and reflects Dr. Werschler’s innocence in this matter.

The case originated when the Companies’ bookkeeper applied for and managed low interest federal loans made available to small businesses during the COVID pandemic. The bookkeeper, Carol Casilla, in her trusted position of financial manager, embezzled more than a million dollars from the Companies via a sophisticated fraud scheme. Casilla created false emails, texts, and financial records as she moved loan funds from company to company to hide the large sums of money she was stealing from each entity and Dr. Werschler. She also deceived outside financial advisors and CPAs who oversaw the financial aspects of the businesses.

Casilla’s embezzlement was eventually discovered internally while she was on vacation. Dr. Werschler reported the embezzlement and turned over all of the Companies’ financial records to the FBI. Thereafter, Casilla pleaded guilty to a federal felony of wire fraud and was sentenced to 2 years in prison. In an effort to reduce her federal prison sentence, Casilla falsely accused Dr. Werschler and the Companies of being complicit in the improper use of the COVID loan monies.

Using forensic analysis to untangle Casilla’s web of financial manipulations, the Defense established either that no COVID funds were used to make improper purchases or Dr. Werschler was unaware of COVID funds being used for improper purposes. During the time at issue, Dr. Werschler continued to care for patients and keep his entire staff employed. Ultimately, the Government agreed to dismiss the criminal case against Dr. Werschler and the Companies, and to settle any civil action the Government could bring regarding the allegations in the indictment. Of note, the civil settlement amount of \$1.4 million is well below the \$3.5 million referenced in the indictment. Moreover, half of the settlement amount will be applied to loan repayment already owed to the Government and the other half is considered “restitution,” which could have been up to three times higher based upon legal “multipliers.” Additionally, all of Dr. Werschler’s properties, including collector cars and investment real estate, which the Government claimed an interest in during the investigation, are being returned to Dr. Werschler. While neither Dr. Werschler nor the Companies knew of, or participated in the improper use of COVID funds, each could have been found civilly liable as the employer of Casilla.

Attorneys Ron Van Wert, Carl Oreskovich, and Andrew Wagley of Etter, McMahon, Lamberson, Van Wert & Oreskovich, PC led the defense of Dr. Werschler and negotiated the favorable resolution.

Dr. Werschler has maintained his innocence throughout the case and is grateful to be exonerated by the dismissal of the criminal charges.

“This ordeal has been emotionally and professionally devastating for me, my wife, and our employees. We are extremely pleased to put it behind us, and grateful for the support of our friends and colleagues,” says Dr. Werschler. “Our greatest concern remains for our valued patients as we have tried to reassure them this case has nothing to do with the healthcare they receive at Spokane Dermatology Clinic, and that justice would prevail. We are moving forward, continuing to provide excellent care to those who trust us with their healthcare needs.”