



EAU CLAIRE COUNTY SHERIFF'S OFFICE

RELEASE OF DHS INVESTIGATION REPORT

Date: May 26, 2023
Authority: Sheriff Dave Riewestahl

In May of 2020, the Eau Claire County Sheriff's Office (ECSO) began an investigation into the financial deficits of the Eau Claire County Department of Human Services, with the assistance of the accounting firm of WIPFLI, LLP. In December of 2022, the Eau Claire County Sheriff's Office provided to the La Crosse County District Attorney, to whom the criminal matter had been referred, a final report and WIPFLI's findings.

On Friday, March 31, 2023, the La Crosse County District Attorney Tim Gruenke completed a review of the materials provided and determined that criminal charges would not be appropriate in this circumstance. A copy of his written decision was posted on our website.

Pursuant to its internal policies, the ECCSO may release information through its website without receiving a specific request regarding information of public concern or updates regarding significant incidents.

On April 5, after review by Corporation Counsel, a copy of WIPFLI's report was posted on our website. After working with Corporation Counsel to ensure required redactions were made, and notice to certain individuals named in the final report were given, as required by law, our final report is now posted to our website.

In compliance with Wisconsin's Public Records Laws, the following redactions were made to the report:

- (1) The name and address of an individual the release of which would have identified a client receiving services from the Department of Human Services;
- (2) The names and/or address of two former employees and one current employee, the disclosure of which may adversely impact their privacy and reputational interests. While questions were raised regarding whether the actions by these three employees should have prompted further investigation, no further investigation has occurred and thus any allegations are unsubstantiated.
- (3) Attorney-client privileged communications with Corporation Counsel and/or outside legal counsel, where the privilege has not been waived (pages 3, 112, 147, 271, 392, and 395).

Pursuant to Wis. Stat. § 19.356(2), notice was given to certain current and former employees of their right to file suit to prevent the release of those records pertaining to them. No lawsuits were initiated. Pursuant to Wis. Stat. § 19.356(9), notice was given to individuals currently holding a "local public office" of their right to augment the report with written comments and documentation selected by the local public official.

Written comments and/or documentation were submitted by County Administrator Kathryn Schauf, DHS Director Diane Cable, Finance Director Norb Kirk, County Board Chair Nick Smiar and County Board Supervisor Jim Dunning, and are attached to the end of the report.

EAU CLAIRE COUNTY SHERIFF'S OFFICE



***EAU CLAIRE COUNTY
DEPARTMENT OF
HUMAN SERVICES
INVESTIGATIVE
SUMMARY REPORT***

DETECTIVE RYAN GREENER
DEPUTY MIKE VOELKER

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Introduction

On May 29, 2020, two Eau Claire County Board Supervisors, Mark Beckfield, and Steve Chilson met with Sheriff Ron Cramer. Beckfield and Chilson told Sheriff Cramer that approximately two weeks prior, they were told that Eau Claire County Department of Human Services (DHS) was over budget by \$2.2 million for the fiscal year of 2019. Beckfield and Chilson then were informed prior to meeting with the Sheriff Cramer that Eau Claire County Finance Director Norb Kirk located a \$1.1-million error in the Human Services 2019 budget which resulted in Human Services now being \$3.3 million over budget for the fiscal year 2019. Chilson and Beckfield were concerned that the financial department within Human Services did not report the error and that it had to be found by someone else. The statement and information from Beckfield and Chilson in their initial complaint referring to DHS presenting a ‘fantasy budget’ may be one of the indicators of potential fraud that will be highlighted in the paragraphs below. The statement and information in the initial complaint that the ‘error’ was found by an outside entity, coupled with the size of the error may also be an indicator of potential fraud. Furthermore, Beckfield and Chilson had concerns due to Human Services routinely being over budget by multi-million dollars the past several years. The multi-year budget overages without detailed explanation is another possible indicator of fraud. Beckfield and Chilson also stated that they were not the only County Board Supervisors concerned about the budgeting practices of the Department of Human Services.

Upon receiving this complaint, Sheriff Ron Cramer assigned Detective Ryan Greener, a 20-year law enforcement veteran, and Deputy Mike Voelker a 28-year law enforcement veteran to the investigation. Both Detective Greener, and Deputy Voelker have specialized training in fraud, embezzlement, misconduct in office, and internal investigations. Detective Greener and Deputy Voelker have also completed numerous large scale criminal investigations during their combined 48 years of law enforcement experience. The Sheriff requested that an investigation be conducted into the complaint to determine whether the issue was criminal, civil, or a non-issue. As Sheriff, and as deputies employed by the Eau Claire County Sheriff’s Office, Sheriff Cramer, Detective Greener, and Deputy Voelker have a duty and obligation to not only uphold the constitution of the United States of America but also to enforce and investigate any complaints received by citizens of Eau Claire County.

This report, authored by Detective Greener, and Deputy Voelker, provides an in-depth chronological summary of the investigation, including information obtained from the review of approximately 160,000 pages of documents, approximately 400,000 emails and Cisco Jabber messages, forensic accounting materials from WIPFLI, and information provided by witnesses. This report also contains actual copies of documents obtained during the investigation, a section discussing the indicators of fraud, and background information related to investigative processes.

The below link is Norb Kirk’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Kirk_Response_Page_6](#)

Throughout this report the reader will also observe numerous footnotes. Footnotes have been placed in sections of this report where actual physical documents have been placed for the readers own review. The footnotes provide the reader with the investigative appendix number assigned to the particular item, and the title assigned to the particular document or item. Furthermore, the reader will also observe one of two icons either at the end of a section, or at the end of a footnote. The Sheriff's star icon indicates that the particular item or document being discussed, was obtained via a search warrant. The light bulb indicates that the particular item or document being discussed was disclosed to Administrator Schauf and Finance Director Kirk during a meeting.

In addition, prior to this report's public release, current local and public officials of Eau Claire County that were named in this report were permitted to augment sections of this report in accordance with Wis. Stat. 19.356(9). Any augmentations requested by those individuals are attached to this report as Appendix A. The reader will observe hyperlinks throughout this document where augmentations have been requested to be inserted. By clicking the associated hyperlink, the hyperlink will take the reader directly to the individual's written augmentation response. Below each individual's augmentation response is also a hyperlink which will return the reader to the previous page.

Eau Claire County Department of Human Services Overview & Underlying Issues

The Eau Claire County Department of Human Services (organized under Wisconsin Statutes 46.23) provides State and Federally mandated human services to the most vulnerable and needy residents of Eau Claire County. The current DHS Director is Diane Cable. Historically, the Eau Claire County Department of Human Services has routinely exceeded their budget by millions of dollars. The DHS Director, Diane Cable, has communicated to their oversight committee, and the full County Board that the department's budget overages from year to year were due to costs beyond the department's control such as alternate care, out of home placements, and due to individuals needing long term mental health treatment at state facilities.

The department has provided their oversight committee and the County Board general financial statements and a review of these statements. However, when County Board supervisors have requested additional supporting information to justify or understand the financial issues in more detail, the supervisors have been told that the information was not readily available, and the information would need to be supplied later. Typically, the supervisors who have requested this information never receive the information or receive very limited information. One County Board supervisor had to threaten to file a Freedom of Information Act (FOIA) just to obtain the information they had requested. The reader will see several examples of this throughout the report.

In addition to the lack of transparency noted above, there was also information that the Department of Human Services does not supply receipts, unlike other county departments, for

county issued purchase card transactions. The Department of Human Services justification for not providing these receipts is that it would be a client HIPPA violation. However, the department was also not providing receipts for travel and training related to department staff which would not be a HIPPA violation.

There were also concerns/information of extravagant spending by DHS. This extravagant spending not only included purchases for clients but also for staff. The reader will see several examples of this throughout the report including upgrades in airfare and staying in extravagant hotels while at trainings or meetings.

Furthermore prior to this investigation commencing, another investigation had just concluded regarding possible embezzlement of funds from a department operated and grant funded program called “Supporting Positive Actions Resilience and Knowledge (SPARK). A former department employee, Zer Smith, was subsequently criminally charged as a result of that investigation. That investigation, along with new potential criminal conduct that has been discovered related to that investigation will also be discussed in detail in this report.

The below link is Diane Cable’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Page 8](#)

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Indicators of Fraud

When assessing whether or not fraud is occurring or may be occurring within an organization, business, or a governmental department there are several red flags or indicators of fraud. These red flags or indicators is a set of circumstances that are unusual in nature or vary from the normal activity (**I.E., lack of transparency, failure to provide receipts**). It is a signal that something is out of the ordinary and may need to be investigated further. Red flags do not indicate guilt or innocence but merely provide possible warning signs of fraud. Examples of these red flags or indicators of fraud are below. These red flags and indicators are taught throughout the country not only in the private sector but also in the public sector.¹

- Weak internal controls
- Disorganization of records
- Lack of transparency
- Lengthy unexplained delays in producing requested documentation
- Deliberately confusing records
- Frequent complaints
- Duplicate payments
- Revisions or errors in electronic or hard copy documents with no explanation or support
- Computer report totals that are not supported by source documentation
- Failure to establish procedures to ensure compliance with laws and regulations and prevention of illegal acts

¹ Sources of Information: Department of Defense Comprehensive list of Fraud Indicators, Homeland Security Financial Investigations and Analysis Training Program

Law Enforcement Investigative Processes

When a complaint is received by law enforcement, the complaint is “triaged” meaning it is initially evaluated to determine if the complaint is viable and verifiable (i.e., is there potential for crime to have occurred, does the complaint contain information that can’t be verified by some other information?) If the complaint is viable and verifiable the investigation process begins. This process can vary based upon the complaint or the complexity of the case but typically involves the following:

1. Understand/assess the complaint

This step involves understanding the complaint (i.e., what type of allegation is it? What are the laws that apply?), identifying all key players in the investigation including but not limited to the complainant, potential witnesses, possible suspects, victims, and accomplices. This step also includes planning if additional resources will be needed (i.e., other law enforcement assistance, forensic auditors)

2. Gather information/evidence

This step involves interviewing the complainants, the witnesses, and other individuals who may have information related to the investigation. It also includes gathering evidence such as documents, emails, notes, receipts, invoices, etc. Gathering the information and evidence is necessary in order for an investigation to be concluded and to determine if a crime has been committed.

3. Analyze and Review the Evidence

After the evidence is collected, each piece of evidence is reviewed and processed. This may include manually reviewing numerous pages of documents and messages. The more complex the case, or the more evidence that needs to be reviewed the longer this process takes. In reviewing the evidence, further follow up may need to be conducted, or the evidence may need to be analyzed by outside partners. During this phase evidence may be discovered related to other crimes or policy violations. This evidence is not ignored and is also investigated fully. Policy violations that are discovered are referred to the organization or organization attorneys. Policy violations are not typically investigated by law enforcement but may be considered a pattern of activity or behavior by individuals that helps corroborates the criminal investigation.

4. Identify if a Crime Has Occurred

After gathering all of the information and evidence and reviewing the collected evidence it is determined what crime(s) if any have occurred. If a possible crime(s) has been identified, and the case is complex a meeting with the District Attorney, or a special prosecutor may occur. During this meeting the facts of the case are presented. It is then determined by the prosecutor if the case warrants criminal charges. If criminal charges are deemed appropriate, then the suspect(s) are arrested and/or criminally charged.

What is also important for the reader to understand is that law enforcement investigations are conducted in a discreet and confidential manner. Information and evidence obtained while the investigation is active is only shared with those having a vested interest in the investigation, meaning the law enforcement officers conducting the investigation, or other partners actively involved in the investigation. This is not done to spite others but is a practice to ensure that information is not leaked to suspect(s), or other individuals who may compromise the investigation, or destroy evidence.

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Sheriff Cramer & Captain Brettingen Meeting with Kathryn Schauf

Upon receiving the complaint (from County Board Supervisors, Mark Beckfield and Steve Chilson) Sheriff Cramer and now retired Captain Joel Brettingen met with Eau Claire County Administrator Kathryn Schauf. Sheriff Cramer informed Schauf of the complaint that had been received. Sheriff Cramer advised Schauf that based upon the complaint, an investigation would be conducted. Schauf questioned the need for an investigation and claimed that the issue was nothing more than “human error”. Schauf also stated to “leave Vickie Gardner’s name out of this”, likely referring to the investigation. Vickie Gardner was the Fiscal Services Manager for DHS.

Also, during the meeting Cramer asked Schauf as to why the Zer Smith case was reported to the Eau Claire Police Department, and not the Sheriff’s Office unlike past practice. Typically, when there is a need for a criminal investigation involving a county department, or county employee, that investigation is conducted by the Eau Claire County Sheriff’s Office. Schauf informed Sheriff Cramer and Captain Brettingen that she had spoken with Eau Claire City Manager Dale Peters, and she and Peters had come to an agreement that the Eau Claire Police Department would conduct investigations into criminal activity by Eau Claire County employees, and that the Eau Claire County Sheriff’s Office would conduct any investigations into criminal activity by City of Eau Claire employees.

After the meeting with Schauf, Sheriff Cramer spoke with Chief Matt Rokus of the Eau Claire Police Department. Sheriff Cramer asked Chief Rokus if Schauf’s statement was accurate. Chief Rokus stated not that he was aware of and informed Sheriff Cramer that the Eau Claire Police Department at the time of the conversation, was actually investigating two city employees for criminal conduct. Detective Greener and Deputy Voelker also spoke with Dale Peters who was the interim City of Eau Claire Manager at the time. Peters stated that he and Schauf never had such a conversation, there was no agreement, and the City of Eau Claire’s procedure was and still is that all investigations related to criminal conduct by City of Eau Claire employees are investigated by the Eau Claire Police Department.

Based upon the above supporting information Schauf knowingly and deliberately made a false statement to Sheriff Cramer and Captain Brettingen.

The below link is Schauf’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf_Response_Page_12](#)

Email Correspondence Kathryn Schauf and Jill Magnus 10/25/19

On October 25, 2019, Schauf received an email from Jill Magnus.² Magnus was a former employee of Eau Claire County Human Resources. In Magnus's email, Magnus informs Schauf that Zer Smith submitted a money order to the Human Resources office in the amount of \$850.78, and that \$94.92 in charges to Smith's former county P-card had been reimbursed by Avis Rental Car. As the reader observed on the previous page of this report, during the meeting between Sheriff Cramer, Captain Brettingen, and Schauf, Sheriff Cramer asked Schauf about the Zer Smith Investigation. Smith is a former DHS employee who committed fraud by misusing her county issued P-card for her own personal use, as well as misusing gift cards for her own personal use that were allocated for the grant funded SPARK program. As previously mentioned in this report, the investigation involving Smith was conducted by the Eau Claire Police Department, however they were not notified until January 2020.

In this case Smith committed a crime which initially was not reported to law enforcement, and she was given the opportunity to reimburse the county which she did. Only after discovering several months later there were additional funds stolen by Smith from the SPARK program was law enforcement contacted. Based upon our training and experience as well as knowledge of this case, the Smith incident was likely not reported to law enforcement initially based upon the fact at the time DHS was under scrutiny by board members for their continued fiscal deficits. Any information of lack of internal controls, along with knowledge of the theft itself would further scrutinize the department, cause board members to request a forensic audit, or a more in-depth program review, which all combined would jeopardize DHS's reputation. Those who made the decision not to report the crime to law enforcement initially could possibly be charged criminally.

The email is contained on the following page. The Zer Smith investigation along with issues involving the SPARK program will be discussed in more detail later in this report.

The below links are Schauf's and Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf Response Page 13](#)

[Cable Response Page 13](#)

² Source: Appendix 328 Kathryn Schauf Emails 2017-2021



From: Jill Mangus
Sent: Friday, October 25, 2019 1:43 PM
To: Diane Cable ; Norb Kirk ; Amanda Twitchell ; Sara Bronstad ; Tim Sullivan
Cc: Kathryn Schauf <Schauf@co.eau-claire.wi.us>
Subject: Money order received

Hello,

Zer Smith submitted a money order to the HR office today, 10/25/19 in the amount of \$850.78 which is not the original amount because she indicated the Avis Charge for \$94.42 was reversed on 10/14/19. We'll hold this in HR until we meet on Monday.

Jill Mangus|Human Resources Advisor | Eau Claire County | Phone: 715-839-7335 | Fax: 715-839-1669 |
Email: jill.mangus@co.eau-claire.wi.us |

Norb Kirk Email to Vickie Gardner 12/03/19

On December 3, 2019, Eau Claire County Finance Director Norb Kirk, sends Eau Claire County Department of Human Services Fiscal Manager Vickie Gardner, Diane Cable, and Kathryn Schauf the below email:³

From: Norb Kirk

Sent: Tuesday, December 3, 2019 1:29 PM

To: Vickie Gardner

Cc: Diane Cable ; Kathryn Schauf <Schauf@co.eau-claire.wi.us>

Subject: Data Requests

Hi Vickie,

I have some requests for data from Supervisor Pagonis that I don't have access to and therefor passing on to you. I have told her that I would be reaching out to you and that you may have some follow-up questions. The data request includes:

1. A breakdown of costs paid to LSS and Caillier Clinic (I would assume for 2019 YTD) and what the costs are associated with.
2. The number of clients served (youth versus adults) through Trinity Equestrian.

Thanks

Norb

Norb Kirk, CPA, CMA
Finance Director
Eau Claire County

³ Source: Appendix 328 Kathryn Schauf Emails 2017-2021



At 7:35 PM Kathryn Schauf replies to the email on the previous page and states “All-I hesitate to create documents for board members-that being said if we can pull the information easily, we can share that-we should not be creating records.”

From:	Kathryn Schauf
Sent:	12/3/2019 7:35:44 PM
Received:	12/3/2019 7:35:46 PM
To:	["Norb Kirk <Norb.Kirk@co.eau-claire.wi.us>", "Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>"]
CC:	["Diane Cable <Diane.Cable@co.eau-claire.wi.us>", "Tim Sullivan <Tim.Sullivan@co.eau-claire.wi.us>"]
Subject:	RE: Data Requests
Importance:	Normal
Sensitivity:	Normal
Attachments:	image001.png

All –

I hesitate to create documents for board members – that being said if we can pull the information easily we can share that – we should not be creating records.

As stated in the Eau Claire County Department of Human Services Overview & Underlying Issues section of the report one of the issues was the lack of transparency between County Board Supervisors and the Department of Human Services. The reader will see several examples of this throughout the report. As the reader can see Schauf informs the others that she hesitates to create documents for board members and “we should not be creating records.” The request in this instance and most requests of DHS are for records that are of public record, meaning anyone including County Board Supervisors have a right to request those documents, and receive them (with certain exceptions), under the Freedom of Information Act (FOIA). Schauf would be violating this act based upon her statement above.

Furthermore, what is also concerning is that Schauf’s statements go against the County’s Code of Conduct. In the County Code of Conduct it states that the expectations are to be “transparent with county functions and spending”. This is a Code of Conduct that Schauf is well aware of, as Schauf herself did a presentation on it to all Eau Claire County employees. By Schauf making the statements she did in the email, it clearly violates the Eau Claire County Code of Conduct. There should be no hesitation by Schauf to provide the above records to anyone including elected officials such as Pagonis. Lastly those involved in illegal activity or questionable activity will occasionally not provide records in an effort to continue their illegal activity or in an effort to protect the information surrounding their illegal activity from being disclosed.

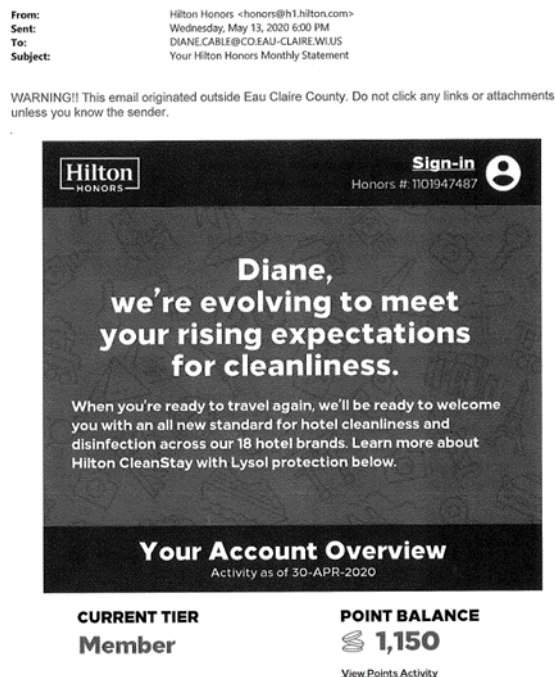
The below link is Schauf’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf_Response_Page_15](#)

Diane Cable Email Re: Hilton Honors 05/13/20

On May 13, 2020, Diane Cable receives an automated email from Hilton Hotels. The subject line of the email read “Your Hilton Honors Monthly Statement. The body of the email indicated that Cable currently had 1150 Hilton Honors rewards points available on her account. Those enrolled in Hilton Honors, who correlate a hotel stay at Hilton properties are eligible to receive reward points. These reward points can then be utilized to receive discounted rates, free hotel stays, and other benefits. To receive the reward points, one must register as a Hilton Honors member. Supporting documentation nor an interview with Cable was able to be obtained during this investigation. Therefore, we are unable to determine if Cable utilized any accrued reward points from county-expensed hotel reservations for personal use. If Cable did personally utilize reward points for non-county business it may possibly constitute theft, and/or misconduct in office.

4



The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Page 16](#)

⁴ Appendix 249 - Diane Cable Selected Emails May 2020 Pages: 23-24



Diane Cable Email Re: Human Services 2019 Year End

On Thursday May 21, 2020, at 11:19 pm, Diane Cable sends Norb Kirk and Kathryn Schauf an email with the subject line: "Human Services 2019 Year End." The email is displayed below:⁵

From: Diane Cable <diane.cable@co.eau-claire.wi.us>
Sent: Thursday, May 21, 2020 11:19 PM
To: Norb Kirk
Cc: Kathryn Schauf
Subject: Human Services 2019 Year End

Hello Norb,
I met with Kathryn this evening and updated her on the issue and concerns regarding the Human Services 2019 year end budget overage. I suggested to Kathryn, and she requested, that we meet as soon as possible to address the issue. I will schedule a meeting for you, Amy, Vickie, Kathryn and I to meet. I plan to set the meeting for either Friday or Tuesday, next week.
Thank you for your assistance in working with us in addressing this critical issue.
Diane

Diane Cable, MSW
Director
Department of Human Services
Eau Claire County
715-839-6914

⁵ Appendix 249 - Diane Cable Selected Emails May 2020 Page: 25

Kathryn Schauf & Norb Kirk Cisco Jabber Correspondence Re: DHS Fiscal Issues 05/21/20

kschauf 5/21/2020 4:24:59 PM
so this is what I propose -

kschauf 5/21/2020 4:26:00 PM
you take over DHS Finance section and we hire someone to come in
even if it is LTE to assist

kschauf 5/21/2020 4:26:05 PM
this is not working

nkirk 5/21/2020 4:30:20 PM
we'll have to talk about that...BTW, I have been asked by WEAU for
an interview at 4:45...basic questions on impact of COVID

kschauf 5/21/2020 4:30:21 PM
no more consultants writing reports - we need boots on the ground
- fix it

The above are Cisco Jabber messages exchanged between Schauf and Eau Claire County Finance Director Norb Kirk. Cisco Jabber is an instant messaging application utilized by Eau Claire County employees. As the reader observed, Schauf proposed that Kirk, as County Finance Director, oversee DHS finance. Schauf also states “this is not working”, and “no more consultants writing reports-we need boots on the ground-fix it.” These messages are of investigative interest based upon the fact that Schauf obviously is aware there are issues with DHS finance.⁶

The below link is Schauf's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf_Response_Page_18](#)

⁶ Source: Appendix 325 Selected Jabber Messages



Diane Cable Email Re: Board Message 05/22/20

On Friday May 22, 2020, at 3:30 pm Diane Cable sends Norb Kirk an email with a Word document attachment titled Document1.docx. The body of the email reads; “Hi Norb, attached is a draft letter. Please comment and suggestions. I kept this pretty simple. I plan to forward to the respective Committees Tuesday late morning.”⁷

The attachment Document1.docx is displayed below:

Eau Claire County
Human Services
721 Oxford Avenue
Eau Claire, WI 54703



May 26, 2020

Human Services Board Members
Budget and Finance Committee Members
County Board Chair, Nick Smiar

Good Day:

This message is to inform you that during a recent review of the Human Services 2019 yearend financials an issue was identified by the County Finance Director. The Human Services Department, along with the County Finance Department, have reviewed the issue and informed Administrator Schauf. It was determined to promptly inform the Human Services Department oversight committee and the Budget and Finance Committee of the issue. The issue and recommended plan of response to the situation will be presented to each Committee at their next meeting.

May 26th, 5:00 pm – Human Services Board meeting
June 8th, 4:30 pm – Finance and Budget Committee meeting

Sincerely and Respectfully,

Diane Cable, MSW
Human Services Director

Norb Kirk
County Finance Director

⁷ Appendix 249 - Diane Cable Selected Emails May 2020 Page: 39

Norb Kirk Email Re: DHS Meeting 05/26/20

On Tuesday, May 26, 2020, at 9:17 am, Norb Kirk sends Diane Cable an email with the subject line: FW: materials for DHS meeting. The email is contained below:⁸

From: Norb Kirk <norb.kirk@co.eau-claire.wi.us>
Sent: Tuesday, May 26, 2020 9:17 AM
To: Diane Cable
Subject: FW: materials for dhs meeting

Hi Diane,

I'm not sure when this morning you were planning on sending out the note to the two committees, but FYI that Jerry is watching. I assumed there would be no information being provided prior to the meeting, but I hesitate to respond to Jerry relative to the message you will be sending.

Norb

Kathryn Schauf Email Re: Committee Discussion 05/26/20

On Tuesday, May 26, 2020, at 9:48 AM Kathryn Schauf sends Diane Cable and Norb Kirk an email. The importance of the message selected by Schauf is indicated as "High." The subject line reads: "committee discussion:"⁹

From: Kathryn Schauf <kathryn.schauf@co.eau-claire.wi.us>
Sent: Tuesday, May 26, 2020 9:48 AM
To: Diane Cable; Norb Kirk
Subject: committee discussion

Importance: High

I would prefer that as we approach the meeting this evening we NOT spend a lot of time talking about why or how this happened – but to focus the discussion on how we are effectively and strategically moving forward to ensure that it does not occur again, that we have the connection in fiscal between central and DHS and that our assumptions and projections can be trusted. That messaging is far more important than identifying what went wrong – that too often looks like excuses to those we are reporting to.

If we need to meet to develop this strategy and the messaging it would be appreciated.



Kathryn Schauf
County Administrator
721 Oxford Ave, Suite 3520 • Eau Claire, WI 54703
O: 715-839-5106

⁸ Appendix 249 - Diane Cable Selected Emails May 2020 Page: 46

⁹ Appendix 249 - Diane Cable Selected Emails May 2020 Page: 47

Diane Cable Email Re: Committee Discussion 05/26/20

On Tuesday, May 26, 2020, at 9:51 AM Diane Cable sends an email to Kathryn Schauf and Norb Kirk: ¹⁰

From: Diane Cable <diane.cable@co.eau-claire.wi.us>
Sent: Tuesday, May 26, 2020 9:51 AM
To: Kathryn Schauf; Norb Kirk
Subject: RE: committee discussion

Agree. Before noon, I will forward the Outline I have put together for guide the discussion. Input is appreciated.

Diane Cable Email Re: Talking Points 05/26/20

On Tuesday May 26, 2020, at 2:51 PM Diane Cable sends Norb Kirk an email with the subject line "Talking Points for meeting tonight." The email file contains a Word document attached titled Document1.docx. ¹¹

From: Diane Cable <diane.cable@co.eau-claire.wi.us>
Sent: Tuesday, May 26, 2020 2:51 PM
To: Norb Kirk
Subject: Talking Points for meeting tonight
Attachments: Document1.docx

Hi Norb,
Attached are talking Points, for me to use to inform the Board tonight. Please review and call or email questions.
Thank you
Diane

¹⁰ Appendix 249 - Diane Cable Selected Emails May 2020 Page: 48

¹¹ Appendix 249 - Diane Cable Selected Emails May 2020 Page: 56

Talking Points for Board Meeting 5/26/2020

Issue- Incident

Reporting issue in the area regarding CCS Reconciliation.

To note, as the program has evolved and we have new County Finance Leadership, the process of reporting has changed the past couple years.

Within the financial structure, a reporting error, of the CCS reconciliation, occurred.

Impact: In May 18, 2020 report to the Human Services Board the 2019 yearend financials being an overage of 2.3 million

Corrected 2019 yearend financials shows an overage of 3.3 million

If reported correctly in February, for the December 2019, yearend financials, the report would have shown an overage of 3.3 million

How was this discovered:

As a part of a general review of the Human Services 2019 Yearend financial state, County Finance, inquired if the CCS Reconciliation was accurately reported

Human Services internal review found that there was an error with the reporting of the CCS Reconciliation. Outcome of the correction of the error is a 3.3 million overage.

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Norb Kirk Reply Re: Talking Points 05/26/20

On Tuesday May 26, 2020, at 4:17 PM, Norb Kirk emails Diane Cable. The subject line reads: RE: Talking Points for meeting tonight: ¹³

From: Norb Kirk <norb.kirk@co.eau-claire.wi.us>
Sent: Tuesday, May 26, 2020 4:17 PM
To: Diane Cable
Subject: RE: Talking Points for meeting tonight

The only thing I would have any pause on is the comment about the program evolving and new County Finance leadership. Is that comment meant to imply that there was some confusion leading to the error, because I don't think that was the case.

¹² Appendix 249 - Diane Cable Selected Emails May 2020 Page: 57

¹³ Appendix 249 - Diane Cable Selected Emails May 2020 Page: 61

Kathryn Schauf Cisco Jabber Messages 05/26/20

kschauf 5/26/2020 5:34:03 PM
Colleen is making this worse

kschauf 5/26/2020 5:41:25 PM
that is a simple yes

kschauf 5/26/2020 5:41:57 PM
the deficit hasn't changed - we just didn't report it correctly

kschauf 5/26/2020 5:47:27 PM
we can do that

kschauf 5/26/2020 5:48:00 PM
don't look behind the curtain

The above are Cisco Jabber messages sent by Schauf. It is unknown who Schauf was messaging at the time, however in reviewing official meeting minutes contained on the Eau Claire County website, the messages would have been sent by Schauf during a Human Services Board meeting. As the reader observed, Schauf appears to be providing input and direction to an individual, possibly Cable or Kirk, who would have been presenting at the meeting regarding the DHS fiscal issue.¹⁴

Diane Cable Email Re: Enterprise Plus

On Wednesday May 27, 2020, at 5:45 PM Diane Cable received an automated email from Enterprise Rental Car for an Enterprise “Plus Member” in the name of Diane Cable, account number JXTC572. The subject line of the email read “Your Enterprise Plus Points and activity eStatement for May.” The body of the email indicated that Cable currently had 576 Enterprise Plus rewards points available on her account. Enterprise Plus customers are eligible to receive reward points for every qualifying vehicle rental from Enterprise Rental Car; and those who receive reward points can utilize the reward points for a reduced rental rate, a free rental, or a free upgrade. To receive the reward points, one must register as an Enterprise Plus member. Supporting documentation nor an interview with Cable was able to be obtained during this investigation. Therefore, we are unable to determine if Cable utilized any accrued reward points from county-expensed rental car reservations for personal use. If Cable did personally utilize reward points for non-county business it may possibly constitute theft, and/or misconduct in office.¹⁵

¹⁴ Appendix 325 Selected Jabber Messages



¹⁵ Appendix 249 - Diane Cable Selected Emails May 2020 Pages: 23-24



Kathryn Schauf Email Re: DHS Investigation 05/29/20

On Friday May 29, 2020, at 11:34 AM Kathryn Schauf sends Diane Cable and Norb Kirk an email with the subject line: "Re: DHS Error:"¹⁶

From: Kathryn Schauf <kathryn.schauf@co.eau-claire.wi.us>
Sent: Friday, May 29, 2020 11:34 AM
To: Norb Kirk; Diane Cable
Subject: Re: DHS Error

Law-enforcement may be contacting you with questions please cooperate fully and keep the communication flowing thank you

[Get Outlook for iOS](#)

As the reader can see above, Schauf sends Norb Kirk and Diane Cable an email stating that law enforcement may be contacting them. Schauf also requests they keep the "communication flowing". The reader should keep this email in mind as they read through this report, whether or not Schauf's request was honored, or if Schauf's direction and/or opinion changes.

The below link is Schauf's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf Response Page 24](#)

Tim Sullivan Email Re: Messaging Draft 06/01/20

On Monday June 1, 2020, at 2:15 PM Tim Sullivan sends Diane Cable an email with the subject line: "Draft language:"¹⁷

From: Tim Sullivan <tim.sullivan@co.eau-claire.wi.us>
Sent: Monday, June 1, 2020 2:15 PM
To: Diane Cable
Subject: Draft language

Here is a start:

Many of you are aware that over the weekend there was an article in the Leader Telegram concerning the shortfall in the budget of the Department of Human Services. The article indicates that two county board supervisors have made a complaint to the Sheriff's office asking for an investigation into the most recently announced budget deficit. Please understand that the Sheriff has an obligation to take all complaints seriously, and will determine what course of action he will take based on the allegations made in the complaint, which as of this time has not been released to the department. The most recently discovered deficit is in my opinion the result of the ongoing need of the department to provide services to the community versus available funding. Throughout our budget problems we have continuously worked to keep the human services board, the county board, the finance department, and county administration updated on the status of the ongoing deficit. I along with our fiscal services division are confident that this most recent shortfall is the result of revenue and expense estimates for the 2019 budget, that did not develop in the budget as expected.

While it is concerning that a complaint has been made to the Sheriff, we will continue to work with the human services board, the county board, administration, the finance department and the sheriff to resolve these issues as quickly as possible.

¹⁶ Appendix 249 - Diane Cable Selected Emails May 2020 Page: 82

¹⁷ Appendix 249 - Diane Cable Selected Emails June 2020 Page: 3 

Norb Kirk Email Re: DHS Error Response Message 06/02/20

On Tuesday June 2, 2020, at 8:55 AM, Norb Kirk sends Kathryn Schauf and Diane Cable an email with the subject line: “RE: DHS Error.” The email contains a Word document attachment titled: “Error Response Message.docx.”¹⁸

From: Norb Kirk <norb.kirk@co.eau-claire.wi.us>
Sent: Tuesday, June 2, 2020 8:55 AM
To: Kathryn Schauf; Diane Cable
Subject: RE: DHS Error
Attachments: Error Response Message.docx

I drafted a narrative that I believe addresses the questions and hopefully provides some context.

¹⁸ Diane Cable PC 60167



The “error” impacting the Department of Human Services (DHS) 2019 fiscal results was related to the **projected** final 2019 department fiscal numbers. Since revenue collection trails expenditures on some reimbursable grants and aides, it is typical for the DHS fiscal group to forecast anticipated revenue collections **not yet recorded** in the county financial general ledger system. These forecasts are presented as financial adjustments within DHS management reports in order to project what the final fiscal numbers will be. Since forecasts are not recorded in the general ledger, the DHS fiscal group reviews and prepares monthly financial reports that include both the actual recorded financial transactions in the county financial system, and their forecasts, to provide a more meaningful financial projection of the fiscal results for the DHS Board, as well as other readers. On a monthly basis it is not uncommon to have millions of dollars of anticipated financial transactions not yet recorded in the financial system. As part of the normal year-end financial close process, the DHS financial results are not finalized until June 30th in recognition of the time lag required to get all fiscal transactions properly received and recorded in the correct fiscal year.

During an internal review by the Finance Department of the 2019 DHS financial statements and anticipated adjustments, it was determined that there was a potential discrepancy in what the projected DHS 2019 financial statements would be based on the Finance department calculations, versus the projected 2019 financial statements provided by DHS fiscal in their most recent report. Upon further investigation, it was determined that a human error had been made in the forecasted financial adjustments **not yet recorded** in the county financial system, thus leading to an incorrect projection of the 2019 DHS financial results presented by the DHS fiscal group. Given that the county fiscal financial system is open to record DHS transactions at year-end until June 30th, and given the number and magnitude of anticipated adjustments during that period, it would have been difficult to determine that an error had been made in the projection much sooner than it was discovered.

Diane Cable Email Re: DHS Staff Messaging 06/02/20

On Tuesday June 2, 2020, at 9:42 AM, Diane Cable forwarded the above Tim Sullivan email to Kathryn Schauf. Cable also included a message in the email that reads: ¹⁹

From: Diane Cable <diane.cable@co.eau-claire.wi.us>
Sent: Tuesday, June 2, 2020 9:42 AM
To: Kathryn Schauf
Subject: FW: Draft language

Hi, Here is the information / language that Tim drafted for me yesterday to send to Human Services Staff.
Diane

At 11:15 AM, Cable sent Nicholas Stabenow-Schneider an email. Stabenow-Schneider is a DHS employee. The subject line of the email was “message to Human Services Staff.” The body of the email reads as follows:

Human Services Staying Connected – Communication

June 2nd, 2020

Hello. As we begin this first week of June, I hope you are finding ways to cope and stay well. The global conversations occurring on race, equality, justice, and black lives matter, are important and essential. As we each engage in critical discussions to affect perspectives, change policy and practices, we must listen with care, kindness, compassion, grace, understanding and love. The act of listening is one of the tenets of Speak Your Peace. To listen with intention of care and without judgement. As we move through this time, each bringing our own stories, I ask and encourage all of us to listen as we engage in conversations.

As an agency, we are beginning conversations about engagement with each other, individuals, families, and the community. To start, we will be assessing where we are at as an organization. A survey link will be sent out later today to be completed by staff who provide and have direct contact with individuals and families. The purpose of this simple inquiry is to gauge the organizations perspective on what staff feel family and individual engagement looks and feels like. The survey is anonymous. It provides responses that guide future conversations and planning. We are working with Corey Best, a professional guide and person with lived experiences. Corey works nationwide with leaders on Family engagement and race and equity. The Survey will guide the planning for our next steps, including a virtual presentation by Corey, in late June. Staff in Family Services, Behavioral Health Services, and Economic Support Services are asked to take the

¹⁹ Appendix 249 - Diane Cable Selected Emails June 2020 Page: 5



survey this week. All staff are welcome to take the survey, but questions are specific to those working directly with individuals and families we serve.

Media Attention: Many of you are aware that over the weekend there was an article in the Leader Telegram concerning the shortfall in the budget of the Department of Human Services. The article indicates that two county board supervisors have made a complaint to the Sheriff's office asking for an investigation into the most recently announced budget deficit. Please understand that the Sheriff has an obligation to take all complaints seriously and will determine what course of action he will take based on the allegations made in the complaint, which as of this time has not been released to the department. The most recently discovered deficit is in my opinion the result of the ongoing need of the department to provide services to the community versus available funding. Throughout our budget problems we have continuously worked to keep the human services board, the county board, the finance department, and county administration updated on the status of the ongoing deficit. I along with our fiscal services division are confident that this most recent shortfall is the result of revenue and expense estimates for the 2019 budget, that did not develop in the budget as expected.

While it is concerning that a complaint has been made to the Sheriff, we will continue to work with the human services board, the county board, administration, the finance department, and the sheriff to resolve these issues as quickly as possible.

Taking Care.

Connections and taking care is essential. Our work is hard and challenging and we are facing many challenges and opportunities. We are strong and resilient! Taking care of yourself, by eating well, moving, get fresh air, and SLEEP is essential for all of us! These critical basics are important so we can be present each day personally and professionally with each other. Resources to check out: Resilient Wisconsin is <https://www.dhs.wisconsin.gov/resilient> and <https://www.realiving.com>.

Be well – Diane

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Page 28](#)

Katherine Schneider Nick Smiar Email Correspondence 06/02/20

From: Schneider, Katherine S. <SCHNEIKS@uwec.edu>
Sent: Tuesday, June 2, 2020 12:13 PM
To: Nick Smiar <Nick.Smiar@co.eau-claire.wi.us>
Cc: Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>
Subject: County Board

WARNING!! This email originated outside Eau Claire County. Do not click any links or attachments unless you know the sender.

As a newish County Board member, I think an extra County Board meeting to discuss the investigation launched by the Sheriff's department would be useful; e.g. what are the charges? How should serious concerns by County Board members about a department's functioning be handled? How much can we ethically talk to other County Board members outside of meetings without creating a walking quorum?

Etc. I know we'll be discussing the Human Services' overage at our regularly scheduled meeting in June, but these issues are a bit different and are pressing both because they are grave and because the public are asking a lot of questions. More info about how things are being dealt with soon would help me deal better with public questions.

Thank you for considering adding another meeting to your full plate.

Kathie

From: Nick Smiar <Nick.Smiar@co.eau-claire.wi.us>
Date: June 2, 2020 at 2:29:57 PM CDT
Subject: Re: County Board

Katherine -

I will not consider calling a special meeting of the county board just to deal with this matter. First, It is not an urgent enough matter to warrant that use of our resources. Second, it is not our board procedure to handle such a matter in the fashion which two Supervisors have selected, which is contrary to our County Code and to Roberts' Rules of Order. We do not do our business in the media or in the Sheriff's Department. Third, it seems apparent that the request for investigation, as irregular and improper as it was, had the intention of drawing public attention, especially of the media, to a non-issue with no basis in fact and misinforming the public. Please be prepared for more efforts by some Supervisors to force their will on the county board by using misdirection, confusion, irregular procedures, false allegations, and false assumptions.

Norb Kirk Interview

On Wednesday June 10, 2020, Detective Greener and Deputy Voelker interviewed Norb Kirk. During the interview, Kirk provided several documents including a document titled “Eau Claire County Department of Human Services Financial Statement Estimated for the Period January 1, 2019, through December 31, 2019, Preliminary.”²¹ Kirk explained that this document was a document that is prepared by DHS and is provided to Kirk as well as to the Human Services Board. Kirk further stated that this document would have been provided to him and the Human Services Board at their last committee meeting on May 18, 2020.

In reviewing the document provided by Kirk, the document details DHS expenses and revenue for the period of January 1, 2019, through December 31, 2019. The document is shown below:

Eau Claire County
Department of Human Services
Financial Statement Estimated for the Period
January 1, 2019 through December 31, 2019 Preliminary

Expense	YTD Net Budget	YTD Actual Transactions	Estimated Adjustments	Adjusted Total	Net Variance Excess (Deficient)
Overhead	817,623	757,045	-	757,045	60,578
Personnel	18,124,109	15,609,303	-	15,609,303	2,514,806
Services & Supplies	525,393	956,255	-	956,255	(430,862)
Purchased Services	11,935,363	18,055,343	94,988	18,150,331	(6,214,968)
Total	31,402,488	35,377,946	94,988	35,472,933	(4,070,445)

After the interview with Norb Kirk, Deputy Voelker reviewed numerous Human Services Board meeting minutes and agendas for 2020. The meeting minutes and agendas reviewed by Deputy Voelker were posted on the Eau Claire County website.

While reviewing these numerous meeting minutes and agendas, Deputy Voelker located a document titled the same as Kirk provided, “Eau Claire County Department of Human Services Financial Statement Estimated for the Period January 1, 2019, through December 31, 2019,

²⁰ Source: Appendix AY Email from Chairman Nick Smiar to County Board

²¹ Appendix B - Norb Kirk Documents 6-10-20 

Preliminary”. This document was presented to the Human Services Board on February 24, 2020. In reviewing the document, the document again showed DHS expenses and revenue for the period of January 1, 2019, through December 31, 2019. The document details DHS expenses and revenue for the period of January 1, 2019, through December 31, 2019, shown below: ²²

Eau Claire County
Department of Human Services
Financial Statement Estimated for the Period
January 1, 2019 through December 31, 2019 Preliminary

Expense	YTD Net Budget	YTD Actual Transactions	Estimated Adjustments	Adjusted Total	Net Variance Excess (Deficient)
Overhead	817,623	697,331	79,805	777,136	40,487
Personnel	18,044,139	15,607,966	-	15,607,966	2,436,173
Services & Supplies	495,393	947,240	-	947,240	(451,847)
Purchased Services	11,935,363	17,243,526	895,379	18,138,905	(6,203,542)
Total	31,292,518	34,496,063	975,184	35,471,247	(4,178,729)

The reader’s attention is called to the left column of numbers which are the budgeted amounts for these various categories at DHS. As the reader is aware there is an extensive budget process in Eau Claire County, with the Eau Claire County Board approving the budget for the following year. Absent approval of a change in the budget by the County Board, these budgeted amounts do not, and would not change during the year. As one can see, there are differences in the budget numbers, that again should have remained the same during the budget year, and so the budget numbers from the Kirk provided document and the downloaded documents should be the same. A comparison screenshot appears on the next page.

²² Appendix 270 - 2020 DHS Board Notes / File: DHS Board Meeting Notes 2-24-20 Page: 7



Eau Claire County
Department of Human Services
Financial Statement Estimated for the Period
January 1, 2019 through December 31, 2019 Preliminary

Document Provided by: Norb Kirk 06/10/20

Expense	YTD Net Budget	YTD Actual Transactions	Estimated Adjustments	Adjusted Total	Net Variance Excess (Deficient)
Overhead	817,623	757,045	-	757,045	60,578
Personnel	18,124,109	15,609,303	-	15,609,303	2,514,806
Services & Supplies	525,393	956,255	-	956,255	(430,862)
Purchased Services	11,935,363	18,055,343	94,988	18,150,331	(6,214,968)
Total	31,402,488	35,377,946	94,988	35,472,933	(4,070,445)

Eau Claire County
Department of Human Services
Financial Statement Estimated for the Period
January 1, 2019 through December 31, 2019 Preliminary

Document Presented to DHS Board 02/24/20

Expense	YTD Net Budget	YTD Actual Transactions	Estimated Adjustments	Adjusted Total	Net Variance Excess (Deficient)
Overhead	817,623	697,331	79,805	777,136	40,487
Personnel	18,044,139	15,607,966	-	15,607,966	2,436,173
Services & Supplies	495,393	947,240	-	947,240	(451,847)
Purchased Services	11,935,363	17,243,526	895,379	18,138,905	(6,203,542)
Total	31,292,518	34,496,063	975,184	35,471,247	(4,178,729)

Sources: Top - Appendix B - Norb Kirk Documents 6-10-20 / Bottom: Appendix 270 - 2020 DHS Board Notes / File: DHS Board Meeting Notes 2-24-20 Page: 7

Detective Greener and Deputy Voelker observed that there were differences in the budgeted amounts when comparing the document presented to the Human Services Board on February 24, 2020, and the document provided by Kirk during his interview on June 10, 2020. Based upon their training and experience in investigating financial crimes, an entity's budgeted amount for an expense line item is a fixed amount set prior to the beginning of the financial year and should not change throughout the year. Furthermore, based upon their training and experience in investigating financial crimes, Detective Greener and Deputy Voelker are aware that an entity or individual may sometimes falsify budget documents, and or financial statements and present these false documents and or financial statements to others to hide their illegal or questionable activity.²³

The reader will see that this statement will be repeated throughout this summary; it is worth noting that this information was presented to Norb Kirk and Kathryn Schauf. Upon showing the discrepancies to Kirk, Kirk also confirmed that the budget numbers should not change.

The below links are Kirk's and Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Kirk Response Page 32](#)

[Cable Response Pages 30 32](#)

²³ Appendix 270 - 2020 DHS Board Notes / File: DHS Board Meeting Notes 2-24-20 Page: 7



Nancy Williams Interview

On June 10, 2020, Detective Greener interviewed Nancy Williams. At the time of the interview, Williams was employed as an administrative assistant within the Eau Claire County purchasing department. Williams stated that while reviewing purchases and credit card transactions she had observed numerous questioned transactions involving DHS. Williams stated that currently DHS has numerous credit cards that they utilize to make purchases. Williams further stated that the most recent questioned transaction was the purchase of a swimming pool on June 2, 2020. Williams presented an invoice for the swimming pool, which was from Amazon. Detective Greener reviewed the invoice and observed that a Coleman 48 inch by 18-foot Power Steel Swim Vista Series II Metal Frame Pool was purchased in the amount of \$1740.00. The payment was made utilizing a Visa card with last four digits being 5025. The order was shipped to [REDACTED] It was determined that a DHS client resided at that address.

Williams stated that the transaction was suspicious to her as she did not believe the purchase of a pool would be a purchase DHS could justify. Williams also stated there have been numerous other purchases by DHS that she questioned. These questioned transactions involved the purchase of an approximate \$700 bouncy house, a gazebo, and several mahogany highchairs and other high-ticket items. Detective Greener asked Williams if she had brought her suspicions to anyone's attention. Williams explained that sometime after the purchase of the bouncy house, gazebo, and wooden highchairs she participated in a meeting with DHS staff. Williams could not recall who all was involved in the meeting but stated that her supervisor, Frank Draxler and Sue Schleppenbach from DHS were present for sure. The questioned transactions involving DHS were addressed at the meeting and Williams was told that the purchases were reimbursed by grant funds, and that DHS was allotted to spend a certain amount of money on purchases for families. Williams questioned the purchase of the mahogany highchairs; she was told that the family the highchairs were purchased for wanted the chairs to match the trim in their home.

Williams further explained since the meeting occurred numerous questioned transactions involving DHS have still occurred. Williams stated that she again brought several transactions to Frank Draxler's attention. Draxler told her that he would speak Diane Cable about it. Williams was eventually told to stop questioning DHS's transactions by Draxler.

Detective Greener asked Williams to describe the county's policy or procedure regarding credit card purchases. Williams explained that there are numerous credit cards assigned to staff throughout the various county departments. When a purchase is made by credit card a receipt or invoice is required and then those invoices and receipts are then forwarded to purchasing for review. Williams was asked if there was ever a time where county departments such as DHS were not required to provide receipts or invoices. Williams stated that a couple years ago, Eau Claire County Administrator Kathryn Schauf informed the purchasing department that DHS and the Highway Department were no longer required to provide receipts or invoices. Schauf's explanation for this was that DHS and the Highway Department were too large of departments,

and it was too difficult for them to keep track of invoices and receipts. Williams found this directive strange based upon the size of other county departments.

The below links are Schauf's and Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf Response Page 33](#)

[Cable Response Page 33](#)

Betty Boley Interview

On June 15, 2020, Detective Greener, and Deputy Voelker interviewed Betty Boley. Boley had previously been employed by Eau Claire County for 13 years. Boley had also worked in the purchasing office. Part of Boley's job duties entailed obtaining necessary documentation for various credit card purchases for each department. Boley was asked if there were any transactions involving DHS that she felt were questionable or suspicious in nature. Boley stated while reviewing transactions involving DHS, she, and Williams, who also processed credit card receipts, would routinely notice transactions that she and Williams felt were "inappropriate" and "excessive". Boley told me she and Williams would make Frank Draxler aware of these transactions.

Boley explained that when the questionable transactions started there were some new social workers in DHS, and they were making what Boley felt were "excessive cost" purchases. Boley could not recall the names of the social workers or a timeframe of when the questionable transactions began. Boley provided an example of a purchase such as on one occasion they went to Scheels and bought a Columbia jacket instead of going to Wal-Mart or Target to purchase a cheaper brand jacket. Boley stated that upon the coat being purchased finance had contacted DHS supervisor, Bill Stein, and made him aware of the purchase.

Boley also stated there were numerous other questionable transactions including the purchase of a "fully loaded" tandem bike, and fencing materials. Boley and Williams both addressed the numerous questionable transactions including the tandem bike with Frank Draxler. Boley could not recall any of the specific details regarding the conversations she and Williams had with Draxler. Detective Greener asked Boley if she knew if Draxler addressed her and Williams concerns. Boley told me that she specifically remembered Draxler addressing the purchase of the tandem bike. DHS told the finance department that the tandem bike was purchased for a family DHS was working with to allow a child in the family to go for a bike ride. Boley could not recall who DHS provided this information to or if it was via email, through a phone call, or in person.

Boley was asked if she felt that DHS was spending money just to spend money or if she felt that someone was defrauding the county such as DHS staff making purchases for their own use. Boley stated that she and Williams had a conversation about this same topic when Boley was employed by the finance department. Boley and Williams both had concerns as there was no

proof that the item or items purchased went to the client, and there was no follow up by DHS supervisors, or finance to determine where the item went either. Boley was asked if she knew how purchases made or requested were processed internally by DHS. Boley stated that when she worked in finance most purchases were made by Zer Smith in DHS. Smith would receive a request for an item and order it such as through Amazon, and then Smith would forward the receipts to finance.

Deputy Voelker asked Boley if anyone implied to her that she should not be concerned about potential mismanagement or suspected fraud. Boley stated that someone from DHS, who Boley could not recall specifically, implied to her "this is our business we know what we're doing you shouldn't be questioning it". Boley was asked if she recalled how they implied or inferred this to her. Boley stated she was told that she was referred to as the "Nazi of the credit cards" because she was thorough in processing the credit card receipts and all credit card transactions. Boley did not know if the "Nazi of the credit cards" title came from DHS or other departments. Boley also discussed that she would receive "terse" emails regarding purchases including the purchase of the coat that she discussed earlier. Boley stated the "terse" email about the coat came from primarily Sue Schleppenbach.

Chelsey Mayer & Tammy Stelter Cisco Jabber Messages 06/16/20

File Name: cmayer Tuesday June 16 2020 - 251754
Jabber Message Content:
cmayer 6/16/2020 3:07:54 PM
We don't currently have something that stops someone from authorizing in Avatar do we? Like, if the budget is 100,000 and we have spent that, and someone goes to authorize out of the category- it doesn't tell them they can't

tammys 6/16/2020 3:09:07 PM
We used to but it became a major pain, so we decided it wasn't worth it.

The above messages were exchanged between Chelsey Mayer and Tammy Stelter who are two DHS fiscal employees. The messages between Mayer and Stelter are significant in that Stelter is telling a subordinate that systems and safeguards in the DHS fiscal software to alert or prevent a budget overage in DHS programs have been intentionally turned off or deactivated.²⁴

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Page 36](#)

Diane Cable Email Re: Trinity Equestrian Center Expenditures

A review of emails shows that on Monday June 22, 2020, at 9:07 am Diane Cable sent an email to Terri Bohl, Luke Fedie, and Tom Wirth.²⁵ The body of the email read:

"I would like to have a conversation with today, if possible regarding Trinity Equestrian and some questions from Board members."²⁶

The email from Cable contains a PDF attachment titled: "Trinity.pdf" The PDF contains a table listing a Grand total for Trinity Equestrian of \$314,890.68. See the illustration below.

Trinity Equestrian

Row Labels	Child	Adult	Total Clients	Total Costs
CCS	Adult		585	65,496.48
	Child		1236	245,559.32
Child Protective Services	Adult		1	648.87
	Child		6	1,603.74
CLTS	Child		11	1,344.00
Youth Services	Adult		1	238.27
Grand Total			1840	314,890.68

Sources: Appendix 249 - Selected Diane Cable Emails June 2020 Page: 155 / Appendix az - Eau Claire County Emails From Diane Cable / File: cede80ed1656922da344075e27484ea3.eml

²⁴ Source: Appendix 324 Selected Jabber Messages

²⁵ Appendix az - Eau Claire County Emails From Diane Cable / File: cede80ed1656922da344075e27484ea3.eml

²⁶ Appendix 249 - Diane Cable Selected Emails June 2020 Page(s): 143-144 / Appendix az - Eau Claire County Emails From Diane Cable / File: cede80ed1656922da344075e27484ea3.eml

As you can see the chart in the PDF file attachment sent by Cable, it listed an expenditure of \$314,890.68. There are then a series of emails exchanged between Cable and DHS staff with expenditure amounts and program participant numbers. In an email, Luke Fedie questions if the expenditure amount and the actual program participant numbers are accurate as he stated that was not what he recalled them to be. ²⁷

Program	# Clients	Total Costs
Child Protective Services	3	2,252.61
CCS - Adult	16	78,941.02
CCS - Child	41	321,301.27
CLTS/CCOP	3	1,514.00
Youth Services	1	238.27
Grand Total		404,247.17
CCS Service Array	Adult	Child
Indiv Skill Dev & Enhance	38,128.63	248,912.45
Wellness & Recovery	33,480.56	21,692.27
Travel	7,331.83	50,696.54
Total CCS	78,941.02	321,301.26
Youth Services		
Therapeutic Resources		238.27
Child Protective Services		
Therapeutic Resources		2,252.61
CLTS/CCOP		
Recreational Activities		1,020.00
Skill Building		494.00
Total CLTS/CCOP		1,514.00

Source: Appendix az - Eau Claire County Emails From Diane Cable / File: 36c1d21f9eff7f3d9623e8e1035744e4.eml

However, when the Cable PDF file is compared to a chart in a return email sent by Vickie Gardner to the group about 27 hours later Tuesday June 23, 2020, there is disagreement between the two charts, including the expenditure amounts, such that these charts need additional explanation by DHS staff. ²⁸


The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_36_37](#)

²⁷ Appendix 249 - Selected Diane Cable Emails June 2020 Pages: 153-155


²⁸ Appendix 249 - Diane Cable Selected Emails June 2020 Pages: 153-157

County Board Supervisor Stella Pagonis Interview

On June 23, 2020, Detective Greener, and Deputy Voelker interviewed County Board Supervisor Stella Pagonis. Pagonis told Detective Greener and Deputy Voelker that she also had concerns regarding DHS's continued budget overages and spending. Pagonis stated that on several different occasions, she, along with other County Board Supervisors, have requested financial information and other documents from DHS. Pagonis has been told on numerous occasions by Diane Cable that she will have to research Pagonis's and other County Board Supervisor's request and would supply them with the necessary information at a later date. Pagonis stated that typically they never receive the information or receive very limited information in regard to their request. Pagonis further told the affiant that she had to threaten to file a FOIA request on one occasion just to get the information that she was requesting. Pagonis stated that DHS's lack of transparency with the County Board Supervisors was concerning. 

June 23, 2020 County Board Meeting

On June 23, 2020, Detective Greener reviewed meeting minutes, an agenda packet, and a recording of the County Board Meeting which took place virtually through WebEx on June 16, 2020. ²⁹ A link to the documents and the recording is located on the Eau Claire County website specifically under the County Board section. In reviewing the agenda packet, affiant located a document titled **"2019 DHS Preliminary Budget to Actual Comparison by Program/Sub-Program"**. ³⁰ In reviewing the document, the document again showed DHS expenses and revenue for 2019. The document also showed the budgeted amount and actual transaction amounts for the expenses and revenues. Investigators reviewed the document and compared it to the financial statement presented at the Human Services Board meeting on May 18, 2020. ³¹ Investigators observed that again there were differences in the budgeted amounts, and in expenses shown at the top of the next page.

²⁹ <https://www.co.eau-claire.wi.us/home/showpublisheddocument/36944/637275656986230000> / Page: 12 

³⁰ <https://www.co.eau-claire.wi.us/home/showpublisheddocument/36944/637275656986230000> / Page: 12 

³¹ <https://www.co.eau-claire.wi.us/home/showpublisheddocument/36628/637251488868770000> / Page: 14 

Eau Claire County
Department of Human Services
Financial Statement Estimated for the Period
January 1, 2019 through December 31, 2019 Preliminary

Expense	YTD Net Budget	YTD Actual Transactions	Estimated Adjustments	Adjusted Total	Net Variance Excess (Deficient)
Overhead	817,623	757,045	-	757,045	60,578
Personnel	18,124,109	15,609,303	-	15,609,303	2,514,806
Services & Supplies	525,393	956,255	-	956,255	(430,862)
Purchased Services	11,935,363	18,055,343	94,988	18,150,331	(6,214,968)
Total	31,402,488	35,377,946	94,988	35,472,933	(4,070,445)

June 16, 2020 Financial Document Presented to County Board

Expense (YTD)Transactions	Year-to-Date (YTD) Net Budget	Year-to-Date
Overhead	\$817,623	\$757,045
Personnel	\$18,044,140	\$15,655,067
Services & Supplies	\$495,393	\$659,366
Purchased Services	\$11,935,363	\$19,075,112
TOTAL	\$31,292,519	\$36,146,590

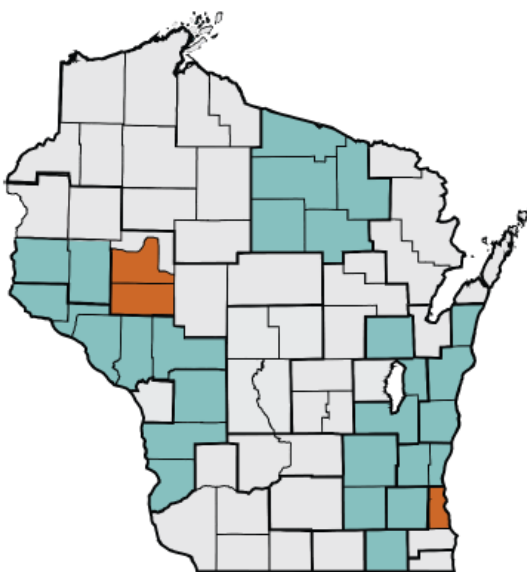
Source: <https://www.co.eau-claire.wi.us/home/showpublisheddocument/36944/637275656986230000> / Page: 12

As shown above there is a \$79,969 difference in the personnel budgeted amount, a \$30,000 difference in the services and supplies budgeted amount, and a \$163,973 reduction in reported services and supplies transactions in less than one month. Based on their training and experience, Detective Greener and Deputy Voelker are aware that an entity's budgeted amount for an expense line item is a fixed amount set prior to the beginning of the financial year and should not change throughout the year. Furthermore, based upon their training and experience in investigating financial crimes, they are aware that an entity or individual may sometimes falsify budget documents, and or financial statements and present these false documents and or financial statements to others to hide their illegal or questionable activity.

Detective Greener and Deputy Voelker also reviewed the recording of the meeting and during the meeting DHS Director Diane Cable presented on the DHS budgetary issues and stated one of the factors in DHS budget issues is due to the fact that “Eau Claire County has the second highest poverty rate in Wisconsin and over the past five years especially the impact of mental illness and mental health issues, methamphetamine, opioids, alcohol abuse and other drugs have truly significantly impacted our community and I know this isn't anything you don't already know.

Poverty Research

Deputy Voelker located a document published online by University of Wisconsin Institute for Research on Poverty, and WISCAP. The document was titled “Wisconsin Poverty Report: Treading Water in 2017.”³²



Source: Appendix 266 - Institute for Research on Poverty Report 9-27-18

In reviewing the document Eau Claire County and approximately two thirds of Chippewa County’s populations are combined. The report indicates that the combined population has a “Higher than state poverty rate” along with Milwaukee County. While the report lists data thirteen individual counties, Eau Claire County is only listed in a fifteen-county data set titled: “multicounty area” where Eau Claire County is listed as: “Eau Claire and Chippewa (South).”³³

³² Appendix 265 - Who is Poor in Wisconsin / File: Appendix 265 - WI-PovertyReport2019 Page: 26



³³ Appendix 265 - Who is Poor in Wisconsin / File: Appendix 265 - WI-PovertyReport2019 Page: 26




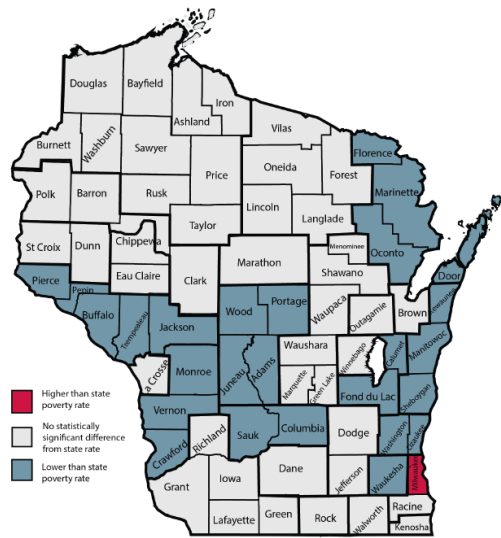
Multicounty Area

Washington & Ozaukee (West Bend)	3.6	2.2	5.1	Lower
Sauk & Columbia (Baraboo)	10.0	6.6	13.4	NS
Dodge & Jefferson	7.4	5.6	9.2	Lower
Manitowoc & Kewaunee	6.1	4.4	7.9	Lower
Fond du Lac & Calumet	6.9	4.1	9.7	Lower
St. Croix & Dunn	5.2	3.2	7.2	Lower
Eau Claire & Chippewa (South)	14.4	11.6	17.1	Higher
Barron, Polk, Clark & Chippewa (North)	12.2	9.2	15.2	NS
Marinette, Oconto, Door & Florence	9.5	7.2	11.8	NS
Central Sands—Wood, Portage, Juneau & Adams	10.4	8.0	12.7	NS
Oneida, Lincoln, Vilas, Langlade & Forest	6.4	4.7	8.1	Lower
Grant, Green, Iowa, Richland & Lafayette	8.7	6.7	10.7	NS
East Central Wisconsin	10.0	8.1	12.0	NS
West Central Wisconsin—Northern Mississippi Region	8.1	6.6	9.6	Lower
Northwest Wisconsin	11.0	9.0	13.0	NS
State Total	10.2	9.7	10.7	

Source: Appendix 265 - Who is Poor in Wisconsin / File: Appendix 265 - WI-PovertyReport2019 Page: 26

Deputy Voelker also located another study published online by University of Wisconsin Institute for Research on Poverty on September 27, 2018. The report indicates that the combined populations of Eau Claire and Chippewa Counties had “No statistically difference from the state rate”, meaning that the poverty level in Eau Claire County is no more than the overall state rate of 10.8%. ³⁴

³⁴ Appendix 266 - Institute for Research on Poverty Report 9-27-18 Page: 3 



(<https://www.irp.wisc.edu/wp-content/uploads/2018/09/WIPovRpt-2016-Fig4.png>)

Source: Appendix 266 - Institute for Research on Poverty Report 9-27-18 Page: 3

Deputy Voelker further obtained several “Asset Limited, Income Constrained, Employed,” or (A.L.I.C.E) reports compiled published by United Way regarding poverty levels in State of Wisconsin, sorted by county. ³⁵ Screenshots of “A.L.I.C.E.” data for Eau Claire County from these three reports appears below. To help explain the center column figures, they are the “total households” that meet the ALICE criteria.

Eau Claire	40,277	40%
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Source: Appendix 274 - **2016** United Way - Alice Report Page: 7

Eau Claire	41,312	42%
------------	--------	-----

Source: Appendix 275 - **2018** United Way - Alice Report Page: 5

Eau Claire	40,421	35%
------------	--------	-----

Source: Appendix 276 - **2020** United Way - Alice Report Page: 4

³⁵ Sources: Appendix 274 - **2016** United Way - Alice Report / Appendix 275 - **2018** United Way - Alice Report / Appendix 276 - **2020** United Way - Alice Report 

Deputy Voelker reviewed the reports and observed that there was 5% increase in the poverty level from 2016-2018 in Eau Claire County, a 20% decrease in 2018-2020, and a 14% decrease from 2016-2020.³⁶

In the “Health and Social Services” - Human Services section summary with the Eau Claire County 2020 adopted budget, there is the following statement that reads in part:

“The County is also one of the three counties in the State with a significantly higher poverty rate than the rest of the State (Eau Claire, Chippewa, and Milwaukee Counties, according to the University of Wisconsin Madison (sic) Institute for Research on Poverty). As a result of community need, Eau Claire County is experiencing an operation and fiscal impact.”³⁷

Again, the reader’s attention is called to: Appendix 265 - Who is Poor in Wisconsin / File: Appendix 265 - WI-Poverty Report 2019, referred to in the paragraphs above. Based upon this information Cable made an inaccurate or false statement regarding the poverty level of Eau Claire County. Detective Greener and Deputy Voelker are aware based upon their training and experience regarding internal investigations and financial crimes that those involved in illegal or questionable activity will occasionally make false statements to hide their illegal or questionable activity.

The below link is Cable’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_38_43](#)

³⁶ Sources: Appendix 274 - **2016** United Way - Alice Report Page: 7 / Appendix 275 - **2018** United Way - Alice Report Page: 5 / Appendix 276 - **2020** United Way - Alice Report Page: 4

³⁷ <https://www.co.eau-claire.wi.us/home/showpublisheddocument/33779/637139018735800000> / Page 33

Diane Cable Email to Supervisor Wilkie 06/26/20

On Friday June 26, 2020, at 4:11 pm, Diane Cable sends an email with a PDF file attachment to Gerald Wilkie, Cc Kathryn Schauf, Samantha Kraegenbrink and Nick Smiar: “Hello Supervisor Wilkie, Attached is our response to your question regarding services with Trinity Equestrian. I have asked Samantha to forward this information to all County Board Supervisors, per discussion at the most recent County Board. Please contact me if you have any questions. Have a nice weekend. Diane” ³⁸ Three minutes later Cable asks Kraegenbrink to email the same PDF file attachment to the County Board Supervisors. The relevant portion of the PDF file appears below.

Number of Program Participants (Unduplicated) for 2019)

	Adults	Children	Total
No. of Clients	16	40	56

Source: Appendix 249 - Diane Cable Selected Emails June 2020 Pages: 159-162

Next, compare the three sets of data in the screenshot compilation below.

Trinity Equestrian

Row Labels	Child	Adult	Total Clients	Total Costs
CCS	Adult		585	65,496.48
	Child		1236	245,559.32
Child Protective Services	Adult		1	648.87
	Child		6	1,603.74
CLTS	Child		11	1,344.00
Youth Services	Adult		1	238.27
Grand Total			1840	314,890.68

Program	# Clients	Total Costs
Child Protective Services	3	2,252.61
CCS - Adult	16	78,941.02
CCS - Child	41	321,301.27
CLTS/CCOP	3	1,514.00
Youth Services	1	238.27
Grand Total		404,247.17

Number of Program Participants (Unduplicated) for 2019)

	Adults	Children	Total
No. of Clients	16	40	56

Source: **TOP:** Appendix 249 - Selected Diane Cable Emails June 2020 Page: 155 / **CENTER:** Vickie Gardner email 6/23/2020 12:41 PM / **BOTTOM:** Appendix 249 - Diane Cable Selected Emails June 2020 Pages: 159-162

³⁸ [Emails/diane.cable@co.eau-claire.wi.us_FROM_RawEmail/Intradyn/index.html](mailto:diane.cable@co.eau-claire.wi.us_FROM_RawEmail/Intradyn/index.html) / 335968b907c23f6f0dca9159a0398a59.eml

Eau Claire County Purchasing Manager Greg Bowe Interview

On June 29, 2020 Detective Greener interviewed Greg Bowe who was the Purchasing Manager for Eau Claire County. During the interview, Detective Greener asked Bowe if there was a purchasing policy in place for DHS. Bowe stated that DHS did not have their own purchasing policy specific to their department and are covered by the entire countywide purchasing policy. Bowe stated the purchasing policy is enforced by the purchasing and finance department. Bowe further stated that DHS is unique in that DHS authorizes their own purchases through DHS finance and their purchases are not authorized or approved by county finance or county purchasing.

Bowe stated that the policy outlines that P-cards are to be used for lower dollar amount purchases, sets the credit limits and daily limits, which varies by department and personnel, and outlines what items may or may not be purchased using a P-card. Bowe also stated that there is specific language in the policy indicates that it was the requirement of the P-card holder to make fiscally responsible purchases which includes purchasing the least expensive item that meets the specified requirement. Detective Greener asked Bowe if that P-card policy was in place prior to his employment with the county or if it was a policy he developed. Bowe explained that the policy was in place, and he revised it as the old P-card policy Bowe felt left too much for "interpretation". Bowe stated upon updating the P-Card policy he had meetings and trainings with DHS's entire staff that had P-cards and trained them on the new policy and what was considered appropriate and inappropriate P-card purchases. Bowe estimated that DHS had 15-20 different P-cards. Bowe stated the purchasing policy is enforced by the purchasing and finance department.

Detective Greener asked Bowe if he knew who within DHS or DHS finance authorizes or handles the purchases. Bowe stated that in the past he had worked with Vickie Gardner who was one of the supervisors within DHS. Bowe further stated that he worked with Vickie Gardner when he revised the P-card policy approximately one year ago. Bowe stated that he involved Gardner in the policy process as purchases DHS makes on their P-cards are unique and vary from other departments. Bowe was asked if the P-card policy was an entire county wide policy or if DHS had their own P-card policy. Bowe stated that there is only one P-card policy, and it applies to DHS and every county department.

Detective Greener asked Bowe if the policy includes that receipts must be turned in with purchases. Bowe stated yes. Bowe explained that when a department purchases an item the purchases are supposed to be reviewed by a supervisor and then the receipts are to be forwarded to the purchasing department. When purchasing receives the receipts the receipts are compared to the P-card statements and every transaction for every department is entered into a spreadsheet. Bowe was asked if DHS was required to turn in receipts as other county departments are required to. Bowe stated that DHS does not turn in receipts and DHS's justification was that it would be a

HIPPA violation. This includes receipts for hotels, travel, or training. DHS keeps all their receipts and documentation within DHS due to these reasons. Bowe further stated the only time DHS will provide anything is if a DHS P-card holder is randomly selected for an audit. Bowe stated when a DHS P-card holder is selected he contacts DHS who then sends over a redacted purchase request form, which contains a supervisor's signature and the justification for each transaction.

Detective Greener asked Bowe if during audits of DHS purchases if there were any transactions that he felt were questioned or suspicious transactions. Bowe stated that there have been "a lot" of purchases that he has questioned and has had conversations with Norb Kirk, Eau, about the questioned transactions.

Bowe has also considered not allowing DHS to purchase expensive items on a P-card but is hesitant to not allow it as DHS would then handle their own purchase orders and bids within their own finance department. Bowe was concerned that if they could no longer use their P-cards that the county would never be aware of what they were purchasing. Bowe further explained that DHS routinely uses a document referred to as a CCOP funding guideline to justify their purchases. Bowe stated he has reviewed this document on several occasions and stated that if the item DHS is purchasing provides some sort of therapeutic service, or integration into the community that they could purchase it and be reimbursed by the state. Bowe felt that several purchases made by DHS could not be justified by using CCOP funding based upon his interpretation of the CCOP funding language. Bowe provided several examples including the purchase of a \$1800 swimming pool, a \$650 tricycle, trampolines, annual memberships to Action City, and musical instruments including a violin and an \$829 piano.

Detective Greener asked Bowe if he had conversations with anyone regarding the above purchases. Bowe stated that Nancy Williams immediately noticed the transaction involving the swimming pool which was purchased the first part of June 2020. Williams brought the purchase of the pool to Bowe's attention and Bowe immediately contacted DHS who provided him with the justification form. The justification form indicated that the child the pool was being purchased for could not have access to Fairfax pool, or the Metropolis Resort due to COVID-19 closures and concerns. The form indicated that the family of the child requested an alternate and the pool was bought so the child could exercise. Detective Greener asked Bowe if he has had a conversation with anyone else such as Kathryn Schauf regarding the swimming pool.

Bowe told him no but that the first part of January 2020 is when the \$829 piano was purchased, and he and Kirk brought it to Schauf's attention. Bowe and Kirk had a conversation with Schauf as to why DHS was purchasing the item and how it could be approved. Schauf told Bowe that DHS can purchase certain items and the decisions are made by DHS based upon the case file of the client and that the purchase was authorized and funded by grant money. Schauf also told Bowe that purchasing should not "handcuff" DHS from doing their job. Detective Greener asked Bowe if he knew if Schauf followed up with anyone regarding the purchase he

told her about Bowe explained that Schauf was okay with the purchase and did not know if she spoke to anyone regarding it.

Bowe also stated that he, Kirk, Schauf and Cable had met to discuss DHS's purchases. Bowe stated that he and Norb Kirk addressed the purchase of the pool and other similar recreational purchases made by DHS. Cable explained during the meeting that CCOP funding, along with CLTS funding, which is also utilized by DHS, requires DHS to submit documentation to the state of the client's disability, what service DHS is providing, and what DHS' plan is to achieve a desirable outcome. Cable further explained that if the client is accepted into the CCOP, or CLTS program, and if the state approves DHS's plan, that any purchases made for the client are reimbursed through CCOP and CLTS funding.

Detective Greener asked Bowe if the plan that is submitted to the state includes documentation that DHS is going to achieve an outcome such as buying a client a swimming pool. Bowe stated he also asked that specific question at the meeting and Cable stated at the meeting that the items they intend to purchase are not included in the plan that they submit to the state. Detective Greener asked Bowe if he knew if CCOP or CLTS reimburses the entire purchase amount or if they only reimburse a percentage with the county being responsible for the rest. Bowe stated that a set amount is actually allocated to each county based upon population. Bowe stated that whatever amount of money the county is allocated it is their money to use for CCOP and CLTS approved purchases.

Detective Greener asked Bowe if there was any input or direction from Schauf during the meeting. Bowe stated that the only input Schauf provided is when he clarified with her what his role was and if he should be questioning or auditing purchases made by DHS. Schauf told Bowe that he should not be questioning purchases and his role was to ensure that the processes were followed. This included that the purchase being approved by a DHS supervisor, the approval form was filled out and signed, and that receipts were present.

Detective Greener also asked Bowe if those processes still entailed ensuring that the cheapest item was purchased which met the minimum standard as outlined in the P-Card policy. Bowe told me that part of this P-card Policy was also discussed at the meeting. Cable told Bowe that their justification for not abiding by this part of the policy was due to the fact that it benefits the client when DHS purchases an item that the client picked out or prefers or would be more comfortable with. Cable further told Bowe that the particular swimming pool was purchased for this reason. Cable also made a statement reference this similar to "There is a therapeutic benefit to giving people what they want."

Detective Greener also asked Bowe if he felt that people involved within DHS were doing something nefarious such as committing fraud, or if he thought that DHS staff was making a lot of unnecessary or questionable purchases. Bowe explained that he is a suspicious person and did not think that DHS staff was committing fraud. However, Bowe stated that when he receives the authorization form regarding a purchase, DHS redacts so much information

(including the address of the client) that if someone within DHS was to order something for personal use and have it shipped to themselves, Bowe would never know.

Bowe also believed that DHS had a culture of purchasing expensive items for clients because DHS has done it for so long without it being addressed. Bowe further stated that DHS has also violated the P-card policy on numerous occasions by not abiding by the language that indicates they are to purchase the least expensive item that meets the requirement. Bowe further stated that on one occasion, there were 30 different variations of an item that met the specified requirement, and those items were less expensive than the item they purchased.

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_45_48](#)

After Bowe's interview Bowe provided Detective Greener, and Deputy Voelker with electronic spreadsheets of DHS purchases between 2017-2020. The following pages are just a small sample size of questionable non-client related purchases by DHS.

American Airlines Purchase 11/30/18

107	52	ZER SMITH	**1199	11/30/2018	\$	31.78	AMERICAN AIR0010637203549						
108	52	ZER SMITH	**1199	11/30/2018	\$	597.40	AMERICAN AIR0012323864082						

On 11/30/18 there were two airline tickets purchased from American Airlines. The flight departed MSP on December 10, 2018, to Phoenix and returned to MSP on December 11th. One of the travelers was a DHS employee, Nicholas Schneider. The questionable transaction with this purchase is the \$31.78 transaction.

American Airlines advised that this transaction was an additional "seat charge" for Schneider and may be associated with an upgrade.

*****This purchase information was provided to the county attorneys for a possible county policy violation*****

The Lismore Hotel Purchase 03/01/19

10	52	SUSAN SCHLEPPENBACH	**6808	3/1/2019	\$	556.00	THE LISMORE BY DBLTREE	\$	556.00	19	205	52	54500	Joxel
11	52	SUSAN SCHLEPPENBACH	**6808	3/1/2019	\$	556.00	THE LISMORE BY DBLTREE	\$	556.00	19	205	52	54500	Joxel

On 03/01/19 there were two separate charges of \$556.00 at the Lismore in Eau Claire.

Documents were obtained from the Lismore which indicated there were two guests from Joxel and the room rate for each night was \$139.00

In reviewing data obtained from ALIO, the county's accounting system, it was determined that these hotel stays were paid for by using family crisis funds. Joxel is a vendor DHS was working with at the time to streamline their billing processes. Family crisis funds are met to be used for families experiencing a crisis, not to pay for vendor hotel stays.³⁹

Acct. Year	19	Previous Year Info.		Description		FAMILY CRISIS FUNDS											
Sum	Bud	Meas	Open Enc	Enc Detail	All Enc	Checks	Unpost Pay	Unprt Pay	Pre AJE	AJE	RecInv	Req	Pre WHS	WHS	Pre RTB	P-Card	
Reference No	Date	User	Description					Batch	Period	Amount							
DB5001	05-22-19	DBUCKLI	PC1199_05/14/2019_IN *GORILLA_Crisis SS					19000930	05	169.00							
DB5001	05-22-19	DBUCKLI	PC1199_05/14/2019_IN *GORILLA_Crisis ML					19000930	05	169.00							
DB5001	05-22-19	DBUCKLI	PC0610_05/06/2019_PYL*E AND B_App fee					19000930	05	23.55							
DB5001	05-22-19	DBUCKLI	PC8614_04/26/2019_E&G - 1010					19000930	05	127.81							
DB4003	04-24-19	DBUCKLI	PC1199_04/18/2019_ICOLUTIONS_JP					19000753	04	23.10							
DB4003	04-24-19	DBUCKLI	PC8614_03/28/2019_MOTEL 6 #49_Crisis					19000753	04	217.00							
DB4003	04-24-19	DBUCKLI	PC0651_04/05/2019_MOTEL 6 #49_ClnLdg SS					19000753	04	297.87							
DB4003	04-24-19	DBUCKLI	PC0651_04/12/2019_MOTEL 6 #49_ClnLdg SS					19000753	04	274.14							
DB4003	04-24-19	DBUCKLI	PC0651_04/17/2019_RODEWAY INN_ClnLdg SS					19000753	04	395.00							
DB4003	04-24-19	DBUCKLI	PC0644_04/08/2019_MCHS LUTHER_Crisis					19000753	04	317.78							
DB4003	04-24-19	DBUCKLI	PC1199_04/08/2019_VPS CLAIRE_Cert Fee					19000753	04	1.03							
DB4003	04-24-19	DBUCKLI	PC1199_04/08/2019_EAU CLAIRE_Cert Fee					19000753	04	43.00							
DB3002	03-22-19	DBUCKLI	PC1199_02/26/2019_EAU CLAIRE_Fee PH					19000572	03	36.00							
DB3002	03-22-19	DBUCKLI	PC1199_02/26/2019_TURNKEY COR_Fee PH					19000572	03	8.95							
DB3002	03-22-19	DBUCKLI	PC1199_03/14/2019_SQ *WAUSAU_Passes TX					19000572	03	100.00							
DB3002	03-22-19	DBUCKLI	PC6808_02/19/2019_RESERVATION_ClnLdg					19000572	03	116.06							
DB3002	03-22-19	DBUCKLI	PC6808_03/01/2019_THE LISMORE_Joxel					19000572	03	556.00							
DB3002	03-22-19	DBUCKLI	PC6808_03/01/2019_THE LISMORE_Joxel					19000572	03	556.00							
DB3002	03-22-19	DBUCKLI	PC6808_03/01/2019_EAU CLAIRE_BC					19000572	03	46.00							
DB3002	03-22-19	DBUCKLI	PC6808_03/01/2019_VPS CLAIRE_BC					19000572	03	1.10							
										Amount	7,179.70						

³⁹ Source: American Airlines Purchase Appendix Z-December P Card Transactions-2018

Source: The Lismore Hotel Purchase Appendix AC-March P Card Transactions-2019

Account No 19-205-52-54500-306-100 Account Period Range: 00

Acct. Year 19 Previous Year Info. Description FAMILY CRISIS

Sum Bud Meas Open Enc Enc Detail All Enc Checks Unpost Pay Unprt Pay Pre AJE AJE

Reference No	Date	User	Description	E
DB5001	05-22-19	DBUCKLI	PC1199_05/14/2019_IN *GORILLA Crisis SS	19
DB5001	05-22-19	DBUCKLI	PC1199_05/14/2019_IN *GORILLA Crisis ML	19
DB5001	05-22-19	DBUCKLI	PC0610_05/06/2019_PYL*E AND B App fee	19
DB5001	05-22-19	DBUCKLI	PC8614_04/26/2019_E&G - 1010	19
DB4003	04-24-19	DBUCKLI	PC1199_04/18/2019_ICSOLUTIONS JP	19
DB4003	04-24-19	DBUCKLI	PC8614_03/28/2019_MOTEL 6 #49 Crisis	19
DB4003	04-24-19	DBUCKLI	PC0651_04/05/2019_MOTEL 6 #49 ClntLdg SS	19
DB4003	04-24-19	DBUCKLI	PC0651_04/12/2019_MOTEL 6 #49 ClntLdg SS	19
DB4003	04-24-19	DBUCKLI	PC0651_04/17/2019_RODEWAY INN ClntLdg SS	19
DB4003	04-24-19	DBUCKLI	PC0644_04/08/2019_MCHS LUTHER Crisis	19
DB4003	04-24-19	DBUCKLI	PC1199_04/08/2019_VPS CLAIRE Cert Fee	19
DB4003	04-24-19	DBUCKLI	PC1199_04/08/2019_EAU CLAIRE Cert Fee	19
DB3002	03-22-19	DBUCKLI	PC1199_02/26/2019_EAU CLAIRE Fee PH	19
DB3002	03-22-19	DBUCKLI	PC1199_02/26/2019_TURNKEY COR Fee PH	19
DB3002	03-22-19	DBUCKLI	PC1199_03/14/2019_SQ *WAUSAU Passes TX	19
DB3002	03-22-19	DBUCKLI	PC6808_02/19/2019_RESERVATION ClntLdg	19
DB3002	03-22-19	DBUCKLI	PC6808_03/01/2019_THE LISMORE Joxel	19
DB3002	03-22-19	DBUCKLI	PC6808_03/01/2019_THE LISMORE Joxel	19
DB3002	03-22-19	DBUCKLI	PC6808_03/01/2019_EAU CLAIRE BC	19
DB3002	03-22-19	DBUCKLI	PC6808_03/01/2019_VPS CLAIRE BC	19

The screenshot above is from a document provided to us by Attorney White on November 18, 2020 as part of a records request. As the reader can see it is identical to the screenshot on the previous page. The only difference is that it someone internally from DHS circled the transactions for the Lismore Hotel pertaining to Joxel, and that individual also appears to be also questioning why these transactions were charged to Family Crisis.



THE LISMORE EAU CLAIRE - A DOUBLETREE BY
HILTON
333 GIBSON STREET
EAU CLAIRE, WI 54701
United States of America
TELEPHONE 715-835-8888 • FAX 715-318-6368
Reservations
www.hilton.com or 1 800 HILTONS

GILLEN, LISA

4700 AUTUMN TRL

RICHFIELD WI 53076
UNITED STATES OF AMERICA

Room No: 502/NQR
Arrival Date: 2/25/2019 11:52:00 AM
Departure Date: 3/1/2019 7:10:00 AM
Adult/Child: 1/0
Cashier ID: CAHE
Room Rate: 139.00
AL:
HH # 689097151 SILVER
VAT #
Folio No/Che 99755 A

Confirmation Number: 91153337

THE LISMORE EAU CLAIRE - A DOUBLETREE BY HILTON 12/17/2020
12:21:00 PM

DATE	REF NO	DESCRIPTION	CHARGES
2/25/2019	338785	GUEST ROOM EXEMPT	\$139.00
2/26/2019	339168	GUEST ROOM EXEMPT	\$139.00
2/27/2019	339666	GUEST ROOM EXEMPT	\$139.00
2/28/2019	340043	GUEST ROOM EXEMPT	\$139.00
3/1/2019	340263	VS *6808	(\$556.00)
BALANCE			\$0.00



THE LISMORE EAU CLAIRE - A DOUBLETREE BY
HILTON
333 GIBSON STREET
EAU CLAIRE, WI 54701
United States of America
TELEPHONE 715-835-8888 • FAX 715-318-6368
Reservations
www.hilton.com or 1 800 HILTONS

RAGETH, SHELLY

XX

X WI 00000

UNITED STATES OF AMERICA

Room No: 412/NQR
Arrival Date: 2/25/2019 11:50:00 AM
Departure Date: 3/1/2019 7:30:00 AM
Adult/Child: 1/0
Cashier ID: CAHE
Room Rate: 139.00
AL:
HH #
VAT #
Folio No/Che 100217 A

Confirmation Number: 53222828

THE LISMORE EAU CLAIRE - A DOUBLETREE BY HILTON 12/17/2020
12:22:00 PM

DATE	REF NO	DESCRIPTION	CHARGES
2/25/2019	338775	GUEST ROOM EXEMPT	\$139.00
2/26/2019	339158	GUEST ROOM EXEMPT	\$139.00
2/27/2019	339656	GUEST ROOM EXEMPT	\$139.00
2/28/2019	340032	GUEST ROOM EXEMPT	\$139.00
3/1/2019	340279	VS *6808	(\$556.00)
BALANCE			\$0.00


The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_49_52](#)

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Hyatt Regency Washington D.C.

On April 12, 2019, there were two separate transactions at the Hyatt Regency in Washington D.C. One transaction was \$901.21 and the second was \$472.01. Hyatt Regency Washington on Capitol Hill was contacted and advised that the room was a single room for one guest. The guest's name was Diane Cable. The \$901.21 charge was for two nights 04/09-04/10/19 at \$499 for the first night and \$285 for the second night. The \$472.01 was for a third night which was at the request of Diane Cable. The reader should note that on the receipt there were also Hyatt Reward points earned as part of this stay and awarded to a pre-existing Hyatt Rewards Member. The reader also should be aware that at the time of this booking DHS already had a budget deficit of \$654,477 according to their financial statements.⁴⁰

World of Hyatt Summary			
	Membership: XXXXXX031K Bonus Codes: Qualifying Nights: 3 Eligible Spend: 1,194.62 Redemption Eligible: 0.00	Hyatt Regency Washington on Capitol Hill 400 New Jersey Avenue North West Washington, DC 20001 Tel: 202-737-1234 Fax: 202-737-5773 www.hyattregencywashington.com	
INVOICE			
Diane Cable Eau Claire County Department O 721 Oxford Avenue Eau Claire WI 54703 United States		Room No. 0357 Arrival 04-09-19 Departure 04-12-19 Folio Window 2 Folio No. 1473481	
Confirmation No. 2345206901 Group Name			
Date	Description	Charges	Credits
04-09-19	Group Room	499.00	
04-09-19	Occupancy Tax	74.60	
04-10-19	Group Room	285.00	
04-10-19	Occupancy Tax	42.61	
04-18-19	Visa XXXXXXXXXXXXX6808 XX/XX		901.21
Total		901.21	901.21

⁴⁰ Source: Appendix AD-April P Card Transactions-2019

Source: Appendix 241-Hyatt Regency Washington D.C. Information

World of Hyatt Summary			
		Membership: XXXXXX031K Bonus Codes: Qualifying Nights: 3 Eligible Spend: 1,194.62 Redemption Eligible: 0.00	Hyatt Regency Washington on Capitol Hill 400 New Jersey Avenue North West Washington, DC 20001 Tel: 202-737-1234 Fax: 202-737-5773 www.hyattregencywashington.com
		Summary Invoice, please see front desk for eligibility details.	
INVOICE			
Diane Cable 721 Oxford Ave Eau Claire WI 54703 United States		Room No. 0357 Arrival 04-09-19 Departure 04-12-19 Folio Window 1 Folio No.	
Confirmation No. 2345206901 Group Name			
Date	Description	Charges	Credits
04-11-19	Accommodation	410.62	
04-11-19	Occupancy Tax	61.39	
04-18-19	Visa XXXXXXXXXXXXXXX6808 XX/XX		472.01
Total		472.01	472.01
Guest Signature		Balance	0.00

*****This purchase information was provided to the county attorneys for a possible county policy violation*****

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Hyatt Regency Minneapolis

On April 23, 2019, there were 30 separate transactions which totaled \$2812.38 at Hyatt Regency in Minneapolis. Hyatt Regency provided Detective Greener and Deputy Voelker with 22 records for these transactions. Based upon the names provided by Hyatt Regency there were 15 female DHS employees who stayed in separate hotel rooms for a one-night stay, and 6 adult males who also stayed in separate rooms for a one-night stay. There were also Hyatt Reward points earned for several of the hotel rooms.

65	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	159.30	HYATT REGENCY MINNEAPOLI	\$	47.79	19	205	52	54300	tng
66	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	159.30	HYATT REGENCY MINNEAPOLI	\$	31.86	19	205	52	54981	tng
67	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	159.30	HYATT REGENCY MINNEAPOLI	\$	79.65	19	205	52	54980	tng
38	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	103.55	HYATT REGENCY MINNEAPOLI	\$	103.55	19	205	52	52742	TNG
39	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54980	tng
40	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	46.87	19	205	52	54321	tng
41	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	46.87	19	205	52	54326	tng
42	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	11.72	19	205	52	54320	tng
43	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	11.71	19	205	52	54320	tng
44	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54980	tng
45	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	58.59	19	205	52	54500	tng
46	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	58.58	19	205	52	54541	tng
47	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54321	tng
48	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54320	tng
49	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54327	tng
50	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54410	tng
51	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54410	tng
52	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54500	tng
53	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54500	tng
54	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	11.72	19	205	52	54330	tng
55	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	105.45	19	205	52	54500	tng
56	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54500	tng
57	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	159.30	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	52742	tng
58	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	159.30	19	205	52	54980	tng
59	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54326	tng
60	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54326	tng
61	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54300	tng
62	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	58.59	19	205	52	54326	tng
63	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	58.58	19	205	52	54330	tng
64	52	SUSAN SCHLEPPENBACH	**6808	4/23/2019	\$	117.17	HYATT REGENCY MINNEAPOLI	\$	117.17	19	205	52	54326	tng

*****This purchase information was provided to the county attorneys for a possible county policy violation*****

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⁴¹ Source: Appendix AD-April P Card Transactions-2019



Source: Appendix 245-Hyatt Regency Minneapolis Information





Hyatt Regency Minneapolis
1300 Nicollet Mall
Minneapolis, MN 55403
Tel: 1-612-370-1234
Fax: 1-612-370-1463
www.minneapolis.hyatt.com

INVOICE

Sue Schleppenbach
721 Oxford Ave
Eau Claire WI 54703
United States

Room No. 1528
Arrival 04-22-19
Departure 04-23-19
Folio Window 1
Folio No. 1002386

Confirmation No. 2931694901
Group Name
Booking No. JS7ZT4

Date	Description		Charges	Credits
04-22-19	Parking Valet	711	39.00	
04-22-19	Miscellaneous Sales Tax		3.13	
04-22-19	Guest Room		103.55	
04-22-19	Occupancy Tax		13.62	
04-23-19	Visa	XXXXXXXXXXXX6808 XXX/XX		159.30
Total			159.30	159.30

Guest Signature

Balance

0.00

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

WE HOPE YOU ENJOYED YOUR STAY WITH US!

World of Hyatt Summary

Membership: XXXXXXX198D
Bonus Codes:
Qualifying Nights: 1
Eligible Spend: 142.55
Redemption Eligible: 42.13

Summary Invoice, please see front desk for eligibility details.

Thank you for choosing the Hyatt Regency Minneapolis. We enjoyed having you as our guest. If, for any reason, we fell short of your expectations we want to know about it. Please call our Quality Assurance Department at 612-598-4885 or send your comments to qualitymsprn@hyatt.com. Once again, thank you, we appreciate the opportunity to serve you.

For inquiries concerning your bill please call 405-812-4111.


Please remit payment to: Hyatt Regency Minneapolis
PO Box 880122
Minneapolis, MN 55488-0122

It was determined during this investigation, that these hotel stays were associated with a training at ALIA in St. Paul Minnesota. ALIA's headquarters is located 85.5 miles of approximately 1 hour and 23 minutes from the courthouse. ALIA will be discussed in detail later in this report.

Kalahari Wisconsin Dells

On April 25, 2019, there was a \$367.97 transaction at Kalahari Resort in Wisconsin Dells. Kalahari staff informed us that this transaction was associated with a three-night stay for one guest, DHS employee, [REDACTED]. The issue with this transaction was at the time of reservation the request was made for a whirlpool suite. The nightly rate was \$149.99. ⁴²

Page No. 1 of 1



Guest Name: [REDACTED]
 Wisconsin Association of Treatment Court Professionals
 721 Oxford Ave
 Eau Claire, WI 54703

Room #: 4319
 Conf #: R32LTCWLL
 Group #: 41678
 Guests: 1
 C/O Clerk: OLGA

Arrived: 05/07/19
Arrival Time: 08:10 PM
Depart Date: 05/10/19
C/O Time 12:12 PM
Status: HIST


Date	Description	Reference	Comment	Charges	Credits
04/12/2019	PAY VISA	04129530	*****3994 006442		(\$82.00)
04/25/2019	DEP VISA	04258030	*****3994 035709		(\$367.97)
05/07/2019	ROOM REVENUE	4319		\$149.99	
05/08/2019	ROOM REVENUE	4319		\$149.99	
05/09/2019	ROOM REVENUE	4319		\$149.99	

Folio Balance: \$0.00

⁴² Source: Appendix AD-April P Card Transactions-2019

Source: Appendix 242-Kalahari Resort Information

Gaylord National Washington D.C.

On May 16-18, 2019, there were six different transactions at Gaylord National Resort in Washington D.C. The total of these transactions was \$4,866.78. Gaylord National was unable to provide us with any documentation for the transactions. Again, DHS was already overbudget when these transactions occurred. 

Dept	Name	Acct	Trans Date	Posting Date	Transaction Amount	Sales Tax	Merchant Name	Amount	Year	Fund	Dept	Account	Obj	Proj	Description
S2	VICKIE GARDNER	**4119	5/18/2019	5/20/2019	\$ 757.00	\$ -	GAYLORD NATIONAL F/D	757.00	19	205	52	54980	340	100	Conf SN
S2	VICKIE GARDNER	**4119	5/18/2019	5/20/2019	\$ 514.64	\$ -	GAYLORD NATIONAL F/D	514.64	19	100	08	51440	340	100	Conf WC
S2	VICKIE GARDNER	**4119	5/16/2019	5/17/2019	\$ 888.54	\$ -	GAYLORD NATIONAL F/D	888.54	19	205	52	54980	340	100	Conf SN
S2	VICKIE GARDNER	**4119	5/16/2019	5/17/2019	\$ 878.52	\$ -	GAYLORD NATIONAL F/D	878.52	19	205	52	54980	340	100	Conf TW
S2	VICKIE GARDNER	**4119	5/16/2019	5/17/2019	\$ 878.52	\$ -	GAYLORD NATIONAL F/D	878.52	19	205	52	54980	340	100	Conf VG
S2	VICKIE GARDNER	**4119	5/16/2019	5/17/2019	\$ 949.56	\$ -	GAYLORD NATIONAL F/D	949.56	19	100	08	51440	340	100	Conf WC
					\$ 4,866.78			4866.78							

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Pages 53 58](#)

Glenda Lyons Interview 06/24/20

On June 24, 2020, Detective Greener and Deputy Voelker Interviewed Eau Claire County Treasurer Glenda Lyons and Melissa Wilson. After the interview with investigators, Lyons provided a quantity of Treasurer's Office records that included, reimbursement deposit documentation received by DHS for the years 2017-2019. Along with this information, Lyons also provided Local Government Investment Pool (LGIP- a governmental investment pool for public funds) reimbursement information, window transactions receipts, and numerous emails between Treasurer staff and DHS fiscal staff.

Detective Greener and Deputy Voelker reviewed this information and observed within the emails thirty-eight (38) errors related to either account number discrepancies, along with dollar amount discrepancies. Several of the errors revolved around account number errors where the account number where DHS told the Treasurer's Office to apply deposits were not located. The Treasurer's Office would ask DHS Fiscal to verify the account numbers. Of the emails that were included in the materials provided by the Treasurer's Office, these Treasurer's Office requests for verification and clarification, would involve a delay of one or more days before DHS Fiscal would respond to the clarification request. ⁴³ Recall that in the Indicators of Fraud section of this report both lengthy unexplained delays in producing requested documentation, and revisions or errors in

⁴³ Appendix S - 2017 Treasurer's Office LGIP Deposits Pages: 26, 30, 31

documents are indicators of potential fraud. Several examples of the documents provided by Lyons are contained on the following pages.

From: Tina Pommier
Sent: Wednesday, July 12, 2017 1:46 PM
To: Betsy Boley
Cc: Tammy Stelter
Subject: RE: Pool Payments

Thanks for finding this Betsy. I know you said a while back that the \$39,482.00 was also Tammy's. Would you be able to provide her the report that you found showing this?

Thanks!

Tina

Source: Appendix S - 2017 Treasurer's Office LGIP Deposits Page: 31

In the screenshot illustration above, the error was identified by the County Finance Department, which then comes back to the Treasurer's Office and then to DHS Fiscal for clarification and resolution.⁴⁴

From: Tina Pommier
Sent: Wednesday, May 30, 2018 2:11 PM
To: Tammy Stelter
Subject: FW: Pool Deposit

Hi Tammy,


Have you had a chance to look into this deposit that came through on May 7th? I really need to get this receipted by tomorrow (end of month).

Thanks,
Tina

Source: Appendix T - 2018 Treasurer's Office LGIP Deposits Page: 26

In the screenshot illustration above, the Treasurer's Office request for DHS Fiscal clarification goes unanswered for twenty-three (23) days.⁴⁵

⁴⁴ Appendix S - 2017 Treasurer's Office LGIP Deposits Page: 31 

⁴⁵ Appendix T - 2018 Treasurer's Office LGIP Deposits Page: 26 

From: Tina Pommier
Sent: Friday, July 13, 2018 9:00 AM
To: Tammy Stelter
Subject: RE: Pool Deposit

Hi Tammy,

Can you please look into the two pool deposits below and let me know if they belong to your department? I really need to get these receipted.

Thanks,
Tina

Source: Appendix T - 2018 Treasurer's Office LGIP Deposits Page: 32

In the screenshot above, the Treasurer's Office request for DHS Fiscal clarification goes unanswered for two weeks.⁴⁶

From: Tina Pommier <Tina.Pommier@co.eau-claire.wi.us>
Sent: Monday, December 10, 2018 8:33 AM
To: Tammy Stelter <Tammy.Stelter@co.eau-claire.wi.us>
Subject: RE: deposits expected

Hi Tammy,


Can you please check your numbers on the previous email you sent? The below amounts were deposited on 12/5/18. I have verified the \$691,833.00 between your office and ADRC, but the \$154,145.11 is different than the amount you sent me previously.

Thanks,
Tina

Source: Appendix T - 2018 Treasurer's Office LGIP Deposits Page: 61

In the screenshot above, the reader can see where errors that involve amounts in the six-figure range can be involved.⁴⁷

⁴⁶ Appendix T - 2018 Treasurer's Office LGIP Deposits Page: 32 

⁴⁷ Appendix T - 2018 Treasurer's Office LGIP Deposits Page: 61 

From: Melissa Wilson <Melissa.Wilson@co.eau-claire.wi.us>
Sent: Wednesday, December 18, 2019 11:57 AM
To: Chelsey Mayer <Chelsey.Mayer@co.eau-claire.wi.us>
Subject: RE: Account number

That's not working either.

Source: Appendix X - 2019 Treasurer's Office DHS Window Transactions Page: 6

As the reader can see in the screenshot above, a first attempt by DHS Fiscal to provide the correct account number to the Treasurer's Office for a deposit was not successful.⁴⁸

From: Melissa Wilson <Melissa.Wilson@co.eau-claire.wi.us>
Sent: Wednesday, May 1, 2019 1:32 PM
To: Tina Pommier <Tina.Pommier@co.eau-claire.wi.us>
Subject: RE: inactive account

Can you look at this account number for me? I've had a couple DHS accounts this year that got deactivated but should be active numbers.


DIIS isn't very good about getting back to me on these. I already started the receipt so I think I either need the account number or the receipt deleted?

Source: Appendix X - 2019 Treasurer's Office DHS Window Transactions Page: 134

The screenshot above taken from an account clarification email tree is included for the reader to consider the comment between Treasurer's Office staff that "DHS isn't very good about getting back to me on these."⁴⁹

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_58_61](#)

⁴⁸ Appendix X - 2019 Treasurer's Office DHS Window Transactions Page: 6 

⁴⁹ Appendix X - 2019 Treasurer's Office DHS Window Transactions Page: 134 

County Board Supervisor Mark Beckfield Interview

On July 8, 2020, Detective Greener, and Deputy Voelker interviewed County Board Supervisor Mark Beckfield. Beckfield stated that between 2017-2019 DHS has gone over budget by approximately \$7.5 million dollars combined. Beckfield further stated that he and other county board members have asked for additional documentation as to what is causing DHS's budget overages. DHS routinely does not provide the board members with the requested information and simply tells the board members it is an opioid related issue. Beckfield went on to say that he has been in contact with counties in the area and he learned that they are not running deficits like Eau Claire. Beckfield said that he is challenged with comments to the effect that how can he not want to help the children; when Beckfield said that all he wants is to know where the money is going. Beckfield said that if there is a more specific reason for the overages, then DHS should be able to point to something more specific other than it is an Opioid crisis, especially when the Comprehensive Community Services (CCS_ program is 100% reimbursed.

Beckfield said that a year ago in April, board members were told that DHS was going to be under two million dollars, and then in subsequent reports last summer and fall that DHS was going to be two point two million over budget or hopefully under two million dollars over budget. Beckfield said that the next thing he knows, he gets a call and a text from Kathryn Schauf that they made a mistake, and that DHS was approximately three point one million dollars over budget. Beckfield said that for more than a year they had been told that the number was near two million dollars. Beckfield said that he submitted a list of accounting questions looking for responses. Beckfield said that the response was that it was never accounted for, therefore they did not need to follow the accounting chain. Beckfield said that with the Lokken situation, Lokken refused to answer questions, saying that he was an elected official; where in the DHS case, these were taxpayer funded positions that one could not obtain answers from.

Beckfield said that the lack of DHS's transparency scares him as a board member; just like it did in the Larry Lokken event. Beckfield further stated that several months ago he started hearing about a program called ALIA that Human Services was participating in. Beckfield said that he started reading about the program, adding that there is a web site where he learned more about the program. Beckfield said that a year and a half ago in April there was a meeting where an ALIA representative offered a presentation which he was told that DHS's work with ALIA was at no cost as the item was covered by a grant. Beckfield said that the program was a new cultural change in the way DHS operates. ALIA also told the board members with Human Services participating in ALIA, the county would lose \$2-3 million per year for the next 5 years but would eventually see a positive budgetary benefit. Beckfield stated that if Human Services were participating in ALIA where it would cost the county millions of dollars that their participation would need to be approved by the county board. Beckfield stated it was never presented to the board or approved by the board.

County Board Supervisor Steve Chilson Interview

On July 15, 2020, Detective Greener interviewed County Board Supervisor Chilson. Chilson stated that his concerns regarding Human Services budget and spending practices began around March 2019. Chilson explained at that time there was a joint committee meeting which involved the Finance and Budget, Administration, and Human Services committees. Chilson stated the purpose of the meeting was to discuss DHS's budget and where their current budget was financially. Chilson stated during the meeting DHS had a guest speaker that Chilson identified as being from ALIA. Chilson stated the speaker stated ALIA was a private business and was working with Eau Claire County and explained to Chilson and the other committee members that ALIA was not charging Eau Claire County DHS any money. During the presentation, the guest speaker told the committee members "We're going to have significant pain for two more years followed by one year with a lot of pain but not quite as significant." The guest speaker was referring to the DHS budget. Chilson also stated Human Services participation in ALIA would need to be approved by the county board, which was never done.

After the guest speaker finished her presentation Cable spoke at the committee meeting. Cable presented financial information regarding the budget and showed to the committee members that as of the end of March 2019 DHS already had a budget shortfall of roughly \$900,000. After learning this information at the committee meeting Chilson distinctly remembered asking Cable "What do you project your loss for the year to be?". Cable told Chilson she estimated that the shortfall would be \$2 million dollars. Chilson told Cable that her projection did not make sense from a mathematical standpoint based upon the fact they were already \$900,000 over budget through the first three months of the year. Chilson told Cable that an appropriate projection would be 4 million dollars.

After telling Cable this Chilson asked Cable to tell him what specific steps DHS was taking or already have taken, to mitigate the problems referring to the 2019 budget, so that they would only be \$2 million dollars over budget as Cable projected. Chilson stated her only answer to this question was "Well I just have a really good feeling".

Detective Greener asked Chilson if there was ever a time that he or other supervisors had asked for information from DHS and did not receive it. Chilson told me yes, he and other supervisors and committee members have asked DHS to provide them with information or explanations as to their budget issues and they will not provide them with information or respond to questions appropriately. Chilson also stated that there has been no action plan by DHS or administration to explain to the county board what the issue is with DHS or any transparency from DHS.

Joint Committee Meeting Minutes 05/20/19

After Supervisor Beckfield and Chilson's interview, Detective Greener and Deputy Voelker subsequently located the minutes for the joint committee meeting that Chilson referred to. In reviewing the minutes, the meeting took place on May 20, 2019. The minutes indicate that during the meeting Diane Cable, Human Services Director, stated that Human Services in one of five counties across the country who have been part of an ALIA Innovation Cohort. Cable also stated during the meeting that "DHS has been actively involved in UnSystem Change work at the Department, creating a vision, family connections are always preserved and strengthened. **Our participation is no cost to the county.**"

Contained on the following pages are the actual minutes from the joint committee meeting.⁵⁰

⁵⁰ Source: Human Services Board | Eau Claire County (eau-claire.wi.us) May 20, 2019 DHS Minutes



**MINUTES OF THE HUMAN SERVICES BOARD,
COMMITTEE ON ADMINISTRATION AND COMMITTEE ON FINANCE AND
BUDGET JOINT MEETING
May 20, 2019 4:45 PM
Room G034**

PRESENT: **Human Services Board:**
Colleen Bates, Chair; Paul Maulucci, Dianne Robertson
Sandra McKinney, Gabriel Schlieve
Kim Cronk, Lydia Boerboom, Martha Nieman, Lorraine Henning
Committee on Administration:
Nick Smiar, Chair; Ray Henning, Colleen Bates, Gerald Wilkie, Mark
Beckfield
Committee on Finance & Budget:
Stella Pagonis, Chair; Steve Chilson, Jim Dunning, Gerald Wilkie, Robin
Leary

STAFF: Kathryn Schauf, Diane Cable, Tom Wirth, Vickie Gardner, Lieske Giese,
Terri Bohl, Frank Draxler, Norb Kirk, Amy Weiss, Jackie Krumenauer

VISITOR: Dr. Amelia Franck Meyer, CEO of Alia UnSystem Innovations

Welcome & Call meeting to Order by Chair Colleen Bates at 4:45 PM Quorum present for the Human Services Board.

Stella Pagonis, Chair, Committee on Finance & Budget, asked that the record reflect she did not have the agenda in advance of the meeting; thus, not a consent agenda but quorum is present.

Committee on Administration also has a quorum.

At this time, Colleen turned the meeting over to Nick Smiar, Chair of the Committee on Administration.

Introductions of members and staff.

Public Input - Per Board operating procedures, a period of public input was held. No one was present for public input. Public Input session closed.

Purpose for Meeting Today: Oversight Committees have expressed concerns over 2017 & 2018 (projection) budget overages for Human Services Department.

Critical Community Issues: Drug Abuse which results in increase in Alternate Care & Hospitalization placements
Diane Cable, DHS Director, shared statistical information re: Out of Home Care, increased cost for youth in residential centers

Diane has communicated to Oversight Committees in 2018 the urgent need for Child Welfare System change to address above issues.

Presentation on SystemChange -Eau Claire County DHS (Diane and Tom representatives) is one of five counties across the country who have been part of the Alia Unsystem Innovation Cohort. This evening we have the pleasure of welcoming Dr. Amelia Franck Meyer who is the CEO of Alia, a national non-profit organization focused on transforming how the child welfare system is done in this country. As the former CEO of Anu Family Services, Amelia has moved the organization through a cultural and practice transformation resulting in nationally recognized child permanence and placement stability outcomes for children in out-of-home care.

DHS has been actively involved in UnSystem Change work at the Department, creating a vision **FAMILY CONNECTIONS ARE ALWAYS PRESERVED AND STRENGTHENED**. Our participation is no cost to the county.

Dr. Meyer shared a power point presentation on UnSystem Change. She answered questions from members and tried to project, by using past experience from other counties, the cost of the transition from the old child welfare system to the new child welfare system. Evolution of a System diagram explained.

Thank you to Dr. Meyer for attending tonight. For more information, please visit WWW.aliainnovations.org

Presentation on Human Services Department Blue Print for SystemChange – By Diane Cable

Goals: Blue Print Plan:

Improve well being of Eau Claire County residents
Decrease out of home placements
Decrease hospitalizations
Increase behavioral health and substance abuse resources
Improve caseload ratio and supervision per CWLA standards

An assessment of case done in 2016, 2017-2019 Phase I stabilization and Phase II Early intervention 2020-2021. All with keeping above goals in mind. Phase III early intervention to primary prevention 2022-2023. Prevention dollars lost in budgets of the past and paying the price for no prevention dollars.

Discussion and Next Steps:

- DHS will work with HR to define position funding sources and continue their process of reviewing each position when a vacancy occurs and potentially when possible delay filling positions
- Finance requested more actual detail on line items in DHS budget (not guestimations)
- Dollars shift for Early Intervention & Primary Prevention Goal for Intensive Permanency Services (IPS)
- Advancing Wellbeing of families by UnSystem Change in the way DHS does child welfare

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Pages 62 66](#)


June 18, 2019 County Board Meeting

During this investigation, Detective Greener, and Deputy Voelker, have also reviewed several previous County Board meetings which are recorded and are on the Eau Claire County website. One of the meetings reviewed took place on June 18, 2019. During the County Board meeting, Cable presented an update regarding the 2019 Human Services budget. After Cable's presentation she was asked several questions by various County Board Supervisors including the following question by Eau Claire County Board Supervisor Kim Cronk:

SUPERVISOR CRONK: "The other thing that I wanted to quickly ask or touch on for board members who were not part of that joint meeting with um administration human services and uh finance and budget with the work that's being done with ALIA that was kind of noted the changes that are happening Wisconsin is looking to Eau Claire County and saying hey we want to you know follow sort of the work that's being done because it is innovative and is making a difference. With that I heard um consulting with the cohort ALIA could you just clarify for the board how much that costs the county to work with ALIA?"

DIANE CABLE: "So we are part of a cohort in which we were invited to be part of it and they we don't pay to be part of that cohort." ⁵¹ 

After reviewing the joint committee meeting minutes, along with Cable's recorded statement at an official County Board meeting, Detective Greener, and Deputy Voelker, reviewed vendor payment history which had been obtained as part of this investigation. In reviewing the vendor payments, Detective Greener and Deputy Voelker observed that prior to the May 20, 2019, joint committee meeting DHS had paid ALIA \$44,879.20. Prior to the June 18, 2019 County Board meeting DHS had paid ALIA \$63,017.31. In total DHS paid ALIA \$69,596.15 in 2019, \$83,588.48 in 2020, and 2021 \$64,769.23. In reviewing associated payments for each year, Detective Greener, and Deputy Voelker also noticed that a majority of the monthly payments to ALIA appeared to be intentionally structured to be under \$10,000. This is of interest based upon the fact that the County Board receives a monthly report of any payments over \$10,000 made by any county department. By intentionally structuring the payments to be under \$10,000 the County Board had no knowledge of DHS paying ALIA for their services.

⁵¹ Source: 2019 Meeting Agendas & Minutes | Eau Claire County (eau-claire.wi.us) 

ALIA Research

After learning the previous information regarding ALIA, Detective Greener and Deputy Voelker researched ALIA. A website www.aliainnovations.org, was located which stated, ALIA is a “Minnesota based national nonprofit do-tank. Founded in research and family voice, we support innovative leaders and systems related to child welfare”. The website also stated ALIA “Redesigns child welfare by equipping leaders in agencies with the support they need for system change. We help communities ask the right questions and solve the right problems.” There were also two documents published to the website labeled “Cohort Early Release Report” and “Cohort Year One Report.”



Illustration: The above illustration is a screen capture of the links to the reports found on ALIA's website.

Detective Greener reviewed the “Cohort Early Release Report.” On page 5, there were five jurisdictions listed as participating in ALIA. Among this list was the Eau Claire County Department of Human Services. Furthermore, Diane Cable and Tom Wirth were identified as the ALIA “agency leaders.” Both documents also stated that numerous in-person and virtual meetings took place where Eau Claire County would have attended.

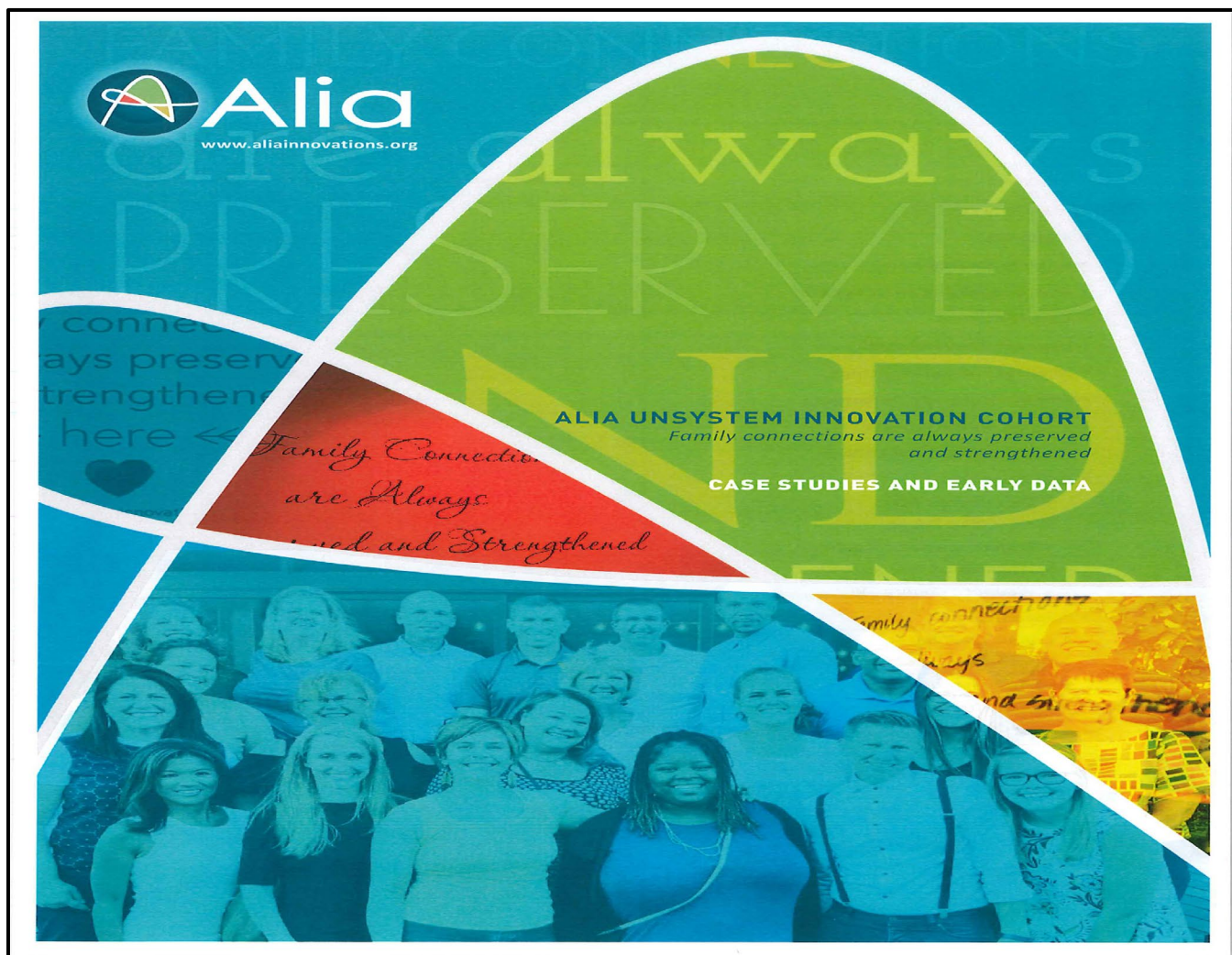


Figure 1-Cover page of Cohort Early Release Report

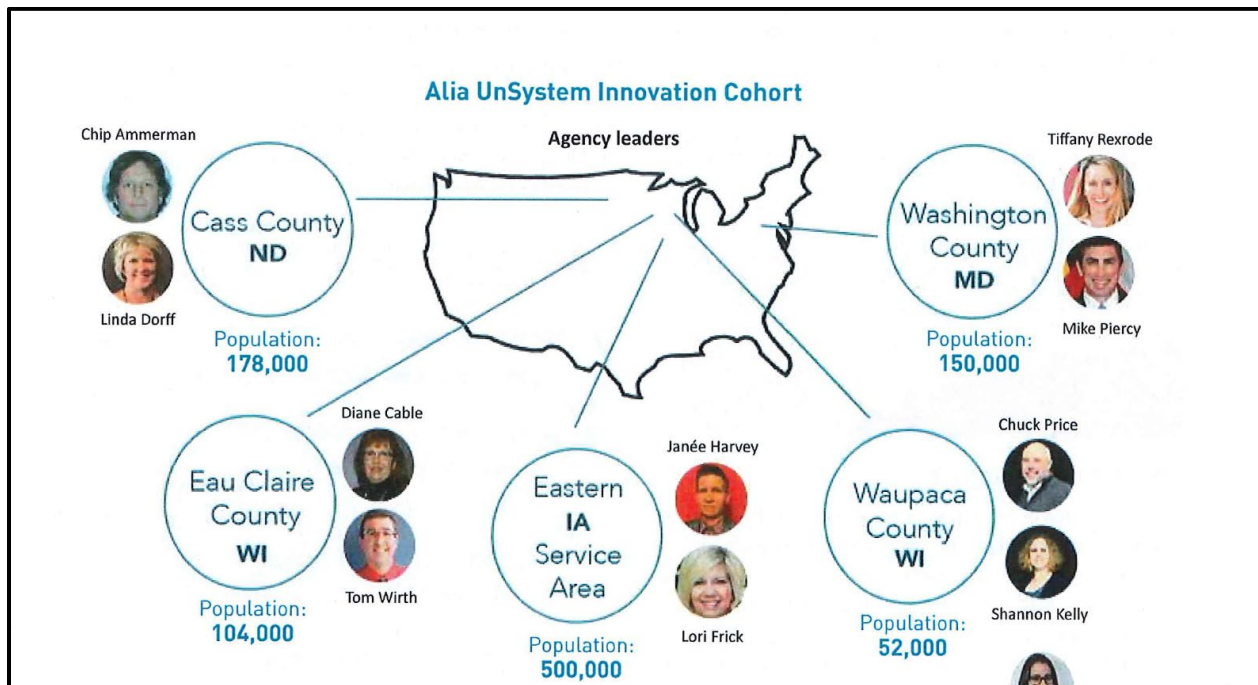


Figure 2-Cohort Network Map from page 5 of Cohort Early Release Report

Detective Greener also reviewed the “Cohort Year One Report.” On page 18 of the document ALIA states, “We have physical and electronic documents of every meeting we’ve had - the handouts created, agendas followed, commitments made, and photos of the process. We made videos of leader and guide interviews with their impressions and thoughts. In 2019 we have kept an every-other-month schedule of in-person meetings and a 2-hour virtual call on the off months. These video calls are all recorded.”

Furthermore, within the document several sections titled “Advice for LEADERS” were observed. Within these sections were the following statements: “Having county board support is important, but honestly, not necessary in the beginning. You can start off on a trauma informed care journey without asking the board, but you must educate and bring them in along the way;” “Remember it is always about serving the people walking through the door - even when you’re wearing your fiscal hat;” “Agencies are not anywhere close to having the necessary financial support - but don’t let that stop you. Do workarounds, shift positions, and apply for grants;” “Redirecting funds toward prevention is like walking on a balance beam - each step needs to be intentional. You must redirect the funding into a prevention activity every single time there is a savings; if you let it get absorbed it will go towards the status quo instead.”

Also located specifically on pages 51 and 52 of the document was a section titled “Take care of yourself and your team.” Within this section ALIA advises leaders of the following: “Find a personal attorney. It may not seem necessary in the beginning, but the moment you feel your employment status may be at risk, you won’t want to scramble to find a trusted legal advisor. Find an employment attorney you trust. Include this attorney on a personal board of directors you create for yourself.”

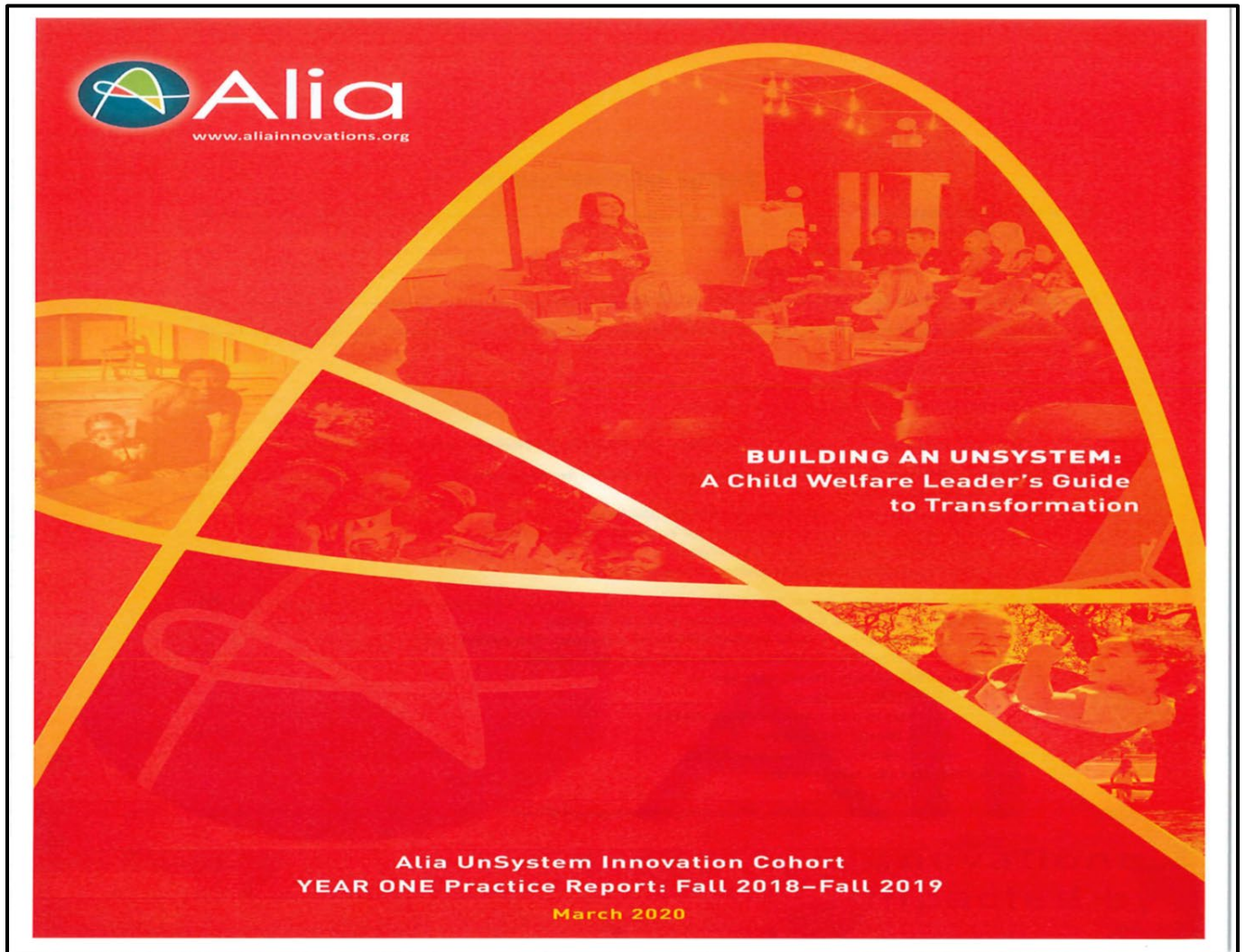


Figure 3-Cover page of Cohort Year One report

Asset collection: Documenting the process

Another way we are collecting data is by documenting our work as we go. We have physical and electronic documents of every meeting we've had – the handouts created, agendas followed, commitments made, and photos of the process. We made videos of leader and guide interviews with their impressions and thoughts. In 2019 we have kept an every-other-month schedule of in-person meetings and a 2-hour virtual call on the off months. These video calls are all recorded.

Figure 4-Asset collection/ documentation from page 18 of Cohort Year One report



Advice for LEADERS:



- Having county board support is important, but honestly, not necessary in the beginning. You can start off on a trauma informed care journey without asking the board, but you must educate and bring them in along the way.

Figure 5- Advice for Leaders statement from page 25 of Cohort Year One report



Advice for LEADERS:



- Remember it is always about serving the people walking through the door – even when you're wearing your fiscal hat.
- Agencies are not anywhere close to having the necessary financial support – but don't let that stop you. Do workarounds, shift positions, and apply for grants.
- Set parameters around requests. Budget questions come up more often because of the UnSystem -- in terms of resources needed – require specific requests from staff. (e.g. "Are you asking for one month's rent or ongoing?")

Figure 6-Advice for Leaders statement from page 32 of Cohort Year One report



Find a personal attorney. It may not seem necessary in the beginning, but in the moment you feel your employment status may be at risk, you won't want to scramble to find a trusted legal advisor. Find an employment attorney you trust.

51



Include this attorney on a *personal board of directors* you create for yourself. Carefully curate a group of people you can call on for various kinds of support. For case consultation, rethinking strategy, mining a new network, or just a fun night out – be sure you have enough and the right people on speed dial to lift you up when you need it.

Figure 7-Advice for Leaders statement from pages 51-52 of Cohort Year One report



Request to Interview ALIA CEO Amelia Franck-Meyer

On July 23, 2020, Detective Greener and Deputy Voelker, submitted a request via email to ALIA requesting an opportunity to interview Amelia Franck Meyer, CEO of ALIA. Franck-Meyer was advised ALIA that we were currently gathering information regarding Eau Claire County DHS's current practices and procedures. Franck-Meyer was advised that we learned Eau Claire County DHS is participating in the ALIA program. To better understand the ALIA program and the costs associated, we advised Franck-Meyer we would like to conduct a phone interview with her regarding the ALIA program, what it entails, and background information regarding the program.⁵² The email sent to Franck-Meyer, and her reply are contained on the following pages.

⁵² Sources: Appendix d-ALIA Request to Interview Franck-Meyer and Response



Ryan Greener

From: Ryan Greener
Sent: Thursday, July 23, 2020 11:18 AM
To: info@aliainnovations.org
Cc: Mike Voelker
Subject: Request for Interview

Greetings,

Myself and Det. Voelker are currently gathering information regarding Eau Claire County DHS's current practices and procedures. One of the things we learned is Eau Claire County DHS is participating in the ALIA program. To better understand the ALIA program myself and Det. Voelker would like to conduct a phone interview with Dr. Amelia Franck Meyer regarding the ALIA program, what it entails, and background information regarding the program.

Please contact us to arrange a time to set up a conference call with Dr. Franck Meyer. Thank you in advance and feel free to contact us should you have any questions.

Thanks,

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)

Ryan Greener

From: Amelia Franck Meyer <amelia@aliainnovations.org>
Sent: Monday, July 27, 2020 9:54 AM
To: Ryan Greener; Mike Voelker
Subject: RE: Request for Interview
Attachments: Early Data Cohort Case Study.pdf; Alia Cohort Year One Practice report.pdf

WARNING!! This email originated outside Eau Claire County. Do not click any links or attachments unless you know the sender.

Hello Detectives Greener and Voelker,

Thank you for contacting me about Alia and the work we do as a non-profit organization to assist child welfare leaders across the country in support of their efforts to build communities where children and families can thrive. I apologize for the delay in my reply.

Eau Claire County DHS is part of an Innovation Cohort, hosted by Alia. You can learn much more about the amazing, nationally-leading outcomes that this Cohort (consisting of 14 counties across the US, including Eau Claire County) has achieved in their time together. I've attached two documents which describe further the work of the Cohort; the Early Data Cohort Case Study and the Year One Practice Report. Other supporting data, resources, and information are available at: www.aliainnovations.org.

Please be in touch again if you have specific questions following your review of the materials and resources I have provided. As you might imagine, helping leaders across the country adjust to the impact of COVID, as well as making massive shifts and adjustments in my own organization to an all-digital service delivery modality has created unprecedented demands on my schedule and that of my team.

Sincerely,
Amelia



Amelia Franck Meyer Ed.D., LISW

Chief Executive Officer

M: 612-940-0061

W: www.aliainnovations.org

A: 1000 University Ave W, Suite 230, St. Paul, MN 55104

Sign up for Alia's periodic newsletter to stay in the know.

The preceding email correspondence is Detective Greener's email to Franck-Meyer along with her response. What is of interest is the fact that Franck-Meyer mentions that Eau Claire County was part of a cohort yet makes no mention of other services that ALIA is providing Eau Claire County and makes no effort to speak with us.

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_68_75](#)

ALIA FOIA REQUEST

As depicted in figure 4 of this report, ALIA in a published document, located on their website indicated that they maintained physical and electronic documents of every meeting, the handouts created, agendas followed, commitments made, and photos of the process. There were also videos of leader and guide interviews with their impressions and thoughts and recordings of virtual meetings. Based upon this information a Freedom of Information Act (FOIA) ⁵³ request was emailed to ALIA requesting copies of the above items. Furthermore, based upon the fact, as previously documented in this report, DHS was paying ALIA for services, all invoices billed to Eau Claire County from 2017-2020, and any contracts between Eau Claire County and ALIA were also requested.

ALIA was requested to confirm receipt of the request and did not respond initially. A read receipt was received that Rachelle March from ALIA read the email approximately 20 minutes after it was sent to them. This request and further actions to obtain the requested information will be discussed later in this report.

Ryan Greener

From: Ryan Greener
Sent: Tuesday, August 11, 2020 1:56 PM
To: info@aliainnovations.org
Subject: FOIA Request
Attachments: FOIA ALIA.pdf

Greetings,

Please see the attached FOIA request for information specific to Eau Claire County. Please confirm receipt of the request at your earliest convenience. If you have any questions please feel free to contact me directly.

Thank you

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)

⁵³ Appendix o-ALIA FOIA Request





RON D. CRAMER SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

Detective Ryan Greener

Eau Claire County Sheriff's Office
721 Oxford Avenue Suite 1400
Eau Claire, WI 54703

Tuesday, August 11, 2020

ALIA
1000 University Ave W
Suite 230
St. Paul, MN 55104

To Whom it May Concern:

Under the **Wisconsin Open Records Law, §19.31 et seq.**, I am requesting an opportunity to inspect or obtain copies of all public records as described below:

1. All agendas, hand-outs, minutes, and notes from all meetings that Eau Claire County has participated in.
2. All videos of leader and guide interviews pertaining to Eau Claire County.
3. All recordings of meetings, virtual meetings, virtual calls, and phone calls that Eau Claire County has participated in.
4. All notes or other documents pertaining to meetings or discussions with Eau Claire County.
5. All invoices billed to Eau Claire County from 2017-2020.
6. All contracts signed by Eau Claire County for services provided to Eau Claire County by ALIA.

If there are any fees for searching or copying these records, please let me know in advance. If possible, I am requesting the items be provided in electronic format. This information is not being sought for commercial purposes.

EAU CLAIRE COUNTY SHERIFF'S

I would request a response in writing, within the 5 days described by law if you intend to deny this request. Also, if you expect a significant delay in fulfilling this request, please contact me with information about when I might expect copies or the ability to inspect the requested records.

If you deny any or all of this request, please cite each specific exemption you feel justifies the refusal to release the information and notify me of the appeal procedures available to me under the law.

Thank you for considering my request.

Sincerely,

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706

Ryan Greener

From: Rachelle March <rachelle@aliainnovations.org>
To: Ryan Greener
Sent: Tuesday, August 11, 2020 2:13 PM
Subject: Read: FOIA Request

Your message

To: Rachelle March
Subject: FOIA Request
Sent: Tuesday, August 11, 2020 12:56:06 PM (UTC-06:00) Central America

was read on Tuesday, August 11, 2020 1:13:20 PM (UTC-06:00) Central America.

Bridget Van Laanen Interview

On July 28, 2020, Clifton, Larson Allen CPA Bridget Van Laanen was interviewed. Van Laanen completed a process review of DHS fiscal practices in 2019. Below is a near verbatim transcript of Van Laanen's interview.

Q: If you had to compare Eau Claire County's identified issues to other counties, how would they compare?

*A: They, I don't think anybody has a CPA degree, down in fiscal. I will say that they have a lot more (Unintelligible) fiscal staff there with accounting degrees than I've ever seen before. Their accounts payable clerks I believe, have their bachelor's in accounting, which is incredible. That's not usually the case. So, they have a lot of talent and, and, at least on paper. And from talking to a lot of these folks, they have a lot more, uh, um, people who should have more ability that would be able to contribute more, as far as efficiency and things like that. That's, you know, on that end. Um, so staffing wise, they actually have a lot more in human capital and potential than a lot of other counties. There was a lot of stuff being done off of their accounting system on spreadsheets. Again, and that's pretty typical, um, because some of these systems are not set up for that. **They do have a system, an accounting system that would support what they wanted to do, they just haven't been using it for whatever reason***


Q: In the versions of the final report, apparently there were multiple drafts of the report before the final two-page version was approved and, uh, ended up being distributed, what was the process in that, and who at Eau Claire County participated in that review and in the redactions, additions, deletions from the final report?

*A: So, on that end I think I was going back and forth with Norb. (Van Laanen notes that there was a delay in that the Fiscal Manager's husband had died.) So, I have versions here in September, and Norb made a few changes. And then we must have been waiting on Vickie to return from leave. I don't think I have the emails. I do have some calls here in September that I can look at. I have a call here on September 4th with Norb, Kathryn, Diane, and Vicky. Um, I wanna say, just from a brief recollection, to me a lot of it didn't matter. **There was some tiptoeing along the lines that Vickie wanted me to get things changed, but they didn't want to upset Diane.** Diane has plans, that sort of thing, and so there were some wording things on that end, um, as far as what that was. And honestly, a lot of that didn't matter to me. (A short time later Van Laanen said) There might have been something, like under number seven I think we had some stuff about the accounts payable systems and how detached they were, things that maybe should be fixed, and stuff like that. Obviously, they didn't want to be distributing all of that to the board, because they wouldn't necessarily understand something of that nature. And that's their prerogative of what, exactly how detailed they wanted to make this. So, um, I think the last version here that I have in November, **Diane was the one who made the last wording changes, I mean I have all the versions and all that, but, it was pretty mundane.** I was things where I just said, you know looking, I said electronic medical records, and Diane put implementing an optimization project for their system.*

Q: You describe one of the versions as kind of tiptoeing and they didn't want to upset Diane, what sections, or what specific language do you think would have upset Diane, and why?

*A: I mean, upsetting Diane was probably the whole thing. Things got kind of funky, but um, Diane, so Diane actually has a lot of experience and power in the state. I think the last time I checked, she was the head of the, basically all of the human service directors in the state, that organization. And I don't remember, some acronym thing. Um, so she's got a lot of pull out there. **And her basic vision of, of the county is that, they're going to take care of people now, and hang the cost kind of thing.** I think her other management staff, um Tom and especially Vicky, was very aware that they had this huge overage in that area. Again, part of why they brought me on was getting a better handle on that. Um, you know, and Tom was like, we understand it's not there, but we're kind of; they're all going along with Diane's idea, because she has the say so on all that. Um, you know that as far as the report, yeah, she, she was kind of being nit-picky, and like I said, in the end, the report still said about the same thing. **Um, one of the things we left out, that Vicky didn't want to put in, I have notes here that Vicky understands the issues. They were in financial peril; she didn't feel she could speak up about it. Basically, there were meetings and things that were had and (Unintelligible) as far as bringing these programs in house and starting these programs and, or whatever, and, uh, they would make decisions to do these things without including Vicky. And they just come up and say, they were just going to do this, because we just have projections for costs, and she wasn't being involved That was something that they didn't want included in the report, because Vicky was under the impression that she might lose her job if she did that. I believe Diane is a program person whose worked her way up. So, while I know she, I got the idea that she's fully aware of the peril they were in and things like that.***

Q: How would you describe your working relationship um, with people in Finance or DHS specifically, Diane, as communication wise, and being, wanting things out in the open, and that sort of thing?

*A: Diane was a bit frosty to the idea, Frankly I was surprised, usually when I come in on any kind of job, somebody ends up resigning, or getting asked to resign, **But, um, you know on an audit that worries me, when, when people don't feel they can speak up (Unintelligible) on any audit when they don't feel they can talk to their superiors and stuff, so. That was more of my concern,** you know, they can treat me however they want, and, and everything was cordial, um, you know, she didn't go off on me or anything like that at any point.* 

During Van Laanen's work she documented her findings in a report which contained multiple drafts. As mentioned in Van Laanen's interview, these drafts were edited by multiple individuals before a final report was agreed upon. A Wisconsin Open Records Law request was filed with Corporation Counsel Tim Sullivan to obtain copies of the CLA process review report completed by Budget Van Laanen. ⁵⁴ Those drafts are contained on the following pages.

⁵⁴ Appendix F - FOIA Request - Clifton-Larson-Allen Reports 6-23-20

“Detailed Summary Version #1”

DETAILED SUMMARY VERSION #1

Eau Claire County Human Services Department has undergone significant changes over the past several years. The Department has widened its array of services and programs, experienced significant employee turnover and implemented a new electronic medical records system. During this time, they have continued to experience large annual deficits that have been difficult to forecast. The purpose of this review is to present recommendations for financial and operational improvement that will improve Department efficiency and provide Management and the Board with more accurate and detailed reports in a timely manner. The following is a list of key issues and recommendations to improve them.

1. Expenditure Allocation – The Department currently provides financial reports to Management and the Board that are very general in nature and include many estimates that are generated manually including some accruals. They also do not allocate tax revenues to each program on the general ledger. We recommend the Department begin allocating and recording all costs by program as incurred, and allocate all tax revenues by program, which will allow easy access to accurate, up-to-date information as its needed.
2. Account Structure – The Department account structure was recently revamped, but it was modified to support a few annual reports the county is required to complete but do not generate revenues. In addition, the Department does not currently segregate all costs by grant program within their general ledger as required by Federal and State regulations. We recommend the county review and redesign the Department’s account structure to come into full compliance with regulations, which will also support the monthly reporting required to claim grant revenues and the financial reporting needs of Management and the Board.
 - a. Payroll costs need to be charged to the receiving programs on the general ledger.
 - b. AMSO allocation results need to be recorded on the general ledger.
3. AMSO, Indirect, Shared and Direct Cost Allocations – We recognized many inconsistencies in the allocation of indirect and shared costs, both within and outside of the Department’s Agency, Management, Support and Overhead allocation, (AMSO allocation). We also recognized several categories of direct costs that were not being charged to the program generating the costs. In addition, the structure of the AMSO allocation and the amounts included do not reflect the current structure and functions of the department. We recommend the department review all categories of cost and determine the most accurate allocation methodology for each. We also recommend the entire AMSO allocation be reviewed and updated to better reflect the Department’s current structure and function.
 - a. AMSO allocation has only one cost pool and one allocation, which does not reflect the current situation. All costs need to be reviewed to see if they are direct, shared, allocated or AMSO costs and multiple administrative cost pools need to be created. For example, all costs related to the Avatar software need to be captured and allocated to only the programs that use it.
 - b. All employees whose payroll costs are being charged to the fiscal and admin units need to have their duties reviewed and allocation methods determined. Because of the current assortment of duties most staff have, it is likely they will have to complete time studies.

- c. Examples of direct costs not being charged to the benefitting programs were copies/paper, cell phones, technology equipment and postage.
- 4. Reconciliation and Policies – Federal and State grant regulations require the Department to complete monthly expenditure reconciliations between grant expenditure claims and the general ledger, to have a formal, written cost allocation policy for AMSO and other shared costs and to establish internal controls over reporting such as review of grant claims. Although the Department does complete a reconciliation, it does not include all grant programs or general ledger amounts. There is no written cost allocation policy for AMSO and other shared or allocated costs. In addition, the manual nature of the current cost reporting process and lack of full reconciliation does not allow for a full internal control review of all grant reports. We recommend the Department begin completing a full reconciliation that allows for a comprehensive review for monthly grant reports. We also recommend the Department create written cost allocation policies, as well as comprehensive written documentation of the expenditure reporting process and the related internal controls.
- 5. Indirect Cost Plan – The structure of the County’s indirect cost plan and the amounts included do not reflect the current structure and function of the County in some categories. We recommend the County review and revise the cost plan to more accurately capture and allocate the costs in the plan
 - a. There are multiple issues in the plan; it seems more than likely the 2017 numbers being currently used are inaccurate, although it’s not possible to predict how inaccurate they are. Revising the 2017 plan is highly recommended.
- 6. Timing – The Department has encountered difficulties within the CCS program related to timely processing of vendor invoices and billing Medicaid for the related services. There is a multitude of information required from vendors in order to process invoices and billings for this program; the county is experiencing ongoing delays because of missing information from vendors. The county does have contract clauses in place regarding this issue but does not currently enforce them. We recommend the County consider reminding vendors of and then enforcing the current contract clauses that relate to timing and information.
 - a. It appears that training for CCS providers was limited to the owners of the agencies, not the individual service providers. Many agencies also experience high levels of turnover, so one-time training for the current providers will not fix the information problems long-term. Making training available to service providers on a regular basis could help reduce the number and length of the delays related to invoice and billing processing.
 - b. There is concern that if the Department doesn’t bill an entire month of CCS at the same time, they have to undo and redo the entire billing process when they need to make corrections or additions. This appears to be the main cause of the delay for the CCS Medicaid billings. Although it may take additional work, billing the majority of the charges in a timely manner and playing catchup later could help reduce the Department’s cash flow issues.

- c. If timing issues continue to be unavoidable in CCS or any other programs, we suggest the county consider establishing a process to include temporary month-end estimated accruals on the general ledger.
- 7. Fiscal Processes – The Human Service Department has a unit of fiscal employees who complete a wide variety of tasks. Many of the tasks could be more efficient with improvements to the related technology. Efficiencies may also be gained by reviewing and realigning related tasks to the same employee, especially with regards to financial reporting. We suggest the Department allocate time and resources to make the necessary reviews and improvements to the task structure and technology.
 - a. We noted that fiscal staff possess a large amount of institutional knowledge but that it is not written or often shared unless specifically needed. Understanding how they fit into the internal control processes and sharing information can organically generate improvements. We recommend the fiscal unit work together to educate each other on their specific tasks/knowledge and to understand how it all fits together.
 - b. We noted that several employees complete different parts of the grant and monthly financial reporting process. Focusing one employee on all reporting and another employee on reviewing is an excellent way to ensure uniform, quality information and to establish internal controls. It also provides an automatic backup for the reporting position, as the reviewer has to have an understanding of the process in order to complete their tasks.
 - c. We noted that there are employees who have both custody and recordkeeping duties; ideal internal controls would separate those duties. One suggestion would be to have employee expense reimbursements be direct deposited instead of issuing paper checks.
 - d. Many vendors send invoices in their own format, which have to be paged through and manually entered one at a time for both payment and MA billing. Establishing a uniform spreadsheet format for each program/vendor to use, similar to CLTS program requirements, will be more efficient for county staff and may be easier for vendors to generate as well.
 - e. Huge amounts of time and resources have been invested in Avatar, but the focus has been mainly programmatic in recent years. We suggest the County provide IT staffing to tackle inefficiencies in the technology that fiscal staff use.
- 8. County Fiscal Processes – Many counties that complete their own financial statements and schedules of financial assistance have found it beneficial for the Finance Director to directly supervise the Human Services Department Financial Manager and Lead Accountant. This arrangement can create efficiencies in reporting processes while also providing more direct and ongoing communication between the Finance and Human Services Departments. We recommend the county consider implementing such a change.
 - a. There historically has been a tenuous relationship between the Finance and Human Services Departments. Having what amounts to “joint” employees could help strengthen that relationship.

9. County Fiscal Processes – In light of the ongoing deficits, it would behoove the Department to place what may seem like extraordinary attention on all matters that could have fiscal impacts. We recommend that the Department generate fiscal projections of any considered programmatic changes before any formal discussions take place and/or any decisions are made.

10. Juvenile Detention – The Human Services fund includes the Juvenile Detention facility. The facility does not have any shared staff or services with the Human Services Department. In 2018, 81% of short-term and 93% of long-term service days were provided for out-of-county residents. In order to more accurately account for costs and to recoup the County's investment in the facility and the care of other counties' residents, we recommend the County establish an enterprise fund.

DETAILED SUMMARY VERSION #2

Eau Claire County Human Services Department has undergone significant changes over the past several years. The Department has widened its array of services and programs, experienced significant employee turnover and implemented a new electronic medical records system. During this time, they have continued to experience large annual deficits that have been difficult to forecast. The purpose of this review is to present recommendations for financial and operational improvement that will improve Department efficiency and provide Management and the Board with more accurate and detailed reports in a timely manner. The following is a list of key issues and recommendations to improve them.

1. Expenditure Allocation – The Department currently provides financial reports to Management and the Board that are very general in nature and include many estimates that are generated manually including some accruals not recorded in the General Ledger system. They also do not allocate tax revenues to each program on the general ledger. We recommend the Department begin allocating and recording all costs by program as incurred, and allocate all tax revenues by program, which will allow easy access to accurate, up-to-date information as its needed.
2. Account Structure – The Department account structure was recently revamped, but it was modified to support a few annual reports the county is required to complete but do not generate revenues. In addition, the Department does not currently segregate all costs by grant program within their general ledger as required by Federal and State regulations. We recommend the county review and redesign the Department's account structure to come into full compliance with regulations, which will also support the monthly reporting required to claim grant revenues and the financial reporting needs of Management and the Board.
 - a. Payroll costs need to be charged to the receiving programs on the general ledger.
 - b. AMSO allocation results need to be recorded on the general ledger.
3. AMSO, Indirect, Shared and Direct Cost Allocations – We recognized many inconsistencies in the allocation of indirect and shared costs, both within and outside of the Department's Agency, Management, Support and Overhead allocation, (AMSO allocation). We also recognized several categories of direct costs that were not being charged to the program generating the costs. In addition, the structure of the AMSO allocation and the amounts included do not reflect the current structure and functions of the department. We recommend the department review all categories of cost and determine the most accurate allocation methodology for each. We also recommend the entire AMSO allocation be reviewed and updated to better reflect the Department's current structure and function.
 - a. AMSO allocation has only one cost pool and one allocation, which does not reflect the current situation. All costs need to be reviewed to see if they are direct, shared, allocated or AMSO costs and multiple administrative cost pools need to be created. For example, all costs related to the Avatar software need to be captured and allocated to only the programs that use it.
 - b. All employees whose payroll costs are being charged to the fiscal and admin units need to have their duties reviewed and allocation methods determined. Because of the current assortment of duties most staff have, it is likely they will have to complete time studies.

- c. Examples of direct costs not being charged to the benefitting programs were copies/paper, cell phones, technology equipment and postage.
- 4. Reconciliation and Policies – Federal and State grant regulations require the Department to complete monthly expenditure reconciliations between grant expenditure claims and the general ledger, to have a formal, written cost allocation policy for AMSO and other shared costs and to establish internal controls over reporting such as review of grant claims. Although the Department does complete a reconciliation, it does not include all grant programs or general ledger amounts. There is no written cost allocation policy for AMSO and other shared or allocated costs. In addition, the manual nature of the current cost reporting process and lack of full reconciliation does not allow for a full internal control review of all grant reports. We recommend the Department begin completing a full reconciliation that allows for a comprehensive review for monthly grant reports. We also recommend the Department create written cost allocation policies, as well as comprehensive written documentation of the expenditure reporting process and the related internal controls.
- 5. Indirect Cost Plan – The structure of the County's indirect cost plan and the amounts included do not reflect the current structure and function of the County in some categories. We recommend the County review and revise the cost plan to more accurately capture and allocate the costs in the plan
 - a. There are multiple issues in the plan; it seems more than likely the 2017 numbers being currently used are inaccurate, although it's not possible to predict how inaccurate they are. Revising the 2017 plan is highly recommended.
- 6. Timing – The Department has encountered difficulties within the CCS program related to timely processing of vendor invoices and billing Medicaid for the related services. There is a multitude of information required from vendors in order to process invoices and billings for this program; the county is experiencing ongoing delays because of missing information from vendors. The county does have contract clauses in place regarding this issue but does not currently enforce them. We recommend the County consider reminding vendors of and then enforcing the current contract clauses that relate to timing and information.
 - a. It appears that training for CCS providers was limited to the owners of the agencies, not the individual service providers. Many agencies also experience high levels of turnover, so one-time training for the current providers will not fix the information problems long-term. Making training available to service providers on a regular basis could help reduce the number and length of the delays related to invoice and billing processing.
 - b. There is concern that if the Department doesn't bill an entire month of CCS at the same time, they have to undo and redo the entire billing process when they need to make corrections or additions. This appears to be the main cause of the delay for the CCS Medicaid billings. Although it may take additional work, billing the majority of the charges in a timely manner and playing catchup later could help reduce the Department's cash flow issues.

- c. If timing issues continue to be unavoidable in CCS or any other programs, we suggest the county consider establishing a process to include temporary month-end estimated accruals on the general ledger.
- 7. Fiscal Processes – The Human Service Department has a unit of fiscal employees who complete a wide variety of tasks. Many of the tasks could be more efficient with improvements to the related technology. Efficiencies may also be gained by reviewing and realigning related tasks to the same employee, especially with regards to financial reporting. We suggest the Department allocate time and resources to make the necessary reviews and improvements to the task structure and technology.
 - a. We noted that fiscal staff possess a large amount of institutional knowledge but that it is not written or often shared unless specifically needed. Understanding how they fit into the internal control processes and sharing information can organically generate improvements. We recommend the fiscal unit work together to educate each other on their specific tasks/knowledge and to understand how it all fits together.
 - b. We noted that several employees complete different parts of the grant and monthly financial reporting process. Focusing one employee on all reporting and another employee on reviewing is an excellent way to ensure uniform, quality information and to establish internal controls. It also provides an automatic backup for the reporting position, as the reviewer has to have an understanding of the process in order to complete their tasks.
 - c. We noted that there are employees who have both custody and recordkeeping duties; ideal internal controls would separate those duties. One suggestion would be to have employee expense reimbursements be direct deposited instead of issuing paper checks.
 - d. Many vendors send invoices in their own format, which have to be paged through and manually entered one at a time for both payment and MA billing. Establishing a uniform spreadsheet format for each program/vendor to use, similar to CLTS program requirements, will be more efficient for county staff and may be easier for vendors to generate as well.
 - e. Huge amounts of time and resources have been invested in Avatar, but the focus has been mainly programmatic in recent years. We suggest the County provide IT staffing to tackle inefficiencies in the technology that fiscal staff use.
- 8. County Fiscal Processes – In light of the past deficits and resulting cash flow implications, it would be in the best interest of the Department to provide additional visibility and transparency to all stakeholders whenever programmatic changes are contemplated that impact the fiscal position of the Department. We recommend that the Department generate fiscal projections of any considered programmatic changes before any formal discussions take place and/or any decisions are made and provide those to the Finance Director, County Administrator, and DHS Board to highlight the fiscal impact for any potential changes under consideration
- 9. Juvenile Detention – The Human Services fund includes the Juvenile Detention facility. The facility does not have any shared staff or services with the Human Services Department. In 2018, 81% of short-term and 93% of long-term service days were provided for out-of-county

As the reader observed the drafts on the two prior pages were titled “Detailed Summary Version #1, and Detailed Summary Version #2”. The difference between the two documents was the recommendation in the first draft that County Finance supervise DHS fiscal. This recommendation was deleted from the second draft. The reader will also observe in both drafts a recommendation (#9 in the first draft, #8 in the second draft), that it would be in the best interest of DHS to provide additional visibility and transparency to all stakeholders whenever programmatic changes before any formal discussions take place and/or any decisions are made and provide those to the Finance Director, County Administrator, and DHS board to highlight the fiscal impact for any potential changes under consideration. This recommendation clearly identified an issue within DHS which included concerns from Gardner who is the DHS fiscal manager, that programmatic changes were being made without involving Gardner’s input from a fiscal standpoint, and not until well after fiscal impacts had already happened.

Furthermore, as discussed previously in this document DHS communicated multiple reasons for their continued budget overages such as financially burdensome placements, and poverty rates, this recommendation appears to conflict with that information.

Given the nature of this recommendation, one would think that the person who has the duty or authority to present a non-biased or non-edited version of this recommendation to those such as the County Board. Furthermore, and in the interest of transparency and given that two of Eau Claire County’s “Code of Conduct” is to be: “Honest and Trustworthy”, and “Transparent with County Functions or Spending”, that this recommendation would be left in the final report. The reader will see in the following pages that was not the case.

Kathryn Schauf & Norb Kirk Email Correspondence Regarding Editing of CLA Report 10/08/19

On 10/9/2019, Kathryn Schauf and Norb Kirk exchange a series of emails that refers to the recommendation discussed on the previous pages.

From: Kathryn Schauf Kathryn.Schauf@co.eau-claire.wi.us>

Sent: Tuesday, October 8, 2019 2:54 PM

To: Norb Kirk Norb.Kirk@co.eau-claire.wi.us>

Subject: CLA item #8

I am struggling to identify which portion of the scope of engagement was being covered by item #8 – and am actually wanting to ask you how you would anticipate handling this – my thought is that what they are discussing is really sufficient fiscal notes for policy items which is an area that we can easily beef up for all resolutions – and it would also be important that the analysis be conducted for policy changes of any type – Dane County actually has an entire document they use to go with resolutions and ordinances.

I would also anticipate that this would be potentially a fiscal policy on fiscal notes – in other words – how we want policy decisions vetted.

Thank you

Kathryn Schauf

From: Norb Kirk Norb.Kirk@co.eau-claire.wi.us>

Sent: Tuesday, October 8, 2019 3:03 PM

To: Kathryn Schauf Kathryn.Schauf@co.eau-claire.wi.us>

Subject: RE: CLA item #8

Item #8 wasn't part of the intended scope of the work, it was raised as a result of a conversation with fiscal staff, in particular with Vickie. Bridget was trying to see how she could articulate the concern raised in the discussion without any repercussions to Vickie. I think we had discussed the feeling that Bridget took away from the discussion and felt there was some underlying concerns by Vickie as it related to her position. Bottom line, the discussion was that fiscal was typically brought into the discussion after program changes were decided or well down the path and the fiscal impact wasn't part of the discussion or decision. The goal was intended to ensure that fiscal impacts would be part of any future programmatic changes and be a partner at the table. Going down the path of a resolution doesn't seem necessary, but having some fiscal policy/notes outlining the need for program or policy changes to be supported by fiscal analysis seems appropriate.

From: Kathryn Schauf Kathryn.Schauf@co.eau-claire.wi.us>

Sent: Wednesday, October 9, 2019 12:07 PM

To: Norb Kirk Norb.Kirk@co.eau-claire.wi.us>

Subject: RE: CLA item #8

I have followed up with Diane and even on an emerging issue they are working as a team to identify the fiscal implications of a change.

Therefore we can eliminate this

From: Norb Kirk

Sent: Wednesday, October 9, 2019 12:39 PM

To: Kathryn Schauf <Schauf@co.eau-claire.wi.us>

Subject: RE: CLA item #8

I would like to know more about the emerging issue and how fiscal will be more involved going forward as part of the process...I can't un-know what I know about how the process was working..

From: Kathryn Schauf
Sent: 10/9/2019 5:09:56 PM
Received: 10/9/2019 5:09:57 PM
To: ["Norb Kirk <Norb.Kirk@co.eau-claire.wi.us>"]
Subject: text for report
Importance: Normal
Sensitivity: Normal
Attachments: image001.png

Added text to introduction:

There was no indication in this analysis that there was fraud, negligence, mismanagement, or the misstatement of the financial condition of the department.

Question I have is adding language design change that has led to revenue recovery and recoupment.

Scope of engagement:

- Fiscal process review as determined by the County including, but not limited to:
 - AMSO allocation and use of the general ledger reporting
 - Indirect cost plan (county-wide cost allocation plan)
 - CCS billing structure
 - Income maintenance consortium

Point #8 - eliminate

Thank you

Kathryn Schauf

Kathryn Schauf
County Administrator
721 Oxford Avenue, Ste 3520
Eau Claire, WI 54703
715-839-5106 phone

Source: Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 3



As the reader observed, in the series emails Schauf and Kirk are discussing Van Laanen's recommendation that it would be in the best interest of DHS to provide additional visibility and transparency to all stakeholders whenever programmatic changes before any formal discussions take place and/or any decisions are made and provide those to the Finance Director, County Administrator, and DHS board to highlight the fiscal impact for any potential changes under consideration. Kirk also confirms that this recommendation also had to do with what Van Laanen told us during her interview that Gardner didn't feel she could speak up without repercussions. Schauf also informs Kirk that she allegedly discussed the issue with Diane and the recommendation could be deleted from the final report. Kirk then states, "I can't un-know what I know about how the process was working." Kirk was asked about this statement in an interview with us. Kirk confirmed that this statement had to do with Gardner's concerns as well as programmatic changes were being made without considering the fiscal impact, and without being completely transparent.

Lastly, we direct the reader's attention back to the last email exchanged between Schauf and Kirk. This email was sent by Schauf and is contained at the bottom of page 78. The reader will notice in the beginning of the email, Schauf requested that the final report contain a section indicating that there was no fraud, **negligence, mismanagement**, or the misstatement of the financial condition of the department. The reader should compare the bolded words above to Van Laanen's recommendation that was deleted from the final report, as well as Kirks' statement. Based upon the recommendation and Kirk's statement alone, this is not a true nor accurate representation. For Schauf to request that such a statement be included in a final report, that does not accurately reflect the fiscal issues within DHS, is improper, unethical, and non-transparent, as well as may be considered criminal in nature.

Furthermore, Schauf by deleting Van Laanen's recommendation from the report is also improper and non-transparent. Certainly, had this recommendation been put in a final report it would more than likely would have called into question DHS's prior statements, would have disclosed the truth, or at minimum played a part in their financial difficulties, and would have increased an already exorbitant amount of pressure on the department by County Board Supervisors. Those involved in illegal or questionable activity will occasionally not disclose, or will delete damaging information, such as from documents, to continue their illegal or questionable activity, and to ensure that information is not disclosed that would contradict any prior statements or information provided by said individuals.

The below links are Schauf's and Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Pages 80 92](#)

[Schauf_Response_Page_92](#)

Stella Pagonis Email to Kathryn Schauf and Norb Kirk 03/29/21 Reference CLA Draft Reports

Now fast forwarding to March 29, 2021, County Board Supervisor Stella Pagonis sends the following email to Norb Kirk. As the reader can observe in the email Pagonis asks that any drafts be provided to the Committee on Finance and Budget, whom Pagonis was the chair of at the time.⁵⁵

Norb,
I had another discussion with Jerry Wilkie about the weird two-page CLA document (undated, unsigned, etc) and told him that you said you obtained it directly from Bridget at CLA, and that is all there is. He continues to be skeptical. I also told him that you do not keep drafts, so you do not have those.
He asked that you go back to Bridget and get the early draft[s] from her.
I do not know what he is looking for, or in the alternative, if there is a reason why you have been reluctant to provide the information - and maybe you are not being reluctant, but as I said Jerry continues to be skeptical.
And frankly, I am skeptical too. I've worked in consulting situations, and we always always signed and dated our work. Regardless, of our skepticism, please ask Bridget for any drafts that you or anyone else had the opportunity to review, so we can turn them over to the committee, it would be great.

From: Kathryn Schauf
Sent: 3/29/2021 8:43:27 PM
Received: 3/29/2021 8:43:29 PM
To: ["Nick Smiar <Nick.Smiar@co.eau-claire.wi.us>", "Tim Sullivan <Tim.Sullivan@co.eau-claire.wi.us>"]
CC: ["Norb Kirk <Norb.Kirk@co.eau-claire.wi.us>"]
Subject: FW: two items on next agenda
Importance: Normal
Sensitivity: Normal
Attachments: image001.png

Nick and Tim –
I will be following up with you about this – we do not distribute draft reports – they are not releasable and I would like to discuss this issue with you.
There is nothing in the report or drafts that is problematic – it is the basis of being able to work with consultants to develop reports.
I will set up a meeting.
Kathryn

As the reader can see in Schauf's response, she states "There is nothing in the report or drafts that is problematic." Again, the reader should compare this statement to Van Laanen's recommendation that was deleted from the final report. This statement clearly conflicts what was

⁵⁵ Source: Appendix 328 Kathryn Schauf Emails 2017-2021



deleted, and again is an untrue misrepresentation made by Schauf. Furthermore, Pagonis's request for the drafts was denied.

Norb Kirk Email to Kathryn Schauf Re: CARS 07/30/20

On July 30, 2020, Norb Kirk sent Diane Cable and Kathryn Schauf an email. The subject line of the email was "Late Potential Audit Adjustment" The importance level was also indicated as "High." The body of the email read as follows: "As a heads-up, I just got off the phone with Tammy it appears that as a result of responding to a late audit follow-up question, she uncovered that an entry to record a CARS liability was not done to the tune of \$230,501. Suffice to say we are at the 11 ½ hour of the audit closure at this point and the form A is due to be filed with the state by tomorrow. This would have an impact on the DHS loss, subsequent general fund, etc. and at this point is extremely disappointing to say the least. I'm not sure how we can run this through and meet the deadline given where we are at, but one step at a time. I doubt that CLA will pass on an adjustment that large, but we'll see what they say. Based on the conversation, it appears a break-down in the process of following-up on the final CARS reconciliation report received the end of June. I am surprised the auditors didn't raise this sooner so unsure as to why this inquiry would have been on this final clean-up list of questions from them." ⁵⁶

A copy of the email for the readers own review is contained on the next page.

⁵⁶ Appendix 249 - Selected Diane Cable Emails July 2020 Pages: 10-14



From: Norb Kirk <Norb.Kirk@co.eau-claire.wi.us>
Sent: Thursday, July 30, 2020 3:17 PM
To: Diane Cable <Diane.Cable@co.eau-claire.wi.us>; Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>
Subject: Late Potential Audit Adjustment
Importance: High

As a heads-up, I just got off the phone with Tammy it appears that as a result of responding to a late audit follow-up question she uncovered that an entry to record a CARS liability was not done to the tune of \$230,501. Suffice to say we are at the 11 ½ hour of the audit closure at this point and the form A is due to be filed with the state by tomorrow. This would have an impact on the DHS loss, subsequent general fund, etc. and at this point is extremely disappointing to say the least. I'm not sure how we can run this through and meet the deadline given where we are at, but one step at a time. I doubt that CLA will pass on an adjustment that large but we'll see what they say. Based on the conversation, it appears a break-down in the process of following-up on the final CARS reconciliation report received the end of June. I am surprised the auditors didn't raise this sooner so unsure as to why this inquiry would have been on this final clean-up list of questions from them.

Anyway, I wanted to make you aware.

Norb



Norb Kirk, CPA, CMA
Finance Director, Eau Claire County
721 Oxford Ave., Suite 3400 • Eau Claire, WI 54703

F I N A N C E

Direct: 715-839-2827

Email: norb.kirk@co.eau-claire.wi.us

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.


[Cable Response Page 95](#)

County Board Supervisor Steve Chilson Follow Up

On August 3, 2020, Detective Greener received a phone call from County Board Supervisor Chilson. Chilson told Detective Greener that he had been speaking with County Board Supervisor Stella Pagonis and learned from County Board Supervisor Pagonis that Eau Claire County Human Services contracts with a company called Ananda Works. County Board Supervisor Pagonis advised County Board Supervisor Chilson that Ananda Works was owned by County Board Supervisor James Dunning's daughter. County Board Supervisor Chilson further advised the affiant that he researched Ananda Works online and located their website. Chilson advised that on Ananda Works website, Ananda Works provides "TRE" services. Chilson stated he researched TRE and located another website, www.trehouseproject.com. County Board Supervisor Chilson told Detective Greener while he was researching the website, he discovered that County Board Supervisor Dunning, and County Board Supervisor Colleen Bates were both listed as being on Tre House project's advisory board. Chilson further advised the affiant that if Bates and Dunning were on the advisory board it would constitute a conflict of interest and that information would need to be disclosed to the full county board, which was never done.

Ananda Works Research

After speaking with County Board Supervisor Chilson, Detective Greener researched Ananda Works and located their website www.anandaworks.com which states that Ananda Works provides wellness and recovery support services in the form of Trauma Release Exercise (TRE), Yoga, Informal Peer Support, and WRAP plans. Affiant also located the website www.trehouseproject.com which states "We are a nonprofit devoted to helping and empowering those living with adversity in our community, to relieve physical and mental stress and trauma." Detective Greener also observed that on Tre House Project's website it lists its advisory board members. County Board Supervisor Colleen Bates, and County Board Supervisor James Dunning are both listed and pictured as being on Tre House Project's advisory board. Detective Greener is also aware that County Board Supervisor Bates is the chairman of the Eau Claire County Human Services Board. The website also indicates that Christine Varnavas is the executive director of the Tre House Project, and Tre House is operated by Ananda Works Wellness Education Center.

Detective Greener also researched the State of Wisconsin Department of Financial Institutions website and observed that Ananda Works Wellness Education Center was a limited liability corporation, and the registered agent of Ananda Works Wellness Education Center was Christine Varnavas. Varnavas was determined to be County Board Supervisor Jim Dunning's stepdaughter. During this investigation vendor payment history was obtained, which showed since 2018 Eau Claire County had paid Ananda Works \$168,615.11. 

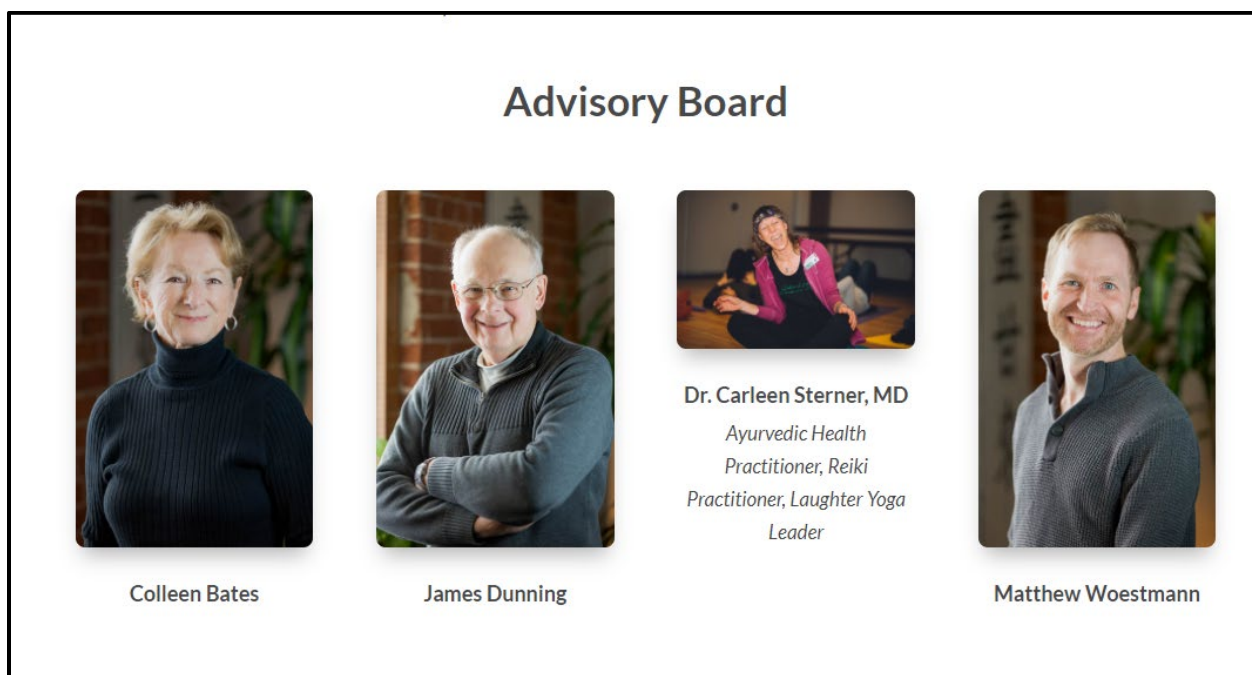



Figure 8-Advisory Board from Tre House Project's website

The below link is James Dunning's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Dunning Response Page 97](#)

Ananda Works FOIA Request

Upon learning the prior information, a FOIA request⁵⁷ was emailed to Ananda Works. The basis for the request was the fact that County Board Supervisor Jim Dunning and County Board Supervisor Colleen Bates both serve on Tre House Project's advisory board. Furthermore, Dunning is Varnavas' stepfather, and it is unknown if either Dunning or Bates have a financial interest in the business. In the event that either Dunning or Varnavas have a financial interest in the business, or is receiving payment to be on the advisory board, this would potentially constitute a Private interest in a public contract which is prohibited under Wisconsin State Statute 946.13.

⁵⁷ Source: Appendix p-Ananda Works FOIA Request 

Ryan Greener

From: Ryan Greener
Sent: Tuesday, August 11, 2020 2:00 PM
To: christine@anandaworks.com
Subject: FOIA Request
Attachments: FOIA Ananda Works .pdf

Greetings,

Please find attached a FOIA request of information. Please confirm receipt of the request at your earliest convenience. If you have any questions please contact me directly.

Thank you,

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)



RON D. CRAMER SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

Detective Ryan Greener

Eau Claire County Sheriff's Office
721 Oxford Avenue Suite 1400
Eau Claire, WI 54703

S Tuesday, August 11, 2020

Anandaworks Wellness Education Center
320 Putnam Street
Suite 110 & 123
Eau Claire, WI 54703

To Whom it May Concern:

Under the **Wisconsin Open Records Law, §19.31 et seq.**, I am requesting an opportunity to inspect or obtain copies of all public records as described below:

1. **All contracts for services or agreements between Eau Claire County and Anandaworks Wellness Education Center and TRE.**
2. **All invoices billed to Eau Claire County for services provided by Anandaworks Wellness Education Center and TRE between 2017-2020.**
3. **All business documentation including ownership information, names of owners, names of business partners, and names of advisory board members.**
4. **All meeting agendas, minutes, and notes for all meetings where contracts, services, or other pertinent information was discussed involving Eau Claire County.**

If there are any fees for searching or copying these records, please let me know in advance. If possible, I am requesting the items be provided in electronic format. This information is not being sought for commercial purposes.

I would request a response in writing, within the 5 days described by law if you intend to deny this request. Also, if you expect a significant delay in fulfilling this request, please contact me with information about when I might expect copies or the ability to inspect the requested records.

EAU CLAIRE COUNTY SHERIFF'S

If you deny any or all this request, please cite each specific exemption you feel justifies the refusal to release the information and notify me of the appeal procedures available to me under the law.

Thank you for considering my request.

Sincerely,

Detective Ryan Greener

Eau Claire County Sheriff's Office
(715) 839-4706

Shortly after emailing the FOIA request, Detective Greener, received a phone call from Christine Varnavas. Detective Greener, explained to Varnavas that she may have heard about the investigation involving DHS. Upon telling Varnavas this she replied, "Only vaguely but that's because my stepfather is on the county board". Detective Greener asked Varnavas who her stepfather was and Varnavas replied "Jim Dunning". Varnavas also indicated that Dunning was also on the Eau Claire County budget and finance committee. It was further explained to Varnavas that FOIA requests were sent to multiple providers that DHS contracts with and her company was one of those providers.

Varnavas understood and stated that she would honor the FOIA request, but it would take her some time to compile the records. Detective Greener advised Varnavas that would be acceptable and asked Varnavas to supply the records within two weeks. Varnavas advised she would.

Ananda Works will be discussed in more detail later in this report.

The below links are Cable's and Dunning's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Page 100](#)

[Dunning Response Page 100](#)

Vickie Gardner Email Re: CARS 08/04/20

On August 4, 2020, at 12:23 PM Vickie Gardner sends Norb Kirk, Kathryn Schauf, and Diane Cable an email. The subject line was “2019 CARS response”. There was also a Word document attached to the email titled, “2019 Final CARS payables situation.docx.” The body of the email read as follows: “Attached is Tammy’s recollection surrounding the 2019 CARS reconciliation.” Affiant believes based upon his experience and knowledge of this case that “Tammy” is Tammy Stelter, a DHS fiscal employee.⁵⁸

From:	Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>
Sent:	Tuesday, August 4, 2020 12:23 PM
To:	Norb Kirk
Cc:	Kathryn Schauf; Diane Cable
Subject:	2019 CARS response
Attachments:	2019 Final CARS payables situation.docx

Hi,

Attached is Tammy’s recollection surrounding the 2019 CARS reconciliation.

Let me know if you would like to meet further to discuss.

*Vickie Gardner
DHS Fiscal Services Manager
Eau Claire County
721 Oxford Ave
Eau Claire, WI 54703
715-839-2997*

⁵⁸ Appendix 249 - Diane Cable Selected Emails August 2020 Pages: 4-5



2019 Final CARS payables situation

Back in late April/early May the CARS was indicating a payable of \$135,156. The CLTS reconciliation was in process and we did not have the final numbers. The State indicated at that time that the reconciliation would probably not be reflected on CARS until July. We did a quick guesstimate of what the final reconciliation numbers might look like and figured it would change from a payable to a very small receivable. This was discussed with Norb and Amy. Norb indicated that since it would be so late and the amount so small that we should not bother to book it. There was no further discussion with Norb or Amy regarding this.

In late July we checked on the final CARS and it indicated that instead of being in a small receivable situation we were in fact in a larger payable situation (\$230,501). This information was shared with Norb, Amy, and the auditors. As it turned out, we had not met our MOE for our CLTS local share which is the reason for the larger payable.

The total payable is a result of the MOE for CLTS and the Winnebago/Mendota charges that the State deducts directly from our CARS revenue.

Norb Kirk Email Response Re: Cars 08/04/20

On August 4, 2020, at 2:15 PM, Norb Kirk responded to the above email. Kirk's email is also sent to Schauf, and Cable. The email from Kirk is contained on the following page.

From: Norb Kirk <norb.kirk@co.eau-claire.wi.us>
Sent: Tuesday, August 4, 2020 2:15 PM
To: Vickie Gardner
Cc: Kathryn Schauf; Diane Cable
Subject: RE: 2019 CARS response

I would add a couple of other comments for additional context related to the topic.

1. The initial issue was raised on June 3rd and I responded we needed to discuss the potential implications of the final adjustment with CLA.
2. The message from the state DHS on June 3rd indicated that at that time they were still on track for the June CARS update, but did say there was a possibility it might not be posted until July or possibly later June due to the impact of COVID. I see no indication in the message that at that time that the state was saying the reconciliation would probably not be reflected until July.
3. The discussion of not booking the final adjustment was related to the closure of the CARS reconciliation, assuming that it didn't occur until late June/early July. The discussion was never about not booking the \$135K estimate.
4. The final CARS report was issued on June 8th.
5. We had discussions with the auditors about this situation, particularly because the indication was that the situation could change from a payable to a small receivable and that the receivable would be outside of our revenue availability period. CLA indicated we should book the estimate which would be appropriate and deal with the adjustment likely in 2020 due to the expected date of the final reconciliation versus the cutoff dates. I believe Vickie and Tammy attended a call with CLA on this topic on June 8th.
6. The late July check on the status was conducted as a result of the audit follow-up inquiry from CLA and not initiated by us.

I feel like the narrative is missing some key elements for context and clarity.

Thanks
Norb

As you can see in the emails on the previous pages, Vickie Gardner and Norb Kirk drafted emails addressed to Kathryn Schauf and Diane Cable that explained their recollections of events that led up to the July CARS amount adjustment.

In her email, Vickie Gardner writes: "The State indicated at the time that the reconciliation would probably not be reflected in CARS until July." Later, Gardner writes: "In late July we checked on the final CARS and it indicated that instead of being in a small receivable, situation we were in fact in a larger payable situation (\$230,501)." ⁵⁹

In his email, Norb Kirk writes: "The final CARS report was issued on June 8th." Later Kirk writes: "I believe Vickie and Tammy attended a call with CLA on this topic on June 8th. The late July check on the status was conducted as a result of the audit follow-up inquiry from CLA and not initiated by us." ⁶⁰

When Deputy Voelker reviewed the contents of the Vickie Gardner laptop, Deputy Voelker located an Outlook Appointment dated 6/8/2020 3:00 PM sent by: Amy Weiss to: Amy Weiss, Norb Kirk, Debra Welch (CLA employee) with Cc: invitations to: Vickie Gardner and Tammy Stelter. The subject line reads: "Audit Check in," and the body of the appointment reads:

⁵⁹ Appendix 249 - Diane Cable Selected Emails August 2020 Page: 4-5

⁶⁰ Appendix 249 - Diane Cable Selected Emails August 2020 Page: 6



“Rescheduling back to original time. Weekly audit check in. Specific topics to include DHS and Airport.”⁶¹

When Deputy Voelker reviewed the contents of the Tammy Stelter laptop, he located a corresponding Outlook appointment with the same information as seen on the Vickie Gardner laptop.⁶²

Based on this information, Norb Kirk’s “2019 CARS response” email information appears to be supported in that there was a call between DHS fiscal employees Gardner / Stelter where the other participants on the call were Norb Kirk, Amy Weiss, and Debra Welch from CLA – Clifton, Larson, Allen.

The below link is Cable’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_101_104](#)

Press Release Re: Misuse of Taxpayer Funds 08/11/20

On August 11, 2020, a press release was sent to local media as well as all county employees. In the press release Schauf made the following statement “We simply cannot, and will not, tolerate any misuse of taxpayer funds.” The reader should keep this statement in mind as they continue to read through this report.

Susan Schleppenbach Interview

On August 11, 2020, Detective Greener, and Deputy Voelker interviewed Susan Schleppenbach. Schleppenbach was a former DHS employee and the former Organizational Services Manager for DHS. Schleppenbach was also involved in the budget process and was responsible for the overhead budget, referring to phone costs, equipment, and office supplies, and was also the records custodian. Schleppenbach also did budgeting for contracted services. Schleppenbach also had made several questionable purchases with her county-issued purchase card.

During the interview Schleppenbach was asked about ALIA. Schleppenbach stated that she was familiar with ALIA and based upon her understanding ALIA contracted with DHS to change the way DHS does foster care. Schleppenbach further stated that Diane Cable was the one who told staff they were going to start working with ALIA. Schleppenbach also stated that DHS staff routinely went to ALIA for meetings and training. Schleppenbach also booked staff hotel rooms when they went to trainings and meetings at ALIA.

⁶¹ Vicki Gardner Dell Laptop - 60168



⁶² Tammy Stelter Dell Laptop - 60154




Schleppenbach was asked if working with ALIA was no cost to the county or if there were fees associated with it. Schleppenbach stated that there were charges for trainings, classes, and all 24 managers attended a class at ALIA which was paid for by DHS. Schleppenbach also stated as part of her duties she would routinely review her budget for professional services. Schleppenbach stated on several occasions she observed payments made to ALIA coming out the professional services budget.

Schleppenbach was also asked about purchasing card transactions. Schleppenbach was asked if she knew about DHS staff staying in certain hotel rooms or getting upgrades in airfare. Schleppenbach stated “Never, never, I will guarantee you when I was there and Zer, referring to Zer Smith, we did the airlines we never upgraded anybody, wouldn't do that. Um hotel rooms uh we if it was in the State of Wisconsin you had to stay within that the guidelines um unless you got into Madison, Milwaukee, but we still we, we still booked even if it wasn't the hotel the conference was at, if the conference was too expensive, we booked them a hotel down the road, and they yipped about that. No um all the hotel rooms and the um airfares I booked were economy fares and um the best I could do rate hotels. That I did yes.”

Schleppenbach was also asked if she had any information or knowledge of certain DHS staff staying in hotel suites instead of at the state rate. Schleppenbach replied “No never, never. Holy cow that if that happened that would um be a shock to me because we I actually was a part of a um another we wrote um policy and procedures for hotel rooms which again um the people shout at me. But you know like if you went to a conference, you two went to a conference together you shared a room and if you didn't want to share a room then you had to pay. You know we were really strict on people sharing rooms.”

As shown and discussed in previous sections of this report, Diane Cable has made statements that there were no costs associated for the services ALIA was providing. Based upon the known payments made to ALIA, and supported by Schleppenbach, Cable's statement is clearly false, or at minimum a misrepresentation.

Furthermore, as also discussed in previous sections of this report, there were staff receiving upgraded hotel rooms or airfare. Schleppenbach's denial of this occurring is an intentional false statement. Schleppenbach would have knowledge of upgrades occurring based upon the purchase card issued specifically to her and in her control, were associated with several of the transactions. 

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_104_105](#)

E-Mail From Tim Sullivan to Diane Cable Re: ALIA FOIA 08/12/20

On August 12, 2020, Tim Sullivan, former Eau Claire County Corporation Counsel, sent Diane Cable an email. The subject line of the email was “ALIA Public Record Memo” There is also a PDF document attached to the email. The body of the email reads as follows; “ALIA public records memo. The PDF document was a letter to Diane Cable from Tim Sullivan on Eau Claire County letterhead. The reference line of the letter read “OPEN RECORDS REQUEST-ALIA”. The email and a copy of the letter is contained on the next several pages: ⁶³

-----Original Message-----

From: Tim Sullivan <Tim.Sullivan@co.eau-claire.wi.us>

Sent: Wednesday, August 12, 2020 1:06 PM


To: Diane Cable <Diane.Cable@co.eau-claire.wi.us>

Subject: ALIA Public Record Memo

ALIA public records memo.

Tim.

This communication constitutes an electronic communication within the meaning of the Electronic Privacy Act, 18 USC 2510 and its disclosure is strictly limited to the recipient intended by the sender of this message. This communication is confidential and may contain information that is privileged, confidential and exempt from disclosure under applicable law. Receipt by anyone other than the intended recipient does not constitute waiver or loss of the confidential or privileged nature of the communication. If the person receiving this message is not the intended recipient or you have received this message in error, any review, publication, copying or other distribution of this information is strictly prohibited. If you received this communication in error, please notify the sender immediately at the email address above, return the original message to me by mail, destroy any copies you may have made and delete the communication from any computer and/or storage media. Thank you for your cooperation.

⁶³ Source: Appendix 249 Diane Cable Emails August 2020 



CORPORATION COUNSEL
Timothy J. Sullivan

OFFICE OF CORPORATION COUNSEL

EAU CLAIRE COUNTY
EAU CLAIRE COUNTY COURTHOUSE
721 OXFORD AVE., SUITE 3520
EAU CLAIRE, WI 54703
PH: (715) 839-4836 Fax: (715) 839-6243



ASSISTANT
CORPORATION COUNSEL
Sharon G. McIlquham
Richard A. Eaton
Charles R. Ellefsen, III

August 12, 2020

TO: DIANE CABLE, DEPARTMENT OF HUMAN SERVICES
FROM: TIM SULLIVAN 
RE: OPEN RECORDS REQUEST- ALIA

Diane,

This morning you showed me a copy of an open records request that was sent to ALIA from the Eau Claire County Sheriff's Department. ALIA which provides services to DHS has asked you whether they are required to respond. It should be noted that Eau Claire County or the Eau Claire County Department of Human Services cannot provide legal advice to ALIA. They will need to conduct a review of their own records and make their own determination as to whether or not they will need to comply with the open records request made by the Sheriff's Department. Any statements made in this memorandum are simply a general statement of the law as it applies to public records and is not intended to provide legal advice to ALIA for purposes of responding to the request by the Sheriff. It is intended to give your department a better understanding of what the law is as it pertains to your service providers.

The request includes the following:

1. All agendas, hand-outs, minutes, and notes from all meetings that Eau Claire County has participated in.
2. All videos of leader and guide interviews pertaining to Eau Claire County.
3. All recordings of meetings, virtual meetings, virtual calls, and phone calls that Eau Claire County has participated in.
4. All notes or other documents pertaining to meetings or discussions with Eau Claire County.
5. All invoices billed to Eau Claire County from 2017-2020.

6. All contracts signed by Eau Claire County for services provided to Eau Claire County by ALIA.

ALIA is to my knowledge a private business located in St. Paul Minnesota, that has been working with the Department of Human Services to provide a new model on issues related to how services are provided to children in out of home placements.

The public record law applies to an "authority" as defined in Wis. Statutes §19.32(1) that includes most governmental bodies, including Eau Claire County, in the state of Wisconsin. Generally, it does not include private businesses with the exception of "a nonprofit corporation that receives more than 50 percent of its funds from a county or municipality as defined in s.59.001(3)."

In general, private business do not have a responsibility to respond to public records requests except to the extent that they may have entered into contracts or agreements to provide services or materials to governmental units. It is the records related to that contract or agreement that may become a public record and require a response to a public records request. For example, the contract, any invoices submitted to the government and any payments received, payments made to subcontractors under the contract, etc., all may be subject to the public records law. Because a private business has entered into a contract with governmental unit does not make all of their records public. Information outside of that which is related to the agreement with governmental unit remains the private records of the business.

In response to the request made by the Sheriff:

#1. Agendas and minutes are records. Notes prepared for personal use are not public records pursuant to Wis. Stats 19.32(2). Handouts prepared and used by DHS would be a public record, but handouts prepared and used by ALIA in meetings seminars, presentations may be proprietary in nature.

#2 This request is unclear. If these are videos created by ALIA that may be part of their proprietary information, and not a public record. But, if they are videos of county employees participating in activities associated with the services provided under the contract, they may be public records.

#3 The county does not participate in meetings. Employees of the county participate in meetings. If there are recordings of the items suggested, and county employees were involved, and the meeting, phone calls, etc., are related to the services provided by ALIA under the contract with Eau Claire County they may be subject to the open records request.

#4 is a restatement of #1.

#5 is a public record.

#6 is a public record.

ALIA is a corporation located in the State of Minnesota. I would suggest they consult with their own attorney about potential jurisdictional issues.

Requests for public records can be denied if the record is otherwise confidential under the law. For example, files that contain information about individuals involved in CHIPS cases, mental health services, or AODA services may be confidential under other laws that would prohibit disclosure under the public records law.

Records do not need to be created to satisfy a public records request. The authority should review its records to determine if there are records that satisfies the request in whole or part and provide those records if they are not otherwise confidential under the law.


As the reader observed, within the first paragraph of the letter Sullivan informs Cable “It should be noted that Eau Claire County or the Eau Claire County Department of Human Services cannot provide legal advice to ALIA” Despite this statement Sullivan still provides legal advice and legal opinion in several areas of the letter.

In a subsequent email at 2:01 PM Diane Cable, after being told “Eau Claire County nor the Eau Claire County Department of Human Services” can provide legal advice to ALIA and being told that the letter was intended to give Cable’s department a better understanding of what the law is as it pertains to DHS’s service providers, forwards the letter to Franck-Meyer the CEO of ALIA.⁶⁴

From: Diane Cable <diane.cable@co.eau-claire.wi.us>
Sent: Wednesday, August 12, 2020 2:01 PM
To: Amelia Franck Meyer
Subject: FW: ALIA Public Record Memo
Attachments: 20200812123903217.pdf

Hello Amelia,
For your information, I am forwarding information that was shared with me from our Corp Counsel, with regard to the public records request.
Diane

Diane Cable, MSW
Director
Department of Human Services
721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us
Department of
HUMAN SERVICES

⁶⁴ Source: Appendix 249 Diane Cable Emails August 2020 

Attempt to Arrange Interviews with Vickie Gardner & Tammy Stelter 08/12/20


On August 12, 2020, at approximately 9:30 AM Detective Greener placed a phone call to Vickie Gardner, DHS Fiscal services Manager. Detective Greener left a message on Gardner's voicemail asking that she contact him to arrange a time for an interview.

At 1:15 PM Gardner had not returned Detective Greener's phone call. Detective Greener queried, Cisco Jabber, which is an instant messenger system used by county employees and observed that it indicated Vickie Gardner's meeting status was available. Employees Microsoft Outlook Calendar is tied to the Cisco Jabber system thus if an employee was in a meeting, or out of the office it would indicate their status as offline, busy, or unavailable. Based upon this information and in an effort to set up a meeting with Gardner, Detective Greener and Deputy Voelker went to the DHS lobby and asked to speak with Gardner. Detective Greener and Deputy Voelker wished to schedule a meeting with Gardner or meet with her immediately in order to conclude the investigation as soon as possible.

Upon making contact with a receptionist in the lobby of DHS the receptionist informed Detective Greener and Deputy Voelker that Gardner was in meetings the remainder of the day. With Vickie Gardner unavailable, Detective Greener asked if Tammy Stelter was available. The DHS staff member called Stelter by phone and explained that there were two members of the Sheriff's Office who were at the reception desk and were looking to talk with her. After a brief conversation, Detective Greener, and Deputy Voelker were directed to the second-floor reception area, where they were told that Stelter would meet them. When Detective Greener and Deputy Voelker arrived at the second-floor reception area, there was no one waiting for them. Detective Greener and Deputy Voelker waited for at least eight minutes, before Tammy Stelter made contact with them in the lobby. Stelter did not apologize for the length of time that it took for her to come out and meet with Detective Greener and Deputy Voelker, nor did she explain why there was such a lengthy delay between the contact phone call from the DHS reception desk and when she eventually met with them.

Deputy Voelker spent at least two to three minutes explaining to Stelter who they were; that they had been assigned the DHS investigation; that they were gathering information and were there to simply gather information from her. Deputy Voelker told Stelter that ideally, he and Detective Greener would prefer to meet with her in the Sheriff's conference room. Deputy Voelker offered that if Stelter would feel more comfortable meeting there, they could meet in a DHS conference room.

In response, Stelter went into a non-stop narrative said that she actually had a meeting to attend in just a few minutes, then she and other DHS staff were in the process of moving offices within the building; adding that she was in charge of the office moves; then DHS staff next week was involved in their budget preparations. Detective Greener provided Stelter a business card and asked her to contact him to set up a date and time for an interview. Stelter received the

business card but did not offer a date or time for an interview. Detective Greener and Deputy Voelker both observed that during their contact with Stelter that she was guarded and agitated. Throughout their contact with Stelter, she held her hands clasped together in a ‘praying’ configuration; with her hands held tightly and at the upper chest to chin height level. Stelter also spoke in a halting, hesitant, ‘broken voice’ manner that, based upon Detective Greener and Deputy Voelker’s experience led them to believe that Stelter was very agitated or nervous. 

[REDACTED]


[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁶⁵ Source: Appendix 249 Diane Cable Emails August 2020 

As the reader can see, Cable informs Sullivan that we had contacted both Vickie Gardner and Tammy Stelter. Both indicated to Cable that they would be contacting Detective Greener to arrange for an interview. Cable also requested that Sullivan be present for the interview. Sullivan's reply to Cable is below:

From:	Tim Sullivan <tim.sullivan@co.eau-claire.wi.us>
Sent:	Wednesday, August 12, 2020 2:32 PM
To:	Diane Cable
Cc:	Kathryn Schauf
Subject:	RE: Investigation

We can be there, but with the following understanding. The corporation counsel is the attorney for Eau Claire County. That means I represent the entity that is Eau Claire County. The Department of Human Services is part of the County as well as is the Sheriff's Department. I have to be cognizant of the fact that there may be legitimacy to the allegations of criminal behavior, whether there is or isn't. I also have to be cognizant of the right of the Sheriff to perform their function which includes conducting an investigation

What is of interest and that the reader should also make note of for later in this report, is that Tim Sullivan correctly advises Cable that he is the attorney for Eau Claire County, and that he also advises he has to be cognizant of the right of the Sheriff to perform their function which includes conducting an investigation. The reader will see that later on Sullivan's position regarding legal representation changes.

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Pages 111 113](#)

***Diane Cable Email to Kathryn Schauf and Tim Sullivan Re: Ananda Works
08/12/20***

From: Diane Cable <diane.cable@co.eau-claire.wi.us>
Sent: Wednesday, August 12, 2020 2:25 PM
To: Tim Sullivan
Cc: Kathryn Schauf
Subject: Provider

Christine Varnanas, a provider for our CCS program. Has been contacted to by the Sheriff's Department, I believe Detective Greener, requesting all of her CCS records. I have reached out to Christine, as she reached out to us with concern, and she will be calling back. I plan to indicate to her that she can ask the Detective what this is regarding and set a time to meet with him, if she chooses. However, if this is not a criminal matter, she does not have to meet with him. I will also indicate to her that information pertaining to clients is not subject to public record release, as this is confidential information.

I am concerned that they are approaching providers, who may not contact us, and may release information regarding clients, because they believe they can give this to law enforcement. Just noting my concern that may need to be addressed.

Diane



Diane Cable, MSW
Director
Department of Human Services
721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

The above email from Diane Cable to Tim Sullivan, Eau Claire County Corporation Counsel, and Administrator Kathryn Schauf was observed. As the reader can see Cable apparently had or was going to have with Varnavas a conversation regarding the FOIA request. What is of interest and will be discussed in more detail later in this report, is after a conversation presumably took place between Cable and Varnavas, Varnavas no longer responded to us or cooperated with the investigation.⁶⁶

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Page 114](#)


⁶⁶ Appendix 249-Diane Cable Emails August 2020



Trinity Equestrian Center FOIA

Also, on August 12, 2020, a Freedom of Information Act (FOIA) request was emailed to Trinity Equestrian Center. The information contained within the FOIA was requested based upon the discrepancy in the data previously discussed on pages 21-22 of this document. Furthermore, there were concerns related to misspending by DHS involving Trinity Equestrian Center. The information requested from Trinity would be able to possibly show if the discrepancies in the data previously discussed was human error and would further show if something nefarious was occurring in regard to DHS's payments to Trinity. Ian Mattson one of the owners of Trinity Equestrian Center did provide the requested records voluntarily which will be discussed later in this report.

A copy of the FOIA request is contained on the following page.⁶⁷

⁶⁷ Source: Appendix s Trinity Equestrian Center FOIA Request 



RON D. CRAMER
SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

Detective Ryan Greener

Eau Claire County Sheriff's Office
721 Oxford Avenue Suite 1400
Eau Claire, WI 54703

Tuesday, August 11, 2020

Trinity Equestrian Center
S5300 STH 37
Eau Claire, WI 54701

To Whom it May Concern:

Under the **Wisconsin Open Records Law, §19.31 et seq.**, I am requesting an opportunity to inspect or obtain copies of all public records as described below:

1. **All contracts for services or agreements between Eau Claire County and Trinity Equestrian Center.**
2. **All invoices billed to Eau Claire County for services provided by Trinity Equestrian Center between 2017-2020.**
3. **Documentation of number of Eau Claire County DHS clients served monthly for 2017-2020 by Trinity Equestrian Center.**
4. **All business documentation including ownership information, names of owners, names of business partners, and names of advisory board members.**
5. **All meeting agendas, minutes, and notes for all meetings where contracts, services, or other pertinent information was discussed involving Eau Claire County.**
6. **All emails exchanged between Eau Claire County and Trinity Equestrian Center.**

If there are any fees for searching or copying these records, please let me know in advance. If possible, I am requesting the items be provided in electronic format. This information is not being sought for commercial purposes.

I would request a response in writing, within the 5 days described by law if you intend to deny this request. Also, if you expect a significant delay in fulfilling this request, please contact me with information about when I might expect copies or the ability to inspect the requested records.

Kathryn Schauf Email to Diane Cable Re: Next Steps 08/13/20

On August 13, 2020, at 9:29 AM Eau Claire County Administrator, Kathryn Schauf sends Diane Cable the email below. What is of interest and that the reader should make note of for later in this report is Schauf directing Cable, to allow Human Resources and Real Living, an Employee Assistance Program the county utilizes, to mitigate impacts to employees.⁶⁸

From: Kathryn Schauf <kathryn.schauf@co.eau-claire.wi.us>
Sent: Thursday, August 13, 2020 9:29 AM
To: Diane Cable
Subject: Next steps
Importance: High

I have given significant thought and offer the following

Keep your focus on the good work you are doing –

1. The focus needs to be on continuing to mitigate budget overages. We cannot be over budget in 2020.
2. Allow Human Resources and RealLiving to mitigate impacts to employees.
3. We need to finalize the recommended structure for DHS and begin recruitment asap – identifying how we are going to resource the needed structure. We have structures and systems we are working on. If Vickie could lay this out in a timeline in writing it would be helpful – where are we at on the continuum – what do we need to continue.
4. Program managers: Program managers need to step-up into new levels of managerial responsibility. You cannot do this – they must.
 - a. They need to review their programs and document at the program level contract management, purchasing, and processes and practices. If they have questions we will identify resources in Finance to answer questions and provide guidance.
 - b. Make sure they are managing up – and keeping you apprised.
 - c. Communication channels need to be wide open.

The below link is Schauf's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf_Response_Page_117](#)

Diane Cable and Kathryn Schauf Preservation Request 08/13/20

On August 13, 2020, at 2:19 PM a preservation request was served upon Diane Cable requesting that documents, and electronic communications be preserved. The items listed in the preservation request were items needed to conduct a complete and thorough investigation. Furthermore at 2:25 PM a preservation request was served upon Kathryn Schauf. Schauf was requested to preserve email and other forms of communication along with budget documents pertaining to DHS.

Preservation requests are utilized by law enforcement on a frequent basis during investigations as a resource to advise individuals to preserve documents that may be of interest to law enforcement during the investigation.

The preservation requests served upon Cable and Schauf are contained on the following pages⁶⁹:

⁶⁸ Source: Appendix 249 Diane Cable Emails August 2020

⁶⁹ Source: Cable and Schauf Preservations



RON D. CRAMER SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

Detective Ryan Greener

Eau Claire County Sheriff's Office
721 Oxford Avenue Suite 1400
Eau Claire, WI 54703

Thursday, August 13, 2020

Diane Cable
Director of Human Services Suite 1001
721 Oxford Avenue
Eau Claire, WI 54703

PRESERVATION REQUEST LETTER

The Eau Claire County Sheriff's Office is currently conducting an investigation involving Eau Claire County DHS. We will be requesting the following records that we believe will provide important evidence in our case. We are requesting you immediately preserve the following documents and records pending further legal process:


1. Any and all business records related to accounts payable and accounts receivable for the years 2017-2020 for Eau Claire County DHS. This includes but is not limited to invoices, receipts, P-card receipts, approval documents, receipts from airline travel or hotel stays, meal reimbursements, and related purchases made by staff while attending training or conferences.
2. Any and all approval records and related documents for purchases or purchase requests made by DHS staff whether it be for training, supplies, or clients.
3. Any and all case notes, doctor or provider orders or prescriptions for any client where items or contracted services were supplied or purchased.
4. Any and all statistics, client information, empirical data, and any other documentation showing the numbers of clients that DHS is serving in any program.
5. Any and all email communications or other forms of communication between DHS management, DHS fiscal, DHS vendors, DHS contracted providers, and any emails or other forms of communication between DHS management, DHS fiscal and Eau Claire County staff included but not limited to administration, county fiscal, county purchasing, and County Board Supervisors.
6. Any and all signed contracts for Eau Claire County DHS grant providers, and contracts for any other contracted providers.

EAU CLAIRE COUNTY SHERIFF'S OFFICE

7. Any and all records submitted to DCFS, DHS, or any other state or federal agency for reimbursement.
8. Any and all computer records or other records that contains documentation of accounts payable, accounts receivable, program expenditures, grant expenditures, payroll expenses, and any other related expenses.
9. Any and all monthly, quarterly, and yearly reports associated with budget items, reimbursements, and any other reports pertaining to DHS program expenditures and reimbursements.
10. Any information published to the Eau Claire County website or distributed at public meetings or provided to any Eau Claire County staff, and Eau Claire County Board Supervisors.
11. Any all documents, and communications regarding budget preparation or budget status.
12. Any and all DHS current policies or previous policies for the years 2017-2020.

You are hereby requested to preserve, **UNTIL FURTHER NOTICE**, the records described above currently in your possession, including records stored on backup media, in a form that includes the complete record. You also are requested **NOT to DISCLOSE** the existence of this request to the any other person, other than as necessary to comply with this request.

Failure to comply with this request could result in criminal prosecution.


Detective Ryan Greener
Eau Claire County Sheriff's Office



RON D. CRAMER SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

Detective Ryan Greener

Eau Claire County Sheriff's Office
721 Oxford Avenue Suite 1400
Eau Claire, WI 54703

Thursday, August 13, 2020

Kathryn Schauf
Eau Claire County Administrator
721 Oxford Avenue
Eau Claire, WI 54703

PRESERVATION REQUEST LETTER

The Eau Claire County Sheriff's Office is currently conducting an investigation involving Eau Claire County DHS. We will be requesting the following records that we believe will provide important evidence in our case. We are requesting you immediately preserve the following documents and records:

1. Any and all email communications or other forms of communication between yourself, DHS management, DHS fiscal, DHS vendors and their staff, DHS contracted providers, and any emails or other forms of communication between yourself, DHS management, DHS fiscal and Eau Claire County staff included but not limited to administration, county fiscal, county purchasing, and County Board Supervisors.
2. Any information published to the Eau Claire County website or distributed at public meetings or provided to any Eau Claire County staff, and Eau Claire County Board Supervisors pertaining to DHS.
3. Any all documents, and communications regarding budget preparation or budget status pertaining to DHS.

EAU CLAIRE COUNTY SHERIFF'S

You are hereby requested to preserve, **UNTIL FURTHER NOTICE**, the records described above currently in your possession, including records stored on backup media, in a form that includes the complete record. You also are requested **NOT** to **DISCLOSE** the existence of this request to the any other person, other than as necessary to comply with this request.

Failure to comply with this request could result in criminal prosecution.



Detective Ryan Greener
Eau Claire County Sheriff's Office

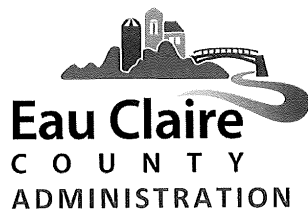
Schauf Demand Email to Sheriff Cramer 08/13/20

On August 13, 2020 at 2:58 PM, 33 minutes after Schauf was served a preservation request, Sheriff Cramer received an email from Schauf. Attached to the email was a two-page letter. In the letter Schauf demanded that the Sheriff's Office immediately turn over to her office all records, documents, recording and notes that the Sheriff's Department has accumulated related to the investigation. Schauf's basis for her demand was "The need and ability of this office to take action to protect the County as an organization." Schauf further stated in the letter that any potential criminal issues that the Sheriff's Office may be investigating, there were potential administrative, financial and personnel issues that may be implicated and would need to be dealt with. Schauf also stated "By withholding information, you are obstructing my ability as the County Administrator to conduct my own internal investigation and my obligation to protect the county and to take the appropriate action to deal with any misconduct that may be currently occurring or has occurred within this organization."

As stated in the law enforcement investigative process section of this report, law enforcement investigations are conducted in a discreet and confidential manner. Information and evidence obtained while the investigation is active is only shared with those having a vested interest in the investigation, meaning the law enforcement officers conducting the investigation, or other partners actively involved in the investigation. By releasing any reports prior to an investigation being completed it would jeopardize the investigation as reports and documents contain case sensitive information such as details only those involved in illegal activity would know and would also supply witness names to those involved in said illegal activity.

Schauf is also well aware of law enforcement practices and procedures related to criminal investigations based upon numerous other criminal investigations involving county departments, and county employees, during her tenure as County Administrator. At no time during those investigations did Schauf demand to have information obtained during the investigation while the investigation is active. Schauf is also aware past practice is no information is released until the investigation has been completed and has been reviewed by the District Attorney.

Furthermore, at the time of Schauf's demand the investigation was in its early stages and it was unknown at the time if Schauf would be considered a witness, or person of interest in the investigation. By prematurely disclosing information to her without the investigation being complete would severely jeopardize the integrity of an investigation, which Schauf is also well aware of.



August 13, 2020

Sheriff Ron Cramer
Eau Claire County Courthouse
721 Oxford Ave
Eau Claire, WI 54703

RE: Investigation of Department of Human Services

Dear Sheriff Cramer,

Yesterday, you appeared in the local media concerning your investigation into the finances of the Department for Human Services. During the course of the interview you made the comments that you have at this point looked at some things that are "very concerning that you are following up on" in relation to your department's investigation into the financial situation at the Department of Human Services. Further, you indicated that your department was still engaged in the "fact finding" process leading the listener to believe that you have not yet concluded your investigation.

As you know, you have previously had discussions with the Corporation Counsel concerning this matter and he has previously sent you a letter on June 9, 2020 and an email on July 27, 2020 requesting that you provide copies of all documents related to your investigation of the Department of Human Services. On July 27, he commented if criminal charges are likely to result from your investigation, and depending on the charges, the county will need to investigate and/or take disciplinary action towards employees who are charged.

Today, I am demanding that you immediately turn over to this office all records, documents, recording and notes that your department has accumulated related to your investigation into the finances of the Department of Human Services. The information should include all case numbers that you have assigned to your investigation and all associated document files under those case numbers. The basis for this demand is the need and ability of this office to take action to protect the County as an organization. Your comment that you have looked at some items that are "very concerning" has implications for the county as a whole, regardless of whether or not you end up referring this matter to the District Attorney for criminal charges. In addition to any potential criminal issues that you may be investigating, there are potential administrative, financial and personnel issues that may be implicated as the result of this "very concerning" information. By withholding information, you are obstructing my ability as the County Administrator to conduct my own internal investigation and my obligation to protect the county and to take the appropriate action to deal with any misconduct that may be currently occurring or has occurred within this organization.

I would further request that you in the future refrain from making inflammatory statements to the press that lead the general public to infer that there is misconduct occurring within the county, without stating any facts to support those inferences. It is not appropriate for you to comment to the press

about ongoing investigations especially while you are still engaged in the fact-finding process. Your statements have already caused employees, members of the public, and elected officials to formulate a conclusion about the potential for misconduct within the county. This is damaging to the county as a whole and should not have occurred.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathryn Schauf', with a stylized flourish at the end.

Kathryn Schauf
County Administrator

CC: Nick Smiar, County Board Chair
Tim Sullivan, Corporation Counsel
WMMIC

The below link is Schauf's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf Response Pages 122 124](#)

Correspondence with Vickie Gardner 08/13/20-08/14/20

August 13, 2020, at 4:50 PM, Detective Greener received an email from Vickie Gardner. Gardner apologized for not contacting Detective Greener sooner and inquired if he would be available to meet with her and Tammy Stelter on Monday August 17, 2020. Gardner advised Detective Greener that she was available from 8am-9am, and Stelter was available from 9am-10am. Gardner also told Detective Greener that they could meet in one of the DHS meeting rooms. Detective Greener responded to Gardner's email on August 14, 2020, and informed Gardner that he was available on Monday but would need approximately two hours with each of them. Detective Greener also explained to Gardner that for privacy reasons, he asked that Gardner and Stelter come to the Sheriff's Office for their interviews. Detective Greener did not receive a response from Gardner or Stelter.⁷⁰

From: Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>
Sent: Thursday, August 13, 2020 4:50 PM
To: Ryan Greener <Ryan.Greener@co.eau-claire.wi.us>
Cc: Tammy Stelter <Tammy.Stelter@co.eau-claire.wi.us>
Subject: Meeting

Hi Ryan,

I apologize for not getting back to you sooner. Tammy is off on Friday and my schedule is booked for Friday.

Would you be able to meet with each of us on Monday, Aug. 17th?

Tammy 8 am – 9 am
Vickie 9 am – 10 am

I will set up a meeting invitation. We can meet in one of the DHS meeting rooms on 2nd floor. Both Tammy and myself have meetings right after our perspective meetings with you.

Thanks for the consideration,

Vickie Gardner
DHS Fiscal Services Manager
Eau Claire County

⁷⁰ Source: Email Correspondence with Vickie Gardner



From: Ryan Greener
Sent: Friday, August 14, 2020 9:39 AM
To: Vickie Gardner
Subject: RE: Meeting

Hi Vickie,

Thank you for getting back to me I understand everyone's busy schedule. I would be available on Monday however would need a 2 hour block of time for each of you. If Monday does not work we can certainly set something up for later in the week.

Also so I can have access to the necessary information during each of the interviews, and for privacy reasons, I would ask that you and Tammy come to the Sheriff's Office. Let me know what your calendar availability is and we can get something scheduled.

Thank you and take care,

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)

Email Correspondence with Tim Sullivan 08/14/20 & 08/17/20

On August 14, 2020, Detective Greener received an email from Tim Sullivan, Corporation Counsel Eau Claire County. Sullivan told Detective Greener that he would be attending the interviews as the attorney for the county. Sullivan also stated "My understanding is that these are interviews and not interrogations, and that is the case it makes sense to conduct these interviews in the Department of Human Services where the records are contained. I am available between 8-12 on Monday."

Upon receiving the email from Sullivan, Detective Greener, provided a copy of it to Sheriff Cramer. Sheriff Cramer consulted with the District Attorney's Office, the Wisconsin Department of Justice, and the Division of Criminal Investigation. All three agencies concluded that having Corporation Counsel present during an interview regarding a potential criminal matter would jeopardize the case if an individual confessed to a criminal act or acts during that interview. Sheriff Cramer sent Sullivan an email advising him of such.⁷¹

⁷¹ Source: Appendix BD-Email Correspondence with Tim Sullivan



From: Tim Sullivan <Tim.Sullivan@co.eau-claire.wi.us>
Date: August 14, 2020 at 1:13:08 PM CDT
To: Ryan Greener <Ryan.Greener@co.eau-claire.wi.us>, Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>, Tammy Stelter <Tammy.Stelter@co.eau-claire.wi.us>
Cc: Diane Cable <Diane.Cable@co.eau-claire.wi.us>, Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>
Subject: Interview

Ryan,

I will be attending the interviews as the attorney for the county. My understanding is that these are interviews and not interrogations, and that is the case it makes sense to conduct these interviews in the Department of Human Services where the records are contained. I am available between 8-12 on Monday.

Tim Sullivan

From: Ron Cramer <Ron.Cramer@co.eau-claire.wi.us>
Sent: Friday, August 14, 2020 5:25 PM
To: Tim Sullivan <Tim.Sullivan@co.eau-claire.wi.us>; Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>
Subject: FW: Interview

Tim,

Respectfully you are compromising our investigation by sitting in on these interviews. You have not sat in on any of the interviews we have done in past cases.

I have consulted with the Department of Justice and the Division of Investigation who also confirmed as Corporation Counsel sitting in on any possible case that might have criminal implications jeopardizes a criminal case.

Please consider that we need to move forward on this case and we are trying not to be adversarial. We are trying to get to the truth so we can bring this case to a successful conclusion.

Sheriff Ron D. Cramer
FBI NA 197

1

Even after receiving the above email from Sheriff Cramer advising Sullivan that he could not be present for the interviews which was supported by the District Attorney's Office, the Wisconsin Department of Justice, and Wisconsin Division of Criminal Investigation, Sullivan asserts that he will be present for the interviews. Sullivan also makes the following statement "In case you forgot, there is always a right to counsel."

As the reader likely recalls, as previously mentioned in this report, Sullivan correctly advises Cable that he is the attorney for Eau Claire County. Sullivan cannot represent individual employees. While Sullivan is correct that there is always a right to counsel, if an individual or employee wants counsel present in an interview, they would have to provide their own attorney.

From: Tim Sullivan <Tim.Sullivan@co.eau-claire.wi.us>
Sent: Monday, August 17, 2020 7:49 AM
To: Ron Cramer <Ron.Cramer@co.eau-claire.wi.us>; Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>
Subject: RE: Interview

Ron,


You have yet confirm that you are even investigating a criminal case. If there is no criminal case then it's not an issue. You are investigating the Department of Human Services. I am the attorney for the County including the Department of Human Services. In case you forgot, there is always a right to counsel. I will be attending the interviews.

Tim

Email from Tim Sullivan to Diane Cable 08/17/20

11 minutes after sending Sheriff Cramer the email at the bottom of the previous page, Sullivan sends Diane Cable an email stating “Please let Vickie and Tammy that they should not be interviewed without me present.”⁷² As the reader has seen on the previous pages, Detective Greener and Deputy Voelker were attempting to arrange interviews with both Gardner and Stelter. These interviews were to gather additional facts and understanding of the situation in an effort to bring this investigation to a close as soon as possible. Furthermore, as shown on the previous pages, Sullivan was told that he could not be present for the interviews. Sullivan is also not an attorney for individual employees and has not demanded to be present for interviews with other employees that have been interviewed during this investigation, or separate investigations.

Sullivan directly hampered and obstructed efforts by informing Cable to tell Gardner and Stelter, both of whom likely would have the most knowledge of DHS’s finances, that they should not interview without him present when he had no authority to do so.

⁷² Source: Appendix 249 Diane Cable Emails August 2020 

From: Tim Sullivan <tim.sullivan@co.eau-claire.wi.us>
Sent: Monday, August 17, 2020 8:00 AM
To: Diane Cable
Subject: Interviews

Please let Vickie and Tammy that they should not be interviewed without me present.

Tim.

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Pages 125 129](#)

Kathryn Schauf and Diane Cable Cisco Jabber Messages 08/17/20

File Name: kschauf Monday August 17 2020 - 267359
Jabber Message Content:
kschauf 8/17/2020 4:30:13 PM
do not answer that

kschauf 8/17/2020 4:48:35 PM
do you think it is safe for me to go to F&B?

kschauf 8/17/2020 4:48:47 PM
or should I stay on

dcable 8/17/2020 4:48:49 PM
yes. Thank you

dcable 8/17/2020 4:49:06 PM
i will text you if i have a question

kschauf 8/17/2020 6:21:22 PM
are you still in?

The above messages are a series of messages⁷³ exchanged between Kathryn Schauf and Diane Cable. County archives of meetings were researched and while doing so it was observed that the above messages would have been exchanged between Schauf and Cable during an Eau

⁷³ Source: Appendix 324 Selected Jabber Messages



Claire County Human Services Board meeting on August 17, 2020. According to the official minutes contained on the Eau Claire County website, Cable presented an overview of the incidents leading to the investigations with the Department of Human Services which included an employee theft and the “budget reporting error”. The content of the messages exchanged between Schauf, and Cable are of investigative interest based upon Schauf’s directive to Cable not to answer an apparent question posed to her. Recordings of previous County Board meetings have also been reviewed and during those meetings it was observed on numerous occasions that Cable would look at Schauf for direction, or Schauf has answered on Cable’s behalf when posed certain questions by board members.

Since this meeting was not recorded or archived on the county website one does not know the question that was posed to Cable. However, those involved in illegal or questionable activity will occasionally direct a person not to answer a certain question, provide individuals with responses to questions, or will answer on their behalf in an attempt to dissuade the person asking questions from asking additional follow up questions, or in an effort to hide their illegal or questionable activity.

The below links are Schauf’s and Cable’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf_Response_Pages_129_130](#)

[Cable_Response_Pages_129_130](#)

ALIA FOIA Follow Up 08/18/20

As the reader likely recalls, ALIA was sent a FOIA request. On August 18, 2020, Detective Greener, had not received a response from them. Detective Greener subsequently sent them a follow-up email asking that they acknowledge receipt of the FOIA, provide the requested information, or advise if they were going to honor or deny the FOIA. A read receipt was attached to the email. Detective Greener received notification from Microsoft Outlook on August 20, 2020, at 2:39 PM advising that Franck-Meyer read the email. Detective Greener did not receive a reply.⁷⁴

⁷⁴ Source: Appendix BH Follow Up Email to ALIA Re: FOIA 

From: Ryan Greener
Sent: Tuesday, August 18, 2020 2:39 PM
To: info@aliainnovations.org; Amelia Franck Meyer
Subject: FOIA Request Sent 08/18/20

Greetings,

I am following up on a FOIA request I sent to your organization on August 11, 2020. In my email to you on that date, I requested that someone from your organization confirm receipt of the email and also requested that you advise me within 5 days if you intended to honor or deny the FOIA request. I have not received either a confirmation or approval or denial from you.

Furthermore, on August 11, 2020 I received a read receipt indicating that Rachelle March from your organization read the email on August 11, 2020 at 12:56 PM. Please respond with the requested documents attached or confirm receipt of the FOIA request, or if you are still determining if you are going to honor the request.

From: Amelia Franck Meyer <amelia@aliainnovations.org>
To: Ryan Greener
Sent: Thursday, August 20, 2020 2:18 PM
Subject: Read: FOIA Request Sent 08/18/20

Your message

To: Amelia Franck Meyer
Subject: FOIA Request Sent 08/18/20
Sent: Tuesday, August 18, 2020 2:39:08 PM (UTC-06:00) Central Time (US & Canada)

was read on Thursday, August 20, 2020 2:17:34 PM (UTC-06:00) Central Time (US & Canada).

Ananda Works FOIA Follow Up 08/24/20

As the reader also recalls on, Ananda Works was sent on FOIA request on August 11, 2020. Detective Greener also spoke with Christine Varnavas, the owner of Ananda Works, shortly after serving the FOIA request. Varnavas told Detective Greener that she would honor the FOIA request. Detective Greener requested that Varnavas provide the requested documents within two weeks. On August 24, 2020, Detective Greener sent Varnavas an email inquiring as to the status of the FOIA request or if she needed more time to compile the information. Detective Greener did not receive a response.⁷⁵

⁷⁵ Source: Appendix BR Follow Up Email to Ananda Works Re: FOIA



Ryan Greener

From: Ryan Greener
Sent: Monday, August 24, 2020 9:49 AM
To: christine@anandaworks.com
Subject: FOIA Follow Up

Hi Christine,

Just checking in with you as to the FOIA request and the gathering of documents to see if you need additional time or have any other questions. Please advise how things are going just trying to keep track of the FOIA requests that were sent to multiple contractors.

Thank you,

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)

Email Correspondence with Vickie Gardner and Tammy Stelter 08/24/20

On August 24, 2020, Detective Greener, sent Vickie Gardner and Tammy Stelter a follow-up email to the email he had sent her on August 14, 2020. If the reader recalls, Detective Greener and Deputy Voelker were attempting to arrange an interview with both Gardner and Stelter. As documented in previous sections of this report, Detective Greener initially contacted Gardner on August 12, 2020. Gardner replied on August 13, 2020, that she and Stelter would be available to meet on August 17, 2020, at DHS. Detective Greener, informed Gardner that he was available on that date but would need a two-hour block of time for each of them, and for privacy reasons the interviews would need to take place at the Sheriff's Office.

Detective Greener informed Gardner that the interviews would need to take place at the Sheriff's Office not to be adversarial, but for privacy reasons. During an investigation, interviews with witnesses or other persons involved in the investigation take place at the Sheriff's Office to ensure details being discussed during an interview are not overheard by others either directly or indirectly in an uncontrolled environment. Furthermore, by meeting with individuals at the Sheriff's Office it also provides a discreet location for the person to meet with law enforcement where they are not seen talking to law enforcement by other persons involved in the investigation.

Detective Greener subsequently received an email from Stelter stating the following "We apologize for the delay. We are reaching out to Tim Sullivan for times that he is available this week. Once we hear back from him, we will set up a meeting with you for each of us." Following Stelter's email Detective Greener received a Microsoft Outlook calendar invite from Gardner for an interview for Friday August 28, 2020. The calendar invite was also sent to Tim Sullivan. Detective Greener informed Gardner that he would not be able to meet on that date due to other obligations. Detective Greener also asked Gardner if Sullivan was also planning on attending the interviews. Gardner replied "yes".

As the reader likely recalls Sullivan was previously told that he could not attend the interviews. Sullivan was informed of this by the Sheriff, which the Sheriff's opinion was also supported by the District Attorney's Office, and the Wisconsin Department of Justice, yet Sullivan again disregarded previous direction and continued to assert that he was attending the interviews.

The correspondence between Detective Greener, Stelter, and Gardner are contained on the following pages for the reader's own review. 

From: Ryan Greener
Sent: Monday, August 24, 2020 9:31 AM
To: Vickie Gardner; Tammy Stelter
Subject: Interview Follow Up

Greetings,

Just following up with both of you. I received an email from Vickie on the 13th advising that you would both be available for interviews. I replied on the 14th requesting a 2 hour block of time for each of your interviews and have not received a response from either of you. Just inquiring if you received my email on the 14th and if so if you would you be available this week to sit down for an interview?

Thank you,

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)

From: Tammy Stelter
Sent: Monday, August 24, 2020 10:20 AM
To: Ryan Greener; Vickie Gardner
Cc: Tim Sullivan
Subject: RE: Interview Follow Up

We apologize for the delay. We are reaching out to Tim Sullivan for times that he is available this week. Once we hear back from him, we will set up a meeting with you for each of us.

Thank you.

From: Tammy Stelter
Sent: Monday, August 24, 2020 10:20 AM
To: Ryan Greener; Vickie Gardner
Cc: Tim Sullivan
Subject: RE: Interview Follow Up

We apologize for the delay. We are reaching out to Tim Sullivan for times that he is available this week. Once we hear back from him, we will set up a meeting with you for each of us.

Thank you.

Ryan Greener

From: Ryan Greener
Sent: Monday, August 24, 2020 1:19 PM
To: Vickie Gardner
Subject: Declined: Interview

Vickie unfortunately that date does not work for me I will be off. Was Tim Sullivan planning on attending the interviews as well?

From: Vickie Gardner
Sent: Monday, August 24, 2020 2:11 PM
To: Ryan Greener
Cc: Tim Sullivan
Subject: RE: Interview

Hi Ryan,

Yes he was. Could you and Tim provide me with a few dates/times for next week and I will find a room and time to meet?

Will that work?

Vickie

***Email Correspondence Between DA Gary King & Tim Sullivan Re:
Interviews 08/24/20***

On August 24, 2020, after the email correspondence with Vickie Gardner, Detective Greener and Deputy Voelker met with then District Attorney Gary King. Detective Greener informed District Attorney King that despite Sullivan previously being told that he could not be present for the interviews, Sullivan continued to assert that he will be. Detective Greener further told District Attorney King that Sullivan was hampering and obstructing their efforts to schedule interviews with Gardner and Stelter, and their effort to move forward with this investigation.

After speaking with DA King, DA King and Sullivan exchanged a series of emails. Detective Greener was also carbon copied in these series of emails. During this exchange of emails Sullivan became adversarial, unethical, and unprofessional. Sullivan was also not obeying directives nor input provided by DA King.

The emails are contained on the following pages.

From: King, Gary <Gary.King@da.wi.gov>
Sent: Monday, August 24, 2020 2:54 PM
To: Tim Sullivan <Tim.Sullivan@co.eau-claire.wi.us>
Cc: Ron Cramer <Ron.Cramer@co.eau-claire.wi.us>; Ryan Greener <Ryan.Greener@co.eau-claire.wi.us>; Peter Rindal <Peter.Rindal@da.wi.gov>
Subject: Investigation

Tim:

It is my understanding that you are insisting on sitting in on interviews related to the ongoing DHS investigation. I would note that you did not take a similar position in several past investigations, including the recent criminal investigations into an employee submitting false time cards and an employee writing checks to herself.

While I understand you have an interest in this ongoing matter, I am respectfully asking that you not insist on sitting in on the interviews, for two reasons. First, you have never done so before. Second, your presence could result in employees being less than candid in their interviews.

This issue has been vetted with the Department of Justice, both with the Division of Criminal Investigation and well as the Division of Criminal Litigation. The feedback has been very clear – you do not have a right to be present in these interviews.

At the end of the day, people are going to be interviewed as a part of this investigation. I do not understand why you wish to obstruct this process. If need be, statutes provide for subpoenas to be issued that would compel witness testimony – without your presence. I do not wish to go to those lengths to have the current investigation completed in a thorough manner. However, if continued obstruction continues in the efforts of the Detectives, all available tools will be utilized to complete this ongoing investigation.

Thank you for your time and consideration.

Gary King
District Attorney
Eau Claire County

From: Tim Sullivan
Sent: Monday, August 24, 2020 3:35 PM
To: Gary King DA
Cc: Ron Cramer; Peter Rindal; Ryan Greener; Kathryn Schauf; Diane Cable; Nick Smiar
Subject: RE: Investigation

Gary,

The investigation is of the Department of Human Services. I am the attorney for the Department of Human Services. As of this point neither you or the Sheriff have named a specific employee or person as being investigated for criminal charges, only the Department of Human Services. Despite requests made by office to the Sheriff he will neither confirm or deny that he is even conducting a criminal investigation, or investigating a person or persons. As such, and because I don't believe either you or the sheriff have authority under the law to conduct a civil investigation, I have to assume you are conducting a criminal investigation. Since this is a criminal investigation of the department there is an absolute right under the law to counsel during an interrogation and since I am the attorney for the Department of Human services I have a right to be there. The previous cases you referenced are distinguishable from this case, in that, those cases involved specific individuals that we (the county) reported to law enforcement for theft. The defendants were individuals and were not an investigation of the one of the departments of the county.

Miranda: "you have the right to an attorney" and at any time a defendant during an investigation requests an attorney the questioning needs to stop.

I am not aware that the Supreme Court has updated their rulings on this issue.

Even if you issue subpoenas the right to counsel does not go away.

Please check with the DOJ. I am sure they will confirm the right to counsel as set forth in the Miranda Decision.

I will be present during the interviews.

Tim.

This response from Sullivan is in reference to District Attorney King's initial email to him. Notice that prior to Sullivan's response to District King, Kathryn Schauf, Diane Cable, and Nick Smiar were not copied in the email exchanges. Sullivan added them to the email chain. Sullivan also misstates that the interviews with Gardner and Stelter are interrogations. An interrogation occurs when a person is in custody and not free to leave. An example of this would be a person arrested on charges and in custody at the jail which was not the case here. The interviews with Gardner and Stelter would have been just that, interviews designed to gain an understanding of DHS finances.

These interviews would have been voluntary. Gardner and Stelter also would have been informed of such. Sullivan further cannot represent individual employees in a criminal matter which he informed Gardner and Stelter of earlier, yet based upon his statements here, it appears to be attempting to do just that. As previously stated, if employees did want an attorney present, they would have to provide their own.

From: King, Gary <Gary.King@da.wi.gov>
Sent: Monday, August 24, 2020 4:11 PM
To: Tim Sullivan
Cc: Ron Cramer; Peter Rindal; Ryan Greener
Subject: RE: Investigation

Tim:

I have checked with DOJ. Miranda applies to in-custody interrogations. None of these people are in custody. Further, you attempting to sit in on interviews of multiple people creates a conflict of interest for you if one person makes a statement about another person in the county – or even a statement about you or anyone else in Administration.

You are wrong, if I would issue subpoenas, I can compel testimony and there isn't a thing you can do about it – even if right to counsel is invoked. You, if acting as an attorney for an employee, are not allowed to ask questions or cross examine any witnesses. Further, how is it that you decide which person you would represent – you clearly can't represent everyone; it would be a clear conflict of interest.

As to the investigation, you can correctly deduce that since it is being conducted by detectives who conduct criminal investigations, that yes, it is an ongoing criminal investigation. In these investigations, it is neither wise nor prudent to broadcast who may or may not be the subject of further scrutiny – hence, it is an investigation. A criminal complaint was filed just last week. Presumably you represented DHS on behalf of the county at that time. At no time were you present for interviews with the suspect or any of the material witnesses – including those who are still employed with DHS. The current investigation is no different.

I have some information that individuals that go all the way to the top of the County structure are directing or have directed that certain people not be talked to – this is potential obstruction of justice – that alone is a crime.

For these reasons, and for the final time, you are not going to direct or dictate who gets interviewed, and who is allowed to sit in the interviews. Any further conduct of that sort will be viewed as obstructing this investigation.

Gary King
District Attorney
Eau Claire County

Ryan Greener

From: Tim Sullivan
Sent: Monday, August 24, 2020 6:25 PM
To: Gary King DA
Cc: Ron Cramer; Peter Rindal; Ryan Greener; Kathryn Schauf; Nick Smiar; Diane Cable
Subject: RE: Investigation

Gary,

I'm confused, are you suggesting that the right to counsel no longer exists in Eau Claire County?

In my opinion the only person who is doing any dictating is you. All I have done is informed you and the Sheriff that I will be present during interviews of department employees. I have never said who was or was not going to be interviewed. Nor have I told people to not comply with requests to be interviewed. I have not told you, the sheriff, or anyone else for that matter, that the Sheriff can or cannot interview employees. To the contrary I have told staff they should cooperate with requests to be interviewed. Changing the date and time for an interview to accommodate my schedule is not obstruction, especially when this investigation has been ongoing for many months.

As I recall, non-custodial interviews are still voluntary. The right to remain silent, and the right against self-incrimination still exist, as does the right to counsel. even under subpoena in a criminal case. To suggest otherwise is inappropriate.

As far as conflict is concerned I have none. I don't represent the individual employees, and I have already informed them of that, I represent the County of which the department is a part. Since the Sheriff has so publicly announced to the press that he is investigating DHS, and because I represent the County I will be present at the interview of department employees who are being interviewed as part of the stated investigation into the department.

You may want to look up the case of *Garrity v New Jersey* 385 US 493, 87 Sct 616. Your investigation is implicating employees' rights and may also have an impact on your ability to use evidence gathered during the interviews if they are not provided with the proper warning. However and since you are not the attorney for the county I doubt you or the Sheriff will be providing this warning to the employee.

I am not looking to obstruct your investigation, I am not looking to stop the Sheriff's investigation, but as the attorney for the stated target of the investigation, I need to represent the interests of the county. As the Sheriff has previously been informed, his unwillingness to share information may be obstructing the ability of the county to take appropriate disciplinary action against employees who may be implicated in any wrong doing, and furthering damage to this organization if in fact theft is ongoing. We have sought cooperation and information from the Sheriff, and have been stonewalled.

As for conflicts of interest, I would ask, is appropriate for either of your departments to be investigating your own organization? I advised the Sheriff months ago that his department investigating DHS was a conflict of interest and that it should be handled by an outside agency. Obviously he disregarded my advice.

Tim.

From: King, Gary <Gary.King@da.wi.gov>
Sent: Monday, August 24, 2020 4:11 PM

The email on the previous page is Sullivan's reply to Gary King's second email to Sullivan. In the first paragraph Sullivan states "In my opinion the only person who is doing any dictating is you". Sullivan also states that "Nor have I told people to not comply with requests to be interviewed", and "To the contrary I have told staff they should cooperate with requests to be interviewed."

The reader should compare the above statements to Sullivan's previous email below which directly conflicts with Sullivan's above statements to King:

From:	Tim Sullivan <tim.sullivan@co.eau-claire.wi.us>
Sent:	Monday, August 17, 2020 8:00 AM
To:	Diane Cable
Subject:	Interviews

Please let Vickie and Tammy that they should not be interviewed without me present.

Tim.

Notice further that Sullivan restates that he represents the county, not the individual employees, yet continues to misquote legal law involving Miranda, and that people have a right to counsel, translating that he is attempting to be present in the interviews as an attorney for Gardner and Stelter. Sullivan is also incorrect regarding Garrity. Garrity applies to personnel investigations not criminal investigations. Furthermore, personnel investigations must be completed separately from criminal investigations, which includes interviews.

On the next several pages the reader will see additional attempts by DA King to gain cooperation and an understanding by Sullivan that he cannot be present for the interviews.

From: King, Gary <Gary.King@da.wi.gov>
Sent: Monday, August 24, 2020 6:54 PM
To: Tim Sullivan
Cc: Ron Cramer; Peter Rindal; Ryan Greener; Kathryn Schauf; Nick Smiar; Diane Cable
Subject: RE: Investigation

Tim:

I am very confident in my position below. I was under no obligation to contact anyone outside of this office on this issue to come to those conclusions. The fact that I did, along with the Sheriff, and received the feedback in support of our position, should cause you further pause in questioning our legal standing. Over and above that, I have discussed this matter with Deputy DA Rindal as well as ADA Tiffany White – who began working here after spending seven years at DOJ. There is universal agreement that you have a conflict here in asserting that you have a right to be present at these interviews.

As to my office, it's interesting that you didn't hold the same opinion as to conflicts when the investigation of the Treasurer's office took place. In fact, you were quite complimentary of the work of my office at that time, as was the rest of administration. I would take caution in your tone as to alleging any form of ethical issues regarding how witnesses are being questioned in this investigation. I am well aware of an individual's right to counsel, as well as when and how they are notified of said right. I follow the law, period. I have never, and will never engage in any unethical conduct to further an investigation. Also, now that you have chosen to copy potential material witnesses in this investigation in your reply correspondence, further tainting the ability to conduct a complete investigation, I will not be communicating with you further as to the procedural details of the investigation. Thank you for your time and consideration.

Gary King
District Attorney
Eau Claire County

From: Tim Sullivan [mailto:Tim.Sullivan@co.eau-claire.wi.us]
Sent: Tuesday, August 25, 2020 10:36 AM
To: King, Gary <Gary.King@da.wi.gov>
Subject: RE: Investigation

Gary.

I take it from your comments below that you didn't actually talk to anyone at the DOJ, other than one of your assistants who is a former employee at the DOJ (doing what I don't know). It leaves me to wonder why you would make the claim that you did ?

I have no idea who the potential witnesses are in this case. I am not precluded from talking to anyone. I have not been read into this investigation in any form whatsoever, so I would have no knowledge as to what the potential crime(s) are, if any, and who the potential witnesses are, if any. I have a responsibility to keep the administration of the county informed and I will continue to do that. If you want me to not to talk to material witnesses then you have to tell me who they are. I can't and I won't guess who they are.

From: King, Gary <Gary.King@da.wi.gov>
Sent: Tuesday, August 25, 2020 10:55 AM
To: Tim Sullivan
Cc: Ron Cramer; Peter Rindal; Ryan Greener
Subject: RE: Investigation

Tim:

Please do not insult or question my honesty. If you do so again in your professional capacity, I will plan on making an ethics complaint. People from DCI and DOJ were contacted. At this point, again, since you cannot refrain from copying material witnesses on correspondence, you are no longer trusted regarding the confidentiality of this investigation. Please explain why you felt compelled to copy Diane Cable in your previous response? She is not part of Administration, and as you well know, she is part of the agency under investigation. When the Treasurer investigation was done, I did not disclose who was being interviewed or what information was being sought, including but not limited to your office – for the integrity of the investigation. That investigation lasted approximately six months.

This investigation is just that – an investigation. No one has made any predetermined conclusions that a crime or crimes have been committed. The investigation is being conducted as it should be – objectively and professionally. Evidence is being gathered and leads are being followed. I would gather you have some respect for Mike Voelker, who has approximately thirty years of experience in investigating financial crimes. To my knowledge, he has never involved someone from your office when it comes to witness interviews – this includes the Treasurer investigation.

I am well aware that Keith Zehms was Corporation Counsel during the Treasurer investigation. In fact, when the case was over, he wrote me a personal letter regarding my work and my integrity throughout that case.

Gary King
District Attorney
Eau Claire County

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⁷⁷ Source: Appendix BK Email Correspondence Gary King & Tim Sullivan

Email Correspondence with Vickie Gardner and Tammy Stelter 08/25/20

On August 25, 2020, Detective Greener sent Vickie Gardner and Tammy Stelter a block of times that he and Deputy Voelker would be available to meet with each of them. Recall that this was Gardner's request. Detective Greener again informed Gardner and Stelter that the interviews would need to be conducted at the Sheriff's Office for the previous reasons discussed. Gardener and Stelter were further advised that Sullivan could not be present and the reasoning behind that decision. The email sent them is contained on the next page for the reader's own review.⁷⁸

The remainder of this page is intentionally left blank

⁷⁸ Source: Appendix BM Email Correspondence with Vickie Gardner & Tammy Stelter 082520



Ryan Greener

From: Ryan Greener
Sent: Tuesday, August 25, 2020 10:34 AM
To: Vickie Gardner; Tammy Stelter
Subject: RE: Interview

Hi Vickie,

Certainly I understand how hectic it is with the budget season upon us. The following is a block of time that I am available:

Mon August 31st - 8A-12PM
Tues Sept. 1st- 8AM-12PM
Thursday Sept. 3rd 8AM-12PM
Tuesday Sept. 8th 8AM-12PM
Wed Sept 9th- 8AM-12PM
Thurs Sept 10th-8AM-12PM

The interviews will need to be conducted at the Sheriff's Office for privacy reasons. Your interview as well as Tammy's interview will take about 2 hours and I am requesting they be scheduled back to back.

For clarification purposes, Tim Sullivan will not be allowed to attend the interviews due to several reasons. The first and the biggest factor is that this a criminal investigation and not a personnel matter. In the event that Tim was in the room and an employee discloses something criminal in nature we cannot use that information at trial or in a court proceeding. Secondly Tim is the attorney for the county and does not and cannot represent individual employees in a criminal investigation. It is also unknown if Tim is a potential material witness in this matter therefore another reason why he cannot be present. This is also supported by the DOJ which whom we have consulted with.

Now certainly you and Tammy have a right to counsel and a right to have them present, however you would need to obtain your own attorney or have the county appoint an outside attorney to represent each of you if you felt that was necessary.

Understand though these interviews are just interviews and not interrogations and in no way shape or form am I or our department accusing you or Tammy of any wrongdoing, rather it is just an opportunity to gather more facts from each of you.

Let me know if any of the above dates or times work for you.

Thank you for your time and understanding,

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)

Email Correspondence Between Vickie Gardner, Diane Cable & Tim Sullivan 08/25/20

As the reader recalls during this investigation, emails were obtained. In reviewing the emails, after Gardner receives the email on the previous page from Detective Greener, she forwards it to Cable. Cable then sends Detective Greener's email to Sullivan asking if he has any comment. Sullivan once again in his reply to Cable and Gardner provides legal advice to Gardner and Stelter despite him being the attorney for the county, and that he cannot represent individual employees in a criminal matter.

From: Ryan Greener <Ryan.Greener@co.eau-claire.wi.us>
Sent: Tuesday, August 25, 2020 10:34 AM
To: Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>; Tammy Stelter <Tammy.Stelter@co.eau-claire.wi.us>
Subject: RE: Interview

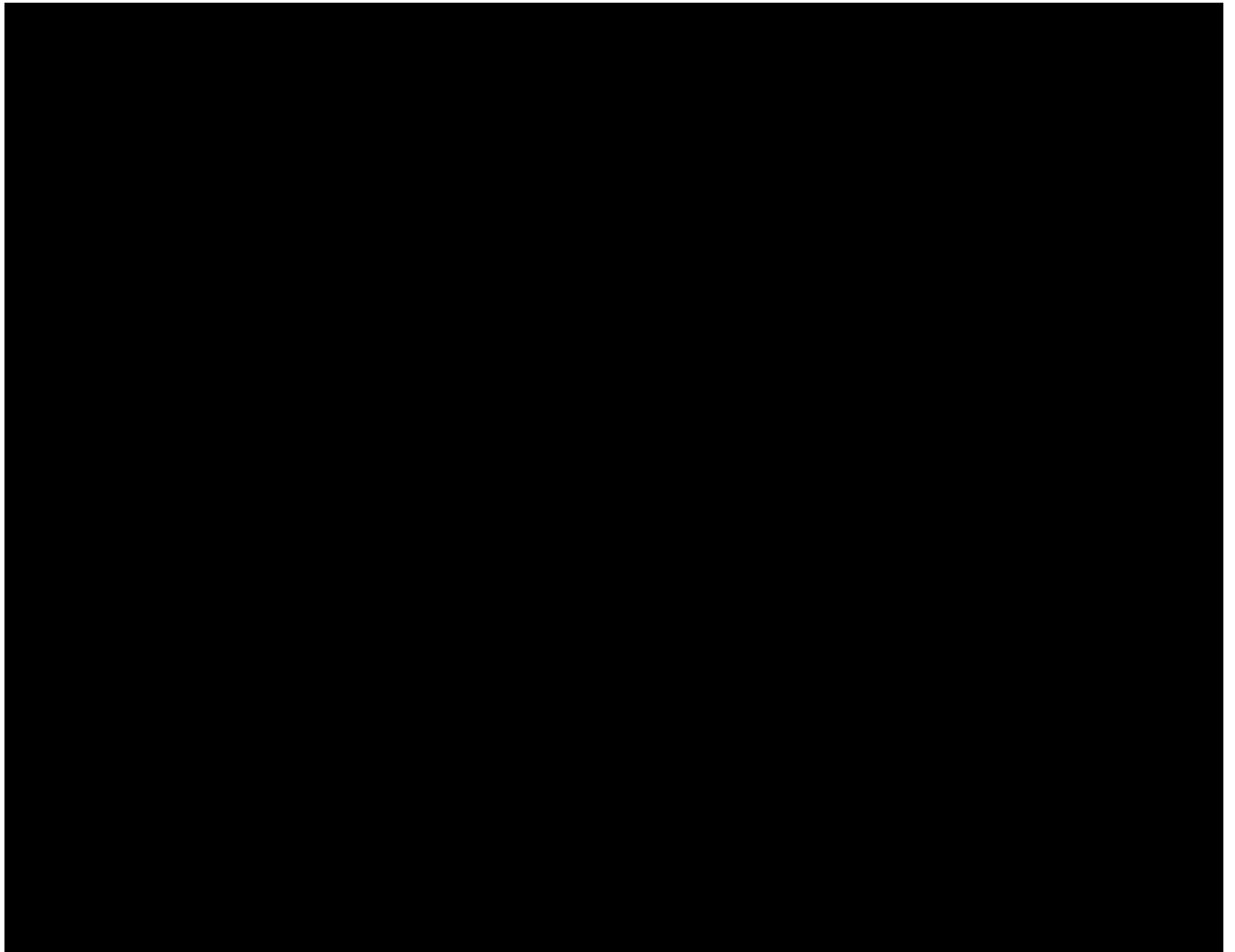
Hi Vickie,

Certainly I understand how hectic it is with the budget season upon us. The following is a block of time that I am available:

Mon August 31st - 8A-12PM
Tues Sept. 1st- 8AM-12PM
Thursday Sept. 3rd 8AM-12PM
Tuesday Sept. 8th 8AM-12PM
Wed Sept 9th- 8AM-12PM
Thurs Sept 10th-8AM-12PM

From: Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>
Sent: Tuesday, August 25, 2020 10:55 AM
To: Diane Cable <Diane.Cable@co.eau-claire.wi.us>
Cc: Tim Sullivan <Tim.Sullivan@co.eau-claire.wi.us>; Tammy Stelter <Tammy.Stelter@co.eau-claire.wi.us>
Subject: FW: Interview


Thoughts???



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The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_133_147](#)

⁷⁹ Source: Appendix 249 Diane Cable Emails August 2020 

Amelia Franck-Meyer Email to Diane Cable 08/26/20

On August 26, 2020, one day after Gardner and Stelter are informed that Sullivan cannot be present for the interviews, Cable receives the following email from Amelia Franck-Meyer, CEO of ALIA. The subject line of the email was “Attorney Ideas.”⁸⁰

From: Amelia Franck Meyer <amelia@aliainnovations.org>
Sent: Wednesday, August 26, 2020 9:47 AM
To: Diane Cable
Subject: Attorney Ideas

WARNING!! This email originated outside Eau Claire County. Do not click any links or attachments unless you know the sender.

Here are the attorneys that have been listed as Rising Stars and Super Lawyers in Eau Claire in corporate law:

- Brian Nodolf – last listed as a Rising Star 2016 (he’s rated in energy and natural resources law, but he “focuses on business development and governmental relations with an emphasis on development and regulatory matters”)
- Randi Osberg – last listed as a Super Lawyer in business and corporate law in 2018
- Tanya Bruder – last included as a Rising Star in general litigation in 2018
- Charles Maris – recognized since 2012
- Ann Rieger – recognized since 2012



Amelia Franck Meyer Ed.D., LISW


Chief Executive Officer

M: 612-940-0061

W: www.aliainnovations.org

A: 1000 University Ave W, Suite 230, St. Paul, MN 55104

Sign up for Alia’s periodic newsletter to stay in the know.

⁸⁰ Source: Appendix 249 Diane Cable Emails August 2020 

ALIA FOIA Follow Up 08/26/20

On August 26, 2020, Detective Greener sent ALIA another follow-up email reference the FOIA request that was originally sent to them on August 11, 2020. As the reader recalls Detective Greener received notification from Microsoft Outlook that ALIA not only received the request but read the email it was attached to, along with a previous follow-up email sent on August 18, 2020. Again, it was requested that ALIA respond in some fashion. Shortly after sending ALIA the email on August 26, 2020, Detective Greener received an email from Heather Hunt an attorney with Nodolf Flory law firm in Eau Claire. Hunt informed Detective Greener that she represented ALIA, and ALIA was not going to provide the requested information.

From: Ryan Greener
Sent: Wednesday, August 26, 2020 10:09 AM
To: info@aliainnovations.org; Rachelle March; Amelia Franck Meyer
Subject: FOIA Request Sent 08/11/20 Please Respond

Greetings,

I am following up on a FOIA request I sent to your organization on August 11, 2020. In my email to you on that date, I requested that someone from your organization confirm receipt of the email and also requested that you advise me within 5 days if you intended to honor or deny the FOIA. Furthermore, on August 11, 2020 I received a read receipt indicating that Rachelle March from your organization read the email on August 11, 2020 at 12:56 PM.

On August 18, 2020 I sent you an additional email requesting that you either provide a response either acknowledging that you received the request, an extension for more time to provide the requested information, a denial or simply provide me with the requested the info. Furthermore I received notification that on August 20, 2020 at 2:39 PM Dr. Amelia Franck-Meyer read the email sent to you on August 18, 2020.

I am asking that you respond with some form of communication upon receiving this email on August 26, 2020. A FOIA request was sent to you knowing that in your published material that the requested items exist, and that you are providing Eau Claire County DHS with services. For clarification purposes this is a criminal investigation and failure to comply or respond to the FOIA request could result in criminal prosecution of your organization and individuals within your organization if you refuse to respond to the request or refuse to provide the information in a timely manner that exists.

Thank you,

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)



NODOLF FLORY, LLP

August 26, 2020

Via email: Ryan.Greener@co.eau-claire.wi.us and U.S. Mail

Detective Ryan Greener
Eau Claire County Sheriff's Office
721 Oxford Avenue, Suite 1400
Eau Claire, WI 54703

Re: ALIA


Dear Detective Greener:

I represent ALIA, a Minnesota non-stock, tax-exempt corporation. I am in receipt of your letter to ALIA dated August 11, 2020 referencing a request for items pursuant to Wisconsin's Open Records Law.

ALIA is not an "authority" under Wisconsin's Open Records Law, specifically, Wisconsin Statute Section 19.32(1). As such, it has no obligation to provide any records under such law.

You may direct further communications regarding this matter to my attention.

Very truly yours,
NODOLF FLORY, LLP



Heather M. Hunt
hhunt@nfattorneys.com

HMH/jg

Cc: ALIA

Email Correspondence with Vickie Gardner 09/02/20

On September 2, 2020, Detective Greener sent Gardner and Stelter an email inquiring if the dates he provided Gardner on August 25, 2020 per her request would work for an interview. Detective Greener received a response from Gardner that she would contact him the following week.⁸²

From: Ryan Greener <Ryan.Greener@co.eau-claire.wi.us>
Sent: Wednesday, September 2, 2020 10:08 AM
To: Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>
Subject: FW: Interview

Hi Vickie,

Can you advise if any of the dates below work for you and Tammy? If not I certainly can provide you with additional dates and times or if you can advise a 4 hour block of time to meet with us it would be appreciated.

Thank you,


Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)

From: Vickie Gardner
Sent: Wednesday, September 2, 2020 12:24 PM
To: Ryan Greener
Cc: Tammy Stelter; Diane Cable
Subject: RE: Interview

Hi Ryan,

I will follow up with you next week.

Vickie

⁸² Source: Appendix BV Email Correspondence with Vickie Gardner 090220 

Diane Cable Records Request 09/14/20

On September 14, 2020, a records request was emailed to Diane Cable. This records request included accounts payable, accounts receivable records, invoices, P-card receipts, approval documents, reimbursements, emails, grant records, budget reports, DHS policies, and a list of DHS vendors. These records were requested based upon information obtained during the course of this investigation and the records would be necessary to conduct a complete and thorough investigation. Furthermore, DHS would retain these records as a normal course of business.

The email and records request are displayed for the readers own review below, and on the next two pages. After the copy of the records request is justification as to why each item listed in the records request was needed for this investigation.

From: [Ryan Greener](#)
To: [Diane Cable](#)
Subject: Official Records Request
Date: Monday, September 14, 2020 11:26:00 AM
Attachments: [DHS Records Request.pdf](#)

Diane,

Please find attached an official records request regarding the items previously listed in the preservation request served upon you on August 13, 2020. Please confirm receipt of this email and records request and let me know if you have any questions.

Thank you,

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)



RON D. CRAMER SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

EAU CLAIRE COUNTY SHERIFF'S OFFICE

Detective Ryan Greener

Eau Claire County Sheriff's Office
721 Oxford Avenue Suite 1400
Eau Claire, WI 54703

Monday, September 14, 2020

Diane Cable
Director of Human Services Suite 1001
721 Oxford Avenue
Eau Claire, WI 54703

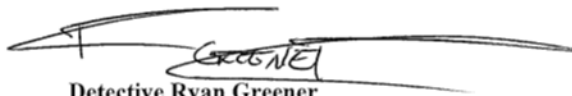
OFFICIAL RECORDS REQUEST

Diane,

On August 13, 2020 I served upon you a preservation request requesting the following items and documents be preserved. I am now requesting from you official unredacted copies of the following items. Please provide all the listed items to me if possible, by September 30, 2020. I am requesting they be provided in electronic format. If needed I can provide you with any type of media storage devices to facilitate this process. Please let me know if you have any questions.

1. Any and all business records related to accounts payable and accounts receivable for the years 2017-2020 for Eau Claire County DHS. This includes but is not limited to invoices, receipts, P-card receipts, approval documents, receipts from airline travel or hotel stays, meal reimbursements, and related purchases made by staff while attending training or conferences.
2. Any and all approval records and related documents for purchases or purchase requests made by DHS staff whether it be for training, supplies, or clients.
3. Any and all case notes, doctor or provider orders or prescriptions for any client where items or contracted services were supplied or purchased.
4. Any and all statistics, client information, empirical data, and any other documentation showing the numbers of clients that DHS is serving in any program.
5. Any and all email communications or other forms of communication between DHS management, DHS fiscal, DHS vendors, DHS contracted providers, and any emails

- or other forms of communication between DHS management, DHS fiscal and Eau Claire County staff included but not limited to administration, county fiscal, county purchasing, and County Board Supervisors.
6. Any and all signed contracts for Eau Claire County DHS grant providers, and contracts for any other contracted providers.
 7. Any and all records submitted to DCFS, DHS, or any other state or federal agency for reimbursement.
 8. Any and all computer records or other records that contains documentation of accounts payable, accounts receivable, program expenditures, grant expenditures, payroll expenses, and any other related expenses.
 9. Any and all monthly, quarterly, and yearly reports associated with budget items, reimbursements, and any other reports pertaining to DHS program expenditures and reimbursements.
 10. Any information published to the Eau Claire County website or distributed at public meetings or provided to any Eau Claire County staff, and Eau Claire County Board Supervisors.
 11. Any all documents, and communications regarding budget preparation or budget status.
 12. Any and all DHS current policies or previous policies for the years 2017-2020.
 13. A list of all Eau Claire County CCS Vendors from 2017-2020.



Detective Ryan Greener
Eau Claire County Sheriff's Office

1. **Any and all business records related to accounts payable and accounts receivable for the years 2017-2020 for Eau Claire County DHS. This includes but is not limited to invoices, receipts, P-card receipts, approval documents, receipts from airline travel or hotel stays, meal reimbursements, and related purchases made by staff while attending training or conferences.**

As previously stated in this report there were numerous questionable transactions involving accounts payable and receivable which would include P-card purchases. Without further documentation or explanation, Detective Greener and Deputy Voelker would be unable to determine if the questionable transactions are evidence of criminal activity. Therefore, these records were necessary in order to conduct a complete and thorough investigation and to determine if any documents associated with the above category have been altered, reported as accurate, or if additional fraud, theft, or other criminal violations have occurred.

2. **Any and all approval records and related documents for purchases or purchase requests made by DHS staff whether it be for training, supplies, or clients.**

Again, as stated previously in this report, there have been several questionable transactions involving the use of county purchasing cards by staff. Furthermore, as also previously mentioned in this report, Eau Claire County DHS is not required to turn in receipts. Detective Greener and Deputy Voelker are also aware based upon their combined 48 years of experience, that those involved in illegal or questionable activity will occasionally use false reasons not to provide documentation or receipts in order to hide their illegal or questionable activity. These records are necessary in order to conduct a complete and through investigation and to determine if any documents associated with the above category have been altered, reported as accurate, or if additional fraud, theft, or other criminal violations have occurred.

3. **Any and all case notes, doctor or provider orders or prescriptions for any client where items or contracted services were supplied or purchased.**

Again, DHS does not provide receipts to County Finance unless requested during a random audit, and when they do they redact so much information that Greg Bowe, the County Purchasing Manager, is unable to ascertain if items being purchase were actually for clients, or by or for staff members own personal use. As discussed previously in this report, it was readily apparent that staff were benefiting from upgraded airfare, their own hotel rooms, and in some cases hotel suites. Those involved in receiving benefits or preferential treatment also occasionally may receive other rewards at the taxpayer's expense. Thus, the reason for this request.

4. **Any and all statistics, client information, empirical data, and any other documentation showing the numbers of clients that DHS is serving in any program.**

As the reader recalls in this report DHS claims that their budget overages are a result of mental health and drug related issues. However, when County Board Supervisors have asked for supporting information related to the overages, they typically never receive the information or receive very limited information. The request for these statistics were based upon that information to determine if DHS's prior statements were truthful and accurate. If the statistics showed that the prior statements were not truthful nor accurate whomever made those statements could be charged with a crime.

5. **Any and all email communications or other forms of communication between DHS management, DHS fiscal, DHS vendors, DHS contracted providers, and any emails**

or other forms of communication between DHS management, DHS fiscal and Eau Claire County staff included but not limited to administration, county fiscal, county purchasing, and County Board Supervisors.

Eau Claire County also retains these records as a normal course of business. Furthermore, any emails exchanged or sent by County Employees, with the exception of privileged information are considered public records. This request was made based upon information obtained from witnesses during the course of the investigation and emails already obtained and reviewed prior to the request. This request was specific to emails exchanged between DHS and the listed individuals not from County Board Supervisor to County Board Supervisor or between other Eau Claire County employees.

6. **Any and all signed contracts for Eau Claire County DHS grant providers, and contracts for any other contracted providers.**

As previously stated in this report there have been contracts and payments made to ALIA without DHS board and county board pre-approval. Therefore, these records were needed in order to determine if any contracts and payments have been made without pre-approval. If any other contracts or payments were made without pre-approval it could potentially be considered criminal conduct.

- 7. Any and all records submitted to DCFS, DHS, or any other state or federal agency for reimbursement.**

Within the prior pages of this report there are discussions of inconsistent financial numbers, inconsistent financial statements, and concerns related to purchases for clients that are reimbursed by DCFS or DHS. These documents were necessary in order to determine if the inconsistent financial numbers, and statements were a result of human error or intentional. Furthermore, they were also needed to determine if DHS was accurately reporting their expenses to DCFS, and to determine if DHS reports were based upon those inconsistencies. If the inconsistencies were intentional, or expenses were deliberately misreported then it could be considered a crime.

- 8. Any and all computer records or other records that contains documentation of accounts payable, accounts receivable, program expenditures, grant expenditures, payroll expenses, and any other related expenses.**

Again, based upon information previously discussed this request was made. Computer records as the reader likely knows serves as repository to store not only financial information but other related documents.

- 9. Any and all monthly, quarterly, and yearly reports associated with budget items, reimbursements, and any other reports pertaining to DHS program expenditures and reimbursements.**
- 10. Any information published to the Eau Claire County website or distributed at public meetings or provided to any Eau Claire County staff, and Eau Claire County Board Supervisors.**
- 11. Any all documents, and communications regarding budget preparation or budget status.**

As previously stated in this report, there were concerns by County Board Supervisors with Eau Claire County DHS's continued budget overages and well as inaccurate reporting of Eau Claire County DHS's budget status. There have also been financial statements presented at public meetings that have been inaccurate. These records were needed in order to determine if the inaccurate reporting, and inaccurate financial statements were result of human error or was intentional.

12. Any and all DHS current policies or previous policies for the years 2017-2020.


To the reader this request likely appear to him/her to be related to personnel issues. Such is not the case. This request was made to determine if DHS policies including state or federal policies permitted DHS to deliver services in a certain manner, or report financials in a certain manner. Furthermore, it was also requested in order to give Detective Greener and Deputy Voelker a completed understanding of DHS practices.

13. A list of all Eau Claire County CCS Vendors from 2017-2020.

Based upon the information learned regarding Ananda Works this information was requested in order to determine if there were any other CCS providers that may constitute a potential conflict of interest.

To the reader the record request more than likely appears to him or her to be broad and quite possibly burdensome to produce. However as documented below each item was the justification for each specific request. These justifications as the reader saw were based upon information learned during the course of this investigation. We further understand that the records request likely would have taken some time to produce, and we did not expect DHS to provide all of the requested documents at once, but rather over a period of time.

Email Correspondence with Vickie Gardner & Tammy Stelter 09/15/20

On September 15, 2020 a response, still had not been received from Gardner nor Stelter in reference to the September 2, 2020 email. Another email was sent to both of them inquiring if they still wished to participate in an interview. Furthermore, the email listed the attempts that had previously been made to schedule an interview with them, and their responses or lack of responses. It was requested that Gardner and Stelter respond to the email in some fashion even if they were going to decline to be interviewed. 

From: [Ryan Greener](#)
To: [Vickie Gardner](#); [Tammy Stelter](#)
Cc: [Diane Cable](#)
Subject: Interviews
Date: Tuesday, September 15, 2020 9:47:00 AM

Greetings,

I am contacting both of you again requesting that you set up a time to meet with me and Deputy Mike Voelker to discuss the ongoing DHS investigation. I have contacted both of you on numerous occasions to arrange for an interview. The following is a summary of the dates that you were contacted and your responses:

August 12, 2020 Voicemail Vickie Gardner

A voicemail was left on your office phone requesting you contact me to arrange an interview.

August 12, 2020 Tammy Stelter

Contact was made with you in person. You were unable to meet and were provided my business card and asked to contact me to arrange an interview.

August 13, 2020 Email from Vickie Gardner

I received an email from you asking if I would be available to meet on Monday August 17, 2020 for an hour with each of you in DHS. I advised that that I would need more than an hour for each of you and that the interviews would need to be conducted at the Sheriff's Office. I again requested you contact me to arrange an interview.

August 14, 2020 Email from Tim Sullivan

I received an email from Tim Sullivan advising that he would be attending the interviews with each of you. He suggested the interviews be conducted within DHS. Tim was advised he could not be present for the interviews for a variety of legal reasons.

August 24, 2020 Email to Vickie Gardner and Tammy Stelter

I again emailed both of you on this date requesting you contact me to arrange an interview. I received an email response from Tammy advising that both of you were consulting with Tim Sullivan for times that he would be available. Again, Tim Sullivan was told he could not be present for the interviews.

I also later received calendar invites from both of you on this date and was advised by Vickie that Tim would be attending the interviews. The invites were declined based upon Tim again being asked to participate in the interviews despite being previously told he could not be present.

August 25, 2020 Email to Vickie Gardner

I sent an email to Vickie on this date for blocks of time that I would be available for interviews per her request. The blocks of time were from August 31st-September 10th. I further advised both of you that Tim could not be present for the interviews. You were further advised you did have a right to counsel and were further advised that you were not being accused of any wrongdoing. I also advised that if the blocks of time did not work for either of you, we could arrange something else. I did not receive a response.

September 2, 2020 Email to Vickie Gardner

I emailed Vickie on this date requesting that she advise if any of the blocks of times I provided would work for either her or Tammy. I received a response from Vickie indicated that she would follow up with me next week. As of the date of this email, September 15, 2020, I have not received any correspondence from either of you.

The lack of communication and cooperation by both of you is very concerning. I understand that both of you have busy schedules, however based upon the ongoing investigation and the attention that this investigation has received, I would assume that you would want to provide as many facts as

possible, as soon as possible.

Furthermore, we were advised at the onset of this investigation by Administrator Schauf that all employees were told to cooperate with the investigation. Based upon the timeline above I think both of you can understand why I have concerns due to the lack of communication, and both of you wanting Tim to be present during the interviews. I have interviewed many other county employees regarding this investigation and have received complete cooperation in a timely manner and Tim has not been present.

At this time, I am requesting that you either contact me to arrange an interview, or at minimum advise if you do not wish to participate in an interview or with this investigation.

Thank you,

Detective Ryan Greener


Eau Claire County Sheriff's Office

(715) 839-4706 (Desk)

(715) 829-7181 (Cell)

(715) 839-4854 (Fax)

Response from Gardner and Stelter 09/21/20

On September 21, 2020, an email was received from Gardner and Stelter. Gardner and Stelter were declining to be interviewed. During this investigation information was received from a reliable source that both Gardner and Stelter, whom would have the most knowledge of DHS finances and fiscal practices, were directed by an individual or individuals to not speak with law enforcement. 

From: Vickie Gardner
Sent: Monday, September 21, 2020 9:43 AM
To: Ryan Greener; Tammy Stelter
Cc: Diane Cable; Kathryn Schauf; Tim Sullivan
Subject: RE: Interviews

Ryan,

At this time, I decline to participate in this request.

Vickie

From: Tammy Stelter
Sent: Monday, September 21, 2020 9:54 AM
To: Ryan Greener; Vickie Gardner
Cc: Diane Cable; Kathryn Schauf
Subject: RE: Interviews

Good morning Ryan,


It is my understanding that meeting with you is voluntary. That being said, I am declining your request for an interview at this time.

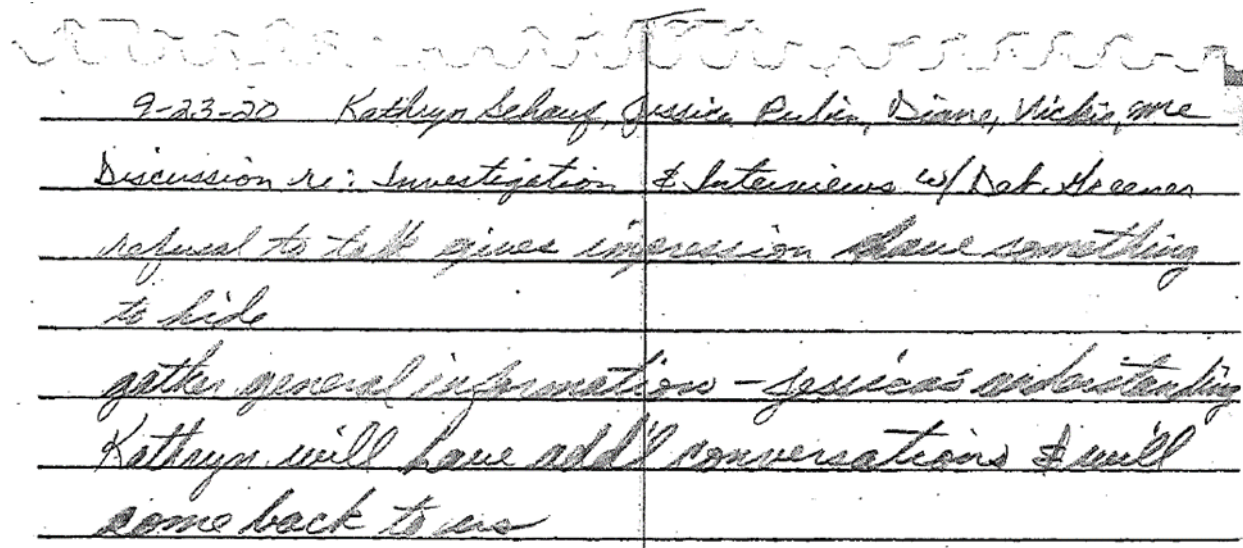
Tammy

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Pages 151 161](#)


Tammy Stelter Handwritten Note 09/23/20

During the execution of the search warrant at DHS which will be discussed in more detail later in this report a journal belonging to Tammy Stelter. This journal contained various notes include the following note from September 23, 2020: 



9-23-20 Kathryn Schauf, Jessica Paulin, Diane, Vickie, me
Discussion re: Investigation & Interviews w/ Det. Heenan
refusal to talk gives impression have something
to hide
gather general information - Jessica's understanding
Kathryn will have add'l conversations & will
come back to us

Ananda Works FOIA Follow Up 09/23/20

On September 23, 2020, another email was sent to Christine Varnavas, the owner of Ananda Works inquiring if she still intended to honor the FOIA that was originally sent to her on August 11, 2020. Recall, that after serving Varnavas with the FOIA a phone call was received from Varnavas. Varnavas indicated that she intended to honor the FOIA but would need some time to compile the records. Two weeks was agreed upon to give Varnavas sufficient time to provide the requested information. Also recall, while reviewing emails obtained during this investigation, that Varnavas appeared to have a conversation with Diane Cable. Cable informed Varnavas that she did not have to meet with law enforcement. After this supposable conversation took place, Varnavas stopped cooperating and stopped responding to emails. Varnavas also did not respond to the September 23, 2020 email. 

From: [Ryan Greener](#)
To: christine@anandaworks.com
Subject: FOIA Follow Up
Date: Wednesday, September 23, 2020 9:45:00 AM

Hi Christine,

Just checking in with you as to the status of the FOIA request and if you still intend to honor it or are in the process of putting the requested documents together. Please let me know when you have a chance.

Thank you,

Detective Ryan Greener

Eau Claire County Sheriff's Office

(715) 839-4706 (Desk)

(715) 829-7181 (Cell)

(715) 839-4854 (Fax)

Chelsey Mayer and Tammy Stelter Cisco Jabber Messages 09/30/20

cmayer 9/30/2020 1:10:51 PM

are the hours that workers are entering for CLTS billable hours from avatar or net time

tammys 9/30/2020 1:15:34 PM

Avatar, then we tweaked them

The above messages were exchanged between Chelsey Mayer and Tammy Stelter. The exchange is relevant to the investigation that CLTS, which is an acronym for Children's Long-Term Support, (a DHS program), billable hours are being "tweaked". If billable hours are being fraudulently changed or reported those changes and reporting would be considered criminal in nature including but not limited to theft, fraud, and/or grant fraud. Without further explanation from someone within in DHS, whom we've been unable to speak with, it is unknown if something criminal is actually occurring, or if there is an actual explanation as to the meaning "tweaked".⁸⁴

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Page 164](#)

ALIA Search Warrant 10/05/20

In order to educate the reader, this section will first discuss what a search warrant is and what it entails and then will discuss the execution of the search warrant at ALIA.

A search warrant is an order signed by a judge which directs a law enforcement officer or officers to conduct a search of a designated person, a designated object, or a designated place for the purpose of seizing designated property or kinds of property that are believed to be evidence of a crime. The person, designated object or place may contain evidence of a crime or crimes. In order for this to occur, one must draft what is referred to an affidavit. This is usually done by one of the investigating officers, or an officer that is assisting with the investigation. The affidavit contains information and/or facts of the particular case which must show probable cause. Probable cause is when there is a reasonable basis for believing that a crime may have been committed (for an arrest) or when evidence of the crime is present in the place to be searched (for a search) and is necessary to establish in order for a search warrant to be approved by a judge.

After the affidavit and the search warrant itself are drafted, the search warrant and affidavit are reviewed by the District Attorney's Office. Next the warrant is provided to a judge

⁸⁴ Source: Appendix 324 Selected Jabber Messages



for review and approval or denial. If the judge determines that probable cause exists, the warrant is signed by the judge. If probable cause does not exist, the search warrant is not valid and may not be executed or served.

It's also important for the reader to understand what the process is in order to obtain and execute a search warrant at a location that is out of the investigating jurisdiction's state. An agency such as the Eau Claire County Sheriff's Office does not have the authority to obtain a search warrant in another state such as Minnesota. However, this does not preclude the investigating agency from obtaining one. In these types of cases where the location to be searched is within another state, the investigating agency contacts an agency who has jurisdiction. The investigating officer who drafted the probable cause and warrant sends the information to an officer from an agency who has jurisdiction. That officer who has jurisdiction then utilizes the probable cause portion that the investigating officer sent him or her to draft a search warrant in their respective state. The officer with jurisdiction then presents the warrant to a judge within their state. That judge then approves or denies the warrant request. The officer with jurisdiction then serves the warrant with the assistance of the investigating agency.

The basis for obtaining a search warrant for ALIA's headquarters was based upon the fact that it was known ALIA was providing some form of services to Eau Claire County. At several meetings Diane Cable made statements that DHS's participation with ALIA was no cost to Eau Claire County. Furthermore, in obtaining information from the county accounting system (ALIO), it showed that ALIA was being paid for services, and the payments made to ALIA appeared to be intentionally structured below \$10,000.

Also as shown previously in this report, a FOIA request was sent to ALIA requesting the information which was known to exist. ALIA would also not respond to attempts to contact them regarding the FOIA. An attorney later responded that ALIA was not going to respond to the FOIA or provide the documents voluntarily.

When an individual or entity refuses to voluntarily turn over requested information or documents that may show a crime has been committed law enforcement has no other course of action to obtain the information or documents other than through a subpoena or search warrant. A subpoena in this case was not obtained based upon ALIA refused to turn over the documents and information sought. Furthermore, a subpoena would involve ALIA gathering the documents and information, who then would provide them to law enforcement which would create the opportunity for manipulation, destruction, or certain information not to be provided.

Given all of the above factors, an affidavit was drafted and provided to Minnesota Bureau of Criminal Apprehension (BCA) Agent Cory Streeter. Agent Streeter presented a Minnesota warrant and affidavit to Ramsey County Judge Paul Yang. Judge Yang reviewed the warrant and affidavit and determined that probable cause existed. Judge Yang subsequently approved and signed the warrant.

On October 5, 2020, at approximately 955 AM, Agent Streeter, Detective Greener, and Deputy Voelker arrived at ALIA's headquarters located at 1000 University Avenue West, Suite 230, St. Paul MN. Upon arriving there, the lights were off in the office area and the door was locked. Detective Greener knocked on the door and did not receive a response. Detective Greener immediately called ALIA's telephone number and spoke to a female individual who advised that no one was in the office and the staff were working remotely. The individual was advised that we had a search warrant for the premises. The individual stated that she would contact someone and would have them call Detective Greener immediately.

At 10:25 AM Detective Greener had not heard from anyone. Another phone call to ALIA was placed and no one answered, and the call eventually went to voice mail. At 10:38 AM Detective Greener placed another call to ALIA and again did not receive an answer. Detective Greener left a message again advising who he was and further advised that, if necessary, force would be used to enter the premises, which was authorized by the search warrant.

At 10:47 AM Detective Greener, received a phone call from Attorney Heather Hunt, Nodolf Flory Law Firm. Attorney Hunt informed Detective Greener that she had been contacted by ALIA and requested that he send her a copy of the warrant. Attorney Hunt advised Detective Greener she would review the warrant immediately and would call back shortly. Detective Greener emailed a copy of the warrant to Attorney Hunt and received a call back from her at 11:07 AM. Attorney Hunt stated she advised ALIA the warrant was valid. Attorney Hunt further stated that someone from Alia would be contacting Detective Greener within an hour. Given that law enforcement had made multiple attempts to contact ALIA, and the concern that any information stored on electronic devices within the office could be or is being remotely deleted, Detective Greener advised Attorney Hunt that timeframe was unacceptable, and that ALIA had 15 minutes to contact him or whatever force necessary would be utilized to gain access to the office. Attorney Hunt understood.

At 11:17 AM Detective Greener received a phone call from Amelia Franck-Meyer CEO of ALIA. Franck-Meyer claimed that she was attempting to find someone to come down to the office and further stated that any of the items listed in the search warrant would not be kept in the office. Franck-Meyer claimed that they stored all of their business records electronically via the cloud and she was working with her IT consultant to provide us those records. Franck-Meyer further stated that it would take them at least 80 hours to compile all of the requested documents.


Franck-Meyer then went on to state that Alia hasn't been working with Eau Claire County that long and have only been working with them for a couple of months. Detective Greener then told Franck-Meyer that it shouldn't take that long to compile the records if that were true. Detective Greener also asked Franck-Meyer if they have only been working with Eau Claire County for a couple of months as she claimed why did Eau Claire County pay Alia approximately \$69,000 in 2019. Franck-Meyer then stated she would get the records from her IT consultant and would be "in touch" Franck-Meyer then abruptly hung up the phone.

After speaking with Franck-Meyer it was abundantly clear that Franck-Meyer was being intentionally deceitful and was not going to be cooperative. It also appeared that Franck-Meyer attempted to persuade us into believing that all of the documents requested in the warrant were stored electronically hoping we would leave without searching the office. When an individual attempts to persuade law enforcement from searching a particular place or area that is an indicator to law enforcement that the place or area likely contains some form of evidence that the individual does not want law enforcement to find.

Building maintenance was subsequently contacted who was shown a copy of the warrant. The maintenance staff unlocked the door and ALIA's headquarters, after giving them ample opportunity to cooperate, was entered at 1138 AM by law enforcement. The office and meeting area were unoccupied. A black 4 drawer file cabinet in the office area was located. The file cabinet was nearly full, and it contained numerous business records. These records included bank deposits, copies of checks issued to ALIA, contracts, and other records. All of these records were listed in the search warrant. In reviewing these records several checks were located issued to ALIA by Eau Claire County, along with contracts and other paperwork associated with ALIA and Eau Claire County. These items were collected as evidence.

Also located in another smaller file cabinet in the office area were copies of bank statements, bank deposits, and copies of checks issued. One of the checks which was handwritten was issued personally to Diane Cable in the amount of \$168.00 on August 15, 2018.

During the search Franck-Meyer arrived at the office along with an attorney from Minnesota. The attorney was provided with a copy of the warrant. Franck-Meyer did not wish to speak with law enforcement. Frank-Meyer later provided several electronic files to Detective Greener which contained such things as contracts, invoices, recorded digital meetings, phone calls and notes of meetings.

The next several pages are photos taken during the search warrant. The documents and materials collected will be reviewed in detail later in this report. 

ALIA Search Warrant Photos







ALIA Records Review

As stated during the execution of the search warrant at ALIA headquarters, numerous physical documents were located. These documents were placed into boxes and transported back to the Eau Claire County Sheriff's Office where they were electronically scanned and physically examined. The original copies were returned to ALIA. Franck-Meyer also provided law enforcement with several electronic files that were stored electronically by Alia Innovations.

Upon reviewing the physical documents and electronic files, Detective Greener and Deputy Voelker located two contracts between Eau Claire County Department of Human Services and Alia Innovations. The first contract was dated May 1, 2019 and was signed by Diane Cable and Dr. Amelia Franck-Meyer.⁸⁵ The contract was to commence on May 1, 2019, and was to expire on May 30, 2019. Alia Innovations was to provide Eau Claire County Human Services consulting, training, and technical assistance. In reviewing the fee structure of the contract, Eau Claire County Department of Human Services was to pay Alia \$11,000 for a two-day "Breakthrough strategy consultation" which was to take place on May 9-10, 2019, at Alia Innovations. Eau Claire County was also to pay travel expenses for participating Alia staff members including airfare, hotel, mileage at \$0.57 per mile or required ground transportation, and a stipend of \$25 per meal for any meals. The invoice and payment associated with this contract was also located which totaled \$11,954.34.

⁸⁵ Source: Appendix ar ALIA Contracts





CONTRACT FOR CONSULTING, TRAINING, AND TECHNICAL ASSISTANCE SERVICES

This Consulting Agreement (the "Agreement") is to be effective as of May 1, 2019 (the "Effective Date"), by and between Alia ("Alia"), a Minnesota Non-Profit Corporation, and Eau Claire County (the "Purchasing Organization").

In consideration of the mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article 1 DEFINITIONS

1.1 **Definitions.** The terms defined in the preamble have their assigned meanings, and each of the following terms has the meaning assigned to it.

"**Agreement**" – shall refer to this agreement and any currently identified attachments, addendums, tables, or other related items.

"**Alia**" – see above in preamble.

"**Purchasing Organization**" – see above in preamble.

"**Effective Date**" – see above in preamble.

"**Term**" – as defined in Article 3.

Article 2 RECITALS

2.1 **Previous Agreements.** Alia and the Purchasing Organization hereby set forth the terms and conditions in a written contract which will supersede all prior agreements between the parties, whether oral or written.

2.2 **Contractual Restrictions.** The Purchasing Organization warrants and represents that it is not restricted or prohibited, contractually or otherwise, from entering into and performing each of the terms and conditions contained in this Agreement. The Purchasing Organization further warrants and represents that the execution and performance of this Agreement will not violate or breach any agreements between the Purchasing Organization and any other person or entity.

Article 3 TERM

3.1 **Start Date.** This Agreement shall begin 5/1/2019.

3.2 **End Date.** Excluding any violation of the terms of this Agreement, this Agreement shall expire 5/30/2019.

3.3 **Renewal.** This Agreement shall not be renewed.

Article 4 FEES

4.1 **Consulting.** The Purchasing Organization shall pay Alia \$11,000 for a two-day Breakthrough Strategy consultation on May 9th and 10th, 2019 at the Alia Innovation Hub (1000 University Avenue, Suite 230, St. Paul, MN 55104) and a detailed summary report delivered by May 19, 2019.

4.2 **Travel.** The Purchasing Organization shall pay actual travel expenses for participating Alia staff members including airfare, hotel, mileage at \$0.57/mile or required ground transportation, and a stipend of \$25 per meal for any meals during travel dates not provided by the Purchasing Organization.

4.3 **Invoice.** Alia shall provide an invoice for fees and expenses at the conclusion of the contract.

4.4 **Timeframe.** Upon receipt of the invoice in §4.3, the Purchasing Organization shall submit a payment either via direct debit, mailed check, wire transfer within 30 days of receipt to: Alia, 2233 University Avenue Suite 325, St. Paul, MN 55114. Checks shall be made payable to "Alia."

- (a) If payment is mailed, it shall be sent via United States Postal Service Certified Mail, FedEx, or UPS. All three shall have a tracking number that shall be provided upon request.

Article 5 SERVICES TO BE PROVIDED BY ALIA

5.1 **Statement of Work.** All services to be provided by Alia are 2 full-days design and strategy consultation (up to 12 hours) with 3 subject matter experts from Alia and the Center for the Support of Families, design materials, creative work space, lunch and snacks (for up to 5 people from Eau Claire County), and a detailed roadmap for change in Eau Claire County including: financial and customer outcomes and measures, and key milestones.

Article 6 SERVICES TO BE PROVIDED BY THE PURCHASING ORGANIZATION

6.1 **Media and Resources.** The Purchasing Organization shall provide materials as follows:

- (a) The Purchasing Organization agrees not to audio or video tape the presentation without prior written agreement.
- (b) The Purchasing Organization shall prepare and provide copies of all required handout materials as determined by Alia prior to the event.
- (c) Alia shall give the Purchasing Organization as much time as practicably possible when determining which materials are needed.
- (d) The Purchasing Organization shall notify Alia if it intends to distribute PowerPoint slides and additional, non-activity related materials electronically.
- (e) Upon a reasonable request from the Purchasing Organization and entirely within the sole discretion of Alia, Alia may provide copies of presentations and materials.
 - (i) These presentations and materials may only be distributed and circulated internally within the Purchasing Organization and the participants in any training sessions related to these materials.
 - (ii) The content shall not be altered or repurposed in any way without prior written consent from Alia including, but not limited to, videotapings, audio recordings, and Adobe Acrobat manipulation.

Article 7 INVENTIONS

7.1 Intellectual Property. All inventions, including, but not limited to, intellectual property and patents, made during all phases of this Agreement including, but not limited to, the preparation, implementation, and processing of this Agreement, by the Purchasing Organization as a result of, related to, or a successor to this Agreement, shall be the sole property of Alia.

- (a) Alia has sole authority and discretion on who or what entity may use this intellectual property.
- (b) For this Agreement, Alia grants the Purchasing Organization a nonexclusive, worldwide, royalty-free, right of use, and license for any intellectual property created as a result of, related to, or a successor of this Agreement.

Article 8 CONFIDENTIALITY

8.1 Use of Confidential Information. The Purchasing Organization recognizes and acknowledges that, by virtue of entering into this Agreement, Alia may have access to certain information of the Purchasing Organization and its clients that is confidential and constitutes valuable, special, and unique property of the Purchasing Organization. Alia will not at any time, either during or subsequent to the term of this Agreement, use, copy, permit to be copied, or disclose to others any of the Purchasing Organization's confidential information without the Purchasing Organization's express written consent.

- (a) The Purchasing Organization acknowledges that an exception may occur if the duties and requirements to perform this Agreement require Alia to disclose this information. As a result, Alia shall work in every way practicable to keep any and all disclosure of this information to a minimum.

8.2 HIPAA. Alia shall abide by all laws and regulations governing confidentiality, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996, as amended (HIPAA).

Article 9 INDEMINIFICATION

9.1 Hold Harmless. To the extent permitted by law, the parties agree to at all times during the existence of this Contract indemnify each other against any and all losses, damages, and costs or expenses to the extent caused by their respective negligence, gross negligence, recklessness or willful misconduct or breach of this Agreement.

Article 10 INSURANCE

10.1 The Purchasing Organization agrees that in order to protect itself, as well as Alia under the indemnity provisions set forth in this Agreement, the Purchasing Organization will at all times during the terms of this Agreement keep in force a liability insurance policy issued by a company authorized to do business in the state of Minnesota. The types of coverage and minimum amounts shall be as follows:

- (a) Commercial General Liability: minimum amount \$1,000,000
- (b) Auto Liability (if applicable): minimum amount \$1,000,000

- (c) Professional Liability (if applicable): minimum amount \$1,000,000 per occurrence and \$3,000,000 for all occurrences in one (1) year.
- (d) Umbrella Liability as necessary: minimum amount \$1,000,000

Upon request, the Purchasing Organization will furnish Alia with a Certificate of Insurance verifying the existence of such insurance.

Article 11 CANCELLATION AND INCLEMENT WEATHER POLICY

11.1 **Inclement Weather.** If scheduled on-site days are cancelled due to weather,

- (a) If travel has occurred, the Purchasing Organization shall pay all travel expenses as designated in Article 4 (see above) and the Purchasing Organization shall pay 50% of the consulting fees.
- (b) If travel has not occurred, any non-refundable costs shall be paid and both parties will make every effort practicable to reschedule the cancelled days for another date agreed upon by both parties.

Article 12 GENERAL PROVISIONS

12.1 **Headings.** Headings of the Sections in this Agreement are for reference purposes only and do not have any substantive effect.

12.2 **Force Majeure.** Any delay in or failure of performance by either party under this Agreement will not be considered a breach of this Agreement and will be excused to the extent caused by any occurrence beyond the reasonable control of such party including, but not limited to, acts of God, power outages, and governmental restrictions.

12.3 **Severability.** If a court holds any provision of this Agreement illegal or unenforceable, the remaining provisions remain legal and enforceable if the essential business and legal provisions are legal and enforceable.

12.4 **Merger.** This Agreement and the attached addendums contain the entire agreement of the parties with respect to the subject matter of this Agreement, and supersede all prior negotiations, agreements, and understandings.

12.5 **Governing Law.** Minnesota law governs all matters relating to this Agreement, including torts.

12.6 **Assignment and Delegation.** Neither party may assign, directly or indirectly, all or part of its rights or obligations under this Agreement without the prior written consent of the other party, of which consent shall not be unreasonably withheld or delayed. Any such assignment or delegation will be void.

12.7 **Amendments.** This Agreement shall not be amended except by written agreement of the parties.

To evidence the parties' agreement to this Agreement, they have executed and delivered it on the date stated in the preamble.

EAU CLAIRE COUNTY

Printed: Amelia Franck Meyer
Signed: [Signature]

Nicole Cable
5/9/19

ALIA

Amelia Franck Meyer, CEO
[Signature]

5/9/19 4

The second contract⁸⁶ was dated May 1, 2020 and was signed by both Diane Cable and Franck-Meyer. The contract indicated that it actually commenced one month prior to it being signed (April 1, 2020) and would end no later than April 30, 2021. The contract was not set to automatically renew. The description of the services to be provided by ALIA were listed in a “Statement of Work Proposal” that was attached to the contract. In reviewing this document ALIA was to provide “Monthly Workforce Wellbeing Groups and Leadership Strategy”. The Workforce Wellbeing Groups, according to the document, would “equip the workforce with the tools to achieve and maintain wellbeing, while minimizing the impact of secondary traumatic stress and burnout.” The Leadership Strategy group, according to the document was “intended to build trust, cooperation, and shared vision among the leadership team.”

The “Statement of Work Proposal” also indicated that “Leadership Coaching” would be provided to individuals wishing to participate. The coaching would be provided during 30-minute sessions that would take place twice per month. Furthermore, there was also “Micro-Learnings” available which were 15-minute workshops which included “all aspects of individual and organizational health and wellbeing.” All of the services in the “Statement of Work Proposal” would be provided in a virtual format.

There was also a “Reimbursement Summary Sheet” attached to the contract. This “Reimbursement Summary Sheet” identified that the maximum contract amount was for \$126,000 and that it was to be paid at a monthly rate of \$9,692.31 per month. Again, the service dates were from April 1, 2020-April 30, 2021. The reader will recall as previously mentioned in this report while reviewing vendor payment history, it was noticed that a majority of monthly payments made to ALIA appeared to be structured to be under \$10,000. This contract is another example of that. By structuring the payments to be under \$10,000 the County Board had no knowledge of DHS paying ALIA for their services, and services provided in this contract.

The timing of when this contract commenced is also of interest and clearly conflicts with information presented to the Human Services Board on April 27, 2020.⁸⁷ In reviewing the official meeting minutes and agenda for that meeting, which are contained on the Eau Claire County Website, DHS stated “The February financials indicate an initial overage for the Department...” DHS also claimed that they were taking “Action Steps” to mitigate their financial issues. One of these “Action Steps” was to “Mitigate lagging revenues through decrease of expenses in personnel vacancy management and **management of contract utilization.**” This statement was made to the Human Services Board 26 days after this contract was commenced, and 12 days before Cable officially signed the contract. It would appear without further supporting information or explanation that DHS and Cable deliberately misinformed their oversight committee.

⁸⁶ Source: Appendix ar ALIA Contracts

⁸⁷ Source: Human Services February Financials



Eau Claire County
DEPARTMENT OF HUMAN SERVICES
721 Oxford Avenue, Suite 1001
PO Box 840
Eau Claire WI 54703
(715) 839-1200 • Fax (715) 831-5658
Diane Cable, Director



Purchase of Service Contract

Purchaser

Organization: Eau Claire County Department of Human Services
Address: 721 Oxford Avenue
PO Box 840
Eau Claire, WI 54702-0840
Telephone: 715-839-2919
Fax: 715-831-5784
Contact: Becky Gunderson, Contract Coordinator
Contact Email: becky.gunderson@co.eau-claire.wi.us

Provider

Organization: Alia
Address: 1000 University Avenue Suite 230
St. Paul MN 55104
Telephone: 612-418-5897
Fax:
Contact: Amelia Franck Meyer, CEO
Contact Email:

Contract Information

Contract Number: 2020 – 0081

Contract Period: This contract begins on April 1, 2020 and ends no later than April 30, 2021. This contract will not automatically renew. However, the parties may complete a written amendment modifying the term or conditions of this contract prior to its termination date.

Signatures

This contract becomes null and void if the time between the Purchasers' authorized representative signature and the Provider's authorized representative signature on this contract exceeds sixty (60) days.

Purchaser

Diane Cable

Printed Purchaser Name

Director

Purchaser Title


Purchaser Signature

5/1/2020
Date

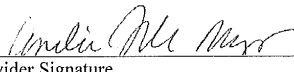
Provider

Amelia Franck Meyer

Printed Provider Name

CEO, Alia

Provider Title


Provider Signature

5/1/2020
Date

Appendix A
Reimbursement Summary Sheet

Provider: Alia
Contract Number: 2020-0081
Service Dates: April 1, 2020 - April 30, 2021

<u>Service Description</u>	<u>Rate</u>	<u>Unit</u>	<u>Maximum Amount</u>
Consulting, Training, & Technical Assistance Services	\$9,692.31	monthly	\$126,000

Appendix B
CONTRACT SPECIFICATION SUMMARY
Alia

Description of Program:

Alia will provide Consulting, Training, and Technical Assistance to Eau Claire County Department of Human Services. (ECC DHS)

ECC DHS agrees to pay Alia the amount listed on Appendix A for services. ECC DHS shall pay actual travel expenses for participating Alia staff members including airfare, hotel, mileage at \$.55/mile or required ground transportation, and a stipend of \$25 per meal for any meals during travel dates not provided by ECC DHS.

Eligibility for Services:

Eligibility for services from Alia will be determined by Eau Claire County Department of Human Services Director and/or Administrators.

Services to be Provided:

Alia shall provide services as listed on the attached Statement of Work Project Proposal.

Alia| Department of Human Services Eau Claire County

Project Proposal

April 2020 – May 2021



Department of Human Services Eau Claire County Project Proposal (12 months)					
Monthly Workforce Wellbeing Groups + Leadership Strategy <i>Delivered Virtually (can be changed to in-person as circumstances allow)</i>	<p>Workforce Wellbeing Groups meet monthly and are comprised of two to eight self-selected peers (no supervisor/supervisee mixes). The Workforce Wellbeing Group curriculum provides a deeper understanding of the parallel process of individual, collective, and organizational wellbeing and resilience. This work improves organizational group dynamics and equips the workforce with the tools to achieve and maintain wellbeing, while minimizing the impact of secondary traumatic stress and burnout. Through this work, Groups will build and strengthen their relationships with internal and external partners to improve outcomes for the children and families they serve.</p> <p>The Leadership Strategy session is intended to build trust, cooperation, and shared vision among the leadership team. Including supervisors is recommended. The time together would include Alia-developed, structured strategic leadership conversations and activities, change management strategies, and consultation on building coalitions inside and outside of the county system to help support change. Each month, activities evolve based on the previous month's challenges, insights, and conversation to build increasing unity, trust, efficiency, and performance as a team.</p> <table border="0"> <tr> <td>Day 1</td><td>Day 2</td></tr> <tr> <td> <ul style="list-style-type: none"> • Leadership WW Group: 9am – 10am • WW Group 2: 10am – 11am • WW Group 3: 11am – 12pm • WW Group 4: 1pm – 2pm • WW Group 5: 2pm – 3pm </td><td> <ul style="list-style-type: none"> • WW Group 6: 9am – 10am • WW Group 7: 10am – 11am • WW Group 8: 11am – 12pm • WW Group 9: 1pm – 2pm • Leadership Strategy: 2pm – 3pm </td></tr> </table>	Day 1	Day 2	<ul style="list-style-type: none"> • Leadership WW Group: 9am – 10am • WW Group 2: 10am – 11am • WW Group 3: 11am – 12pm • WW Group 4: 1pm – 2pm • WW Group 5: 2pm – 3pm 	<ul style="list-style-type: none"> • WW Group 6: 9am – 10am • WW Group 7: 10am – 11am • WW Group 8: 11am – 12pm • WW Group 9: 1pm – 2pm • Leadership Strategy: 2pm – 3pm
Day 1	Day 2				
<ul style="list-style-type: none"> • Leadership WW Group: 9am – 10am • WW Group 2: 10am – 11am • WW Group 3: 11am – 12pm • WW Group 4: 1pm – 2pm • WW Group 5: 2pm – 3pm 	<ul style="list-style-type: none"> • WW Group 6: 9am – 10am • WW Group 7: 10am – 11am • WW Group 8: 11am – 12pm • WW Group 9: 1pm – 2pm • Leadership Strategy: 2pm – 3pm 				
Leadership Coaching <i>Delivered Virtually</i>	<p><u>30 mins delivered virtually twice per month</u> (slots open to all leaders on a first come basis)</p> <p>Leadership coaching consists of 30 minute, one-on-one phone calls with leaders to focus on advancing a leader's growth and development in the areas of leadership fortitude; executive/leadership wellbeing; creating a healthy organization; creating a wellbeing-focused culture; healthy boundaries and balance; developing personal resilience; creating organizational resilience; and other topics that influence a leader's ability to be successful in their role in advancing their department's mission.</p>				
Micro-Learnings <i>Delivered Virtually</i>	<p>Micro-learnings are brief (15 minute) workshops delivered via teleconference. They are intended to reach a large audience in a low time commitment manner/adult learning format. Topics include all aspects of individual and organizational health and wellbeing. Participation is usually open to all staff and is voluntary.</p>				
Total Cost: \$126,000 + actual travel (if circumstances allow for in-person Groups)					

Eau Claire County Human Services Financial Overview

For February 2020

Human Services Board Meeting

Held on 4/27/2020

Action Steps:

- Continue to manage program areas within budget through established processes
- Implement process to enhance revenue in targeted areas:
 - Juvenile Detention Facility
 - Outpatient Clinic
- Mitigate lagging revenues through decrease of expenses in personnel vacancy management and management of contract utilization

Expenditures	Net YTD Budget	YTD Adjusted Transactions	Net Variance Excess (Deficient)
01-Regular Wages	1,531,315	1,402,804	128,511
02-OT Wages	-	8,022	(8,022)
03-Payroll Benefits	695,621	580,175	115,446
04-Contracted Services	1,900,632	2,012,559	(111,927)
05-Supplies & Expenses	77,977	88,485	(10,508)
07-Fixed Charges (Liability Insurance)	10,534	343	10,191
09-Equipment	11,213	880	10,333
10-Other	-	-	-
Total Expenditures	4,227,292	4,093,268	134,024

Excess (Deficiency) of Revenue over Expenditures (341,901)

Numerous invoices billed to Eau Claire County and payments made by Eau Claire County to ALIA were also reviewed. These invoices and payments were from 2018, 2019, and 2020. The invoices and payments were for such things as flight and travel expenses for ALIA staff to travel to Eau Claire, meetings, summits, and food expenses for Eau Claire County staff as well as an invoice in the amount of \$450 for “Expenses for 3 guests at September Cohort Meeting”. That invoice is contained below.⁸⁸

Alia

1000 University Avenue, Suite 230
Saint Paul, MN 55104
(651) 705-8872



INVOICE

BILL TO

Eau Claire Co Dept. of
Human Services
P.O. Box 804
Eau Claire, WI 54702

INVOICE # KM 09.18.19

DATE 09/30/2019

DUE DATE 10/30/2019

TERMS Net 30

DATE	DESCRIPTION	RATE	AMOUNT
09/18/2019	Expense for 3 guests at September Cohort Meeting	150.00	450.00

BALANCE DUE

\$450.00

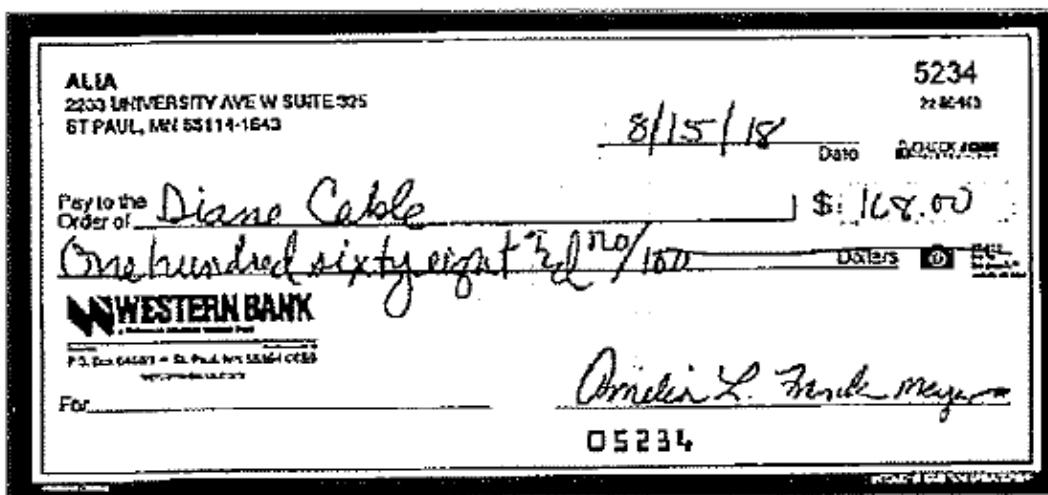


⁸⁸ Source: Appendix ao 2019 billing

After reviewing the contracts, invoices and payments seized during the search warrant, these items support that the services ALIA is providing is costing taxpayers and the county money. The prior statements by Cable and Franck-Meyer that there was no cost for ALIA's services, and that there were no costs for the county to participate in the cohort without further supporting information or explanation appear to be deliberately false, or at minimum an inaccurate representation.

Deputy Voelker also reviewed documents and records from a grey colored file cabinet that were seized during the search warrant at ALIA.⁸⁹ Within this grey file cabinet were records for a business banks accounts held at Western Bank in Saint Paul, Minnesota. While reviewing the cancelled checks for August of 2018, a handwritten check # 5234 dated 8/15/18 for \$168 was written with the payee's name of "Diane Cable." The monthly documents reviewed do not provide a copy of the reverse side of this check, so the endorsement information, the bank of deposit, and other information was not available. The records seized from ALIA were reviewed. There was no documentation that offered the purpose for this check, or any endorsement / processing / cashing information. Absent locating this information within the other records at ALIA, the only other way for this information to be obtained would be with the consent of ALIA, or the apparent point of contact at ALIA - Ameillia Franck Meyer, Franck-Meyer's designee, or via legal process, such as a subpoena or search warrant. A screenshot of check #5234 appears below.

5234 \$168.00 8/27/2018



Source: Appendix aw - Bank Records - Documents from Appendix ak Page: 69, 71 NOTE: Western Bank routing and ALIA account numbers have been removed from this image

⁸⁹ Appendix ak - ALIA Grey File Cabinet



While reviewing additional bank records that were in the grey file cabinet, the ‘no carbon required’ or “NCR” copy of check #5234, written to “Diane Cable” for \$168 was located. A screenshot of this document appears below.

5234

☒ Track your expenses... ☐ TAX-DEDUCTIBLE ITEM

☐ Clothing ☐ Food ☐ Transportation
☐ Credit Card ☐ Utilities ☐ Mortgage
☐ Entertainment ☐ Insurance ☐ Other: _____

Diane Cable
One hundred sixty eight & no/100 *8/15/18*

BALANCE FORWARD	
THIS ITEM	<i>168.00</i>
BALANCE	
DEPOSIT	
OTHER	
BALANCE FORWARD	

For added security, your name and account number do not appear on this copy. **NOT NEGOTIABLE**

Source: Appendix ak - ALIA Grey File Cabinet File: 20201123100209219 Page: 3

Detective Greener drafted a Subpoena for Records in July of 2021, that was served on Western Bank.⁹⁰ Western Bank responded to the subpoena for records and turned over a quantity of records to ECSO.⁹¹ Within the records provided by Western Bank was the ALIA monthly statement for August – 2018. The August 2018 monthly statement contained the front only image for check #5234.⁹² A screenshot appears on the next page.

⁹⁰ Appendix 301 - ALIA Western Bank Subpoena

⁹¹ Appendix 304 - Alia Western Bank Documents

⁹² Appendix 304 - Alia Western Bank Documents / Folder: 2017-2021 / File: 320173909 2017 thru may 2021 stmts

ALIA
2233 UNIVERSITY AVE W SUITE 325
ST PAUL, MN 55114-1643

5234
72-66/960

8/15/18 Date

Pay to the Order of Diane Cable \$ 168.00

One hundred sixty eight and no/100 Dollars

WESTERN BANK
A MEMBER OF WESTERN FINANCIAL GROUP
P.O. Box 64689 • St. Paul, MN 55164-0689
western-bank.com

For _____

Arnelin L. Franck Meyer

05234

Check: 5234 Amount: \$168.00 Date: 8/27/2018
Run: 9040001, Batch: 1, Seq: 321159022, Source: ECS Conversion

Source: CHECK FACE - Appendix 304 - Alia Western Bank Documents / Folder: Checks Issued / File: June 1, 2018 checks thru dec 31, 2018
checks Page: 8 NOTE: Western Bank routing and ALIA account numbers have been removed from this image

8/24/2018 11:18 2514 12
\$168.00
612 0005
Cash Foreign Check
Posting Date: 8/24/2018

HERE IF MOBILE DEPOSIT

Diane Cable

Check: 5234 Amount: \$168.00 Date: 8/27/2018
Run: 9040001, Batch: 1, Seq: 321159022, Source: ECS Conversion

Source: REVERSE SIDE - Appendix 304 - Alia Western Bank Documents / Folder: Checks Issued / File: June 1, 2018 checks thru dec 31, 2018
checks Page: 8

As you can see from the screenshot above, the endorsement area of check #5234 has the handwritten endorsement signature of Diane Cable. The reverse side copy of this check, along with the electronic generated stamp, shows that the check would have been cashed at a check cashing service and not deposited into a bank account, or cashed at a typical financial institution. While reviewing other checks written to persons who were identified as DHS employees from various municipalities and counties in the Midwest, around the same time that Cable received the check, many others bore "restricted endorsements" such as: "pay to the order of: (name of county)". Without further information supplied directly by Cable herself or Franck-Meyer it is unknown

what the check was for or if Cable received a personal benefit from the Eau Claire County contract with ALIA.

Deputy Voelker also located and reviewed a Microsoft Word document within the various electronic files that were seized during the search warrant. This document was titled “Eau Claire Cohort call 08.26.20 Katies notes”. The original document, which will be contained on the following pages for the readers own review contained several notes and/or statements that were of interest to this investigation. The following notes and/or statements were located on the first page of the document:

- **“Alia was asked to share all the videos related to EC County, all webinars that anyone attended, etc. We want to be as helpful as possible, and we are not responding.”**
- **“How can we be helpful? We want to stand by change leaders!”**
- **“Diane talked with the mgmt. team about normalizing this process – maybe this training for the mgmt. team?”**
- **“People now – given the political time – feel empowered to do and say whatever they want to do. Some supervisors feel “empowered” to do things their way and choose to go to law enforcement, where there is in fact, NO crime.”**
- **“Boundaries and containment – what direction has been given around who they can talk to and what they can/should say. Talking points for staff? Do they get approached? By who? Should/can they respond?”**
- **“Can you talk directly to that supervisor and offer the other story? Can we offer an additional narrative to the media? What is the ethical boundary?”**
- **“Your corp council cannot represent you AND the police here. Diane has brought that up and it hasn’t moved forward.”**
- **“We have a very supportive human services board and are willing to help with messaging.**
- **“Board chair sent message to all staff” ⁹³**
- **“Attorneys are saying this:**
 - **“WI has a rep for county board misconduct and law enforcement overreach.**
 - **“Your corp council cannot represent you AND the police here. Diane has brought that up and it hasn’t moved forward.”**

⁹³ Appendix: at – Innovation Cohort / File Path: 2020 / August '20 Virtual Meeting / File Name: Eau Claire Cohort call 8.26.20 Katies Notes / Pages: 1-3

On page two of the document, there was a section titled “Tactical/next steps”, which contained the following information:

- “Get Greta on board meeting agenda with WI DCF lens, with life story, with federal initiative lens”
- “Get more Gretas! Ask her if she knows people. Create advocacy group.”
- “Messaging person to help think through”
- **“Conflict of interest attorney – need solid counsel here”**
- **“What rights does the department have?”**
- **“Corp council didn’t give helpful advice”**
- **“Potential actions against board members – injunctions about law enforcement investigations as ethical violation”**
- “Amelia training for management team”
- “Shen will also do a presentation on her survival story as well”
- “Plan with staff – providing guidance and reassurance, know their parameters”
- **“Would you like introduction to attorney? Amelia will send name(s)”**
- **“Marketing person – Amelia will send (Joe Loveland)”** ⁹⁴

There was also another section titled “What Diane is already doing” at the bottom of page two and the top of page three of the document. This section contained the following information:

- “Diane holds weekly calls since May – 120-150 people on the call”
- Diane asks for questions beforehand
- “Sent talking points to staff”
- “Group (?) is tired – help then gain confidence in supporting their staff”
- “Every single day for ½ hour we meet with core leadership team for weekly updates, what’s rising up, ask for feedback”
- “Help with messaging would be helpful”
- “Advocacy group of survivors would be helpful”
- “And there’s still COVID! Staff are doing great.”
- **“Staff may feel more secure if they knew they were being represented. They are told they can bring in an attorney, but why would you if you’re doing nothing wrong?? It’s very intimidating.”** ⁹⁵

⁹⁴ Appendix: at – Innovation Cohort / File Path: 2020 / August ’20 Virtual Meeting / File Name: Eau Claire Cohort call 8.26.20 Katies Notes / Page: 2

⁹⁵ Appendix: at – Innovation Cohort / File Path: 2020 / August ’20 Virtual Meeting / File Name: Eau Claire Cohort call 8.26.20 Katies Notes / Pages: 1-3

This document was of interest to the investigation based upon the notes and/or statements that it contained. Based upon the title of the document, along with the content of the document these were notes and topics discussed during a virtual meeting between ALIA and representatives from Eau Claire County DHS. As the reader observed the very first bullet point references ALIA receiving the FOIA that was sent to them by Detective Greener and Deputy Voelker. ALIA further states during this apparent meeting that they were not responding to our requests. As the reader observed, in prior sections of this report numerous attempts were made to have ALIA provide the documents voluntarily. What is concerning is that even though the records requested were considered public record, ALIA chose not to provide them simply because it would appear as though they are deliberately non-compliant for whatever reason.

What is also concerning is that during this meeting it appears that ALIA, along with Eau Claire County DHS staff, were discussing attorney ideas, actions against board members, injunctions, and marketing ideas. The reader should ask themselves why would this be needed if no wrongdoing was occurring? Lastly the most concerning statement or note in this document is the statement “Sent talking points to staff” under the section titled: “What Diane is already doing”.

After the reader asks themselves this, they should be able to determine their answer based upon the following. During this investigation Detective Greener and Deputy Voelker have spoken with numerous identified individuals who have a professional relationship with DHS, or inner knowledge of DHS operations. These individuals, who wished to remain anonymous in fear of repercussions, informed Detective Greener and Deputy Voelker that DHS management including Cable, provided a “script” to staff of what to say if questioned by the public. This “script” included telling the public such things as “there is nothing wrong, and that the investigation was closed and there was no wrongdoing found”. Furthermore, these individuals also informed Detective Greener and Deputy Voelker that DHS management, including Cable, also informed staff that if they were approached by law enforcement not to tell law enforcement anything, tell them “I don’t know” if questioned, or inform their supervisor who would then meet with management and they would “figure out how to respond, or would tell the person to be interviewed what to say.”

This is not only concerning from an employment perspective but from a criminal perspective. Based upon the information provided by these individuals who are known to be credible, it would appear that whoever directed this to be communicated to staff is preventing potential witnesses from speaking with law enforcement, and/or providing truthful and accurate information.

Eau Claire Cohort

- Challenges of the department – fiscal investigation
- Alia included, other entities being asked by sheriff's dept to share info
- Staff feeling anxious
- Trying to maintain stability
- Help staff keep focused on their teams and not read the news, AND they're doing great work
- No rises in placements, continued creative casework
- Terri worries about Diane
- But it is so hard – “hard” doesn't even describe it
 - they go to meetings and they are questioned
 - families refer services elsewhere to “others who really need it”
- working on staying focused as a management team
- Alia was asked to share all the videos related to EC County, all webinars that anyone attended, etc. We want to be as helpful as possible, and we are not responding.
- How can we be helpful?
 - We want to stand by change leaders!
- It's not just a big incident, like a child death, that can push back to leaders and stop change, it's “small” things like this as well.
- Amelia offer: 2-hour “what to expect during change” training session
- Diane talked with the mgmt. team about normalizing this process – maybe this training for the mgmt. team?
 - It isn't clear to staff that this is due to change which raises questions about the department and leadership and how we operate
 - The department has changed a LOT – to become a *provider* of services. This may seem
 - People now – given the political time – feel empowered to do and say whatever they want to do. Some supervisors feel “empowered” to do things their way and choose to go to law enforcement, where there is in fact, NO crime.
 - How can we normalize this – it's not about me, it's not about Terri.
 - County Board supervisors are asking to decrease amount of services that we provide. They understand RCC and foster care, go to court, provide therapy – they do NOT understand the different way of doing things like pay for rent, or swimming pool, or in-home services. It feels like a luxury to people.
- This is less about money than about values – about deserving and undeserving.
- Also, people get one piece of information and runs with it. One supervisor is an attorney who is representing the dad and mom who led to the involvement, dug into the case and made her own assumptions about spending. Sup thought department spent too much.
- Boundaries and containment – what direction has been given around who they can talk to and what they can/should say. Talking points for staff? Do they get approached? By who? Should/can they respond?
- Can you talk directly to that supervisor and offer the other story? Can we offer an additional narrative to the media? What is the ethical boundary?
- Attorneys are saying this
 - WI has a rep for county board misconduct and law enforcement overreach.
 - Your corp council cannot represent you AND the police here. Diane has brought that up and it hasn't moved forward.
- Containing the wildfire – how do we stop the spinning here?
- This is not just some crazy EC idea – this is a national movement that is supported by the federal government.
- Saying – this is for the *children*.
- MESSAGING!
 - This is a federal govt initiative
 - This is about what we have learned about how children thrive – and that is when they stay safely with their families.
 - People take care of their own – deeply resonant talking point.

- And who are the right people to carry that message? Both inside and outside the agency. No longer Diane.
- That is the undercurrent, but what they are focused on is how the money is spent in Eau Claire.
- We have a very supportive human services board and are willing to help with messaging.
 - Board chair sent message to all staff
 - Think she is going to message to the media as well
 - She is respected and has been around for 30 years
- This is a bipartisan issue and have had successes in politics (Shen).
- How can staff process what is going on? Not just “do” something. Consider the SELF model. If this is a place to process, maybe SELF can help. It can be freeing to be able to name anxiety and framing the emotions of it. Maybe building on Amelia’s training – info PLUS processing.
 - Safety
 - Emotions
 - Loss
 - Future
- I don’t think public thinks that dollars should be used on prevention.
 - Focus on safety and kids
- Could tap into former foster youth in EC county – who are your Codys and Shens and Robs? How about parents?
 - There are some parents we work with, and they
 - [Shen will find](#) some survivor resources in WI who could offer perspective. Not youth, but a professional who says – you didn’t do right by me. Find the CPA, etc, who was a former foster kid who this DIDN’T work for? They could
 - The WI youth does say that in her story (Terri). She’s with DCF – she can say this is a better, new way of work. [Get her on the board agenda!](#)
- You **have to have** survivor stories. It’s not the money that drives the conversation. They still have hearts to feel!
 - This is completely about money in their perspective, they don’t want to hear the stories. There isn’t enough money according to them
 - Who else can leverage a personal story there. Nobody – managers literally spend all day on WebEx doing cases and caring for their staff.
 - It’s easier for us to contract with a marketing/messaging person. Another intern??
- What would our purpose be for spending on a marketing person?
 - To share the stories about who we are what we do and how we operate, educating the community.
 - Needs to be coordinated by Diane, but not given by Diane
- [Tactical/next steps](#)
 - Get Greta on board meeting agenda with WI DCF lens, with life story, with federal initiative lens
 - Get more Gretas! Ask her if she knows people. Create advocacy group.
 - Messaging person to help think through
 - Conflict of interest attorney – need solid counsel here
 - What rights does the department have?
 - Corp council didn’t give helpful advice
 - Potential actions against board members – injunctions about law enforcement investigations as ethical violation
 - Amelia training for management team
 - Shen will also do a presentation on her survival story as well
 - Plan with staff – providing guidance and reassurance, know their parameters
 - Would you like introduction to attorney? Amelia will send name(s)
 - Marketing person – Amelia will send (Joe Loveland)
- What Diane is already doing
 - Diane holds weekly calls since May – 120-150 people on the call

- Diane asks for questions beforehand
 - Sent talking points to staff
 - Group (?) is tired – help then gain confidence in supporting their staff
 - Every single day for ½ hour we meet with core leadership team for weekly updates, what's rising up, ask for feedback
- Help with messaging would be helpful
- Advocacy group of survivors would be helpful
- And there's still COVID! Staff are doing great.
- Staff may feel more secure if they knew they were being represented. They are told they can bring in an attorney, but why would you if you're doing nothing wrong?? It's very intimidating.
- [Check](#) in with us in a month about these things!!
- Tom's last days are next week!
 - Send any virtual cards
 - Posted this position, didn't get a lot of response
 - Another position got an approved position re-routed to committees for analysis
- Don't necessarily talk about how to help ourselves, so the last 90 mins has been helpful!
 - Asking myself – what do staff need? Wellbeing groups are helpful, but not everyone is in one. Process ideas from Shen are helpful

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_164_191](#)

Email from Attorney Rich White 10/09/20

On October 9, 2020, an email with an attached letter was received from Attorney Rich White, an attorney for Weld Riley Law firm in Eau Claire. White indicated in the email that he had been retained by Eau Claire County to “assist” the Human Services Department in response to the September 14, 2020, records request. As the reader recalls this records request included accounts payable, accounts receivable records, invoices, P-card receipts, approval documents, reimbursements, emails, grant records, budget reports, DHS polices, and a list of DHS vendors. These records were requested based upon information obtained during the course of this investigation, and the records would be necessary to conduct a complete and thorough investigation. Furthermore, DHS would retain these records as a normal course of business.

In Attorney White’s letter he stated he was declining the request on behalf of the Human Services Department due to the fact that he was unaware of any legal basis for the request or any practical reason why the information and documents would be necessary. Attorney White also indicated that the request was “tremendously and unreasonably burdensome”. Attorney White further stated that he would be willing to discuss the situation further.⁹⁶

Upon receiving the letter, it was shown to Sheriff Cramer. Sheriff Cramer informed both Detective Greener and Deputy Voelker that he had also been contacted by Attorney White. During a phone call with Attorney White, Attorney White informed Sheriff Cramer that he was attempting to “mediate” the situation referring to the investigation. Attorney White also asked Sheriff Cramer how the investigation could be stopped and told Sheriff Cramer that if the investigation were to continue that the county could or would interfere with the Sheriff’s budget.

⁹⁶ Source: Appendix 212 Email & Letter from Attorney Rich White





EAU CLAIRE
BLACK RIVER FALLS
MENOMONIE

October 9, 2020

VIA EMAIL

Detective Ryan Greener
Eau Claire County Sheriff's Office
721 Oxford Avenue Suite 1400
Eau Claire, WI 54703

RE: **Official Records Request**

Dear Ryan:

As you know, I have been retained by Eau Claire County to assist the Human Services Department with the September 14, 2020 "Official Records Request" submitted to it by you on behalf of the Sheriff's Department. On Monday, I sent you an email inquiring as to whether you were suggesting that the request constituted an open records request under Wis. Stat. § 19.35. Since you have not responded, I will assume that you are not making that assertion.

On behalf of the Human Services Department, I must decline the request for a number of reasons. Those include that I am unaware of any legal basis for the request or any practical reason why the voluminous amount of information and documents would be necessarily turned over. That leads me to a second point which is that the request is incredibly broad and vague. Finally, any attempt to gather the requested information and documents in a form which could be produced would be tremendously and unreasonably burdensome.

Please let me know if you have any questions. I would be happy to discuss this situation further with either you or Sheriff Cramer.

Very truly yours,

WELD RILEY, S.C.

A handwritten signature in dark ink, appearing to read "G. Richard White", is written over the typed name.

G. Richard White

GRW\eeek

C:\Users\eeek\Desktop\Drafts\Letters\10 9 Letter to Detective Greener.wpd


cc: Diane Cable
Kathryn Schauf

Weld Riley, S.C. A Wisconsin Limited Liability Entity

3624 Oakwood Hills Pkwy, P.O. Box 1030 • Eau Claire, WI 54702-1030 • P 715.839.7786 • F 715.839.8609 • weldriley.com

Meeting with Attorney White 10/13/20

On October 13, Detective Greener, Deputy Voelker, now retired Captain Joel Brettingen and Sergeant Mayer met with Attorney White at the Sheriff's Office. During the meeting Attorney White stated he was retained by Eau Claire County to represent DHS. Attorney White further stated that the lack of cooperation by DHS was due to some distrust they had of the Sheriff's Office and the investigation. Attorney White agreed to attempt to obtain certain records if the request was not as broad as the request sent to DHS on September 14, 2020

Attorney White also commented that he had a copy of the warrant executed at Alia Innovations and was surprised that a Judge signed the warrant. Attorney White also made comments that he could attempt to suppress further search warrants. 

DHS Records Request 10/14/20

On October 14, 2020, a records request was sent to Attorney Rich White. As the reader recalls in a meeting held on October 13, 2020, Attorney White stated that he would attempt to obtain certain records if the request was not broad in nature. A request was subsequently sent requesting multiple records. These records were requested based upon information obtained during the course of this investigation and the records would be necessary to conduct a complete and thorough investigation. Furthermore, DHS would retain these records as a normal course of business.

The request sent to Attorney White is contained on the following pages. ⁹⁷

⁹⁷ Source: Appendix ax DHS FOIA 10-14-20 



RON D. CRAMER SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

Detective Ryan Greener

Eau Claire County Sheriff's Office
721 Oxford Avenue Suite 1400
Eau Claire, WI 54703

Wednesday, October 14, 2020

Eau Claire County Department of Human Services
721 Oxford Avenue
Eau Claire, WI 54703

To Whom it May Concern:

Under the **Wisconsin Open Records Law, §19.31 et seq.**, I am requesting an opportunity to obtain copies of all public records as described below:

1. Any and all contracts or agreements between Alia Innovations and Eau Claire County Department of Human Services.
2. Any and all invoices billed to Eau Claire County by Alia Innovations.
3. Any and all reimbursements, grants, or revenue, received by Eau Claire County from Alia Innovations.
4. Any and all contracts or agreements between Ananda Works Wellness Education Center/Tre House Project and Eau Claire County Department of Human Services.
5. Any and all invoices billed to Eau Claire County by Ananda Works Wellness Education Center/Tre House Project.
6. Any and all business records associated with the 2019 \$7,139,749 budget overage in the "Purchased" category as documented in the "2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program" which was presented to budget and finance on June 8, 2020. This includes but is not limited to any and all invoices, physical receipts where possible, P-card receipts, approval documents, receipts from airline travel or hotel stays, meal reimbursements, and any other related invoices or documentation from purchases associated with the above category.

EAU CLAIRE COUNTY SHERIFF'S

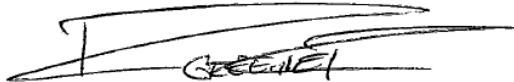
7. Any and all business records associated with the 2019 \$163,973 budget overage in the "Services & Supplies" category as documented in the "2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program" which was presented to budget and finance on June 8, 2020. This includes but is not limited to any and all invoices, physical receipts where possible, P-card receipts, approval documents, receipts from airline travel or hotel stays, meal reimbursements, and any other related invoices or documentation from purchases associated with the above category.

If possible, I am requesting the items be provided in electronic format. If needed storage media devices to facilitate this process can be supplied. The records requested are also to be **UNREDACTED** and **UNEDITED**. If necessary, we can provide a non-disclosure agreement.

I would request a response in writing, within the 5 days described by law if you intend to deny this request. Also, if you expect a significant delay in fulfilling this request, please contact me with information about when I might expect copies or the ability to inspect the requested records.

If you deny any or all of this request, please cite each specific exemption you feel justifies the refusal to release the information and notify me of the appeal procedures available to me under the law.

Sincerely,



Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706

Ananda Works Search Warrant 10/19/20

Throughout the previous pages of this document Ananda Works has been discussed. To refresh the readers recollection, Ananda Works is owned by Christine Varnavas who is County Board Supervisor Jim Dunning's stepdaughter. Ananda Works has provided some form of services to the Eau Claire County Department of Human Services and has received payment for those services. Both Dunning and County Board Supervisor Colleen Bates were also found to serve on an advisory board of Tre House Project, which is affiliated with Ananda Works. Bates was also the Chairperson of the Human Services Committee.

Based upon the fact that Ananda Works was providing services to Eau Claire County and both Dunning and Bates were serving on an advisory board, their involvement could constitute a crime or a conflict of interest. A FOIA request was sent to Ananda Works. This FOIA request was sent on August 11, 2020. Varnavas advised a short time later that she would honor the FOIA request however she would need time to compile the associated records. Two weeks to provide the requested information was agreed upon. Attempts were made to follow up with Varnavas regarding the FOIA on August 24th and September 23rd 2020. Varnavas did not respond.

As mentioned in the ALIA search warrant section of this report, when an individual or entity refuses to voluntarily turn over requested information or documents that may show a crime has been committed law enforcement has no other course of action to obtain the information or documents other than through a subpoena or search warrant. A subpoena in this case was not obtained based upon Varnavas refused to turn over the documents and information sought.

Given all of the above factors a search warrant was drafted to search Ananda Works located at 320 Putnam Street Suites 110 and 123 in Eau Claire. This location is within Banbury Place. The search warrant was reviewed by then District Attorney Gary King. It was subsequently presented to Eau Claire County Judge Michael Schumacher who determined that probable cause existed. Schumacher approved and signed the warrant. The warrant authorized the collection of documents requested in the FOIA request as well as computers, cellular telephones, and other electronic devices, such as tablets notebook computers, and storage media devices that would be capable of storing business records.

On October 19, 2020, at approximately 9:34 AM Detective Greener, Detective Nocchi, and Deputy Voelker arrived at Ananda Works. The door was locked, and no one was present at the business. Contact was made with building maintenance. A maintenance employee reviewed the warrant and unlocked the door. A minimal number of documents requested in the warrant were found within Ananda Works. There were also no computers or other electronic devices found.

The below link is Dunning's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Dunning Response Page 197](#)

With the type of business Ananda Works operates, along with Detective Greener and Deputy Voelker's expertise, it was obvious that records may be stored elsewhere such as at Varnavas' residence. Varnavas was found to reside at 158 Wold Court in the City of Eau Claire. Upon arriving at the residence, Detective Greener knocked on the door. A female later identified as Melina Alixakis answered the door. Alixakis stated that Varnavas was not home. While speaking to Alixakis she was attempting to restrain a dog that was barking loudly and was attempting to get outside. Based upon this it was difficult to communicate with Alixakis. Detective Greener asked Alixakis if would be easier if she secured the dog and then came back to the door. Alixakis agreed to this, closed the door and secured the dog and later returned to the door.

Alixakis stated she was Varnavas' daughter. Detective Greener asked Alixakis if himself and Deputy Voelker could speak with her inside the residence. Alixakis stated yes and invited them inside the residence. Once inside the residence it was explained to Alixakis that Detective Greener and Deputy Voelker were investigating a case involving DHS and their understanding was that her mother owned a company called Ananda Works. Alixakis confirmed this information. Alixakis was asked if Varnavas kept any records at the house or had a home office. Alixakis stated yes and explained that Varnavas kept records in her home office as well as on her computer.

Alixakis was asked where in the residence the home office was. Alixakis then pointed towards a closed door we were standing next to. Alixakis then walked over and opened the door without being asked or requested to. Detective Greener was able to see inside of the room without moving and could see a desk with a laptop and various documents on it. Detective Greener explained to Alixakis that they would be obtaining a search warrant to search Varnavas' office and to take custody of business records. Detective Greener further explained to Alixakis that he would be contacting another detective to wait at the residence while he obtained a search warrant. Alixakis stated she understood. Alixakis further stated there was no one else home and she expected Varnavas to be home in the next couple hours.

Detective Greener contacted Detective Gregory and requested that she come to the residence. While waiting for Detective Gregory's arrival, Detective Greener and Voelker remained in the kitchen area with Alixakis. Alixakis was texting on her phone and informed them that her grandmother who resides next door was on her way over to the residence.

A short time later Carolyn Dunning arrived at the residence. Detective Greener went outside and spoke with Carolyn. Carolyn was completely cooperative and understood our reasoning for being there. Detective Greener also explained to Carolyn that we would be obtaining a search warrant to search Varnavas' residence. Carolyn understood this as well. Detective Greener discussed search warrant procedures with Carolyn and suggested it may be best for Alixakis to stay at Carolyn's while the warrant was executed.

Carolyn agreed with this as well. Detective Greener then went back inside the residence and informed Alixakis that she could go stay at Carolyn's residence while the search warrant was being conducted. Alixakis understood.

While at the residence, Alixakis received a phone call from Varnavas. Alixakis handed the phone to Carolyn and placed it on speaker phone. Varnavas asked if this was in relation to CCS. Varnavas was told that it was and was in reference to the records request that had been sent to her in August and attempted to be obtained on numerous occasions. It was also explained further to Varnavas that a search warrant had already been conducted at her business. Detective Greener asked Varnavas if she would be willing to voluntarily provide the records, so we did not have to obtain a search warrant for the residence. Varnavas stated that all the records were stored on her computer. Detective Greener asked Varnavas if she would be willing to sign consent for her computer to be examined or place the files onto an external hard drive. Varnavas told Detective Greener "no." Varnavas was advised that there was no other course of action then other than to obtain a search warrant.

Detective Gregory arrived at the residence and secured the residence. This is standard procedure when a search warrant is being applied for a specific location that contains or may contain evidence of a crime to ensure that evidence is not tampered with or destroyed. While Detective Gregory was at the residence Jim Dunning arrived. Jim advised that he was a county board member and demanded to know what was going on. Jim further told Detective Gregory that Varnavas was his stepdaughter. Jim was upset by Detective Gregory's presence, became argumentative, and questioned law enforcement's authority. At one point Detective Gregory called for a second Detective to be present. Jim also called Eau Claire County Corporation Counsel Tim Sullivan in which Detective Gregory overheard the conversation. During the conversation Jim was continuing to question law enforcement's authority and at one point Sullivan replied, "I'll see what I can do."


A search warrant for Varnavas' residence was applied for and granted by Judge Schumacher. Upon arriving back at the residence Jim was walking across the yard towards Varnavas' residence. Sergeant Mayer approached Jim and asked him who he was and if he lived at the residence. Jim informed Sergeant Mayer that he was Varnavas' stepfather and did not live at the residence. Sergeant Mayer told Jim to return to his residence. Jim then became argumentative and told Sergeant Mayer they were not going to search the residence without Varnavas present. Sergeant Mayer advised Jim that we had a search warrant. Jim demanded to see a copy of the warrant. Jim was told he could not have a copy as he did not reside at the residence.

The below link is Dunning's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Dunning Response Pages 198 199](#)

Jim continued to argue and again stated we were not searching Varnavas' residence especially without her present. Detective Greener pointed out to Jim that Varnavas had just arrived at the residence. Varnavas approached Detective Greener, and he explained to her we had a search warrant and went to provide her a copy of it and Jim again demanded to see it and acted if he was going to try to grab it away from either Varnavas or Detective Greener. Sergeant Mayer then told Jim to move away. Jim refused to move away and stated, "No I'm not I'm staying right here". Sergeant Mayer told Jim if he keeps interfering, he would be handcuffed and possibly arrested for obstructing.

The search warrant was executed, and numerous items were seized including two computers, thumb drives, numerous invoices, bank documents, and checks received from Eau Claire County. During the search warrant an officer had to remain with Jim the entire time due to his behavior.

A review of the documents was completed. Jim Dunning was also later interviewed. During the review of the documents and supported by Jim Dunning's interview there was no evidence of any criminal wrongdoing by Dunning, or Bates related to Ananda Works. 


The below link is Dunning's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Dunning Response Page 200](#)

Attorney White Response to 10/14/20 Records Request

On November 18, 2020, a response was received from Attorney White regarding the October 14, 2020 records request. Attorney White provided items 1-5 listed in the request. Attorney White stated that in response to items 6 and 7 that it was "simply not reasonably feasible" to provide these documents. Attorney White stated that there were "no readily identified and produced" documents which would be responsive to the incredibly broad request of any and all business records associated with the two identified budget overage categories. Attorney White also advised that it would be too time consuming to produce these documents and would "far outweigh any possible benefit to be obtained".

As listed in the records request and displayed below to refresh the recollection of the reader, items #6 and #7 were requested based upon information obtained and previously discussed within this report. As the reader recalls there was an excessive number of questionable purchases made by DHS. These purchases included upgraded airfare and hotel suites for staff. The reader will also likely recall that in interviews with County Board Supervisors they were always told that the budget overages within DHS were attributable to drug and mental health related issues. As shown on the next page, item #6 and #7 contributed significantly to DHS's

budget overages in 2019. In order to determine if DHS's statements were accurate as to the cause of the overages the records were requested. If it was found that DHS's statements as to their budget overages were found not to be accurate, such as some, all, or most of the overages were due to extravagant spending, those prior statements could possibly be considered criminal in nature. 

6. **Any and all business records associated with the 2019 \$7,139,749 budget overage in the "Purchased" category as documented in the "2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program" which was presented to budget and finance on June 8, 2020. This includes but is not limited to any and all invoices, physical receipts where possible, P-card receipts, approval documents, receipts from airline travel or hotel stays, meal reimbursements, and any other related invoices or documentation from purchases associated with the above category.**
7. **Any and all business records associated with the 2019 \$163,973 budget overage in the "Services & Supplies" category as documented in the "2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program" which was presented to budget and finance on June 8, 2020. This includes but is not limited to any and all invoices, physical receipts where possible, P-card receipts, approval documents, receipts from airline travel or hotel stays, meal reimbursements, and any other related invoices or documentation from purchases associated with the above category.**



EAU CLAIRE
BLACK RIVER FALLS
MENOMONIE

November 18, 2020

Detective Ryan Greener
Eau Claire County Sheriff's Office
721 Oxford Avenue, Suite 1400
Eau Claire, WI 54703

VIA U.S. MAIL

RE: Request for Human Services Records

Dear Detective Greener:

As you know, I have been retained by Eau Claire County to represent the Human Services Department in a matter involving the Sheriff's Office. In that capacity, I can provide you with a response to the October 14, 2020 request you made on behalf of the Sheriff's Office to Human Services for certain specified records purportedly under Wisconsin's Open Record law.

Before I provide you with a response, though, I should note that we do not concede that one department within county government can utilize the open records law to demand documents from another department within the County. Plainly, that was not the intent of the Legislature in connection with the enactment of Wis. Stat. § 19.35.

With that said, and in the interest of inter-county cooperation, I am providing you with documents responsive to Items 1-5 of your October 14th request on the enclosed flash drive. You will note that client names and information have been redacted. Redactions are necessary as a result of confidentiality provisions within Chapters 48, 49, 51 and 938 of the Wisconsin Statutes together with confidentiality requirements under the Health Insurance Portability and Accountability Act ("HIPPA").

In response to Items 6 and 7 of your request, I must advise you that it is simply not reasonably feasible to provide you with responsive documents for multiple of reasons. First, there are no readily identified and produced documents which would be responsive to the incredibly broad requests for any and all business records associated with two identified budget overage categories. Second, the amount of time involved with any attempt to provide you with responsive documents would be overwhelming and far outweigh any possible benefit to be obtained.

Human Services has consulted with the County's Finance Director, Norb Kirk, regarding how some responsive information might be able to be provided. Based on that consultation, we suggest that a meeting be set up between you, Mr. Kirk, Human Services Director Cable and Fiscal Manager Gardner to discuss what could reasonably be provided in response to your request.

Weld Riley, S.C. A Wisconsin Limited Liability Entity

3624 Oakwood Hills Pkwy, P.O. Box 1030 • Eau Claire, WI 54702-1030 • P 715.839.7786 • F 715.839.8609 • weldriley.com

Nick Smiar WQOW News Story 10/20/20

EAU CLAIRE (WQOW)- In a new development, Eau Claire County officials have hired an outside attorney to assist the sheriff's office with its investigation into the Department of Human Services.

According to Nick Smiar, county board chairperson, about three weeks ago, the county hired attorney Rich White to assist the county sheriff's office in the investigation.


Smiar said due to a conflict of interest between the two county departments involved, the county cannot appoint its own corporation counsel to the investigation, forcing the board to find assistance outside of county governance.

Smiar says the board hired White, who is the former county district attorney, not to defend the DHS of any misconduct, but to work alongside Sheriff Ron Cramer in his investigation.

"I made a decision, along with our vice chair, to hire outside counsel to work with the Sheriff to encourage cooperation and logical procedure," Smiar said.

Diane Cable IHG Rewards Club Email 10/27/20 & 10/28/20

On October 27, 2020, Diane Cable receives an automated email from IHG Rewards Club. The subject line of the email read “Start Earning Unlimited Double Rewards Points”. The body of the email indicated that Cable currently had an IHG personal account identified as “Diane Cable Club 216596983”. IHG is an acronym for InterContinental Hotels Group which owns several various hotels within the United States as well as internationally. Detective Greener researched IHG Rewards Club and discovered that customers who are members of IHG Rewards Club who correlate a hotel stay at IHG owned properties are eligible to receive reward points. These reward points can then be utilized to receive discounted rates, free hotel stays, and other benefits. In order to receive the reward points, you must register as an IHG Rewards Club member. Without further supporting documentation furthered by an interview with Cable, law enforcement is unable to determine if Cable utilized accrued reward points from county-expensed hotel reservations for personal use. If Cable did personally utilize reward points for non-county business this could constitute theft.

On October 28, 2020, Cable receives another automated email from IHG Rewards Club. The subject line of this email reads “One step closer to your next Reward Night-save 40% on points” The body of the again indicates that there is a personal account at IHG belonging to Cable. 

The below link is Cable’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Page_204](#)

Diane Cable Email 11/24/20

On November 24, 2020, Diane Cable receives an email. Attached to the email was an Excel workbook attachment that has a file name "November 2020 PCard Transactions.xlsx" which contains various P-Card transactions associated with DHS.

November 2020 Pcard Transactions

Dept	Name	Acct	Trans Date	Transaction Amount	Sales Tax	Merchant Name	Amount	Year	Fund	Dept	Account	Obj	Proj	Description	Comments	Lost/Stolen Account	Replacement Account	line
01		10349	11/01/2020	\$ 26.36	\$ -	BEVPLUS/SAFE										"0025		32
01		10349	11/01/2020	\$ 569.60	\$ -	DOUBLE TREE BLOOMINGT										"0025		33
01		10349	11/01/2020	\$ 25.52	\$ -	RACORSH KIOS										"0025		34
01		10349	11/01/2020	\$ 25.52	\$ -	RACORSH KIOS										"0025		35
01		10349	10/01/2020	\$ 54.15	\$ -	AMZN MKTP USP26WV71EK1										"0025		36
01		10349	10/01/2020	\$ 228.76	\$ -	DOUBLE TREE BLOOMINGT										"0025		37
01		10349	10/01/2020	\$ 118.26	\$ -	AMZN MKTP USP26WV71EK1										"0025		38
01		10349	10/01/2020	\$ 39.89	\$ -	AMZN MKTP USP26WV71EK1										"0025		39
01		10349	10/01/2020	\$ 283.77	\$ -	AMZN MKTP USP26WV71EK1										"0025		40
01		10349	10/01/2020	\$ 142.23	\$ -	AMAZON.COMP218M400										"0025		41
01		10349	10/01/2020	\$ 487.87	\$ -	COPIHOTEL/REB										"0025		42
01		10349	10/01/2020	\$ 5.80	\$ -	AMZN MKTP US										"0025		43
01		10349	10/01/2020	\$ 223.16	\$ -	AMZN MKTP USP211EM662										"0025		44
01		10349	10/01/2020	\$ 27.87	\$ -	AMZN MKTP USP211EM662										"0025		45
01		10349	10/01/2020	\$ 191.49	\$ -	COPIRESERVATIONS.COM										"0025		46
01		10349	10/01/2020	\$ 9.89	\$ -	WPP/PRESERVATIONS.COM										"0025		47
01		10349	10/01/2020	\$ 64.89	\$ -	AMZN MKTP USP211EM662										"0025		48
01		10349	10/01/2020	\$ 167.33	\$ -	PER MAR SECURITY										"0025		49
01		10349	10/01/2020	\$ 389.89	\$ -	AMZN MKTP USP211EM662										"0025		50
01		10349	10/01/2020	\$ 39.89	\$ -	AMAZON.COMP2174N28										"0025		51
01		10349	10/01/2020	\$ 9.89	\$ -	AMZN MKTP USP211EM662										"0025		52
01		10349	10/01/2020	\$ 22.89	\$ -	AMZN MKTP USP211EM662										"0025		53
01		10349	10/01/2020	\$ 27.89	\$ -	AMZN MKTP USP211EM662										"0025		54
01		10349	10/01/2020	\$ 191.94	\$ -	AMZN MKTP USP211EM662										"0025		55
01		10349	10/01/2020	\$ 17.41	\$ -	AMAZON.COMP2174N28										"0025		56
				\$ 3,203.85														
				Variance \$ 3,203.85														

Department Approval _____ Date _____

Kerry Swoboda Email to Diane Cable 12/02/20

On December 2, 2020, at 1:21 PM Diane Cable receives the following email from Kerry Swoboda. Swoboda is a DHS employee:

From: Kerry Swoboda
Sent: 12/2/2020 1:21:21 PM
Received: 12/2/2020 1:21:23 PM
To: ["Diane Cable <Diane.Cable@co.eau-claire.wi.us>"; "Luke Fedie <Luke.Fedie@co.eau-claire.wi.us>"]
CC: ["Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>"]
Subject: Signatures saved on [REDACTED] computer
Importance: Normal
Sensitivity: Normal
Attachments: image001.jpg

Good Morning,

Chris Brunner and I are still trying to reconcile [REDACTED] credit card purchases from last month. I have honestly searched everywhere I can think of without finding receipts. I wanted to let you both know that when searching last night, I came across a Word document "sigs" that included Carilyn and my electronic signatures saved to it. I thought to be very odd and wanted to mention it.

I am hoping to find a folder I maybe missed with the missing receipts today, but it has been a significant challenge.

Thank you.


Eau Claire
COUNTY
ADMINISTRATION
"Where Communities Come Together"

Kerry Swoboda, MSW, APSW
 Social Work Manager-CLTS and CCS
 721 Oxford Ave., Suite 1001 • Eau Claire, WI 54703
Direct: 715-839-6586 **Fax:** 715-831-5784
Email: kerry.swoboda@co.eau-claire.wi.us

As the reader observed, Swoboda informs Cable that she and another DHS employee, Chris Brunner were attempting to reconcile [REDACTED] credit card purchases from last month. Furthermore, as documented in Swoboda's email, Swoboda indicates that they were unable to locate receipts. She had also located an electronic Microsoft Word document labeled "sigs" which contained Swoboda's and "Carilyn" electronic signatures. [REDACTED] would have been [REDACTED] who was an administrative assistant within DHS. [REDACTED] had resigned from her position in November 2020. Petke was interviewed as part of this investigation and disclosed during that interview that she was responsible for making purchases for staff and clients after Zer Smith's termination. [REDACTED] would routinely make these purchases using a county issued P-Card.

After reviewing the email received by Cable on December 2, 2020 from Swoboda, Deputy Voelker reviewed the excel workbook attachment that Cable received in the previous email on November 24, 2020. Deputy Voelker observed a transaction by Petke on October 25, 2020, for \$223.16. The transaction took place on a Sunday. Without further supporting documentation or explanation the transaction on October 25, 2020 is a questionable transaction as [REDACTED] would work Monday thru Friday, and the purchase was outside of her normal work hours. As the reader also observed in Swoboda's email it references a file with apparent electronic or digital versions of approval signatures being stored or embedded within a Microsoft Word document. By [REDACTED] apparently having unlimited access to these signatures, it would provide [REDACTED] or others the opportunity to make unauthorized purchases thus committing fraud or theft by means of using said signatures without the knowledge, permission, or consent of the signatory. Furthermore, Swoboda alludes to the fact that they have been unable to locate receipts related to [REDACTED] purchases which without further explanation may also be a possible indicator of fraud or theft.

After receiving the above email from Swoboda Cable responds as shown below:

From: Diane Cable
Sent: Wednesday, December 2, 2020 9:05 AM
To: Kerry Swoboda ; Luke Fedie
Cc: Vickie Gardner
Subject: RE: Signatures saved on [REDACTED] computer

Hi. We need to touch base about this. Kerry or Luke, could you please set a meeting.
Thank you
Diane



Diane Cable, MSW
Director
Department of Human Services
721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

On December 3, 2020, only 26 hours after being notified of the issues involving purchases made by [REDACTED] Cable sends an email to Chris Brunner approving the file November 2020 P-Card Transactions.xlsx which she received on November 24, 2020. This file included purchases made by [REDACTED] Based upon Detective Greener's and Deputy Voelker's training and experience the appropriate action to take by an individual or a department head who discovers or learns of this information would be to complete an audit of all purchases made by [REDACTED] during the duration of her employment before approving any such transactions. In reviewing the remainder of Cable's emails there was no other information to support that this was done. Given that Cable approved the file less than 26 hours after being made aware of the concerns, it would further support that an extensive audit was not done, as given the volume of purchases, it would have taken an abundant amount of time. During an audit if unauthorized purchases were made by [REDACTED] those purchases would constitute a crime thus it would be required by the department for it to be reported to law enforcement. If the information was not reported to law enforcement it could be considered misconduct in office by the person or persons who chose not to report it.

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From: Diane Cable
Sent: 12/3/2020 5:22:27 PM
Received: 12/3/2020 5:22:00 PM
To: ["Chris Brunner <Chris.Brunner@co.eau-claire.wi.us>"]
CC: ["Alexa Dennis <alexa.dennis@co.eau-claire.wi.us>"]
Subject: Copy of November 2020 Pcard Transactions.xlsx
Importance: Normal
Sensitivity: Normal
Attachments: Copy of November 2020 Pcard Transactions.xlsx

Approved. Diane

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Pages 205 207](#)

WIPLFI Request 11/30/20

During the course of this investigation, Detective Greener and Deputy Voelker have consulted with WIPFLI LLP (an accounting and business consulting firm), which was retained to assist the Sheriff's Office with the investigation. WIPFLI provides various accounting, financial, economic, forensic, investigative, electronic discovery, and other consulting services, in accordance with forensic services standards established by the American Institute of Certified Public Accountants. WIPFLI staff have conducted numerous forensic accounting engagements and have worked with numerous law enforcement agencies previously regarding investigations.

⁹⁸ Source: Diane Cable PC



Based upon WIPFLI's scope of work and their experience, WIPFLI provided a list of items needed from DHS and Eau Claire County in order to conduct a thorough and complete analysis, which included determining if the \$1.1 million dollar error was truly human error, or something intentional that occurred.

WIPFLI provided this list, ⁹⁹ which is displayed on the following pages to the Sheriff's Office which was then provided to Attorney White.

⁹⁹ Source Appendix 225 WIPFLI Request for Information

November 30, 2020

Ron Cramer, Sheriff
Eau Claire County Sheriff's Office
721 Oxford Ave, Suite 1400
Eau Claire, WI 54073

Re: Eau Claire County DHS Document Request No. 1

Dear Sheriff Cramer:

In order to perform the analysis as outlined in our Engagement letter dated October 23, 2020, we require the information described below:

- General Ledger and Cash Disbursements detail for the "Purchased" expense line item for 2017, 2018, 2019 and 2020 for the CCS and CLTS programs. Note: If this is overly burdensome, please provide a full General Ledger extract for the requested years and we can obtain the specific data that is needed.
- General Ledger and Cash Disbursements detail for the "Services & Supplies" expense line item for 2017, 2018, 2019 and 2020 for the CCS and CLTS programs. Note: If this is overly burdensome, please provide a full General Ledger extract for the requested years and we can obtain the specific data that is needed.
- Vendor Master file information for 2017, 2018, 2019 and 2020.
- Employee Master file information for 2017, 2018, 2019 and 2020.
- DHS budgets for 2017, 2018, 2019 and 2020.
- DHS actual financial results for 2017, 2018, 2019 and 2020.
- Contracts/funding documents for the CCS and CLTS programs for 2017, 2018, 2019 and 2020.
- Policies and procedures related to expense reimbursements, P-card usage credit card usage, and the delivery of services for the CCS and CLTS programs, all for 2017, 2018, 2019 and 2020.

For the General Ledger detail, Vendor Master file, and Employee Master file information requested above, please provide as many of the data points shown in the accompanying exhibits as possible.

Please note that this is our first request in order to begin our analysis. Once the above documentation is received and reviewed, we will provide subsequent document requests for any additional information needed.

We appreciate the opportunity to serve you. Please contact Marc Courey at 651-766-2849, email mcourey@wipfli.com, or Carly Jacobson at 608-661-2614, email cjacobson@wipfli.com if you have any questions or concerns.



Carly Jacobson, CIA, CFE, CRMA

Enc.

Instructions:

The purpose of this tab is to provide general instructions relating to the extraction and creation of the requested data for analytic tests outlined in the other tabs in this workbook.

The fields shown on each tab are the minimum requested data fields, assuming they exist within your data. If we have requested information which your system does not retain, please identify such when providing the data files. Similarly, if your system retains other information which you believe may be relevant or which is easier for you provide, please do so. We would request that when you provide the data files they either contain a "header" row identifying each field or that you provide information identifying each field, either in a separate file or by noting the fields provided, and their position in the file in this workbook and returning it.

The preferred file type for the extracted data is as a "csv" file, also known as a delimited file. Alternatively, you can provide the data in an Excel workbook. If possible, enclose the data field in double-quotes (" "), and separate them using a comma or another "special character" such as the "vertical bar" (|) if possible. If using an Excel workbook please be mindful of limitations in the number of lines which may impact the completeness of the data produced. Also, please be aware of any field size settings or limitations when extracting the data.

Attorney White Response Re: WIPFLI Request 12/11/20

On December 11, 2020, a letter was received from Attorney White in response to WIPFLI's request. Attorney White stated that he and Diane Cable had reviewed the request and were declining to provide the information and documents for multiple reasons. One of the reasons Attorney White listed was that the request was incredibly broad and unreasonable. Attorney White further stated that compliance would involve "imposing amount of work from not only Human Services but from the County's Finance and Information Systems Departments." White further claimed that DHS staff would need to devote a month or more work time to the task.

White then stated that another reason why the request was being declined was "purely as a matter of good government." White further stated "Through the request, the Sheriff's Department is attempting to impose a level of control or authority over the Human Services Department." White also stated that DHS would not cooperate with the forensic audit unless it was deemed necessary by administration and the County Board.

As previously stated in the Law Enforcement Investigative Processes section of this report, there are processes involved in an investigation when a complaint is received. Part of this process entails gathering information and evidence that is associated with the investigation and is based upon facts already obtained either from interviews or from reviewing already obtained documents. Attorney White's opinion that the Sheriff's Department was attempting to impose a level of control or authority over the Human Services Department is simply not true. Rather the Sheriff's Office was simply following the investigative process, which based upon Attorney White's previous experience as Eau Claire County District Attorney he should be well aware of.

Attorney White's full response is contained on the next two pages.¹⁰⁰

¹⁰⁰ Source Appendix 234 Rich White 121120 Response



EAU CLAIRE
BLACK RIVER FALLS
MENOMONIE
WAUSAU

December 11, 2020

Detective Ryan Greener
Eau Claire County Sheriff's Department
721 Oxford Avenue
Eau Claire, WI 54703

VIA EMAIL
ryan.greener@co.eau-claire.wi.us

RE: December 1st Request for Information

Dear Ryan:

Human Services Director Cable and I have reviewed your December 1, 2020 request from the Sheriff's Department for information and documents from Human Services as set forth in the attached November 30, 2020 correspondence from WIPFLI to the Sheriff's Department. In response, I must advise you that Human Services is declining to provide the information and documents for multiple reasons.

First, the request is incredibly broad and unreasonable. Compliance would necessarily involve an imposing amount of work from not only Human Services but from the County's Finance and Information Systems Departments. Two or three Human Services staff individuals would need to devote a month or more work time to the task, with one or two Finance Department and IS staff personnel needing to devote a couple days to week of work to the project.

Human Services should not and cannot be expected to divert resources from any of its current program areas in order to respond to this request. As I hope you will appreciate, Human Services is already expected to provide crucial services to members of our community with far too little resources. Interference with that work should not occur.

Second, the Sheriff's Department request should be denied purely as a matter of good government. Through the request, the Sheriff's Department is attempting to impose a level of control or authority over the Human Services Department. None of the dozens of departments within Eau Claire County government ought to be in a position to exert authority over another department. County departments should be solely supervised and controlled by the County Administrator and the County Board.

That final observation leads me to a third point which is that any audit of Human Services along the lines suggested by your email and the WIPFLI documentation ought to occur only if deemed appropriate by County Administration and the County Board. To the extent of its ability, Human

Weld Riley, S.C. A Wisconsin Limited Liability Entity

3624 Oakwood Hills Pkwy, P.O. Box 1030 • Eau Claire, WI 54702-1030 • P 715.839.7786 • F 715.839.8609 • weldriley.com

Detective Ryan Greener
December 11, 2020
Page 2

Services would cooperate with an audit deemed to be necessary and appropriate by County Administration and the County Board.

Very truly yours,

WELD RILEY, S.C.

A handwritten signature in black ink, appearing to read 'G. Richard White', written over the typed name.

G. Richard White
GRW/bal

cc: Diane Cable (via email)
Kathryn Schauf (via email)

Sheriff Cramer Letter to Kathryn Schauf 12/14/20

On December 14, 2020, Sheriff Cramer sent a letter to Kathryn Schauf regarding White's December 11th response. Sheriff Cramer explained in the letter to Schauf that the Sheriff's Office would not be continuing the investigation without already documented instances of potential criminal activity. Sheriff Cramer also told Schauf in the letter that in the beginning of the investigation she informed him that DHS would cooperate. Sheriff Cramer further informed Schauf that DHS's lack of cooperation was concerning.¹⁰¹

From: Ron Cramer
Sent: Monday, December 14, 2020 11:56 AM
To: Kathryn Schauf
Cc: 'gary.king@da.wi.gov'; Rich White (rwhite@weldriley.com)
Subject: Investigation

Hello Kathryn,

As you know the Sheriff's Office received a letter from Attorney Rich White last Friday denying a records request related to our ongoing investigation.

I want to assure you our department would not be continuing the investigation without already documented instances of potential criminal activity to include Medicare/ Medicaid fraud, grant fraud, and other criminal activity by vendors and / or county employees. I assure you our department is not interested in personnel issues or the workings of DHS other than those that are criminal in nature.

Early on in this investigation you informed me that DHS would cooperate with the Sheriff's Office investigation. The level of push back and lack of cooperation with interviews and gathering of records is unprecedented within our county and is quite concerning in light of transparency within government. It is also lengthening the investigation and probably going to end up costing the County more money. Had we been able to interview staff and review needed records, this investigation would probably have been completed by now.

I am providing you this information in hopes of gathering cooperation moving forward, As Attorney White's letter suggests, so justice can be served in this case.

¹⁰¹ Appendix 232 Sheriff Cramer Letter to Kathryn Schauf

County Board Meeting 12/15/20

On December 15, 2020, Attorney White spoke in front of the Eau Claire County Board. This was a public meeting and was broadcasted over the internet. Furthermore, a link to the meeting is archived on Eau Claire County's website. During the meeting White stated that he was asked to consult with the county, initially, because the Sheriff's Office wanted to interview DHS employees. White also told the County Board that in October he received a records request from our department requesting several records from DHS. White told the County Board that the request was "incredibly overbroad." White then told the County Board on December 1, 2020, he received an email with an attached letter from WIPFLI "which had to be fifteen, twenty pages to it" of requested information for a forensic audit of DHS.

As discussed within the WIPFLI Request 11/30/20 section of this report, a request on behalf of WIPFLI was sent to Attorney White. The actual letter sent to White is contained on pages 207-208. As the reader can see the letter consisted of two pages. There were an additional 5 pages of instructions on what WIPFLI's preference was to as to the format of the data. The total document was 7 pages not fifteen to twenty as described by White.

During the meeting White stated that he met with DHS to determine how much time would be involved processing WIPFLI's request, along with what it would entail. Attorney White's opinion was that WIPFLI's request without a legal basis could not be honored. White also stated "pursuing what has been pursued, in the way that is had been pursued, is the epitome of bad government. It is the antithesis of good government." White also told the County Board if the Sheriff's Office has probable cause that a crime has been committed that any records needed should be obtained via a search warrant or subpoena.

Kathryn Schauf and Norb Kirk Cisco Jabber Messages 01/06/21

File Name: kschauf Wednesday January 6 2021 - 299955

Jabber Message Content:

kschauf 1/6/2021 10:59:24 AM

nada

kschauf 1/6/2021 10:59:37 AM

busy with other stuff - haven't had time to even think about it

nkirk 1/6/2021 11:00:13 AM

no worries...I have a couple items and usually we build off of that anyway

kschauf 1/6/2021 12:07:31 PM

do not answer this question

kschauf 1/6/2021 12:20:55 PM

we need to be very careful here

The above messages were exchanged between Norb Kirk and Kathryn Schauf. We researched the county archives of meetings and were unable to locate any archived meeting minutes for the above date. The content of the messages exchanged between Kirk and Schauf are of investigative interest based upon Schauf's directive to Kirk not to answer an apparent question posed to him as well as Schauf stating "we need to be very careful here". Those involved in illegal or questionable activity will occasionally direct a person not to answer a certain question, provide individuals with responses to questions, or will answer on their behalf in an attempt to dissuade the person asking questions from asking follow-up questions, or to hide their illegal or questionable activity.¹⁰²

The below link is Schauf's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf Response Page 216](#)

¹⁰² Source: Appendix 324 Selected Jabber Messages



Letter from Attorney White to Sheriff Cramer 01/26/21

On January 26, 2021, Sheriff Cramer received a letter from Attorney White. In the letter, White stated that he has had several contacts with the Sheriff as well as Detective Greener. White further explained throughout those contacts, on behalf of Eau Claire County, he has conveyed the message that within reason DHS would cooperatively provide the Sheriff's Office information. White also stated the following in the letter "in the spirit of cooperation and as an attempt to move this matter to conclusion, let me reiterate that Human Services would be willing to provide with some reasonably limited amount of information or documents which is required for a legitimate purpose."¹⁰³

A copy of the letter is displayed on the following page.

¹⁰³ Source: Appendix 251 Rich White Letter to Sheriff Cramer



EAU CLAIRE
BLACK RIVER FALLS
MENOMONIE
WAUSAU

January 26, 2021

Sheriff Ron Cramer
Eau Claire County Sheriff's Department
721 Oxford Avenue
Eau Claire, WI 54703

VIA EMAIL
ron.cramer@co.eau-claire.wi.us

RE: Request for Human Services Records

Dear Ron:

You and I have had multiple conversation about interest by your department in the operation of the Human Services Department. I have also had multiple conversations and contacts with Investigators from your Department regarding Human Services.

Throughout those contacts, on behalf of Eau Claire County, I have conveyed the message that within reason Human Services would cooperatively provide you with sought information. Consequently, through correspondence of November 18, 2020, Human Services provided the Sheriff's Department with information and documents responsive to five of seven requests which had been received. Unfortunately, we could not provide the Sheriff's Department with the WIPFLI documents and information recently sought and explained why situation in my correspondence of December 11, 2020 to Detective Greener.

Again, in the spirit of cooperation and as an attempt to move this matter to conclusion, let me reiterate that Human Services would be willing to provide you with some reasonably limited amount of information or documents which is required for a legitimate purpose. Please convey any request consistent with that point to me.

Feel free to contact me if you have any questions or require any further information.

Very truly yours,

WELD RILEY, S.C.

G. Richard White
GRW/bal

cc: Diane Cable, Human Services Director (via email)
Kathryn Schauf, County Administrator (via email)

Weld Riley, S.C. A Wisconsin Limited Liability Entity

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Response to Attorney White's 01/26/21 Letter

Upon receiving Attorney White's January 26, 2021 letter another records request was sent to him. A majority of the requests for documents and information were requests that had already been made. Several of the requests were new requests, again based upon the latest investigative information received. The letter sent to Attorney White, which is contained on the next two pages, also outlined the reasons for the requested information and documents.¹⁰⁴

¹⁰⁴ Appendix 252 Response to Rich White



RON D. CRAMER
SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

EAU CLAIRE COUNTY SHERIFF'S OFFICE

February 16, 2021

Eau Claire County Department of Human Services
721 Oxford Avenue
Eau Claire, WI 54703
Attn: Attorney Rich White

Re: Eau Claire County DHS Records Request

Dear Attorney White:

Our department received your letter dated January 26, 2021 regarding the multiple conversations and contacts with us regarding the numerous Human Services records requests. In your letter you state, "in the spirit of cooperation and as an attempt to move this matter to conclusion, let me reiterate that Human Services would be willing to provide you with some reasonably limited amount of information or documents which is required for a legitimate purpose."

Based upon that statement in order to move this matter towards conclusion we are requesting that the following documents be provided which are needed to further our fact-finding efforts. I would note that the following documents serve a legitimate purpose based upon some information that has been found during our investigation that needs further clarification. Without these records this investigation will not be able to be concluded nor would it be deemed "in the spirit of cooperation." The requests are as follows:

1. General ledger and cash disbursements detail for the "Purchased" expense line item for 2019. Note: If this overly burdensome, please provide a full General ledger extract for 2019 and we can obtain the specific data that is needed.
2. General ledger and cash disbursements detail for the "Services & Supplies" expense line item for 2019. Note: If this overly burdensome, please provide a full General ledger extract for 2019 and we can obtain the specific data that is needed.
3. Vendor Master file information for 2019.
4. Employee Master file information for 2019.
5. DHS budget documents for 2019.
6. DHS actual financial budget records for 2019 including monthly and quarterly budget update documents or files.
7. Contracts/funding documents for the CCS and CLTS program for 2019.

8. DHS policy manual for 2019.

9. All emails to and from DHS employee [REDACTED] for 2019

10. All emails to and from DHS employee Zer Smith for 2019

11. All emails to and from DHS employee Vicki Gardner for 2019

12. All emails to and from DHS employee Tammy Stelter for 2019

13. All emails to and from Sue Schleppenbach for 2019

14. All P-card purchase records and approvals regarding items purchased on [REDACTED], Zer Smith's, Sue Schleppenbach's, and Diane Cable's county P-Card for 2019.

In regard to items #1, #2, #5, and #6 these items do not seem overly burdensome to produce. We are currently in possession of numerous documents pertaining to the requested items and DHS seems to frequently produce these documents with ease in a timely manner and exchange them internally as simple email attachments.

In regard to items #9-#13 we currently are also in possession of thousands of emails to and from a specific DHS employee that were provided to us prior to you being retained by Eau Claire County. We obtained these documents from the IS department who was able to produce them with ease for numerous years within a 24-hour period.

As you are well aware in order to conduct a thorough and complete investigation which would also pass any post-investigation level of public scrutiny, we assume that you will be providing us with unredacted information. I understand that all of the above requested items may contain HIPPA information or other privileged information. Both Detective Voelker and I have communicated with Tim Sullivan, prior to you being retained, and with you previously, that we would be willing to sign a non-disclosure agreement so any records could be produced in their original, unredacted format.

We look forward to your response and ask that you respond to this request by Friday February 26, 2021.

Please let me know if you have any questions.

Detective Ryan Greener

Attorney White Response 03/08/21

On March 8, 2021, a thumb drive was received from Attorney White which contained multiple digital files and partial records in response to the 01/26/21 records request. The thumb drive held all of the requested items with the exception of the requested emails. Attorney White advised that the county was unable to provide the requested emails. White's justification for this was that it was not practical as DHS employees average 30-60 emails per day, and that any emails would need to be reviewed as they may contain confidential information.

It is worth highlighting and calling the reader's attention to the fact that during every shift and by means of every report written each day of a law enforcement officer's career, they receive and document HIPPA and other extremely private and confidential information, all without having complete a confidentiality agreement before receiving the information. Also worth noting is that ECSO repeatedly offers to complete any confidentiality agreement, yet Eau Claire County staff did not respond to that offer, and never provided ECSO staff with a confidentiality agreement.

The records provided by Attorney White were reviewed, and will be described below. In response to item #2 in the request, provided to us was an excel file labeled 2019 Supplies and expenses. Within this excel file was a spreadsheet which contained multiple tabs. The first tab of this spreadsheet was labeled "summary". In reviewing the summary tab, it appeared to be a list of object codes tied to the supplies and expenses category. There were also a sum of debits and a sum of credits for each line item with a grand total of all line items at the bottom. An image of this summary tab is displayed on the following page for the reader.

1	Eau Claire County			
2	Fund 205 - Services & Supplies			
3	January - December 2019			
4				
5				
6	Row Labels ▼	Sum of DEBIT	Sum of CREDIT	Sum of Net Dr/(Cr)
7	MEMBERSHIP DUES	19,578.50	6,335.00	13,243.50
8	MILEAGE - FLT CAR	720.53	-	720.53
9	MILEAGE - FLT CAR.	92.04	-	92.04
10	MILEAGE - PERSONAL	17,426.33	-	17,426.33
11	MILEAGE FLEET CAR	26,531.37	-	26,531.37
12	MILEAGE PERSONAL	19,759.16	202.80	19,556.36
13	MILEAGE-PERSONAL	139,607.60	1,500.96	138,106.64
14	OFFICE SUPPLIES	58,705.01	9,725.54	48,979.47
15	OTHER SUPPLIES & EXPENSE	31,424.49	3,203.51	28,220.98
16	OTHER TVL	2,021.14	500.00	1,521.14
17	PERSONAL CARE	5,064.01	-	5,064.01
18	POSTAGE AND BOX RENT	13,461.13	-	13,461.13
19	PRINTING AND DUPLICATING	41,333.15	2,553.51	38,779.64
20	RECORD BOOKS AND FORMS			-
21	RECREATION SUPPLIES	3,186.09	61.41	3,124.68
22	REF MATERIALS			-
23	REPAIR & MAINT SUPP	5,276.34	23.88	5,252.46
24	SHOOTING RANGE EXP	2,010.39	-	2,010.39
25	SUPPLIES & EXP	13,296.98	-	13,296.98
26	TRAVEL REGULAR	13,948.01	4.83	13,943.18
27	TRAVEL-NON CLIENT	3,649.01	-	3,649.01
28	TRAVEL-TRAIN & CONF	219,699.05	76,576.03	143,123.02
29	#N/A	86,656.61	19,346.23	67,310.38
30	Grand Total	723,446.94	120,033.70	603,413.24

As shown in the prior illustration, on the “summary” tab of the excel spreadsheet provided by Attorney White the total expenditures for the services and supplies category in 2019, were reported to be \$603,413.24. Yet, at a June 8, 2020 Finance and Budget Committee meeting, Human Services reported that their expenditure amount for the services and supplies category for year end 2019 to be \$659,366 which is a \$55,952.76 difference.

2019 Budget	All Programs		2019 Actual	All Programs	Variance
Expenditures:			Expenditures:		
Personnel	18,044,140		Personnel	15,655,067	2,389,073
Services & Supplies	495,393		Services & Supplies	659,366	(163,973)
Purchased	11,935,363		Purchased	19,075,112	(7,139,749)
Overhead	817,623		Overhead	757,045	60,578
Total	31,292,518		Total	36,146,589	(4,854,070)
Revenue:			Revenue:		
State/Federal Grants	20,274,578		State/Federal Grants	20,426,224	151,646
Charges & Fees	538,437		Charges & Fees	575,685	37,248
Other Sources	1,627,030		Other Sources	1,132,431	(494,599)
Property Tax Levy	8,852,473		Property Tax Levy	8,852,473	(0)
Total	31,292,518		Total	30,986,812	(305,706)

The excel file by Attorney White, and the financial statement presented to the Finance and Budget Committee were also compared to a financial statement that the Department of Human Services presented to the Human Services Committee on May 26, 2020, six business days earlier. The financial statement presented to the Human Services Committee showed that their 2019-year end expenditures for services and supplies to be \$956,255. Again, this number is significantly different than the excel file provided by Attorney White, and the financial statement presented to the Finance and Budget Committee meeting. The financial statement presented to Human Services is below:

Expense	YTD Net Budget	YTD Actual Transactions	2018 CCS Reconciliation Revenue Adjustment	Estimated Adjustments	Adjusted Total	Net Variance Excess (Deficient)
Overhead	817,623	757,045		-	757,045	60,578
Personnel	18,124,109	15,609,303		-	15,609,303	2,514,806
Services & Supplies	525,393	956,255		-	956,255	(430,862)

In analyzing the two financial statements further additional inconsistencies were also observed. In the financial statement presented to the Human Services Committee DHS indicated that the budgeted amount for services and supplies was \$525,393. This is different from the amount they presented to the Finance and Budget Committee when they stated their budgeted

amount was \$495,393. This is a \$30,000 difference. The reader will also see differences in transaction amounts on both financial statements in the services and supplies category. In the financial statement presented to the Human Services Committee they reported their 2019 transactions to be \$956,255. The financial statement presented to Finance and Budget reported their expenditures to be \$659,366. This is a \$296,889 difference.

Earlier in this report numerous examples of other inconsistent financial statements presented by DHS were discussed. Also discussed within the Indicators of Fraud section of this report, revisions to electronic or hard copy documents, which includes financial statements, is a potential indicator of fraud.

Furthermore, within the excel document there were two object codes that were of interest to this investigation. The first is discussed below.

6	Row Labels	Sum of DEBIT	Sum of CREDIT	Sum of Net Dr/(Cr)
24	SHOOTING RANGE EXP	2,010.39	-	2,010.39

As the reader can see above, row 24 in the “summary” tab is an object code labeled as “SHOOTING RANGE EXP” with a total debit amount of \$2010.39. The excel spreadsheet provided by Attorney White also contained the expenditures for each object code listed in the “summary” tab. In reviewing the expenditures for the “SHOOTING RANGE EXP” object code there are a total of 84 transactions. The account description is listed as “CLIENT INCENTIVE CSP”. The description is also listed as “CLIENT INCENTIVES”. When reviewing the debit amount for each transaction 32 of the 84 transactions are even dollar amounts. What is also of interest is that even though the description is “CLIENT INCENTIVES”, the Vendor Name associated with each transaction are DHS employees. An example of this is shown below:

1	object description	ACCOUNT DESCRIPTION	DESCRIPTION	DEBIT	CREDIT	JOURNAL DA	VENDOR NAME
7	SHOOTING RANGE EXP	CLIENT INCENTIVE CSP	CLIENT INCENTIVES	30.00	-	22-Feb-19	SCHROFE, CHERYL
8	SHOOTING RANGE EXP	CLIENT INCENTIVE CSP	CLIENT INCENTIVES	30.00	-	22-Feb-19	VAN ROY, MARY
13	SHOOTING RANGE EXP	CLIENT INCENTIVE CSP	FEB CLIENT INCENTIVES	30.00	-	22-Mar-19	KNECHT, JUANITA
15	SHOOTING RANGE EXP	CLIENT INCENTIVE CSP	CLIENT INCENTIVES	30.00	-	22-Mar-19	SCHROFE, CHERYL

The above is of interest due to the fact that the Department of Human Services should not have any expenditures with an object code of “SHOOTING RANGE EXP”. Typically, that particular object code is utilized by the Sheriff’s Office. Whether the object code was selected by an individual or individuals with the Department of Human Services by error, or if clients or staff are actually benefiting or are personally receiving incentives for a shooting range is unknown. Further supporting documentation which is not in the Sheriff’s Office possession would be needed or at minimum an explanation from someone with in the Department of Human Services whom we have not been able to speak with.


The second object code of interest is row 29 shown below:

6	Row Labels	Sum of DEBIT	Sum of CREDIT	Sum of Net Dr/(Cr)
29	#N/A	86,656.61	19,346.23	67,310.38

As the reader can see row 29 in the summary tab is an object code labeled as “#N/A” with a total debit amount of \$86,656.61. There is also a credit amount of \$19,346.23. In reviewing the expenditures for this object code there are multiple different account descriptions including “JUV DET/180 INCENTIVES, CRISIS FUND, FAMILY CRISIS FUNDS, and CHILD PROT SERV/TRAINING”. There are 561 transactions categorized under the object code “#N/A”. In reviewing the transactions, the bulk of the purchases are for client incentives, hotel stays, airfare, and food. There is no reference column or vendor name with the associated transactions. One would have to individually research each of these transactions which would include obtaining supporting documentation for each purchase in order to determine if the purchases were for staff or clients. That supporting documentation is also not in the Sheriff’s Office possession.¹⁰⁵

In response to item #3 in the request, provided to us was an excel file labeled DHSVendors2019-0101-1231. The file was an Excel spreadsheet which contained 762 rows. In rows 2-761 was the name of a vendor. In the column next to each vendor name was the total each vendor was paid in 2019. In row 762 was the grand total of vendor payments in 2019 which was \$19,876,072.57.

764	Grand Total	19,876,072.57
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¹⁰⁵ Sources: Appendix 258 DHS Records Received from Rich White 030821 

www.co.eau-claire.wi.us/our-government/county-board/standing-committees/finance-budget

www.co.eau-claire.wi.us/our-government/county-board/standing-committees/human-services-board

The file provided by Attorney White was compared to a list of 2019 vendor payments that had been received from an identified individual who wished to remain anonymous. The individual has worked closely with various departments within Eau Claire County Government for numerous years and serves in an official capacity with Eau Claire County. Pursuant to his/her official duties, the identified individual who wished to remain anonymous received a separate list of vendor payments from the Eau Claire County Finance Department. In comparing the list provided by this source to the list received from White, it was observed that there were 10 less rows in the list provided by White. Furthermore, the list provided by the credible source totaled \$24,712,961.85

Both of the files were provided to WIPLFI who conducted an analysis of both files. WIPLFI analyzed both files and determined that there was a \$4,836,889.28 difference between the two documents. WIPLFI also discovered that 23 vendors listed in the document received from the credible source were not listed in document provided by White. Furthermore, there were also discrepancies in the payment amounts to multiple vendors when comparing the two documents.

GRAND TOTAL	19,876,072.57	24,712,961.85 (4,836,889.28)
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Detective Greener and Deputy Voelker were able to determine that the excel file which contained the vendor payment information provided by Attorney White was emailed to Diane Cable by Norb Kirk. Diane Cable then provided the file to Attorney White. Detective Greener and Deputy Voelker reviewed the data, including the metadata, to determine if Cable made any changes to the file after it was provided to her by Kirk. It was determined that there were no differences in the file that Cable provide to White. Without further supporting documentation or explanation by DHS law enforcement is unable to determine why there are vast differences in the two files in law enforcement's possession. Again, earlier in this report, numerous examples of other inconsistent financial statements presented by DHS were discussed. Also discussed within the Indicators of Fraud section of this report, revisions to electronic or hard copy documents are a potential indicator of fraud.¹⁰⁶

The below links are Kirk's and Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Kirk_Response_Page_228](#)

[Cable_Response_Pages_223_228](#)

¹⁰⁶ Sources: Appendix 258 DHS Records Received from Rich White 030821
Appendix BI 2019 Vendor Payments

Diane Cable Email to Jessica Rubin and Sara Bronstad 04/19/21

On April 19, 2021, Diane Cable sends an email to Jessica Rubin and Sara Bronstad. Jessica Rubin is the current Eau Claire County Human Resources Director, and Bronstad is a former employee of the Human Resource Department. Upon receiving Cable's email, Bronstad forwarded it to Katelynn Eslinger another Human Resources Department employee, who then appears to have forwarded it to Schauf. The email is contained below and on the following page:

107

From: Diane Cable
Sent: Friday, April 16, 2021 4:47 PM
To: Jessica Rubin ; Sara Bronstad
Subject: Personnel Issue: [REDACTED]

Hello Sara and Jessica,

It is with dismay that I request to move forward with termination of CCS Service Facilitator, [REDACTED]. I have shared with you we were reviewing performance issues regarding [REDACTED]. In this process her supervisor, CariLynn Imbrey identified a date, March 5th, in which she was concerned whether [REDACTED] worked that day. She did not use PTO and nothing was noted on her calendar. The following process has occurred:

1. I Requested IS to run a report to identify if [REDACTED] logged into her computer on 3/5/2021
 - a. Reviewed report which IS ran for a few days prior and after 3/5. On 3/5 there is no indicated activity on her computer. She did not log-in on her County Computer.
 - b. I followed up with IS and questioned if there would be any reason that she could have logged in and it would not show up on the report, they felt confident that the report is accurate
2. CariLynn asked [REDACTED] to identify what she did on 3/5/2021. Here is her explanation:



This is what I have (From [REDACTED] — see below):

- Client: Trinity Referral
- Client: Began Trinity Referral
- Client: Trinity Referral
- Client: Contact w/ Becca re: releases, mtg agenda, reviewed progress reports received from the school
- Client: Mtg agenda, reviewed progress report from the school
- Client: Emails with Colfax re: transition
- Worked on orientation log (and she would need to log into her computer for this action)
- Organized and reorganized to-do lists

In addition, on 3/8/2021, she documented in the client record system – Avatar- that she conducted noted activities on clients on 3/5/2021

3. I requested IS to provide Rachels emails on 3/5/2021. They provided a report with access to her emails for a couple of days. There are no emails on 3/5/2021.

3/5/2021, and the activities that she indicates she did on 3/5/2021, actually is indicated in her emails as her activities she did on 3/4/2021 provides confirmation that she did not work on March 5th, as she indicated. I am also sending the reports from IS by separate emails. We can follow up on Monday with regard to the next steps. I am recommending we meet with [REDACTED] on Tuesday morning to address this issue and move to termination, unless new information is forwarded/shared.

Thank you for your assistance.

Diane

In addition to the above email that Cable sent Rubin and Bronstad regarding [REDACTED] Detective Greener located several documents on Cable's computer pertaining to issues mentioned in Cable's email. Cable's computer was seized as part of the search warrant and a forensic examination of the computer was conducted and any information contained on the computer was placed into a report for Detective Greener and Deputy Voelker's review. The first document located was a PDF document with the file name RSavatartime.pdf. In reviewing this document, it appears to be an internal document from a record keeping system, possibly Avatar (based upon the file name), that DHS uses to keep track of practitioner time, or time spent by DHS employees on each specific client. The document also was titled "Client Time By Practitioner [REDACTED]". Below this title are several names that appear to be DHS clients, as well as the date 3/5/2021, and the amount of time spent conducting duties in regard to each client. At the bottom of the document, it indicates the total client time spent doing duties related to clients on 3/5/2021 was 2 hours and 45 minutes.

The second document had a file name "Separation Letter". The letter was dated April 20, 2021, and was addressed to [REDACTED] from the Eau Claire County Human Resources Department. The letter indicates that it was hand delivered to Schrader. The letter is contained on the following page:



HUMAN RESOURCES DEPARTMENT

April 20, 2021

VIA HAND DELIVERY



This letter is to serve as follow-up to our conversation today regarding your violations of the Eau Claire County Employee Policy manual and expectations of the Eau Claire County Department of Human Services. These violations are outlined below:

- Violation of Policy 201 Employee Conduct & Working Environment
 - Section 3.1.1 Falsifications of... County record
 - Section 3.1.2 Dishonesty
 - Section 3.1.12 Immoral or otherwise improper conduct which adversely and substantially injures or brings the County into disrepute
- Violation of Chapter MPSW 20 Conduct
 - Section 20.02 (6) Engaging in false, fraudulent, deceptive or misleading billing practices
- Violation of Policy 201 Time at Work

This letter is to confirm our discussion that based upon the severity of your actions and the violations of the Employee Policy Manual, your employment with Eau Claire County will be terminated effective immediately.

Sincerely,

Diane Cable
Human Services Director

Jessica Rubin
Human Resources Director



As mentioned within this section, [REDACTED] claims she was working when it was proven she was not and also entered false information into a record keeping system. [REDACTED] would have likely utilized Net Time, which is a payroll time keeping system, to enter her number of hours worked on 3/5/21. By [REDACTED] falsifying that she worked on 3/5/21 when she actually did not is not only a policy violation but also a criminal violation. Furthermore, Detective Greener and Deputy Voelker are aware of a former county employee who engaged in falsifying her timecard (claiming she was working when she actually was not), was not only investigated by the Eau Claire County Sheriff's Office, but the employee was also criminally charged and convicted. As documented above [REDACTED] also made an entry in a record book which she intentionally falsified. This is also a criminal violation. Furthermore, because CCS is a state funded DHS program, hours entered under false pretense would require that the state be notified.

Based upon Cable and Rubin's experience and training, as well as past knowledge of other similar violations by other county employees outside of DHS, Cable and Rubin would have known that [REDACTED] actions were criminal in nature, which should have been reported to law enforcement. As stated previously in this report the past practice of Eau Claire County involving any county employee that commits a crime where Eau Claire County is the victim is to have the Eau Claire County Sheriff's Department conduct a thorough criminal investigation, and upon conclusion of the investigation the employee is criminally charged if it is determined that a crime has in fact occurred. As previously mentioned in this report, another DHS employee Zer Smith, committed a crime which initially was also not reported to law enforcement.

Detective Greener and Deputy Voelker believe that based upon their training and experience, as well as knowledge of this case, that the Smith incident was not reported to law enforcement initially based upon the fact at the time DHS was under scrutiny by board members for their continued fiscal deficits. Furthermore, the [REDACTED] incident was also intentionally not reported to law enforcement as DHS was already under criminal investigation at the time. Any information regarding additional criminal activity that would have been reported at the time would further scrutinize the department, cause board members to support a forensic audit, a more in-depth program review, which all combined would jeopardize DHS's reputation. Those who made the decision not to report the crime to law enforcement initially could possibly be charged criminally.

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_229_233](#)

Email to Chelsey Mayer DHS Accountant Re: Interview Request 05/03/21

After reviewing the materials provided by Attorney White, and other documents obtained during the course of this investigation, an email¹⁰⁹ was sent to Chelsey Mayer who was an accountant within DHS. Mayer was contacted in an attempt to arrange an interview if she chose to do so, to gather a better understanding of the data that was in the Sheriff's Office possession.

Instead of receiving a response from Mayer, a letter from Attorney White was received. In the letter Attorney White again states that he was retained to "assist the Human Service Department." Attorney White further stated that since he had been retained to assist in that regard, any future requests for information, oral or written, should be directed to him. Attorney White also requested we advise him what information we were interested in obtaining and he would discuss the matter with Human Services.

As the reader can see in the email sent to Mayer, contained on the following page, Mayer was already advised what we wished to speak to her about and the basis for the interview. As previously discussed in the Law Enforcement Investigative Processes section of this report, investigations are conducted in a discreet and confidential manner. This includes that no information that would jeopardize an investigation is shared with attorneys who are representing a particular individual or entity while the investigation is ongoing. Due to these reasons, and that the information we were interested in obtaining was clearly stated in the email, no further information was provided to Attorney White, and we were not granted permission to interview Mayer.

¹⁰⁹ Sources: Appendix 280 Email to Chelsey Mayer



Appendix 283 Response from Attorney White



From: [Ryan Greener](#)
To: [Chelsey Mayer](#)
Subject: Interview Request
Date: Thursday, April 29, 2021 2:02:00 PM

Chelsey,

As you are likely aware, the Sheriff's Office is currently conducting an investigation into DHS. Myself and Deputy Mike Voelker have been asked by the Sheriff to conduct the investigation. As such we have obtained from DHS multiple financial spreadsheets and documents in Excel format. We would like to schedule an interview with you if you would be willing to do so, to gather a better understanding of the data contained within these financial spreadsheets, and to ensure that we have a correct understanding of DHS financial practices.

I am aware that you compose some of the Excel spreadsheets that we are in possession of thus the reason why I am reaching out to you. By requesting an interview with you I am not accusing you of any wrongdoing, but simply am requesting to meet with you to further our understanding and fact finding.

Thank you and please contact me should you have any further questions.

Detective Ryan Greener

Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)



EAU CLAIRE
BLACK RIVER FALLS
MENOMONIE
WAUSAU

May 3, 2021

Detective Ryan Greener
Eau Claire County Sheriff's Department
721 Oxford Avenue, Suite 1400
Eau Claire, WI 54703

VIA EMAIL
ryan.greener@co.eau-claire.wi.us

RE: Interview Request

Dear Ryan:

On April 29, 2021, you sent an email to Chelsey Mayer, an accountant with the Eau Claire County Department of Human Services, inquiring as to whether she would be willing to be interviewed by you regarding multiple documents you have received from the Human Services Department. As you know, I have been retained by Eau Claire County to assist the Human Services Department in connection with an investigation initiated by your office regarding the Department.

Since I have been retained by the County to assist the Department in that regard, and based upon the fact that your document and information requests to the Department have been communicated to me, any future requests for information, oral or written, should be directed to me. In connection with your request of Ms. Mayer, please advise me as to what information you are interested in obtaining. At that point, I can discuss the matter with Human Services and determine the most appropriate response.

Thank you in advance for your cooperation.

Very truly yours,

WELD RILEY, S.C.

G. Richard White

GRW\bal
cc: Kathryn Schauf (via email)
Diane Cable (via email)

\\nprhcy\PM\Doc\38915 0013\Greener-Ltr4_20210503 upd

Weld Riley, S.C. A Wisconsin Limited Liability Entity

3624 Oakwood Hills Pkwy, P.O. Box 1030 • Eau Claire, WI 54702-1030 • P 715.839.7786 • F 715.839.8609 • weldriley.com

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_234_236](#)

Vickie Tylka Interview

In the Law Enforcement Investigative Processes section of this report, one of the steps in that process involves gathering information and evidence. This step can vary based upon the complaint, details, or complexity of the investigation. Often times during internal, financial, or misconduct investigations interviews are conducted with what is referred to as supplemental witnesses. Supplemental witnesses may not have information directly related to the investigation, however, may be able to provide some form of background, knowledge, or practices related to normal procedures, which helps show a pattern of activity related to potential criminal conduct. Due to these reasons several individuals from other counties were interviewed. Information gathered during the course of those interviews is contained on the following pages.

In May of 2021, Detective Greener and Deputy Voelker interviewed Vickie Tylka, Marathon County Human Services director. During the May 10, 2021 audio recorded interview of Vickie Tylka the following ‘highlight’ information is italicized here for the reader.

After verifying personal information Detective Greener commented that over the past few years Eau Claire County DHS has been over budget, and asked Tylka to tell us about anything that she knew about the situation, and what could be contributing or causing issues in what Eau Claire County does differently, versus what Marathon County does that may be a factor with the financial issues.

Tylka said “I think the main thing I know is what I read in the newspaper which is the concern over the out of home care budget, and overall, for the county in terms of how they budgeted, and maybe not having adequate reserves. In Human Services the out of home care budget and spending is an art form and a science in a lot of ways.”

Tylka said “About ten years ago we had a problem where we were very over budget one year because we had some very high-cost kids. You can’t anticipate, you have kids that come out of the area and move here for example, or just other situations occur where the out of home care budget can get out of control very quickly.”

Tylka said “and so, to figure out how to budget appropriately, proactively, our county went to a strategy years ago about budgeting like on a ten-year average looking at how many kids are out of home care and at what level of care and how much that cost for ten years. So, rather than looking at just one year before, because then you are budgeting yourself short, you’re going to have a budget shortfall, very clearly. And that was my understanding, and seeing the information is that the budget was not at an adequate level in terms of out of home care at

the department for child welfare, and so it was always looking as though it was outside of the budget being overspending. But perhaps it wasn't being budgeted at the right amount."

Tylka said that this was the situation that they had years ago, and at the time they worked with the county administration about how they could budget and anticipate which is when they went to the ten-year average, because you will have your ups and downs.

Tylka said that she shared with Cable the tools that they use and the methods by which they monitor the placement costs at periodic times during the year to see if they are on track with how their spending was predicted; and if they are not, they see if they can make any adjustments on the placements.

Detective Greener told Tylka that she had mentioned that it does not appear that they were budgeting properly for the out of home placements and asked her what she knew about this; was it just what she read in the paper or was it from talking to someone at DHS. Tylka said, "well, I think it's from both, and what my, I guess I would make that conclusion based on the fact that your deficit on a large amount of money for several years in a row, it would appear as though you are not budgeting correctly. And I make that assumption based on the fact that, um, I would think that program staff would be doing everything in their power to try to reduce those numbers of out of home care at the same time, right? So, for example, you're not line with your budget, you're "deficiting," you're going to get a lot of attention from everybody that that was the case. So, you're going to be looking internally to figure out how do we change these things."

A short time later, Tylka commented that based on what was in the papers, the deficits were multiple years, so she would question why there was not a correction in budgeting to address the continued shortfalls.

Detective Greener asked Tylka if that situation were occurring in Marathon County, what type of correction should there be to get the budget under control; for example, in May you are already over budget by a million dollars, what type of action would she take in that situation. Tylka said what she shared was a real-life example, what she did about ten years ago. Tylka said that the situation snuck up on her, as she described it. Tylka said that she did not know that the out of home care costs were that far off budget until maybe the fall of the year, so by then it was too late to make any changes.

Tylka said that she instituted a new procedure at the time. Tylka said that first of all; they did not budget enough, that they budgeted based on a low year, and then they came up with the ten-year average. Then the second piece was let's look internally, let's look at placements, where they are and what levels of care. Do these kids all need to be in that level of care or do they not. What is the barrier to moving those kids down to the next level of care?

Detective Greener asked Tylka if as part of a cost reduction plan, would it make sense to reduce training expenses. Tylka said that their training portion of the budget is so small that it would not have much effect on the overall budget. Tylka said that their training is about \$200 per employee per year. Tylka said that there may be a one-time training opportunity cost like going to a national conference that would be above and beyond that. Tylka said that they try to do a lot of internal training and other things that are not so costly.

Detective Greener asked Tylka if she had any conversations with Cable about how to get her budget under control, or whether Cable offered her any explanations as to why things are not working. Tylka said, "as I shared with you, I did share with her when she talked about her out of home care budget, I did share with her the tools that we use. We have a colored Excel spreadsheet chart that we use that tracks all of the cost, it tracks the ten-year average, all that type of thing. I did share that with her, and I know she share that with her financial staff because I think we got a follow up call about how does this work kind of thing. So, yes on that."

Detective Greener asked Tylka how long ago that was. Tylka said that was two years ago, maybe. When asked, Tylka said that she did not know if Cable was using the information that she was given by Tylka.

Detective Greener asked Tylka if there was a cost to participate with Alia. Tylka said she believed there was a cost but did not know what it was. Tylka said that she asked Chuck Price and Diane Cable about any costs with Alia, as she was curious and was seeking more information.

Deputy Voelker asked Tylka if in terms of Marathon County, are there any set parameters or studies that she uses for comparison purposes, such as United Way has the "Alice" report that they publish. I asked Tylka if she used these types of numbers in conjunction with the ten-year plan that she mentioned. Tylka said that for the ten-year plan they really are basing it on actuals for ten years and then averaging it. Tylka went onto say that she also might look at

whether the numbers are trending up, adding that for the past three years the numbers have been trending higher so that in order to have some kind of a buffer, she was going to request that they would go on the higher end instead of the actual average. Tylka said that she did not think that she has ever looked at an actual data report like that. It's been more in terms of what she could project and experience in what they think might be coming down the pike in the next year or two.

Deputy Voelker told Tylka that he was aware of the Wisconsin Poverty Act in Madison and asked if she used or relied on their figures in any computations or analysis in terms of spending or budgeting. Tylka said "not in terms of spending or budgeting, we've used some of their information just recently with DCFS when they were trying to figure out what is the best way to determine the poverty level of children in Wisconsin." Tylka said that they use the IRP information for more of a discussion purpose but not in their budgeting.

Deputy Voelker asked Tylka that if she saw a report or study and on review, the study not only included Marathon county, but also part of another county in their analysis, and the report statement was, based on this, county "A" has an above state average level of people in poverty or people at risk, would she rely on that information for any budgeting or communication purposes such that the information would be disseminated that we have a higher than average poverty rate when the numbers appear to be skewed when they include part of another county.

Tylka said they she has not had occasion to have information like that .

In the paragraphs above, Vickie Tylka uses the term "deficiting" when she talked about an approach to budgeting. During a review of emails, this 2018 late July email was encountered.

From:	Nancy Shilts <Nancy.Shilts@co.eau-claire.wi.us>
Sent:	7/27/2018 3:16:49 PM
To:	Diane Cable <Diane.Cable@co.eau-claire.wi.us>, Jeff Wright <Jeff.Wright@co.eau-claire.wi.us>, Tom Wirth <Tom.Wirth@co.eau-claire.wi.us>, Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>
Subject:	quick summary of information.

Crisis Services

There was a 12% increase from calendar year 2014 to 2015

30% increase from calendar year 2015 to 2016

10% increase from calendar year 2016 to 2017

At this point I am estimating 5% increase of 5% from calendar year 2017 to 2018

Nancy J Shilts

Adult Services Supervisor
Eau Claire County Department of Human Services
721 Oxford Avenue
Eau Claire, WI 54703-5481
(715) 839-2830 -desk phone
(715) 831-5784 - FAX



The sum of the three-year percentage increase for the 2014-to-2017-time frame is 52. The average of these three numbers is: 17.33% yet as you see Shilts estimates a 5% increase in “Crisis Services,” which is 28.85% below the average of 17.33%. This appears to be an example of a self-created looming budget crisis and then also follows the term ‘deficiting’ that Vicky Tylka described in her interview.

At the end of the interview with Tylka, in the interest of confidentiality and to maintain the integrity of the investigation, Tylka was asked not to share any of the questions asked of her or information shared with us with anyone from Eau Claire County, specifically Diane Cable. Yet approximately 3 hours of the interview, Diane Cable sends Schauf the following email.¹¹⁰

From: Diane Cable
Sent: 5/12/2021 3:07:51 PM
Received: 5/12/2021 3:07:00 PM
To: ["Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>"]
Subject: Notes related to Inquiries
Importance: Normal
Sensitivity: Normal
Attachments: Document1.docx, image001.jpg

Kathryn,
Per our conversation, attached are notes of information brought to my attention. As I indicated, I am concerned for the Department. Please let me know your availability to meet.
Thank you
Diane



Diane Cable, MSW
Director
Department of Human Services
721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

¹¹⁰ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 309-311



Investigation Update of events– 5/12/2021

On May 11, 2021, I was informed by the Marathon County Director of Social Services that she, Vicki Tylka, was contacted by the Eau Claire County Sheriff Department to be interviewed as part of their ongoing Investigation of the Eau Claire County Department of Human Services. Vicki also shared with me that Todd Romenesko was also contacted and interviewed. The Marathon County Director and Calumet County Administrator are known to Eau Claire, as they were hired as facilitators for the County Organizational Effectiveness project.

Areas of inquiry by the Sheriff Department for Vicki-

- Questioned how she manages her budget
- Inquired about her fiscal processes
- Inquired how she responds to requests from Board members

Her responses related to these questions, she indicated that she shared how she works in Marathon County. And, acknowledged that each County is different.

- Inquired her knowledge of Alia and if there are any costs with working with Alia

Indicated that she is aware of Alia but has not been involved with them as a provider

- Inquired what kind of Director she thinks I am...

Stated that I am well respected throughout the State, by peers, and State leadership. That I am future thinking, caring about staff and serving individuals.

I have not had a conversation with Todd, just aware that he was contacted.

Today, I was informed that the Sheriff's Department went to the home of Chuck Price, the past Human Services Director of Waupaca County. I have known Chuck for almost 20 years. He is part of the Alia Cohort, a colleague and friend.

Areas of Inquiry by the Sheriff Department for Chuck – He was told that they were investigating budget concerns of the Human Services Department. Chuck questioned them that one County Department was investigating another County Department? They indicated to him that they were doing what was asked by the Sheriff.

- Inquired about if he ever was over budget when he worked at Waupaca or as a Director
- Inquired about a check he received by Alia and how he handled receiving the check (for \$200) – he stated this was for a personal mileage reimbursement.
- They inquired if I ever reached out and talked to Chuck about the investigation. He indicated that we are colleagues who consult on different matters from time to time and he was aware of the investigation, but has not engaged in ongoing consulting about the investigation. To note, I have not discussed the investigation with Chuck, with the exception of the information that was shared in the media.

Chuck also shared that he was aware that the Sheriff's Department interviewed the Director of Waupaca County Health & Human Services.

Creator: Diane Cable

Revision: 1

Created: 2021-05-12T14:22:00Z

Template: Normal

Application: Microsoft Office Word

AppVersion: 16.0000

Note that in her email, Diane Cable does not disclose to Schauf that she also received a check from ALIA in 2018; though the topic of the ALIA check to Chuck Price is noted. Nor does Cable tell Schauf that a portion of the Tylka interview also covered the involvement of ALIA with the “WCSHA” group during the time that Diane Cable was on the “WCSHA” board. Additional information regarding Cable’s time serving on the WCHSA board is documented below.

In May of 2020, Diane Cable served on the board of the Wisconsin County Human Services Association or “WCSHA.” During the review of Cable emails, Deputy Voelker noted a series of emails that involved Diane Cable, Vicky Tylka and the Saint Paul, Minnesota based ALIA. This sequence of emails appears to suggest that Diane Cable engaged with ALIA on behalf of the WCSHA group and appears to have agreed to spend WCSHA funds without WCSHA board pre-approval. To date, we have not been able to interview Diane Cable to have her clarify or respond to this.

Date: Wednesday May 6, 2020
Time: 12:29 pm
FROM: Diane Cable - Appendix az - Eau Claire County Emails FROM Diane Cable
Recipient: Ray Przybelski
Subject Line: RE: Follow up agreement with Alia
File Name: d3ae50299a02dd9a2b166c9e9c468ee4.eml
Summary: From: Przybelski, Ray
Sent: Wednesday, May 6, 2020 12:18 PM
To: Vicki Tylka; Diane Cable
Subject: RE: Follow up about agreement with Alia

Hello Vicki,

Just wanted to follow-up with you on email. We have not made any commitment to spend any funds with Alia. We have had the discussion with them and have a plan for them to deliver the four keynote addresses but have been clear that we need the Executive Board approval before we would sign the contract committing us to those expenditures. If the board does not approve then we will inform them that we will not proceed.

Please let me know if you have any other questions.

Raymond F Przybelski, Director
Portage County Health and Human Services ¹¹¹

¹¹¹ Appendix: 249 - Diane Cable Selected Emails May 2020 Page: 14

Date: Tuesday May 5, 2020
Time: 12:55 pm
TO: Diane Cable Appendix ay - Eau Claire County Emails TO Diane Cable_001_of 003,
Ray Przybelski
From: Vicky Tylka
Subject Line: Follow Up about agreement with Alia

Hello friends-

When Katie mentioned the key notes by Alia on the 12:00 phone call today, I reached out to ask her if WCHSA was paying for this, and she explained yes and that it would be on the Board agenda on Thursday. I understood her to say that you had made an Executive decision to proceed with this portion of a contract with Alia, and would go back to the Board for approval of any subsequent work from them but not for this initial work.

If that is accurate, I have a concern about that and believe others will also. We have never entered into agreements with WCHSA funds without Board approval before. A recent example is paying Kate Kelley for OE that was requested and approved by the Board.

I sure don't want you to be blindsided on Thursday with concerns from Board members regarding this decision, if how I understand it is accurate. Can we discuss?

Thanks,
Vicki ¹¹²

Note: Boldface was added to the section above.

Date: Tuesday May 5, 2020
Time: 3:11 pm
TO: Ray Przybelski
From: Diane Cable
Subject Line: RE: Follow up about agreement with Alia

Sounds fine, we do not need to connect. **We did intentionally set up the first session after the Board meets, to inform and bring it to the Board.** I realize at the same time, do (sic) to the critical time and helpful information, set up for the presentations.

Thanks,

¹¹² Appendix: 249 - Diane Cable Selected Emails May 2020 Page: 2

Diane ¹¹³

Note: Boldface was added to the section above.

While one may consider this section of information as irrelevant to the ECSO criminal investigation, the events are of investigative interest when considered in the overall timeline.

Four days prior to this, on Friday May 1, 2020, at 11:46 AM, Kathryn Schauf emails Diane Cable, Subject line: FW: Update on numbers; with the body of the email: "Is it safe to assume that at least for now we are still not outside of the parameter established by budget?" ¹¹⁴

The same day, Friday May 1, 2020, is the date on an Eau Claire County "Purchase of Service Contract" with ALIA; Contract from April 1, 2020, to April 30, 2021, Reimbursement: Rate \$9,692.31 monthly \$126,000 Maximum Amount. Of course, the reader will have noticed that the contract is dated from **APRIL 1, 2020**, while the date on the contract is **MAY 1, 2020**. ¹¹⁵ On Thursday, May 28, 2020, local media report that DHS is \$1.1 million dollars over budget.

One hundred fifty days later, on Monday September 28, 2020, two events occur that are of interest.

First: Diane Cable Signs an Eau Clair County "Contract for Additional Consulting, Training and Technical Assistance Services" with ALIA - Term October 1, 2020, to April 30, 2021. Fees: "\$250 for each additional 30 minutes of Leadership Coaching per month with a Leader(s) to be determined by Hosting Organization. Additional Leadership Coaching services added in this contract shall not exceed \$2,000." ¹¹⁶

Second: The DHS Board Meeting Agenda for the meeting notes: "Actions - Continue to manage program areas within budget through established processes - Mitigate lagging revenues thorough decrease of expenses in personnel vacancy management and management of contract utilization." ¹¹⁷

¹¹³ Appendix: 249 - Diane Cable Selected Emails May 2020 Page: 9

¹¹⁴ Appendix 249 - Selected Diane Cable Emails May 2020: Page 3

¹¹⁵ Appendix ar - Alia Supplied Files - Contracts: Folder-Signed Contracts: File: 2020-0081 Alia Contract Signed FINAL Signed 05.2020 Pages: 1-21


¹¹⁶ Appendix ar - Alia Supplied Files - Contracts: File 2020-0081 Alia Addendum for Addl Consulting Training Eau Claire 9-22-2020 Signed 092820 Pages: 1-4

¹¹⁷ Appendix 262 - 2020 Report Central Budget Reports File: July2020DHSFinancials Page: 1

Ted Phernetton & Erica Becker Interview 05/10/21

Ted Phernetton, Waupaca County Human Services Director, and Erica Becker, Waupaca County Human Services Fiscal Administrator were interviewed. Phernetton and Becker were interviewed as Waupaca County had been participating in ALIA but had since terminated their contract with ALIA. During the interview, Phernetton and Becker told the affiant that Waupaca County terminated their contract with ALIA based upon some complaints received by law enforcement and school districts regarding how Waupaca County was providing services under ALIA.

Furthermore, Phernetton stated that he was concerned about how ALIA operates, the materials they provide, and the advice they provide to leaders on how to operate their departments. Phernetton provided an example of this by stating he reviewed materials provided by ALIA and noticed in the materials several concerning statements including advising leaders to obtain a personal attorney and not to communicate with the oversight board initially. Phernetton further stated that there was a county board meeting scheduled where the board was going to vote on whether the contract with ALIA should be terminated. Prior to the meeting, Phernetton was contacted by Amelia Franck-Meyer, CEO of ALIA, about the pending board meeting and possible vote to terminate the contract. Franck-Meyer told Phernetton that if he could not decide on his own to continue the contract with ALIA that she was withdrawing any funding provided to Waupaca County from ALIA. Phernetton categorized this as “bullying” and bad business practices and told the board he supported terminating the contract with ALIA. Phernetton stated that there was a cost to participate in ALIA, and part of those costs were paid by grant dollars, and some were paid from the tax levy.


Phernetton and Becker were also asked if there was a request for information from an HHS committee member or a county board member; would there be any hesitancy in providing those reports or information. Phernetton and Becker both stated no and that any records including financial documents would be easy to provide. Becker provided an example of this by stating that every month prior to the oversight committee meeting she creates a detailed report of every expense incurred, including purchase card transactions, and provides the report to the committee. Becker stated that the report takes her approximately two hours to compile. Becker further stated that purchase card receipts and supporting documents are also required and reconciled monthly which is also provided to their oversight board and county finance. 

Todd Romenesko Interview


On May 11, 2021, Detective Greener and Deputy Voelker interviewed Todd Romenesko, who is the County Administrator of Calumet County. Romenesko is also the previous Calumet County Human Services Director. Based upon a review of Cable's emails there was communication between Romenesko and Cable regarding the ECSO investigation. Detective Greener and Deputy Voelker interviewed Romenesko to gather further understanding of the internal operations of other DHS departments. During the interview Detective Greener told Romenesko that he was aware that Romenesko had some input or communication with Cable about the budget overages and the investigation. Romenesko told us that he found out about the most recent financial deficit in June of 2020 that was identified as occurring in 2019. Romenesko said that it was his understanding that it was a combination of mental health placements, out of home care for kids, and Wisconsin Medicaid cost reporting. Romenesko said that he did not know if it was an error; he was thinking that a financial person made an error that was a part of this, which is referred to as WIMCR.

Romenesko told the investigators he asked Diane Cable that specifically, because they were asking for him to have a conversation with them, adding that if he was recalling that correctly. Romenesko said he recalled that there was an error in identifying the dollar amount to receive from WIMCR; projecting it as a certain number when it was significantly different, adding that he thought that it was an error in reporting. Romenesko said that just to be clear he did not audit anything, these were just conversations. Detective Greener asked Romenesko, given his experience in the area, if some of Eau Claire County's cost overruns could have been controlled or reduced significantly by proper projections within DHS. Romenesko said that if they did not get it right, if they did not project it right, then the answer to that would be yes. Romenesko went on to say, "I think my specific question to Diane, if I recall, on our initial discussion was, 'how do you not know what your variance is?'" Referring to the budget overage and lack of proper projections. Detective Greener asked Romenesko what Cable's reaction was to Romenesko's statement. Romenesko stated "She believes there was, I think that's when she told me she believed there was an error in the WIMCR reporting, so then she wouldn't have known that. And, we did have a conversation about reporting a certain amount, I think it's going to be April, this is where my dates are. I think I recall the conversation being, ok, what did you tell the committee, or the board, I don't know how it works in Eau Claire, who she was reporting that to, her board, or a Finance committee, um, and then it was a different amount than it was actually ended up being. I recall that conversation, that's why I said, 'how can you not know because if you're saying this in April, and now it's June, and it's a million-dollar difference, that's confusing to me, because to me, your Finance Department should know this in February.'"

Deputy Voelker asked Romenesko if there was a request for information from an HHS committee member or a county board member; would there be any hesitancy in providing those reports or information. Romenesko said “no, they would be provided.” Romenesko said, “If a committee member asked for, ‘hey we want to know what’s happening with this contract or this service,’ we, we would bring it. So, Finance could provide whatever was paid, so, if there’s an invoice, they provide you with an invoice. And a committee member has every right to ask that as any member of the public does. As long as there’s no client information on it.”

Deputy Voelker also asked Romenesko if there were to be a situation similar to the one that the Eau Claire County Sheriff’s Office was in where law enforcement contacts HHS and tells them that information is needed from HHS, which includes documents and receipts, some of which may include partial client information; not asking specifically for client files, receipts, approval forms and documents to line up and compare them to approval and authorization forms; whether or not that information would be provide to law enforcement. Romenesko said that yes, that would be provided if the requested information was part of the investigation, but he would ask if the client information were absolutely necessary to be provided, especially if it was a mental health client under chapter 51. Romenesko said that if he was told that the client information was necessary to the law enforcement investigation then that would be provided. 

Charles Price Interview

On May 11, 2021, Detective Greener interviewed Charles Price. Price was formerly employed by Waupaca County as the Human Services Director. During the review of ALIA’s records seized during the previously described search warrant, a front side copy of a check (#5199) issued to Price by ALIA on June 13, 2018, for \$203.70. During the interview, Price stated that he attended several meetings at ALIA in St. Paul. Price further stated that ALIA would pay Price’s roundtrip mileage from his home near Wisconsin Rapids to ALIA headquarters in St. Paul. Price believed that that the check referenced above was a mileage reimbursement. Price further stated he would attend these meetings while being paid by Waupaca County. Price stated that he would deposit any checks from ALIA into his personal bank account, for his own personal use. Detective Greener asked Price if he received any other payments from ALIA. Price stated that he had participated in several speaking engagements with ALIA including a trip to Washington D.C. Price also received payment for his participation in speaking engagements from ALIA which again were deposited in his personal bank account. Price also stated that he believed that Cable would have personally been reimbursed for mileage to meetings at ALIA but did not know if Cable was ever paid personally for any speaking engagements on ALIA’s behalf. 

The below link is Cable’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Pages_237_248](#)

Records Request 05/12/21

On May 12, 2021, a records request was sent to Attorney White. The request was for all reimbursement forms and supporting documents for any reimbursements from Eau Claire County received by DHS employees Diane Cable and Tom Wirth that were received in 2019. This request was based upon the fact that Cable and Wirth both participated in meetings with ALIA, and as stated previously in this report, Cable personally received a check from ALIA in the amount of \$168.00.

These records were necessary in order to continue the investigation and to determine if Cable submitted a reimbursement claim to Eau Claire County for the same dollar amount around the same time frame that the check was personally issued to her by ALIA. Furthermore, the records were needed in order to determine if Cable or Wirth submitted for any other reimbursements while attending ALIA meetings. If Cable or Wirth submitted reimbursement to the county while receiving reimbursement from ALIA, this would possibly constitute theft and/or misconduct in office. The request sent to Attorney White is contained on the following page(s).¹¹⁸

¹¹⁸ Appendix 285 Request for Reimbursement Documents



RON D. CRAMER SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

EAU CLAIRE COUNTY SHERIFF'S OFFICE

May 12, 2021

Eau Claire County Department of Human Services
721 Oxford Avenue
Eau Claire, WI 54703
Attn: Attorney Rich White

Re: 05/12/21 Eau Claire County DHS Records Request

Dear Attorney White:

Based upon our review of documents provided to us by you, along with supporting information received from other individuals with direct knowledge we are requesting the following item(s) be provided to us to continue our investigation:

- 1. All reimbursement forms and supporting documents for any reimbursements from Eau Claire County received by Diane Cable in 2019. This is to include meal reimbursements, and any reimbursements associated with travel such as hotel stays, and mileage.**
- 2. All reimbursement forms and supporting documents for any reimbursements from Eau Claire County received by Tom Wirth in 2019. This is to include meal reimbursements, and any reimbursements associated with travel such as hotel stays, and mileage.**

Please let me know if you have any questions.

Detective Ryan Greener

Email Correspondence Between Rich White & Kathryn Schauf 05/12/21

After sending the records request on the prior page to Attorney White, he subsequently contacts Eau Claire County Administrator Kathryn Schauf and informs her of the new request. In Attorney White's email which is contained on the next page, Attorney White makes the following statement "At some point, we will want to think about just saying no based upon an enough is enough theory. Schauf also agrees with this statement."¹¹⁹

As mentioned numerous times throughout this report, part of the law enforcement investigative process involves gathering and reviewing evidence which includes documents. This report has also previously discussed the methods that records may be obtained (i.e., voluntary compliance, FOIA, official requests, subpoenas and/or search warrants). Typically, if the custodian of the said records is not a person of interest, and has no conflict related to the request, that person voluntarily provides the records regardless of how many requests are made. For Attorney White and Schauf to make such a statement is abnormal given the reasons stated above.

Secondly, Schauf was aware of a criminal investigation that was occurring at the time, which involved an agency within Eau Claire County, and possibly County employees. The county administrator, in this case Schauf, knowing that a criminal investigation is taking place should follow a reasonable and prudent due diligence process. This includes providing any requested documents that are not confidential in nature in order to protect the county as a whole. Her agreement that at some point "enough is enough" also goes against her previous public statement, "We simply cannot and will not tolerate the misuse of taxpayer funds", and violates Wisconsin State Statute 59.18 which states: ***The county administrator shall take care that every county ordinance and state or federal law is observed, enforced and administered within his or her county if the ordinance or law is subject to enforcement by the county administrator or any other person supervised by the county administrator.*** Lastly the conversation between Schauf and Attorney White also calls into question Attorney White's hiring, and his true scope of work.

¹¹⁹ Appendix 328 Schauf Emails



From: Rich White
Sent: Wednesday, May 12, 2021 1:51 PM
To: Kathryn Schauf <>Schauf@co.eau-claire.wi.us>; Diane Cable
Subject: FW: DHS Request 05/12/21

WARNING!! This email originated outside Eau Claire County. Do not click any links or attachments unless you know the sender.

Kathryn and Diane-

Attached is a new request for documents. At some point, we will want to think about just saying no based upon an "enough is enough" theory. I am not sure this is the point for that since it appears the info is easy enough to gather and not objectionable, assuming we redact anything like private credit card info on receipt or other documents. Let me know your thoughts.

Rich White, Attorney

Weld Riley, S.C.

Phone: 715-839-7786

Fax: 715-839-8609

E-mail: rwhite@weldriley.com

From: Kathryn Schauf
Sent: 5/12/2021 6:56:11 PM
Received: 5/12/2021 6:57:30 PM
To: ["Rich White <rwhite@weldriley.com>"; "Diane Cable <Diane.Cable@co.eau-claire.wi.us>"]
Subject: RE: DHS Request 05/12/21
Importance: Normal
Sensitivity: Normal
Attachments: image001.png


Rich – I agree at some point we have to get to the enough is enough.
And you are correct our Finance Department will be able to provide answers to the query.
Kathryn

The below link is Schauf's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schau_Response_Pages_251_252](#)

Trinity Equestrian Center Records Review 05/17/21

As mentioned previously in this report, a FOIA request was served upon Trinity Equestrian Center. Trinity Equestrian Center voluntarily provided the records to law enforcement. Detective Voelker conducted an initial review of two PDF files that were provided by Trinity. These PDF files contained numerous invoice numbers and invoice amounts billed to Eau Claire County. Deputy Voelker reviewed both files and made numerous observations. These observations included an entry listing the same invoice number billed for two separate amounts, and invoice sequencing inconsistencies. These files were subsequently provided to WIPFLI for further forensic analysis.

WIPLFI completed their analysis by comparing the statements received from Trinity to the vendor payment detail received from DHS. WIPFLI found during their analysis that 8 different payments in a three-month period totaling \$7,364.93 were alleged to have been made when there was no associated invoice received from Trinity. Furthermore, there were 21 discrepancies in a three-month period where Trinity was paid either less or more money than what DHS was invoiced for, as well as numerous duplicate payments. WIPFLI found all of the above discrepancies concerning. 

Records Request 05/18/21

On May 18, 2021, a letter was sent to Attorney White advising Attorney White of the payments that were made to Trinity where there was no associated invoice received as well as the discrepancies in a three-month period where Trinity was paid either less or more money than what DHS was invoiced for or received duplicate payment. Attorney White was advised that Detective Greener and Deputy Voelker would be willing to meet with someone in DHS that could explain the payment discrepancies to ensure that the affiant and Deputy Voelker have a clear understanding of the above transactions. A copy of the letter is contained on the following pages. ¹²⁰

¹²⁰ Source: Appendix 286 Email to Rich White Request for Information 



RON D. CRAMER SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

EAU CLAIRE COUNTY SHERIFF'S OFFICE

May 18, 2021

Eau Claire County Department of Human Services
721 Oxford Avenue
Eau Claire, WI 54703
Attn: Attorney Rich White

Re: Eau Claire County DHS Records Request

Dear Attorney White:

We along with WIPFLI have reviewed the DHS Trinity Equestrian Center documents you provided us on May 12, 2021. During the review of these documents, we found several occasions within the DHS documents provided where an invoice was indicated to have been received however there is no associated Trinity invoice number listed. These invoices were also not provided to us. We are requesting any supporting documentation associated with the following transactions:

<u>Check Date</u>	<u>Invoice Date</u>	<u>Invoice Amount</u>
03/01/19	12/03/18	\$178.36
03/01/19	07/16/18	\$1443.94
03/08/19	12/03/18	\$376.68
03/08/19	02/27/19	\$535.08
04/18/19	02/21/19	\$850.95
05/03/19	03/01/19	\$388.00
05/24/19	03/18/19	\$3406.44
05/24/19	04/02/19	\$185.48

Furthermore, in comparing the documents provided by DHS to the documents that Trinity provided us in October 2020 the following transactions were observed where there was a discrepancy in the invoice amount versus the actual payment amount. There were also two occasions where a duplicate payment was supposedly made. We are requesting any supporting documentation or explanation as to why the following transaction amounts are different:

<u>Invoice Date (Indicated by DHS)</u>	<u>Invoice #</u>	<u>Amount</u>	<u>Invoice Amt (Trinity)</u>
10/16/18	12443	\$1322.09	\$956.37
10/31/18	12526	\$891.80	\$1248.52
10/31/18	12524	\$251.12	\$51.12
11/07/18	12630	\$274.72	\$502.24
12/11/18	12750	\$2043.23	\$2578.31
12/11/18	12770	\$223.21	\$550.73
12/11/18	12706	\$2266.44	\$2335.12
01/09/19	12851	\$1493.79	\$1295.63
01/22/19	12452	\$844.80	\$1098.88
01/22/19	12613	\$343.20	\$446.42
01/22/19	12755	\$712.80	\$918.06
01/22/19	12905	\$752.40	\$978.69
02/01/19	12981	\$324.59	\$312.13
02/01/19	12983	\$518.12	Duplicated Payment
02/21/19	13037	\$1467.10	\$1791.69
03/04/19	13118	\$185.48	\$228.98
03/04/19	13125	\$370.96	\$371.04
03/04/19	13127	\$259.36	Duplicated Payment
03/18/19	13155	\$809.10	\$765.60
03/18/19	13182	\$673.14	\$756.99
04/02/19	13272	\$259.36	\$259.44



RON D. CRAMER
SHERIFF

Joel Brettingen, Undersheriff
721 Oxford Avenue, Ste. 1400
Eau Claire, Wisconsin 54703
Office: 715-839-4701
Fax: 715-839-4854

EAU CLAIRE COUNTY SHERIFF'S OFFICE

We would also be willing to meet with someone in DHS that could explain the differences, and the payments with no invoices, listed in this document to ensure that we along with WIPFLI have a clear understanding of these transactions.


Please respond to this request in some fashion by May 24, 2021.

Detective Ryan Greener

Anonymous Individual Interview 05/19/21

On May 19, 2021, an identified individual who wished to remain anonymous was interviewed. This individual has worked closely with various departments within Eau Claire County Government for numerous years and serves in an official capacity with Eau Claire County. The identified individual who wished to remain anonymous asked if DHS employees were cooperating or being interviewed. It was explained to the identified individual that attempts have been made to interview several DHS employees who have either declined to participate in an interview or Attorney White has requested specific information as to why a certain DHS employee is being asked to be interviewed.

The identified individual then stated that pursuant to his/her ongoing professional relationship with DHS, he/she has spoken with numerous current and former DHS employees who told the identified individual that they were told not to speak with investigators. The individual had also been advised by numerous DHS employees that all of the DHS employees' emails are being monitored for any communication regarding the investigation.

As mentioned above the identified individual who wished to remain anonymous, serves in an official capacity with Eau Claire County. He/she also had no prior record(s) of dishonesty or unethical behavior thus the information he/she provided given he/she's knowledge of the Department of Human Services appeared to be credible. During criminal investigations those possibly involved in illegal activity attempt to hide their illegal activity by occasionally influencing others not to speak to law enforcement, or monitor other individual's communications, when possible, to determine if those individuals are speaking with law enforcement. 

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Page 257](#)

Diane Cable Email to Vickie Gardner Re: Records Request 05/21/21

On Friday May 21, 2021, Diane Cable sent Vickie Gardner with the subject line: DRAFT Response. The email contains a file attachment: "Document1.docx." The body of the Cable email asks Gardner to "Please review and comment." At the close of the document, Diane Cable writes "... We have tentatively reserved Wednesday June 2nd from 2:00-4:00 to meet with staff from the Sheriff's Department and WIPFLI, at the Department of Human Services, to answer questions regarding our fiscal process. Please confirm if this date and time will work for you." A screenshot of this portion of the document appears below.¹²¹

We have tentatively reserved Wednesday June 2nd, from 2:00 – 4:00 to meet with staff from the Sheriff's Department and WIPFLI, at the Department of Human Services, to answer questions regarding our fiscal processes. Please confirm if this date and time will work for you.

After Gardner's email, on 5/21/21 Cable sends Rich White an email with a PDF file attachment titled: "Response to Request from 5.18.2021.pdf." The Sheriff's Office was never informed of this information, or Cable's willingness to meet or answer questions.

A portion of the PDF document reads:

We are willing to respond to further and additional questions.

¹²¹ Source: Diane Cable PC



Human Services Board Meeting 05/24/21

On May 24, 2021, a Human Services Board meeting was held. This meeting was held virtually via Web Ex Events. The meeting was monitored by Detective Greener and Deputy Voelker. It was also recorded. One of the items on the agenda, was item #6 “Chair Comment”. During this agenda item County Board Supervisor Colleen Bates, who also served as the Human Services Board Chair at the time, made comments regarding the DHS investigation. During these comments Bates makes the following statement:

“It might be important for the board to know that outside counsel has now been asked to intervene one more time to see if we can bring some kind of conclusion uh, uh, solution to the ongoing issues uh in the legal matter uh that has been pursued. I would hope that since we have so many other things that we really need to attend to that basically will come to a point where we realize that this is not bearing fruit and that basically we need to put our energy our efforts and our staff time into the more acute matters.”

This comment by Bates is made 12 days after the email conversation between Attorney White and Schauf where they discussed “enough is enough”. What is of interest is specifically the portion of the comment where Bates states “that outside counsel has now been asked to intervene one more time to see if we can bring some kind of conclusion.” This comment seems to support Attorney White’s “enough is enough” statement.

A county official or county officials would have been involved in asking Attorney White to intervene to bring the investigation to a conclusion. The reader should keep this in mind for later in the report. Based upon Detective Greener and Deputy Voelker’s training and experience, the county official or county officials who made this decision likely had some form of professional development, government management training, and ethics related training. For any individual who had such training to decide without any knowledge or possession of supporting information related to the investigation, which had not been shared for reasons outlined previously, to ask a retained attorney to intervene not only would go against any training those individuals would have had, but also would be improper and unethical.

The below link is Cable’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Page 259](#)

Review of Reimbursement Documents 06/10/21

On June 10, 2021, records were received from Attorney White. These records included reimbursement documents for Diane Cable and Tom Wirth which the reader will recall were requested on May 12, 2021. A review of those documents did not find where Cable had submitted any reimbursements for travel to ALIA or questionable reimbursements.

However, in reviewing Wirth's reimbursement requests numerous questionable reimbursements were observed along with reimbursements requests for travel to ALIA Cohort meetings. These questionable requests included reimbursements for gas with no reasoning for traveling listed, requests for meal reimbursements that were purchased the previous month but submitted for reimbursement during the current month, and numerous requests for mileage reimbursements where the mileage reported to be traveled was greater than the mileage to the actual location. Wirth also submitted a mileage reimbursement request where Wirth claimed to have traveled to the Augusta School District on August 4, 2019. August 4, 2019 was a Sunday.

Without further supporting documentation or explanation the reimbursements requested by Wirth are considered questionable. Any reimbursement request documents that are determined to be false or inaccurate, could be considered forged documents, and any reimbursements received that should not have been received could be considered theft.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1								TOM WIRTH 2019 TRAVEL/EXPENSE REIMBURSEMENT ANALYSIS						
2														
3		<u>MONTH</u>		<u>DAY</u>		<u>Purpose</u>		<u>REIMBURSEMENT</u>		<u>AMOUNT</u>		<u>Description</u>		<u>NOTES</u>
4		JANUARY		16		Staff Development		Gas		\$15.00				No reasoning for traveling listed. Purchase was on 01/16/19 (Thur) at 627 PM at KT on Golf Rd. Categorized as "Staff development other"
5		February		21		JJ Youth		Meal		\$14.65				This purchase was in Feb but requested reimbursement was in March. Purchase was at 542 PM on a Thursday at Burrachos. Account was listed as "other"

JULY			2		United Way-Chippewa		Mileage (12.0 miles)		\$6.96					This reimbursement on the form for some unknown reason listed after the August reimbursements
			24		look at office space		Mileage (7.0 miles)		\$4.06					
														There are no other DHS passengers noted on the reimbursement form. The mileage is also inconsistent with other mileage reimbursements to/from ALIA submitted by T.W. From the courthouse to ALIA it is 85.7 miles. From T.W.'s residence at 4550 Clover Dr. it is 89.2 miles. There are also no gas reimbursements associated with this trip
			30		Alia Cohort		Mileage (118 miles)		\$68.44		One-way			
			31		Alia Cohort		Mileage (118 miles)		\$68.44		Return from ALIA			There are no other DHS passengers noted on the reimbursement form

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The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable_Response_Page_260](#)

¹²² Source: Tom Wirth 2019 Travel/Expense Reimbursement Analysis



Attorney White Response to Trinity Discrepancies 06/10/21

On June 10, 2021, Detective Greener received an email from Attorney White. Attached to the email was a two-page typed letter as well as two electronic files. In reviewing the letter, Attorney White advised that he was responding to Detective Greener's request for additional information regarding the discrepancies involving the payments made to Trinity, as well as the request for documentation regarding reimbursements received in 2019 by Cable and Wirth. Attorney White stated in the letter, that the eight payments made to Trinity where there was no associated invoice received was inaccurate. Attorney White advised that the invoices were provided previously. Attorney White stated regarding the payment discrepancies, "Human services cannot comment on any discrepancy between information Trinity may have provided and payment amounts since it is not privy to the information provided to the Sheriff's Department by Trinity."¹²³ The reader will notice that Diane Cable's paragraph which included her offer for DHS staff to meet with ECSO and WIPFLI on June 2nd is not a part of Attorney White's letter.

Attorney White did confirm that there were two duplicate payments made to Trinity inadvertently. Attorney White also claimed that "The inadvertent small duplicate payments occurred during a time in which onboarding and training of two quality assurance staff was taking place and new processes to address the rapid growth of the Comprehensive Community Services program were being implemented. System processes and structure have since been established to manage capacity and mitigate the potential for human error."

A copy of Attorney White's response is contained on the following pages.

¹²³ Appendix 293 - White Letter - Trinity Invoice Documents Received 6-10-21



EAU CLAIRE
BLACK RIVER FALLS
MENOMONIE
WAUSAU

June 10, 2021

Detective Ryan Greener
Eau Claire County Sheriff's Department
721 Oxford Avenue, Suite 1400
Eau Claire, WI 54703

VIA EMAIL

RE: Eau Claire County Department of Human Services

Dear Ryan:

On May 12, 2021 and May 18, 2021, you requested additional information from the Department of Human Services. A response to those requests is set forth below.

Your May 12, 2021 correspondence requested information and documentation regarding meal, lodging and mileage reimbursements received in 2019 from the Human Services Department by Diane Cable and Tom Wirth. Responsive information from Excel Spreadsheets is attached.

On May 18, 2021, you requested follow-up information regarding eight Trinity Equestrian Center invoices dated between December 3, 2018 and April 2, 2019 which you believed were not provided in an earlier document release. I can advise you that the invoices were provided. Set forth below is information which should assist you in finding the invoices in the information previously provided:

<u>Ck Date</u>	<u>Inv Date</u>	<u>Inv Amt</u>	<u>Redacted File</u>	<u>Page</u>
3/1/2019	12/3/2018	178.36	2	54
3/1/2019	7/16/2018	1,443.94	2	63
3/8/2019	12/3/2018	376.68	2	26
3/8/2019	2/27/2019	535.08	2	25
4/18/2019	2/21/2019	850.95	1	61
5/3/2019	3/1/2019	388.00	1	48

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Detective Ryan Greener
June 10, 2021
Page 2

5/24/2019	3/18/2019	3,406.44	1	9
5/24/2019	4/2/2019	185.48	1	13

You also note in that correspondence that there appears to be a discrepancy between certain Trinity Equestrian Center invoices dated between October 16, 2018 and April 2, 2019 and payment amounts. Human Services cannot comment on any discrepancy between information Trinity may have provided and payment amounts since it is not privy to the information provided to the Sheriff's Department by Trinity. However, please note that the listed payments in your correspondence by Human Services match up with invoices Trinity submitted to Human Services. Those invoices were provided to you in response to your request dated April 29, 2021 and are attached.

Finally, in response to your May 18, 2021 inquiry regarding two apparent duplicate payments, I can confirm that there were duplicate payments of \$518.72 and \$259.36 in connection with invoices 12983 and 13127 respectively. The duplicate payment occurred inadvertently.

The inadvertent small duplicate payments occurred during a time period in which onboarding and training of two quality assurance staff was taking place and new processes to address the rapid growth of the Comprehensive Community Services program were being implemented. System processes and structure have since been established to manage capacity and mitigate the potential for human error.

Very truly yours,

WELD RILEY, S.C.



G. Richard White

GRW\bal

cc: Kathryn Schauf (via email)
Diane Cable (via email)

C:\app\lcy\9310\lcy\100005\0013\Greener List_20210607.rpt

Letter from Rich White to Sheriff Cramer 06/10/21

 **WELD RILEY**_{SC}

EAU CLAIRE
BLACK RIVER FALLS
MENOMONIE
WAUSAU



June 10, 2021

Sheriff Ron Cramer
Eau Claire County Sheriff's Department
721 Oxford Avenue, Suite 1400
Eau Claire, WI 54703

VIA EMAIL

RE: Eau Claire County Department of Human Services

Dear Ron:

I have previously advised you that I do not believe it is appropriate for your office to be investigating the Eau Claire County Department of Human Services under the circumstances present here. It appears the investigation was engendered by policy differences among county officials rather than a legitimate concern that systematic criminal activity could be occurring within the Department. Under those circumstances, the investigation by one county department of another in my view creates an appearance of impropriety and has a tendency to interfere with required inter-departmental cooperation on a variety of matters.

Earlier today, on behalf of Human Services, I provided Detective Greener with additional information and documents your office had been seeking in connection with the investigation of Human Services. I have additionally received information about inquiries made by your investigators to representatives of other counties regarding Human Services and matters which you are purportedly investigating. In multiple respects, the information requested by Detective Greener and the inquiries made of other county representatives reinforce my belief that this investigation ought not to be occurring in the manner in which it is taking place.

One of the inquiries to a representative of another county was as to how that county handled out of town training conference expenses. Specifically, the inquiry was whether that county required staff attending out of town training to travel together and share rooms. Plainly, a policy which does not mandate employees to share hotel rooms cannot be viewed as potentially criminal. It is purely a policy matter.

The conclusion that differences of opinion regarding policy are involved here rather than possible criminal activity is supported by other aspects of the investigation by your office. For example, a Social Services Director from another county was advised that your office was investigating budget concerns with Human Services. That individual and others were asked to provide information regarding the handling of budgets, budget overruns and the mitigation of budget overruns. On a

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Sheriff Ron Cramer
June 10, 2021
Page 2

related topic, one of the individuals was asked how she responded to requests from County Board members.

Whether Human Services is effectively managing its budget may be a legitimate policy inquiry. It is more than difficult, however, to see how the handling of a budget, budget overruns, the mitigation of budget overruns and responding to inquiries from the County Board involves anything which could be remotely considered to be criminal.

As another example, three separate individuals were questioned about the Alia program. They were asked to provide opinions about the program and whether there were any costs associated with the program.

It has become painfully apparent to me that some individuals within Eau Claire County government have taken exception to the involvement of the Human Services Department with the Alia program and that has in part led to this investigation. As with the issues of travel reimbursement, budgeting and responding to budget inquiries, concerns with the Alia program by all indications are purely and simply policy concerns.

Finally, a most troubling aspect of this investigation is the fact that it has occurred with an utter lack of transparency. On behalf of Human Services, I have repeatedly requested your office to share information with me so that any necessary matters could be addressed in a prompt and efficient fashion. My requests and similar requests by County Administration have simply been ignored.

In addition to running contrary to what should be the normal presumption of open government, that process is simply counterproductive and inefficient. A useful example as to why that is the situation is provided by Detective Greener's May 18, 2021 request for input as to a perceived discrepancy between information Trinity Equestrian Center was providing to the Sheriff's Department and payments by Human Services. On behalf of Human Services, I could provide no requested input since your Department has chosen not to share the information which Trinity provided to it with us. I did, nevertheless, provide copies of invoices from Trinity confirming that Human Service payments matched those invoices it had received.

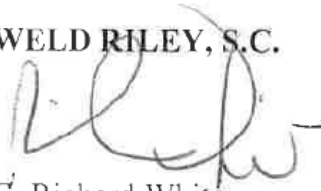
With all of this said, I must reiterate my recommendation that this investigation in its present form be brought to a conclusion. I suggest that any and all information your office has obtained which you believe should be reviewed be provided to County Administrator Kathryn Schauf. Ms. Schauf can then in collaboration with the County Board assess the information and determine whether further review or action from a policy perspective is warranted.

Continuing to conduct this investigation under the auspices of your office operates as a disservice to both it and Eau Claire County as a whole. That can be avoided by simply allowing County Administrator Schauf to review and handle this situation as she would all other policy matters involving Eau Claire County government.

Sheriff Ron Cramer
June 10, 2021
Page 3

Very truly yours,

WELD RILEY, S.C.

A handwritten signature in dark ink, appearing to read 'G. Richard White', written over a faint, circular stamp or watermark.

G. Richard White

GRW\bal

cc: Kathryn Schauf (via email)
Diane Cable (via email)

V:\wp\kay\PM\Docs\30005-0033\Cramer, Ltr2_20210608.spd

As the reader observed on the preceding pages, a letter was received from Attorney White on June 10, 2021. This was 28 days after Attorney White's and Schauf's "enough is enough" conversation, and 14 days after Bates's comments at the Human Services meeting.

White is entitled to his opinion that "It appears the investigation was engendered by policy differences among county officials rather than a legitimate concern that systematic criminal activity could be occurring within the department". However as has been mentioned numerous times throughout this report there was a complaint filed by two county board members and supported by other individuals regarding the budget overage of 2019, the numerous budget overages by DHS in recent years, lack of transparency and instances of extravagant spending. There have also been numerous indicators of potential fraud documented in this report.

White also makes the comment as the reader observed, "In multiple respects, the information requested by Detective Greener and the inquiries made of other county representatives reinforce my belief that this investigation ought not to be occurring in the matter in which it is taking place" For Attorney White to make this statement, given that he has been involved in law practice for many years, including being the former District Attorney of Eau Claire County, without firsthand knowledge of the facts, which he had not been provided for reasons discussed previously is unsupported, and unethical.

As further stated in Attorney White's letter, and in pages prior to his letter, representatives from other counties were interviewed. These interviews were conducted based upon information found during the investigation as well as for other reasons also previously discussed. The questions that were posed in Attorney White's letter were only a minuet of the questions asked of the interviewees during approximate 2-hour long interviews of each interviewee. White again is entitled to his opinion that the questions that were asked had no criminal basis however without no supporting information White cannot make such an opinion. Also given his experience as the former District Attorney of Eau Claire County, White clearly knows that showing a certain individual or individuals pattern of activity helps support a criminal case.

Furthermore, as mentioned in Attorney White's letter he also asserts that the "most troubling" aspect of the investigation is the lack of transparency from the Sheriff's Office. Again, just based upon Attorney White's experience as the former District Attorney of Eau Claire County, he knows that when a criminal investigation is being conducted no information is shared with anyone until the investigation has been completed or reaches a specific point in time where information is shared strategically. He is also aware that in the past the Sheriff's Office and other law enforcement agencies have conducted numerous investigations of other county employees and county departments.

During those investigations, no information was shared with county administration, nor were there any requests or undo pressure for law enforcement to disclose case information to them in the midst of an investigation. Thus, it is perplexing as to why Attorney White and

county administration felt the need or felt entitled to have access to the information regarding the investigation of DHS and specific DHS employees.

Lastly this letter would not have been drafted by Attorney White or much less sent to Sheriff Cramer without approval and/or direction by whomever Attorney White reports to or represents. Not only does the letter call into question whomever authorized Attorney White to send such a letter, but also calls into question his hiring, his direction, and his true scope of representation. The Sheriff's Office did not respond to Attorney White's letter.

County Procedures Related to Hiring of Outside Counsel

In this section, we will discuss the procedures, past practices, and county code regarding the hiring of outside counsel by Eau Claire County. To give the reader a clear understanding, in the beginning of this section, it will be explained why outside counsel is occasionally needed, county code as to how outside counsel is to be approved, and Eau Claire County's standing agreement with Weld Riley. Lastly this section will discuss the retainment of Attorney White.

At times there is a need for Eau Claire County to hire or have an ongoing relationship with an outside law firm. Typically, Corporation Counsel represents the county as a corporation which includes all the county departments. When a conflict arises where Corporation Counsel cannot legally represent a department or departments a need for outside counsel occurs. Eau Claire County does have an ongoing relationship with Weld Riley Law Firm; however, they normally provide advice or counsel related to general employment and labor relations.

Contained on the next couple pages is Weld Riley's fee structure and scope of representation agreement with Eau Claire County. In reviewing the document, the reader will see that on the first page, second line is a section titled Scope of Representation. In this section of the document, it clearly states that the representation Weld Riley provides would be in connection with labor law and general employment relations.

Anything outside the scope of that agreement, which based upon Attorney White's statements and actions alone clearly were not related to labor law and employment, would require the approval of the Administration Committee. This is clearly defined in Eau Claire County Code 2.07.080 which is displayed for the reader below.

*2.07.080 Appointment of special counsel. The corporation counsel under the following circumstances, may **with the approval of the committee on administration** retain special legal counsel to act on behalf of the county, its officers, and subunits: A. When, in his or her opinion, special expertise not available in his or her office is required in the pursuit of a specified matter of civil legal representation; 70 7/18/17 B. When, in his or her opinion, a potential conflict of interest or ethical problem would result from his or her representation; C. When, upon request with just and good cause shown an individual officer, department, committee, or other subunit establishes a need for independent counsel*



WELD RILEY^{SC}



E-MAILED

2/16/17

EAU CLAIRE
BLACK RIVER FALLS
MENOMONIE

February 16, 2017

VIA EMAIL

Jamie.Gower@co.eau-claire.wi.us

Jamie Gower
Human Resources Director
Eau Claire County
721 Oxford Avenue, Suite 3410
Eau Claire WI 54703

Re: **Fee Arrangement/Legal Structure of Firm**

Dear Jamie:

We are required by the Wisconsin Supreme Court to give clients the following information regarding our fee arrangement and legal status as a limited liability entity.

Scope of Representation: Based on our discussions, the scope of our representation will include such matters as you specifically engage us to perform on your behalf from time to time. Currently you have engaged us to provide legal counsel in connection with general employment and labor relations.

Legal Fees: Our experience has indicated that it is not possible to accurately and professionally forecast the amount of time or effort which will be required to successfully conclude a particular legal matter. Accordingly, it is our firm policy not to set a flat fee for our services.

You will be billed at an hourly rate for services performed. My hourly rate for providing legal representation for labor work to the County is \$200. Rates are reviewed and adjusted annually.

You will also be billed for all reasonable and necessary costs and expenses incurred on your behalf including, but not limited to, mileage, photocopying charges, facsimile costs, long-distance telephone calls, transcript fees and applicable filing fees and court costs as the same may be required in the handling of your legal issues.

Billing Practice: Each month we will furnish you with a statement describing our services and separately showing disbursements and other charges. Our normal billing period closes at the end of each month and a monthly statement which summarizes all professional charges incurred during the previous month will be sent to you. Sometimes there may be an unavoidable delay in reporting disbursements and other charges, and therefore, not all disbursements and charges may be billed at the same time as the related legal services.

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Eau Claire County
Attn: Jamie Gower
February 16, 2017
Page 2

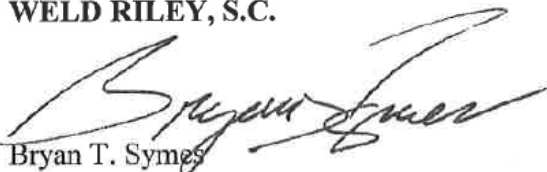
File Retention: It is the policy of Weld Riley, S.C. to **destroy all files ten (10) years** after the file is closed. **No** information from the file will be retained or available after that time. Please note Weld Riley, S.C. does not destroy and will keep and maintain indefinitely files concerning estate planning, labor negotiations, and employment grievances.

Firm Limited Liability Entity Status: Weld Riley, S.C. is a Wisconsin service corporation which is a legal entity separate from the attorneys of the firm who are its owners. The corporate structure provides limited liability to the owners and the employees of our corporation. The corporation is liable for the actions of all of its attorneys and employees and maintains legal malpractice insurance coverage equaling or in excess of what is required by the rules regulating lawyers in Wisconsin.


If questions arise about our services, staffing, billing, or other aspects of our representation for you, please do not hesitate to contact the attorney handling your file or the firm's Office Manager.

Sincerely,

WELD RILEY, S.C.



Bryan T. Symes

Furthermore, the statement that Attorney White's scope was outside of Weld Riley's normal representation is supported by the emails below which would have been exchanged between Schauf, Sullivan, and White around the time of his retainment. 

From: Tim Sullivan
Sent: Wednesday, September 23, 2020 12:15 PM
To: Kathryn Schauf <Schauf@co.eau-claire.wi.us>
Subject: Rich White

With the thought that Rich is coming in to be a "mediator" in this situation it is not appropriate to have Diane at the initial meeting just like it would not be appropriate to Ron at the initial meeting. The purpose of the meeting is to discuss with Rich how he will mediate this problem between departments . I do not see Rich as an advocate but rather a mediator working with both departments to come to a resolution of the investigation.
Tim.

The hiring of Attorney White and his scope of representation was never presented to or approved by the committee on administration which is confirmed by the below conversation which took place during a December 8, 2020, Committee on Administration meeting.


During the discussion, Schauf is asked and responded to several questions posed by Supervisor Wilkie. One of the questions Supervisor Wilkie asked was in regard to the hiring of Attorney White and how it was not discussed or approved by the committee unlike past practice. Schauf's verbatim response is below:

Schauf: I'm working through two, uh, a couple of your points. So, there are different times at which there are things that will come to the committee, other times where it will not. Um and I would use as examples of that, at different times when the county is working on confidential, uh, personnel matters, we do not (Unintelligible) that, but, one of the things that you hire professional administration for is to handle those issues that are personnel related, confidential and needs the most, um confidentiality, to handle to be handled in that way, and so, these wouldn't necessarily come to the committee for permission to hire outside counsel. I think that Corporation Counsel Sullivan can provide some input and some understanding about the different times at which the committee would become involved in that work and the times that they would not, with the permission of the Chair.

In Schauf's response to Supervisor Wilkie's question, Schauf attempts to justify the hiring of Attorney White as a confidential matter thus the reason it was not brought to the committee. Wilkie is quick to point out that the committee has handled confidential matters in the past, including the hiring of outside counsel by going into closed session. Schauf would be fully aware of this as well.

The below link is Schauf's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf Response Page 272](#)

Next, we will direct the reader's attention to an email, which was sent by Schauf to then Corporation Counsel Tim Sullivan. As the reader can see the email is sent on December 8, 2020, at 3:40 PM. The timing of the email is of particular interest given that according to the official minutes the administration committee meeting ended at 3:46 PM, which there were additional agenda items after the above discussion. Therefore, this email was likely sent after Schauf was questioned by Supervisor Wilkie and appears to be another attempt by Schauf to justify her actions of hiring White, in the event of further questioning or pushback. 

From: Kathryn Schauf
Sent: Tuesday, December 8, 2020 3:40 PM
To: Tim Sullivan
Subject: request for legal opinion

I would request a legal opinion on the role of the Administrator in the ability to make decisions regarding the hiring of outside counsel – without having to take this to a committee.



Kathryn Schauf
County Administrator
721 Oxford Ave., Suite 3520 • Eau Claire, WI 54703
Direct: 715-839-5106 **Fax:** 715-839-6243
Email: kathryn.schauf@co.eau-claire.wi.us

After the above email is an email that Schauf sent to Eau Claire County Department heads which is contained on the next page. The email to the department heads is sent 13 minutes after Schauf sent the above email to Sullivan. In the email the reader can see that Schauf informs department heads that the need for advice regarding the application of labor law occasionally occurs thus the county contracts with Weld Riley for these services. Schauf also alleges that Attorney White was retained for these reasons. The reader should compare Schauf's statements in her email to the department heads, and the statements and actions of Attorney White documented throughout this report, as to whether or not he is providing advice as to labor law or if he is actually representing DHS. Based upon Attorney White's statements and actions it is obvious he is representing DHS and if that is accurate, the email to department heads is a false statement or representation by Schauf. This false statement or representation by Schauf could be considered criminal in nature.

Furthermore, if Schauf was the one, and anyone else for that matter, who made the decision to retain White's services without approval of the Committee on Administration is a clear violation of county code. Schauf and anyone else who retained White would have known the county code thus not bringing it to committee would have been intentional and beyond their lawful authority.

From: "Kathryn Schauf" <Kathryn.Schauf@co.eau-claire.wi.us>
Sent: Tue, 8 Dec 2020 15:53:04 +0000
Subject: FW: CONFLICT OF INTEREST LETTER CORRECTED

Good morning all -

A thank you to Linda again for supplying us with regular updates on what is going on in the media as it pertains to our ECC operations.

There was an article regarding operations and the hiring of outside counsel for the county. As I read the article I realized that our team may not be aware of a couple of things that are valuable to share with you as a group.

The County has an ongoing relationship with Weld Riley to provide outside council as the county needs for a variety of employment related matters. As a large and complex organization we often find the need for advice regarding specifically the appropriate application of labor law - and for that we use Weld Riley. Our customary council, Bryan Symes was unavailable during our last request - and Mr. Rich White was assigned. Mr. White provides the County with general council as an entity - he does not represent individual parties.

I have also attached a copy of the letter provided by Corporation Counsel Sullivan as it provides the context of why the decision was made to employ outside counsel for working through some complex legal issues.

Thanks all - reach out if you have any questions.

K

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Budget and Finance Committee Meeting 07/12/21

On July 12, 2021, an Eau Claire County Budget and Finance Committee meeting was monitored. The meeting took place virtually and was broadcast over the internet. The agenda for the meeting is also archived on the Eau Claire County website. During the meeting Diane Cable, and DHS Fiscal Manager Vickie Gardner, was asked a question by County Board Supervisor Wilkie pertaining to questionable purchases made for clients possibly related to ALIA. Wilkie asked that Cable provide him with information related to several purchases. Gardner then states the following:

***“It would help if we knew the source Gerry of where you got the information, I mean cuz we don't know where to even look with the numerous programs that we have it's very difficult to find one of those items um can I mean if any information that you could give us was it a client, was it something in particular was it you know.*”**

Wilkie then tells Gardner that he was not going to reveal who he received the information from. Wilkie stated that DHS staff have been discouraged in talking to County Board Supervisors and DHS staff have also indicated that if they share information, they were fearful that they would lose their job. Discussed within in this document there were other instances where information had been received from reliable individuals that DHS employees were told not to speak to law enforcement or were dissuaded from doing so.

The reader also likely will recall that in the section that discussed the interview with Bridget Van Laanen, she informed us that Vickie Gardner was even afraid to speak up internally within DHS in fear of losing her job. What the reader should be aware is that individuals, or employees of an organization where potential questionable or criminal activity is occurring are frequently subject to knowing and malicious attempts to prevent or dissuade free open and unmonitored communication inside and outside the organization, such as not being allowed to disclose information pertaining to criminal or questionable activity without fear of repercussion.

The below link is Schauf's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Page 275](#)

Meeting with Kathryn Schauf and Norb Kirk 08/17/21

As stated in the Law Enforcement Investigative Process and mentioned throughout this document, law enforcement investigations are conducted in a discreet and confidential manner. Information and evidence obtained while the investigation is active is only shared with stakeholders, meaning the law enforcement officers conducting the investigation, or other partners actively involved in the investigation. However, in some rare occurrences, information may be shared with others who are not stakeholders. This is only done when law enforcement deems it necessary either to attempt to elicit cooperation, or as a strategic tactic during the investigation.

Based upon the above, on August 17, 2021, Detective Greener, Deputy Voelker, Sheriff Cramer, Captain Brettingen, and Captain Schalinske met with Eau Claire County Administrator Kathryn Schauf and Eau Claire County Finance Director Norb Kirk. This meeting lasted approximately 5 hours and during the meeting Schauf and Kirk were shown a lengthy PowerPoint presentation which contained information, facts, and evidence that had been gathered during the investigation to date. (Recall that the lightbulb icon either at the end of a particular section, or at the end of a footnote indicates that the particular section, and/or supporting documentation was shown to Schauf and Kirk) Much of the information shown to them is contained in the previous pages of this report. At the conclusion, nor at any time afterward, did Schauf or Kirk contact Detective Greener or Deputy Voelker to ask for more information, offer information to refute or explain the information gathered or our interpretations of the information reviewed.

It was explained to Schauf that additional documents and files would be needed from DHS in order to conduct a complete and thorough investigation. These documents and electronic files also had been requested on numerous prior occasions. Schauf's response was to get a subpoena or search warrant.

Now the reader should ask themselves is this an appropriate response from Schauf? The reader should compare the above situation to a meeting between law enforcement and a victim of a crime, where facts and evidence are disclosed to said victim which tend to show that a possible crime or crimes are being committed. Would the victim who has a vested interest in the investigation tell law enforcement to get a search warrant or subpoena for the additional documents or files when the victim has the authority or capability to supply the requested information? The answer is **NO!** The victim would want law enforcement to have whatever information is necessary to complete the investigation and in order to hold those responsible. Schauf as County Administrator would have this same ability if she truly did want to ensure no misuse of taxpayer funds was occurring, or if she truly wanted to protect the county as an organization as she claims in her prior statements.

The reader should also recall that as documented in Wisconsin State Statute 59.18 Schauf *shall take care that every county ordinance and state or federal law is observed, enforced, and administered within his or her county if the ordinance or law is subject to enforcement by the county administrator or any other person supervised by the county administrator.* Again “Shall” means you have to. The reader should ask themselves if Schauf is abiding by this statute by telling us to get a subpoena or search warrant.

Based upon the above reasoning Schauf was told that a subpoena or search warrant should not be necessary to gather the requested information. After a lengthy discussion, Administrator Schauf claimed that she would meet with DHS staff and inform them to supply whatever records or electronic files were requested.

The below link is Schauf’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf Response Page 277](#)

Email from Diane Cable to Sheriff Cramer 09/10/21

On August 27, 2021, at 5:18 PM Sheriff Cramer received the below email from Diane Cable:

From: Diane Cable <Diane.Cable@co.eau-claire.wi.us>
Date: September 10, 2021 at 4:52:55 PM CDT
To: Ron Cramer <Ron.Cramer@co.eau-claire.wi.us>
Cc: Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>, Ryan Greener <Ryan.Greener@co.eau-claire.wi.us>
Subject: FW: Meeting

Hello Sheriff Cramer,
I am following up with you, in response to the message I sent a couple of weeks ago, to set a time to meet with you and your staff. We have offered to meet here at Human Services, throughout this process, to discuss concerns and respond to questions you may have. Per a recent conversation that you had with Kathryn, I am directly reaching out to set a time to meet. Please let me know who to coordinate with from your Department, to set this meeting.

Thank you
Diane



Diane Cable, MSW
Director
Department of Human Services
721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

Detective Greener Reply to Diane Cable 09/14/21

On September 14, 2021, Detective Greener replied to Diane Cable's email to Sheriff Cramer. That email is contained below. As the reader can see Detective Greener advised Cable that he and Deputy Voelker would like to set up a time to meet with her to discuss some of the findings, as well as to continue their understanding of the inner workings of DHS. As previously thoroughly discussed in prior sections of this report, Cable was informed that the meeting would be with just her initially. Cable would also be aware that she could bring her own attorney.

From:	Ryan Greener
Sent:	Tuesday, September 14, 2021 10:34 AM
To:	Diane Cable
Cc:	Mike Voelker; Kathryn Schauf
Subject:	Meeting

Diane,

Thank you for reaching out to Sheriff Cramer to schedule a meeting. Unfortunately things have been rather hectic here as of late, and I was also gone to training. Thus the delay in getting back to you to set up a meeting. As you know Mike Voelker and I have been assigned to the case and would like to set up a time to meet with just you at this point to discuss some of our findings, as well as to continue our understanding of the inner workings of DHS.

Given the volume of questions and information we have gathered thus far we are looking for an initial two hour block of time in the near future to discuss things. There may be additional meetings that we may have to schedule with you or other DHS staff after our initial meeting. Due to privacy concerns and just as we did with Kathryn we would meet at the Sheriff's Office. Again this meeting would be with you only initially and no other staff from DHS, Rich White, or Tim Sullivan would be permitted to attend.

Please contact me and advise if you would be able to meet either sometime tomorrow, September 15th, or Thursday September 16th, or the week of September 20-24th.

Thank you, .

Detective Ryan Greener
Eau Claire County Sheriff's Office
(715) 839-4706 (Desk)
(715) 829-7181 (Cell)
(715) 839-4854 (Fax)

Email from Kathryn Schauf 09/14/21

On September 14, 2021, at 5:31 PM Detective Greener received an email from Kathryn Schauf. That email is also contained below. In Schauf's email she informs Detective Greener that "a request for a meeting is just that a request for a meeting". Schauf also tells Detective Greener that Cable can accept the meeting or decline the meeting. Schauf also states that Cable can bring whomever she wishes to this meeting and requiring Cable to meet with law enforcement alone violates their right. Schauf also states that Cable has the right to have counsel present.

Obviously, Cable and Schauf had some form of conversation after Detective Greener replied to Cable's email. What is noteworthy is that Schauf is emailing Detective Greener and not Cable. Typically, when law enforcement is attempting to arrange a meeting with a person, they wish to interview they communicate with that person and that person only. Any questions or concerns are communicated to the law enforcement official directly by the person whom law enforcement wishes to interview. The only exception to this is if the person law enforcement wishes to interview is represented by an attorney. Schauf is not an attorney therefore it would be improper for her to message law enforcement on Cable's behalf.

Let's next address Schauf's statements that the person is free to accept or decline the meeting, and that we as law enforcement cannot require Cable to attend this meeting without bringing whom she deems appropriate with. The first portion of Schauf's statement is accurate. Any person that is requested to meet with law enforcement has a constitutional right to decline to be interviewed or answer any questions. Detective Greener and Deputy Voelker with their 48 years combined law enforcement experience are well aware of this constitutional right and would never and have never require or required someone to meet with them.

The second portion of Schauf's statement is inaccurate. When law enforcement conducts an investigation, victims, witnesses, persons of interest and/or suspects are interviewed individually. This is done in order to maintain the integrity of the investigation and to receive an unbiased, and uninfluenced, account from the individual being interviewed. Furthermore, for these same reasons individuals, with the exception of victims, or juveniles, are not permitted to have someone else of their choice with them in the interview except for their attorney. This does not violate anyone's rights. Cable was advised of this information for these reasons and would be well aware from prior communications that she could bring her personal attorney to an interview.

Lastly the reader should ask themselves is it appropriate for the County Administrator who just had an approximately 5-hour long meeting with law enforcement and was told, and also observed numerous examples of potential criminal behavior to email and attempt to control the process of how an individual is interviewed or much less how an investigation is conducted? The reader's answer should be **NO**. The reader should also be aware as documented in prior sections of this report, other county employees have been interviewed during this investigation, none of which Schauf had input to.

From: Kathryn Schauf
Sent: Tuesday, September 14, 2021 5:31 PM
To: Ryan Greener
Cc: Mike Voelker; Ron Cramer
Subject: RE: Meeting

Ryan –

A request for a meeting is just that – a request for a meeting. The person is free to accept or decline the meeting. As law enforcement who has indicated that you are doing a criminal investigation you cannot require that Director Cable attend this meeting without bringing who she deems appropriate with. Miranda applies. Requiring an individual to meet with you alone violates their rights. Even when we as an organization work with employees on disciplinary issues or investigations they have the right to have counsel present.

I will send an email to the group on the original email talking about what I came away with as an understanding as to what the meeting was intended to be – an opportunity to gain clarity and understanding.

I will also be constructing a second email with some initial impressions from our meeting with Norb.

Thank you

Kathryn

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The below links are Schauf's and Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf Response Pages 277 280](#)

[Cable Response Pages 277 280](#)

¹²⁸ Source: Appendix 309 Email from Kathryn Schauf 091422

Search Warrants 10/18/21

On October 18, 2021, search warrants were executed at the Department of Human Services, Eau Claire County Information Systems, and at Administrator Kathryn Schauf's office. To refresh the reader's memory this section will first discuss what a search warrant is and how one is obtained. After refreshing the reader's memory, this section next will discuss the reasoning why search warrants were needed in this case, and lastly the execution of the warrants.

A search warrant is an order signed by a judge which directs a law enforcement officer or officers to conduct a search of a designated person, a designated object, or a designated place for the purpose of seizing designated property or kinds of property. The person, designated object or place may contain evidence of a crime or crimes. In order for this to occur, one must draft what is referred to an affidavit. This is usually done by one of the investigating officers, or an officer that is assisting with the investigation. The affidavit contains information and/or facts of the particular case which must show probable cause. Probable cause is required in order for a search warrant to be approved by a judge. After the affidavit and the search warrant itself are drafted, the search warrant and affidavit are reviewed by the District Attorney's Office. Next the warrant is provided to a judge for review and approval or denial. If the judge determines that probable cause exists, the warrant is signed by the judge. If probable cause does not exist, the search warrant is not valid and may not be executed or served.

The decision to execute search warrants on three other county departments was not a decision that was taken lightly nor made easily. There were many meetings that took place to discuss if search warrants were appropriate or even necessary, and if so, how could the search warrants be executed from a logistical standpoint to minimize the impact on the daily functions of each department. The determination that search warrants were necessary was based upon several factors. First, at the time of the search warrants the investigation had been ongoing for approximately 16 months. Secondly, as documented in numerous sections of this report, there were multiple attempts (7 to be exact) where professional and courteous efforts were made to have DHS provide the requested records that were needed in order to complete the investigation most of which were denied. Third, a minimal number of documents and files were received and a majority of those that had been provided have contained questionable data, information, and transactions. Lastly, there were also numerous attempts to interview DHS employees, and we were unable to speak with any DHS employees without being asked to provide case-sensitive information prior to meeting with the employee, or without interference from Schauf, Sullivan, Cable, or Attorney White.

Furthermore, without any supporting documentation or explanation this investigation would not be able to be concluded nor would one be able to ascertain if the questionable data, information, and transactions previously discussed in this report were human error, were deliberate, constitute forged documents, theft, fraud, embezzlement, or misconduct in office.

Based upon the reasons listed above, and furthered by the information within this report, it was determined that search warrants would be necessary. Detective Greener and Deputy Voelker authored the search warrants. The affidavit section consisted of 45 pages of probable cause much of which has been discussed and shown in this report. The search warrant also described where the search would occur and what items would be seized. The areas of the search were limited to specific areas in an effort to minimize the impact on daily operations. The items that would be seized were requested based upon facts and evidence obtained during the course of this investigation. The search warrants once drafted underwent a stringent review process both internally by Eau Claire County Sheriff's Office command staff, as well as numerous attorneys within the Eau Claire County District Attorney's Office.

After this review process was complete, the search warrants were presented to Dunn County Circuit Court Judge James Peterson. When a search warrant or search warrants is authored by an Eau Claire County law enforcement officer to search a particular place or person within Eau Claire County that search warrant or search warrants are normally presented to an Eau Claire County Judge. However, in this instance at the request of Eau Claire County Circuit Court Judge Michael Schumacher, the search warrants were presented to an out of county judge to avoid any potential conflict issues. Furthermore, by state law any judge in Wisconsin can sign a search warrant for any person or place to be searched in Wisconsin. Judge Peterson reviewed all three search warrants and determined that probable cause did exist.

At approximately 900 AM on October 18, 2021, the search warrants were executed simultaneously. There were multiple search teams assigned to the Department of Human Services, the Eau Claire County Information Systems Department, and Kathryn Schauf's office. The members of these search teams were detectives, deputies, and command staff with the Eau Claire County Sheriff's Office. The search of the Department of Human Services was restricted to the 1st floor administrative and fiscal services area. These areas are in a secure section of the department. It was pre-determined that those areas would contain the records and items requested in the warrant and would also minimize the impact of the department's daily operations. The department remained open during the search warrant. The search warrant did authorize the collection and examination of electronic files and electronic devices. However, the collection and examination of these files and devices were restricted to the offices and work areas of Diane Cable, Vickie Gardner, and Tammy Stelter. Again, this was done to minimize impacts to daily operations.

During the search warrant at the Department of Human Services approximately 58,000 pages of documents were scanned and collected electronically. Many of these records were scanned on site, however due to the voluminous amount of paper records, some historical records had to be transported back to the Sheriff's Office. The records transported back to the Sheriff's Office were returned to the Department of Human Services within 48 hours. Cable, Gardner and Stelter's county issued computers were seized during the search warrant and returned 24 hour later.

During the search warrant at the Eau Claire County Information Systems Department numerous electronic records were obtained with the assistance of Information Systems staff. Schauf's office was searched, and her computer was also seized and returned in 24 hours.

The reader should also be aware while the search warrant was being conducted, information was learned that Eau Claire County Board Chair Nick Smiar called both the District Attorney's Office and Judge Michael Schumacher. County Board Chair Smiar was described as upset, and argumentative as to how a search warrant was approved and why one was being conducted. The reader should ask themselves is this an appropriate action by County Board Chair Smiar? The readers answer should be **NO**. County Board Chair Smiar is to remain impartial and he himself has repeatedly told others this during recorded meetings. Furthermore, if County Board Chair was truly impartial and had an interest in finding out what is occurring and holding those responsible, he should be supporting the investigation, and any actions taken during the investigation.

Secondly after the execution of the search warrants there were comments at a recorded Human Services Board meeting that the Sheriff's Office staff were "wearing guns and flak jackets". Supposedly many staff and committee members were upset by this information. As previously mentioned, the search teams were composed of deputies, investigators, and command staff from the Sheriff's Office. These deputies, investigators, and command staff are sworn law enforcement officers. Their attire which they wear every day when they are on duty does consist of wearing a uniform that identifies them as such, a handgun, and a bulletproof vest just as any other law enforcement officer wears throughout the state or the country. The deputies, investigators, and command staff were wearing this attire during the execution of the search warrant not to intimidate anyone but because their job and department policy requires it.

Lastly after reading this section the reader should consider whether search warrants were appropriate. Imagine you are a taxpayer of Eau Claire County and a victim of a burglary. During this burglary numerous items were stolen from your residence. During the investigation law enforcement developed persons of interest, and information regarding other potential crimes being committed by those persons of interest. The persons of interest involved in your burglary refuse to talk to law enforcement and refuse to provide any information that would either exonerate them or implicate them. Would you as a victim and/or taxpayer of Eau Claire County want law enforcement to close the case just because they are getting no cooperation, or would you want law enforcement to investigate fully and take the necessary actions in order to do so or hold those accountable?

The below link's are Cable's and Nick Smiar's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Cable Response Pages 281 283](#)

[Smiar Response Pages 281 283](#)

Marty Green & Nick Smiar Email Correspondence 10/21/21

From: mgreen@charter.net <mgreen@charter.net>

Sent: Thursday, October 21, 2021 9:55 AM

To: Nick Smiar <Nick.Smiar@co.eau-claire.wi.us>

Subject: FROM MARTY

WARNING!! This email originated outside Eau Claire County. Do not click any links or attachments unless you know the sender.

Dear ChairPerson Smiar

I Think its time you stepped back and Co Operated FULLY in this investigation

Citizens are still questioning me about what happen with LOKKEN all these years later

From: Nick Smiar <Nick.Smiar@co.eau-claire.wi.us>

Marty -

Despite the Sheriff's assertion, the fact is that there has been **full** cooperation. All questions have been answered. All requested documents have been shared. The **only** exception was an open records request for all DHS documents (financial records, case records, financial reports, e-mails, phone messages, paper documents, etc., in any form and on any device) over a three-year period. That request was rejected as excessive, because it would require a month's time and the services of three persons to compile the material. The Wisconsin open records law permits such a determination. Ask yourself what such a request implies: the Sheriff has no idea what he is looking for. At the beginning of this whole process, I asked for the evidentiary basis (probable cause), focus, scope, and extent of the investigation. The Sheriff has not responded to that request. I believe that that is because there **is no evidentiary basis and there is no focus, scope, or extent**. The most recent search warrants are not just to the Director of Human Services and the County Administrator but to a very long list of persons, including **all** County Board Supervisors, the Corporation Counsel, and a long list of other staff. Ask yourself what this implies. The Sheriff is on an expansive fishing expedition and has found nothing after more than a year and a half.

Just a reminder, the focus of the Sheriff's investigation is and must be on **criminal** activities, not management practices. A reasonable question would be: Have **criminal** activities been discovered by this investigation in the past eighteen months? The question can be answered without specifying the activities or endangering the investigation.

This has **no** comparison to the Lokken case. In that case, it was Glenda Lyons, the new Treasurer, who noticed some discrepancies in the financial records, specifically deposits. She took that to the Director of Finance and then to the District Attorney. We knew the specific evidentiary base (probable cause), focus, scope, and extent. Those became part of the basis for the forensic audit approved by the County Board, and you know the rest of the story. If people are still asking you about the Lokken case, they can certainly have whatever information they want about it. The complicating factor in that case is that the Treasurer is a constitutional officer. It was difficult, even impossible, to force the Treasurer to comply with requests for an audit. It was only after he left office that the damning evidence became available. At the time of the Lokken incident, the Sheriff said to me, in a one-on-one conversation, that he would not handle that investigation because it was internal to the county and would be conflictual, and he would request outside investigation, which is what he did. At the time, I congratulated him on his wise decision. Why did he not do that in this case, especially since he was the one who labelled it a criminal investigation?

In my opinion, the Sheriff has some questions to answer.

Please feel free to share this with your mailing list.

Nick Smiar
Chairperson
Eau Claire County Board

The above email is a correspondence between Marty Green and County Board Chair Nick Smiar. As the reader observed, Green sent an email to Smiar after the execution of the search warrants. In Smiar's reply, he makes several comments of investigative interest. In the very first statement Smiar states "Despite the Sheriff's assertion there has been **full** cooperation" The reader should ask themselves after what they have read thus far in this report, whether or not that statement is accurate or false. Smiar also makes the following claim "the most recent search warrants are not just to the Director of Human Services, the County Administrator, but to a long list of persons including **all** County Board Supervisors, Corporation Counsel and a long list of other staff." This is another false or inaccurate representation by Smiar. The search warrants as mentioned previously were specific to certain individuals, and certain communications between those individuals. These communications did include communications specific

to the investigation between the identified individuals and County Board Supervisors. County Board Supervisors as Smiar asserts were not a target of other search warrants.

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SPARK Program Analysis & Further Investigation

As mentioned in prior sections of this report, in 2019 there was a theft and embezzlement from the DHS operated “SPARK program by a former DHS employee, Zer Smith. This section will summarize that investigation, as well as the parallel engagement completed by Deputy Voelker. This section will show that there was information that was not provided to ECPD investigators or Deputy Voelker during the SPARK investigation. This section will also show discrepancies in specific SPARK program records compiled and maintained by DHS which are different from documents and/or information provided to ECPD, the District Attorney’s Office and Deputy Voelker.

In addition, this section will also show that DHS, and Schauf are aware of other possible fraudulent activities involving the SPARK program yet to our knowledge there has been no effort to thoroughly investigate or audit the other fraudulent activities. Again, throughout this section, the reader will occasionally observe one of two icons. The Sheriff star indicates the information or document being discussed was obtained during the October 2022 search warrant. The light bulb indicates that the item or topic being discussed was disclosed to Schauf and Kirk during the August 2022 meeting and would have been part of the interim and final reports completed by Deputy Voelker during his parallel engagement.

The below link is Schauf’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf_Response_Page_287](#)

Initial Information & Investigatory Meeting

In early January 2020, Deputy Voelker was employed as an Eau Claire County Sheriff’s Office Special Deputy, where he worked in the Fingerprint / DNA Collection office. Frank Draxler, who was the Operations Manager for Eau Claire County at the time, contacted Deputy Voelker during his workday and asked him if he could be engaged as a consultant “to conduct a limited scope review and study of the Eau Claire County Department of Human Services – “DHS” purchasing or “P-Card usage of the designated SPARK Program funds to determine whether Eau Claire County DHS and the SPARK Program established and maintained fraud prevention, identification practices for the period covering 2018 and 2019 (the Period).”¹²⁹

At the time of this engagement and the January meeting, Deputy Voelker did not know that Eau Claire County Sheriff Ron Cramer had not been told by Frank Draxler that Voelker was asked to participate in this outside employment engagement. In addition, Sheriff Cramer was not aware that this criminal investigation had been turned over to the Eau Claire Police Department and not investigated by the Sheriff’s Office as has been the past practice.

¹²⁹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Page: 4

At this initial meeting, Deputy Voelker learned that Eau Claire County applied for, and were awarded funds from the Youth Justice Innovation Grant. Once the grant funds had been received, Eau Claire County named the program SPARK – Supporting Positive Action Resilience and Knowledge.

The agreed upon scope of work for the project was “to conduct a study, review and analysis of Eau Claire County Department of Human Services – “SPARK Program business records, business practices, documentation, policies and procedures related to the supplied information, events that are summarized in the paragraphs below for the purpose of providing Eau Claire County with any measures, steps, changes to, enhancements, and / or deletions from past, current or future business in order that Eau Claire County can be assured that as best as possible, fraud identification and prevention due diligent measures and practices have been identified by means of this report.”¹³⁰

Voelker was asked by Draxler to prepare two reports, an initial interim report where any findings would then be addressed by DHS. Then Deputy Voelker would follow up later with a review of the progress DHS had made to address any interim report issues, and then author and provide a final report to Draxler.

As part of his parallel efforts, Deputy Voelker attended a meeting on January 14, 2020. Also in attendance were supervisors from the Eau Claire Police Department (ECPD), Kathryn Schauf, Diane Cable, Vickie Gardner, and Hannah Keller. At this initial meeting, Deputy Voelker learned that Eau Claire County applied for, and were awarded funds from the Youth Justice Innovation Grant. Once the grant funds had been received, Eau Claire County named the program SPARK – Supporting Positive Action Resilience and Knowledge.

To make purchases of “incentives” such as food, movies, and other recreational purchases for these at-risk youth and the program, DHS staff made the independent decision that DHS Fiscal staff would use their County issued credit cards, commonly referred to as “P-Cards,” to purchase prepaid VISA gift cards, or another brand of “stored value card.” These gift cards / stored value cards were purchased sometimes one to two at a time from local stores such as Walgreen’s or CVS Pharmacy or at times in bulk from an online vendor by former DHS employee Zer Smith. The purchased cards were retained by Zer Smith at her work area, who would respond to a typically emailed request for an additional card or cards by the non-Eau Claire County SPARK program staff. Zer Smith then gave the SPARK Program staff the gift cards who used the cards to buy ‘incentives’ such as an outing at a recreational center, or food.

At this meeting, DHS Fiscal staff provided paper documents to the Eau Claire Police Department alleging that Smith embezzled funds from the SPARK program. DHS staff that

¹³⁰ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 File: EC County Interim DHS Report Final


quantified the loss in the case that they were reporting at \$13,154.70.¹³¹ What was not part of DHS' initial complaint to law enforcement is any mention or distinction that the loss that they were reporting as a victim is that there was any combination of Eau Claire County tax or "levy" dollars and State of Wisconsin Department of Children and Families – DCF "grant" funds. It is essential for the reader to keep this information in mind as you will read later that DHS Director Diane Cable claims that she was able to determine that only levy dollars were stolen, and that grant dollars were not affected.

Another document provided at the initial meeting was a list of Eau Claire County issued credit cards "P-Cards" that were issued to Zer Smith A.K.A. Zer Xiong during her employment.¹³² This document, which is the first screenshot, displayed for the reader below contained seven different P-Cards. Of those seven, three of the cards (42.8%) had previously been closed due to reported "fraud. When Deputy Voelker asked about the previously reported credit card frauds DHS Administration responded to the effect that these other cards where fraud was reported were essentially random chance fraud events. Deputy Voelker felt the DHS administrative response was rather dismissive when each fraud event should have been an opportunity for assessment and evaluation to ensure that all protocols were followed and to determine if Smith made unauthorized purchases with those cards. Deputy Voelker received no information that any of the three credit card fraud events was ever fully reviewed or investigated by DHS supervision or DHS administration.¹³³


Short Name	Account Number	Account Status	Account Status Description	Lost/Stolen Account	Replacement Account	Purged Account	Purged Date	Bank	Agent	Company	Division	Department
SMITH ZER	**6326	FA	FRAUD		**1199			1425	8312	40580	0	52
SMITH ZER	**1199	FA	FRAUD	**6326	**0142			1425	8312	40580	0	52
SMITH ZER	**3994	V9	VOLUNTARILY CLOSED					1425	8312	40580	0	51
SMITH ZER	**0304	V9	VOLUNTARILY CLOSED					1425	8312	40580	0	51
SMITH ZER	**0142	V9	VOLUNTARILY CLOSED	**1199				1425	8312	40580	0	52
XIONG ZER	**0720	FA	FRAUD	**6683	**3276			1425	8312	40580	0	51
XIONG ZER	**3276	V9	VOLUNTARILY CLOSED	**0720		Purged	2019/07/14	1425	8312	40580	0	51

Next, please refer to the illustrations directly below this paragraph. One of the other documents provided at the meeting was a multicolored Excel Sheet.¹³⁴ This multicolored Excel sheet is the greyscale screenshot between the two-colored screenshots below. What is unusual is that a gift card ending in numbers 0285 is listed as Card #4 and Card #14 on this document. Now look at the entry for 6/17/19. On the version of the spreadsheet that was handed out at the meeting the card number is 0285. When Deputy Voelker opened and reviewed the same spreadsheet that was posted to a SharePoint folder for his review and use, the gift card number

¹³¹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Page: 12 / Exhibit 1

Pages 3-5 

¹³² Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 4 Credit Card Numbers

Page: 2 

¹³³ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 Pages: 18 / 96-97 

¹³⁴ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 2 

had been changed to 2845. (The file posted to SharePoint is the blue colored screenshot below.

¹³⁵Upon observing this, Deputy Voelker immediately called for a meeting with ECPD Detective Erl and Frank Draxler and reported his observations. Draxler and Erl agreed that the documents had been changed and that no notice or explanation had been provided by DHS Fiscal, either prior to or after the change had been made. Deputy Voelker reported this event in both his Interim and Final reports. ¹³⁶

Gcard #	Date	Amount	Reason	Location	Column6
55 0285	4/12/2019	\$ 75.00	Incentive-Activity	PHD Academy	Card #4
0285	6/17/2019	\$ 171.21	Food	Walmart	Card #14
Gcard #	Date	Amount	Reason	Location	Column6
99 2845	6/17/2019	\$ 171.21	Food	Walmart	Card #14

Illustration – Sample Entries Screenshot from Exhibit 2

Another document provided by DHS, was a Microsoft Word document, this document included background information related to the SPARK program, and steps taken by DHS prior the meeting with Deputy Voelker and ECPD. Screenshots of a section of the document appears below.

Incident Review – 1/14/2020

September 2019, the Agency Accountant notified the Deputy Director that she was not able account for some transactions made by Zer Smith. The concern was brought to the attention of the Fiscal Manager and the Agency Director, who informed Human Resources and the County Administrator. An investigation initiated of the employee's utilization of her P-card. It was determined that the employee used the County P-card to make personal reservations for rental car, and hotel rooms. The employee admitted to the incident. At the same time, the Fiscal Manager continued to review all purchases made by the employee, which led to a full review of the purchases by the employee related to the SPARK program. Result of the initial investigation of the incident, led to the termination of the employee on 10/14/2019.

Source: Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report / Exhibit 1 Meeting Notes 1-14-20 Page: 2

¹³⁵ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Page: 17

¹³⁶ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 17-18

Steps Taken – related to investigating the incident

- Accountant reviewed 2019 charges against scanned documentation
 - Various charges throughout the year lack adequate or no documentation/authorizations
- Fiscal Manager and Accountant noticed large gift card purchases for the Spark Program that were being purchased frequently and appeared to have the same authorization or multiple authorizations being used to make purchases *Same one*
- Fiscal Manager had all credit card purchases for employee pulled for both 2018/2019
 - The Youth Services manager provided a comparison with the credit cards received by the SPARK Program coordinator to the actual charges incurred on the employee P-card since the start of purchasing gift cards for the program (July 2018).
 - See Presentation for Summary - *reviewed with.*

Source: Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report / Exhibit 1 Meeting Notes 1-14-20 Page: 2

Editing of Word Document by Vickie Gardner & Diane Cable 01/13/20 & 01/14/20

As previously stated in prior sections of this report, emails to and from specific individuals were obtained as part of the October 2022 search warrant. In reviewing those emails, Deputy Voelker observed that on January 13, 2020, at 8:43 PM, the evening before the initial meeting, Vickie Gardner sends an email to Diane Cable, Tom Wirth, and Hannah Keller. The email has two file attachments: one a Word Document with the file name: P-Card Response 1-20 – ZS.docx; and an Excel workbook titled ZS Pcard.xlsx. A screenshot of the Word document P-Card Response 1-20 – ZS.docx; appears below, followed by a screenshot of the last page of the Excel file ZS Pcard.xlsx. The reader should make note of the level of detail included in the Word document P-Card Response 1-20 – ZS.docx.

Incident

- 4/26/19 – Fiscal Associate received email from ZS indicating she would be gone when the monthly statement came
- 5/1/19 – Requested Authorizations for CVS purchases in April (Had the receipts)
- 5/1/19 – Email from ZS to Fiscal Associate indicating she was still looking for outstanding receipts/documentation for Avis/Privacy Pop/Amazon
- 5/2/19 – Fiscal Associate copied Accountant and Fiscal Mgr on request for receipts/documentation
- 5/2/19 – ZS emailed and indicated that Avis would be crediting our account
- 5/2/19 – Fiscal Associate emailed accountant that charges not verified were going to the supply account.
- 6/28/19 – Fiscal Associate sent clip of Enterprise/Holiday Inn Austin Airport charges to ZS requesting documentation
- 6/28/19 – ZS indicated the above charges would be refunded
- 8/5/19 – Fiscal Associate emailed ZS with a summary of charges missing receipts/documentation/and refunds
- 9/3/19 – Fiscal Associate emailed Accountant that she was missing receipts and documentation for purchases dating back to April for ZS
- Accountant and Fiscal Associate had a conversation (Zer may have been out of the office during this timeframe)
- 9/30/19 – Fiscal Associate emailed ZS another summary of missing items
- Fiscal Associate notified Accountant that she was still not able to account for transactions
- Accountant notified Deputy Director of the missing documentation (Fiscal Mgr was unavailable 9/18/19 – 10/4/19)
- Deputy Director contacted Avis and verified that purchases were personal
- Deputy Director notified Fiscal Manager and Director
- ZS left employment on 10/14/19

Source: 1/7/2020 Email Hannah Keller to Vickie Gardner / File: Credit Card Data.docx

7/22/2019	WALGREENS #7966	\$ 505.95	Y	Email from K. Rabidu on 7/22/19	Email Altered to request 2 credit cards/Manda only requested one
7/23/2019	WM SUPERCENTER #5373	\$ 504.94	N		See Above
8/8/2019	CVS/PHARMACY #10550	\$ 505.95	Y	Email from K. Radibdu on 8/8/19	
8/8/2019	CVS/PHARMACY #10550	\$ 505.95	N		
8/28/2019	CVS/PHARMACY #10550	\$ 505.95	Y	Email from K. Rabidu to Zer	
8/28/2019	CVS/PHARMACY #10550	\$ 505.95	N	Not approved	
	Total	\$ 12,647.74			
	Number of Cards Bought	25			
9	Credit Cards approved & Received				
16	Not received and/or Not authorized				

Totals for 2018/2019	
17	Credit Cards approved & Received
26	Not received and/or Not authorized

Source: 1/7/2020 Email Hannah Keller to Vickie Gardner / File: ZS Pcard.xlsx

On January 14, 2020 at 3:57 AM, which is about seven (7) hours after Gardner's email to Cable, Wirth, and Keller; and then about four (4) hours before Cable, Gardner and Keller meet with ECPD and Deputy Voelker and the embezzlement / theft complaint is made to ECPD, Cable sends the email below. As you can see in the screenshot, this email contains one word document attachment titled: Incident Review - P-Card Incident Zer Smith.docx.¹³⁷ As the reader can see Cable also states that the document attached was a "reformat" of the previous document, discussed above.

From: Diane Cable <Diane.Cable@co.eau-claire.wi.us>
Sent: 1/14/2020 3:57:26 AM
To: Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>, Hannah Keller <Hannah.Keller@co.eau-claire.wi.us>
Subject: Incident Review - P-card Incident Zer Smith
Attachments: Incident Review - P-card Incident Zer Smith.docx

Hi, Attached is a reformat of the information Vickie put together. Please let me know if you have any questions.
Thank you for all your work regarding this incident. I know this is challenging.
Diane



From: Vickie Gardner <vickie.gardner@co.eau-claire.wi.us>
Sent: 1/13/2020 8:43:27 PM
To: 'Diane Cable' <Diane.Cable@co.eau-claire.wi.us>, 'Tom Wirth' <Tom.Wirth@co.eau-claire.wi.us>, 'Hannah Keller' <Hannah.Keller@co.eau-claire.wi.us>
Subject: Credit Card Summary
Attachments: P-Card Response 1-20 - ZS.docx, ZS Pcard.xlsx

Incident

- 4/26/19 – Fiscal Associate received email from ZS indicating she would be gone when the monthly statement came
- 5/1/19 – Requested Authorizations for CVS purchases in April (Had the receipts)
- 5/1/19 – Email from ZS to Fiscal Associate indicating she was still looking for outstanding receipts/documentation for Avis/Privacy Pop/Amazon
- 5/2/19 – Fiscal Associate copied Accountant and Fiscal Mgr on request for receipts/documentation
- 5/2/19 – ZS emailed and indicated that Avis would be crediting our account
- 5/2/19 – Fiscal Associate emailed accountant that charges not verified were going to the supply account.
- 6/28/19 – Fiscal Associate sent clip of Enterprise/Holiday Inn Austin Airport charges to ZS requesting documentation
- 6/28/19 – ZS indicated the above charges would be refunded
- 8/5/19 – Fiscal Associate emailed ZS with a summary of charges missing receipts/documentation/and refunds
- 9/3/19 – Fiscal Associate emailed Accountant that she was missing receipts and documentation for purchases dating back to April for ZS
- Accountant and Fiscal Associate had a conversation (Zer may have been out of the office during this timeframe)
- 9/30/19 – Fiscal Associate emailed ZS another summary of missing items
- Fiscal Associate notified Accountant that she was still not able to account for transactions
- Accountant notified Deputy Director of the missing documentation (Fiscal Mgr. was unavailable 9/18/19 – 10/4/19)
- Deputy Director contacted Avis and verified that purchases were personal
- Deputy Director notified Fiscal Manager and Director
- ZS left employment on 10/14/19

Creator:	Diane Cable
LastModifiedBy:	Diane Cable
Revision:	6
Created:	2020-01-14T02:43:00Z
Modified:	2020-01-14T03:55:00Z
Template:	Normal
Application:	Microsoft Office Word
AppVersion:	16.0000

From: Diane Cable <Diane.Cable@co.eau-claire.wi.us>
Sent: 1/14/2020 3:57:26 AM
To: Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>, Hannah Keller <Hannah.Keller@co.eau-claire.wi.us>
Subject: Incident Review - P-card Incident Zer Smith
Attachments: Incident Review - P-card Incident Zer Smith.docx

Hi, Attached is a reformat of the information Vickie put together. Please let me know if you have any questions. Thank you for all your work regarding this incident. I know this is challenging.
Diane

Incident Review – 1/14/2020

September 2019, the Agency Accountant notified the Deputy Director that she was not able account for some transactions made by Zer Smith. The concern was brought to the attention of the Fiscal Manager and the Agency Director, who informed Human Resources and the County Administrator. An investigation initiated of the employee's utilization of her P-card. It was determined that the employee used the County P-card to make personal reservations for rental car, and hotel rooms. The employee admitted to the incident. At the same time, the Fiscal Manager continued to review all purchases made by the employee, which led to a full review of the purchases by the employee related to the SPARK program. Result of the initial investigation of the incident, led to the termination of the employee on 10/14/2019.

Incident Review – 1/14/2020

September 2019, the Agency Accountant notified the Deputy Director that she was not able account for some transactions made by Zer Smith. The concern was brought to the attention of the Fiscal Manager and the Agency Director, who informed Human Resources and the County Administrator. An investigation initiated of the employee's utilization of her P-card. It was determined that the employee used the County P-card to make personal reservations for rental car, and hotel rooms. The employee admitted to the incident. At the same time, the Fiscal Manager continued to review all purchases made by the employee, which led to a full review of the purchases by the employee related to the SPARK program. Result of the initial investigation of the incident, led to the termination of the employee on 10/14/2019.

Left Screenshot - Source: Appendix 326 - Vickie Gardner Emails - 2020 Page: 9

Right Screenshot Source: Appendix 326 - Vickie Gardner Emails - 2020 Page: 16 / Incident Review - P-Card Incident Zer Smith.docx

Upper Right Screenshot Source: Incident Review - P-Card Incident Zer Smith.docx (Word Document File Properties)

Now if one compares the left Screenshot to the right screenshot, Cable's reformat does not contain the number of bullet points in the Gardner / Keller file that date back to April of 2019. In the upper right screenshot, one can see that Diane Cable created a Word document on 1/14/20 at

2:43 am, and last modified / saved the file at 3:55 am, or about two minutes before she saved the file then attached the “reformat of information” to the email sent to Gardner and Keller.¹³⁸

At the January 14, 2020, meeting; Hannah Keller distributed printed copies of the Cable ‘reformat’ document. No one at the initial meeting was told that this was a Diane Cable created document and not a Gardner / Keller created document. Another piece of information that needs highlighting here and that the reader needs to remember is the bullet point: “SPARK program was initially funded through an Innovation Grant through DCF. Question if we need to notify DCF.” In the original word document sent by Gardner to Cable the bullet point reads: “Spark is a State Grant (Do we need to notify them?)”¹³⁹

This information and the timing of the statement is important because both Gardner and Keller in January 2020 call into question if the State of Wisconsin – Department of Children and Families – DCF need to be notified. Even after Diane Cable’s ‘reformat,’ she leaves in the sentence where the question of whether DCF needs to be notified; so clearly this question was unanswered at the time. As the reader will see in the paragraphs and screenshots that follow below, more than one person questions when the State of Wisconsin – DCF was notified. Along with that, more than one person makes statements that the State of Wisconsin *had been notified about the theft*; (past tense) when, according to DCF personnel, they were not notified until a phone call that they received on **Wednesday December 16, 2020**.

One more observation on this topic before we move on is a comment that again, the Zer Smith issues were observed in September of 2019, yet between the discovery date and January of 2020, apparently no one at DHS considered that SPARK was a grant funded program, so there may be guidelines in the grant documents, or on the DCF web site; or perhaps someone should inquire by phone or email with DCF staff if there are any theft / embezzlement reporting requirements prior to filing a criminal complaint with the Eau Claire Police Department. In the paragraphs and illustrations that follow below, we will see what guidance DCF has.

Additional Documents Provided by DHS with Unexplained Inconsistencies

One example from a Wednesday 12/4/19 email from Tammy Stelter to Vickie Gardner where Gardner had commented: “I added one line and noticed that a Walmart receipt seems to be missing. See red highlights. Otherwise, it looks good to me.”¹⁴⁰

¹³⁸ Appendix 326 - Vickie Gardner Emails - 2020 Pages: 15-19



¹³⁹ Appendix 326 - Vickie Gardner Emails - 2020 Pages: 11



¹⁴⁰ Source: Source: Intradyn Email File Name: 909a5e187a8156c0c56f72cd09e2a072




One example is shown in the screenshot below. An explanation of the column headings and data appears in the paragraphs below the illustration.

Exhibit 12 – Gift Card Illustration

<u>Visa Gift Card-Amount</u>	<u>Card #</u>	<u>Exhibit 2 Card #</u>	<u>Exhibits 17 & 26 Card Numbers:</u>
Visa Gift Card \$500 0700	700	285	221
Visa \$500 Gift Card 1056	1056	700	248
Visa Gift Card \$500 3177	3177	1160	285
Visa Gift Card \$500 3333	3333	2845	700
Visa \$500 Gift Card 3657	3657	3177	1160
Visa Gift Card \$500 3674	3674	3862	2845
Visa Gift Card \$500 3862	3862	3977	3177
Visa Gift Card \$500 3977	3977	4468	3333
Visa \$200 Gift Card 4403	4403	6216	3674
Visa \$200 Gift Card 4550	4550	8307	3862
Visa \$500 Gift Card 5023	5023	8426	3862
Visa \$200 Gift Card 5728	5728	9473	3977
Visa \$100 Gift Card 6141	6141	9856	4130
Visa Gift Card \$500 6216	6216		4468
Visa \$300 Gift Card 6735	6735		5009
Visa Gift Card \$500 7530	7530		5009
Visa Gift Card \$500 8307	8307		6171
Visa \$100 Gift Card 8813	8813		6189
Visa Gift Card \$500 9473	9473		6216
Visa Gift Card \$500 9723	9723		6304
			6896
			7664
			8094
			8266
			8307
			8426
			9402
			9473
			9773
			9781
			9799
			9807
			9956

Source: Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 12 Gift Card Numbers Illustration

Visa Gift Card-Amount: This data was obtained from the file: 2019 Budget and Incentives Inventory List Emailed to me by ECPD Det. Erl. ¹⁴¹

¹⁴¹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 16 2019 Budget and Incentives Inventory List 

Card #: This data was obtained from the file: 2019 Budget and Incentives Inventory List from Column A. ¹⁴²


Exhibit 2 Card # This data was obtained from Exhibit 2 a multicolored spreadsheet. ¹⁴³


Exhibits 17 & 26 Card Numbers: This data was obtained from a review of two envelopes of physical paper receipts received on Wednesday March 11, 2020. ¹⁴⁴


Note: The number 2845 in the “Exhibit 2 Card #” column appears on a version of the multicolored spreadsheet that was posted to the SharePoint site after the first meeting. Entries in June of 2019 which had originally been recorded as purchase made with a card ending in 0285; a duplicate number to one seen in April of 2019; were now attributed to a card ending in 2845, which does not appear on the 2019 Budget list, however there were receipts for this gift card in Exhibits 17 and 26 ¹⁴⁵


Shading: Cells that have gift card numbers shaded are ones where the gift card numbers appear on the spreadsheets from the file” 2019 Budget and Incentives Inventory List and the multicolored spreadsheet which is my exhibit 2 and in the envelopes of physical receipts, which are detailed in Exhibits 17 and 26. ¹⁴⁶

During his review of the SPARK program records, Deputy Voelker observed inconsistencies and disagreement between sets of records compiled by DHS then distributed and posted to the SharePoint site. Please refer to the screenshot illustration below.

¹⁴² Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 16 2019 Budget and Incentives Inventory List 

¹⁴³ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 2 Multi-Colored Excel Sheet 

¹⁴⁴ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 17 Hannah Envelope Receipts / Exhibit 26 2019 SPARK Transaction Envelope 

¹⁴⁵ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 12 Gift Card Numbers Illustration 


¹⁴⁶ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 12 Gift Card Numbers Illustration / Exhibit 17 Hannah Envelope Receipts / Exhibit 26 2019 SPARK Transaction Envelope 

Exhibit 12 – Gift Card Illustration

Gift Card Amount	Card #	Exhibit 2 Card #	Exhibits 17 & 26 Card Numbers:
Visa Gift Card \$500 0700	700	285	221
Visa \$500 Gift Card 1056	1056	700	248
Visa Gift Card \$500 3177	3177	1160	285
Visa Gift Card \$500 3333	3333	2845	700
Visa \$500 Gift Card 3657	3657	3177	1160
Visa Gift Card \$500 3674	3674	3862	2845
Visa Gift Card \$500 3862	3862	3977	3177
Visa Gift Card \$500 3977	3977	4468	3333
Visa \$200 Gift Card 4403	4403	6216	3674
Visa \$200 Gift Card 4550	4550	8307	3862
Visa \$500 Gift Card 5023	5023	8426	3862
Visa \$200 Gift Card 5728	5728	9473	3977
Visa \$100 Gift Card 6141	6141	9856	4130
Visa Gift Card \$500 6216	6216		4468
Visa \$300 Gift Card 6735	6735		5009
Visa Gift Card \$500 7530	7530		5009
Visa Gift Card \$500 8307	8307		6171
Visa \$100 Gift Card 8813	8813		6189
Visa Gift Card \$500 9473	9473		6216
Visa Gift Card \$500 9723	9723		6304
			6896
			7664
			8094
			8266
			8307
			8426
			9402
			9473
			9773

Card #	Date	Gift Card Amount	Verified
			2018 Allo – two cards requested in November of 2018 to use remaining 2018 funds. Email can verify: GCard #4468 - 2/22 GCard #0700 - 3/1
1	01/04/2019 (Friday)	500	Not requested/received
2	01/25/2019 (Friday)	500	Yes - Per 2019 Budget and Incentives Inventory List – Sheet 2 - (Line 163) GCard #8307 – First Purchase 2/22/19
3	03/22/2019 (Thursday)	500	Yes - Per 2019 Budget and Incentives Inventory List – Sheet 2 - (Line 173) GCard #3977 – First Purchase 3/22/19
4	04/12/2019 (Friday)	500	Yes – Per email (Vickie?) GCard #0285
5		500	Not requested/received
6	04/15/2019 (Monday)	500	Not requested/received
7	04/19/2019 (Friday)	500	Not requested/received
8	04/22/2019 (Monday)	500	Not requested/received
9	04/27/2019 (Saturday)	500	Not requested/received
10	05/02/2019 (Thursday)	500	Yes – GCard #3177 - 1 st Purchase made 5/3 – See document titled “SPARK 2019 Budget”
11	05/12/2019 (Sunday)	500	Not requested/received
12	05/26/2019 (Sunday)	500	Not requested/received
13	05/28/2019 (Tuesday)	500	Yes – Per 2019 Budget and Incentives Inventory List – Sheet 2 - (Line 180) GCard #6216

Note:
Exhibit 3 –
Highlighted Excel
Spreadsheet does
NOT List Any Gift
Cards Purchased
for Less Than \$500

Exhibit 16 – 2019
Budget &
Incentives
Inventory List
DOES List Gift
Cards Purchased
for Less than \$500

Visa Card	5/7/2018	205.44	\$200 Visa gift card for purchases
Feed My People	5/14/2018	15.44	Feed My People #58831
Feed My People	5/27/2018	63.83	Feed My People #58800
Visa Card	5/29/2018	208.85	\$200 Visa gift card for purchases
Visa Card	5/29/2018	\$105.85	\$100 Visa gift card for purchases


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Sources: **RIGHT:** Exhibit 3 Highlighted Excel Sheet / **LEFT:** Exhibit 12 Gift Card Numbers Illustration / **BOTTOM:** Exhibit 16 2019 Budget and Incentives Inventory List

As you can see from the red text along the right side of the illustration, Exhibit 3, which is in the upper right side **DOES NOT** list any purchased SPARK gift cards that had a purchased value or ‘stored value’ for less than \$500. Along the bottom of this illustration, Exhibit 16 – 2019 Budget and Incentives Inventory List **DOES LIST** gift cards that had a purchased value or stored value for less than \$500. Remember that the DHS employee used their County issued P-Card to purchase the gift cards, which were apparently stored at the workspace of Zer Smith, then were provided to the SPARK program employees.¹⁴⁷

Internal Authorization Form Issues

As part of Deputy Voelker’s parallel assignment he found the reuse of and unsigned and undated requisition forms. The regular reuse of this form should have been recognized and questioned by DHS Fiscal staff even during their “high level” reviews of Zer Smith’s work. The Interim and Final Reports note the last reuse of this form: This CVS Pharmacy receipt is

¹⁴⁷ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 3 Highlighted Excel Sheet / Exhibit 12 Gift Card Numbers Illustration / Exhibit 16 2019 Budget and Incentives Inventory List 


accompanied by the 10/18/19 Administrative Requisition Form.¹⁴⁸ The handwritten date referred to above 7/15/19 is eight months twenty-seven days after Thursday 10/18/19.¹⁴⁹


8421 NW PR
PHARMACY:
REG#04 TRN#343 CSHR#1709691 STR#56...
Helped by: CHEYENNE
1 ONE VANILLA VBC EACH 500.00N
1 5.95 ACTIVTN FEE 595 5.95N
2 ITEMS
Survey ID #
2367 2354 7756 346 29
TOTAL 595.95
CHARGE 595.95
*****159 04
VISA CREDIT *****1195
APPROVED: 008194
REF# 043436
TRAN TYPE: SALE
AID: A00000003101001
TO: 2502844734FMH07
TERMINAL: 87132248
NO SIGNATURE REQUIRED
CIN: 602000
TVK95: 0080008000
TSX98: 6800
CHARGE .00
CARD \$500.00*****0547 - ACTIVATED
3606 6938 3424 3430 40
Returns with receipt, subject to
CVS Return Policy, thru 02/06/2019
Refund amount is based on price
after all coupons and discounts.
Activated prepaid cards are non refundable
DECEMBER 8, 2018 7:49 PM
GET YOUR CVS EXTRACARE CARD

Illustration – From Exhibit 9 Page 38

Source: Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 9 2018 SPARK Gift Cards Page: 38

In the SharePoint files - December 2018 P-Card transactions PDF file, Deputy Voelker located another reuse of the Administrative Requisition Form dated Thursday 10/18/18. In the scanned documents this requisition accompanies a receipt for one gift card purchase at a CVS store that, based on the receipts, occurs on 12/8/18 at 7:49 pm. This is a questioned transaction in that the purchase date is a Saturday, the purchase occurs in the evening and the location of the store is missing from the copy that Deputy Voelker received. A partial address appears in the upper left corner of the document, “8421 NW Pr.” On the receipt, a partial store number “5” can be seen. Using publicly available search tools, Deputy Voelker conducted research on this

¹⁴⁸ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 Page: 50 / SharePoint File: 2019 p-Card Transactions July File: Zer 1 of 2.PDF Pages 1-2 

¹⁴⁹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 Page: 50 / Exhibit 30 Administrative Requisition Form 10-18-18 


address which appeared to correspond to a CVS store and pharmacy at 842 NW Prairies View Rod, Kansas City, Missouri. This location is 492 miles, or seven hours, thirty-seven minutes' drive from the Eau Claire County Courthouse.” ¹⁵⁰


Deputy Voelker conducted additional research regarding this purchase and confirmed the receipt corresponded with a purchase at a CVS Pharmacy near the Kansas City International Airport. Based on the details of this event, this transaction would need additional research, verification, and explanation by someone within DHS to ensure that it was authorized, which to date we have been unable to speak with anyone within DHS. ¹⁵¹

To help the reader follow an additional concern why additional transaction verification and explanation is needed, regarding this transaction, consider that on October 15, 2020, Zer Smith, accompanied by her Attorney, Harry Hertel met with Detectives Erl, Greener, Deputy Voelker and provided about a two-hour interview. ¹⁵²

During that Interview, Smith agreed to provide detectives with printed information from her personal Hotels.com account where she made room reservations for DHS staff that were paid for by means of her Eau Claire County issued P-Card. The arrangement would have provided Smith with an accrued benefit that she could later use for her personal travel for the hotel stays of DHS employees paid for by Eau Claire County.

On 12/9/20, Detectives Greener and Deputy Voelker met briefly with Attorney Hertel and received an accordion folder with 364 pages of paper records which were printed from Zer Smith's Hotels.com account. Deputy Voelker reviewed the materials and compiled two Excel worksheets, one where sixty room reservations, associated purchase and transaction information totaling \$20,191.77 related to DHS employees; and another where twenty room reservations, associated purchase and transaction information totaling \$1,904.87 related to Zer Smith personally. ¹⁵³ The review of the Hotels.com records, specifically referring the reader to the “Zer Smith Hotels.com” Excel worksheet; one can see that Zer Smith made a reservation at the “Residence Inn by Marriot – Kansas City – Independence; located at 3700 Arrowhead Avenue, Independence, Missouri with a check in date of Saturday December 8, 2018, and a check out date of Sunday December 9, 2018. There were 2 adults and 2 children who stayed in a “Suite” room and that a Hotels.com “Rewards Night” benefit was applied to offset the cost of the reservation.

¹⁵⁰ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 Pages: 33-35 / Exhibit 4 Credit Card Numbers / Exhibit 9 2018 SPARK Gift Cards Pages: 38-39 

¹⁵¹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 Pages: 33-35 / Exhibit 4 Credit Card Numbers / Exhibit 9 2018 SPARK Gift Cards Pages: 38-39 

¹⁵² Spillman Dictation 110; Audio File Zer Smith Interview 10-15-20, Video Files: Zer Smith Parts one through five

¹⁵³ Source: 20SO08207 - Excel Workbook: Hotels.com Excel Worksheet / Zer Smith Hotels.com Worksheet

This Residence Inn by Marriott is 28.4 miles or an estimated drive time of between 39 and 43 minutes from the CVS Pharmacy where a gift card was purchased as though it were being used for the SPARK program, and the purchase was made with an Eau Claire County issued P-Card ending in numbers “1199.”¹⁵⁴ Again, this card number also appears on the list of Eau Claire County issued P-Cards issued to Zer Smith that were closed due to reported ‘Fraud’ activity.¹⁵⁵

About two weeks into his engagement, Deputy Voelker had a conversation with Frank Draxler during which Draxler told Voelker that the decision had been made to broaden the scope of work from a review of the SPARK Program to now include a detailed review of all programs at the Eau Claire County Department of Human Services.


To begin that process, Deputy Voelker reviewed the additional DHS program records that were unrelated to the SPARK but were comingled in the SPARK Program materials which had been uploaded to the secure SharePoint folder. Because of the now broader scope of work, Voelker’s observations and opinions formulated from the now expanded review of all materials posted to the SharePoint site, became part of both the interim and final reports that were provided to Frank Draxler.

Deputy Voelker in his review DHS program approval and authorization forms encountered occasions where “Post It” note style documents covered areas of the scanned pages, so that if the original documents were discarded after the documents were scanned, there would be no way to review or audit the data that was covered by the “Post It” notes. Deputy Voelker encountered several authorization forms that contained an undated, unsigned notation that there was a change in the “Ship to” information for the purchase.¹⁵⁶

Deputy Voelker is aware that unsigned, undated changes in “Ship to” information for a purchase as is described in the paragraph above need additional investigation, explanation and documentation and may be an indication of the potential unauthorized and / or criminal activity; or at least provide an environment where fraud could occur as the reader recalls from page 3 at the beginning of this summary report.¹⁵⁷

¹⁵⁴ Sources: 20SO08207 - Excel Workbook: Hotels.com Excel Worksheet / Zer Smith Hotels.com Worksheet / Appendix 229 - Hotels.com Invoices Received 12-9-20 / Appendix BS - FOIA Response Voelker Interim Report with

Exhibits 082620 / Interim Report Pages: 33-35 

¹⁵⁵ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Page: 34 / Exhibit 4 Credit Card Numbers 

¹⁵⁶ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 64-67 

¹⁵⁷ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 8-10 

<u>DHS Form Name</u>	<u>Number Reviewed</u>	<u>Side Notes</u>	<u>Frequency - Percent of "Side Notes"</u>
"Dollar Claim"	216	92	42.50%
Administrative Requisition	106	8	7.70%
"TPA" - "CLTS" Form	340	197	57.94%
<u>Total Number Reviewed</u>	662	297	44.86%

Illustration – Summary of DHS Forms Reviewed

Please refer to the screenshot above as it relates to the three primary DHS purchase forms that were posted to SharePoint for Deputy Voelker’s review.¹⁵⁸

Dollar Claim Form

With this form, Deputy Voelker encountered two hundred sixteen “Dollar Claim” forms. Of the two hundred sixteen, ninety-two or 42.5% contained “side notes.” There were occasions where “Post It” notes covered areas of the scanned pages, so if the original documents were discarded after the documents are scanned, there would be no way to review or audit the data that was covered by the “Post It” notes.¹⁵⁹

Administrative Requisition Form

With this form, Deputy Voelker encountered one hundred six Administrative Requisition forms. These were the most frequently encountered form as it related to the SPARK Program. Of the one hundred six, eight or 7.70% contained “Side Notes.” However, as you recall from the paragraphs above, there were a myriad of use and operational issues with this form. The Administrative Requisition form was the most frequently encountered DHS / SPARK Program form missing dates, and as noted in the paragraphs above, the form encountered in several occurrences where a “completed” form was being used over eight months after the original

¹⁵⁸ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 65-68

¹⁵⁹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 65-68

document date. In addition, there were several times there the scanned requisition form was not dated by the Authorizing Unit Manager. ¹⁶⁰

TPA / CLTS Form

With this form, Deputy Voelker encountered three hundred forty “TPA” or “CLTS” forms. Based on appearances these appear to contain the same or similar processes, such that one set of forms may be an older or newer version that employees are still using. Of the three hundred forty, one hundred ninety-seven, or 57.94% contained ‘side notes.’ With transactions involving this form, there were out of focus pictures of receipts that accompanied transactions. “White out” tape covering “side notes,” with another undated, unsigned note written by the white out tape. ¹⁶¹

Side Notes

A total of six-hundred sixty-two forms were reviewed, and two-hundred ninety-seven or 44.86% contained “side notes.

A “Side note” are handwritten notation made literally on the sides of the form, not in any designated area, or the “side notes” were sometimes several pages into the set of scanned pages for the specific transaction.

Additionally, there were many occasions where the ‘side note’ had a specified or designated area where the information should have been written to provide organization, structure, and continuity to the document, as well as providing at least some semblance of an audit trail.

Regarding the TPA Authorization form highlighted above, consistently “Side Notes” on those pages contained a note “Auth” followed by a number, when the document provides a designated area for that information to be recorded. Also includes in this “Side Notes” was an apparent notation as to what credit card number was use for the transaction, approval or confirmation numbers and other information that would be needed or necessary for a complete review or audit.”

Most of the “Side Notes” were undated and unsigned or initialed, so any reviewer or auditor would either need to have firsthand information about the specific transaction in order to do their work; or be familiar with each employee’s handwriting, or would need to ask each person involved in the transaction who wrote what note and at what point in the requisition / approval / purchase and purchase review – audit process that occurred in order to successfully and completely reconcile the transaction.

¹⁶⁰ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 65-68 

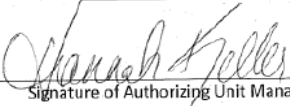
¹⁶¹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 65-68 

If these forms are outdated, then they need to be reviewed and updated. Double side use and copying of any paper form would permit the addition of needed fields for areas like transaction changes / comments / review approval / purchasing / processing / audit trail / final approval.¹⁶²

March 2018

In the 2018 March P-Card transactions PDF files, I located I located an Administrative Requisition Form dated Tuesday 3/13/18 where the reason for the purchase states "Two weekly incentives." The form vendors listed are "Fuji / Micon / AMC." The is accompanied by a receipt for a \$100 purchase at Altoona Family Restaurant dated Thursday 3/15/18 at 13:18 hours or 1:18 Pm. Of note is that while the form is top left dated 3/13/18 and is signed by Hannah Keller, the date line by the signature is blank.³¹

☒ Other (Specify & Obtain Account # from Tammy Stelter in Fiscal if unknown):
205-52-55017-672-385


Signature of Authorizing Unit Manager

Date

**** ATTACH SUPPORTING DOCUMENTS ****

Illustration – From 2018 P-Card Transactions File: Zer March 2018 Pages: 3-4

Deputy Voelker reviewed an Excel file "Copy of SPARK 2019 Budget" which did not contain any budget or planning information for 2019, only the apparent SPARK Program expense information for just ten months of the year. Deputy Voelker noted that from the files posted by DHS staff to the SharePoint site, none of the provided files contained a budget for the SPARK Program in either 2018 or 2019.¹⁶³

¹⁶² Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 67-68 

¹⁶³ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 16 / 71-72



The screenshot below is the designated “For fiscal Use Only” section from a random “Completed” TPA / CLTS purchase authorization form. These forms are not used for the SPARK Program. Of the 340 TPA / CLTS forms reviewed, **100%** of the forms where there should have been initials of someone in the DHS Fiscal department were found to be blank. ¹⁶⁴

FISCAL USE ONLY		
Auth#	Utilization Keyed:	Initials:
Acct#	205-54-50112-850-504	Vendor#

Illustration – Sample of Random “Completed” “TPA Authorization Form

Additional supporting documentation, combined with explanation by DHS staff would be needed to ensure no additional fraud was occurring related to the issues discussed in this section. To date the individuals who would be able to supply that information have declined to meet with us.

Staff Personal Use of SPARK Funds& Unspent Card Value

Deputy Voelker reviewed a quantity of Microsoft Excel files that DHS refers to as “Mileage” forms which are a template Excel spreadsheet file used by DHS staff to report and record employee incurred expenses which the employee is submitting for reimbursement. Deputy Voelker noted in his Interim and Final reports that these records were not initially provided for his internal controls review. Voelker observed that his review of the template Excel “Mileage” workbook files shows that they contain several individual tabbed Excel worksheets within the overall file; some of the worksheets with assigned names: Mileage – Extra Page (2), Expenses, Expenses – Extra Page Receipts, FISCAL USE. ¹⁶⁵

Deputy Voelker noted that the “Receipts” Excel worksheets contained one or more images of business receipts which corresponded to the employee incurred expense and requested reimbursement. Some of the images were not in focus. The completed “Mileage” form is then routed via an email attachment for approval, processing, and subsequent payment to the employee. Deputy Voelker noted that the Excel workbooks sent via email were unsecure, so that anyone in the process could alter the data within the worksheets; so that the only way to ensure the information was correct in an audit / internal control review would be to view each receipt

¹⁶⁴ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 66-67 

¹⁶⁵ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 13-14 / 71-77



image, which may or may not be in focus and compare that to the data. The SPARK program reports included screenshots with detailed instructions on how DHS staff could protect these Excel “Mileage” worksheets and their data. ¹⁶⁶

Deputy Voelker reviewed an email with an Excel “Mileage” form attachment dated 4/15/19 which was sent by SPARK Program employee Manda Young to DHS Fiscal employee Hannah Keller. Within this “Mileage” form attachment, the “Receipts” worksheet contained an image of the top of a receipt dated 3/27/18 from “The Mocha Mouse LLC,” in Black River Falls, Wisconsin. The image of this receipt contained no notations, writings, or marks. ¹⁶⁷

DHS later provided a quantity of physical paper receipts for review; among them being the receipt for this purchase. Once reviewed, Deputy Voelker saw that it contained a handwritten notation “Personal” across the top of the receipt, which was not present on, or in the image of the receipt contained on the original 4/15/19 emailed Excel “Receipts” worksheet.


A further review of additional physical paper receipts showed several other instances of handwritten notations such as: “Personal,” “Personal – SPARK GC Used?” at: “The Keg” in Wisconsin Dells, “Culvers” in Black River Falls, “Kalahari Resorts and Conventions” in Wisconsin Dells, “Ivory Coast” in Wisconsin Dells, and the “Mac and Cheese Shop” in Wisconsin Dells. ¹⁶⁸

On Thursday March 26, 2020, Deputy Voelker conducted a video meeting interview of DHS Fiscal Staff Vickie Gardner and Hannah Keller. This video conference meeting was also attended virtually by Diane Cable and in person in the same meeting room with Deputy Voelker by, Kathryn Schauf, Tim Sullivan, Norb Kirk and Frank Draxler, and Eau Claire Police Detective Olivia Erl.


Vickie Gardner and Hannah Keller were asked about the Mocha Mouse LLC and the other receipts that had the handwritten notations placed on them. The SPARK Program Interim and Final reports note that Keller said that she didn’t know why that was, with Keller adding that if it was marked ‘personal,’ that she assumed that it was personal, adding, “I don’t have an answer.” ¹⁶⁹

¹⁶⁶ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 71-75 

¹⁶⁷ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 73-75 /

Exhibit 20 Personal Receipt Scan / Exhibit 21 2019 Receipts / Exhibit 22 2019 Receipts 

¹⁶⁸ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 73-75 /

Exhibit 20 Personal Receipt Scan / Exhibit 21 2019 Receipts / Exhibit 22 2019 Receipts 

¹⁶⁹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Pages: 77-83 

Next, let's review Exhibit 28 Copy of SPARK Expenses – 19 which came from an email that Vickie Gardner sent to Tammy Stelter on Wednesday 12/4/19 at 942 pm. ¹⁷⁰The body of Gardner's email to Stelter reads, "Attached is the spark expenses related to the gift cards purchased. I have left the receipts on your chair. Will you verify my information? Could you also check the totals, etc."

The timing of this email is twelve days after Vickie Gardner emailed Hannah Keller on November 20, 2019, "Have you had a chance to get all of the Spark gift card receipts together? I would like to get them reconciled as soon as possible." So, with the timing of this email now from DHS Fiscal Manager Vickie Gardner to Tammy Stelter twelve days after November 20, 2019, this would allow time for DHS fiscal staff to have gathered all the SPARK program gift cards and receipts.

The timing of this email is also noteworthy when one considers that this email is 1 month, 2 weeks, 4 days, or 49 days after October 14, 2019, which is the date that Zer Smith was terminated, so again, any DHS Fiscal quantification of loss should have been completed by October 14, 2019, when Zer Smith agreed to a repayment / restitution amount. Additionally, any "spark expenses related to the gift cards purchased" should have been reasonably up to date, considering that that DHS staff had assembled what should have been accurate financial statements as part of the August 2019 SPARK program mid-term report to the State of Wisconsin.

This Gardner to Stelter email contains an Excel worksheet titled: Spark Expenses - 19.xlsx. The attachment to this email: Spark Expenses - 19.xlsx is a single page Excel worksheet which lists three four-digit numbers 8307, 4468 and 700, but only some transaction detail information for card numbers 8307 and 4468. The eight transactions listed under card 8307 date from 2/5/19 to 2/22/19 or a period of 17 days which total \$300.57. The twenty-two transactions listed under card number 4468 date from 2/22/19 to 6/10/19 for a period of 3 months, 2 weeks, 5 days, or 108 days which total \$691.31. The thirty transactions on this worksheet totals \$991.88.

When one reviews the Excel worksheet Spark Expenses - 19.xlsx for card number 4468 there are eleven transactions, or 36.6% of the thirty listed where Vickie Gardner placed one or more: then up to seven question marks by several the transactions.

¹⁷⁰ Appendix 326 - Vickie Gardner Emails - 2019 Pages: 159-167



	3/13/2019 USPS	???	\$ 16.29
	3/27/2019 Mocha House	????	\$ 8.65
	4/9/2019 Tobacco Outlet	Gift Cards/Split payment with #3977	\$ 35.57
	4/9/2019 Festival Foods		\$ 6.00
	4/22/2019 Draganetti's	Robert's BD	\$ 40.00
	4/23/2019 Craving Canvas		\$ 48.50
	4/28/2019 Culvers	Personal/Spark GC used?????	\$ 5.37
	4/28/2019 The Keg	??????	\$ 20.04
	4/29/2019 Kalahari Resorts	???????/Personal	\$ 11.48
	4/30/2019 Kalahari Resorts	????? Personal	\$ 10.68
	5/1/2019 Woodman's		\$ 47.08
	5/6/2019 Macaroni???	Personal/Spark GC used?????	\$ 9.59
	5/7/2019 Kalahari Resorts	Personal/Spark GC used?????	\$ 8.54
	5/24/2019 Culvers	Split with #3177	\$ 29.64
	5/28/2019 Walmart		\$ 17.76
	5/28/2019 Sam's Club		\$ 162.12
	6/14/2019 Wagner's Lanes	?????	\$ 6.28
	6/10/2019 Walmart		\$ 100.55
	Card Total		\$ 696.52
700	3/1/2019 Grand Ave Café	?????	\$ 21.55
	3/1/2019 Walmart		\$ 9.36
	3/1/2019 Dollar Tree		\$ 1.06
	3/1/2019 Sam's Club		\$ 70.44
	3/5/2019 Festival		\$ 9.54
	3/5/2019 EC County Humane Association	??????	\$ 50.00
	3/11/2019 Walmart		\$ 38.57
	3/12/2019 Kwik Trip	Gift Cards	\$ 100.00
	3/18/2019 Festival		\$ 40.55
	3/22/2019 Wagner's Lanes		\$ 26.68
	3/21/2019 Festival		\$ 6.00
	4/2/2019 Kwik Trip	Gift Cards/Split payment with #3977	\$ 80.74
	Card Total		\$ 454.49

Five or **16%** of the thirty transactions listed on this page alone have the notation “Personal” or “Personal/Spark GC used.” As the reader may recall, when I asked Vickie Gardner and Hannah Keller about these SPARK Program receipts clearly marked “personal” they had no answer or plausible explanation.

The reader is no doubt aware that to create a question mark is a two-step process; one needs to hold down the ‘shift’ key, then depress the “/” key to create a single question mark. **It is noteworthy that there are a total of fifty-eight question marks on this one page alone** that were placed on the page by the DHS Fiscal Manager Vickie Gardner; so, it is evident to me that along with the “Personal” notations; both of which appear in their own separate excel column and rows created by Vickie Gardner that she wanted to call attention to these transactions; and it is apparent that at least at the time that she created the document; she did not have information that the transactions were appropriate SPARK Program expenditures.

9473	2/19/2019	Dollar Tree	\$ 2.11	??? Receipts has 3862
	2/21/2019	Woodman's	\$ 1.15	
		Card Total	\$	3.26
9723	2/21/2019	Woodmans Split with #8307 & 9473	\$ 5.64	
		Card Total	\$	5.64
				ONE DAY Difference \$991.10

Next let's look at the screenshot above. On the left side you see the numbers 9473 and 9723 which refer to the last four numbers of the gift card used to make the purchase. Now if you look at the Exhibit 12 Gift Card Numbers Illustration at the bottom of the "Card #" column the reader can see that according to the DHS records, these two gift cards had a purchased value or "stored value" of \$500 each. For card # 9473 the 2/19/19 purchase at Dollar Tree has an apparent issue as the receipt has number 3862 on it, (another \$500 card) which is a gift card purchased for the SPARK program; so, it is curious how on this spreadsheet this gets attributed to card 9473.

Note that with these two gift cards, DHS reports that they have documentation to support purchases of \$3.26 and \$5.64 on two cards that each had \$500 in stored value at the time that they were purchased, so after 2/21/19 there is \$991.10 in stored value that is not accounted for or supported by purchase receipts that meet a basic internal control framework. It also worth drawing your attention to this example covers only a two-day timeframe!

Next, the reader should consider that Gardner details in a later email that she was meeting with "Tom," likely the then DHS Deputy Director Tom Wirth on Friday, December 6, 2019, "to go over everything;" so it is likely that Tom Wirth saw or was made aware of Gardner's questioned transactions and the "Personal" uses of the SPARK Program gift cards detailed in the Spark Expenses - 19.xlsx worksheet.

A note for the reader, that in the illustration above, the red text "One day Difference \$991.10" has been added on the illustration above which taken from the PowerPoint presentation shown to Kathryn Schauf and Norb Kirk on Tuesday, August 17, 2021. It is also worth mentioning at this point that at the conclusion of the SPARK Program review presentation and

the ECSO Case update presentation which encompassed about five and a half hours, Schauf told the group that we should “get a search warrant” to obtain any additional information from Eau Claire County. Absent the opportunity to tell Detective Greener and Deputy Voelker otherwise, this appears to be what DHS Administration and Fiscal staff meant and mean when they speak of a “high level” review of transactions.

Summarizing what I was able to determine from the data in this Gardner to Stelter email, there is \$1,721.17 in stored value that cannot be accounted for or supported with receipts. Based on my review, only 14% of the cards listed had a zero balance that was supported by receipts.

With that being said, the envelopes of physical receipts did contain a few physical gift cards that were turned in. When I completed my reports, I did not research the cards to determine which contained stored value, and what if any, value remained. To accomplish this process, it would have involved physically swiping the cards in a card reader or another process that was not available to me. ECPD Detective Erl may have completed that task as part of her attempt to quantify or support the DHS reported loss. These two envelopes of physical receipts and gift cards were not reviewed as part to this ECSO investigation.

With these notations clearly Vickie Gardner questioned the purchase transactions such as “The Keg,” “Mocha Mouse,” “Kalahari Resorts,” and “Macaroni.” When I met with DHS staff in January of 2020, I was not told that they were involved in a review or audit of these or any transactions where I could have considered that information as part of my work to evaluate their internal controls.

10/28/2019	Festival		\$ 57.91
11/1/2019	Cancun Mexican Restaurant		\$ 75.36
11/4/2019	Walmart		\$ 52.42
10/26/2019	Michaels	?????	\$ 13.29
10/18/2019	Walmart		\$ 23.21
11/5/2019	Little Caesars		\$ 19.37
Card Total			\$ 367.93
9956	8/26/2019 Walmart	Split payment with #1160	\$ 59.07
	8/23/2019 Little Caesars		\$ 24.93
	8/27/2019 Dell's Jet Boat Adventure		\$ 144.11
	8/28/2019 Festival		\$ 37.22
	8/19/2019 Walmart		\$ 46.97
	8/26/2019 Sam's Club		\$ 18.20
	8/23/2019 EC Parks, Rec and Forestry		\$ 22.50
	9/9/2019 Sam's Club		\$ 42.02
	9/9/2019 Dollar Tree		\$ 4.22
	9/9/2019 Walmart		\$ 29.32
	9/10/2019 EC County Humane Assoc	???	\$ 30.00
	9/16/2019 Ramone's		\$ 16.12
	9/26/2019 Culver's		\$ 20.01
	10/7/2019 Walmart	Split payment with #8426	\$ 5.31
Card Total			\$ 500.00

Two (2) Of the 14 Gift Cards Listed In Appendices BS / BT - Exhibit 28 Appear to Have all their Purchased Value Supported by Receipts or: 14% of Total

Document Author: Vickie Gardner

Source: Email Tammy Stelter to Vickie Gardner Dated Wednesday 12/4/19

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Next, the reader can consider that based on the information contained in this document sent on 12/4/19 with the notation in red text placed on the slide by Deputy Voelker, that only two of the fourteen, or **14% of the cards listed have a confirmed (\$0.00) zero balance.** This is PowerPoint slide #110 from the presentation shown to Administrator Kathryn Schauf and Finance Director Norb Kirk.¹⁷¹

Clearly, there are several transactions that even the DHS Fiscal Manager, Vickie Gardner, had questions about; which appear to have been brought to the attention of DHS administration; though I have no information as to what follow up was done; nor how these transaction questions / issues were resolved, if at all. It seems apparent that there should have been a complete audit of the SPARK Program finances, and all P-Cards issued to Zer Smith.

Inability to Account for Actual Zer Smith Loss

Deputy Voelker reviewed an email tree that started with an email sent by Tim Sullivan on Wednesday August 12, 2020, at 7:47 am, to ECPD Detective Olivia Erl with body reading: "Olivia Based on your investigation what amount did you determine was stolen by Ze Smith? I

¹⁷¹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 28 Copy of SPARK Expenses

am asking because she is due in court today for her initial appearance and we want to be prepared for questions from the press and from county board members. Thanks Tim. This email chain was initiated by Tim Sullivan on Tuesday August 11, 2020, when he wrote to ECPD Detective Olivia Erl, “Based on your investigation what did you determine was stolen by Zer Smith? I am asking because she is due in court today for her initial appearance and we want to be prepared for questions form the press and from county board members.”

Date: Wednesday August 12, 2020

Time: 8:58 am

TO: Diane Cable Appendix ay - Eau Claire County Emails TO Diane Cable_001_of 003

From: Kathryn Schauf

Subject Line: FW: Zer Smith

File Name: 68a950eb4449a485cff63dee4bf71bd7.eml

Summary: This email chain starts with an email from Tim Sullivan to ECPD Detective Olivia Erl.

From: Tim Sullivan

Sent: Tuesday, August 11, 2020 7:47 AM

To: Olivia Erl

Subject: Zer Smith

Olivia,

Based on your investigation what amount did you determine was stolen by Zer Smith?

I am asking because she is due in court today for her initial appearance and we want to be prepared for questions from the press and from county board members

Thanks

Tim.

Note: Detective Erl responds to Sullivan with the following email:

From: Olivia Erl

Sent: Tuesday, August 11, 2020 8:07 AM

To: Tim Sullivan

Subject: RE: Zer Smith

Tim,

It's very difficult to pinpoint a precise amount due to discrepancies in record keeping. What I did determine was that Smith had purchased a total of 43 (\$500 each) gift cards for the SPARK

program, and I was able to confirm through SPARK records that they appeared to have received 22 of these gift cards. I was able to substantiate through gift card receipts that Smith had used 4 (\$500) gift cards for her personal use. However, this would still leave a discrepancy of 17 (\$500) gift cards that were unaccounted for.

Breakdown:

43 gift cards purchased by Smith for SPARK program (totaling \$21,500-does not include activation fees)

22 gift cards received by SPARK program, according to their records (totaling \$11,000-does not include activation fees)

4 gift cards where there is evidence to support Smith used for her personal use (totaling \$2,000-does not include activation fees)

17 gift cards that were unaccounted for (totaling \$8,500-does not include activation fees)

You can also reach out to the DA's Office to obtain a copy of the criminal complaint if they have not provided you with one yet. I believe the DA's Office has modified the various charges for Smith to include fraudulent writings (forgery) due to the email changes and some other things after reviewing my full report.

Please let me know if you have any other questions.

Thanks,
Olivia¹⁷²

Note that Detective Erl's reply was in part that "4 gift cards were (*sic*) there is evidence to support Smith used for her personal use (totaling \$2,000-does not include activation fees) 17 gift cards that were unaccounted for (totaling \$8,500-does not include activation fees.)"¹⁷³

Additionally, the reader should question why the attorney for Eau Claire County should have to ask the investigating law enforcement agency for the reported theft figure that should have been determined by DHS staff between the DHS reported initial theft discovery date of August 2019 and Zer Smith's termination date of October 14, 2019.

Using an example case of a bank robbery; it is not the job or responsibility law enforcement to conduct an audit or inventory of the vault contents to determine how much money was taken by the robbers. But that is essentially what happened in this case. As noted in this investigative summary and Deputy Voelker's SPARK Program reports, there was disagreement and

¹⁷² Appendix ay - Eau Claire County Emails TO Diane Cable_001_of 003 / File Name:

68a950eb4449a485cff63dee4bf71bd7.eml



¹⁷³ Appendix ay - Eau Claire County Emails TO Diane Cable_001_of 003 / File Name:

68a950eb4449a485cff63dee4bf71bd7.eml



inconsistencies between the documents prepared by DHS, distributed by DHS and the information that the documents should have been supported by.

In the timeline of events, the day after Zer Smith makes her initial appearance in Eau Claire County Circuit Court;¹⁷⁴ followed by the Kathryn Schauf press release.¹⁷⁵ On Wednesday, August 12, 2020, Hannah Keller, who oversaw the SPARK program for DHS sends Vickie Gardner the following email:

“Ultimately, I guess I am not surprised that ECPD’s investigation and ours is different. We are not law enforcement and likely had a different burden of proof – AKA we made reasonable assumptions or process of elimination. I can imagine they need facts, proof, and evidence. Hannah.”¹⁷⁶

Editing of Interim and Final Reports by Frank Draxler & Statements by Kathryn Schauf Re: Reports

During the SPARK Program review, Frank Draxler requested scheduled, regular updates on the status of the work and the two reports. While preparing the ‘interim’ report Voelker updated Draxler, summarizing the work that had been completed to that date. Voelker told Draxler that the status of the interim report placed it at about 125 pages with a host of screenshots and illustrations that highlighted the issues that he was observing. Draxler expressed his serious concerns about the length of the report and hoped that it could be more condensed. Deputy Voelker told Draxler that he would attempt to condense the Interim report to a version that would be about 100 pages long. Voelker removed many of the screenshots and illustrations and then provided Draxler with the roughly 100 pages with exhibits “Interim Report” at the agreed upon date. The “Interim Report” provided to Draxler included several Exhibit items as well.¹⁷⁷

The discussions Voelker had with Draxler during these update calls again revolved around the length of the report and some layout and formatting concerns that Draxler had that included his comments during more than one call that no one would be reading past about the first ten pages of any reports. At Draxler’s request, Voelker placed some summary and finding paragraphs at the beginning of the report; then re-formatted the reports to address Draxler’s comments and concerns. Voelker edited the several versions of the “Final Report,” removing more illustrations and wordsmithing sections of the report to condense the report to few pages,

¹⁷⁴ <https://wcca.wicourts.gov/caseDetail.html?caseNo=2020CF001022&countyNo=18&index=0&mode=details>

¹⁷⁵ Eau Claire County - News Release_August11.pdf

¹⁷⁶ Vickie Gardner Emails 2020

¹⁷⁷ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / EC County Interim DHS Report Final

while still maintaining the essence of the considerable number of problems, issues and concerns that were discovered, observed, and documented in the report.¹⁷⁸

If one has developed the opinion that the goal of the SPARK Program review reports was to find issues and errors and then ‘make a lot of noise’ about it in the report, that is certainly not the case. The reader is encouraged to read the entirety of both reports, as each transaction is reviewed and assessed separately. There were several occasions where approval forms appear to have been prepared and approved prior to the purchase or transaction date, so following what would be generally considered an appropriate transaction process with ‘internal controls.’¹⁷⁹ ¹⁸⁰ One way to view the inconsistencies identified would be, ‘they know the right way do things, and have done it in the past and present, they just choose not to do it consistently.’

Once they were obtained and reviewed it is important for the reader to see a series of emails exchanged after the Midterm and Final reports were received by Eau Claire County Administration. To begin, this is an email from:

Norb Kirk to Kathryn Schauf on Wednesday, May 6, 2020, at 10:40 am:

"Kathryn,


We touched a little on the topic yesterday, but one of Mike's recommendations is to have DHS fiscal to be under the control of Finance. I'm not sure what your thoughts are on this, but we need to talk about that one specifically before we review any document with DHS.

In particular, Mike's recommendation is:

“Policies and procedures should be developed and put in place that assign and designate ultimate responsibility and control of DHS fiscal activities and accountability to the Eau Claire County Finance Department.”

“Let me know when you have a moment to discuss. Thanks Norb”¹⁸¹

Email from Kathryn Schauf to Norb Kirk on Wednesday May 6, 2020, at 3:49 pm:

¹⁷⁸ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / EC County Interim DHS Report Final / With Thirty-one (31) Exhibits / Appendix BT - FOIA Response Voelker Final Report with Exhibits / EC County DHS Report DRAFT Final 4-17-20 / EC County DHS Report DRAFT Final 4-27-20 / EC County DHS Report DRAFT Final / EC County DHS Report Final / With Thirty-one (31) Exhibits 

¹⁷⁹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 

¹⁸⁰ Appendix BT - FOIA Response Voelker Final Report with Exhibits 

¹⁸¹ Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 37 

“I do not believe Mike is qualified to make that assessment. I also believe we need to roll back what it is we hope to achieve – that is running to an answer, without defining the problem appropriately.” ¹⁸²

Email from Kathryn Schauf to Norb Kirk on Wednesday May 6, 2020, at 4:41 pm:

“I agree with approach number one from the standpoint of clear pathways – my frustration is that we have a record that was not well researched or conceived, was not on point, has some recommendation that are very general. My hope was that he would identify red flag activities from his viewpoint that needed to be addressed – and it appears that he lost that focus and only focused on a singular issue. The final product did not deliver what I was hoping for – in that it does not appear to be a neutral objective assessment of specific areas of improvement.” ¹⁸³

Email from Kathryn Schauf to Norb Kirk on Wednesday May 6, 2020, at 5:10 pm:

“In essence it repeated much of what we already know / knew.” ¹⁸⁴

On August 24, 2020, Deputy Voelker received a voice mail from now retired Operations Manager Frank Draxler who said that he was trying to locate Voelker’s final report completed for the SPARK program internal controls review. In the message, Draxler said that he wanted to ensure that everyone was looking at the same final report. Draxler asked if Voelker could locate and forward the reports to Samantha Kraegenbrink in Administration and to Tim Sullivan, so Sullivan had a copy of the final report.

On August 25, 2020, Detective Greener received an email from Schauf. Attached to the email was a PDF document labeled "Mike V Final report on Internal Controls DHS Spark partial version". Deputy Voelker reviewed the received files and confirmed that the files provided by Schauf had been altered by being shortened without his knowledge, permission, or consent.

Then, on August 26, 2020, Deputy Voelker told Detective Greener that he had provided another copy of his completed SPARK Program review work to Eau Claire County Administration. Later, Detective Greener received two separate emails from Kathryn Schauf which Deputy Voelker said contained the complete, unedited work that was initially provided to Frank Draxler.

¹⁸² Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 37

¹⁸³ Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 38

¹⁸⁴ Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 39

During the process of reviewing emails to and from Diane Cable, Deputy Voelker reviewed an email sent by Frank Draxler on Tuesday May 26, 2020, which confirms that Draxler was the person who altered or edited and disseminated Deputy Voelker's final report. In the Draxler email to Diane Cable, Tim Sullivan, Norb Kirk, and Kathryn Schauf read; "Mr. Voelker's report is too detailed (likely a habit from writing police reports) and unfortunately these details over-ride the importance of this review. The report was meant to have better internal controls. So, I took the liberty of sharing just the highlights of the report, and the portion that will help us with improving internal controls."¹⁸⁵

From: Frank Draxler <frank.draxler@co.eau-claire.wi.us>
Sent: Tuesday, May 26, 2020 8:37 AM
To: Vickie Gardner; Diane Cable; Norb Kirk; Tim Sullivan; Kathryn Schauf
Subject: Internal Control Improvement
Attachments: Mike V Final report on Internal Controls DHS Spark partial version.pdf; Internal control DHS _Tracking Remedies 5.26.2020 DRAFT.docx

Hello,
Mike Voelker completed his review of the DHS internal controls in relation to the SPARK program. Although his review and process was not what we expected, he does have some very important recommendations.
We all were made aware of most of these recommendations through the review process, but the findings in this report is meant to encourage us to develop more formal internal controls.

Mr. Voelker's report is too detailed (likely habit from writing police reports) and unfortunately these details over-ride the importance of this review.
The review was meant to help us have better internal controls.
So I took the liberty of sharing just the highlights of the report, the portion that will help us with improving internal controls.
These highlights, titled "Corrective Actions" begin on the bottom of page 8 and end on page 18.

I listed these same "corrective actions" on the attached Tracking Remedies document.
Action items numbers 2 and 6 need further review and therefore they are listed in red to remind us to define and to clarify the roles.

Please review the 10 corrective actions along with the tracking remedies and we will discuss at our next meeting.

The next meeting is scheduled for tomorrow. Please let me know if you still have time to meet tomorrow.

Have a good week,
Frank

Source: Appendix 249 - Diane Cable Selected Emails May 2020 Page: 41

The below link is Schauf's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf Response Page 317](#)

¹⁸⁵ Appendix 249 - Diane Cable Selected Emails May 2020 Page: 41



Inaccurate Statements by Cable Related to Notification of DCF and Source of Funds Related to Zer Smith Theft

Deputy Voelker reviewed a Diane Cable email sent Tuesday August 18, 2020, 8:27 AM when Diane Cable sends herself an email with a Word document attachment titled: Document1 (003).docx.¹⁸⁶ The bulk of the document contains the same information as Cable’s ‘reformat’ of the Gardner / Keller document from January 14, 2020. At the top of the first page of Document1 (003).docx are the two lines added: “Outline/Guide for Board Discussion” followed on the next line by: “Facts related to fiscal concerns raised.”¹⁸⁷

From: Diane Cable <diane.cable@co.eau-claire.wi.us>
Sent: Tuesday, August 18, 2020 8:27 AM
To: Diane Cable
Subject: Document1 (003)
Attachments: Document1 (003).docx

Source: Appendix 249 - Diane Cable Selected Emails August 2020 Page: 39

The reader again should take note of the third bullet point in the section which reads: “SPARK program was initially funded through an Innovation grant through DCF. Question if we need to notify DCF.” Please refer to the screenshot below.¹⁸⁸

Additional Findings

- During investigation found 2 emails altered for Spark Program Purchases
- Could be additional unauthorized charges
- SPARK program was initially funded through an Innovation Grant through DCF. Question if we need to notify DCF.
- Employee was frequently out of the office: several vacations and FMLA time. Staff often had to wait significant periods of time for responses to inquiries for documentation

Source: Appendix 249 - Diane Cable Selected Emails August 2020 Page: 41

For the reader to consider the investigative timeline and significance of this event; this email sent by Diane Cable to herself occurs seven months four days after January 14, 2020, when Diane Cable created the ‘reformat’ document. Clearly yet again this issue of notifying the State of Wisconsin appears to be unresolved or unaddressed by Cable or DHS staff, as evidenced by Cable’s own document that she sends herself. Another aspect of this email is that this occurs

¹⁸⁶ Appendix 249 - Diane Cable Selected Emails August 2020 Pages: 39-41

¹⁸⁷ Appendix 249 - Diane Cable Selected Emails August 2020 Page: 40

¹⁸⁸ Appendix 249 - Diane Cable Selected Emails August 2020 Page: 41

after the filing of the criminal complaint with the Eau Claire Police Department, the State of Wisconsin has not been notified of the theft.

Three weeks one day or 22 days later, in email to Kathryn Schauf dated Wednesday, September 9, 2020, sent by Eau Claire County Board Supervisor Gerald Wilkie where Wilkie writes: “Kathryn – at this point in time has the state asked for documentation on the SPARKS (sic) program for the purpose of determining any reimbursement / restitution?”¹⁸⁹

The reply email is sent by Kathryn Schauf, to Gerald Wilkie, Cc: Nick Smiar, Tim Sullivan, and Diane Cable later Wednesday, September 9, 2020, at 9:09 Pm where Schauf writes: “The Department of Human Services has been in contact with the State regarding this program. After a conversation today where this issue arose, I queried the department. They will be able to provide an update.”¹⁹⁰ The reader should keep the date, September 9, 2020, in mind as they continue to read through this section. As the reader will see DCF was not actually notified until sometime later, December 16, 2020, to be exact. So that means either Schauf herself made an intentional and deliberate false statement to Wilkie or was intentionally and deliberately misinformed by someone within DHS.

County Board member Stella Pagonis also provided investigators with several documents and emails. One email was sent by Stella Pagonis to Kathryn Schauf on Sunday, December 13, 2020, at 9:12 pm, where Pagonis asks about the restitution amount from the SPARK program theft. A screenshot of that email appears below.¹⁹¹

¹⁸⁹ Appendix 249 - Selected Diane Cable Emails September 2020 Page: 11 / Appendix 328 - Kathryn Schauf Emails

2017-2021 - Selected Files Page: 79

¹⁹⁰ Appendix 249 - Selected Diane Cable Emails September 2020 Page: 11 / Appendix 328 - Kathryn Schauf Emails

2017-2021 - Selected Files Page: 79

¹⁹¹ Appendix 288 - Records provided by Stella Pagonis 5-19-21 Pages: 21-22

From: Stella Pagonis
Sent: Sunday, December 13, 2020 9:12 PM
To: Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>
Subject: Refresh my memory

Kathryn,

I am trying to recall how restitution for the SPARK program ended up. In August, when we spoke you told me that the State had not yet been notified. Then later, in a meeting you stated the State had been notified, but you did not mention if they were conducting an inquiry and what the request was for restitution.

So what has happened with that? Has the State been officially notified, and if so, of what - that their grant was misappropriated or embezzled or what? And did they choose to conduct an inquiry or did they ask for more details? If so, how did we respond - and who responded. Could I get a copy of that?

And finally, how much do we actually owe back to the state and was it included anywhere in the 2021 budget? I have no recollection of the SPARK restitution being mentioned during the budget sessions.

And please note, if you tell me it's buried in the DHS budget for 2021, I am going to ask for considerable more details.

Please respond. Thank you.

2.1.19

Source:

Appendix 288 - Records provided by Stella Pagonis 5-19-21 Pages: 21-22

Monday December 14, 2020

On Monday December 14, 2020, at 10:46 AM, Diane Cable sends the following email to Hannah Keller:

From:	Diane Cable
Sent:	12/14/2020 10:46:59 AM
Received:	12/14/2020 10:46:00 AM
To:	["Hannah Keller <Hannah.Keller@co.eau-claire.wi.us>"]
Subject:	SPARK / Grant
Importance:	High
Sensitivity:	Normal
Attachments:	image001.jpg

Hannah, Please call me regarding the Statement I have indicated below. I will be forwarding to Kathryn and want to review before forwarding. Thanks – Diane
The SPARK program received the requested and identified Grant Funds during 2018 and 2019. The Innovation Grant funds allocated for the Eau Claire County Human Services SPARK program were received and allocated to the SPARK program. The theft that occurred, did not affect the Grant funding for the SPARK program. The State was made aware of the theft. As the Grant funds were not affected there is no action required by the County with the State.



Diane Cable, MSW
Director
Department of Human Services
721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

Source: Diane Cable PC 60167 Review

What is noteworthy is that Cable asks Keller to “review” her statement to the County Administrator that “the theft that occurred did not affect Grant funding,” when taken in the context of Keller’s response email about twenty-three minutes later when Keller writes: **“This indicates County Aids in 2019 to be 65,000 which would more than cover the amount lost due to the theft.”**¹⁹²

¹⁹² Diane Cable PC 60167 Review



From:	Diane Cable
Sent:	12/14/2020 11:09:58 AM
Received:	12/14/2020 11:09:00 AM
To:	["Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>"]
Subject:	Grant funds for SPARK program
Importance:	Normal
Sensitivity:	Normal
Attachments:	image001.jpg

Kathryn, I reviewed with Vickie and Hannah your question regarding the Grant funds with the SPARK program. Here is my response. Please let me know if you have any questions of need additional information. - Diane

The SPARK program received the requested and identified Grant Funds during 2018 and 2019. The Innovation Grant funds, allocated for the Eau Claire County Human Services SPARK program were received and allocated for the SPARK program. The theft that occurred, did not affect the Grant funding for the SPARK program. The State was made aware of the theft. As the Grant funds were not affected there is no action required by the County with the State.



Diane Cable, MSW
Director
 Department of Human Services
 721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

Source: Diane Cable PC 60167 Review / Appendix 288 – Records provided by Stella Pagonis 5-19-21 Page: 20

Diane Cable’s email to Kathryn Schauf occurs curiously **before** Hannah Keller writes back to Cable **eight minutes later**; that according to Keller’s records show that the 2019 County aids “would be more than cover the amount lost due to the theft.” ¹⁹³

Note that Cable tells Schauf that **“I reviewed with Vickie and Hannah** your question regarding grant funds;” which is followed by Cable’s assertion that “the theft that occurred did not affect grant funding for the SPARK program. The State was made aware of the theft. As grant funds were not affected there is not action required by the County with the State.” ¹⁹⁴ There are no forwarded emails, meeting requests or other data reviewed to date that shows that Diane Cable had contact with Vickie Gardner before she sent this 12/14/2020 email to Kathryn Schauf where she claims that “I reviewed with Vickie and Hannah.” ¹⁹⁵ Furthermore, as previously stated in sections of this report the state was not notified until December 16, 2020, so Cable’s statement, in this email that they already had been notified is intentionally false.

¹⁹³ Diane Cable PC 60167 Review



¹⁹⁴ Appendix 288 - Records provided by Stella Pagonis 5-19-21 Page: 20

¹⁹⁵ Diane Cable PC 60167 Review



From: Hannah Keller
Sent: Monday, December 14, 2020 11:17 AM
To: Diane Cable
Subject: Budget

I found this in my final evaluation. This indicates County Aids in 2019 to be 65,000 which would more than cover the amount lost due to the theft.

Thanks,
Hannah

2019 Budget:

Category	Amount Allocated in Grant	Amount Allocated in County Aids	2019 End of the Year Spending
Personnel	\$ 115,000.00	\$ 65,000.00	\$ 180,000.00
Incentives	\$ 2,500.00		\$ 3,000
Training	\$ 1,500.00		\$ 1,200
Transportation	\$ 1,500.00		\$ 6,500
Supplies	\$ 2,000.00		\$ 8,500
Total:	\$ 125,000.00	\$ 65,000.00	\$ 199,200.00

Source: Diane Cable PC 60167 Review

This email from Hannah Keller to Diane Cable is of investigative interest. It appears that the Stella Pagonis email to Kathryn Schauf generated a contact between Schauf and Cable. Cable contacts Keller which then prompts this late Monday morning email regarding the 2019 levy amount.

Keller tells Cable that the ‘County Aids in 2019 to be 65,000 which would more than cover the amount lost due to the theft.’ Note that this date is about fourteen months after Zer Smith is terminated on October 14, 2019; and about eleven months after the January meeting where DHS provided their complaint of theft to the Eau Claire Police Department.

One question that no doubt the reader has developed considering this email is: since DHS discovered this around September of 2019; Zer Smith was terminated on October 14, 2019 – at which time she repaid \$945.20 to Eau Claire County; DHS made their complaint to the Eau Claire Police Department in January 2020; Zer Smith made her initial appearance on several criminal charges on August 11, 2020 – where these criminal charges likely would also entail a restitution amount ordered by the court; why would DHS Director Cable need information from Keller about the Eau Claire County Levy dollars allocated to the SPARK program in 2019?

The answer is apparent that if Diane Cable can keep from having to notify the State of Wisconsin that Eau Claire County incurred a loss of State grant dollars; this would alleviate the potential of a DCF initiated deeper inquiry into the SPARK or an extensive, possibly involving a forensic audit. The information from that inquiry may also result in a punitive action by DCF, such as a reduction, or loss of grant funds for a State of Wisconsin – DCF specified period.

Later in the day on Monday December 14, 2020, Norb Kirk sends the email below reference Cable’s email she had sent earlier that grant funds were not affected:

From: Norb Kirk
Sent: Monday, December 14, 2020 2:13 PM
To: Kathryn Schauf
Subject: RE: Grant funds for SPARK program

I'm confused....if the grant funds were covering the reimbursement for the program and we had fraud purchases using grant dollars, how is it possible the grant funds weren't impacted?

Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 91

On Monday December 14, 2020, there additional emails where the subject line reads: "FW: Grant funds for SPARK program," where Schauf tells Cable "Let's discuss," followed by an email that reads "Let's discuss today – I am open till 3:30 just call – I'll rope Norb in." ¹⁹⁶

Tuesday December 15, 2020

On Tuesday December 15, 2020, there are a sequence of emails that are of investigative interest. The first is from Stella Pagonis to Kathryn Schauf regarding Diane Cable's statement that levy dollars were not affected by the SPARK program theft. The Pagonis email appears below.

From: Stella Pagonis <Stella.Pagonis@co.eau-claire.wi.us>
Sent: Tuesday, December 15, 2020 11:14 AM
To: Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>
Subject: Re: Grant funds for SPARK program

Kathryn, that answer provided by Diane makes absolutely no sense. Either someone falsified information given to Detective Erl, or someone doctored the embezzlement after the fact to make it appear the grant program was not affected.

Source: Appendix 288 - Records provided by Stella Pagonis 5-19-21 Page: 17

¹⁹⁶ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 91



Four minutes after the Pagonis email Kathryn Schauf's response to Pagonis appears below.

From: Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>
Sent: Tuesday, December 15, 2020 11:18 AM
To: Stella Pagonis <Stella.Pagonis@co.eau-claire.wi.us>
Subject: RE: Grant funds for SPARK program

This will be reviewed and detailed and reported out.

Source: Appendix 288 - Records provided by Stella Pagonis 5-19-21 Page: 16

From: Stella Pagonis <Stella.Pagonis@co.eau-claire.wi.us>
Sent: Tuesday, December 15, 2020 11:32 AM
To: Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>
Subject: Re: Grant funds for SPARK program

Well I am skeptical that you can "review, detail, and report."

Source: Appendix 288 - Records provided by Stella Pagonis 5-19-21 Page: 16

About ten minutes later, at 11:42 am, Kathryn Schauf emails Stella Pagonis:

"Stella - Not certain what you are implying with that comment - I will not be doing the review directly - I have already assigned it to one of our team who will work with others to identify if an issue exists. I will not dispute that the response is confusing - Norb and I had a discussion with Diane after the email was sent so that we could understand the funding sources of the gift cards. I also believe that we need to ascertain if a discrepancy exists." ¹⁹⁷

In the documents provided by Stella Pagonis was the email on the next page which appears to be part of Tim Sullivan's "brief investigation" into the questions raised by Pagonis. At 12:15 PM, Tim Sullivan sends this email to Diane Cable:

¹⁹⁷ Appendix 288 - Records Provided by Stella Pagonis 5-19-21 Page: 15

From: Tim Sullivan
Sent: Tuesday, December 15, 2020 12:15 PM
To: Diane Cable
Subject: Zer Smith

Diane,
Kathryn has asked me to follow up on your response about the use of SPARK funds by Zer Smith. I have received a copy of your email to Kathryn Spark funds, in which you state:

“The SPARK program received the requested and identified Grant Funds during 2018 and 2019. The Innovation Grant funds, allocated for the Eau Claire County Human Services SPARK program were received and allocated for the SPARK program. The theft that occurred, did not affect the Grant funding for the SPARK program. The State was made aware of the theft. As the Grant funds were not affected there is no action required by the County with the State. “

The criminal complaint for Z. Smith indicates that Detective Erl reported, based on information provided to her from managers of the Department of Human Services, that Zer Smith was responsible from July 2018 through her termination in October 2018 for purchasing for the SPARK program, and that she used her P-Card to satisfy requests from the SPARK program. The information in the criminal complaint is consistent with the information that was provided to law enforcement when I was in attendance at those meetings, and indicated that Zer was making purchases for the SPARK program including the purchasing of gift cards.

Will you please explain how the criminal activity of Zer Smith did not affect the grant funding for the SPARK program when her criminal activity is related to the funds she stole when making purchases for the SPARK program?

Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 107 / Appendix 288 - Records provided by Stella Pagonis 5-19-21 Page: 13

Less than 15 minutes later, Diane Cable sends Vickie Gardner the “FYI” email shown on the next page. What the reader can consider is that Vickie Gardner was not part of any forwarded emails or threads in the lead up to this Diane Cable “FYI” email.

From: Diane Cable
Sent: 12/15/2020 12:28:34 PM
Received: 12/15/2020 12:28:00 PM
To: ["Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>"]
Subject: FW: Budget SPARK Program
Importance: Normal
Sensitivity: Normal
Attachments: image001.jpg

FYI



Diane Cable, MSW
Director
 Department of Human Services
 721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

From: Hannah Keller
Sent: Monday, December 14, 2020 11:17 AM
To: Diane Cable
Subject: Budget

I found this in my final evaluation. This indicates County Aids in 2019 to be 65,000 which would more than cover the amount lost due to the theft.

Thanks,
Hannah

2019 Budget:

Category	Amount Allocated in Grant	Amount Allocated in County Aids	2019 End of the Year Spending
Personnel	\$ 115,000.00	\$ 65,000.00	\$ 180,000.00
Incentives	\$ 2,500.00		\$ 3,000
Training	\$ 1,500.00		\$ 1,200
Transportation	\$ 1,500.00		\$ 6,500
Supplies	\$ 2,000.00		\$ 8,500
Total:	\$ 125,000.00	\$ 65,000.00	\$ 199,200.00

Source: Diane Cable PC 60167 Review

What is curious in the timeline of events is that twelve minutes later, Vickie Gardner sends Diane Cable the following email:

From:	Vickie Gardner
Sent:	12/15/2020 12:40:55 PM
Received:	12/15/2020 12:41:12 PM
To:	["Diane Cable <Diane.Cable@co.eau-claire.wi.us>"]
Subject:	Spark Funding Percentages
Importance:	Normal
Sensitivity:	Normal
Attachments:	Spark Funding.xlsx

Hi Diane,
Attached [is](#) the funding percentages you requested for the Spark Program.
Let me know if you need any additional information.

Vickie Gardner
DHS Fiscal Services Manager
Eau Claire County
721 Oxford Ave
Eau Claire, WI 54703
715-839-2997

Source: Diane Cable PC 60167 Review

The Excel file attachment to this email Spark Funding.xlsx looks like this:

Spark Funding			
	2017	2018	2019
Revenue			
Spark Grant	\$1,599	\$235,601	\$125,000
Levy	_\$-	_\$-	_\$80,781
Total	\$1,599	\$235,601	\$205,781
Expenses	\$1,599	\$235,601	\$205,781
Grant Funded	100%	100%	61%
Levy Funded	0%	0%	39%

Source: Diane Cable PC 60167 Review

So, in the twelve minutes from 12:28 PM when the Keller email that Diane Cable “FYI” sends to Vickie Gardner, the 2019 SPARK Program Levy figure inexplicably increases by **\$15,781** from Keller’s \$65,000 amount to Gardner’s \$80,781 which is accompanied by Gardner’s statement:

“ATTACHED IS THE FUUNDING PERCENTAGES YOU REQUESTED FOR THE SPARK PROGRAM.”

Of course, we can all see that Diane Cable’s email does no such thing: Cable’s email is a simple “FYI” and nothing else. If there was an in-person conversation, text, phone call, etc. we do not have that information; and as of Monday, October 24, 2022, none of these people are willing to be interviewed, or willing to provide any information to the Sheriff’s Office.

Just for comparison, please refer to the illustration below. The Keller 12/14/2020 11:17 AM “2019 Budget” Excel worksheet appears on the top of the screenshot illustration below and the Excel worksheet from the Vickie Gardner 12/15/2020 12:40 PM “funding percentages you requested” email appears on the bottom of the screenshot illustration below.

2019 Budget:

Category	Amount Allocated in Grant	Amount Allocated in County Aids	2019 End of the Year Spending
Personnel	\$ 115,000.00	\$ 65,000.00	\$ 180,000.00
Incentives	\$ 2,500.00		\$ 3,000
Training	\$ 1,500.00		\$ 1,200
Transportation	\$ 1,500.00		\$ 6,500
Supplies	\$ 2,000.00		\$ 8,500
Total:	\$ 125,000.00	\$ 65,000.00	\$ 199,200.00

Spark Funding			
	2017	2018	2019
Revenue			
Spark Grant	\$1,599	\$235,601	\$125,000
Levy	_\$-	_\$-	_\$80,781
Total	\$1,599	\$235,601	\$205,781
Expenses	\$1,599	\$235,601	\$205,781
Grant Funded	100%	100%	61%
Levy Funded	0%	0%	39%

Sources: **TOP:** Diane Cable PC 60167 Review – Hannah Keller 12/14/2020 11:17 AM “2019 Budget” Excel worksheet / **BOTTOM:** Diane Cable PC 60167 Review - Vickie Gardner 12/15/2020 12:40 PM “funding percentages you requested” email Excel worksheet

On Tuesday December 15, 2020, at 12:57 PM, Diane Cable’s assistant, Alexa Dennis schedules a WebEx meeting for later that day at 2:30 pm with meeting invitations sent to: Vickie Gardner, Hannah Keller, and Diane Cable. The meeting subject is: “SPARK Program:” the

Importance level selected by Dennis is: “High” and the Sensitivity level selected by Dennis is: “Private.” The reader will note that Tammy Stelter was not invited to participate in this meeting.

Seven minutes later, on 12/15/2020 at 1:04 PM, Vickie Gardner forwards Tammy Stelter the email that appears below. A note for the reader that the remainder of the forward email chain which is not included in the screenshot below as it is the Diane Cable to Vickie Gardner Tuesday December 15, 2020 12:29 PM “FYI” email. That email included the Hannah Keller to Diane Cable “I found this in my final evaluation” email from Monday December 14, 2020, 11:17 AM. The chart from the Keller email placed the 2019 levy amount at \$65,000.

From:	Vickie Gardner
Sent:	12/15/2020 1:04:11 PM
Received:	12/15/2020 1:04:12 PM
To:	[“Tammy Stelter <Tammy.Stelter@co.eau-claire.wi.us>”]
Subject:	FW: Budget SPARK Program
Importance:	Normal
Sensitivity:	Normal
Attachments:	image001.jpg

Hi,

Did you help Hannah reporting the costs to the state? If so, do you know how you got the breakdown? If time, could we talk after the FUG meeting quick?

From: Diane Cable
Sent: Tuesday, December 15, 2020 12:29 PM
To: Vickie Gardner
Subject: FW: Budget SPARK Program

FYI



Diane Cable, MSW
Director
Department of Human Services
721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

Source: Tammy Stelter Dell Laptop - 60154

From: Tammy Stelter
Sent: 12/15/2020 1:06:26 PM
Received: 12/15/2020 1:06:00 PM
To: ["Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>"]
Subject: RE: Budget SPARK Program
Importance: Normal
Sensitivity: Normal
Attachments: image001.jpg

I did not give Hannah any numbers. I was given the budget information after the grant was awarded.

Source: Tammy Stelter Dell Laptop – 60154

So, if Tammy Stelter “was given the budget information after the grant was awarded,” then as the person tasked with operating the SPARK program, the accurate levy number would come from Hannah Keller the morning of 12/14/20; and the 2019 levy number that Keller found in her final evaluation, we can recall was \$65,00.

Based on that information, we would like to ask Vickie Gardner how Hannah Keller’s number goes from \$65,000 to \$80,781, then eventually comes to rest about two hours later at the now lower amount of \$55,084.

Eight minutes after the Tammy Stelter email to Vickie Gardner she sends the email below that has no message in the body of the email, but it does contain an Excel file attachment titled: YJ Innovations Grant 2017-2018 budget.xlsx

From: Tammy Stelter
Sent: 12/15/2020 1:14:18 PM
Received: 12/15/2020 1:14:00 PM
To: ["Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>"]
Subject: YJ Innovations Grant 2017 -2018 budget.xlsx
Importance: Normal
Sensitivity: Normal
Attachments: YJ Innovations Grant 2017 -2018 budget.xlsx

Source: Tammy Stelter Dell Laptop – 60154

On the next page is a screenshot of the entire workbook which has information on only one worksheet. As this is difficult for you to see, larger screenshots of sections of the worksheet appear below. What is noteworthy is that at the top of the worksheet is the information: “2017 – 2018 Budget for the Youth Justice Innovation Grant.”

AutoSave

YJ Innovations Grant 2017 -2018 budget

Search (Alt+Q)

File

Home

Insert

Page Layout

Formulas

Data

Review

View

Help

Cut

Copy

Paste

Format Painter

Calibri

11

A

A

B

I

U

Wrap Text

General

Conditional Formatting

Format as Table

Normal

Bad

Good

Neutral

Calculation

Check Cell

Explanatory

Input

Clipboard

Font

Alignment

Number

Styles

L11

sent to Hannah 9/18/18

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	2017 - 2018 Budget for the Youth Justice Innovation Grant											2018 Youth Innovation Grant					9/30/2018
2														Budget	YTD Exp	Balance	
3	FY 2017																
4																	
5																	
6		Personnel costs 12.18.17 to 12.31.2017					\$6,396.80		205-62-54364-760-385				Building Allocation	\$15,000.00	\$7,072.78	\$7,927.22	
7		NW 2FTE	Manda										Food Allocation (beyond Feed my People)	\$4,546.20		\$4,546.20	
8		Computer/techology costs (3)					\$5,500.00		205-52-55017-813-385				Incentives/community based activities	\$9,000.00	\$2,890.42	\$6,109.58	
9		Training					\$1,000.00		205-52-55017-349-385				Transportation	\$8,000.00	\$1,455.89	\$6,544.11	
10	Total 2017						\$12,896.80						Supplies	\$10,000.00	\$6,210.66	\$3,789.34	
11													Training	\$5,000.00	\$1,278.00	\$3,722.00	
12													Counseling/Groups	\$0.00	\$0.00	\$0.00	
13	FY 2018	Personnel costs 1.1.2018 to 12.31.2018					\$185,557.00		205-62-54364-760-385				Personnel costs 1.1.2018 to 12.31.2018	\$185,557.00	\$149,134.59	\$36,422.41	
14		NW 2.5 FTE	Manda, Kailia, Victoria											\$237,103.20	\$168,042.34	\$69,060.86	
15		Building Allocation					\$15,000.00		205-52-55017-530-385								
16		Food Allocation (beyond Feed my People)					\$4,546.20		205-52-55017-300-385								
17		Incentives/community based activities					\$9,000.00		205-52-55017-672-385								
18		Transportation					\$8,000.00		205-64-54317-760-385								
19		Supplies					\$10,000.00		205-52-55017-300-385								
20		Training					\$5,000.00		205-52-55017-349-385								
21		Counseling/Groups							205-62-54357-760-385								
22	Total Grant allocation						\$250,000.00										

staff are transporting the kids - using staff mileage form

Source: Tammy Stelter Dell Laptop – 60154 / File: YJ Innovations Grant 2017-2018 budget.xlsx

L11				X		✓		fx		sent to Hannah 9/18/18	
	A	B	C	D	E	F	G	H	I		
1	2017 - 2018 Budget for the Youth Justice Innovation Grant										
2											
3											
4	FY 2017										
5											
6		Personnel costs 12.18.17 to 12.31.2017					\$6,396.80	205-62-54364-760-385			
7			NW 2FTE		Manda						
8		Computer/techology costs (3)					\$5,500.00	205-52-55017-813-385			
9		Training					\$1,000.00	205-52-55017-349-385			
10	Total 2017						\$12,896.80				
11											
12	FY 2018	Personnel costs 1.1.2018 to 12.31.2018					\$185,557.00	205-62-54364-760-385			
13			NW 2.5 FTE		Manda, Kailia, Victoria						
14		Building Allocation					\$15,000.00	205-52-55017-530-385			
15		Food Allocation (beyond Feed my People)					\$4,546.20	205-52-55017-300-385			
16		Incentives/community based activities					\$9,000.00	205-52-55017-672-385			
17		Transportation					\$8,000.00	205-64-54317-760-385			
18		Supplies					\$10,000.00	205-52-55017-300-385			
19		Training					\$5,000.00	205-52-55017-349-385			
20		Counseling/Groups						205-62-54357-760-385			
21											
22	Total Grant allocation						\$250,000.00				

Source: Tammy Stelter Dell Laptop – 60154 / File: YJ Innovations Grant 2017-2018 budget.xlsx

1	Estimated Costs for Remainder of 2018				
2	Item	Individual Cost	Quantity	Total Cost	Details
3	Family Group	\$100	3	\$300	\$100 per session until the end of the year
4	Mileage Reimbursement Estimate	\$100	9	\$900	Estimated \$100 per staff for 3 months
5	Visa Gift Card	\$505.95	2	\$1,011.90	Purchase of (2) \$500 Visa gift cards for groceries and supplies for rest of the year
6					
7	Corn Maze Incentive	\$10	7	\$70	Incentive for youth
8	Apple Orchard	\$20	2	\$40	Incentive for youth and apples for graduation
9	Nickelodeon Universe	\$40	8	\$320	Final Incentive for current group
10	Incentives until end of year	\$120	9	\$1,080	Incentive Fridays for the rest of the year
11					
12	Christmas Gifts for Alumni	\$20	10	\$200	Purchase holiday gift for youth alumni
13	Christmas Celebration Food	\$100	1	\$100	Purchase food and deserts for the holiday party
14	Graduation Food	\$100	2	\$200	Purchase food for graduations for the rest of the year
15	T-shirts	\$8.15	80	\$652	SPARK T-shirts
16					
17	Total for 2018 Purchases			\$4,874	

Estimated Costs for Remainder of 2018

Item	Individual Cost	Quantity	Total Cost	Details
Family Group	\$100	3	\$300	\$100 per session until the end of the year
Mileage Reimbursement Estimate	\$100	9	\$900	Estimated \$100 per staff for 3 months
Visa Gift Card	\$505.95	2	\$1,011.90	Purchase of (2) \$500 Visa gift cards for groceries and supplies for rest of the year
Corn Maze Incentive	\$10	7	\$70	Incentive for youth
Apple Orchard	\$20	2	\$40	Incentive for youth and apples for graduation
Nickelodeon Universe	\$40	8	\$320	Final Incentive for current group
Incentives until end of year	\$120	9	\$1,080	Incentive Fridays for the rest of the year
Christmas Gifts for Alumni	\$20	10	\$200	Purchase holiday gift for youth alumni
Christmas Celebration Food	\$100	1	\$100	Purchase food and deserts for the holiday party
Graduation Food	\$100	2	\$200	Purchase food for graduations for the rest of the year
T-shirts	\$8.15	80	\$652	SPARK T-shirts
Total for 2018 Purchases			\$3,862	

Source: Tammy Stelter Dell Laptop – 60154 / File: YJ Innovations Grant 2017-2018 budget.xlsx **TOP:** / **BOTTOM:** Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 16 2019 Budget and Incentives Inventory List Pages: 11-14

When the two sources of 2018 information are compared, look at Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 16 2019 Budget and Incentives Inventory List Page: 14. You see that the total listed is \$3,862. Next look at Tammy Stelter Dell Laptop – 60154 / File: YJ Innovations Grant 2017-2018 budget.xlsx and the worksheet tab “2018.” Here you see that the total is \$4,874, so a difference of \$1,012.

The difference between the two data sets is row 3 of the YJ Innovations Grant 2017-2018 budget.xlsx Excel workbook – “2018” worksheet. This row lists “Visa Gift Card” in the “Item” column; \$505.95 in the “Individual Cost” column; 2 in the “Quantity” column; \$1,011.90 in the “Total Cost” column; “Purchase of (2) \$500 Visa gift cards for groceries and supplies for rest of the year” in the “Details” column. These two sets of data should correspond. At this point we have not been able to meet with any DHS staff who could explain this.

Estimated Costs for Remainder of 2018				Estimated Costs for Remainder of 2018			
Item	Individual Cost	Quantity	Total Cost	Item	Individual Cost	Quantity	Total Cost
Family Group	\$100	3	\$300	Family Groi	\$100	3	\$300
Mileage Reimbursement Estimate	\$100	9	\$900	Mileage Re	\$100	9	\$900
Visa Gift Card	\$505.95	2	\$1,011.90				
Corn Maze Incentive	\$10	7	\$70	Corn Maze	\$10	7	\$70
Apple Orchard	\$20	2	\$40	Apple Orchr	\$20	2	\$40
Nickelodeon Universe	\$40	8	\$320	Nickelodec	\$40	8	\$320
Incentives until end of year	\$120	9	\$1,080	Incentives	\$120	9	\$1,080
Christmas Gifts for Alumni	\$20	10	\$200	Christmas	\$20	10	\$200
Christmas Celebration Food	\$100	1	\$100	Christmas	\$100	1	\$100
Graduation Food	\$100	2	\$200	Graduation	\$100	2	\$200
T-shirts	\$8.15	80	\$652	T-shirts	\$8.15	80	\$652
Total for 2018 Purchases			\$4,874	Total for 2018 Purchases			\$3,862

Source: **LEFT:** Tammy Stelter Dell Laptop – 60154 / File: YJ Innovations Grant 2017-2018 budget.xlsx / **RIGHT:** Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 16 2019 Budget and Incentives Inventory List Page: 14

You can see the discrepancy in the comparison screenshots above. Recall that the Excel file YJ Innovations Grant 2017-2018 budget.xlsx was posted to the SharePoint site was accessed by Deputy Voelker and the Eau Claire Police Department for the Zer Smith criminal investigation. The reader is also reminded about Exhibit 2 Multi-Colored Excel Sheet, which had also been posted to the SharePoint for use by Deputy Voelker and the Eau Claire Police Department. You recall that the data in this Excel worksheet had been changed without any notice or explanation.

In the timeline of events relevant to the investigation, recall that later in the day, Tuesday December 15, 2020, one of the County Board agenda items listed is: “Update by Outside Counsel Rich White, Weld, Riley”¹⁹⁸ This event will be discussed in another section of this summary.

Wednesday December 16, 2020

On Wednesday, December 16, 2019, at 7:45 AM, Hannah Keller sends Diane Cable and Vickie Gardner the following email:

From: Hannah Keller
Sent: 12/16/2020 7:45:45 AM
To: Diane Cable, Vickie Gardner
Subject: Circling Back
Importance: Normal

¹⁹⁸ Source: <https://www.co.eau-claire.wi.us/home/showpublisheddocument/38838/637432979537900000>

“Hi,
Given we found all of my reports, I am wondering if we still need to reach out to DCF? Looks
like Diane also had the contracts?
Let me know”¹⁹⁹

Three minutes later, at 7:48 am, Diane Cable sends an email to Wendy Henderson at DCF the email that appears below. Note that Gardner and Keller are not CC: d on the email. Please note Cable’s statement, “This issue is somewhat urgent.”²⁰⁰ The reader will note that in the investigative timeline where more than one person has been told that DCF had been notified; this “quick” phone call with Wendy Henderson is now “somewhat urgent.” A screenshot of the full Cable email appears below.

From:	Diane Cable
Sent:	12/16/2020 7:48:54 AM
Received:	12/16/2020 7:48:00 AM
To:	["Henderson, Wendy P - DCF <Wendy.Henderson@wisconsin.gov>"]
Subject:	Quick Call
Importance:	Normal
Sensitivity:	Normal
Attachments:	image001.jpg

Hi Wendy,
I am wondering if you are available for a quick call this morning regarding a potential issue, in Eau Claire, related to the Youth Justice Innovation Grant. This issue is somewhat urgent.
I will work to accommodate your availability.
Thank you
Diane



Diane Cable, MSW
Director
Department of Human Services
721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

Source: Diane Cable PC 60167 Review

¹⁹⁹ Diane Cable PC 60167 Review



²⁰⁰ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 95



From:	Vickie Gardner
Sent:	12/16/2020 11:26:34 AM
Received:	12/16/2020 11:26:54 AM
To:	["Diane Cable <Diane.Cable@co.eau-claire.wi.us>", "Hannah Keller <Hannah.Keller@co.eau-claire.wi.us>"]
Subject:	Spark Funding
Importance:	Normal
Sensitivity:	Normal
Attachments:	Spark Funding.xlsx

Hi,
I added more information to try to make this more clear and included the full 2017 allocation.

Vickie Gardner
DHS Fiscal Services Manager
Eau Claire County
721 Oxford Ave
Eau Claire, WI 54703
715-839-2997

Source: Diane Cable PC 60167 Review

Spark Funding				
	2017	2018	2019	Total
Revenue				
Spark Grant	\$1,599	\$235,601	\$150,697	\$387,897
Levy	\$-	\$-	\$55,084	\$55,084
Total	\$1,599	\$235,601	\$205,781	\$442,981
Expenses	\$1,599	\$235,601	\$205,781	\$442,981
Grant Funded	100%	100%	61%	87%
Levy Funded	0%	0%	39%	13%
Originally Allocated	\$12,897	\$250,000	\$125,000	\$387,897
Re-Allocated ***	\$1,599	\$261,298	\$125,000	\$387,897
***NOTE: \$12,896.80 was awarded in 2017. \$11,298 carried over into 2018				

Source: Diane Cable PC 60167 Review / File: Spark Funding.xlsx

Again, the timing of this email is of investigative interest in that this Gardner email; after the group Webex meeting; occurs just before the group of Cable, Gardner and Keller are to have their phone call with DCF. Now in this Vickie Gardner crafted email, the SPARK program 2019 levy amount shows \$55,084; when about twenty-four hours prior; in the Vickie Gardner crafted “funding percentages” email, she placed the 2019 SPARK program levy amount at \$80,781.

To help the reader keep track of the 2019 Levy amount for the SPARK program, please refer to the summary chart below.

Summary Chart – SPARK Program - 2019 Levy Amounts

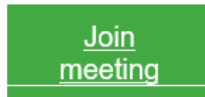
Date:	Time:	Sender:	Recipient(s):	Amount:	Source:
9/21/20	1:33 PM	Vickie Gardner	Tammy Stelter	\$65,000	Appendix 326 - Vickie Gardner Emails – 2020 Page: 96
9/23/20	12:15 PM	Tammy Stelter	Vickie Gardner	\$65,000	Appendix 326 - Vickie Gardner Emails – 2020 Page: 97
12/14/20	11:17 AM	Hannah Keller	Diane Cable	\$65,000	Diane Cable PC 60167 Review
12/14/20	11:49 AM	Diane Cable	Hannah Keller	\$65,000	Diane Cable PC 60167 Review
12/15/20	12:28 PM	Diane Cable	Vickie Gardner	\$65,000	Diane Cable PC 60167 Review
12/15/20	12:40 PM	Vickie Gardner	Diane Cable	\$80,781	Diane Cable PC 60167 Review
12/15/20	1:04 PM	Vickie Gardner	Tammy Stelter	\$65,000	Tammy Stelter Dell Laptop - 60154
12/15/20	1:14 PM	Tammy Stelter	Vickie Gardner	2017-2018 Calculated	Tammy Stelter Dell Laptop - 60154
12/15/20	1:15 PM	Tammy Stelter	Vickie Gardner	No Budget Data	Tammy Stelter Dell Laptop - 60154
12/15/20	2:53 PM	Hannah Keller	Vickie Gardner, Diane Cable	\$65,000	Diane Cable PC 60167 Review
12/16/20	11:26 AM	Vickie Gardner	Diane Cable, Hannah Keller	\$55,084	Diane Cable PC 60167 Review
12/16/20	3:05 PM	Vickie Gardner	Diane Cable, Hannah Keller ("I just got off the phone with Tammy and she agrees with the revenue allocations noted on this spreadsheet.")	\$55,084	Diane Cable PC 60167 Review

Twenty minutes after Diane Cable receives the Vickie Gardner “Hi, I added more information” email listed above, Diane Cable receives an invitation for a Webex meeting that is sent by Kathryn Schauf, addressed to Diane Cable and Collen Bates. The subject of the meeting is: “Next steps – audit and investigation.” This Webex meeting invitation sent by Kathryn Schauf occurs about 18 hours after she sent the email to Tim Sullivan asking Sullivan to conduct a “brief” investigation into the issues raised by Stella Pagonis. A screenshot of a portion of the invitation appears at the top of the next page.

From:	Kathryn Schauf
Sent:	12/16/2020 11:46:20 AM
Received:	12/16/2020 11:46:23 AM
To:	["Diane Cable <Diane.Cable@co.eau-claire.wi.us>", "Colleen Bates <Colleen.Bates@co.eau-claire.wi.us>"]
Subject:	Next steps - audit and investigation
Importance:	Normal
Sensitivity:	Normal

-- Do not delete or change any of the following text. --

When it's time, join your Webex meeting here.



More ways to join:

Join from the meeting link

<https://eauclairecounty.webex.com/eauclairecounty/j.php?MTID=m6e3d8ca1332696ec6bce3412885e1ec8>

Join by meeting number

Meeting number (access code): 145 536 2356

Meeting password: vJMjauBQ632

Source: Diane Cable PC 60167 Review

Roughly two hours, twenty minutes later at 1:41 pm, Diane Cable sends Tim Sullivan the email shown on the next page. What is noteworthy is that the Cable email to Sullivan contains the levy amount expressed in a percentage and not the raw, lower levy number “to be more clear and included” to use Gardner’s wording.

From: Diane Cable
Sent: Wednesday, December 16, 2020 1:41 PM
To: Tim Sullivan <Tim.Sullivan@co.eau-claire.wi.us>
Cc: Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>
Subject: FW: Zer Smith

Tim, per your email and our discussion:

The grant was not affected by the theft that occurred. Tax Levy was affected by the theft.

Total Program cost 2017-2019: \$442,981
Grant portion: 87%
Levy: 13%
(Theft amount : 5% of total program cost)

I hope that this is helpful. Please let me know if you have additional questions.
Diane

Source: Appendix 288 - Records Provided by Stella Pagonis 5-19-21 Page: 12

From: Vickie Gardner
Sent: 12/16/2020 3:05:39 PM
Received: 12/16/2020 3:05:55 PM
To: ["Diane Cable <Diane.Cable@co.eau-claire.wi.us>", "Hannah Keller <Hannah.Keller@co.eau-claire.wi.us>"]
Subject: FW: Spark Funding
Importance: Normal
Sensitivity: Normal
Attachments: Spark Funding.xlsx

Hi,
I just got off the phone with Tammy and she agrees with the revenue allocations noted on this spreadsheet.
Vickie

Source: Diane Cable PC 60167 Review

This email from Gardner to Cable asserts that Gardner “just got off the phone with Tammy” (Stelter) who “agrees with the revenue allocations.” Throughout this investigation, the subject of the sometimes-significant financial document and record errors made by Tammy Stelter has come up through various sources of information. There are many examples, but a couple will be presented here for your consideration.

From: Tammy Stelter <tammy.stelter@co.eau-claire.wi.us>
Sent: 6/25/2018 8:49:27 AM
To: Vickie Gardner <vickie.gardner@co.eau-claire.wi.us>
Subject: Error on 2017 Audit Entry

Vickie,

I just noticed that an account number was entered wrong on the Audit Entry that we sent to Finance to enter. Should we request that they correct this, or just let it go?

Source: Appendix 326 - Vickie Gardner Emails – 2018 Page: 36

An October 13, 2020, Jabber message exchange between Stelter and Gardner occurs 34 days before December 16, 2020. Please refer to the screenshot below for the Jabber message.

tammys 10/13/2020 3:18:06 PM

We have a problem. The BCA payback was not journaled to fund 206.

vgardner 10/13/2020 3:19:27 PM

What??? Why would it need to be journaled???

tammys 10/13/2020 3:20:22 PM

It is currently in fund 205 when the CARS payment came in July. Don't know what made me think of this, but I just checked now.

vgardner 10/13/2020 3:21:29 PM

Stop down when this meeting is done. How do we stop this stuff from occurring?

tammys 10/13/2020 3:21:41 PM

I'll be down

Source: Jabber Message: tammy Tuesday October 13 2020 - 282429

Given this history, it is curious that Gardner would be asking Stelter to verify the 2019 levy amount based only on a phone call only 34 days after this event, and the follow up efforts that needed to be undertaken. There are many examples of the DHS fiscal group emailing records back and forth as they are being prepared. Now in the follow up to the inquiry by Stella Pagonis and somehow without exchanging emails that contain a spreadsheet of data for Stelter to

inspect, review and compare to her records; we are expected to believe that Stelter was able to recall the 2019 levy amount for the SPARK program and agree with Gardner's amount. Then also consider that Gardner's figure is close to \$10,000 below the figure that Gardner had received from Stelter on 9/23/20; the \$65,000 number that Stelter had verified at that time. And this lower number then also curiously just happens to be "more than enough to cover the amount lost due to the theft" to use Hannah Keller's wording.

So, if Tammy Stelter verified the number in September, and Gardner could check her emails for the email from Stelter that would verify Stelter's levy figure; again, how is it that simply based on what appears to be a hurried phone call alone, that Stelter would or could agree to this lower number. A check of Tammy Stelter's laptop, shows only routine emails before and after this "just got off the phone" timeframe. Next, it is noteworthy that a review of Vickie Gardner and Tammy Stelter's computer does not show any communication after this "just got off the phone" phone call where Gardner tells Stelter that the levy figure that Stelter had verified on 9/23/20 was incorrect; then to correct the September number.

This 12/16/2020 at 3:05 PM email from Vickie Gardner to Diane Cable and Hannah Keller appears to be little more than an attempt at an email "alibi" for the group of Diane Cable, Hannah Keller, and Vickie Gardner to claim that \$55,084 is the 'correct' 2019 levy amount. It is apparent that the assertion that this was reviewed with, and 'involved' Tammy Stelter by name was done without her knowledge. The Vickie Gardner email that Tammy Stelter was able to verify this lower figure simply based on a phone call is digital theater. To date, none of these people have consented to be interviewed.

From: Diane Cable Diane.Cable@co.eau-claire.wi.us>
Sent: Wednesday, December 16, 2020 3:48 PM
To: Henderson, Wendy P - DCF Wendy.Henderson@wisconsin.gov>; McCulley, Shelby A - DCF shelbya.mcculley@wisconsin.gov>
Subject: Youth Justice Innovation Grant - Eau Claire County

Hi Wendy and Shelby,

This is a follow up to my conversation with Wendy this morning regarding the situation of Theft that occurred by a staff person who was responsible for purchasing items for the Youth Innovation Grant Project called SPARK. The amount of the theft was \$21,777.74. We have been able to verify that the Grant was not affected. The total allocation of Grant dollars were used for the defined purposes of the program.

From 2017-2019 the total program cost of operations was \$442,981. The Grant covered 87% of the program costs and 13 % of the cost came from tax levy. The loss by theft was a 5% impact to the total program cost, which affected tax levy.

Please contact me if you have any questions or if you need additional information.

Take care, be well and Happy Holidays!

Diane



Diane Cable, MSW
Director
Department of Human Services
721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 125

The above is an email sent by Diane Cable to DCF on December 16, 2020. There are four statements made by Diane Cable in this email to the State of Wisconsin - Department of Children and Families – DCF that are **NOT ACCURATE** based on the information obtained and reviewed in this case.

Statement 1 - In this email, Diane Cable tells the State of Wisconsin – DCF: **“The amount of the theft was \$21,777.74.”** This statement is **NOT** accurate based on information that will be detailed in the paragraphs that follow. To briefly address this statement here, a review of records and data shows that that based on SPARK program records, \$21,777.74 is the **TOTAL AMOUNT SPENT ON PURCHASING THE GIFT CARDS, NOT** the “amount of the theft. Clearly there is a difference between the two assertions and statements. As the reader will see, Diane Cable repeats this statement and assertion several times.

Statement 2 - In this email, Diane Cable tells the State of Wisconsin – DCF: **“We have been able to verify that the Grant was not affected.”**²⁰¹ This statement is **NOT** accurate based on information that will be detailed in the paragraphs that follow. As the reader will see in the paragraphs and screenshots that follow; it is **IMPOSSIBLE** for Diane Cable to make this

²⁰¹ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 125



statement based on the way that the Eau Claire County chart of accounts are presently structured. This has been the case throughout the course of this investigation, so the condition of the chart of accounts structure existed before and after Diane Cable makes this statement.

Statement 3 - In this email, Diane Cable tells the State of Wisconsin – DCF: **“The total allocation of Grant dollars were used for the defined purposes of the program.”**²⁰² This statement is **NOT** accurate based on information that will be detailed in the paragraphs that follow. This **“total allocation of Grant dollars were used for the defined purposes of the program.”** statement by Cable does not mention or address the numbers of “personal” uses of gift cards / stored value cards that were purchased for the SPARK program; as well as the quantity of gift cards that had unaccounted for or unverified remaining balances; the significant discrepancies in just how many cards were purchased and what purchase values these cards had. On the DCF side, they were informed of concerns that law enforcement had with the ‘personal’ uses of SPARK program gift cards and were given examples of the ‘personal’ uses. DCF staff did not ask for more information and did not indicate that the information would be followed up on.

Statement 4 - In this email, Diane Cable tells the State of Wisconsin – DCF: **“The loss by theft was a 5% impact to the total program cost, which affected tax levy.”**²⁰³ This statement is **NOT** accurate based on information that will be detailed in the paragraphs that follow. Again, as the reader will see in the paragraphs and screenshots that follow; it is **impossible** for Diane Cable to make this statement based on the way that the Eau Claire County chart of accounts are presently structured. This has been the case throughout the course of this investigation.

Later, Diane Cable sends the above email to Wendy Henderson and Shelby McCulley at the State of Wisconsin Department of Children and Families – DCF. As the reader will see about five hours twenty-two minutes later after Diane Cable sent Vickie Gardner the “FYI” email in which forwarded the Hannah Keller email and its information:

“I found this in my final evaluation. This indicates County Aids in 2019 to be 65,000 which would be more than enough to cover the amount lost due to the theft.”²⁰⁴

²⁰² Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 125



²⁰³ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 125



²⁰⁴ Diane Cable PC 60167 Review



Sheet1

Spark Funding				
	2017	2018	2019	Total
Revenue				
Spark Grant	\$1,599	\$235,601	\$150,697	\$387,897
Levy	\$-	\$-	\$55,084	\$55,084
Total	\$1,599	\$235,601	\$205,781	\$442,981
Expenses	\$1,599	\$235,601	\$205,781	\$442,981
Grant Funded	100%	100%	61%	87%
Levy Funded	0%	0%	39%	13%
Originally Allocated	\$12,897	\$250,000	\$125,000	\$387,897
Re-Allocated ***	\$1,599	\$261,298	\$125,000	\$387,897
***NOTE: \$12,896.80 was awarded in 2017. \$11,298 carried over into 2018				

Creator: Vickie Gardner
 LastModifiedBy: Vickie Gardner
 Created: 2020-09-10T15:32:07Z
 Modified: 2020-12-16T17:25:27Z
 Application: Microsoft Excel
 AppVersion: 16.0300

Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 103-105

A screenshot of the Excel worksheet: “Spark Funding.xlsx” from the Gardner email appears above. Several things need to be mentioned here.

First, please note that in the 2019 column, then the “Levy” row, the figure listed here is \$55,084. Second, please note that the document properties for this Excel file show that this file was created on Monday September 10, 2020, at 15:32 or 3:32 pm, then was last modified on Wednesday December 16, 2020, at 17:25 or 5:25 pm, about a minute before the file is sent to Cable and Keller.

Deputy Voelker recalled that the subject of levy allocations for the SPARK program were the subject of an email sent by Vickie Gardner on Monday September 21, 2020, at 1.33 pm to Tammy Stelter, the body of the Gardner email reads: “Hi Tammy, I need to get Diane the Spark information Rev/Exp for 2018/2019. Here is what I have, but I am struggling with the revenues.”²⁰⁵ Gardner includes the following Excel worksheet. Again, please note the Levy amount for 2019. The reader will no doubt have identified that the body of the initial Gardner email talks about the 2017 allocation, but as you will see below, it is the **2019** allocation figure that

²⁰⁵ Appendix 326 - Vickie Gardner Emails – 2020 Page: 96



inexplicably changes. To date, we have not been able to meet with any staff from DHS who can explain this.

Sheet1

Spark Funding		
	2018	2019
Revenue		
Spark Grant		\$125,000
Levy		<u>\$65,000</u>
Total Budgeted		\$190,000
Expenses	\$199,417	\$184,603

Source: Appendix 326 – Vickie Gardner Emails – 2020 Page: 96

On Wednesday, September 23, 2020, at 12:15 pm, Tammy Stelter emails Vickie Gardner “I have updated the information for you.” The Excel file from Stelter that has been updated appears below. Please note that the Stelter Excel chart has placed the 2019 information between 2018 on the left and the data for 2017 on the right side of the chart. But it is worth highlighting that the Levy figure from Stelter on September 23, 2020, at 12:15 pm is still \$65,000.

Sheet1

Spark Funding			
	2018	2019	2017
Revenue			
Spark Grant	\$235,601	\$125,000	\$1,599
Levy	<u>\$-</u>	<u>\$65,000</u>	<u>\$-</u>
Total Budgeted	\$235,601	\$190,000	\$1,599
Expenses	\$235,601	\$205,781	\$1,599

Source: Appendix 326 – Vickie Gardner Emails – 2020 Page: 97

From:	Diane Cable
Sent:	12/16/2020 1:41:18 PM
Received:	12/16/2020 1:41:00 PM
To:	["Tim Sullivan <Tim.Sullivan@co.eau-claire.wi.us>"]
CC:	["Kathryn Schauf <Kathryn.Schauf@co.eau-claire.wi.us>"]
Subject:	FW: Zer Smith
Importance:	Normal
Sensitivity:	Normal
Attachments:	image001.jpg

Tim, per your email and our discussion:
The grant was not affected by the theft that occurred. Tax Levy was affected by the theft.

Total Program cost 2017-2019: \$442,981

Grant portion: 87%

Levy: 13%

(Theft amount : 5% of total program cost)

I hope that this is helpful. Please let me know if you have additional questions.

Diane



Diane Cable, MSW

Director

Department of Human Services

721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703

Direct: 715-839-6914

Email: Diane.Cable@co.eau-claire.wi.us

Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 107

In the email screenshot above, Cable sends Vickie Gardner the information that she provided to Tim Sullivan where she asserts that grant dollars were not affected by the Zer Smith theft.²⁰⁶



From:	Diane Cable
Sent:	12/16/2020 12:43:31 PM
Received:	12/16/2020 12:43:00 PM
To:	["Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>"]
Subject:	email
Importance:	Normal
Sensitivity:	Normal
Attachments:	image001.jpg

Hi. Sent you an email to review, that I will be forwarding to Tim Sullivan.
Diane



Diane Cable, MSW
Director
 Department of Human Services
 721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

Source: Diane Cable PC 60167 Review

In a follow up email, Vickie Gardner's review appears to be complete as at 1:12 PM she replies to the Cable email, "sounds good."²⁰⁷

On Wednesday, December 16, 2020, at 1:26 pm, Hannah Keller sends Vickie Gardner and Diane Cable and email with the body that reads: "So maybe I am confused, the money allocated in 2017 should have come out of the \$250,000. Correct?"²⁰⁸

About twenty minutes later at 1:41 pm there is an email from Vickie Gardner to Cable and Keller: "It does not look that way to me. If you look at the contract for 2018, it is for \$261 K."²⁰⁹

²⁰⁷ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 111

²⁰⁸ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 113

²⁰⁹ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 117

From: Vickie Gardner
Sent: 12/16/2020 3:05:39 PM
Received: 12/16/2020 3:05:55 PM
To: ["Diane Cable <Diane.Cable@co.eau-claire.wi.us>", "Hannah Keller <Hannah.Keller@co.eau-claire.wi.us>"]
Subject: FW: Spark Funding
Importance: Normal
Sensitivity: Normal
Attachments: Spark Funding.xlsx

Hi,
 I just got off the phone with Tammy and she agrees with the revenue allocations noted on this spreadsheet.
 Vickie

Source: Diane Cable PC 60167 Review

Sheet1

Spark Funding				
	2017	2018	2019	Total
Revenue				
Spark Grant	\$1,599	\$235,601	\$150,697	\$387,897
Levy	\$.-	\$.-	\$55,084	\$55,084
Total	\$1,599	\$235,601	\$205,781	\$442,981
Expenses	\$1,599	\$235,601	\$205,781	\$442,981
Grant Funded	100%	100%	61%	87%
Levy Funded	0%	0%	39%	13%
Originally Allocated	\$12,897	\$250,000	\$125,000	\$387,897
Re-Allocated ***	\$1,599	\$261,298	\$125,000	\$387,897
***NOTE: \$12,896.80 was awarded in 2017. \$11,298 carried over into 2018				

Creator: Vickie Gardner
LastModifiedBy: Vickie Gardner
Created: 2020-09-10T15:32:07Z
Modified: 2020-12-16T17:25:27Z
Application: Microsoft Excel
AppVersion: 16.0300

Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 123

In the email above the file attachment is an Excel workbook titled: Spark Funding.xlsx. You can see that the file properties for the worksheet put the last modified date and time at: December 16, 2020, at 17:25:27 or about 5:25 pm.²¹⁰

²¹⁰ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 121



The reader will recall from a few paragraphs above that on Wednesday September 23, 2020, Tammy Stelter updated the “Spark information Rev/Exp for 2018/2019” as requested by Diane Cable.²¹¹ The reader will recall Stelter’s comment, “I have updated the information for you.”²¹² Again, the reader will note the Levy amount for 2019 as ‘updated’ by Tammy Stelter two months 3 weeks and two days or 84 days before December 16, 2020, was \$65,000. A side-by-side comparison of the two documents appears below.

Sheet1

Spark Funding			
	2018	2019	2017
Revenue			
Spark Grant	\$235,601	\$125,000	\$1,599
Levy	\$-	\$65,000	\$-
Total Budgeted	\$235,601	\$190,000	\$1,599
Expenses	\$235,601	\$205,781	\$1,599

Sheet1

Spark Funding				
	2017	2018	2019	Total
Revenue				
Spark Grant	\$1,599	\$235,601	\$150,697	\$387,897
Levy	\$-	\$-	\$55,084	\$55,084
Total	\$1,599	\$235,601	\$205,781	\$442,981
Expenses	\$1,599	\$235,601	\$205,781	\$442,981
Grant Funded	100%	100%	61%	87%
Levy Funded	0%	0%	39%	13%
Originally Allocated	\$12,897	\$250,000	\$125,000	\$387,897
Re-Allocated ***	\$1,599	\$261,298	\$125,000	\$387,897
***NOTE: \$12,896.80 was awarded in 2017. \$11,298 carried over into 2018				

LEFT - Source: Appendix 326 - Vickie Gardner Emails – 2020 Page: 97 RIGHT - Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 123

To date, we have not been able to meet with and DHS Fiscal employees who may be able to explain this discrepancy, and why it occurs when it curiously does, when these figures should agree with each other.²¹³

²¹¹ Appendix 326 - Vickie Gardner Emails – 2020 Page: 97

²¹² Appendix 326 - Vickie Gardner Emails – 2020 Page: 97

²¹³ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 123

From:	Diane Cable
Sent:	12/16/2020 3:10:31 PM
Received:	12/16/2020 3:10:00 PM
To:	["Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>"]
Subject:	Youth Justice Innovation Grant - Eau Claire
Importance:	Normal
Sensitivity:	Normal
Attachments:	image001.jpg

Hi, please review...

Hi Wendy and Shelby,

This is a follow up to my conversation with Wendy this morning regarding the situation of Theft that occurred by a staff person who was responsible for purchasing items for the Youth Innovation Grant Project called SPARK. The amount of the theft was \$21,777.74. We have been able to verify that the Grant was not affected. The total allocation of Grant dollars were used for the defined purposes of the program. From 2017-2019 the total program cost of operations was \$442,981. The Grant covered 87% of the program costs and 13 % of the cost came from tax levy. The loss by theft was a 5% impact to the total program cost, which affected tax levy.

Please contact me if you have any questions.

Diane



Diane Cable, MSW
Director
 Department of Human Services
 721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 125

Five minutes later Vickie Gardner receives the above email from Diane Cable where Gardner is asked to review the wording of the email that Cable has prepared to send to Wendy and Shelby at the State of Wisconsin – Department of Children and Families – DCF.²¹⁴

DCF documented for Detective Greener and Deputy Voelker that “Based on our records, the first contact we have documented was Wednesday December 16, 2020, via a phone conversation between Diane Cable and Wendy Henderson (DCF Division Administrator, Division of Safety and Permanence), followed by an e-mail that same day.” A screenshot from that email appears below.²¹⁵

²¹⁴ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 125

²¹⁵ Appendix 331 – DCF Response 3-21-22 Page: 1



Detective Greener,

Please see our responses to your questions below. We appreciate you reaching out – please let us know if there’s anything else we can provide.

1. Can you clarify when DCF was first notified regarding the theft?

Based on our records, the first contact we have documented was December 16, 2020 via phone conversation between Diane Cable and Wendy Henderson (DCF Division Administrator, Division of Safety and Permanence), followed by an e-mail that same day. Note that the DCF staff involved do not routinely keep logs of all phone calls.

Source: Appendix 331 – DCF Response 3-21-22 Page: 1

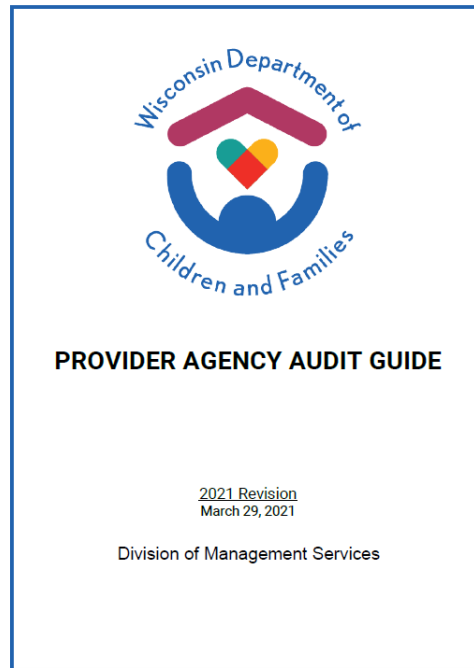
For perspective when placed into the investigative timeline for consideration; according to DCF staff, the State of Wisconsin – DCF was not notified of the Zer Smith theft for a total of eleven months two days – 337 days after the January 14, 2020, meeting and DHS staff filing a criminal complaint with the Eau Claire Police Department.²¹⁶

On July 12, 2021, Jill Mueller from DCF provided several documents to Detective Greener and Deputy Voelker. Amongst the documents was the DCF “Provider Agency Audit Guide.”²¹⁷ When that document is reviewed, the reader can find subsection 6.5.1 titled “The provider’s reporting responsibilities” on page 61.²¹⁸

²¹⁶ Appendix 331 – DCF Response 3-21-22 Page: 1

²¹⁷ Appendix 299 - DCF Provider Agency Audit Guide

²¹⁸ Appendix 299 - DCF Provider Agency Audit Guide Page: 61



6.5 Reporting fraud to granting agency

Both the provider and the auditor have responsibility for reporting fraud to the granting agency.

6.5.1 The provider's reporting responsibilities

The provider is required to report all fraud to the granting agency. The notification should be made by letter as soon as possible after the discovery of the fraud. The letter should include information answering the following questions:

- Who was involved in the fraud?
- What happened?
- When did the fraud happen?
- How did the provider learn of the fraud?
- Did the fraud involve department funds, either directly or indirectly? (I.e., did the people involved in the fraud have duties related to department funding, whether or not the fraud itself involved department funding? Were the controls that were circumvented in the fraud also used for department funding?)
- What has the provider done in reaction to the fraud?

Source: Appendix 299 - DCF Provider Agency Audit Guide Page: 61

A screenshot of this relevant section appears above. The section for the reader's consideration states: "The provider is required to report **ALL** fraud to the granting agency. The notification **should be made by letter as soon as possible after the discovery of the fraud.**"

There are a series of emails exchanged between McCulley, Cable, and Gardner. During the exchange of these emails McCulley asks Cable if she has a copy of the investigation or other documentation that would show that the theft came from the levy and not the grant. Cable asks to discuss this over the phone with McCulley or during a virtual meeting. Also, on this date McCulley sends Rachelle Armstrong another Wisconsin Department of Children and Families employee an email. In that email McCulley tells Armstrong that she had spoken with Cable. Cable told McCulley that the determination was made by the county's Finance Director and accountant reviewing the year-end records for 2018 and 2019 that the grant funds were not affected by the theft.²¹⁹

From: McCulley, Shelby A - DCF

Sent: Monday, December 21, 2020 11:39 AM

To: Armstrong, Rachelle - DCF Rachelle.Armstrong@wisconsin.gov>

Subject: FW: Youth Justice Innovation Grant - Eau Claire County



Hi Rachelle – I just talked to Diane Cable, and she indicated that the amounts indicated below are the full amount of the embezzlement – there weren't other programs involved, which simplifies things. The individual was able to steal from this program specifically because of the incentive program (gift cards, etc.) rather than through redirecting payments or other methods that would require more access to fiscal systems. The criminal investigation is completed and the individual is being prosecuted. The determination below that state dollars weren't affected (that the fraud impacted tax levy) was made by the county's Finance Director and accountant reviewing the year-end records for 2018 and 2019.


Since the theft affected tax levy, and not the state funding, I'm hoping we can avoid needing a lot of additional documentation as long as we can get documentation of how they determined that state funding was not affected – do you think a letter from their finance director would be sufficient? Or co-signed by Diane and the finance director?

Shelby McCulley

Bureau of Youth Services Director

Division of Safety and Permanence

shelbya.mcculley@wisconsin.gov | p: 608.422.6998 |  

 Wisconsin Department of Children and Families

Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 167

There are three statements in the body of this email that are **NOT ACCURATE** based on the information obtained and reviewed in this case.

Statement 1 - “**She indicated that the amounts indicated are the full amount of the embezzlement**” This statement is **NOT** accurate based on information that will be detailed in the paragraphs that follow. Again, a review of records and data shows that that based on SPARK program records, \$21,777.74 is the amount spent on **PURCHASING THE GIFT CARDS**,

²¹⁹ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 131-152



NOT the “amount of the theft. Again, there is a difference. As the reader will see, this statement and assertion are repeated several times.

Statement 2 - **“The determination below that state dollars weren’t affected (that the fraud impacted tax levy) was made by the county’s Finance Director and accountant reviewing the year end records for 2018 and 2019.”** This statement is **NOT** accurate based on information that will be detailed in the paragraphs that follow. Again, it is **impossible** to make this statement based on the way that the Eau Claire County chart of accounts are presently structured. This has been the case throughout the course of this investigation.

To address: *“The determination below that state dollars weren’t affected (that the fraud impacted tax levy) was made by the county’s Finance Director;”* Norb Kirk was interviewed by Detective Greener and Deputy Voelker and told the investigators that this conversation never took place.

To address: *“The determination below that state dollars weren’t affected (that the fraud impacted tax levy) was made by the county’s Finance Director **and accountant** reviewing the year end records for 2018 and 2019.”* This would appear to be a reference to this “determination” being made by Norb Kirk, (see the above paragraph) **AND** either an ‘accountant’ in County Finance staff, Vickie Gardner and / or Chelsey Mayer. To date both Gardner and Mayer have been contacted and have been asked to meet with investigators. Vickie Gardner declined to be interviewed; and the email request sent to Chelsey Mayer was answered by Attorney Rich White.

To address: *“Reviewing the year end records for 2018 and 2019”* The reader will recall and consider Corporation Counsel Tim Sullivan’s response to questions posed to County staff: “There is the potential the scope of the investigation has been limited to 2019 and P-card transactions.” The reader will also recall from the SAPRK program Interim and Final reports that even from the January 14, 2020, meeting; DHS staff and administration were dismissive when Deputy Voelker noted for the group that there could be undiscovered and unreported fraud that may have occurred on the now closed P-cards issued to Zer Smith.

Statement 3 - **“Since the theft affected tax levy and not state funding.”** This statement is **NOT** accurate based on information that will be detailed in the paragraphs above for “Statement 2” well as the paragraphs and screenshots that follow below.

In an email sent by Diane Cable on Thursday January 28, 2021, at 6:00 pm, Cable asks Vickie Gardner to “Please review the attached letter. Your comment is appreciated.” The email contains a Word document titled: Fraud Incident Letter to DCF.docx.²²⁰

²²⁰ Diane Cable PC 60167 Review



From: Diane Cable
Sent: 1/28/2021 6:00:12 PM
Received: 1/28/2021 6:00:00 PM
To: ["Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>"]
Subject: Fraud Incident Letter to DCF
Importance: High
Sensitivity: Normal
Attachments: Fraud Incident Letter to DCF.docx

Hi Vickie,
Please review the attached letter. Your comment is appreciated.
Thanks
Diane

Source: Diane Cable PC 60167 Review

Before sending the Fraud Incident letter to DCF, Diane Cable asked Vickie Gardner to review it.

From: Vickie Gardner
Sent: 1/29/2021 7:21:30 AM
Received: 1/29/2021 7:21:31 AM
To: ["Diane Cable <Diane.Cable@co.eau-claire.wi.us>"]
Subject: RE: Fraud Incident Letter to DCF
Importance: Normal
Sensitivity: Normal

Diane,
I read the letter. It sounds fine to me. I only noticed that in the first paragraph, the year is noted as "2022" and "2020" when I believe you are referencing "2021".
Let me know if you need more clarification.
Vickie

Source: Diane Cable PC 60167 Review

As you see in the email screenshot above, Vickie Gardner identified a confusing statement made by Cable in the letter between the years that Cable had stated in the letter. The exchange between Gardner and Cable that follows this appears below.

From:	Vickie Gardner
Sent:	1/29/2021 7:28:19 AM
Received:	1/29/2021 7:28:21 AM
To:	["Diane Cable <Diane.Cable@co.eau-claire.wi.us>"]
Subject:	RE: Fraud Incident Letter to DCF
Importance:	Normal
Sensitivity:	Normal
Attachments:	image001.jpg

Well.... I am just hoping 2021 is better than 2020 right now. ☹️

From: Diane Cable
Sent: Friday, January 29, 2021 7:23 AM
To: Vickie Gardner
Subject: RE: Fraud Incident Letter to DCF
 Thanks Vickie – apparently, I am ready for 2022????



Diane Cable, MSW
Director
 Department of Human Services
 721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

Source: Diane Cable PC 60167 Review

Fifty-nine minutes after the email above, Cable forwards the letter to her assistant Alexa Dennis asking that the letter be placed on letterhead. What is noteworthy is that During this process, Cable inexplicably does not correct the date error as suggested by Cable. Dennis places the DCF letter as was sent by Cable on letter head and sends it back to Cable. Dennis would likely not be aware of the year discrepancy in the letter when she places the letter on DHS letterhead.

What should stand out to you is that not only did Diane Cable not correct the year date error, **NEITHER OF THE DATES DIANE CABLE STATES IN HER LETTER ARE ACCURATE!** Diane Cable knew this at the time; Vickie Gardner knew it at the time and the two recipients at DCF should have identified this at the time the letter was received. This is based on the email that Detective Greener and I received. **The true date of this ‘conversation’ between Cable and DCF staff, based on the information provided by DCF staff is December 16, 2020, or 44 days before the date of this letter.** ²²¹ One explanation as to how Diane Cable AND Vickie Gardner could both allow this misstatement on the issue date of the ‘conversation’ between DHS and DCF is that the intent was to be deliberately confusing. Cable

²²¹ Appendix 331 – DCF Response 3-21-22 Page: 1

and Gardner know full well when the conversation with DCF took place – it was 44 days prior on December 16, 2020, and no other date can be asserted!

This summary and the larger ECSO report bear several other examples of attempts at what appears to be deliberate confusion. One only need look back a few pages in this summary where both Stella Pagonis and Kathryn Schauf agree that Diane Cable’s explanation on the question of levy versus grant dollars made no sense. Follow this with Finance Director Kirk’s “I’m confused” ²²² response to Cable’s levy versus grant contention; and Kathryn Schauf’s “I will not dispute that the response is confusing” awareness. ²²³

On Friday, January 29, 2021, at 9:47 AM, Dennis sends the DCF letter on DHS letterhead back to Cable as a Word document: “Fraud Incident Letter to DCF.docx.”

From:	Diane Cable
Sent:	1/29/2021 1:22:02 PM
Received:	1/29/2021 1:22:00 PM
To:	["McCulley, Shelby A - DCF <shelbya.mcculley@wisconsin.gov>", "Armstrong, Rachelle - DCF <Rachelle.Armstrong@wisconsin.gov>"]
CC:	["Vickie Gardner <Vickie.Gardner@co.eau-claire.wi.us>"]
Subject:	Letter from Eau Claire County
Importance:	Normal
Sensitivity:	Normal
Attachments:	Fraud Incident Letter to DCF.pdf, image003.jpg

Hello Shelby and Rachelle,
I hope you are both well today. Attached is the document as requested in our conversation last week.
I trust that you will contact me if you have any questions.
Take care and have a good weekend,
Diane



Diane Cable, MSW
Director
Department of Human Services
721 Oxford Ave, Ste. 1001 | Eau Claire, WI 54703
Direct: 715-839-6914
Email: Diane.Cable@co.eau-claire.wi.us

Source: Diane Cable PC 60167 Review

Screenshots of the full two-page Diane Cable - “Fraud Incident Letter to DCF.pdf appear below.

²²² Diane Cable PC 60167 Review

²²³ Appendix 288 – Records provided by Stella Pagonis 5-19-21 Page: 15

Eau Claire County
Department of Human Services
721 Oxford Avenue, Suite 1001
Eau Claire, WI 54703
(715) 839-2300 | Fax (715) 831-5784
www.co.eau-claire.wi.us
Diane Cable, Director



Date: January 29, 2021

To: Shelby McCulley
Bureau of Youth Services Director
Division of Safety and Permanence, DCF

Rachelle Armstrong
Finance Director, DCF

From: Diane Cable, Director
Diane Cable
Eau Claire County Human Services

RE: Incident of fraud by prior employee

Hello. This letter notifies and communicates to you the incident of fraud committed by an employee of Eau Claire County Human Services per our conversation on January 20th, 2021. The letter outlines the incident and the actions of the agency in response. To assist your understanding, the SPARK program, is the name of the Human Services program that was initiated with the Youth Justice Innovation Grant dollars.

Per our conversation on January 20th, 2020, it is our understanding that this letter serves as documentation of the incident to the Department of Children and Families. In addition, no other actions are needed/required for Eau Claire County Human Services Department.

If you have questions related please contact either Diane Cable, Agency Director or Vickie Gardner, Agency Fiscal Manager.

Thank you for your review and assistance. – *Diane*

Incident Review – 1/14/2020

September 2019, the Agency Accountant notified the Deputy Director (The fiscal manager was out of the office on a family emergency.) that she was not able account for some transactions made by an employee. The concern was brought to the attention of the Fiscal Manager and the Agency Director, who informed Human Resources and the County Administrator. An investigation was initiated of the employee's utilization of her P-card. It was determined that the employee used the County P-card to make personal reservations for rental car, and hotel rooms. This initial finding leading to termination was less than \$1000.00. The employee admitted to the incident. Result of the initial investigation of the incident, led to the termination of the employee on 10/14/2019.

Page two of the “Fraud Incident Letter to DCF appears below. Note that this letter contains the wording of the Diane Cable January 14, 2020, early morning “reformat” of the document and information that had been prepared by Vickie Gardner and Hannah Keller. Diane Cable’s reformat of the left out several bullet points and information initially included by Gardner and Keller where, based on the wording, that there were several instances where opportunities existed to possibly identify and investigate events where there were indications of issues and the potential for fraudulent activity occurring several months before they eventually were discovered by DHS staff.

At the same time, the Fiscal Manager continued to review all purchases made by the employee, which led to a full review of the purchases by the employee, which were found to be related to the SPARK program. Additional fraud was found, through the purchase of VISA gift cards. In consultation with County Administration, County Finance, and Corporation Counsel the investigation was turned over to Law Enforcement in January 2020. Law Enforcement referred criminal charges to the District Attorney’s office, indicating fraud at the amount of \$21,777.74. Eau Claire County Human Services has been able to verify that the Grant dollars were not affected and consulted with County Finance with this review and the total allocation of the Youth Innovation Grant dollars were used for the defined purposes of the Grant program. From 2017-2019 the total program cost of Youth Innovation Grant Program was \$442,981. Youth Justice Innovation Grant covered 87% of the SPARK program costs and the remainder of the cost (13%) came from tax levy. The loss by the employee theft was a 5% impact to the total program cost, which affected tax levy.

Steps Taken Prior to discovery of Incident

Prior to 2019, the Organizational Services Manager reviewed all of the monthly Credit Card purchases. In late January 2019, Agency Fiscal Services began the process of assuming the oversight and auditing of the Agency credit cards. Expectations of new process was reviewed individually with all staff with credit cards.

Steps Taken – related to investigating the incident

- Accountant and Fiscal Manager reviewed 2019 charges against scanned documentation
- Fiscal Manager and Accountant noticed large gift card purchases for the Spark Program that were being purchased frequently and appeared to have the same authorization or multiple authorizations being used to make purchases.
- Fiscal Manager had all credit card purchases for employee. Information reviewed involved activities from 2018/2019.
- The Youth Services manager provided a comparison with the credit cards received by the SPARK Program coordinator to the actual charges incurred on the employee P-card since the start of purchasing gift cards for the program (July 2018).
- In January 2020, information turned over to Law Enforcement (Eau Claire Police Department) for a criminal investigation. Charges against employee filed in August 2020.

Steps Taken – In response to Incident

- Reviewed and Updated Agency Credit Card procedure in collaboration with County Finance.
- Implemented oversight approval of each employee’s purchases by their supervisor or a manager
- Card Holders are required to attend training on credit card procedure
- Written Authorizations for all charges are required and stringently audited
- Gift cards are no longer purchased for the SPARK program. The contracted provider for the SPARK program manages program purchase needs. The Youth Services Manager, reviews program purchases as part oversight of the provider contract.

Below we'll look at each section of the Diane Cable's "Fraud Incident Letter to DCF" in greater detail.

RE: Incident of fraud by prior employee

Hello. This letter notifies and communicates to you the incident of fraud committed by an employee of Eau Claire County Human Services per our conversation on January 20th, 2021. The letter outlines the incident and the actions of the agency in response. To assist your understanding, the SPARK program, is the name of the Human Services program that was initiated with the Youth Justice Innovation Grant dollars.

Per our conversation on January 20th, 2020, it is our understanding that this letter serves as documentation of the incident to the Department of Children and Families. In addition, no other actions are needed/required for Eau Claire County Human Services Department.

If you have questions related please contact either Diane Cable, Agency Director or Vickie Gardner, Agency Fiscal Manager.

Thank you for your review and assistance. – *Diane*

Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 203 / Appendix 299 - Fraud Incident Letter to DCF Page: 1

To begin, in her first paragraph Diane Cable writes: "Hello. This letter notifies and communicates to you the incident of fraud committed by an employee of Eau Claire County Human Services per our conversation on January 20th, 2021." "Per our conversation on January 20th, 2020, it is our understanding that this letter serves as documentation of the incident to the Department of Children and Families." We know from contact with DCF staff that Diane Cable did not notify the State of Wisconsin – DCF until a phone call made sometime on Wednesday December 16, 2020.²²⁴ In an apparent follow up, DCF staff appear to have requested some form of additional documentation regarding the theft from the SPARK program, leading to the creation of this letter.

It is noteworthy that Cable states: "If you have questions related please contact either Diane Cable, Agency Director or Vickie Gardner, Agency Fiscal Manager." This suggested restriction on who DCF could or should pose any follow up questions to is significant given that on page 2 of the letter, Cable asserts that DHS "consulted with County finance" relative to "Grant dollars were not affected." DCF would not be aware that in a 12/14/20 email, Norb Kirk wrote to Kathryn Schauf: "I'm confused,if the grant funds were covering the reimbursement for the

program and we had fraud purchases using grant dollars, how is it possible the grant funds weren't impacted?" ²²⁵

Incident Review – 1/14/2020

Incident Review – 1/14/2020

September 2019, the Agency Accountant notified the Deputy Director (The fiscal manager was out of the office on a family emergency.) that she was not able account for some transactions made by an employee. The concern was brought to the attention of the Fiscal Manager and the Agency Director, who informed Human Resources and the County Administrator. An investigation was initiated of the employee's utilization of her P-card. It was determined that the employee used the County P-card to make personal reservations for rental car, and hotel rooms. This initial finding leading to termination was less than \$1000.00. The employee admitted to the incident. Result of the initial investigation of the incident, led to the termination of the employee on 10/14/2019.

Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 204 / Appendix 299 - Fraud Incident Letter to DCF Page: 1

At the same time, the Fiscal Manager continued to review all purchases made by the employee, which led to a full review of the purchases by the employee, which were found to be related to the SPARK program. Additional fraud was found, through the purchase of VISA gift cards. In consultation with County Administration, County Finance, and Corporation Counsel the investigation was turned over to Law Enforcement in January 2020. Law Enforcement referred criminal charges to the District Attorney's office, indicating fraud at the amount of \$21,777.74. Eau Claire County Human Services has been able to verify that the Grant dollars were not affected and consulted with County Finance with this review and the total allocation of the Youth Innovation Grant dollars were used for the defined purposes of the Grant program. From 2017-2019 the total program cost of Youth Innovation Grant Program was \$442,981. Youth Justice Innovation Grant covered 87% of the SPARK program costs and the remainder of the cost (13%) came from tax levy. The loss by the employee theft was a 5% impact to the total program cost, which affected tax levy.

Source: Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 204 / Appendix 299 - Fraud Incident Letter to DCF Page: 2

Statement 1 - In this "Fraud Incident Letter to DCF, Diane Cable tells the State of Wisconsin – DCF: **"the Fiscal Manager continued to review ALL purchases made by the employee."**

²²⁶This statement is **NOT** accurate as the reader will recall the issue of 42.8% of Eau Claire County issued P-Cards assigned to Zer Smith that were closed due to fraud were not reviewed to determine if internal controls or purchasing policy was followed. In addition, the reader will

²²⁵ Appendix 325 – Diane Cable PC 60167 Review – Selected Files Page 91

²²⁶ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 204 / Appendix 299 - Fraud Incident Letter

recall that in his Interim and Final reports, Deputy Voelker noted the “dismissive” attitude towards this issue. ²²⁷

Statement 2 - In this “Fraud Incident Letter to DCF, Diane Cable tells the State of Wisconsin – DCF: **“Which led to a full review of the purchases by the employee.”** ²²⁸ This statement is **NOT** accurate for several reasons. The comments for statement 1 above begin to address this. Next, consider the December 2018 purchase of one Vanilla gift card for \$500 on a Saturday evening at the CVS Pharmacy in Kansas City Missouri. ²²⁹


In the Interim and Final reports, Deputy Voelker notes: “My concerns about this card activity is also heightened in that this card number “1199” is also listed on Exhibit 4 as one of the seven cards listed on this Excel Sheet. On this Excel sheet provided to me by DHS staff three of the cards issued to the DHS employee show “Fraud” in the “Account status” column, and the remaining four cards show “voluntarily closed” in the “Account status” column. I will need additional information from DHS staff regarding this card and all others listed in Exhibit 4 in order to complete my work.” ²³⁰

This letter to DCF does not address the number of transactions made by employees other than Zer Smith where, on the Excel worksheet prepared by Vickie Gardner’s Excel Sheet. Recall that Gardner had placed multiple question marks by multiple transactions, along with the quantity of transactions that had the notation “personal” by them. ²³¹

Also recall that the question “At this point there has been focus on the misuse of gift cards by Zer that she had purchased using county funds. To what extent is there concern Zer has misused other funds?” was posed to county staff members which led to the following responses:

“We have only identified misuse of the P-Card. Her misuse was through purchasing items using the accounts for the SPARK program, and items identified as part of her termination,

²²⁷ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / EC County Interim DHS Report Final

Pages: 12-18 

²²⁸ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 204 / Appendix 299 - Fraud Incident Letter

to DCF Page: 1 

²²⁹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / EC County Interim DHS Report Final

Pages: 33-35 / Exhibit 4 Credit Card Numbers 

²³⁰ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / EC County Interim DHS Report Final

Pages: 33-35 / Exhibit 4 Credit Card Numbers 

²³¹ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 28 Copy of SPARK Expenses

(reserving hotel room, and rental car). The misuse of those have been restored by Zer, of \$850.78” ²³²

We conducted a high-level overview of all of Zer’s credit card purchased in 2019. For 2018, we reviewed all of the SPARK program purchases for appropriate authorization of purchases and only found discrepancies with the gift card purchases.” ²³³


“There is the potential the scope of the investigation has been limited to 2019 and P-card transactions (Tim).” ²³⁴

Statement 3 - In this “Fraud Incident Letter to DCF, Diane Cable tells the State of Wisconsin – DCF: **“Law Enforcement referred criminal charges to the District Attorney’s office, indicating fraud at the amount of \$21,777.74.”** ²³⁵ This statement is **NOT** accurate.


Issue - 1: The first issue in response to this Diane Cable statement **“Law Enforcement referred criminal charges to the District Attorney’s office, indicating fraud at the amount of \$21,777.74”** starts with a summary review of the process of this criminal investigation. In this case, on January 14, 2020, the Eau Claire Police Department received information and documents from DHS Fiscal staff and DHS Administration to support the DHS complaint that they were a victim of a crime committed by now former employee Zer Smith.

A law enforcement agency is going to dutifully record and report the initial complaint information and the statements of the reporting party or parties in a case that involves a business victim. Generally, by the time a complaint is field with law enforcement, records to quantify the reported suspected criminal activity, questioned transactions, verified loss, actual theft, typically


²³² Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 8 Responses to Questions


Page: 3 

²³³ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 8 Responses to Questions

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²³⁴ Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 8 Responses to Questions

Page: 3 

²³⁵ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 204 / Appendix 299 - Fraud Incident Letter to DCF Page: 2 

have been researched, quantified, reviewed, verified, and documented before being presented to law enforcement as part of a report of a property crime.

Of course, there are large scale white collar / financial crime cases, where forensic audits and other work can take time. At the time this case was presented to law enforcement, it was about four months after discovery and about two months after the employee was terminated. In a financial crime case, any loss amount, criminal complaint, subsequent request for restitution will have to be supported by information from the victim business. As we'll see in the paragraphs and screenshots that follow, Diane Cable's statement, "**indicating fraud at the amount of \$21,777.74**" referring to the figure \$21,777.74" is **NOT** accurate based on information detailed below in the Issue-2 section.

Issue – 1: The first issue to address here is in response to Diane Cable's broader statement to DCF, "**Law Enforcement referred criminal charges to the District Attorney's office, indicating fraud at the amount of \$21,777.74.**" Law enforcement would document in reports, submitted to a prosecutor, the amount that the victim, the victim's accounting firm has quantified as the loss in the case at whatever that amount is.

Issue – 2: The next issue to address is in response to Diane Cable's statement: "**indicating fraud at the amount of - \$21,777.74** - referring to the figure used by Cable \$21,777.74." Next, let's look at the \$21,777.74 figure claimed by Cable as being the fraud amount, to determine if that amount is supported by the information and documentation provided by DHS.

In her letter to DCF Diane Cable writes: "Youth Justice Innovation Grant covered 87% of the SPARK program costs as the remainder of the cost came from tax levy." Deputy Voelker reviewed a copy of the "Intergovernmental Contract Agreement" for the SPARK Program lists that the "% of time paid for by grant" shows a 67% figure and not 87%. Based on the interviews conducted so far, and the information gathered and reviewed to this point, the reason for this discrepancy cannot be determined.

1	Date	Vendor	Description	Amount	Data Source - Appendix
2	Wednesday, July 25, 2018	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
3	Monday, August 20, 2018	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
4	Friday, September 7, 2018	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
5	Tuesday, October 16, 2018	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
6	Monday, October 29, 2018	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
7	Thursday, November 1, 2018	Gift Cards.com	4 Gift Cards	\$ 2,035.25	Appendix 249 - Diane Cable Selected Emails August 2020
8	Thursday, November 1, 2018	Gift Cards.com	4 Gift Cards	\$ 2,035.25	Appendix 249 - Diane Cable Selected Emails August 2020
9	Wednesday, November 21, 2018	CVS Pharmacy	2 Gift Cards	\$ 1,011.90	Appendix 249 - Diane Cable Selected Emails August 2020
10	Wednesday, November 21, 2018	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
11	Saturday, December 8, 2018	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
12	Friday, January 4, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
13	Friday, January 25, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
14	Thursday, March 21, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
15	Friday, April 12, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
16	Friday, April 12, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
17	Monday, April 15, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
18	Friday, April 19, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
19	Monday, April 22, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
20	Saturday, April 27, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
21	Thursday, May 2, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
22	Sunday, May 12, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
23	Sunday, May 26, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
24	Tuesday, May 28, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
25	Monday, June 17, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
26	Monday, June 17, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
27	Tuesday, June 18, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
28	Tuesday, July 2, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
29	Saturday, July 6, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
30	Monday, July 15, 2019	CVS Pharmacy	2 Gift Cards	\$ 1,011.90	Appendix 249 - Diane Cable Selected Emails August 2020
31	Monday, July 22, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
32	Tuesday, July 23, 2019	Walmart	1 Gift Card	\$ 504.94	Appendix 249 - Diane Cable Selected Emails August 2020
33	Thursday, August 8, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
34	Thursday, August 8, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
35	Wednesday, August 28, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
36	Wednesday, August 28, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 - Diane Cable Selected Emails August 2020
37			TOTAL	\$ 21,777.74	
38	Note: The highlighted cells are transactions that occurred outside of the business week. The five (5) transactions are approximately 14% of the total of thirty-five (35) transactions.				
39					

Source: Case Illustration / SPARK Program Gift Cards Study.PDF / DHS Investigation - SPARK Program Review-UPDATED 3-23-22.pptx

To recreate the information DHS has disseminated, I charted the data from a 1:25 Pm Friday August 28, 2020, that Hannah Keller sent Diane Cable. ²³⁶ Keller's email to Cable included an Excel file titled: "ZS Pcard.xlsx." You can see next to the boldfaced total cell at the bottom of the screenshot above; that based on my recreation of the "ZS Pcard.xlsx" file, using the same data, I arrived at the same \$21,777.74 figure that Keller did.

Issue – 3: The reader will recall the five yellow highlighted "non-conforming transactions" on the left side of the worksheet. "Non-conforming transactions" are ones that have been identified as occurring outside of the established business hours, or employee work schedule. There are occasions where these "non-conforming transaction" dates are the transaction posted dates and not the actual date of the purchase; for example, a purchase made on a Friday, but the business sends a batch of transactions for processing the next day.

Now please refer to the highlighted Row 11 above. This transaction is the December 8, 2018, event at the CVS pharmacy in Kansas City, Missouri. To date, I have been given no information that the SPARK program either had evening hours on a Saturday, or a weekend night field trip with SPARK program participants to Kansas City, Missouri. This transaction can be subtracted from the \$21,777.74 total at this point; pending purchase authorization and verification that the

²³⁶ Appendix 249 - Diane Cable Selected Emails August 2020 Pages: 70-74



physical card was not stolen, especially if Zer Smith had not reported the card as lost or stolen before this transaction occurred.

Date	Vendor	Description	Amount	Appendix	Card #	Date	Gift Card Amount	Verified
Tuesday, October 16, 2018	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -				2018 Allo – two cards requested in November of 2018 to use remaining 2018 funds. Email can verify. GCard #4468 - 2/22 GCard #0700 - 3/1
Monday, October 29, 2018	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -				
Thursday, November 1, 2018	Gift Cards.com	4 Gift Cards	\$ 2,035.25	Appendix 249 -				
Thursday, November 1, 2018	Gift Cards.com	4 Gift Cards	\$ 2,035.25	Appendix 249 -				
Wednesday, November 21, 2018	CVS Pharmacy	2 Gift Cards	\$ 1,011.90	Appendix 249 -				
Wednesday, November 21, 2018	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -				
Saturday, December 8, 2018	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -	1	01/04/2019 (Friday)	500	Not requested/received
Friday, January 4, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -		01/25/2019 (Friday)	500	Yes - Per 2019 Budget and Incentives Inventory List – Sheet 2 - (Line 163) GCard #8307 – First Purchase 2/22/19
Friday, January 25, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -				
Thursday, March 21, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -		03/21/2019 (Thursday)	500	Yes - Per 2019 Budget and Incentives Inventory List – Sheet 2 - (Line 173) GCard #8377 – First Purchase 3/22/19
Friday, April 12, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -				
Friday, April 12, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -				
Monday, April 15, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -		04/12/2019 (Friday)	500	Yes - Per email (Vickie?) GCard #0285
Friday, April 19, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -				
Monday, April 22, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -	5		500	Not requested/received
Saturday, April 27, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -	6	04/15/2019 (Monday)	500	Not requested/received
Thursday, May 2, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -	7	04/19/2019 (Friday)	500	Not requested/received
Sunday, May 12, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -	8	04/22/2019 (Monday)	500	Not requested/received
Sunday, May 26, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -	9	04/27/2019 (Saturday)	500	Not requested/received
Tuesday, May 28, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -		05/02/2019 (Thursday)	500	Yes - GCard #3177 - 1 st Purchase made 5/3 - See document titled "SPARK 2019 Budget"
Monday, June 17, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -	11	05/12/2019 (Sunday)	500	Not requested/received
Tuesday, June 18, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -	12	05/26/2019 (Sunday)	500	Not requested/received
Tuesday, July 2, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -		05/28/2019 (Tuesday)	500	Yes - Per 2019 Budget and Incentives Inventory List – Sheet 2 - (Line 180) GCard #6216
Saturday, July 6, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -				
Monday, July 15, 2019	CVS Pharmacy	2 Gift Cards	\$ 1,011.90	Appendix 249 -		06/17/2019 (Monday)	500	Yes - GCard #0285 - 1 st Purchase made 6/17 - See document titled "SPARK 2019 Budget"
Monday, July 22, 2019	Walgreens	1 Gift Card	\$ 505.95	Appendix 249 -				
Tuesday, July 23, 2019	Walmart	1 Gift Card	\$ 504.94	Appendix 249 -				
Thursday, August 8, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -	15		500	Not requested/received
Thursday, August 8, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -				
Wednesday, August 28, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -				
Wednesday, August 28, 2019	CVS Pharmacy	1 Gift Card	\$ 505.95	Appendix 249 -				
TOTAL \$ 21,777.74								
Note: The highlighted cells are transactions that occurred outside of the business week. The five (5) transactions are approx								
Source: Exhibit 3 Highlighted Excel Sheet								

Source: DHS Investigation - SPARK Program Review-UPDATED 3-23-22.pptx / Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Exhibit 3 Highlighted Excel Sheet Page: 1

Issue – 4: To address issues related to Diane Cable placing the loss at the \$21,777.74 figure, next let's compare our newly prepared Excel worksheet where we can duplicate the \$21,777.74 figure to the documentation handed out at the January 14, 2020, meeting. On the right side above is a screenshot from Exhibit 3 Highlighted Excel Sheet. In the right-side column, the heading reads "Verified." In these cells, Keller has highlighted gift card purchases that were received by the SPARK program, and then used to make purchases. The shaded or highlighted notations are gift cards and their stored value amounts that were "Not requested/received" by the SPARK Program, so they are monies 'at risk' unless the physical gift cards can be accounted for; the stored value can be accounted for; absent that, these are part of the actual theft loss.

Issue – 5: Now to our red arrows above. These arrows are drawn between the spreadsheet that arrives at the \$21,777.74 figure and the Highlighted Excel Sheet that quantifies the loss reported by DHS. Obviously, one can't have accounted for or authorized events, "requested and received" cards and stolen cards at the same time. So then, these amounts should be subtracted from the \$21,777.74 figure.

Appendix : 287 File: 2019 Exp 50 to 69 funds 205 and 206

Festival Foods	2/26/2019		25.72	Birthday cake and groceries to make birthday meal of chicken bacon ranch penne pasta for youth (AL)
Culver's	2/26/2019		11.08	Birthday Meal for youth (AL)
Visa Card	2/28/2019	505.95		\$500 Visa gift card for supplies and incentives
Mileage-Manda	2/28/2019		144.77	Mileage reimbursement for Manda
Mileage-Kaila	2/28/2019		75.63	Mileage reimbursement for Kaila
Mileage-Victoria	2/28/2019		64.38	Mileage reimbursement for Victoria
Kwik Trip	3/12/2019	2.78		Purchase of hamburger buns for Family Group meal of pulled pork sandwiches
United Postal Servic	3/13/2019	16.29		Package and shipping cost to send Lenovo computer to company to get fixed under warranty
Visa Card	3/22/2019	505.95		\$500 Visa gift card for supplies and incentives
Visa Card	5/28/2019	505.95		\$500 Visa gift card for supplies and incentives

DATE	REFERENCE	BATCH	DESCRIPTION	
01/22/19	DB1002	19000180	PC1199_01/04/2019_WALGREENS #	505.95
02/25/19	DB2001	19000395	PC1199_01/25/2019_WALGREENS #	505.95
03/22/19	DB3002	19000572	PC1199_03/14/2019_METROPOLIS #	122.93
04/24/19	DB4003	19000753	PC1199_03/21/2019_CVS/PHARMAC #	505.95
04/24/19	DB4003	19000753	PC3994_04/15/2019_CVS/PHARMAC #	505.95
04/24/19	DB4003	19000753	PC1199_04/12/2019_CVS/PHARMAC #	1,011.90
04/24/19	DB4003	19000753	PC1199_04/19/2019_CVS/PHARMAC #	505.95
05/22/19	DB5001	19000930	PC1199_05/02/2019_WALGREENS #	505.95
05/22/19	DB5001	19000930	PC1199_04/27/2019_WALGREENS #	505.95
05/22/19	DB5001	19000930	PC1199_04/22/2019_WALGREENS #	505.95
06/21/19	BG6011	19001134	PC1199_06/17/2019_WALGREENS #	505.95
06/21/19	BG6011	19001134	PC1199_06/18/2019_WALGREENS #	505.95
06/21/19	BG6011	19001134	PC1199_05/26/2019_WALGREENS #	505.95
07/24/19	BG7009	19001298	PC1199_07/02/2019_WALGREENS #	505.95
07/24/19	BG7009	19001298	PC1199_07/06/2019_CVS/PHARMAC #	505.95
08/26/19	BG8017	19001521	PC0142_08/08/2019_CVS/PHARMAC #	1,011.90
08/26/19	BG8017	19001521	PC0142_07/23/2019_WM SUPERCENT #	504.94
08/26/19	BG8017	19001521	PC0142_07/22/2019_WALGREENS #	505.95
09/24/19	BG9021	19001656	PC0142_08/28/2019_CVS/PHARMAC #	505.95
Total				91 10,240.92

Exhibit 16 Page 7
Data Ends on
Tuesday 5/28/19

Sources: TOP - Exhibit 16 2019 Budget and Incentives Inventory List / BOTTOM - Appendix 287 - DHS Revenue & Expenditure Detail Reports - Received 5-18-21

Issue – 6: To address issues related to Diane Cable placing the loss at the \$21,77.74 figure, please refer to the screenshot above shows an attempt to corroborate information from DHS to the Treasurer's Office journal. Obviously, one should be able to cross reference the information and it all should align.

At the top of this screenshot, you see that the SPARK Program "2019 Budget and incentives Inventory List" details that on Friday 3/22/2019, a \$505.95 VISA gift cards was purchased, but the Treasurer's office journal does not have a corresponding journal entry as there is only one 3/22/2019 journal entry only for a \$122.93 purchase at Metropolis.

Then, on Wednesday 4/24/2019 the Treasurer's Office journal shows four separate purchases of \$500 gift cards at CVS Pharmacy. One \$1,011.90 purchase at CVS pharmacy was for two gift cards. As you can see, there is no entry for this in the 2019 Budget and Incentives Inventory List.

Next, on Wednesday 5/22/2019 SPARK Program records show that three \$505.95 gift cards were purchased in three transactions at Walgreens. The last entry on the 2019 SPARK Program budget and Incentives List dates to 5/28/2019, and this entry does not align or correspond to any

entry in the Treasurer's Office journal. ²³⁷So, which one set of records is accurate? Which set of records is "complete?" Then, consider that the examples listed here are not all the inconsistencies and discrepancies discovered.

To date some of the key DHS staff who could offer additional information or could explain events like this have declined to be interviewed. In a final attempt to set up interviews with DHS staff, in October of 2022, Detective Greener sent an email to Mindy Dale, Joe Russel and Bryan Symes of the Von Briesen & Roper law firm, who were retained by Eau Claire County to serve as Corporation Counsel in place of Rich White. In response emails, all DHS staff and Kathryn Schauf declined to be interviewed.

Statement 4 - In this "Fraud Incident Letter to DCF, Diane Cable tells the State of Wisconsin – DCF: **"Eau Claire County Human Services has been able to verify that the Grant dollars were not affected."** ²³⁸ This statement is **NOT** accurate.

Issue – 1: The first issue in response to this statement, "Eau Claire County Human Services has been able to verify that the Grant dollars were not affected" starts with Cable telling DCF that DHS somehow "verified" that grant dollars were not affected.


The reader can refer to the 2/22/21 email from Administrator Schauf to Finance Director Norb Kirk where Schauf writes" "The challenge is that there is no way to "prove" which pot of money it is – it all goes into the program and funds various activities." ²³⁹ So, it is **IMPOSSIBLE** for this Diane Cable statement to be supported.

Statement 5 - In this "Fraud Incident Letter to DCF, Diane Cable tells the State of Wisconsin – DCF: **"Eau Claire County Human Services has been able to verify that the Grant dollars were not affected AND consulted with County Finance with this review."** ²⁴⁰ The second portion of this statement, **"consulted with County Finance with this review"** is statement is **NOT** accurate.


Issue – 1: The issue in response to this statement by Diane Cable, **"AND consulted with County Finance with this review"** is that Detective Greener and Deputy Voelker met with Nob

²³⁷ Exhibit 16 2019 Budget and Incentives Inventory List / Appendix 287 - DHS Revenue & Expenditure Detail

Reports - Received 5-18-21 

²³⁸ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 204 / Appendix 299 - Fraud Incident Letter to DCF Page: 2 

²³⁹ Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 197 

²⁴⁰ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 204 / Appendix 299 - Fraud Incident Letter to DCF Page: 2 

Kirk and showed him Diane Cable's letter to DCF. ²⁴¹ Norb Kirk told investigators that no such conversation took place. Kirk confirmed that based on the Chart of accounts, there is no way to determine that grant dollars were affected.

Issue – 2: The next issue in response to this statement is that Cable appears to have made this assertion to DCF on more than one occasion. Recall the Monday December 21, 2020 email detailed above, that Shelby McCulley at DCF made the statement: **“The determination below that state dollars weren’t affected (that the fraud impacted tax levy) was made by the county’s Finance Director and accountant reviewing the year end records for 2018 and 2019.”** ²⁴²

Statement 6 - In this “Fraud Incident Letter to DCF, Diane Cable tells the State of Wisconsin – DCF: **“And the total allocation of the Youth Innovation Grant dollars were used for the defined purposes of the Grant Program.”** This statement is **NOT** accurate. ²⁴³

The below link is Kirk’s written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above sections of this report.

[Kirk_Response_Page_370](#)

²⁴¹ Appendix 299 - Fraud Incident Letter to DCF

²⁴² Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 167

²⁴³ Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 204 / Appendix 299 - Fraud Incident Letter

Possible Additional Fraud by Zer Smith Never Investigated by DHS or Eau Claire County

As the reader recalls, there were numerous P-cards closed due to Smith reporting they had been compromised by fraud. As part of the overall investigation, we requested that the purchase history for those cards be provided to us. Subsequently, On Monday, October 10, 2022, Detective Greener and Deputy Voelker received an email from Joe Russell at Von Briesen & Roper. The email was in response to our request for more information regarding the multiple P-Cards issued to Zer Smith that were closed due to fraud. The Excel workbook file attachment is titled: "Zer Smith Pcard transaction 9-2016_10-2022.xlsx." The Excel workbook contains two worksheets, one tab titled "Main Report," the second tab titled, "Report Parameters." The "Main Report" worksheet contains 2,446 rows of data.

The "Main Report" worksheet contains 105 transactions made with various Eau Claire County issued P-Cards assigned to Zer Smith that total \$23,665.24. For comparison, the records provided by Zer Smith - Appendix 229 - Hotels.com Invoices Received 12-9-20, when keyed into a spreadsheet contain a total of 80 transactions: 60 transactions totaling \$20,191.77 that were hotel reservations for DHS staff.

P-Card Issued to: Zer Smith
Transaction Date: Tuesday 6/26/2018
Last Four Numbers of the P-Card: 1199
Amount: \$93.81
Description: "Outback 1412"

Notes: This is a curious transaction in that "Outback 1412" is located at: 216 East Golf Road in Schaumburg, Illinois; a drive of about 281 miles or about 3 hours 55 minutes from the Eau Claire County Courthouse.

The reader will recall that this "1199" P-card is also the P-Card that was used at a CVS Pharmacy in Missouri for the December 2018 weekend purchase of a stored value card when Zer Smith was staying at a Residence Inn in Independence, Missouri just a few miles away.

P-Card Issued to: Zer Smith
Transaction Date: Friday 5/3/2019
Last Four Numbers of the P-Card: 0304
Amount: \$1,075
Description: "JONIAND FRINDS-RADIO"

Notes: This is a curious transaction in that the transaction listed as: “JONIAND FRINDS-RADIO” is a religious broadcast / podcast site found at: <https://www.joniandfriends.org>. There is no charge reversal transaction listed in this spreadsheet.

P-Card Issued to: Zer Smith
Transaction Date: Monday 7/3/2017 \$79.07
Transaction Date: Monday 8/21/2017 \$50.00
Last Four Numbers of the P-Card: 0720
TOTAL Amount: \$129.07
Description: “Paradise Shores 4, LLC

Notes: These are curious transactions in that both transactions listed as: “Paradise Shores 4, LLC” appear to be a hotel / restaurant location in Holcombe, Wisconsin which is in Chippewa County; 44.7 miles or about a 59-minute drive from the Eau Claire County Courthouse. The two transactions, about a month apart total \$129.07.

P-Card Issued to: Zer Smith
Transaction Dates: Various
Last Four Numbers of the P-Card: Various
TOTAL Amount: \$3,036.90
Description: “PayPal”

Notes: There are 31 to various “PayPal” users that total \$3,036.90. These are curious transactions that need additional research and explanation in that “PayPal” is an online “financial technology company operating an online payments system” which requires a unique individual login. The PayPal site offers a service where a business can collect donations online, but I am not able to locate information where a business such as Eau Claire County could create a unique business identity and login, such as in DHS Fiscal for online purchases.

I have no information at this time if these are authorized, legitimate transactions. Again, to date, we have not been able to meet with anyone at DHS to review this information with them.

DHS / SPARK Program Theft

Department of Children and Families Notification – Relevant Events & Source Materials

Date:	Time:	Event:	Source:
12/13/19	4:15 PM	<p>From: Diane Cable Sent: Friday 12/13/2019 4:15:57 PM To: Hannah Keller, Tom Wirth, Vickie Gardner BCC: Room.1014@co.eau-claire.wi.us Subject: Meeting re: SPARK FUNDS</p> <p>Notes: This is a meeting invitation from Diane Cable to Hannah Keller, Tom Wirth, and Vickie Gardner in reference to the SPARK Program.</p>	Appendix 326 - Vickie Gardner Emails - 2019
12/19/19	3:35 PM	<p>Emails between Kathryn Schauf and Tim Sullivan Subject Investigation "This is a follow up from todays (sic) meeting. I contacted the City and they will have an investigator contact me and set up a meeting after the 25th. Tim</p>	Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 27
1/14/20	8:00 AM	<p>"SPARK program was initially funded through an Innovation grant through DCF. Question if we need to notify DCF."</p>	Appendix BS - FOIA Response Voelker Interim Report with Exhibits 082620 / Interim Report Exhibit 1 Meeting Notes 1-14-20 Page: 3
8/11/20	10:16 AM	<p>The District Attorney will be charging a former Eau Claire County employee with 4 counts of Fraudulent Writings by Corporation Officer, and 5 counts of Fraudulent Use of a Financial Transaction Card, for the alleged theft of gift cards. The following is a statement from Eau Claire County Administrator Kathryn Schauf: "While we are disappointed to discover the alleged theft of gift cards intended for a Department of Human Services (DHS) program, the situation was discovered and handled. That is certainly a reflection of the continued and ever evolving control systems in place at Eau Claire County. We simply cannot and will not tolerate any misuse of taxpayer funds. We thank the City of Eau Claire Police Department for its quick response and handling of the situation."</p>	Source: Press Release "District Attorney charging former Eau Claire County Employee" Source: News Release August 11.pdf Email from Samantha Kraegenbrink to All County Employees and All Courthouse staff 8-11-20 10:16 am
8/14/20	12:33 PM	<p>From Vickie Gardner To: Diane Cable Cc: Hannah Keller Subject: Z. Smith Incident Review Attachment: Incident Review – P-card Incident Ze Smith.docx "Diane, Here is the document Hannah and I worked on today."</p> <p>"SPARK program was initially funded through an Innovation grant through DCF. Question if we need to notify DCF."</p>	Appendix 249 - Diane Cable Selected Emails August 2020 Pages: 29-31
8/14/20	2:24 PM	<p>From: Diane Cable Sent: Friday August 14, 2020, 2:24:41 PM To: Luke Fedie, Kathy Welke, Vickie Gardner Subject: DRAFT Talking Points</p> <p>Please review and provide comment. I would like to forward to staff this morning. Thank you.- Diane</p> <p>Hello. At the end of the weekly update there were a couple of questions/suggestions to provide talking points to assist staff in responding to questions, if asked. Here are a some (sic) facts to assist you:</p> <ol style="list-style-type: none"> 1. Eau Claire County Human Services is cooperating with the investigation 	Vickie Gardner Emails

		<p>2. We have no knowledge of any criminal, nefarious, or corrupt activity in the Department</p> <p>3. We continue to operate as usual, providing the essential and important services to our community</p> <p>4. Human Services has established processes that provide for check and balances throughout the agency. And, identifies and reports concerning behavior as what occurred with the most recent incident of a prior employee.</p> <p>5. As always, Human Services is assessing it's work and processes for ongoing continuous improvement</p> <p>6. During this time of COVID and the many stressors that are impacting families, individuals, children and youth, Human Services remains committed and dedicated to be responsive in carrying out our mission and vision"</p>	
8/16/20	4:21 PM	<p>From Diane Cable To: Kathryn Schauf Subject: FW: Z. Smith Incident Review Attachments: Incident Review – P-card Incident Ze Smith.docx</p> <p>Note: There is no body to this email which is a forward of the Diane Cable email:</p> <p>From Vickie Gardner To: Diane Cable Cc: Hannah Keller Subject: Z. Smith Incident Review Attachment: Incident Review – P-card Incident Ze Smith.docx</p> <p>"Diane, Here is the document Hannah and I worked on today."</p> <p>"SPARK program was initially funded through an Innovation grant through DCF. Question if we need to notify DCF."</p>	Appendix 249 - Diane Cable Selected Emails August 2020 Pages: 29-31
8/18/20	8:27 AM	<p>From: Diane Cable Sent: Tuesday August 18, 2020, 8:27 AM To: Diane Cable Subject: Document1 (003) Attachments: Document1 (003.docx</p> <p>"SPARK program was initially funded through an Innovation grant through DCF. Question if we need to notify DCF."</p>	Appendix 249 - Diane Cable Selected Emails August 2020 Pages: 39-41
8/27/20	2:50 PM	<p>From Nicole Borth: Sent: Thursday August 27, 2020, 2:50 PM To: Diane Cable Cc: Vickie Gardner Subject: Gift Cards</p> <p>"On 8/27/20 around 2:30 Vickie Gardner and I were going through and cleaning out filing cabinets in Room 2068 that were previously used by Zer Smith. While I was cleaning out one of these filing cabinets I found a folder that contained gift cards (Vanilla Gift Cards ending in 6834 & 1372) and I turned it over to Vickie to for review.</p> <p>Nicole Borth"</p>	Appendix 326 - Vickie Gardner Emails 2017 – 2021 Page: 92
8/27/20	3:08 PM	<p>From: Nicole Borth To: Diane Cable Sent: Thursday August 27, 2020, 3:08 PM Subject: Question</p> <p>"Hi Diane, When you are available could you give me a call or stop by my office? I have a question for you after going through the filing cabinet."</p>	Appendix 249 - Diane Cable Selected Emails August 2020 Page: 83

8/27/20	3:18 PM	<p>From Nicole Borth: Sent: Thursday August 27, 2020, 3:18 PM To: Diane Cable Cc: Vickie Gardner Subject: Gift Cards</p> <p>"There were also a few other gift cards that were found with the Vanilla Gift Cards. They included 1 for Kwik Trip, 1 for 44 North, and another 1 for Maurice's. They were also turned over to Vickie in the same folder and locked up in the filing cabinet"</p>	Appendix 326 - Vickie Gardner Emails 2017 – 2021 Page: 92
8/28/20	4:20 PM	<p>From Kathryn Schauf Sent: Friday August 28, 2020, 4:20 PM To: Olivia Erl Subject: CONFIDENTIAL: ZS Investigation</p> <p>"Detective Erl, I left a voicemail message as well. Today at 3:55 p.m. Diane Cable shared with me contents of a file which may be of interest to you in the Ze Smith Case. When moving offices in DHS, and employee found an unmarked file in a shared filing cabinet that is believed to have been used by Zer Smith. There were items of a personal nature, some receipts and two credit cards in the file. Diane will ask the employee to detail the finding of the file. Kathryn"</p>	<p>Appendix 249 - Diane Cable Selected Emails August 2020 Page: 86</p> <p>Appendix az - Eau Claire County Emails From Diane Cable File: 1f867d44d3e9c721aaba88c12f80417c.eml</p>
9/9/20	3:54 PM	<p>From: Gerald Wilke Sent: Wednesday, September 9, 2020, 3:54 PM To: Kathryn Schauf Cc: Nick Smiar, Tim Sullivan Subject: question</p> <p>"Kathryn-at this point in time has the state asked for documentation on the Sparks program for the purpose of determining reimbursement/restitution" thank you, jerry"</p>	<p>Appendix 249 - Selected Diane Cable Emails September 2020 Page: 11</p> <p>Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 79</p>
9/9/20	9:09 PM	<p>From: Kathryn Schauf Sent: Wednesday, September 9, 2020, 9:09 PM To: Gerald Wilkie Cc: Nick Smiar, Tim Sullivan, Diane Cable Subject: RE: question</p> <p>"The Department of Human Services has been in contact with the State regarding this program. After a conversation today where this issue arose I queried the department. They will be able to provide an update. Kathryn"</p>	<p>Appendix 249 - Selected Diane Cable Emails September 2020 Page: 11</p> <p>Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 79</p>
12/13/20	9:12 PM	<p>From: Stella Pagonis Sent: Sunday December 13, 2020, 9:12 PM To: Kathryn Schauf Subject: Refresh my memory</p> <p>"Kathryn, I am trying to recall how the restitution for the SPARK program ended up. In August, when we spoke you told me that the State had not yet been notified. Then later, in a meeting you stated the State had been notified, but you did not mention if they were conducting an inquiry and what the request was for restitution. So what has happened with that? Has the State been notified, and if so, of what - that their grant was misappropriated or embezzled or what? And did they choose to conduct an inquiry or did they ask for more details? If so, how did we respond - and who responded. Could I get a copy of that? And finally, how much do we actually owe back to the state and was it included in the 2021 budget? I have no recollection of the SPARK restitution being mentioned during the budget sessions. And please note, if you tell me it's buried in the DHS budget for 2021, I'm going to ask for considerable more details. Please respond. Thank you.</p>	Appendix 288 - Records provided by Stella Pagonis 5-19-21 Pages: 21-22

		Stella Pagonis"	
12/14/20	8:29 AM	<p>From: Alexa Dennis Sent: 12/14/2020 8:29:04 AM Received:12/14/2020 8:29:11 AM To: Diane Cable Subject: Webex meeting invitation: Meeting: Diane + Colleen Importance: Normal Sensitivity: Normal</p> <p>Join by meeting number Meeting number (access code): 145 526 9818 Meeting password: grJMm4MW26</p>	Diane Cable PC 60167 Review
12/14/20	10:06 AM	<p>From: Diane Cable Sent: Monday December 14, 2020, 10:06:36 AM To: Hannah Keller Subject: Quick Connect</p> <p>"Hannah, Are you available for a quick conversation regarding the SPARK program? Diane"</p>	Diane Cable PC 60167 Review
12/14/20	10:09 AM	<p>From: Hannah Keller Sent: Monday December 14, 2020 10:09 AM To: Diane Cable Subject RE: Quick Connect</p> <p>"Sure I am just finishing up on a consult – do you want me to call you in like 5 minutes? Thank you, Hannah"</p>	Diane Cable PC 60167 Review
12/14/20	10:40 AM	<p>From: Diane Cable Sent: 12/14/20 10:40:03 AM To: Hannah Keller Subject: RE: Quick Connect</p> <p>"Yes, please give me a call. Thanks Diane"</p>	Diane Cable PC 60167 Review
12/14/20	10:46 AM	<p>From: Diane Cable Sent: Monday December 14, 2020, 10:46:59 AM To: Hannah Keller Subject: SPARK / Grant Importance: High</p> <p>Hannah, Please call me regarding the Statement I have indicated below. I will be forwarding to Kathryn and want to review before forwarding. Thanks – Diane</p> <p>The SPARK program received the requested and identified Grant Funds during 2018 and 2019. The Innovation Grant funds allocated for the Eau Claire County Human Services SPARK program were received and allocated to the SPARK program. The theft that occurred, did not affect the Grant funding for the SPARK program. The State was made aware of the theft. As the Grant funds were not affected there is no action required by the County with the State. Diane Cable</p>	Diane Cable PC 60167 Review
12/14/20	11:10 AM	<p>From: Diane Cable Sent: Monday December 14, 2020, 11:10 AM To: Kathryn Schauf Subject: Grant funds for SPARK program</p>	Appendix 288 - Records provided by Stella Pagonis 5-19- 21 Page: 18-20

		<p>"Kathryn, I reviewed with Vickie and Hannah your question regarding the Grant funds with the SPARK program. Here is my response. Please let me know if you have any questions of need additional information. – Diane</p> <p>"The theft that occurred, did not affect the Grant funding for the SPARK program. The State was made aware of the theft. As the Grant funds were not affected there is no action required by the County with the State."</p>	<p>Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 91-92</p>																																
12/14/20	11:17 AM	<p>From: Hannah Keller Sent: Monday December 14, 2020, 11:17 AM To: Diane Cable Subject: Budget</p> <p>"I found this in my final evaluation. This indicates County Aids in 2019 to be 65,000 which would be more than enough to cover the amount lost due to the theft. Thanks, Hannah"</p> <p>2019 Budget</p> <table> <tr> <th>Category</th><th>Amount allocated in Grant</th><th>Amount allocated in County Aids</th><th>2019 End of the Year Spending</th></tr> <tr> <td>Personnel</td><td>\$115,000.00</td><td>\$65,000.00</td><td>\$180,000.00</td></tr> <tr> <td>Incentives</td><td>\$2,500.00</td><td></td><td>\$3,000</td></tr> <tr> <td>Training</td><td>\$1,500.00</td><td></td><td>\$1,200</td></tr> <tr> <td>Transportation</td><td>\$1,500</td><td></td><td>\$6,500</td></tr> <tr> <td>Supplies</td><td>\$2,000.00</td><td></td><td>\$8,500</td></tr> <tr> <td></td><td></td><td></td><td></td></tr> <tr> <td>Total:</td><td>\$125,000.00</td><td>\$65,000.00</td><td>\$199,200.00</td></tr> </table>	Category	Amount allocated in Grant	Amount allocated in County Aids	2019 End of the Year Spending	Personnel	\$115,000.00	\$65,000.00	\$180,000.00	Incentives	\$2,500.00		\$3,000	Training	\$1,500.00		\$1,200	Transportation	\$1,500		\$6,500	Supplies	\$2,000.00		\$8,500					Total:	\$125,000.00	\$65,000.00	\$199,200.00	<p>Det. Greener Located Document(s) in Search Warrant Seized Materials - Hannah Keller Email to Diane Cable Dated: Monday December 14, 2020 11:17 am</p> <p>Diane Cable PC 60167 Review</p>
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12/14/20	11:49 AM	<p>From: Diane Cable Sent: 12/14/2020 11:49:42 AM To: Hannah Keller Subject: RE: Budget Importance Normal</p> <p>"Thank You"</p> <p>From: Hannah Keller Sent: Monday December 14, 2020, 11:17 AM To: Diane Cable Subject: Budget</p> <p>"I found this in my final evaluation. This indicates County Aids in 2019 to be 65,000 which would be more than enough to cover the amount lost due to the theft. Thanks, Hannah"</p> <p>2019 Budget</p> <table> <tr> <th>Category</th><th>Amount allocated in Grant</th><th>Amount allocated in County Aids</th><th>2019 End of the Year Spending</th></tr> <tr> <td>Personnel</td><td>\$115,000.00</td><td>\$65,000.00</td><td>\$180,000.00</td></tr> <tr> <td>Incentives</td><td>\$2,500.00</td><td></td><td>\$3,000</td></tr> <tr> <td>Training</td><td>\$1,500.00</td><td></td><td>\$1,200</td></tr> <tr> <td>Transportation</td><td>\$1,500</td><td></td><td>\$6,500</td></tr> <tr> <td>Supplies</td><td>\$2,000.00</td><td></td><td>\$8,500</td></tr> <tr> <td></td><td></td><td></td><td></td></tr> <tr> <td>Total:</td><td>\$125,000.00</td><td>\$65,000.00</td><td>\$199,200.00</td></tr> </table>	Category	Amount allocated in Grant	Amount allocated in County Aids	2019 End of the Year Spending	Personnel	\$115,000.00	\$65,000.00	\$180,000.00	Incentives	\$2,500.00		\$3,000	Training	\$1,500.00		\$1,200	Transportation	\$1,500		\$6,500	Supplies	\$2,000.00		\$8,500					Total:	\$125,000.00	\$65,000.00	\$199,200.00	<p>Diane Cable PC 60167</p>
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12/14/20	2:13 PM	<p>From: Norb Kirk Sent: Monday December 14, 2020, 2:13 PM To: Kathryn Schauf Subject: RE: Grant funds for SPARK program</p>	<p>Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 91</p>																																

		<p>"I'm confused....if the grant funds were covering the reimbursement for the program and we had fraud purchases using grant dollars, how is it possible the grant funds weren't impacted?"</p>	
12/14/20	2:27 PM	<p>From: Kathryn Schauf Sent: Monday December 14, 2020 2:27 PM To: Stella Pagonis Subject: RE: Refresh my memory</p> <p>"I will circle back with the folks that had the communication with the state and reply later today."</p>	Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 152
12/14/20	2:27 PM	<p>From: Kathryn Schauf Sent: 2:27:29 PM To: Diane Cable Subject: FW: Grant funds for SPARK program Importance: High</p> <p>"Let's discuss"</p> <p>From: Norb Kirk Sent: Monday December 14, 2020, 2:13 PM To: Kathryn Schauf Subject: RE: Grant funds for SPARK program</p> <p>"I'm confused....if the grant funds were covering the reimbursement for the program and we had fraud purchases using grant dollars, how is it possible the grant funds weren't impacted?"</p>	Diane Cable PC 60167 Review
12/14/20	2:45 PM	<p>From: Diane Cable Sent: Monday December 14, 2020, 2:45:18 PM To: Kathryn Schauf Subject: FW: Grant funds for SPARK program Importance: Normal</p> <p>"Did you want to discuss today or later this week? Diane"</p>	Diane Cable PC 60167 Review
12/14/20	2:46 PM	<p>From: Kathryn Schauf Sent: Monday December 14, 2020, 2:46:13 PM To: Diane Cable Subject: FW: Grant funds for SPARK program Importance: Normal</p> <p>"Let's discuss today – I am open till 3:30 just call – I'll rope Norb in"</p>	Diane Cable PC 60167 Review
12/14/20	3:19 PM	<p>From: Diane Cable Sent: Monday December 14, 2020, 3:19:39 PM To: Kathryn Schauf Subject: FW: Grant funds for SPARK program Importance: Normal</p> <p>"I am in a meeting. I will leave the meeting shortly to connect"</p>	Diane Cable PC 60167 Review
12/14/20	4:46 PM	<p>From: Diane Cable Sent: Monday December 14, 2020, 4:46:59 PM To: Hannah Keller Subject: SAPARK / Grant Importance: High</p> <p>Hannah, Please call me regarding the Statement I have indicated below. I will be forwarding to Kathryn and want to review before forwarding. Thanks – Diane</p> <p>The SPARK program received the requested and identified Grant Funds during 2018 and 2019. The Innovation Grant funds allocated for the Eau Claire County Human Services SPARK program were received and allocated to the SPARK program. The theft that occurred, did not affect the Grant funding for the SPARK program. The State was made aware of the theft. As</p>	Diane Cable PC 60167 Review

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12/14/20	8:27 PM	<p>From: Kathryn Schauf Sent: Monday December 14, 2020, 8:27 PM To: Diane Cable Subject: FW: Grant funds for SPARK program Importance: High</p> <p>"Let's discuss"</p>	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 91
12/15/20	11:14 AM	<p>From: Stella Pagonis Sent: Tuesday December 15, 2020, 11:14 AM To: Kathryn Schauf Subject: Re: Grant funds for SPARK program</p> <p>"Kathryn, that answer provided by Diane makes absolutely no sense. Either someone falsified information given to Detective Erl, or someone doctored the embezzlement after the fact to make it appear the grant program was not affected."</p>	Appendix 288 - Records provided by Stella Pagonis 5-19-21 Page: 17
12/15/20	11:18 AM	<p>From: Kathryn Schauf Sent: Tuesday December 15, 2020, 11:18 AM To: Stella Pagonis Subject: RE: Grant funds for SPARK program</p> <p>"This will be reviewed and reported out."</p>	Appendix 288 - Records provided by Stella Pagonis 5-19-21 Page: 16
12/15/20	11:32 AM	<p>From: Stella Pagonis Sent: Tuesday December 15, 2020, 11:32 AM To: Kathryn Schauf Subject: RE: Grant funds for SPARK program</p> <p>"Well I am skeptical that you can "review, detail and report."</p>	Appendix 288 - Records provided by Stella Pagonis 5-19-21 Page: 16
12/15/20	11:42 AM	<p>From: Kathryn Schauf Sent: Tuesday December 15, 2020, 11:42 AM To: Stella Pagonis Subject: RE: Grant funds for SPARK program</p> <p>"Stella – Not certain what you are implying with that comment - I will not be doing the review directly - I have already assigned it to one of our team who will work with others to identify if an issue exists. I will not dispute that the response is confusing - Norb and I had a discussion with Diane after the email was sent so that we could understand the funding sources of the gift cards. I also believe that we need to ascertain if a discrepancy exists. Kathryn"</p>	Appendix 288 - Records provided by Stella Pagonis 5-19-21 Page: 15
12/15/20	11:46 AM	<p>kschauf 12/15/2020 11:46:26 AM do you have any detail from prior meetings on the SPARK program? kschauf 12/15/2020 2:50:22 PM I will send that email later this afternoon - please hold from Ryan until tomorrow morning nkirk 12/15/2020 2:51:21 PM will let him know kschauf 12/15/2020 2:52:35 PM no need - just send it tomorrrw nkirk 12/15/2020 2:52:47 PM k</p>	Jabber Message: kschauf Tuesday December 15 2020 - 296699
12/15/20	12:15 PM	<p>From: Tim Sullivan Sent: Tuesday December 15, 2020, 12:15 PM To: Diane Cable Subject: Zer Smith</p>	Appendix 288 - Records provided by Stella Pagonis 5-19-21 Page: 13

		<p>"Diane, Kathryn has asked me to follow up on your response about the use of SPARK funds by Zer Smith. I have received a copy of your email to Kathryn (sic) Spark funds, (sic) in which you state:</p> <p>"The SPARK program received the requested and identified Grant Funds during 2018 and 2019. The Innovation Grant funds, allocated for the Eau Claire County Human Services SPARK program were received and allocated for the SPARK program. The theft that occurred, did not affect the Grant funding for the SPARK program. The State was made aware of the theft. As the Grant funds were not affected there is no action required by the County with the State. "</p> <p>The criminal complaint for Z. Smith indicates that Detective Erl reported, based on information provided to her from managers of the Department of Human Services, that Zer Smith was responsible from July 2018 through her termination in October 2018 for purchasing for the SPARK program, and that she used her P-Card to satisfy requests from the SPARK program. The information in the criminal complaint is consistent with the information that was provided to law enforcement when I was in attendance at those meetings, and indicated that Zer was making purchases for the SPARK program including the purchasing of gift cards.</p> <p>Will you please explain how the criminal activity of Zer Smith did not affect the grant funding for the SPARK program when her criminal activity is related to the funds she stole when making purchases for the SPARK program?</p> <p>Thanks Tim."</p>																																	
12/15/20	12:28 PM	<p>From: Diane Cable Sent: 12/15/2020 12:28:34 To: Vickie Gardner Subject: Budget SPARK Program Importance: Normal</p> <p>FYI</p> <p>From: Hannah Keller Sent: Monday December 14, 2020, 11:17 AM To: Diane Cable Subject: Budget</p> <p>"I found this in my final evaluation. This indicates County Aids in 2019 to be 65,000 which would be more than enough to cover the amount lost due to the theft. Thanks, Hannah"</p> <p>2019 Budget</p> <table> <tr> <th>Category</th><th>Amount allocated in Grant</th><th>Amount allocated in County Aids</th><th>2019 End of the Year Spending</th></tr> <tr> <td>Personnel</td><td>\$115,000.00</td><td>\$65,000.00</td><td>\$180,000.00</td></tr> <tr> <td>Incentives</td><td>\$2,500.00</td><td></td><td>\$3,000</td></tr> <tr> <td>Training</td><td>\$1,500.00</td><td></td><td>\$1,200</td></tr> <tr> <td>Transportation</td><td>\$1,500</td><td></td><td>\$6,500</td></tr> <tr> <td>Supplies</td><td>\$2,000.00</td><td></td><td>\$8,500</td></tr> <tr> <td></td><td></td><td></td><td></td></tr> <tr> <td>Total:</td><td>\$125,000.00</td><td>\$65,000.00</td><td>\$199,200.00</td></tr> </table>	Category	Amount allocated in Grant	Amount allocated in County Aids	2019 End of the Year Spending	Personnel	\$115,000.00	\$65,000.00	\$180,000.00	Incentives	\$2,500.00		\$3,000	Training	\$1,500.00		\$1,200	Transportation	\$1,500		\$6,500	Supplies	\$2,000.00		\$8,500					Total:	\$125,000.00	\$65,000.00	\$199,200.00	Diane Cable PC 60167 Review
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12/15/20	12:40 PM	<p>From: Vickie Gardner Sent: 12/15/20 12:40:55 PM To: Diane Cable Subject: Spark Funding Percentages</p>	Diane Cable PC 60167 Review																																

		<p>Attachments: Spark Funding.xlsx</p> <p>"Hi Diane, Attached is the funding percentages you requested for the SPARK Program. Let me know if you need any additional information. Vickie Gardner"</p> <table border="1"> <tr> <th>Spark Funding</th><th></th><th></th><th></th></tr> <tr> <td></td><td>2017</td><td>2018</td><td>2019</td></tr> <tr> <td>Spark Grant</td><td>\$1,599</td><td>\$235,601</td><td>\$125,000</td></tr> <tr> <td>Levy</td><td>\$</td><td>\$</td><td>\$80,781</td></tr> <tr> <td>Total</td><td>\$1,599</td><td>\$235,601</td><td>\$205,781</td></tr> <tr> <td>Expenses</td><td>\$1,599</td><td>\$235,601</td><td>\$205,781</td></tr> <tr> <td></td><td></td><td></td><td></td></tr> <tr> <td></td><td></td><td></td><td></td></tr> <tr> <td>Grant Funded</td><td>100%</td><td>100%</td><td>61%</td></tr> <tr> <td>Levy Funded</td><td>0%</td><td>0%</td><td>39%</td></tr> </table>	Spark Funding					2017	2018	2019	Spark Grant	\$1,599	\$235,601	\$125,000	Levy	\$	\$	\$80,781	Total	\$1,599	\$235,601	\$205,781	Expenses	\$1,599	\$235,601	\$205,781									Grant Funded	100%	100%	61%	Levy Funded	0%	0%	39%	
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12/15/20	12:57 PM	<p>From: Alexa Dennis Sent: 12/15/2020 12:57:13 PM TO: Vickie Gardner, Hannah Keller, Diane Cable Subject: Spark Program Importance: High Sensitivity: Private</p> <p>Join by meeting number Meeting number (access code): 145 933 8010 Meeting password: SRyqJBHp859</p>	Diane Cable PC 60167 Review																																								
12/15/20	12:57 PM	<p>From: Alexa Dennis Sent: 12/15/2020 12:57:27 PM To: Diane Cable Subject: Webex meeting changes: SPARK Program Importance: Normal Sensitivity: Normal</p> <p>Alexa Dennis changed the Webex meeting information. When it's time, join the Webex meeting here.</p> <p>You are an alternate host for this meeting. Tuesday, December 15, 2020 2:30 pm Central Standard Time (Chicago, GMT-06:00) 30 mins Start meeting Join by meeting number Meeting number (access code): 145 933 8010 Meeting password: SRyqJBHp859</p>	Diane Cable PC 60167 Review																																								
12/15/20	12:58 PM	<p>From: Alexa Dennis Sent: 12/15/2020 12:58:38 PM To: Vickie Gardner, Hannah Keller Cc: Diane Cable</p> <p>"Vickie/Hannah: I just scheduled a meeting for today at 2:30pm to discuss the SPARK program. This is an important meeting that Diane requested. If this time doesn't work for you both, please let me know and I can find another time by tomorrow morning. Thanks!"</p>	Diane Cable PC 60167 Review																																								
12/15/20	1:04 PM	<p>From: Vickie Gardner Sent: 12/15/2020 1:04:11 PM To: Tammy Stelter Subject: FW: Budget SPARK Program Importance: Normal</p>	Tammy Stelter Dell Laptop – 60154																																								

		<p>'Hi, Did you help Hannah reporting the costs to the state? If so, do you know how you got the breakdown? If time, could we talk after the FUG meeting quick?"</p> <p>NOTE: The remainder of the email is the Diane Cable to Vickie Gardner Tuesday December 15, 2020 12:29 PM "FYI" email. That email included the Hannah Keller to Diane Cable "I found this in my final evaluation" email from Monday December 14, 2020, 11:17 AM. The chart from the Keller email appears below.</p> <p>2019 Budget</p> <table> <tr> <th>Category</th><th>Amount allocated in Grant</th><th>Amount allocated in County Aids</th><th>2019 End of the Year Spending</th></tr> <tr> <td>Personnel</td><td>\$115,000.00</td><td>\$65,000.00</td><td>\$180,000.00</td></tr> <tr> <td>Incentives</td><td>\$2,500.00</td><td></td><td>\$3,000</td></tr> <tr> <td>Training</td><td>\$1,500.00</td><td></td><td>\$1,200</td></tr> <tr> <td>Transportation</td><td>\$1,500</td><td></td><td>\$6,500</td></tr> <tr> <td>Supplies</td><td>\$2,000.00</td><td></td><td>\$8,500</td></tr> <tr> <td></td><td></td><td></td><td></td></tr> <tr> <td>Total:</td><td>\$125,000.00</td><td>\$65,000.00</td><td>\$199,200.00</td></tr> </table>	Category	Amount allocated in Grant	Amount allocated in County Aids	2019 End of the Year Spending	Personnel	\$115,000.00	\$65,000.00	\$180,000.00	Incentives	\$2,500.00		\$3,000	Training	\$1,500.00		\$1,200	Transportation	\$1,500		\$6,500	Supplies	\$2,000.00		\$8,500					Total:	\$125,000.00	\$65,000.00	\$199,200.00	
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12/15/20	1:06 PM	<p>From: Tammy Stelter Sent: 12/15/20 1:06:26 PM To: Vickie Gardner Subject: RE: Budget SPARK Program Importance: Normal</p> <p>"I did not give Hannah any numbers I was given the budget information after the grant was awarded."</p>	Tammy Stelter Dell Laptop – 60154																																
12/15/20	1:14 PM	<p>From: Tammy Stelter Sent: 12/15/2020 1:14:18 PM To: Vickie Gardner Subject: YJ Innovations Grant 2017-2018 budget.xlsx Importance: Normal Attachments: YJ Innovations Grant 2017-2018 budget.xlsx</p> <p>Note: There is no body to this email NOTE: Excel cell "L11" contains the following: "Sent to Hannah on 9/18/18"</p>	Tammy Stelter Dell Laptop – 60154																																
12/15/20	1:15 PM	<p>From: Tammy Stelter Sent: 12/15/2020 1:15:07 PM To: Vickie Gardner Subject: YJ Innovations Grant 2017-2018 budget.xlsx Importance: Normal Attachments: YJ Innovations Grant 2017-2018 budget.xlsx</p> <p>Note: There is no body to this email</p>	Tammy Stelter Dell Laptop – 60154																																
12/15/20	1:17 PM	<p>From: Kathryn Schauf Sent: 12/15/2020 1:17 PM To: Stella Pagonis Subject: FW: Grant funds for SPARK program</p> <p>Schauf forwards Stella Pagonis the Diane Cable December 14, 2020, 11:10 AM email: "Subject Grant funds for SPARK program" email: "Kathryn, I reviewed with Vickie and Hannah your question regarding the Grant funds with the SPARK program. Here is my response. Please let me know if you have any questions of need (sic) additional information. – Diane</p> <p>The SPARK program received the requested and identified Grant Funds during 2018 and 2019. The Innovation Grant funds, allocated for the Eau Claire County Human Services SPARK program were received and allocated</p>	Appendix 288 - Records provided by Stella Pagonis 5-19-21 Pages: 19-20																																

		for the SPARK program. The theft that occurred, did not affect the Grant funding for the SPARK program. The State was made aware of the theft. As the Grant funds were not affected there is no action required by the County with the State. “																						
12/15/20	2:53 PM	<p>From: Hannah Keller Sent: 12/15/2020 2:53:29 PM To: Vickie Gardner, Diane Cable Subject: FW: SPARK information Importance: Normal Attachments: 2020 SPARK Final Evaluation.docx, 2019 SPARK Mid-term Evaluation.docx, SPARK Midterm Evaluation.docx, Eau Claire EL.Grant.doc</p> <p>“Thank You, Hannah”</p> <p>NOTE: CHART SOURCE: 2020 SPARK Final Evaluation.docx</p> <p>2019 Budget</p> <table><tr><th>Category</th><th>Amount allocated in Grant</th><th>Amount Allocated in County Aids</th></tr><tr><td>Personnel</td><td>\$115,000.00</td><td>\$65,000.00</td></tr><tr><td>Incentives</td><td>\$2,500.00</td><td></td></tr><tr><td>Training</td><td>\$1,500.00</td><td></td></tr><tr><td>Transportation</td><td>\$1,500.00</td><td></td></tr><tr><td>Supplies</td><td>\$2,000.00</td><td></td></tr><tr><td>Total:</td><td>\$125,000.00</td><td>\$65,000.00</td></tr></table>	Category	Amount allocated in Grant	Amount Allocated in County Aids	Personnel	\$115,000.00	\$65,000.00	Incentives	\$2,500.00		Training	\$1,500.00		Transportation	\$1,500.00		Supplies	\$2,000.00		Total:	\$125,000.00	\$65,000.00	Diane Cable PC 60167 Review
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12/15/20	5:15 PM	<p>From: Kathryn Schauf Sent: 12/15/2020 5:25:57 PM To: Tim Sullivan Subject: FW: Grant funds for SPARK program Importance: Normal</p> <p>“I would like to talk to you about initiating a brief investigation into this allegation by Supervisor Pagonis.”</p>	Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 163																					
12/15/20	6:57 PM	<p>From: Alexa Dennis Sent: 12/15/2020 6:57:13 PM Received: 12/15/2020 6:57:00 PM To: Vickie Gardner, Hannah Keller, Diane Cable Subject: SPARK Program Importance: High Sensitivity: Private</p> <p>Alexa Dennis changed the Webex meeting information. When it's time, join the Webex meeting here.</p> <p>You are an alternate host for this meeting. Tuesday, December 15, 2020 2:30 pm Central Standard Time (Chicago, GMT-06:00) 30 mins</p>	Appendix 325 - Diane Cable PC 60167																					
12/15/20	7:00 PM	<p>NOTE: On Tuesday December 15, 2020, the Eau Claire County Board met. One of the items on the agenda was: ‘Update by Outside Counsel Rich White, Weld Riley.’</p>	Spillman Dictation 131 Appendix 233 Audio File - 12-15-20 County Board Meeting Transcription																					
12/15/20	7:00 PM	<p>Bates: “I just want, I want to make one thing exceedingly clear, and that is, uh, as the Chair of the Human Services Board, and the board itself, we have taken the position of just stepping back on this particular issue. And it’s absolutely, uh, not involved in any way, with the hiring of legal counsel or even recommending it. And, uh, I think it’s important to make that clarification, because sometimes comments that are made in this particular forum; are picked up and used as, uh, information, or misinformation, by, uh, other entities. So, understand that our role, my role, in particular, because of this comment that was made, I had nothing to do; and I’m not</p>	Spillman Dictation 131 Appendix 233 Audio File - 12-15-20 County Board Meeting Transcription																					

		interested in, uh, the procedures of hiring legal counsel, and, uh, I want to be absolutely clear.”	
12/15/20	7:44 PM	<p>From: Tim Sullivan Sent: 12/15/20 7:44 PM To: Kathryn Schauf Subject: SPARK</p> <p>“I spoke with Diane, she indicated that the SP(ARK (sic) program was funding (sic) with both grant dollars and tax levy dollars. The funds stolen by Zer were covered by levy dollars. I asked he (sic) how much of the program was grant and how much was levy. She will check and get back to me.”</p>	Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 165
12/16/20	7:45 AM	<p>From: Hannah Keller Sent: 12/16/2020 7:45:45 AM To: Diane Cable, Vickie Gardner Subject: Circling Back Importance: Normal</p> <p>“Hi, Given we found all of my reports, I am wondering if we still need to reach out to DCF? Looks like Diane also had the contracts? Let me know”</p>	Diane Cable PC 60167 Review
12/16/20	7:48 AM	<p>From: Diane Cable Sent: 12/16/2020 7:48:54 AM To: Wendy Henderson</p> <p>“Hi Wendy, I am wondering if you are available for a quick call this morning regarding a potential issue, in Eau Claire, related to the Youth Justice Innovation Grant. This issue is somewhat urgent. I will work to accommodate your availability. Thank you Diane”</p>	Diane Cable PC 60167 Review
12/16/20	7:50 AM	<p>From: Diane Cable Sent: 12/16/2020 7:50:26 AM To: Hannah Keller, Vickie Gardner Subject: RE: Circling Back Importance: Normal</p> <p>“I have reached out to Wendy Henderson. I would like to have the 3 of us connect this morning. Please let me know if you are can connect at 8:10.</p> <p>Thank you Diane”</p>	Diane Cable PC 60167 Review
12/16/20	8:02 AM	<p>From: Wendy Henderson Sent: 12/16/2020 8:02:28 AM To: Diane Cable RE: Quick Call</p> <p>“I have time 9 is (sic) that works”</p>	Diane Cable PC 60167 Review
12/16/20	8:03 AM	<p>From: Diane Cable Sent: 12/16/2020 8:03:51 AM To: Wendy Henderson Subject: Quick Call</p> <p>“Yes. That works for me. Can I send you a Webex invite or would you prefer I just call you?? Diane”</p>	Diane Cable PC 60167 Review
12/16/20	8:07 AM	<p>From: Wendy Henderson Sent: 12/16/2020 8:07:13 AM To: Diane Cable</p>	Diane Cable PC 60167 Review

		RE: Quick Call "Sure we can do a Webex"	
12/16/20	8:07 AM	From: Diane Cable Sent: 12/16/2020 8:07:28 AM To: Vickie Gardner, Hannah Keller Subject: SPARK Join by meeting number Meeting number (access code): 145 442 7247 Meeting password: 5QjpV5h6Qhy	Diane Cable PC 60167 Review
12/16/20	8:08 AM	From: Diane Cable Sent: 12/16/2020 8:08:28 AM TO: Wendy Henderson Subject: DCF Call Join by meeting number Meeting number (access code): 145 739 7512 Meeting password: R9KhVMfMa89	Diane Cable PC 60167 Review
12/16/20	8:12 AM	From: Hannah Keller Sent: 12/16/2020 8:12:53 AM To: Diane Cable Subject: RE: Circling Back "I will be just a few minutes late and will be driving my kids to school. Thank you, Hannah"	Diane Cable PC 60167 Review
12/16/20	8:23 AM	From: Diane Cable Sent: 12/16/2020 8:23:55 AM To: Hannah Keller, Vickie Gardner Subject: RE: Circling back "Busy Wednesday, busy everyday! I am connecting with Wendy Henderson from DCF at 9 this morning. Please confirm your availability to connect at either 11:30 or noon today. Thank you, Diane"	Diane Cable PC 60167 Review
12/16/20	8:26 AM	From: Vickie Gardner Sent: 12/16/2020 8:26:15 AM To: Diane Cable, Hannah Keller Subject: RE: Circling Back "I can do 11:30 am. I am sorry. I was in meeting and missed the spark invite"	Diane Cable PC 60167 Review
12/16/20	8:57 AM	From: Hannah Keller Sent: 12/16/20 8:57 AM To: Vickie Gardner, Diane Cable Subject: RE: Circling Back "Sorry. I have a person appointment from 11-12. Certainly you can meet without me and assign me tasks! 😊"	Diane Cable PC 60167 Review
12/16/20	9:02 AM	From: Diane Cable Sent: 12/16/20 9:02 AM To: Hannah Keller, Vickie Gardner Subject: RE: Circling Back "Lets connect at noon. Thank you Diane"	Diane Cable PC 60167 Review
12/16/20	9:28 AM	From: Diane Cable Sent: 12/16/2020 9:28:01 AM To: Hannah Keller Subject: Hi Please give me a call Importance: High 715-839-6941	Diane Cable PC 60167 Review

12/16/20	9:29 AM	<p>From: Hannah Keller Sent: 12/16/2020 9:29:08 AM To: Diane Cable Importance: Normal</p> <p>“Hey – in a consult – do I need to step out? Thank you, Hannah”</p>	Diane Cable PC 60167 Review																																																																						
12/16/20	9:29 AM	<p>From: Diane Cable Sent: 12/16/2020 9:29:43 AM To: Hannah Keller Subject: Hi Please give me a call Importance: Normal</p> <p>“If you could, 5 minutes, I would appreciate. Thank you”</p>	Diane Cable PC 60167 Review																																																																						
12/16/20	9:47 AM	<p>From: Vickie Gardner Sent: 12/16/2020 9:47:34 AM To: Hannah Keller, Diane Cable Subject: RE: Circling Back</p> <p>“I can meet at noon too. Just let me know”</p>	Diane Cable PC 60167 Review																																																																						
12/16/20	10:07 AM	<p>From: Diane Cable Sent: 12/16/2020 10:07:09 PM To: Dave Hayden CC: Hannah Keller Subject: email box</p> <p>“Hi Dave, Could you please give Hannah Keller access to Zer Smith’s email. Thank you, Diane”</p>	Diane Cable PC 60167 Review																																																																						
12/16/20	11:26 PM	<p>From: Vickie Gardner Sent: 12/16/2020 11:26:34 AM To: Diane Cable; Hannah Keller Subject Line: Spark Funding Importance: Normal Attachment: Spark Funding.xlsx</p> <p>“Hi, I added more information to try to make this more clear and included (sic) the full 2017 allocation.”</p> <p>NOTE: Contents of the file attachment Spark Funding.xlsx appear below</p> <table><tr><td>Spark Funding</td><td colspan="4"></td></tr><tr><td></td><td>2017</td><td>2018</td><td>2019</td><td>Total</td></tr><tr><td>Revenue</td><td></td><td></td><td></td><td></td></tr><tr><td>Spark Grant</td><td>\$1,599</td><td>\$235,601</td><td>\$150,697</td><td>\$387,897</td></tr><tr><td>Levy</td><td>\$-</td><td>\$-</td><td>\$55,084</td><td>\$55,084</td></tr><tr><td>Total</td><td>\$1,599</td><td>\$235,601</td><td>\$205,781</td><td>\$442,981</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Expenses</td><td>\$1,599</td><td>\$235,601</td><td>\$205,781</td><td>\$442,981</td></tr><tr><td>Grant Funded</td><td>100%</td><td>100%</td><td>61%</td><td>87%</td></tr><tr><td>Levy Funded</td><td>0%</td><td>0%</td><td>39%</td><td>13%</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Originally Allocated</td><td>\$12,897</td><td>\$250,000</td><td>\$125,000</td><td>\$387,897</td></tr><tr><td>Re-Allocated * * *</td><td>\$1,599</td><td>\$261,298</td><td>\$125,000</td><td>\$387,897</td></tr><tr><td colspan="5">* * * NOTE \$12,896.80 was awarded in 2017. \$11,298 carried over into 2018</td></tr></table>	Spark Funding						2017	2018	2019	Total	Revenue					Spark Grant	\$1,599	\$235,601	\$150,697	\$387,897	Levy	\$-	\$-	\$55,084	\$55,084	Total	\$1,599	\$235,601	\$205,781	\$442,981						Expenses	\$1,599	\$235,601	\$205,781	\$442,981	Grant Funded	100%	100%	61%	87%	Levy Funded	0%	0%	39%	13%						Originally Allocated	\$12,897	\$250,000	\$125,000	\$387,897	Re-Allocated * * *	\$1,599	\$261,298	\$125,000	\$387,897	* * * NOTE \$12,896.80 was awarded in 2017. \$11,298 carried over into 2018					Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 103-105 Diane Cable PC 60167 Review
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12/16/20	11:46 AM	<p>From: Kathryn Schauf Sent: 12/16/2020 11:46:20 AM To: Diane Cable, Colleen Bates Subject: Next Steps – audit and investigation</p> <p>Join by meeting number</p>	Diane Cable PC 60167 Review																																																																						

		Meeting number (access code): 145 536 2356 Meeting password: vJMjauBQ632	
12/16/20	12:42 PM	<p>From: Diane Cable Sent: 12/16/2020 12:42:37 PM To: Vickie Gardner NOTE: NOT HANNAH KELLER Subject: FW Zer Smith Importance: Normal</p> <p>"Tim, per your email and our discussion: The grant was not affected by the theft that occurred. Tax Levy was affected by the theft. Total Program cost 2017-2019: \$442,981 Grant portion: 87% Levy: 13% (Theft amount; 5% of the total program cost) I hope this is helpful. Please let me know if you have any additional questions. Diane"</p>	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 107 Diane Cable PC 60167 Review
12/16/20	12:43 PM	<p>From: Diane Cable Sent: 12/16/2020 12:43:31 PM To: Vickie Gardner Subject: email Importance: Normal</p> <p>"Hi. I sent you an email to review, that I will be forwarding to Tim Sullivan. Diane"</p>	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 109 / 111 Diane Cable PC 60167 Review
12/16/20	1:12 PM	<p>From: Vickie Gardner Sent: 12/16/2020 1:12:25 PM To: Diane Cable Subject: RE: Zer Smith Importance: Normal</p> <p>"Sounds Good"</p>	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 111 Diane Cable PC 60167 Review
12/16/20	1:26 PM	<p>From: Hannah Keller Sent: 12/16/2020 1:26:16 PM To: Vickie Gardner, Diane Cable Subject: RE: Spark Funding Importance: Normal</p> <p>"So maybe, I am confused, the money allocated in 2017 should have come out of the \$250,000. Correct? Thank you, Hannah"</p>	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 113 Diane Cable PC 60167 Review
12/16/20	1:36 PM	<p>From: Diane Cable Sent: 12/16/2020 1:36:43 PM To: Hannah Keller, Vickie Gardner Subject: RE: Spark Funding</p> <p>"Hannah and Vickie, Let's touch base briefly after the All Agency meeting"</p>	Diane Cable PC 60167 Review
12/16/20	1:41 PM	<p>From: Diane Cable Sent: 12/16/2020 1:41:18 PM To: Tim Sullivan Cc: Kathryn Schauf Subject: FW Zer Smith Importance: Normal</p> <p>"Tim, per your email and our discussion: The grant was not affected by the theft that occurred. Tax Levy was affected by the theft. Total Program cost 2017-2019: \$442,981 Grant portion: 87% Levy: 13% (Theft amount; 5% of the total program cost)</p>	Diane Cable PC 60167 Review

		I hope this is helpful. Please let me know if you have any additional questions. Diane”																																																								
12/16/20	1:41 PM	From: Vickie Gardner Sent: 12/16/2020 1:41:26 Om To: Hannah Keller, Diane Cable Subject: RE: Spark Funding Importance: Normal “It does not look that way to me. If you look at the contract for 2018, it is for \$261 K.”	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 117 Diane Cable PC 60167 Review																																																							
12/16/20	1:43 PM	From: Vickie Gardner Sent: 12/16/2020 1:43:16 PM To: Diane Cable Subject: RE: Spark Funding “ok”	Diane Cable PC 60167 Review																																																							
12/16/20	1:43 PM	From: Vickie Gardner Sent: 12/16/2020 2:30:00 PM To: Vickie Gardner, Diane Cable, Hannah Keller Subject: RE: Spark Funding Join by meeting number Meeting number (access code): 145 531 1680 Meeting password: ywWstDH2X37	Diane Cable PC 60167 Review																																																							
12/16/20	3:05 PM	From: Vickie Gardner Sent: 12/16/2020 3:05:39 PM To: Diane Cable, Hannah Keller Subject: RE: Spark Funding Importance: Normal Attachments: Spark Funding.xlsx “I just got off the phone with Tammy and she agrees with the revenue allocations noted on this spreadsheet. Vickie” NOTE: Chart Source: Spark Funding.xlsx <table><tr><td>Spark Funding</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>2017</td><td>2018</td><td>2019</td><td>Total</td></tr><tr><td>Revenue</td><td></td><td></td><td></td><td></td></tr><tr><td>Spark Grant</td><td>\$1,599</td><td>\$235,601</td><td>\$150,697</td><td>\$387,897</td></tr><tr><td>Levy</td><td>\$-</td><td>\$-</td><td>\$55,084</td><td>\$55,084</td></tr><tr><td>Total</td><td>\$1,599</td><td>\$235,601</td><td>\$205,781</td><td>\$442,981</td></tr><tr><td>Expenses</td><td>\$1,599</td><td>\$235,601</td><td>\$205,781</td><td>\$442,981</td></tr><tr><td>Grant Funded</td><td>100%</td><td>100%</td><td>61%</td><td>87%</td></tr><tr><td>Levy Funded</td><td>0%</td><td>0%</td><td>39%</td><td>13%</td></tr><tr><td>Originally Allocated</td><td>\$12,897</td><td>\$250,000</td><td>\$125,000</td><td>\$387,897</td></tr><tr><td>Re-Allocated * * *</td><td>\$1,599</td><td>\$261,298</td><td>\$125,000</td><td>\$387,897</td></tr></table> * * * NOTE \$12,896.80 was awarded in 2017. \$11,298 carried over into 2018	Spark Funding						2017	2018	2019	Total	Revenue					Spark Grant	\$1,599	\$235,601	\$150,697	\$387,897	Levy	\$-	\$-	\$55,084	\$55,084	Total	\$1,599	\$235,601	\$205,781	\$442,981	Expenses	\$1,599	\$235,601	\$205,781	\$442,981	Grant Funded	100%	100%	61%	87%	Levy Funded	0%	0%	39%	13%	Originally Allocated	\$12,897	\$250,000	\$125,000	\$387,897	Re-Allocated * * *	\$1,599	\$261,298	\$125,000	\$387,897	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 121-123 Diane Cable PC 60167 Review
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Re-Allocated * * *	\$1,599	\$261,298	\$125,000	\$387,897																																																						
12/16/20	3:07 PM	From: Diane Cable Sent: 12/16/2020 3:07:19 PM To: Hannah Keller, Vickie Gardner Subject: RE: Spark Funding “Thank You”	Diane Cable PC 60167 Review																																																							
12/16/20	3:10 PM	From: Diane Cable Sent: Wednesday 12/16/2020 3:10:31 PM To: Vickie Gardner Subject: Youth Justice Innovation Grant - Eau Claire	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 125 Diane Cable PC 60167 Review																																																							

		<p>"Hi, please review...</p> <p>Hi Wendy and Shelby,</p> <p>This is a follow up to my conversation with Wendy this morning regarding the situation of Theft that occurred by a staff person who was responsible for purchasing items for the Youth Innovation Grant Project called SPARK. The amount of the theft was \$21,777.74. We have been able to verify that the Grant was not affected. The total allocation of Grant dollars were (sic) used for the defined purposes of the program. From 2017-2019 the total program cost of operations was \$442,981. The Grant covered 87% of the program costs and 13 % of the cost came from tax levy. The loss by theft was a 5% impact to the total program cost, which affected tax levy. Please contact me if you have any questions. Diane"</p>	
12/16/20	3:16 PM	<p>From: Vickie Gardner Sent: 12/16/2020 3:16:00 PM To: Diane Cable Subject: RE: Youth Justice Innovation Grant – Eau Claire Importance: Normal</p> <p>"Looks Good."</p>	Diane Cable PC 60167 Review
12/16/20	3:17 PM	<p>From: Tim Sullivan Sent: 12/16/2020 3:17:03 PM To: Diane Cable Subject: RE: Zer Smith Importance: Normal</p> <p>"Diane, Thank you Tim."</p>	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 127 Diane Cable PC 60167 Review
12/16/20	3:40 PM	<p>From: Kathryn Schauf Sent: 12/16/20 3:40 PM To: Tim Sullivan Subject: Next Steps – audit and investigation Importance: Normal</p> <p>Join by meeting number Meeting number (access code): 145 536 2356 Meeting password: vJMjauBQ632</p>	Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 167
12/16/20	3:48 PM	<p>From: Diane Cable Sent: Wednesday 12/16/2020 3:48:24 PM To: Wendy Henderson – DCF, Shelby McCulley - DCF Subject: Youth Justice Innovation Grant - Eau Claire</p> <p>"Hi Wendy and Shelby,</p> <p>This is a follow up to my conversation with Wendy this morning regarding the situation of Theft that occurred by a staff person who was responsible for purchasing items for the Youth Innovation Grant Project called SPARK. The amount of the theft was \$21,777.74. We have been able to verify that the Grant was not affected. The total allocation of Grant dollars were (sic) used for the defined purposes of the program.</p> <p>From 2017-2019 the total program cost of operations was \$442,981. The Grant covered 87% of the program costs and 13 % of the cost came from tax levy. The loss by theft was a 5% impact to the total program cost, which affected tax levy.</p> <p>Please contact me if you have any questions or if you need any additional information. Take care, be well and Happy Holidays! Diane"</p>	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 136
12/17/20	8:11 AM	<p>From Shelby McCulley Sent: 12/17/2020 8:11:41 AM To: Diane Cable, Wendy Henderson Subject RE: Youth Justice Innovation Grant</p>	Diane Cable PC 60167 Review

		<p>"Thank you Diane, this is very helpful. I am working on touching base with our fiscal people to make sure we identify whether there's any additional documentation we need from our end I'll be in touch. If I don't talk to you soon, Happy Holidays to you too!</p> <p>Shelby McCulley"</p>	
12/21/20	9:33 AM	<p>From: McCulley, Shelby A - DCF Sent: Monday 12/21/2020 9:33:38 AM To: Diane Cable Subject: RE: Youth Justice Innovation Grant - Eau Claire County</p> <p>Good morning Diane, I had a brief discussion on this with our Finance Director. She's going to look into this further to verify whether there are specific requirements on our end, but in the meantime had a couple of questions. One of our primary obligations in cases like these is to verify the extent to which any fraud or embezzlement involved DCF funds, especially when an entity receives multiple sources of DCF funding (which is often the case). Do you have a copy of the investigation or other documentation that you are able to share with us at this point that will show how much was the YJ Innovation Grant and how much was non-DCF funded programs? And/or describe what investigative work as been done a forensic audit, criminal investigation, etc. I'm hopeful that given the amount of funding involved and the tax levy portion, we'll be able to properly document on our end using what you already have, or have readily available, without needing you to go through additional hoops. Thank you!</p> <p>Shelby McCulley Bureau of Youth Services Director Division of Safety and Permanence</p>	<p>Source: Diane Cable Dell Laptop - 60167 Email 12/21/2020 9:33:38 AM</p> <p>Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 136</p>
12/21/20	9:57 AM	<p>From: Diane Cable Sent: 12/21/2020 9:57:50 AM To: Shelby McCulley Subject: RE: Youth Justice Innovation Grant – Eau Claire County</p> <p>"Hi Shelby, Thank you for the response. Are you available to connect by phone? Diane"</p>	Diane Cable PC 60167 Review
12/21/20	11:39 AM	<p>From: McCulley, Shelby A - DCF Sent: Monday, December 21, 2020, 11:39 AM To: Armstrong, Rachelle - DCF Subject: FW: Youth Justice Innovation Grant - Eau Claire County</p> <p>Hi Rachelle, I just talked to Diane Cable, and she indicated that the amounts indicated below are the full amount of the embezzlement and there weren't other programs involved, which simplifies things. The individual was able to steal from this program specifically because of the incentive program (gift cards, etc.) rather than through redirecting payments or other methods that would require more access to fiscal systems. The criminal investigation is completed and the individual is being prosecuted. The determination below that state dollars weren't affected (that the fraud impacted tax levy) was made by the county's Finance Director and accountant reviewing the year-end records for 2018 and 2019.</p> <p>Since the theft affected tax levy, and not the state funding, I'm hoping we can avoid needing a lot of additional documentation as long as we can get documentation of how they determined that state funding was not affected, do you think a letter from their finance director would be sufficient? Or co-signed by Diane and the finance director?</p> <p>Shelby McCulley</p>	Diane Cable PC 60167 Review

12/21/20	1:44 PM	<p>From: Kathryn Schauf Sent: 12/21/20 1:44:25 PM To: Rich White, Nick Smiar, Coleen Bates, Diane Cable, Tim Sullivan Subject: Next steps – 2 prong approach Importance: Normal Sensitivity: Normal</p>	Diane Cable PC 60167 Review
12/21/20	1:49 PM	<p>From: Diane Cable Sent: 12/21/20 1:49:47 PM To: Kathryn Schauf Subject: Accepted: Next steps – 2 prong approach Importance: Normal Sensitivity: Normal</p>	Diane Cable PC 60167 Review
12/22/20	8:51 AM	<p>From: Kathryn Schauf Sent: 12/21/20 8:51:26 AM To: Rich White, Nick Smiar, Coleen Bates, Diane Cable, Tim Sullivan Subject: Next steps – 2 prong approach Importance: Normal Sensitivity: Normal</p> <p>Join by meeting number Meeting number (access code): 145 117 6288 Meeting password: eJeKBtmJ352</p>	Diane Cable PC 60167 Review
1/28/21	6:00 PM	<p>From: Diane Cable Sent: Friday 1/28/2021 6:00 PM To: Vickie Gardner Subject: Fraud Incident Letter to DCF Importance: High Attachments: Fraud Incident Letter to DCF.docx</p> <p>Hi Vickie, Please review the attached letter. Your comment is appreciated. Thanks Diane</p> <p><u>Fraud Incident Letter to DCF.docx</u></p> <p>Hello. This letter notifies and communicates to you the incident of fraud committed by an employee of Eau Claire County Human Services per our conversation on January 20th, 2022. The letter outlines the incident and the actions of the agency in response. To assist your understanding, the SPARK program, is the name of the Human Services program that was initiated with the Youth Justice Innovation Grant dollars.</p> <p>Per our conversation on January 20th, 2020 it is our understanding that this letter serves as documentation of the incident to the Department of Children and Families. In addition no other actions are needed/required for Eau Claire County Human Services Department.</p> <p>If you have questions related please contact either Diane Cable, Agency Director or Vickie Gardner, Agency Fiscal Manager.</p> <p>Thank you for your review and assistance. – Diane</p>	<p>Appendix 325 - Diane Cable PC 60167 Review - Selected Files Pages: 191-194 Vicki Gardner Dell Laptop - 60168</p>
1/29/21	7:22 AM	<p>From: Vickie Gardner Sent: Friday 1/29/2021 7:22:50 AM Received: 1/29/2021 1:21:31 PM To: Diane Cable Subject: RE: Fraud Incident Letter to DCF</p> <p>Diane,</p>	<p>Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 195 Vicki Gardner Dell Laptop - 60168</p>

		<p>I read the letter. It sounds fine to me. I only noticed that in the first paragraph, the year is noted as "2022" and "2020" when I believe you are referencing "2021".</p> <p>Let me know if you need more clarification.</p> <p>Vickie</p>	
1/29/21	7:22 AM	<p>From: Diane Cable Sent: Friday January 29, 2021, 7:23 AM To: Vickie Gardner Subject: RE: Fraud Incident Letter to DCF</p> <p>"Thanks Vickie – apparently I am ready for 2022????"</p>	Diane Cable PC 60167 Review
1/29/21	7:22 AM	<p>From: Vickie Gardner Sent: Friday January 29, 2021, 7:28:19 AM To: Diane Cable Subject: RE: Fraud Incident Letter to DCF</p> <p>"Well.... I am just hoping 2021 is better than 2020 right now. 😊"</p>	Diane Cable PC 60167 Review
1/29/21	7:22 AM	<p>From: Diane Cable Sent: Friday January 29, 2021 8:29:59 AM To: Alexa Dennis Subject: RE: Fraud Incident Letter to DCF Attachment: Fraud Incident Letter to DCF.docx</p> <p>"Please format on letterhead and send back to me Thank you Diane"</p>	Diane Cable PC 60167 Review
			Kathryn Schauf PC 60169 Review
1/29/21	1:21 PM	<p>From: Kathryn Schauf Sent: 1/29/2021 1:21:36 AM To: Rich White Cc: Nick Smiar, Diane Cable Subject: RE:</p> <p>"Yes, a reply letter – here are the facts – not defensive – we are working cooperatively – a status of where things are now."</p>	Diane Cable PC 60167 Review
1/29/21	1:22 PM	<p>From: Diane Cable Sent: 1/29/2021 1:22: 02 PM To: Shelby McCulley, Rachelle Armstrong Cc: Vickie Gardner Subject: Letter from Eau Claire County Attachments: Fraud Incident Letter to DCF .pdf</p> <p>"Hello Shelby and Rachelle, I hope you are both well today. Attached is the document as requested in our conversation last week. I trust that you will contact me if you have any questions. Take care and have a good weekend, Diane"</p> <p>Attachment: Fraud Incident Letter to DCF .pdf</p>	<p>Diane Cable PC 60167 Review Vicki Gardner Dell Laptop - 60168</p>

2/22/21	10:22 AM	<p>From: Diane Cable Sent: 2/22/2021 10:22:38 AM Subject: Zer Smith</p> <p>“Please see information below.”</p> <p>From: Diane Cable Sent: Wednesday, December 16, 2020, 1:41 PM To: Tim Sullivan Cc: Kathryn Schauf Subject: FW: Zer Smith</p> <p>Tim, per your email and our discussion: The grant was not affected by the theft that occurred. Tax Levy was affected by the theft. Total Program cost 2017-2019: \$442,981 Grant portion: 87% Levy: 13% (Theft amount: 5% of total program cost) I hope that this is helpful. Please let me know if you have additional questions. Diane</p> <p>From: Tim Sullivan Sent: Tuesday, December 15, 2020 12:15 PM To: Diane Cable Subject: Zer Smith</p> <p>Diane, Kathryn has asked me to follow up on your response about the use of SPARK funds by Zer Smith. I have received a copy of your email to Kathryn Spark funds, in which you state: <i>“The SPARK program received the requested and identified Grant Funds during 2018 and 2019. The Innovation Grant funds, allocated for the Eau Claire County Human Services SPARK program were received and allocated for the SPARK program. The theft that occurred, did not affect the Grant funding for the SPARK program. The State was made aware of the theft. As the Grant funds were not affected there is no action required by the County with the State.”</i> The criminal complaint for Z. Smith indicates that Detective Erl reported, based on information provided to her from managers of the Department of Human Services, that Zer Smith was responsible from July 2018 through her termination in October 2018 for purchasing for the SPARK program, and that she used her P-Card to satisfy requests from the SPARK program. The information in the criminal complaint is consistent with the information that was provided to law enforcement when I was in attendance at those meetings, and indicated that Zer was making purchases for the SPARK program including the purchasing of gift cards. Will you please explain how the criminal activity of Zer Smith did not affect the grant funding for the SPARK program when her criminal activity is related to the funds she stole when making purchases for the SPARK program? Thanks Tim.</p>	Diane Cable PC 60167 Review
2/22/21	10:26 AM	<p>From: Kathryn Schauf Sent: 2/22/2021 10:26:45 AM To: Stella Pagonis, Nick Smiar Cc: Norb Kirk, Ron Cramer, Gerald Wilkie, Diane Cable, Tim Sullivan Subject: FW: Zer Smith</p> <p>“Good morning – I am glad you noted that Stella – I did not close the loop. Corporation Counsel followed up with DHS on the funding query.”</p>	Diane Cable PC 60167 Review

2/22/21	10:29 AM	<p>From Kathryn Schauf Sent: 2/22/2021 10:29:05 AM To: Norb Kirk Subject: Zer Smith</p> <p>"The challenge is that there is no way to "prove" which pot of money it is – it all goes into the program and funds various activities. K"</p>	<p>Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 197 Kathryn Schauf Dell Laptop - 60169</p>
2/22/21	10:32 AM	<p>From: Norb Kirk Sent: 2/22/2021 10:32:24 AM To: Kathryn Schauf Subject: RE: Zer Smith</p> <p>"Agreed and likely something Stella may respond to as such..."</p>	<p>Kathryn Schauf Dell Laptop - 60169</p>
2/22/21	10:33 AM	<p>From Kathryn Schauf Sent: 2/22/2021 10:33:48 AM To: Norb Kirk Subject: RE: Zer Smith</p> <p>"I get it – and it would be impossible to ever get to that level of reporting / revenue assignment without an extensive expansion of the chart of accounts"</p>	<p>Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 201 Kathryn Schauf Dell Laptop - 60169</p>
2/22/21	10:32 PM	<p>From: Kathryn Schauf Sent: 2/22/2021 10:32:05 AM To: Tim Sullivan Subject: FW: Zer Smith</p> <p>"Tim, - Are you aware of any additional follow-up we should conduct? Based on how the accounts are constructed and that revenues are combined and that services are not specifically coded as to source of levy or grant – they are only coded to the program without specificity of source. The only way to verify with 100% accuracy would be if there is a singular revenue source. K"</p>	<p>Appendix 328 - Kathryn Schauf Emails 2017-2021 - Selected Files Page: 200 Kathryn Schauf Dell Laptop - 60169</p>
2/22/21	11:39 AM	<p>From: Tim Sullivan Sent: 2/22/2021 11:39:46 AM To: Kathryn Schauf Subject: RE: Zer Smith</p> <p>"I don't.</p> <p>As I understand it we pay and then get reimbursed. The state said there was no grant impact because it fell within the portion that the county is responsible for paying, the first 13%.</p> <p>I would imagine that DHS has a category that says "Spark program" where all of the expenditures are listed. What I don't know, is the 13% for all expenditures made during the year, or, is it like health insurance that once you meet the 13% deductible then the state pays for everything else? In which case when the theft occurred would matter as it relates to the grant ?? Diane's response made it seem like it was for the entire year.</p> <p>As far as the expenses that Jerry is complaining about, Maybe DHS should create a response to explain how and why those purchases were made. This would explain the specific grant programs within which the specific purchases were made (use the list in his email). The explanation should include a statement about how the specific grant program(s) work, by setting forth a step by step process of how they select clients, how they determine services to be provided, what is the goal of the program., how they got to the point where they are considering purchasing an item or service for a client, how the purchase is made, who reviews the purchase (locally and at the state level) both before and after it is made, to make sure they are appropriate and within grant guidelines, etc. .</p> <p>My point is board members and the public are reacting to the type of purchases, which without explanation are viewed as extravagant. They keep</p>	<p>Kathryn Schauf Dell Laptop - 60169</p>

2/22/21	11:40 AM	<p>From: Tim Sullivan Sent: 2/22/2021 11:39:46 AM To: Kathryn Schauf Subject: RE: Zer Smith</p> <p>"I don't. As I understand it we pay and then get reimbursed. The state said there was no grant impact because it fell within the portion that the county is responsible for paying, the first 13%. I would imagine that DHS has a category that says "Spark program" where all of the expenditures are listed. What I don't know, is the 13% for all expenditures made during the year, or, is it like health insurance that once you meet the 13% deductible then the state pays for everything else? In which case when the theft occurred would matter as it relates to the grant?? Diane's response made it seem like it was for the entire year.</p> <p>As far as the expenses that Jerry is complaining about, Maybe DHS should create a response to explain how and why those purchases were made. This would explain the specific grant programs within which the specific purchases were made (use the list in his email). The explanation should include a statement about how the specific grant program(s) work, by setting forth a step by step process of how they select clients, how they determine services to be provided, what is the goal of the program., how they got to the point where they are considering purchasing an item or service for a client, how the purchase is made, who reviews the purchase (locally and at the state level) both before and after it is made, to make sure they are appropriate and within grant guidelines, etc. .</p> <p>My point is board members and the public are reacting to the type of purchases, which without explanation are viewed as extravagant. They keep asking the same questions and pointing to the same categories of purchases. If they got an explanation for those purchases they might stop ?"</p>	Kathryn Schauf Dell Laptop - 60169
8/31/21	1:16 PM	<p>From: Tim Sullivan Sent: Tuesday August 31, 2021, 1:16:35 PM To: Kathryn Schauf, Norb Kirk Subject: FW: Message from "RNP0026736845C5"</p> <p>Attached is the restitution sheet and Plea sheet for Zer Smith. The restitution is \$10,500.</p> <p>Restitution was determined as follows: 4 cards at \$500 apiece that were directly attributed to Zer Smith and which she admitted taking (\$2,000) + 17 cards that were purchased but unaccounted for (\$8,500.)</p> <p>Zer is scheduled for Court on Thursday at 4:00. This is not final until she appears in court and enters a plea and the court orders restitution. (there is the possibility this could change). I will view the hearing on Friday. Tim"</p>	Appendix 325 - Diane Cable PC 60167 Review - Selected Files Page: 357 Kathryn Schauf Dell Laptop - 60169
8/31/21	4:11PM	<p>From Kathryn Schauf Sent: 8/31/2021 4:11:17 PM To: Norb Kirk</p>	Kathryn Schauf Dell Laptop - 60169

		<p>Subject: ZS follow-up and reimbursements follow-up (DHS)</p> <p>Importance: Normal</p> <p>Sensitivity: Normal</p>	
8/31/21	4:11PM	<p>From Kathryn Schauf</p> <p>Sent: 8/31/2021 4:11:17 PM</p> <p>To: Norb Kirk</p> <p>Subject: Accepted: ZS follow-up and reimbursements follow-up (DHS)</p> <p>Importance: Normal</p> <p>Sensitivity: Normal</p>	Kathryn Schauf Dell Laptop - 60169
8/31/21	4:12 PM	<p>From: Kathryn Schauf</p> <p>Sent: Tuesday 8/31/21 4:12:43 PM</p> <p>Subject: FW: Message from "RNP0026736845C5"</p> <p>Attachments: 20210831125809134.pdf</p> <p>"For your awareness."</p>	<p>Appendix 325 - Diane Cable PC</p> <p>60167 Review - Selected Files</p> <p>Page: 357</p> <p>Diane Cable PC 60167 Review</p> <p>Kathryn Schauf Dell Laptop - 60169</p>

WIPLFI Analysis and Findings

As mentioned previously in this report, WIPFLI was retained to assist Detective Greener and Deputy Voelker with the investigation. Wipfli's Forensic Consulting Services Group provided forensic accounting services in support of the investigation into the financial practices carried out by the employees of the Eau Claire County Department of Human Services from 2017 – 2021, including, but not limited to, accounts payable and accounts receivable transactions, purchase card transactions, staff travel and/or training, purchase requests made by DHS staff for training, supplies or clients, service provider contracts, and budget expenditures and reimbursements.

WIPFLI's key findings are summarized as follows:

1. There were two duplicate payments, 31 instances where an amount was paid that was different than the amount invoiced, and the average days from invoice date to payment date was 91 days in 13 checks paid to Trinity Equestrian Center in March, April and May 2019.
2. There were multiple vendor numbers set up for the same vendor name. Wipfli identified 123 payments and \$444,401.96 in spend recorded to vendors with the same vendor name but a different vendor number.
3. Wipfli identified 61 payments recorded to 23 different vendors, totaling \$24,728.96 in spend, where the payments were recorded in the same amount to the same vendor on the same day.
4. There were 3,269 accounts and 13,511 transactions being recorded to those accounts that did not have a budgeted amount associated with them in the ECCDHS financial management system for 2017 – 2021.
5. Budgeted amounts recorded in ECCDHS' financial management system did not appear to have been adjusted for all changes in both revenues or expenditures.
6. Amounts recorded in ECCDHS' financial management system apparently did not match the 2019 DHS Finance results reported June 8, 2020 Budget and Finance Committee minutes.

WIPLFI's full report is attached to the end of this final report as Appendix B for the reader's own review.

Final Requests to Interview Individuals

As the reader observed in previous sections of this report, there were attempts made to interview Vickie Gardner and Tammy Stelter in the infinite stages of this investigation. Once all information and evidence had been gathered and analyzed requests were made to interview the following individuals. Requests were made to attempt to meet with the following individuals based upon information, facts, and evidence mentioned in this report. Furthermore, we wanted to give the individuals the opportunity to meet with us to explain the information, facts, and evidence, and in order to determine if the information, facts, and evidence, was criminal activity, or if there was some other reasonable, non-criminal explanation. Based upon the above information, interviews were requested with the following individuals:

- County Board Chairman Nick Smiar
- County Board Supervisor Jim Dunning
- Administrator Kathryn Schauf
- DHS Director Diane Cable
- Fiscal Services Manager Vickie Gardner
- DHS Employee Tammy Stelter
- DHS Employee Chelsey Mayer

Per their constitutional right, all of the above individuals, with the exception of County Board Supervisor Jim Dunning, declined to meet with us. Administrator Kathryn Schauf and DHS Director Diane Cable also retained their own criminal attorney.

The below link is Cable's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above sections of this report.

[Cable_Response_Pages_287_398](#)

Investigative Findings

As the reader observed, within this document, there were numerous issues discovered during the course of this investigation. A highlight of a majority of those issues is contained below:

- ✓ Administrator Kathryn Schauf knowingly and deliberately made a false statement to Sheriff Cramer and Captain Brettingen regarding her claim as to why the Eau Claire Police Department investigated the Zer Smith incident.
- ✓ Zer Smith committed a crime which was not initially reported to law enforcement, and she was given the opportunity to reimburse the county which she did. Only after discovering several months later there were additional funds stolen by Smith from the SPARK program was law enforcement contacted.
- ✓ Kathryn Schauf hesitated in providing public records to a County Board Supervisor, that would be permissible to be obtained under the Freedom of Information Act.
- ✓ Diane Cable has a Hilton Honors account. Supporting documentation and an interview with Cable would be necessary in order to determine if Cable accrued reward points from county expensed hotel reservations for personal use. Since we were unable to interview Cable, we are unable to determine this. If Cable did personally utilize reward points for non-county business it may possibly constitute theft, and/or misconduct in office.
- ✓ Schauf was aware there were issues involving the DHS fiscal department in 2020. Schauf's recommendation to Kirk at that time was that he should supervise DHS fiscal, yet DHS fiscal still remains independent to date.
- ✓ Schauf has provided direction to and input via Cisco Jabber messages while others are presenting and county committee meetings including telling individuals not to answer certain questions.
- ✓ Diane Cable has an Enterprise Plus Rental Car account. Supporting documentation nor an interview with Cable was able to be obtained during this investigation. Therefore, we are unable to determine if Cable utilized any accrued reward points from county-expensed rental car reservations for personal use. If Cable did personally utilize reward points for non-county business it may possibly constitute theft, and/or misconduct in office.

- ✓ Schauf advised Cable and Kirk in a May 29, 2020, email that they may be contacted by law enforcement and to “keep the communication flowing”, yet this did not occur.

- ✓ There were numerous differences and inconsistencies in financial statements presented to various committees. This is a potential indicator of fraud, however in order to determine if it is fraud those involved in drafting these financial statements would need to be interviewed. We have been unable to speak with those individuals.

- ✓ DHS disabled safeguards in the DHS fiscal software to alert or prevent a budget overage.

- ✓ There were numerous inconsistencies and discrepancies in empirical data provided to a County Board Supervisor. Again, we are unable to determine if this was human error or intentional since we are unable to interview the individual(s) who drafted the document.

- ✓ DHS and Diane Cable have made statements that one of the reasons for their continued budget overages was that Eau Claire County had the second highest poverty rate in the state. This was proven to be inaccurate.

- ✓ DHS staff have received upgraded airfare and hotel stays. Several of these upgraded hotel stays occurred when DHS was already significantly over budget There were also vendor hotel stays, vendor and staff meals paid for with family crisis funds.

- ✓ There were errors, delays, and discrepancies in LGIP deposit information that were provided to the County Treasurer’s Office from DHS.

- ✓ DHS was paying ALIA for services. ALIA for whatever unknown reason refused to provide documents to us thus a search warrant had to be obtained.

- ✓ Cable received a personal check from ALIA which she cashed at a check cashing business. Since we have not been able to speak with Cable it is unknown if she received a personal benefit from ALIA.

- ✓ Clifton Larson Allen (CLA) found that during a 2019 review of DHS fiscal practices, that programmatic changes were being made without considering the fiscal impact.

- ✓ Vickie Gardner did not feel she could speak up about the above issue without fear of repercussion from Cable.

- ✓ Kathryn Schauf deleted the information from the final CLA report regarding this issue and later requested that information be added to the report that there was no mismanagement or negligence regarding the financial condition of the department. This is not accurate.
- ✓ In an interview with former DHS Operations Manager, Sue Schleppenbach, she denied that any DHS staff received upgraded hotel rooms and airline reservations. This is not accurate.
- ✓ Numerous attempts to interview individuals within DHS were made. Those individuals declined to speak with us.
- ✓ Former Eau Claire County Corporation Counsel along with Kathryn Schauf obstructed efforts in attempting to arrange interviews. Sullivan also told individuals not to speak with us without him present when he has no authority to do so.
- ✓ Information was received from numerous credible individuals that staff were either informed not to speak with us, were provided talking points, or would be told what to say if they did interview with law enforcement. Those individuals also stated that they were told to tell the public that the investigation was done, or that there was no wrongdoing.
- ✓ Kathryn Schauf sent a demand email and letter to Sheriff Cramer on August 13, 2020 requesting that all records, documents, and notes related to the investigation be provided to her immediately. This was sent 33 minutes after Schauf was served a preservation request. Schauf is well aware of law enforcement practices and procedures related to criminal investigations based upon numerous other criminal investigations involving county departments, and county employees, during her tenure as County Administrator. At no time during those investigations did Schauf demand to have information obtained during the investigation while the investigation is active. Schauf is also aware past practice is no information is released until the investigation has been completed and has been reviewed by the District Attorney.
- ✓ Cable informed Christine Varnavas, the owner of Ananda Works, that she did not have to meet with us. After informing her of this information Varnavas stopped communicating with us and did not provide us the requested information. A search warrant had to be obtained just to get the information.
- ✓ Numerous attempts were made to obtain records from DHS voluntarily. These requests were based on facts and evidence obtained during the investigation. DHS did provide some records voluntarily. A review of those records showed inconsistencies and discrepancies.

- ✓ Attorney White's true scope of representation is questionable. Schauf and others also violated county code by retaining his services.
- ✓ There were additional fraudulent activities of other DHS employees found during this investigation that was never reported to law enforcement or audited by DHS.
- ✓ Kathryn Schauf and Norb Kirk attended an approximate 5-hour long briefing with law enforcement. During this meeting they were shown a PowerPoint presentation which contained information, facts, and evidence that had been gathered during the investigation. Schauf's response at the end of the meeting after seeing all of this information was to "get a search warrant."
- ✓ A search warrant did have to be obtained due to lack of cooperation and in order to complete this investigation. During the execution of the search warrants County Board Chair Nick Smiar unethically contacted the District Attorney's Office, and Judge Michael Schumacher. Smiar was described as argumentative during their contact with him.
- ✓ County Board Chair Nick Smiar also sent an email to Marty Green which contained inaccurate information related to the investigation and the execution of the search warrants.
- ✓ Additional fraudulent activities may be occurring related to the SPARK program, that was never investigated or audited by DHS.
- ✓ Diane Cable intentionally and deliberately made false statements, and fraudulent writings in regard to when DCF was notified regarding the theft involving the SPARK program.
- ✓ Diane Cable falsified documents sent to DCF regarding the theft from the SPARK program.

The below links are Schauf's, Cable's, Kirk's, and Smiar's written augmentation response as permitted and in accordance with Wis. Stat. 19.356(9) in reference to the above section of this report.

[Schauf Response Pages 399 402](#)

[Cable Response Pages 399 402](#)

[Smiar Response Page 402](#)

Conclusion

As stated in the introduction section of this report, a complaint was received by Sheriff Cramer from two Eau Claire County Board Supervisors. Based upon the complaint, just as with most complaints received by the Eau Claire County Sheriff's Office an investigation began.

It is important for the reader to hear that this investigation was never a "fishing expedition" by law enforcement nor was it about a select group of individuals versus DHS or the Sheriff's Office versus DHS. It was, however, an investigation that was initiated based only upon complaints by two citizens. The complaint refers to possible criminal activity which the Sheriff's Office has a duty to investigate. Regardless of who is making the complaint, and what the complaint entails, the citizens of Eau Claire County should expect that their complaints will be followed up on. Simply put we followed the facts and evidence, and took actions based upon what the facts and evidence showed.

Ryan Greener

***Detective Ryan Greener
Eau Claire County Sheriff's Office***

Mike Voelker

***Deputy Mike Voelker
Eau Claire County Sheriff's Office***

APPENDIX A

Norb Kirk Response Page 6

Page 6 – What I uncovered was an error in the estimate of the 2019 financial results for DHS, not an error in the 2019 DHS budget.

Click the following link to return to the previous page.

[Page 6](#)

Diane Cable Response Pages 6-8

Human Service Department Response to the Investigation and Report

Diane Cable, Director 2016 – 2023

Background. In 1983, the Department of Human Services was formed by the County and approved by the State of Wisconsin. Human Service Departments, under state statute ch.46, have the responsibility and duty to provide a plan and provision for social, economic, and behavioral health services regarding mental health and substance use issues for the needs of individuals and families. The organizational structure established for the Human Services Department was as a Social Services Department, providing the social mandated services for the County – Child Protective Services, Juvenile Justice, Economic Support, Adult Protective Services, Birth to three services, and the Community Support Program. The Behavioral Health services were contracted out to Community providers. While this structure provided response to the community for several years, in the early 2000's the Community providers were not able to provide at the level of need and the Department, for budgetary reasons, began to reduce contracts for mental health and substance use services. Treatment and early intervention services decreased, with the primary service response for individuals being placement in out-of-home-care.

Each year, since 2016, as the Human Services Director, I informed County Administration, Human Services Board, Budget & Finance Committee of the need for increased tax levy to carry out the mandates and services of the Department. The tax levy of the Human Services Department has remained fairly constant, since 2006. In 2018, Human Services raised the alarm regarding the fiscal challenge to sustain current operations with increasing community need. We informed County Administration, the Finance and Budget Committee, and the Human Services Board of the projection of continued fiscal overage due to the significant mental health and substance abuse issues of the County. The County was informed to change the trajectory of outcomes, including fiscal impact, a shift in Department practice and operations would need to occur. This effort was supported by County Administration and the Human Services Board.

Addition to Report. The basis for the investigation was the reporting error being identified by County Finance and the overages of the Department, according to the Sheriff Department's report. In 2019 County Finance asked DHS to report the WIMCR dollars in a different manner. The reporting error occurred due to this new process. It was a human error. County Finance found the error during a review of reports as part of their overview of year-end closure. This was explained to County Administration, County Finance, Human Services Board and the Finance and Budget Committee. All appropriate parties were advised of the impact of the error. At no time were any finances missing and all parties were advised of such. The basis for this investigation is unfounded. The investigation occurred at great expense to the county. The investigation misled the community about Human Services and the County, causing harm to the County and the Human Services Department. While the Human Services Department clearly communicated the increasing needs of the community, the expectation was for the Department to maintain operations within budget. The focus was on dollars and was not on how we respond to the current human crisis. In 2018 Human Services notified the County of the fiscal impact related to the increasing needs of the community and that the Department had a plan for response. This plan projected a change in outcomes both fiscally and for improved outcomes for individuals by 2020. Despite the investigation, and during a Pandemic, the Department held fast to making changes for improved outcomes for the community and individuals, which in turn lead to improved fiscal outcomes.

Cont'd on next page....

Impact to date 2022:

Outcomes for individuals: 2019-2022 – 37% decreased Out-of-Home Placements of Kids, 67% decreased placements of adults.

Fiscal Impact: 2020 – Under budget, 2021 – over by less than .01% of budget, 2022 – projected to be within budget.

It is difficult to understand why an investigation was launched against the Department of Human Services, who responds to the most vulnerable of our community. It is because of the incredible staff of the Human Services Department, their commitment and dedication, that a shift in practice and operations occurred. This occurred during the time of the investigation, while receiving targeted negative public scrutiny and during a pandemic. Human Services was able to shift practice and operations, as communicated and planned, for improved individual and fiscal outcomes. Human Services has and continues to carry out its responsibilities to Eau Claire County, responsibly and in the best interest of the individuals being served.

Cont'd on next page....

Augmentation to Report – 5/9/2023

To: Sheriff Riewestahl, Atty Mindy Dale, & Corp. Counsel Sharon McIlquham

From: Diane Cable, Director Eau Claire County Human Services Department

Please accept the information for augmentation to the report. The highlighted blue represents areas recommended to be removed from the report. This document is completed as the Director of Human Services.

Introduction – Pages 6-8

This section includes inaccurate statements and conclusions that mislead the reader.

Points of correction:

- The document refers to a \$1.1 million error. This was a reporting error, found by County Finance Department as part of a regular review process. County Finance is not an outside entity of the County. Fiscal processes of DHS and year-end closing are regularly reviewed by County Finance
- DHS is a large Department. The Department does maintain receipts of purchase card transactions and receipts for mileage and travel expenses. These areas are subject to audits by County Finance.
- Human Services fully cooperated with the investigation, as advised by legal counsel of the County and County Administration.

Click the following link to return to the previous page.

[Page 8](#)

Page 12

The summary does not accurately describe the meeting or the content.

This was excerpted from a conversation between the sheriff, chief deputy, and administrator on which law enforcement agency should handle potential criminal investigations, and when a County employee is suspected of criminal misconduct while on County business.

My understanding of the opinion of the Sheriff was that all cases, including administrative matters should be referred to, or require involvement of the Sheriff. There are two separate issues. Firstly, for investigation of potential criminal investigation the administrator believes that due to the potential for a conflict of interest with the sheriff investigating other county departments, and because the events occurred within the jurisdictional boundaries of the City of Eau Claire, they were the more appropriate investigative agency. Secondly, the County always undertakes its due diligence prior to handing an investigation over to law enforcement. Initial due-diligence investigations would be conducted using either internal staff, or contracted legal counsel as needed. Specialized legal counsel is highly advised for any activity resulting in a potential adverse action toward employees. It would be inappropriate to include law enforcement at this juncture. As administrator I agreed that I would alert the Sheriff at the time that recommendation to law enforcement was made.

The administrator maintains a professional working relationship with numerous City of Eau Claire administrative staff. For questions and concerns related to legal matters in administrative actions specific legal counsel is consulted.

The County had at the time an arrangement with the City of Eau Claire as it pertained to personnel issues, investigation, and follow-up when needed. This arrangement was presented as an example of cooperation between the two agencies.

Click the following link to return to the previous page.

[Page 12](#)

Schauf's Response to Page 13

Page 13

The County did its full due diligence prior to handing this over to the City of Eau Claire for its criminal investigation of the matter.

Cable's Response to Page 13

Timeline regarding reporting of theft by Zer Smith

- End of September theft discovered. County Administrator, Human Resources and Corp. Counsel informed of incident. Initial amount discovered under \$1,000. Employee terminated and given opportunity to repay set amount, which occurred.
- DHS continued to assess if any additional theft occurred, per direction of County Administrator and Corp Counsel. Once additional findings of theft discovered, County Administrator and Corp Counsel notified, and they notified law enforcement.

Click the following link to return to the previous page.

[Page 13](#)

Schauf Response to Page 15

This is not a code of conduct issue, nor a violation of the code of conduct. The county is not required to create / generate reports to meet the requests of individuals. For each request if a record does not exist we balance the amount of time required to prepare specialized reports. County staff lean toward understanding what the request is and providing that information. Inviting the team to discuss how to handle excessive data requests is a valid and appropriate response.

Click the following link to return to the previous page.

[Page 15](#)

Cable Response to Page 16

This section misleads the reader to an inaccurate conclusion. Hotel and Car Rental entities send information unsolicited emails. No points were used.

Click the following link to return to the previous page.

[Page 16](#)

Schauf Response to Page 18

Page 18

The organization is continuously looking to improve practices and processes. The part that is not evident in the captured messages were the many meetings with Finance, Administration, and Human Services to identify areas for improvement and remedy.

Click the following link to return to the previous page.

[Page 18](#)

Schauf Response to Page 24

Page 24

The direction did not change. The Sheriff's Department approach to meeting with employees was perceived to be threatening. The County as an employer cannot require staff to speak with law enforcement as a condition of employment.

Click the following link to return to the previous page.

[Page 24](#)

Cable Response to Page 28

Recommend removing Nicholas Stabenow-Schneider's name, as it is unnecessary in the document.

Click the following link to return to the previous page.

[Page 28](#)

Kirk Response to Page 32

Page 32 – The report I provided to law enforcement was the DHS management financial report as presented to the DHS Board at the May 26, 2020 meeting. It was not a report prepared by me. In addition, budget amounts can change throughout the year, but only through the formalized budget amendment process which requires a 2/3 vote of the board for approval of any budget changes.

Click the following link to return to the previous page.

[Page 32](#)

Cable Response to Pages 30-32

Section misleads the reader to an inaccurate conclusion.

Changes in the Net YTD Budget occurred when County Finance directed the adjustment to the budget for such things as BCA (Basic County Allocation) payback, Grants and Donations.

Click the following link to return to the previous page.

[Page 32](#)

Schauf Response to Page 33

Page 33

The purchasing department was never instructed to not collect receipts or invoices. All payments are, validated. The validation of expenditures occurs in multiple stages depending upon the programming. The expenditures are reviewed by the social worker, it is signed off by the program manager, and then goes to Human Services fiscal for review and processing.

Example: If the high-chairs were purchased as part of the Children's Long Term Support program the care team works with the family to identify needs that are consistent with the intent of the program. The rules of the program are very explicit and allow family to be part of the decision making. Expenditures are approved not only by the care team but also by the 3rd party payer system.

The swimming pool was part of the Children's Long Term Support program and met all program criteria. In this instance it met an explicit and unique need for the client and family well-being as determined by the care team. The care team is made up of various professionals working with the family.

Central finance personnel are not in a position to make factual decisions around purchases for specific program areas within Human Services.

Gossip around purchases for Human Services clients was a problem and still is a problem.

Cont'd on next page.....



Eau Claire County
721 Oxford Avenue
Eau Claire, WI 54703



June 16, 2020

Memorandum

TO: Kathryn Schauf, Administrator
FROM: Norb Kirk
RE: DHS Questionable Purchase Card Purchases

The following memorandum outlines the discussion I led with Nancy Williams, Frank Draxler, Jessica Rubin regarding questionable DHS Purchasing Card (P Card) purchases raised by Nancy. This discussion was in response to a conversation had last week between the Administrator and Sheriff where the Sheriff indicated Nancy had a "stack" of invoices supporting potential wrongdoing by DHS and that she was fearful for her job if she raised her concerns.

Nancy was informed of the conversation between the Sheriff and Administrator which precipitated the need to have this conversation. The goal of the meeting was to determine if Nancy had any documents that supported wrongdoing by DHS and if she felt her job was at risk for raising any issues.

We discussed in general some of the past DHS P card purchases that may have appeared questionable based on the purchase or the vendor. Nancy did say she has kept examples of past purchases she thought was questionable dating back a few years. In particular, we discussed some of the past purchases related to goods purchased from Victoria's Secret, rental of a bouncy house, and purchase of a dog stroller, purchases that had been raised as questionable. Frank reiterated that in all of the questionable situations raised, the purchase was looked into and supported by appropriate supporting documentation. We discussed that the current P card audit process is intended to review questionable purchases and in addition support fiscal responsibility for purchases. In addition, it was noted that the State also audits purchases done by DHS.

We also discussed the need for information to remain within the Finance department and not discussed outside of the department. Norb reminded Nancy of the conversation he had with her and as part of the Finance staff regarding the need for keeping information within the department. Jessica noted that it is always appropriate for Nancy to raise any concerns she has to her supervisor.

Questions asked to Nancy.

Q. Do you have any documents that prove wrongdoing by DHS?
A. **Nancy stated she never said there was wrongdoing and that she had said some purchases were questionable.**

Cont'd on next page....



Eau Claire County
721 Oxford Avenue
Eau Claire, WI 54703



Q. Did you have a conversation with the Sheriff about DHS purchases?

A. Nancy said that about a year ago she was approached by the Sheriff and did have a conversation about DHS spending and at the time did note that from her perspective there were some questionable purchases.

Q. Did you have a conversation with the Sheriff or anyone else that indicated you were fearful of losing your job?

A. Nancy stated she never said that to anyone.

Q. Did you have any conversations outside of the one with the Sheriff, with any other third parties about questionable DHS purchases?

A. Nancy said she did not have any other conversations with anyone.

Q. Are there any purchases you think are questionable that you feel haven't been addressed?

A. Nancy noted the only one was a very recent DHS P card purchase that she raised to Norb. Norb indicated that in the discussion with Nancy that it would be addressed as part of the normal P card audit process.

In conclusion, based on the conversation with Nancy, there is no evidence held by Nancy of direct wrongdoing by DHS, nor does she appear to be concerned about losing her job for raising concerns. According to Nancy, the only conversation she has had outside of the department is with the Sheriff and that was about a year ago.

We concluded the conversation noting that Norb would draft a memo to the Administrator outlining the conversation that would be shared with Nancy as well as the Sheriff.

Sincerely,

Cont'd on next page....



Eau Claire County
721 Oxford Avenue
Eau Claire, WI 54703



Norbert Kirk
Eau Claire County Finance Director
715-839-2827

Cable Response to Page 33

Response of employee leads the reader to inaccurate and misleading conclusion.

- Employee unaware of process for maintaining receipts and not knowledgeable of DHS programs and services for individuals.
- Recommend removing statements by employee referencing her to be referred to as the "Nazi of credit cards". This is verified this was said by DHS staff, the statement is inappropriate and inflammatory, and leads the reader to an inaccurate conclusion.

Click the following link to return to the previous page.

[Page 33](#)

Cable Response to Page 35

Jabber message by Chelsey Mayer and Tammy Stelter is not a complete reflection of the authorization process, misleading the reader to an inaccurate conclusion. Authorizations of services do occur by supervisors and managers.

Click the following link to return to the previous page.

[Page 36](#)

Cable Response to Pages 36-37

This is a working exchange amongst staff. The report reflects an inaccurate conclusion.

Click the following link to return to the previous page.

[Page 37](#)

Cable Response to Pages 38-43

Pages 38-43 June 23,2020 County Board Meeting

Incomplete information and inaccurate conclusions drawn, misleading the reader.

- The Net YTD Budget does get adjusted by County Finance as relates to Grants, Donations and the BCA (Basic County Allocation)
- A Department Head is responsible for providing information regarding the state of the community and the impact on operations.

Click the following link to return to the previous page.

[Page 43](#)

Cable Response to Pages 45-48

An inaccurate conclusion is drawn, misleading the reader. Employee not familiar or knowledgeable about the DHS specific programs and services.

Click the following link to return to the previous page.

[Page 48](#)

Cable Response to Pages 49-52

Inaccurate conclusion drawn, misleading the reader.

Click the following link to return to the previous page.

[Page 52](#)

Cable Response to Pages 53-58

Inaccurate conclusion drawn, misleading the reader.

- Hotel Points not used or claimed.
- Staff training is determined and set by management.
- Name of staff person [REDACTED] is not necessary for the content of the report.

Click the following link to return to the previous page.

[Page 58](#)

Cable Response to Pages 58-61

Inaccurate conclusion drawn, misleading the reader.

Click the following link to return to the previous page.

[Page 61](#)

Cable Response to Pages 62-66

Inaccurate comments, leading the reader to inaccurate conclusions.

- County Board, Human Services Board, and County Administration informed that there was no cost to the County participating in the Cohort with Alia. Human Services contracted with Alia for other services beyond the Cohort.

Click the following link to return to the previous page

[Page 66](#)

Cable Response to Pages 68-75

Incomplete information and inaccurate conclusions mislead the reader.

Click the following link to return to the previous page.

[Page 75](#)

Cable's Response to Pages 79-91

Inaccurate conclusions that mislead the reader.

Schauf Response to Page 91

Page 90 and 91

It is common practice to review the contents of management reports to discuss. Van Laanen made assumptions that were not factual. Gardner disputed Van Laanen's interpretation of her comments- which is why they were excluded.

Click the following link to return to the previous page.

[Page 92](#)

Cable Response to Page 95

Incomplete information and inaccurate conclusions mislead the reader. Report shows working communications that do not represent the entire issue.

Click the following link to return to the previous page.

[Page 95](#)

Dunning Response to Page 97

Page 94:

Include at the end of Paragraph 1:

Further information on the Tre House Project is included in the next paragraph.

Include at the end of Paragraph 3:

Ananda Works is the primary business of Christine Varnavas and one of the treatment methods provided by this business is the Trauma Release Exercise (TRE) and is a for profit business. It does not have a Board of Directors. Supervisors James Dunning and Colleen Bates do not have a financial interest or management interest in Ananda Works. The Tre House Project was an idea by Varnavas to reach those living with adversity in the community. It was intended to be organized as a non-profit organization with funding coming from community donations. It was started in the summer of 2016 as a 501(c)(3) and continued to organize throughout the next year. It was organized and operated separately from Ananda Works. In June of 2017, a preliminary meeting was held with the agenda item of developing an Advisory Board. James Dunning and Colleen Bates were considered. Dunning is Varnavas's stepfather and Bates is a long time family friend. In August, 2017 an Advisory Board was elected. A business plan to procure donations and conduct programs to relieve physical and mental stress and trauma for those living with adversity was developed over the next nine months. In May of 2018, it was determined that the Tre House Project would be difficult to administer and was closed down and became inactive in State records. During that time period the Tre House Project did not conduct any business with Eau Claire County. Ananda Works as part of its wellness program did begin to conduct business with Eau Claire County when a **customer at an Ananda Works TRE class** recognized that the treatment methods provided **could be used** by Human Services clients. It's first client was in November 2018. It received income in 2018, 2019, 2020, and 2021. It did not receive income in 2022.

Click the following link to return to the previous page.

[Page 97](#)

Cable Response to Page 100

Inaccurate conclusions mislead the reader.

Click the following link to return to the previous page.

[Page 100](#)

Dunning Response to Page 100

Paragraph 2 correction:

Varnavas advised that she would **do her best**.

Click the following link to return to the previous page.

[Page 100](#)

Cable Response to Pages 101-104

Incomplete information and inaccurate conclusions mislead the reader. Report shows working communications that do not represent the entire issue.

Click the following link to return to the previous page.

[Page_104](#)

Cable Response to Pages 104-105

Incomplete information and inaccurate conclusions mislead the reader.

- Eau Claire County contracted with Alia for services besides the work with the Cohort. Participation with the Cohort was at no cost. This was reported consistently to County Administration, the Human Services Board and County Board members.
- Questions inferred to Sue were related to situations when she was no longer employed with the County or Human Services, and she would not be knowledgeable about specific situations.

Click the following link to return to the previous page.

[Page_105](#)

Cable Response to Pages 111-113

Inaccurate conclusions mislead the reader.

- It is a usual and expected process for a Department Head to contact the County Administrator and the County Corp Counsel for advisement and notification with legal and law enforcement matters.

Click the following link to return to the previous page.

[Page_113](#)

Cable Response to Page 114

Inaccurate conclusions and assumptions made and used to mislead the reader.

Click the following link to return to the previous page.

[Page_114](#)

Schauf Response to Page 117

It is a common management practice to offer employees the tools they need to succeed. Wellness is a key priority area. The investigation and innuendo surrounding it were damaging not only to the organization and its reputation, but also to individual employees who were required to deal with it on a daily basis.

Click the following link to return to the previous page.

[Page_117](#)

Schauf Response to Pages 122-124

Normal and customary request for information. The letter speaks for itself. The intent was to fulfill my role as Administrator. As an organization we take action to fully investigate and remediate policy violations. We do not make statements to the media.

Click the following link to return to the previous page.

[Page 124](#)

Cable Response to Pages 125-129

Incomplete information and inaccurate conclusions mislead the reader.

Click the following link to return to the previous page.

[Page 129](#)

Schauf Response to Pages 129-130

I do not recall the question being asked – it well may have had bearing upon the investigation; and therefore should not be addressed in an open public meeting. As the direct report for the Human Services Director it is not uncommon that guidance and insight is provided – it is part of working with personnel.

Cable Response to Pages 129-130

Incomplete information and inaccurate conclusions mislead reader.

- Supervisor providing coaching, guidance, and input, is appropriate.

Click the following link to return to the previous page.

[Page 130](#)

Cable Response to Pages 133-147

Inaccurate conclusions mislead the reader. Corp Counsel provides information to employees as necessary for the situation presented.

Click the following link to return to the previous page.

[Page 147](#)

Cable Response to Pages 151-161

Inaccurate conclusions mislead the reader.

Click the following link to return to the previous page.

[Page 161](#)

Cable Response to Page 164

Incomplete information and inaccurate conclusions mislead the reader. Lack of understanding and knowledge of DHS programs and processes.

Click the following link to return to the previous page.

[Page 164](#)

Cable Response to Pages 164-191

Inaccurate conclusions mislead the reader.

- DHS contracted with services from Alia, besides participating with the Cohort. The Cohort participation was at no cost to the County.
- Check for Diane Cable was for mileage reimbursement. No additional mileage reimbursement claimed.

Click the following link to return to the previous page.

[Page 191](#)

Dunning Response to Page 197

Page 195:

Include at end of Paragraph 1:

The Tre House Project is a separate organization from the Ananda Works business. Ananda Works and the Tre House Project did not receive any income from Eau Claire County during the time frame that Supervisor Dunning and Supervisor Bates were part of the Tre House Project and were not on the advisory board for Ananda Works.

Paragraph 2:

Include after first sentence:

Ananda Works was not providing services to Eau Claire County when Dunning and Bates were serving on the advisory board of the Tre House Project and their involvement was not a conflict of interest.

Click the following link to return to the previous page.

[Page 197](#)

Dunning's Response to Pages 198-199

The correct spelling for Melina's last name is "**Alexakis**"

Alexakis stated she was Varnavas' 15 year old daughter. Detective Greener-----inside the residence. Alexakis asked why, but did not invite them in. stated yes and invited them inside the residence.
-----kept records in her home office as well as on her computer.

Paragraph 3:
Alexakis then walked over and opened the door after they asked to see the office, without being asked or requested to.

Click the following link to return to the previous page.

[Page_199](#)

Dunning's Response to Page 200

Add additional items:
-----including two computers, thumb drives, numerous invoices, bank documents, **personal check book, bank deposit bag (check book and bag were not in the office but in her purse in another area of the house)** and checks received from Eau Claire County.

Click the following link to return to the previous page.

[Page_200](#)

Cable Response to Page 204

Inaccurate conclusions mislead the reader.

- **Automated email from hotel. No points used.**

Click the following link to return to the previous page.

[Page_204](#)

Cable Response to Pages 205- 207

Incomplete information and inaccurate conclusions mislead the reader.

Click the following link to return to the previous page.

[Page_207](#)

Schauf Response to Page 216

Page 214

This has been taken out of context. The summary is pure speculation and inaccurate.

Click the following link to return to the previous page.

[Page 216](#)

Cable Response to Pages 223- 228

Incomplete and inaccurate conclusions mislead the reader.

- Report leaves out the statement that highlights reason for the difference from the report provided to Finance & Budget on June 8, 2020 – *Totals do not include expense & revenue donation accounts or the one time adjustment done by Finance for the BCA payback.*

Click the following link to return to the previous page.

[Page 227](#)

Kirk Response to Page 228

Page 225 – After further review, the file provided to Attorney White had an error in the logic that resulted in the report not matching the report provided from the anonymous individual. The report request was not a standard report and there were multiple report parameters that had to be chosen to run the report and unfortunately some were not set correctly. Had law enforcement or WIPFLI inquired about the difference, the reason for the variance could have been determined quickly and not resulted in additional time spent in analysis.

Click the following link to return to the previous page.

[Page 227](#)

Cable Response to Pages 229-233

Pages 226-229 Diane Cable email to Jessica Rubin and Sara Bronstad

Inaccurate conclusions made that mislead the reader.

- This is in reference to a personnel matter, that I recommend removing from the report.

Click the following link to return to the previous page.

[Page 232](#)

Cable Response to Pages 234-236

Inaccurate conclusions mislead the reader.

- The investigation is of the Department. An employee would contact the Department's legal counsel for advice and direction.

Click the following link to return to the previous page.

[Page 236](#)

Cable Response to Pages 237-248

Inaccurate conclusions mislead the reader.

Click the following link to return to the previous page.

[Page 247](#)

Schauf Response to Pages 251-252

Page 247

Records requests were handled consistent with statutory requirements.

Click the following link to return to the previous page.

[Page 252](#)

Cable Response to Page 257

Inaccurate information and conclusions made that mislead the reader.

Click the following link to return to the previous page.

[Page 257](#)

Cable Response to Page 259

Inaccurate conclusions mislead the reader.

Click the following link to return to the previous page.

[Page 259](#)

Cable Response to Page 260

Inaccurate conclusions mislead the reader.

[Page 260](#)

Schauf Response to Page 272

Page 267

We had standing counsel available through Weld-Riley.

Click the following link to return to the previous page.

[Page 272](#)

Cable Response to Page 275

Inaccurate conclusions made that mislead the reader.

- The portrayal of a fearful environment is inaccurate and misleads the reader.

Click the following link to return to the previous page.

[Page 275](#)

Schauf Response to Page 277

Page 271

During the meeting a lengthy power-point was shared. There was no demonstration of criminal activity. The presentation appeared to focus on potential policy violations that had not been fully vetted; and a report inaccuracy. After the presentation the Sheriff asked if I would authorize a forensic audit. I declined as I do not have the authority to do so. I told the team that they needed to “use their tools” – I did not stipulate what those tools were.

Click the following link to return to the previous page.

[Page 277](#)

Schauf Response to Pages 277-280

I was asked by Law Enforcement to reach out to Director Cable to set-up a meeting. I did as requested. Director Cable contacted me after law enforcement personnel dictated requirements for a meeting that she found objectionable. As her direct supervisor she was letting me know. I shared that information with Law Enforcement. It was not clear that law enforcement understood that employees have rights. I as Administrator cannot compel employees to speak with law enforcement.

The summary is inconsistent with the contents of the email.

Cable Response to Pages 277-280

Inaccurate conclusions mislead the reader.

- It is normal and expected practice for staff to consult with a supervisor and for the supervisor to respond.

Click the following link to return to the previous page.

[Page 280](#)

Cable Response to Pages 281- 283

Inaccurate conclusions mislead the reader.

- The search warrant process was disruptive to operations. In Human Services, the Sheriff's Department searched all fiscal offices and the Director's office. The entire fiscal staff were sent home with pay for the day, as they were not able to engage in work and they were quite shaken

up by the execution of the search warrants. The Department was willing to meet with the Sheriff's Department at DHS.

Click the following link to return to the previous page.

[Page 281](#)

Smiar Response to Pages 281-283

Augment to p. 278:

Second paragraph, beginning "The reader should also be aware ..."

First, the question posed by the Board Chair to both the District Attorney and the Chief Judge was "Why were warrants issued outside of Eau Claire County?" Both the DA and the Chief Judge provided clarifying and satisfactory explanations. There was **no argument**. Second, The investigation is not the place to question the actions of the County Board Chair and call for an evaluation of the appropriateness of the action of the County Board Chair. It is accurate to say that the Board Chair must remain impartial, but it is also accurate that the County Board Chair has **the right and the duty** to protect and ensure the integrity of the services of the county. This paragraph seems to imply that the Chair was obstructing the investigation. Asking a question about the process is **not** obstruction. Apparently, the investigators considered any questions about their actions, any reasonable resistance to their extensive and often unsupported demands, to be obstruction of the investigation. This has the appearance of overreach by the investigators.

Augment to p. 280:

First, there has, in fact, been full cooperation with reasonable and legal requests by the investigators. The fact is that some of the demands of the investigators did not take into account the legal obligation to protect records in DHS as well as personnel records and the civil and legal rights of employees under labor law and the Constitution. The investigators construed any resistance to their demands as obstruction when, in fact, they should have included guidelines in their investigation regarding such protections. Second, the statement regarding the warrants was not accurate because the Chair did not have and could not have complete information. The observation was that the warrants were wide-ranging and without focus, a sure indication that the persons requesting the warrants had no specific object but were engaged in a "fishing expedition."

Click the following link to return to the previous page.

[Page 283](#)

Schauf Response to Page 287

Page 281

All instances of potential policy violations or criminal activity were investigated. This is an inaccurate conjecture.

Click the following link to return to the previous page.

[Page 287](#)

Cable Response to Pages 287-398

Pages 281-391 – SPARK Program Analysis & Further Investigation

Inaccurate conclusions mislead the reader.

Timeline regarding reporting of theft by Zer Smith

- At the end of September, the was theft discovered by Human Services. County Administrator, Human Resources and Corp. Counsel informed of incident. Initial amount discovered under \$1,000. Employee terminated and given opportunity to repay set amount, which occurred.
- Working documents were provided and updated as additional information was found.
- DHS continued to assess if any additional theft occurred, per direction of County Administrator and Corp Counsel. Once additional findings of theft discovered, the County Administrator and Corp Counsel notified, and they notified law enforcement.

Click the following link to return to the previous page.

[Page 398](#)

Schauf Response to Page 317

The report generated by Mike Voelker was not responsive to the request.

Click the following link to return to the previous page.

[Page 317](#)

Kirk Response to Page 370

Page 364 – My recollection of the discussion relative to the chart of accounts was that I would have no idea of knowing what accounts were funded by grant dollars, not that there is no way to know that through the chart of accounts. It is possible that DHS fiscal could be able to identify specific accounts that were funded by grant dollars based on their knowledge and structure of the chart of accounts specific to DHS.

Click the following link to return to the previous page.

[Page 370](#)

Schauf Response to Pages 399-402

Page 393 forward.....You will need to link these to the comment as they are not numbered. In general the "investigative findings" lack a factual basis and are filled with conjecture

- ✓ My comments were misunderstood. Refer to comments from page 12.
- ✓ The County conducted its full due diligence in working through the Zer Smith theft.
- ✓ I have never hesitated in providing public records consistent with the open records law. The statement is not backed up with factual data.
- ✓ Lengthy discussions and strategies were evaluated to improve processes and procedures. The recommendation as it stands to date is consistent with the recommendations of the Finance Director based on actions taken to improve overall communication and system overhauls.
- ✓ Providing direction to subordinates when I believe there is just cause is a function of the job.
- ✓ I cannot over-ride an individual's civil rights.
- ✓ Providing feedback on management reports is customary.
- ✓ At no time did I obstruct efforts to arrange for interviews.
- ✓ The August 13, 2020 is a follow-up to the Sheriff requesting information. Typically, the county would work with outside objective attorneys to investigate potential policy violations or

misconduct. Attorneys are familiar with the law and understand the rights employees have and the obligations of the employer.

- ✓ The meeting response is above (page 271).
- ✓ All materials related to Zer Smith were handed over to City of Eau Claire law enforcement personnel. The p-card, and gift card processes were reworked and all systems issues were corrected.

Cable Response to Pages 399-402

The investigative findings are inaccurate. The report misleads the reader and projects an outcome that is not accurate.

Click the following link to return to the previous page.

[Page 399](#)

Kirk Response to Pages 399-402

Page 393 – I would contend that my communication flowed fine with law enforcement and never once did I refuse to answer law enforcement questions.

Click the following link to return to the previous page.

[Page 399](#)

Smiar Response to Page 402

Second Paragraph, beginning "A search warrant did have to be obtained..."

First, this statement is not an investigative finding, although it is listed as such. Second, it claims that the Board Chair acted "unethically" by contacting the District Attorney and the Chief Judge. As an elected

official, the Board Chair is subject to state statute regarding ethics for public officials. There is nothing in state statute that could label the Chair's action as unethical. He is also a Wisconsin certified professional (Certified Independent Social Worker), subject to MPSW 20 Code of Conduct. Again, the Chair's action could not be construed as unethical under that code. The accusation of unethical conduct has serious implications for both his public service and his professional standing and could be construed as an attack on his professional integrity. He was asking a question: Why were warrants secured outside of Eau Claire County? Both the District Attorney and the Chief Judge gave a satisfactory answer. Finally, the Chair was described as "argumentative." Was that label given by either the District Attorney or the Chief Judge, or was it applied by the investigators? The answer is of no consequence, since the Chair (and, in fact, anyone) has the right to ask whatever question he or she wishes. The request is that this paragraph be struck from the report or, failing that, that this statement be appended.

Third paragraph, beginning " County Board Chair Nick Smiar:

Again, this is not an investigative finding but a statement of opinion by the investigators. Whenever any question was asked, the response was "We cannot discuss an ongoing investigation." The Chair did not have specific information about the warrants, only vague statements. The only "inaccurate" statement is the sentence regarding the extent of the warrants. The remainder of the e-mail is based on fact.

Click the following link to return to the previous page.

[Page_402](#)

Augmentation to DHS Investigation Report

The following pages are original copies of the requested augmentations provided by the individuals. The augmentations in Appendix A that were hyperlinked and placed in the requested sections of the report by the individuals came from this original document. This original document is only being inserted into the document to show no changes were made to the augmentations themselves in the event someone should challenge it. The only changes were to the page numbers as inserting the hyperlink and other necessary information related to the augmentations did result in some of the page numbers being changed.

Kathryn Schauß's Augmentation

May 11, 2023

Page 12

The summary does not accurately describe the meeting or the content.

This was excerpted from a conversation between the sheriff, chief deputy, and administrator on which law enforcement agency should handle potential criminal investigations, and when a County employee is suspected of criminal misconduct while on County business.

My understanding of the opinion of the Sheriff was that all cases, including administrative matters should be referred to, or require involvement of the Sheriff. There are two separate issues. Firstly, for investigation of potential criminal investigation the administrator believes that due to the potential for a conflict of interest with the sheriff investigating other county departments, and because the events occurred within the jurisdictional boundaries of the City of Eau Claire, they were the more appropriate investigative agency. Secondly, the County always undertakes its due diligence prior to handing an investigation over to law enforcement. Initial due-diligence investigations would be conducted using either internal staff, or contracted legal counsel as needed. Specialized legal counsel is highly advised for any activity resulting in a potential adverse action toward employees. It would be inappropriate to include law enforcement at this juncture. As administrator I agreed that I would alert the Sheriff at the time that recommendation to law enforcement was made.

The administrator maintains a professional working relationship with numerous City of Eau Claire administrative staff. For questions and concerns related to legal matters in administrative actions specific legal counsel is consulted.

The County had at the time an arrangement with the City of Eau Claire as it pertained to personnel issues, investigation, and follow-up when needed. This arrangement was presented as an example of cooperation between the two agencies.

SUPPLEMENTAL ATTACHMENT

Page 13

The County did its full due diligence prior to handing this over to the City of Eau Claire for its criminal investigation of the matter.

Page 15

This is not a code of conduct issue, nor a violation of the code of conduct. The county is not required to create / generate reports to meet the requests of individuals. For each request if a record does not exist we balance the amount of time required to prepare specialized reports. County staff lean toward understanding what the request is and providing that information. Inviting the team to discuss how to handle excessive data requests is a valid and appropriate response.

Page 18

The organization is continuously looking to improve practices and processes. The part that is not evident in the captured messages were the many meetings with Finance, Administration, and Human Services to identify areas for improvement and remedy.

Page 24

The direction did not change. The Sheriff's Department approach to meeting with employees was perceived to be threatening. The County as an employer cannot require staff to speak with law enforcement as a condition of employment.

Page 33

The purchasing department was never instructed to not collect receipts or invoices. All payments are, validated. The validation of expenditures occurs in multiple stages depending upon the programming. The expenditures are reviewed by the social worker, it is signed off by the program manager, and then goes to Human Services fiscal for review and processing.

Example: If the high-chairs were purchased as part of the Children's Long Term Support program the care team works with the family to identify needs that are consistent with the intent of the program. The rules of the program are very explicit and allow family to be part of the decision making. Expenditures are approved not only by the care team but also by the 3rd party payer system.

The swimming pool was part of the Children's Long Term Support program and met all program criteria. In this instance it met an explicit and unique need for the client and family well-being as determined by the care team. The care team is made up of various professionals working with the family.

Central finance personnel are not in a position to make factual decisions around purchases for specific program areas within Human Services.

Gossip around purchases for Human Services clients was a problem and still is a problem.

SUPPLEMENTAL ATTACHMENT

Page 90 and 91

It is common practice to review the contents of management reports to discuss. Van Laanen made assumptions that were not factual. Gardner disputed Van Laanen's interpretation of her comments- which is why they were excluded.

Page 115

It is a common management practice to offer employees the tools they need to succeed. Wellness is a key priority area. The investigation and innuendo surrounding it were damaging not only to the organization and its reputation, but also to individual employees who were required to deal with it on a daily basis.

Page 120

Normal and customary request for information. The letter speaks for itself. The intent was to fulfill my role as Administrator. As an organization we take action to fully investigate and remediate policy violations. We do not make statements to the media.

Page 128

I do not recall the question being asked – it well may have had bearing upon the investigation; and therefore should not be addressed in an open public meeting. As the direct report for the Human Services Director it is not uncommon that guidance and insight is provided – it is part of working with personnel.

Page 214

This has been taken out of context. The summary is pure speculation and inaccurate.

Page 247

Records requests were handled consistent with statutory requirements.

Page 267

We had standing counsel available through Weld-Riley.

Page 271

During the meeting a lengthy power-point was shared. There was no demonstration of criminal activity. The presentation appeared to focus on potential policy violations that had not been fully vetted; and a report inaccuracy. After the presentation the Sheriff asked if I would authorize a forensic audit. I declined as I do not have the authority to do so. I told the team that they needed to *"use their tools"* – I did not stipulate what those tools were.

Page 274

I was asked by Law Enforcement to reach out to Director Cable to set-up a meeting. I did as requested. Director Cable contacted me after law enforcement personnel dictated requirements for a meeting that she found objectionable. As her direct supervisor she was letting me know. I shared that information with Law Enforcement. It was not clear that law enforcement understood that employees have rights. I as Administrator cannot compel employees to speak with law enforcement.

The summary is inconsistent with the contents of the email.

Page 281

All instances of potential policy violations or criminal activity were investigated. This is an inaccurate conjecture.

Page 308

The report generated by Mike Voelker was not responsive to the request.

Page 309

The report assumes that discussions did not take place. The interaction and relationship between Human Services Finance and Central Finance has been an ongoing subject of discussion and inquiry. Human Services, Finance and Administration were meeting regularly and discussing the desired outcome. The final decision between all partners and parties was to continue weekly meetings between Central Finance and DHS Finance versus changing structure.

Page 393 forward.....You will need to link these to the comment as they are not numbered. In general the "investigative findings" lack a factual basis and are filled with conjecture

- ✓ My comments were misunderstood. Refer to comments from page 12.
- ✓ The County conducted its full due diligence in working through the Zer Smith theft.
- ✓ I have never hesitated in providing public records consistent with the open records law. The statement is not backed up with factual data.
- ✓ Lengthy discussions and strategies were evaluated to improve processes and procedures. The recommendation as it stands to date is consistent with the recommendations of the Finance Director based on actions taken to improve overall communication and system overhauls.
- ✓ Providing direction to subordinates when I believe there is just cause is a function of the job.
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- ✓ Providing feedback on management reports is customary.
- ✓ At no time did I obstruct efforts to arrange for interviews.
- ✓ The August 13, 2020 is a follow-up to the Sheriff requesting information. Typically, the county would work with outside objective attorneys to investigate potential policy violations or

misconduct. Attorneys are familiar with the law and understand the rights employees have and the obligations of the employer.

- ✓ The meeting response is above (page 271).
- ✓ All materials related to Zer Smith were handed over to City of Eau Claire law enforcement personnel. The p-card, and gift card processes were reworked and all systems issues were corrected.



Eau Claire County
721 Oxford Avenue
Eau Claire, WI 54703



June 16, 2020

Memorandum

TO: Kathryn Schauf, Administrator
FROM: Norb Kirk
RE: DHS Questionable Purchase Card Purchases

The following memorandum outlines the discussion I led with Nancy Williams, Frank Draxler, Jessica Rubin regarding questionable DHS Purchasing Card (P Card) purchases raised by Nancy. This discussion was in response to a conversation had last week between the Administrator and Sheriff where the Sheriff indicated Nancy had a “stack” of invoices supporting potential wrongdoing by DHS and that she was fearful for her job if she raised her concerns.

Nancy was informed of the conversation between the Sheriff and Administrator which precipitated the need to have this conversation. The goal of the meeting was to determine if Nancy had any documents that supported wrongdoing by DHS and if she felt her job was at risk for raising any issues.

We discussed in general some of the past DHS P card purchases that may have appeared questionable based on the purchase or the vendor. Nancy did say she has kept examples of past purchases she thought was questionable dating back a few years. In particular, we discussed some of the past purchases related to goods purchased from Victoria's Secret, rental of a bouncy house, and purchase of a dog stroller, purchases that had been raised as questionable. Frank reiterated that in all of the questionable situations raised, the purchase was looked into and supported by appropriate supporting documentation. We discussed that the current P card audit process is intended to review questionable purchases and in addition support fiscal responsibility for purchases. In addition, it was noted that the State also audits purchases done by DHS.

We also discussed the need for information to remain within the Finance department and not discussed outside of the department. Norb reminded Nancy of the conversation he had with her and as part of the Finance staff regarding the need for keeping information within the department. Jessica noted that it is always appropriate for Nancy to raise any concerns she has to her supervisor.

Questions asked to Nancy.

Q. Do you have any documents that prove wrongdoing by DHS?

A. **Nancy stated she never said there was wrongdoing and that she had said some purchases were questionable.**



Eau Claire County
721 Oxford Avenue
Eau Claire, WI 54703



Q. Did you have a conversation with the Sheriff about DHS purchases?

A. **Nancy said that about a year ago she was approached by the Sheriff and did have a conversation about DHS spending and at the time did note that from her perspective there were some questionable purchases.**

Q. Did you have a conversation with the Sheriff or anyone else that indicated you were fearful of losing your job?

A. **Nancy stated she never said that to anyone.**

Q. Did you have any conversations outside of the one with the Sheriff, with any other third parties about questionable DHS purchases?

A. **Nancy said she did not have any other conversations with anyone.**

Q. Are there any purchases you think are questionable that you feel haven't been addressed?

A. **Nancy noted the only one was a very recent DHS P card purchase that she raised to Norb. Norb indicated that in the discussion with Nancy that it would be addressed as part of the normal P card audit process.**

In conclusion, based on the conversation with Nancy, there is no evidence held by Nancy of direct wrongdoing by DHS, nor does she appear to be concerned about losing her job for raising concerns. According to Nancy, the only conversation she has had outside of the department is with the Sheriff and that was about a year ago.

We concluded the conversation noting that Norb would draft a memo to the Administrator outlining the conversation that would be shared with Nancy as well as the Sheriff.

Sincerely,



Eau Claire County
721 Oxford Avenue
Eau Claire, WI 54703



Norbert Kirk
Eau Claire County Finance Director
715-839-2827

Human Service Department Response to the Investigation and Report

Diane Cable, Director 2016 – 2023

Background. *In 1983, the Department of Human Services was formed by the County and approved by the State of Wisconsin. Human Service Departments, under state statute ch.46, have the responsibility and duty to provide a plan and provision for social, economic, and behavioral health services regarding mental health and substance use issues for the needs of individuals and families. The organizational structure established for the Human Services Department was as a Social Services Department, providing the social mandated services for the County – Child Protective Services, Juvenile Justice, Economic Support, Adult Protective Services, Birth to three services, and the Community Support Program. The Behavioral Health services were contracted out to Community providers. While this structure provided response to the community for several years, in the early 2000's the Community providers were not able to provide at the level of need and the Department, for budgetary reasons, began to reduce contracts for mental health and substance use services. Treatment and early intervention services decreased, with the primary service response for individuals being placement in out-of-home-care.*

Each year, since 2016, as the Human Services Director, I informed County Administration, Human Services Board, Budget & Finance Committee of the need for increased tax levy to carry out the mandates and services of the Department. The tax levy of the Human Services Department has remained fairly constant, since 2006. In 2018, Human Services raised the alarm regarding the fiscal challenge to sustain current operations with increasing Community need. We informed County Administration, the Finance and Budget Committee, and the Human Services Board of the projection of continued fiscal overage due to the significant mental health and substance abuse issues of the County. The County was informed to change the trajectory of outcomes, including fiscal impact, a shift in Department practice and operations would need to occur. This effort was supported by County Administration and the Human Services Board.

Addition to Report. The basis for the investigation was the reporting error being identified by County Finance and the overages of the Department, according to the Sheriff Department's report. In 2019 County Finance asked DHS to report the WIMCR dollars in a different manner. The reporting error occurred due to this new process. It was a human error. County Finance found the error during a review of reports as part of their overview of year-end closure. This was explained to County Administration, County Finance, Human Services Board and the Finance and Budget Committee. All appropriate parties were advised of the impact of the error. At no time were any finances missing and all parties were advised of such. The basis for this investigation is unfounded. The investigation occurred at great expense to the county. The investigation misled the community about Human Services and the County, causing harm to the County and the Human Services Department. While the Human Services Department clearly communicated the increasing needs of the community, the expectation was for the Department to maintain operations within budget. The focus was on dollars and was not on how we respond to the current human crisis. In 2018 Human Services notified the County of the fiscal impact related to the increasing needs of the community and that the Department had a plan for response. This plan projected a change in outcomes both fiscally and for improved outcomes for individuals by 2020. Despite the investigation, and during a Pandemic, the Department held fast to making changes for improved outcomes for the community and individuals, which in turn lead to improved fiscal outcomes.

Impact to date 2022:

Outcomes for individuals: 2019-2022 – 37% decreased Out-of-Home Placements of Kids, 67% decreased placements of adults.

Fiscal Impact: 2020 – Under budget, 2021 – over by less than .01% of budget, 2022 – projected to be within budget.

It is difficult to understand why an investigation was launched against the Department of Human Services, who responds to the most vulnerable of our community. It is because of the incredible staff of the Human Services Department, their commitment and dedication, that a shift in practice and operations occurred. This occurred during the time of the investigation, while receiving targeted negative public scrutiny and during a pandemic. Human Services was able to shift practice and operations, as communicated and planned, for improved individual and fiscal outcomes. Human Services has and continues to carry out its responsibilities to Eau Claire County, responsibly and in the best interest of the individuals being served.

Augmentation to Report – 5/9/2023

To: Sheriff Riewestahl, Atty Mindy Dale, & Corp. Counsel Sharon McIlquham

From: Diane Cable, Director Eau Claire County Human Services Department

Please accept the information for augmentation to the report. The highlighted blue represents areas recommended to be removed from the report. This document is completed as the Director of Human Services.

Introduction – Pages 6-8

This section includes inaccurate statements and conclusions that mislead the reader.

Points of correction:

- The document refers to a \$1.1 million error. This was a reporting error, found by County Finance Department as part of a regular review process. County Finance is not an outside entity of the County. Fiscal processes of DHS and year-end closing are regularly reviewed by County Finance
- DHS is a large Department. The Department does maintain receipts of purchase card transactions and receipts for mileage and travel expenses. These areas are subject to audits by County Finance.
- Human Services fully cooperated with the investigation, as advised by legal counsel of the County and County Administration.

Email Correspondence Kathryn Schauf and Jill Magnus - Page 13

This section includes misleading statements and inaccurate conclusions.

Timeline regarding reporting of theft by Zer Smith

- End of September theft discovered. County Administrator, Human Resources and Corp. Counsel informed of incident. Initial amount discovered under \$1,000. Employee terminated and given opportunity to repay set amount, which occurred.
- DHS continued to assess if any additional theft occurred, per direction of County Administrator and Corp Counsel. Once additional findings of theft discovered, County Administrator and Corp Counsel notified, and they notified law enforcement.

Page 16 – Diane Cable email re: Hilton Honors

This section misleads the reader to an inaccurate conclusion. Hotel and Car Rental entities send information unsolicited emails. No points were used.

Page 17 – Diane Cable email re: DHS Staff messaging 6/2/20

Recommend removing Nicholas Stabenow-Schneider's name, as it is unnecessary in the document.

Page 30-32 Norb Kirk Interview

Section misleads the reader to an inaccurate conclusion.

- Changes in the Net YTD Budget occurred when County Finance directed the adjustment to the budget for such things as BCA (Basic County Allocation) payback, Grants and Donations.

Page 33 -34 – Nancy Williams Interview

Response of employee leads the reader to inaccurate and misleading conclusion.

- Employee unaware of process for maintaining receipts and not knowledgeable of DHS programs and services for individuals.
- Recommend removing statements by employee referencing her to be referred to as the “Nazi of credit cards”. This is verified this was said by DHS staff, the statement is inappropriate and inflammatory, and leads the reader to an inaccurate conclusion.
- Jabber message by Chelsey Mayer and Tammy Stelter is not a complete reflection of the authorization process, misleading the reader to an inaccurate conclusion. Authorizations of services do occur by supervisors and managers.

Page 36-37 Diane Cable Email re: Trinity Equestrian Center Expenditures

This is a working exchange amongst staff. The report reflects an inaccurate conclusion.

Pages 38-43 June 23,2020 County Board Meeting

Incomplete information and inaccurate conclusions drawn, misleading the reader.

- The Net YTD Budget does get adjusted by County Finance as relates to Grants, Donations and the BCA (Basic County Allocation)
- A Department Head is responsible for providing information regarding the state of the community and the impact on operations.

Page 44-47 ECC Purchasing Manager Greg Bowe

An inaccurate conclusion is drawn, misleading the reader. Employee not familiar or knowledgeable about the DHS specific programs and services.

Page 48-49 The Lismore Hotel Purchase 3/1/19

Inaccurate conclusion drawn, misleading the reader.

Pages 52-57 Hotel Stays – Hyatt Regency, Washington DC, Hyatt Regency , Minneapolis, Kalahari Wisconsin Dells

Inaccurate conclusion drawn, misleading the reader.

- Hotel Points not used or claimed.
- Staff training is determined and set by management.
- Name of staff person [REDACTED] is not necessary for the content of the report.

Pages 57-60 Glenda Lyons Interview

Inaccurate conclusion drawn, misleading the reader.

Page 61-63 County Board Supervisor Mark Beckfield Interview and County Board Supervisor Steve Chilson Interview, Joint Committee Meeting Minutes

Inaccurate comments, leading the reader to inaccurate conclusions.

- County Board, Human Services Board, and County Administration informed that there was no cost to the County participating in the Cohort with Alia. Human Services contracted with Alia for other services beyond the Cohort.

Pages 65-74 – Regarding Alia.

Incomplete information and inaccurate conclusions mislead the reader.

Page 78 – 90 Bridget Van Laanen Interview

Inaccurate conclusions that mislead the reader.

Pages 92-93, and 99 – 102: Norb Kirk email to Kathryn Schauf re: CARS and additional emails related to CARS

Incomplete information and inaccurate conclusions mislead the reader. Report shows working communications that do not represent the entire issue.

Pages 94 – 98 Ananda Works

Inaccurate conclusions mislead the reader.

Page 102- 103 Susan Schleppenbach Interview

Incomplete information and inaccurate conclusions mislead the reader.

- Eau Claire County contracted with Alia for services besides the work with the Cohort. Participation with the Cohort was at no cost. This was reported consistently to County Administration, the Human Services Board and County Board members.
- Questions inferred to Sue were related to situations when she was no longer employed with the County or Human Services, and she would not be knowledgeable about specific situations.

Pages 109 – 111 Attempt to arrange interviews with Vickie Gardner & Tammy Stelter

Inaccurate conclusions mislead the reader.

- It is a usual and expected process for a Department Head to contact the County Administrator and the County Corp Counsel for advisement and notification with legal and law enforcement matters.

Page 112 – Diane Cable email to Kathryn Schauf and Tim Sullivan re: Ananda Works

Inaccurate conclusions and assumptions made and used to mislead the reader.

Pages 123-127 – Correspondence with Vickie Gardner & Tim Sullivan

Incomplete information and inaccurate conclusions mislead the reader.

- Shows the Department willing to meet with the Sheriff's Department.
- The investigation initiated as a fact-finding investigation. No criminal act indicated, yet Detectives unwilling to meet in the Department to address questions. The failure of the Sheriff's Department to meet with DHS inflamed the investigation and led to inaccurate conclusions.

Page 128 – Kathryn Schauf and Diane Cable Jabber messages

Incomplete information and inaccurate conclusions mislead reader.

- Supervisor providing coaching, guidance, and input, is appropriate.

Pages 131-145 – email correspondence with Vickie Gardner and Tammy Stelter, and interaction with Tim Sullivan

Inaccurate conclusions mislead the reader. Corp Counsel provides information to employees as necessary for the situation presented.

Pages 150-161 - Follow up on record requests and interviews

Inaccurate conclusions mislead the reader.

Page 162 – Chelsey Mayer and Tammy Stelter Jabber message

Incomplete information and inaccurate conclusions mislead the reader. Lack of understanding and knowledge of DHS programs and processes.

Page 162-189 Alia Search Warrant

Inaccurate conclusions mislead the reader.

- DHS contracted with services from Alia, besides participating with the Cohort. The Cohort participation was at no cost to the County.
- Check for Diane Cable was for mileage reimbursement. No additional mileage reimbursement claimed.

Page 202 – Diane Cable IHG Rewards club email

Inaccurate conclusions mislead the reader.

- Automated email from hotel. No points used.

Pages 203 – 205 – Kerry Swoboda email to Diane Cable

Incomplete information and inaccurate conclusions mislead the reader.

Pages 220-225 Attorney White Response.

Incomplete and inaccurate conclusions mislead the reader.

- Report leaves out the statement that highlights reason for the difference from the report provided to Finance & Budget on June 8, 2020 – *Totals do not include expense & revenue donation accounts or the one time adjustment done by Finance for the BCA payback.*

Pages 226-229 Diane Cable email to Jessica Rubin and Sara Bronstad

Inaccurate conclusions made that mislead the reader.

- This is in reference to a personnel matter, that I recommend removing from the report.

Pages 230 – 233 Chelsey Mayer Accountant interview request

Inaccurate conclusions mislead the reader.

- The investigation is of the Department. An employee would contact the Department's legal counsel for advice and direction.

Pages 233 – 244 Interviews with Colleagues

Inaccurate conclusions mislead the reader.

Page 253 – Anonymous Individual Interview

Inaccurate information and conclusions made that mislead the reader.

Pages 254-255 Human Services Board meeting

Inaccurate conclusions made that mislead the reader.

Page 255 – Review of Reimbursement document

Inaccurate conclusions mislead the reader.

Page 270 – Budget and Finance Committee Meeting

Inaccurate conclusions made that mislead the reader.

- The portrayal of a fearful environment is inaccurate and misleads the reader.

Page 274 – Email from Kathryn Schauf

Inaccurate conclusions mislead the reader.

- It is normal and expected practice for staff to consult with a supervisor and for the supervisor to respond.

Pages 276-277 – Search Warrants

Inaccurate conclusions mislead the reader.

- The search warrant process was disruptive to operations. In Human Services, the Sheriff's Department searched all fiscal offices and the Director's office. The entire fiscal staff were sent home with pay for the day, as they were not able to engage in work and they were quite shaken

up by the execution of the search warrants. The Department was willing to meet with the Sheriff's Department at DHS.

Pages 281-391 – SPARK Program Analysis & Further Investigation

Inaccurate conclusions mislead the reader.

Timeline regarding reporting of theft by Zer Smith

- At the end of September, the was theft discovered by Human Services. County Administrator, Human Resources and Corp. Counsel informed of incident. Initial amount discovered under \$1,000. Employee terminated and given opportunity to repay set amount, which occurred.
- Working documents were provided and updated as additional information was found.
- DHS continued to assess if any additional theft occurred, per direction of County Administrator and Corp Counsel. Once additional findings of theft discovered, the County Administrator and Corp Counsel notified, and they notified law enforcement.

Pages 393 – 396 Investigative Findings

The investigative findings are inaccurate. The report misleads the reader and projects an outcome that is not accurate.



Eau Claire County
721 Oxford Avenue
Eau Claire, WI 54703



May 3, 2023

To: Sharon Mellquham, Corporation Counsel

Re: Augmentation of Pending Public Records Release

Dear Sharon:

This memo is to provide you with my augmentation comments to the record to be released "Eau Claire County Human Services Investigative Summary Report" completed by the Eau Claire County Sheriff's Office. My augmentation comments are noted below by page reference:

Page 6 – What I uncovered was an error in the estimate of the 2019 financial results for DHS, not an error in the 2019 DHS budget.

Page 32 – The report I provided to law enforcement was the DHS management financial report as presented to the DHS Board at the May 26, 2020 meeting. It was not a report prepared by me. In addition, budget amounts can change throughout the year, but only through the formalized budget amendment process which requires a 2/3 vote of the board for approval of any budget changes.

Page 225 – After further review, the file provided to Attorney White had an error in the logic that resulted in the report not matching the report provided from the anonymous individual. The report request was not a standard report and there were multiple report parameters that had to be chosen to run the report and unfortunately some were not set correctly. Had law enforcement or WIPFLI inquired about the difference, the reason for the variance could have been determined quickly and not resulted in additional time spent in analysis.

Page 364 – My recollection of the discussion relative to the chart of accounts was that I would have no idea of knowing what accounts were funded by grant dollars, not that there is no way to know that through the chart of accounts. It is possible that DHS fiscal could be able to identify specific accounts that were funded by grant dollars based on their knowledge and structure of the chart of accounts specific to DHS.

Page 393 – I would contend that my communication flowed fine with law enforcement and never once did I refuse to answer law enforcement questions.

Sincerely,

Norbert Kirk
Eau Claire County Finance Director

TO: Sheriff David Riewestahl
Eau Claire County

FROM: Nick Smiar
Chairperson
Eau Claire County Board

RE: Augments to the Eau Claire County Sheriff's Department Human Services Investigative Summary Report

DATE: May 5, 2023

Below are the augments I wish to include in the above report, in accordance with WI Stat. §19.356(9).

Augment to p. 278:

Second paragraph, beginning "The reader should also be aware ..."

First, the question posed by the Board Chair to both the District Attorney and the Chief Judge was "Why were warrants issued outside of Eau Claire County?" Both the DA and the Chief Judge provided clarifying and satisfactory explanations. There was **no argument**. Second, The investigation is not the place to question the actions of the County Board Chair and call for an evaluation of the appropriateness of the action of the County Board Chair. It is accurate to say that the Board Chair must remain impartial, but it is also accurate that the County Board Chair has **the right and the duty** to protect and ensure the integrity of the services of the county. This paragraph seems to imply that the Chair was obstructing the investigation. Asking a question about the process is **not** obstruction. Apparently, the investigators considered any questions about their actions, any reasonable resistance to their extensive and often unsupported demands, to be obstruction of the investigation. This has the appearance of overreach by the investigators.

Augment to p. 280:

First, there has, in fact, been full cooperation with reasonable and legal requests by the investigators. The fact is that some of the demands of the investigators did not take into account the legal obligation to protect records in DHS as well as personnel records and the civil and legal rights of employees under labor law and the Constitution. The investigators construed any resistance to their demands as obstruction when, in fact, they should have included guidelines in their investigation regarding such protections. Second, the statement regarding the warrants was not accurate because the Chair did not have and could not have complete information. The observation was that the warrants were wide-ranging and without focus, a sure indication that the persons requesting the warrants had no specific object but were engaged in a "fishing expedition."

Augment to p. 396:

Second Paragraph, beginning "A search warrant did have to be obtained..."

First, this statement is not an investigative finding, although it is listed as such. Second, it claims that the Board Chair acted "unethically" by contacting the District Attorney and the Chief Judge. As an elected

official, the Board Chair is subject to state statute regarding ethics for public officials. There is nothing in state statute that could label the Chair's action as unethical. He is also a Wisconsin certified professional (Certified Independent Social Worker), subject to MPSW 20 Code of Conduct. Again, the Chair's action could not be construed as unethical under that code. The accusation of unethical conduct has serious implications for both his public service and his professional standing and could be construed as an attack on his professional integrity. He was asking a question: Why were warrants secured outside of Eau Claire County? Both the District Attorney and the Chief Judge gave a satisfactory answer. Finally, the Chair was described as "argumentative." Was that label given by either the District Attorney or the Chief Judge, or was it applied by the investigators? The answer is of no consequence, since the Chair (and, in fact, anyone) has the right to ask whatever question he or she wishes. The request is that this paragraph be struck from the report or, failing that, that this statement be appended.

Third paragraph, beginning " County Board Chair Nick Smiar:

Again, this is not an investigative finding but a statement of opinion by the investigators. Whenever any question was asked, the response was "We cannot discuss an ongoing investigation." The Chair did not have specific information about the warrants, only vague statements. The **only** "inaccurate" statement is the sentence regarding the extent of the warrants. The remainder of the e-mail is based on fact.

Cc: Corporation Counsel
County ASdministrator

During the search warrant at the Eau Claire County Information Systems Department numerous electronic records were obtained with the assistance of Information Systems staff. Schauf's office was searched, and her computer was also seized and returned in 24 hours.

The reader should also be aware while the search warrant was being conducted, information was learned that Eau Claire County Board Chair Nick Smiar called both the District Attorney's Office and Judge Michael Schumacher. County Board Chair Smiar was described as upset, and argumentative as to how a search warrant was approved and why one was being conducted. The reader should ask themselves is this an appropriate action by County Board Chair Smiar? The readers answer should be **NO**. County Board Chair Smiar is to remain impartial and he himself has repeatedly told others this during recorded meetings. Furthermore, if County Board Chair was truly impartial and had an interest in finding out what is occurring and holding those responsible, he should be supporting the investigation, and any actions taken during the investigation.

Secondly after the execution of the search warrants there were comments at a recorded Human Services Board meeting that the Sheriff's Office staff were "wearing guns and flak jackets". Supposedly many staff and committee members were upset by this information. As previously mentioned, the search teams were composed of deputies, investigators, and command staff from the Sheriff's Office. These deputies, investigators, and command staff are sworn law enforcement officers. Their attire which they wear every day when they are on duty does consist of wearing a uniform that identifies them as such, a handgun, and a bulletproof vest just as any other law enforcement officer wears throughout the state or the country. The deputies, investigators, and command staff were wearing this attire during the execution of the search warrant not to intimidate anyone but because their job and department policy requires it.

Lastly after reading this section the reader should consider whether search warrants were appropriate. Imagine you are a taxpayer of Eau Claire County and a victim of a burglary. During this burglary numerous items were stolen from your residence. During the investigation law enforcement developed persons of interest, and information regarding other potential crimes being committed by those persons of interest. The persons of interest involved in your burglary refuse to talk to law enforcement and refuse to provide any information that would either exonerate them or implicate them. Would you as a victim and/or taxpayer of Eau Claire County want law enforcement to close the case just because they are getting no cooperation, or would you want law enforcement to investigate fully and take the necessary actions in order to do so or hold those accountable?

Marty Green & Nick Smiar Email Correspondence 10/21/21

From: mgreen@charter.net <mgreen@charter.net>
Sent: Thursday, October 21, 2021 9:55 AM
To: Nick Smiar <Nick.Smiar@co.eau-claire.wi.us>
Subject: FROM MARTY

WARNING!! This email originated outside Eau Claire County. Do not click any links or attachments unless you know the sender.
Dear ChairPerson Smiar

I Think its time you stepped back and Co Operated FULLY in this investigation
Citizens are still questioning me about what happen with LOKKEN all these years later

From: Nick Smiar <Nick.Smiar@co.eau-claire.wi.us>

Marty -

Despite the Sheriff's assertion, the fact is that there has been full cooperation. All questions have been answered. All requested documents have been shared. The only exception was an open records request for all DHS documents (financial records, case records, financial reports, e-mails, phone messages, paper documents, etc., in any form and on any device) over a three-year period. That request was rejected as excessive, because it would require a month's time and the services of three persons to compile the material. The Wisconsin open records law permits such a determination. Ask yourself what such a request implies: the Sheriff has no idea what he is looking for. At the beginning of this whole process, I asked for the evidentiary basis (probable cause), focus, scope, and extent of the investigation. The Sheriff has not responded to that request. I believe that that is because there is no evidentiary basis and there is no focus, scope, or extent. The most recent search warrants are not just to the Director of Human Services and the County Administrator but to a very long list of persons, including all County Board Supervisors, the Corporation Counsel, and a long list of other staff. Ask yourself what this implies. The Sheriff is on an expansive fishing expedition and has found nothing after more than a year and a half.

Just a reminder, the focus of the Sheriff's investigation is and must be on criminal activities, not management practices. A reasonable question would be: Have criminal activities been discovered by this investigation in the past eighteen months? The question can be answered without specifying the activities or endangering the investigation.

This has no comparison to the Lokken case. In that case, it was Glenda Lyons, the new Treasurer, who noticed some discrepancies in the financial records, specifically deposits. She took that to the Director of Finance and then to the District Attorney. We knew the specific evidentiary base (probable cause), focus, scope, and extent. Those became part of the basis for the forensic audit approved by the County Board, and you know the rest of the story. If people are still asking you about the Lokken case, they can certainly have whatever information they want, about it. The complicating factor in that case is that the Treasurer is a constitutional officer. It was difficult, even impossible, to force the Treasurer to comply with requests for an audit. It was only after he left office that the damning evidence became available. At the time of the Lokken incident, the Sheriff said to me, in a one-on-one conversation, that he would not handle that investigation because it was internal to the county and would be conflictual, and he would request outside investigation, which is what he did. At the time, I congratulated him on his wise decision. Why did he not do that in this case, especially since he was the one who labelled it a criminal investigation?

In my opinion, the Sheriff has some questions to answer.

Please feel free to share this with your mailing list.

Nick Smiar
Chairperson
Eau Claire County Board

The above email is a correspondence between Marty Green and County Board Chair Nick Smiar. As the reader observed, Green sent an email to Smiar after the execution of the search warrants. In Smiar's reply, he makes several comments of investigative interest. In the very first statement Smiar states "Despite the Sheriff's assertion there has been **full** cooperation" The reader should ask themselves after what they have read thus far in this report, whether or not that statement is accurate or false. Smiar also makes the following claim "the most recent search warrants are not just to the Director of Human Services, the County Administrator, but to a long list of persons including all County Board Supervisors, Corporation Counsel and a long list of other staff." This is another false or inaccurate representation by Smiar. The search warrants as mentioned previously were specific to certain individuals, and certain communications between those individuals. These communications did include communications specific to the investigation between the identified individuals and County Board Supervisors. County Board Supervisors as Smiar asserts were not a target of other search warrants.

The remainder of this page is intentionally left blank

[REDACTED]

- ✓ A search warrant did have to be obtained due to lack of cooperation and in order to complete this investigation. During the execution of the search warrants County Board Chair Nick Smiar unethically contacted the District Attorney' Office, and Judge Michael Schumacher. Smiar was described as argumentative during their contact with him.

2/1

- ✓ County Board Chair Nick Smiar also sent an email to Marty Green which contained inaccurate information related to the investigation and the execution of the search warrants.

2/1

- ✓ [REDACTED]

- ✓ [REDACTED]

- ✓ [REDACTED]

Information supplied by Supervisor James Dunning to provide clarity and accuracy to the report.

Page 94:

Include at the end of Paragraph 1:

Further information on the Tre House Project is included in the next paragraph.

Include at the end of Paragraph 3:

Ananda Works is the primary business of Christine Varnavas and one of the treatment methods provided by this business is the Trauma Release Exercise (TRE) and is a for profit business. It does not have a Board of Directors. Supervisors James Dunning and Colleen Bates do not have a financial interest or management interest in Ananda Works. The Tre House Project was an idea by Varnavas to reach those living with adversity in the community. It was intended to be organized as a non-profit organization with funding coming from community donations. It was started in the summer of 2016 as a 501(c)(3) and continued to organize throughout the next year. It was organized and operated separately from Ananda Works. In June of 2017, a preliminary meeting was held with the agenda item of developing an Advisory Board. James Dunning and Colleen Bates were considered. Dunning is Varnavas's stepfather and Bates is a long time family friend. In August, 2017 an Advisory Board was elected. A business plan to procure donations and conduct programs to relieve physical and mental stress and trauma for those living with adversity was developed over the next nine months. In May of 2018, it was determined that the Tre House Project would be difficult to administer and was closed down and became inactive in State records. During that time period the Tre House Project did not conduct any business with Eau Claire County. Ananda Works as part of its wellness program did begin to conduct business with Eau Claire County when **a customer at an Ananda Works TRE class** recognized that the treatment methods provided **could be used** by Human Services clients. It's first client was in November 2018. It received income in 2018, 2019, 2020, and 2021. It did not receive income in 2022.

Page 98:

Paragraph 2 correction:

Varnavas advised that she would do her best.

Page 195:

Include at end of Paragraph 1:

The Tre House Project is a separate organization from the Ananda Works business. Ananda Works and the Tre House Project did not receive any income from Eau Claire County during the time frame that Supervisor Dunning and Supervisor Bates were part of the Tre House Project and were not on the advisory board for Ananda Works.

Paragraph 2:

Include after first sentence:

Ananda Works was not providing services to Eau Claire County when Dunning and Bates were serving on the advisory board of the Tre House Project and their involvement was not a conflict of interest.

Page 196:

Entire Page and on page 197:

The correct spelling for Melina's last name is "**Alexakis**"

Paragraph 2:

Clarify sentences:

Alexakis stated she was Varnavas' 15 year old daughter. Detective Greener-----inside the residence. Alexakis **asked why, but did not invite them in.** ~~stated yes and invited them inside the residence.~~

----kept records in her home office ~~as well as on her computer.~~

Paragraph 3:

Alexakis then walked over and opened the door **after they asked to see the office.** ~~without being asked or requested to.~~

Page 198:

Paragraph 2

Add additional items:

-----including two computers, thumb drives, numerous invoices, bank documents, **personal check book, bank deposit bag (check book and bag were not in the office but in her purse in another area of the house)** and checks received from Eau Claire County.

APPENDIX B

Eau Claire County Sheriff's Office

Eau Claire, WI

Forensic Consulting

November 30, 2022

Prepared by Wipfli LLP
150 South 5th St
Suite 200
Minneapolis, MN 55402

wipfli.com



WIPFLI

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Executive Summary

November 30, 2022

Cory Schalinske, Interim Sheriff
Eau Claire County Sheriff's Office
721 Oxford Ave, Suite 1400
Eau Claire, WI 54073

Re: Department of Human Services Investigation

Dear Mr. Schalinske:

Wipfli LLP ("Wipfli") has completed the forensic analysis for the Eau Claire County Sheriff's Office ("ECCSO") as of November 30, 2022.

Wipfli's Forensic Consulting Services Group provided forensic accounting services in support of ECCSO's investigation into the financial practices carried out by the employees of the Eau Claire County Department of Human Services ("ECCDHS") from 2017 – 2021, including, but not limited to, accounts payable and accounts receivable transactions, purchase card transactions, staff travel and/or training, purchase requests made by DHS staff for training, supplies or clients, service provider contracts, and budget expenditures and reimbursements.

Wipfli's findings are as follow:

1. There were two duplicate payments, 31 instances where an amount was paid that was different than the amount invoiced, and the average days from invoice date to payment date was 91 days in 13 checks paid to Trinity Equestrian Center in March, April and May 2019.
2. There were multiple vendor numbers set up for the same vendor name. Wipfli identified 123 payments and \$444,401.96 in spend recorded to vendors with the same vendor name but a different vendor number.
3. Wipfli identified 61 payments recorded to 23 different vendors, totaling \$24,728.96 in spend, where the payments were recorded in the same amount to the same vendor on the same day.
4. There were 3,269 accounts and 13,511 transactions being recorded to those accounts that did not have a budgeted amount associated with them in the ECCDHS financial management system for 2017 – 2021.
5. Budgeted amounts recorded in ECCDHS' financial management system did not appear to have been adjusted for all changes in both revenues or expenditures.
6. Amounts recorded in ECCDHS' financial management system apparently did not match the 2019 DHS Finance results reported June 8, 2020 Budget and Finance Committee minutes.

This report has been prepared utilizing data received to date. We reserve the right to supplement and amend the opinions and analysis expressed herein, as necessary, based upon additional, different, or new information that may be provided to us. This report is intended solely for the information and use of ECCSO. Your primary contact is Marc Courey, Director, who can be reached at 651.766.2849 or via e-mail at mcourey@wipfli.com.

Eau Claire County Sheriff's Office
Forensic Consulting
November 30, 2022

Executive Summary

We appreciate the opportunity to be of service to you, as well as the courtesy and assistance extended to us during the course of the project by Eau Claire County personnel. We look forward to the opportunity to be of service in the future.

Sincerely,

Wipfli LLP

Background

Eau Claire County ("ECC"), created in 1856 from Chippewa County, is named for the city of Eau Claire, which is French for "clear water." Located in northwest Wisconsin and covering 655 square miles, the county seat is Eau Claire. Eau Claire County Government comes under the general jurisdiction of an elected Board of Supervisors. The Board consists of 29 Supervisors, each representing a district of ECC. The County has 25 departments with approximately 600 employees offering over 150 services to its over 100,000 citizens. ECC's Mission Statement is "to provide quality, innovative services that safeguard and enhance the well-being of all our residents."

Noted on its website, "The Department of Human Services (organized under Wisconsin Statutes 46.23) provides State and Federally mandated human services to the most vulnerable and needy residents of Eau Claire County. Our services and programs have a direct impact on over 10% of the county's population. Our programs serve abused and neglected children, adults and children with mental illness, adults and children with developmental disabilities, youth offenders, adults and youth with alcohol and other drug problems, and children, youth and adults in need of residential and institutional care. We are also the agency responsible for the protection of vulnerable adults and adults at risk. Our Economic Support Unit administers the Food Share (SNAP) Program, Medical Assistance, Child Care Assistance, Energy Assistance and Badger Care Plus."

Following up on a complaint from several County Board supervisors, an investigation was opened into the financial practices being carried out by the staff in the Eau Claire County Department of Human Services ("ECCDHS"). The department had apparently been over budget three years in a row, and in fiscal year 2018-2019, with a budget of \$34 million, ECCDHS was over budget by nearly \$5 million, including a "Purchased" expenditures line item that was over budget by over \$7 million alone. See **Exhibit A** – "County Board Meeting Notes 6-8-20". It was reported that a mitigation plan was developed and implemented to ensure ECCDHS would remain on budget for fiscal year ending 2020 and beyond.

After an initial review of ECCDHS' county-issued purchasing cards, the Eau Claire County Sheriff's Office ("ECCSO") identified approximately \$48,000 in questionable purchases, covering 135 transactions. Additionally, it was identified that a ECCDHS staff person used their ECC issued purchasing card for personal purchases, charged to one of their programs (Spark), using gift/stored value cards. Following an investigation, the employee's employment with the department was terminated.

Data Gathering

Beginning on October 18, 2021, Wipfli, along with members of the Eau Claire Sheriff's department, performed digital forensic imaging of devices located at the offices of Eau Claire County Department of Human Services, and Eau Claire County Information Technology. The following devices were identified for digital forensic imaging by the Eau Claire Sheriff's department:

Machine Name	Item Imaged	Internal Drive Information
9QG0MQ2	Format: Laptop Manufacturer: Dell Model: Latitude 5490 S/N: 9QG0MQ2	Type: M.2 SSD drive Manufacturer: Samsung Size 256GB Model: PM871b S/N: S3U0NY0K852025
N/A	Format: USB drive	Manufacturer: Lexar Size: 8GB Model: 33955-8GBGA S/N: AAWHH9Y0H9T685DZ
N/A	Format: USB drive	Manufacturer: SanDisk Model: Cruzer Glide, SDCZ60-008G Size: 8GB S/N: 20044320300ECC73386A Other: Black
N/A	Format: USB drive	Manufacturer: SanDisk Model: Cruzer, SDCZ36R-008G Size: 8GB S/N: AA00000000000485\ Other: Red
7XCT4Y2	Format: Laptop Model: Latitude 7400 S/N: 7XCT4Y2	Type: NVME SSD Manufacturer: Samsung Size: 256GB Model: PM981a S/N: S4GVNF0M911969
N/A	Format: USB drive	Manufacturer: unknown Model: UDisk Size: 32GB S/N: FC85E45E
N/A	Format: USB drive	Manufacturer: Lexar Model: 34330-8GBGA Size: 8GB S/N: unknown

Data Gathering

Machine Name	Item Imaged	Internal Drive Information
4WRD533	Format: Laptop Manufacturer: Dell Model: unidentified S/N: unidentified	Type: NVME SSD Manufacturer: Dell Size: 500GB Model: unidentified S/N: 269AAC8D9AAC5AD7
N/A	Format: USB drive	Manufacturer: SanDisk Model: Cruzer Glide, SDCZ60-032G Size: 32GB S/N: 2006107971075A531D16
MacBook Air	Format: Laptop Manufacturer: Apple Model: Air	Type: unidentified Manufacturer: unidentified Size: 112 GB (MacintoshHD) Size: 750GB (MacintoshHD - Data) Model: unidentified S/N: unidentified
6T38PV2	Format: Laptop Manufacturer: Dell Model: Latitude 5500 P80F S/N: 14819658734	Type: NVME SSD Manufacturer: SK Hynix Size: 256GB Model: BC501 S/N: NI92T001910702S5E
N/A	Format: USB drive	Manufacturer: PNY Model: unknown Size: 16GB S/N: 0xecc1300087148
N/A	Format: USB drive	Manufacturer: SanDisk Model: Cruzer, SDCZ36Z-008G Size: 8GB S/N: 4C532007410605100394

Table 1.

Data Gathering

In addition to the above devices, the following types of data were identified for forensic acquisition by ECC Sheriff's staff:

Data Type	Approx. Size	Associated with:
Financial Database	119GB	ECCDHS financial management application, database, and supporting files
DHS Shared Folder	73GB	ECCDHS Administrative Services
DHS Shared Folder	17GB	ECCDHS Agency
DHS Shared Folder	46GB	ECCDHS Behavioral Health
DHS Shared Folder	35KB	ECCDHS COVID-19
DHS Shared Folder	25GB	ECCDHS Crisis Services
DHS Shared Folder	29GB	ECCDHS Economic Support
DHS Shared Folder	4GB	ECCDHS Family Services
Email	46GB	ECCDHS Staff
Email	116GB	ECCDHS Staff
Email	286GB	ECCDHS Staff
Email	12GB	ECCDHS Staff
Email	36GB	ECCDHS Staff
Email	24GB	ECCDHS Staff
Network Home Folder	8GB	ECCDHS Staff
Network Home Folder	491MB	ECCDHS Staff
Network Home Folder	4GB	ECCDHS Staff
Network Home Folder	838MB	ECCDHS Staff
Jabber Instant Messages	4MB	Internal chat program used by DHS staff

Table 2.

Wipfli also assisted the ECCSO with the collection and preservation of various paper records, which were scanned at ECCDHS premises and provided to ECCSO.

Data Gathering

Wipfli was also provided access to financial information via ShareFile and electronic transmission, as ECCDHS staff uploaded documents for Wipfli.

To perform the analysis, a forensically sound bit-level image was made of each of the systems and data types available to us. Wipfli uses a write-blocker preventing any changes being made to the original evidence during the acquisition process. Hash values are calculated on the original source items and the forensic images to confirm that all forensic images are exact duplicates of the original materials¹. All forensic analysis performed is done utilizing the forensic images, not the original evidence, so that the original items remain in their original condition for subsequent production or analysis.

Physical access to source materials is tightly controlled and limited to select members of Wipfli's Fraud and Forensic Services group. Logical access is restricted to only those individuals with physical access and cannot be made from Wipfli's associate network. Original evidence is retained in a locked area of our dedicated, secure, digital forensic lab until needed or return is requested by each client.

Analysis is performed using a combination of tools running on specialized forensic analysis workstations. The tools utilized can include commercial applications such as EnCase® Forensic, a product of Open Text Corporation, Magnet AXIOM Cyber®, a product of Magnet Forensics Inc., Oxygen Forensic® Detective, a product of Oxygen Forensics, Cellebrite Digital Collector®, a product of Cellebrite, Cellebrite Physical Analyzer®, a product of Cellebrite, Cellebrite Inspector®, a product of Cellebrite, and SIFT (SANS Investigative Forensic Toolkit) Workstation, a product of the SANS Institute, as well as a variety of open source tools, depending on the particular analysis to be performed on a particular piece of digital evidence. These tools are periodically updated by their particular publisher to reflect and adapt to changes in the underlying technology of both hardware and software applications, including Operating Systems, which run on the hardware.

A basic component of most of these tools includes the ability to rebuild or restore portions of previously deleted content which they can identify based on the characteristics of the digital data. Additional analysis we perform typically includes, but is not limited to, the following:

- User account activity and authentication history
- Remote access history
- Application history
- Recent files
- Downloaded files
- Windows shortcut files
- Log files

¹ A hash value is a character string used to uniquely identify the contents of an electronic data set, such as a file. A hash value is arrived at through the application of a mathematical algorithm to the contents of a data set. If data in a data set is modified, even a single character, the calculated hash value representing the data will also change. This allows for comparison of data; if hash values of different files match, then they contain the same data, even if the name of the file is different.

Data Gathering

- Internet history
- Cloud storage
- Email
- Chat\instant messaging history
- Network connectivity
- Search history
- USB and other external device usage
- Current and deleted Windows Registry entries
- Recycle Bin and deleted files
- Slack space
- Evidence of activity consistent with potential attempts to hide activity
- Webmail
- Windows volume shadow copies
- Malware analysis
- Installed applications
- Full timeline analysis against digital evidence.

Wipfli staff has received formal training and certifications related to the specialized software and hardware used in investigations. Wipfli staff are required to maintain these certifications and their skills through ongoing CPE and other coursework. In addition to the formalized training and continuing education, staff are encouraged to conduct research on their own in the fields of cybersecurity, digital forensics, incident response, and malware analysis.

Our forensic analysis of each of the identified devices and identified data was performed within the Magnet AXIOM Cyber® product.

ECCSO provided Wipfli with documentation obtained and created during the course of their investigation, including documents and data files provided to them by ECCDHS.

Wipfli also worked in conjunction with the ECCSO and the ECC Finance team, to obtain and extract data specific to ECCDHS out of their financial management system for further analysis. *See Exhibit B – “ECC DHS Data Requests.”* Between March and May of 2022, Wipfli received a Vendor Master List, Customer Master List, Users and Roles List, Employee List, Chart of Accounts, Batch Master List, General Ledger Detail, Accounts Payable (“AP”) Detail Check Register, Expenditure Detail, Cash Receipt Detail data extracts out of ECCDHS for 2017 – 2021. *See Exhibit C – “Inventory of ECC DHS’ Financial Management System Data Files.”*

Once the individual annual data files were combined, there were a total of 281,017 records in the General Ledger Detail and 93,279 records in the AP Detail Check Register. In June of 2022 the entire General Ledger Detail file was provided to ECCSO in Excel format for their reference. The AP Detail Check Register was provided to ECCSO in Excel format in various analyses detailed below between June and August of 2022.

Analysis and Findings

Under the Engagement Letter dated October 23, 2020, Wipfli was engaged by ECCSO to perform services that included, but were not limited to, the following:

- Assistance extracting and analyzing various financial transactions.
- Assistance analyzing expenditures of certain grant-funded programs to determine if they were allowable and reasonable under the program contracts.
- Assistance collecting and analyzing various electronic records as requested.
- Such other assistance as may be requested from time to time.

Wipfli's analysis performed during the term of the engagement with ECCSO, and associated findings, are described below.

Vendor Payment Analysis

Wipfli was provided with two vendors lists from the ECCDHS, one titled "Appendix BI-2019 DHS Vendor Payments" and a second one titled "DHSVendors2019-0101-1231," which were combined for analysis. Both vendor lists appeared to contain total payments made to each vendor for 2019, sorted in ascending order by vendor.

The "Appendix BI-2019 DHS Vendor Payments" list contained 770 vendors totaling \$24,712,961.85 in spend. The "DHSVendors2019-0101-1231" list contained 760 vendors totaling \$19,876,072.57 in spend, a difference of 10 vendors and \$4,836,889.28 between the two lists.

Wipfli then compared the spend between the two lists by vendor, identifying wherever there was a difference between the two total spends for any vendor.

71 vendors were identified with a difference in total spend between the two lists, and the majority of them (49) had more total spend listed in the "Appendix BI-2019 DHS Vendor Payments" than in the "DHSVendors2019-0101-1231" list. In one instance, a vendor in the "Appendix BI-2019 DHS Vendor Payments" list was identified in the "DHSVendors2019-0101-1231" list with a different spelling of the name, causing a mismatch in the initial analysis. However, the amounts for those vendors were a match.

The results for this analysis were provided to ECCSO.

Trinity Equestrian Center Vendor Analysis

The ECCSO requested an analysis of payments recorded to a vendor named "Trinity Equestrian Center." Wipfli was provided with a report called "WORKING - DHSVendors2019-0101-1231" containing information regarding all vendor payments for 2019. We identified all entries with data containing "Trinity Equestrian Center" as the Vendor Name. We then requested a report directly from a business of the same name, Trinity Equestrian Center, of all services provided/invoiced to Eau Claire County and Comprehensive Community Services - Eau Claire.

We judgmentally selected all thirteen checks paid to Trinity Equestrian Center in March, April and May 2019, to analyze in further detail. We requested all detail from the ECCSO supporting these

Analysis and Findings

payments, including the EOB Summaries, expense authorization forms, County Youth Mentor Billing Summaries, etc. We scheduled every line item that reflected the check total and compared those line items to the services provided per the Trinity Equestrian Center invoices.

During our analysis, we found two duplicate payments, 31 instances where an amount was paid that was different than the amount invoiced and that the average days from invoice date to payment date was 91 days. The ECCSO contacted Trinity Equestrian Center for clarification on these issues and Trinity Equestrian Center reported that in some instances the "county (sic) had the wrong invoice number documented...It's actually fairly confusing looking at EC's numbers, they seem to consistently mislabel things such as invoice number, and group invoices per payment incorrectly."

The results for this analysis were provided to ECCSO.

Family Crisis Funds Analysis

Wipfli isolated any payments recorded to the ECCDHS Family Crisis Funds within the AP Detail Check Register, identifying 333 payments totaling \$112,642.24, then summarized the payments into an analysis by vendor by year, sorted in descending order on total amount paid.

Wipfli also isolated any transactions booked to the Family Crisis Funds ("FCF") ECCDHS general ledger accounts within the General Ledger Detail, resulting in 818 transactions being identified, which we then summarized the detail activity by year. Information provided by ECCDHS indicated that a particular account object code was, or should have been, used for FCF transactions. When isolating the FCF transactions within the financial records, we identified that there were other accounts tied to the FCF object code in the financial management account string. These included accounts named "CCS PETTY CASH FUNDS," "POST REUNIFICATION PETTY CASH PURCHASES," "CRISIS FUND," "JUV DET/FOOD SUPPLIES," AND "CRISIS/CRISIS FUND," resulting in an additional 255 transaction records being identified as likely relating to the FCF program funds.

The results for this analysis were provided to ECCSO.

AP Detail Check Register Analysis

Wipfli performed approximately 20 tests on the 93,729 records in ECCDHS' AP Detail Check Register data from 2017 – 2021. Below is a summary of the number of records and total spend identified, by year:

Year	Number of Records	Amount Paid Sum
2017	11,626	\$19,291,964.59
2018	28,660	\$64,688,473.44
2019	12,898	\$21,044,269.71
2020	22,636	\$73,735,946.78
2021	17,459	\$59,193,068.76
Total	93,279	\$237,080,074.20

Table 3.

Analysis and Findings

Various tests were performed on the AP Detail Check Register data including, but not limited to, the following:

- **VOIDS** – Wipfli isolated all transactions that had a value of “Computer Void” or “Manual Void” in the description field and then summarized them into an analysis by vendor by year, sorted in descending order on total amount voided.
- **Multiple IDs** – Wipfli identified all payments recorded to vendors with the same vendor name but a different vendor number, totaling 123 payments and \$444,401.96 in spend.
- **Duplicate Invoices** – Wipfli isolated all transactions with duplicate values in the vendor number, vendor name, date paid, invoice number, description and amount paid fields, representing 191 different vendors, comprised of 2,001 payments and \$1,108,825.21 in spend. Along with the previous fields, we also incorporated account number and description to the end of the duplicate test and identified 522 payments and \$272,512.90 in spend paid to 101 different vendors.
- **Duplicate Checks** – After summarizing the invoice detail at the check number level, Wipfli then isolated all transactions with duplicate values in the vendor number, vendor name, date paid and amount paid fields (i.e. multiple checks cut for the same amount to the same vendor on the same day), resulting in 61 entries, representing payments made to 23 different vendors totaling \$24,728.96 in spend.
- **Vendor Analysis** – Wipfli summarized the vendor spend by year and sorted it in descending order on total amount paid to each vendor.

The results for these, and all analyses, were provided to ECCSO.

General Ledger Detail Analysis

Wipfli performed approximately 25 tests on the 281,017 transactions in ECCDHS General Ledger Detail data from 2017 – 2021. Below is a summary of the number of records by year:

Year	Number of Records
2017	56,536
2018	62,566
2019	63,597
2020	54,947
2021	43,371

Table 4.

Tests performed on the General Ledger Detail data included, but were not limited to, the following:

- **Goodwill** – The ECCSO directed Wipfli to identify if there was a Goodwill account being utilized by the ECCDHS. We were unable to identify a specific account, but we also

Analysis and Findings

isolated all transactions with the word "Goodwill" in the description field, resulting in 125 transactions being identified.

- **Reclassification and Transfer Transactions and Budget Entries** – The ECCSO directed Wipfli to isolate all transactions with either the word "Reclass" or "Transfer" in the description field, resulting in 3,479 and 224 transactions, respectively being identified. Additionally, the ECCSO directed Wipfli to isolate all Budget entries. The financial management system utilized by ECCDHS identifies budget entries utilizing a "B" in the reference type field in the transactional detail. This resulted in identifying 7,242 transactions, which were recorded to 2,393 different accounts.
- **SPARK Program and Levy Entries** – Wipfli isolated all transactions with the word "SPARK" in the description field, resulting in 379 transactions being identified.² Wipfli also isolated all accounts in the financial management reporting system with "SPARK" in the account description, resulting in 2 accounts and 83 transactions being identified. The ECCSO wanted to see if it could be determined what sources of the funds for the SPARK program were, i.e. levy vs. grant, within the accounts. Based on the limited amount of information provided in the description of the transactional detail, Wipfli was unable to identify if any of the sources of funds were from levies or grants. Wipfli did isolate all transactions with the word "Levy" in the description field, resulting in 726 transactions being identified. The transactions were summarized at the account number level, resulting in 60 different accounts that had transactions with "Levy" in the description field. Wipfli also isolated all accounts with "Levy" in the account description field, resulting in 83 accounts and 477 transactions being identified.
- **WIMCR Payments** – Wipfli isolated all transactions with the word "WIMCR" in the description field, resulting in 24 transactions being identified.³ Wipfli also isolated all accounts with "WIMCR" in the account description field, resulting in 14 accounts and 28 transactions being identified. Per ECCSO's request, Wipfli validated in the ECCDHS general ledger that the \$1,489,427.59 deposit in 2019 was recorded to a revenue account and recorded on 12/31/19. Wipfli also checked to see if the deposit was transferred or journaled anywhere else after that date, which it appeared not to be.
- **Former ECCDHS Staff Repayment** – Per ECCSO's direction, Wipfli validated in the ECCDHS general ledger detail how a repayment reportedly made by the former ECCDHS staff member (who was investigated and who's employment was subsequently terminated) was coded, which was account # 19-205-51-54980-310-100, "OVERHEAD/OFFICE SUPPLIES", as it was recorded as part of a deposit recorded by ECCDHS on 10/28/2019.

The results for all of these analyses were provided to ECCSO.

² "SPARK" refers to Supporting Positive Action Resilience and Knowledge, a Youth Justice Grant Funded Innovation Program.

³ "WIMCR" identifies the Wisconsin Medicaid Cost Reporting initiative.

Analysis and Findings

Comprehensive Community Services Analysis

Wipfli isolated any accounts in the ECCDHS general ledger with either "Comprehensive Community Services" or "CCS" in the account description field, resulting in 185 accounts and 7,876 transactions being identified. We then identified those transactions recorded to any account that was set up as a "Revenue" account (denoted by account numbers starting with a "4" at the beginning of the account number field), resulting in 348 transaction records being identified as recorded to such Revenue accounts. All other accounts were identified as an "Expense" account, resulting in 7,528 transaction records being identified as being recorded to such expense accounts.

Per ECCSO's direction, Wipfli analyzed the CCS revenue accounts to CCS expenditure accounts by year for 2017-2020 to determine if evidence existed that CCS expenditures were 100% reimbursed during that time frame. Our analysis found that amounts recorded to CCS expenditures exceeded amounts recorded as CCS revenue in every year, as shown below:

	2017	2018	2019	2020
Revenue	2,991,521.89	5,507,236.96	8,342,226.38	7,123,419.47
Expense	3,153,795.57	6,427,400.47	8,658,973.50	7,793,713.04
Excess Exp	162,273.68	920,163.51	316,747.12	670,293.57
Rev/ Exp	95%	86%	96%	91%

Table 5.

Based on the Eau Claire County Budget & Finance Committee Meeting Notes from Monday, June 8, 2020, \$2,190,048 of the \$5,159,777 net variance that ECCDHS was over budget for fiscal year 2019 was due to the CCS program alone. See **Exhibit A** – "County Board Meeting Notes 6-8-20".

Wipfli used the CCS accounts described above from the general ledger detail and identified the categories that were utilized for the reporting out to the County Board, and then compared the amounts recorded in the financial management system to the amounts reported in the meeting notes. Below is a summary for 2019:

	ECCDHS FINANCIAL RECORDS			Source: County Board Meeting Notes 6-8-20			
Revenues	Budget	Actual	Difference	Budget	Actual	Difference	Difference
State/Federal Grants	7,043,215	8,301,666	1,258,451	7,043,216	7,015,598	(27,618)	1,286,069
Charges & Fees	72,637	40,560	(32,077)	72,637	0	(72,637)	40,560
Total Revenues	7,115,852	8,342,226	1,226,374	7,115,853	7,015,598	(100,255)	1,326,629
Expenditures	Budget	Actual	Difference	Budget	Actual	Difference	Difference
Personnel	4,551,624	3,338,070	1,213,554	4,551,626	3,868,662	682,964	530,590
Services & Supplies	111,590	145,643	(34,053)	111,590	145,643	(34,053)	0
Purchased	2,452,637	5,175,261	(2,722,624)	2,452,637	5,191,341	(2,738,704)	16,080
Total Expenditures	7,115,851	8,658,974	(1,543,123)	7,115,853	9,205,646	(2,089,793)	546,671
Net Variance	1	(316,747)	(316,748)	0	(2,190,048)	(2,190,048)	1,873,300

Table 6.

Analysis and Findings

As identified below, analysis of the accounts comprising the "Purchased" expenditure category found that the net variance in the amount of (\$2,722,624) found it was attributable to only six accounts, which had a combined total of 887 transactions:

Purchased Expenses	# Trans	Budget	Actual	Difference
AFH R&B CCS	39	15,921	131,923	(116,002)
CBRF R&B CCS	38	56,716	52,331	4,385
CCS RESIDENTIAL C&S	50	375,000	1,212,049	(837,049)
CCS SERVICE ARRAY	730	2,000,000	3,759,194	(1,759,194)
INTERPRETER CCS CA	5	0	3,025	(3,025)
TRANSPORTATION CCS	25	5,000	16,739	(11,739)
Total Purchased Exp	887	2,452,637	5,175,261	(2,722,624)

Table 7.

Analysis of the transactions to these accounts revealed that 98.5% of the expenditure for "CCS Residential C&S" shown in Table 7 was attributable to one vendor, "BROTOLOC INC.," which operates residential group homes in Wisconsin.

Analysis of the expenditures recorded to "CCS Service Array" showed those expenditures were attributable to the following vendors:

Analysis and Findings

VENDOR NAME	# OF RECORDS	AMOUNT
CAILLIER CLINIC LTD	39	875,377
LUTHERAN SOCIAL SERVICES INC	44	869,684
TRINITY EQUESTRIAN CENTER	45	400,242
LIFESTANCE HEALTH WISCONSIN	16	167,982
MAYO CLINIC HEALTH SYSTEM-NW W	30	155,260
MILKWEED CONNECTIONS LLC	31	118,515
HAHN, AMY	28	90,072
STAFFORD, DIANA M - DIANNA STA	17	87,138
POSITIVE CHANGES COUNSELING LL	17	82,954
AURORA VOCATIONAL SERVICES	34	81,892
EMBRACE WELLNESS IN MOTION LLC	25	78,319
CLEAR WATER THERAPY LLC	22	77,190
VANTAGE POINT CLINIC & ASSESSM	31	70,224
ANANDAWORKS LLC	18	67,646
REACH INC	32	62,962
ETERNAL WELLNESS LLC	15	57,252
STONE, JENNIFER	18	51,312
PREVEA HEALTH	23	47,307
IMPACT COACHING LLC	17	47,274
KEISLER, KELLY J	20	46,878
AURORA RESIDENTIAL ALTERNATIVE	18	44,784
FOUR WINDS WELLNESS	22	34,880
KNIGHT, DEBORAH S	17	23,491
CHIPPEWA RIVER INDUSTRIES	15	18,659
NORTHWEST COUNSEL & GUIDANCE C	19	16,871
WIEBUSCH, CINTHIA	9	12,971
HEALING ART EAU CLAIRE	20	11,006
ENIGMA PSYCHOLOGICAL INC	13	10,635
WESTERN WISCONSIN MUSIC IN MED	6	9,828
COLLABORATIVE COUNSELING LLC	9	7,318
YOGA THERAPIES OF EAU CLAIRE L	11	5,990
APTIV INC	6	5,714
LIFESONGS COUNSELING LLC	12	5,636
NATURES EDGE THERAPY CENTER IN	7	4,452
WORKFORCE RESOURCE INC	9	3,358
BEING HUMAN YOGA AND GLOBAL GO	7	3,209
	2	3,185
FAMILY THERAPY ASSOCIATES	6	1,728
TOTAL	730	3,759,194

Table 8.

Analysis and Findings

Table 6 above shows that the amounts recorded in the ECCDHS financial management system appear to indicate actual revenues for fiscal year 2019 were \$1,326,629 larger than what was reported to the County Board, and also reflect recorded expenditures were \$546,671 lower than that reported. It has been reported that there were discussions within ECCDHS regarding possible changes to their budgets for 2019 during that fiscal year, however analysis of transactions recorded in the financial management system only showed three adjustments noted as "Budget" transactions to revenue accounts totaling \$142,181.08, all of which were made to programs outside of CCS:

Account	Description	Amount	Date
JAIL RE-ENTRY DIVERSION PROJECT	Jail Re-Entry Diversion Projec	79,970.00	11/30/2019
MAC GRANT REVENUE	Margaret A Cargill Grant	30,000.00	11/30/2019
FUND BALANCE APPLIED	18-Carryforward;Res 19-20/016;	32,211.08	5/21/2019

Table 9.

The results of this analysis were provided to ECCSO.

Zero Dollar Budget Account and Overages Analysis

Wipfli isolated all ECCDHS general ledger detail transactions and summarized them by account where the account did not have a budgeted item included (denoted by a reference type of "B" as discussed above), resulting in 3,269 accounts and 13,511 transactions being identified.

The ECCSO directed Wipfli to analyze these transactions and accounts without any budgeted dollars associated with them, which is summarized below:

Year	Accounts	Transactions
2017	1,727	4,535
2018	475	2,395
2019	300	1,932
2020	352	2,813
2021	415	1,836
Total	3,269	13,511

Table 10.

Wipfli also analyzed the account transactions to identify the accounts with the largest expenditures without associated budgeted dollars.

Wipfli summarized all ECCDHS general ledger detail transactions by account number and reference type, resulting in 9,439 records being identified. If the reference type was equal to "B", the record was identified as that of a "Budget" entry, all other records were identified as "Actual" entry. The transactional activity was then summarized by "Budget" versus "Actual" by account. If an account had a transaction with a budgeted amount, it was identified as such, all other accounts were identified as "No Budget."

Analysis and Findings

For 2019, the following accounts were identified as having either budget or actual expenditure transactions recorded in the ECCDHS financial management system for the CCS program, as an example. As can be seen below, six accounts had expenditures recorded but no budget amounts.

Expenditures	Budget	Actual	Difference
AFH R&B CCS	15,921	131,923	(116,002)
CBRF R&B CCS	56,716	52,331	4,385
CCS / CELLULAR PHONE		17,543	(17,543)
CCS / HOSP & HEALTH INS	989,530	554,540	434,990
CCS / LIFE INSURANCE	442	587	(145)
CCS / MILEAGE - FLEET	800	3,445	(2,645)
CCS / MILEAGE - PERSONAL	10,000	30,550	(20,550)
CCS / MILEAGE -PERSONAL	2,000	2,099	(99)
CCS / RETIRE ER	203,936	159,811	44,125
CCS / SAL PERM-REG	3,113,531	2,429,262	684,269
CCS / SOCIAL SECURITY	238,185	176,657	61,528
CCS / TRAVEL - CLIENT	100	2,086	(1,986)
CCS / TRAVEL - NON-CLIENT	200	122	78
CCS / TRAVEL - TRAINING CONF	7,400	16,169	(8,769)
CCS PRINTING & DUPLICATING		1,132	(1,132)
CCS PROFESSIONAL SERVICES		41,678	(41,678)
CCS RESIDENTIAL C&S	375,000	1,212,049	(837,049)
CCS SERVICE ARRAY	2,000,000	3,759,194	(1,759,194)
CCS SUPPLIES		5,224	(5,224)
CCS/ SAL PERM - OVERTIME		3,714	(3,714)
CCS/HEALTH INS INCENTIVE	6,000	13,500	(7,500)
CCS/LICENSE & CERTIFICATION	550	1,136	(586)
CCS/OFFICE EQUIPMENT	63,540	19,657	43,883
CCS/TELEPHONE	27,000	4,801	22,199
INTERPRETER CCS CA		3,025	(3,025)
TRANSPORTATION CCS	5,000	16,739	(11,739)
Total Expenditures	7,115,851	8,658,974	(1,543,123)

Table 11.

Per ECCSO's direction, Wipfli analyzed these transactions to identify the primary accounts that were causing the ECCDHS overages for the years 2017 – 2020.

The results for this analysis were provided to ECCSO.

Conclusion

Wipfli supplemented the ECCSO's investigation, assisting in the collection and preservation of various electronic and paper records, and performed multiple analyses of the ECCDHS's financial transactions for the period of 2017 – 2021, which Wipfli obtained between March and May of 2022. The ECCSO utilized the information Wipfli provided through various analyses to potentially review supporting documentation and perform interviews of various ECC employees in order to obtain additional insights and understanding of the nature of these various transactions.

Wipfli's key findings can be summarized as follows:

1. There were two duplicate payments, 31 instances where an amount was paid that was different than the amount invoiced, and the average days from invoice date to payment date was 91 days in 13 checks paid to Trinity Equestrian Center in March, April and May 2019.
2. There were multiple vendor numbers set up for the same vendor name. Wipfli identified 123 payments and \$444,401.96 in spend recorded to vendors with the same vendor name but a different vendor number.
3. Wipfli identified 61 payments recorded to 23 different vendors, totaling \$24,728.96 in spend, where the payments were recorded in the same amount to the same vendor on the same day.
4. There were 3,269 accounts and 13,511 transactions being recorded to those accounts that did not have a budgeted amount associated with them in the ECCDHS financial management system for 2017 – 2021.
5. Budgeted amounts recorded in ECCDHS' financial management system did not appear to have been adjusted for all changes in both revenues or expenditures.
6. Amounts recorded in ECCDHS' financial management system apparently did not match the 2019 DHS Finance results reported June 8, 2020 Budget and Finance Committee minutes.

This report has been prepared utilizing data received to date. We reserve the right to supplement and amend the opinions and analysis expressed herein, as necessary, based upon additional, different, or new information that may become available and would be provided to us.



Eau Claire County Sheriff's Office

CASE: 20SO02807

Appendix D

**Eau Claire County Budget &
Finance Committee Meeting Notes
Monday June 8, 2020**

Dept of Human Services

Programs Offered

How to make a referral to the Department of Human Services:

CLTS, CCS and CST are all voluntary programs. Prior to making a referral, please make sure the family is aware of the referral and provide releases of information or consents. You can contact Centralized Access by any of the following:

Contact Options:

Phone – (715) 839-7118 **Email** - HumanServices.Access@co.eau-claire.wi.us

Address – 721 Oxford Ave Eau Claire, WI 54703

Children's Long Term Support Waiver (CLTS)

Overview: The CLTS Waiver provides Medicaid funding for children who have substantial limitations in their daily activities and needs support to remain in their home or community.

Eligibility: under the age of 22, diagnosed with a physical developmental and/or severe emotional disability, determined eligible based on the Functional Screen, live at home or in a foster care setting, have a physical, cognitive, or emotional limitation that seriously restricts the child's ability to carry out basic daily living activities such as self-care, learning, communication, mobility, and self-direction and a resident of Eau Claire County.

Expectations:

- 1) Centralized Access receives referral and forwards to CLTS manager (Please see how to make a referral process)
- 2) A CLTS Social Worker will contact you upon receipt of the referral; no later than 7-10 business days to schedule a meeting to complete a needs assessment and functional screen to determine the child's eligibility of services; maximum of 45 days to determine eligibility for the program.
- 3) If the child is found eligible, he or she will be added to the CLTS waitlist and you will be contacted when services can begin.

Coordinated Services Team (CST)

Overview: Coordinated Services Team (CST) is a service that centers decision-making by the family team to maintain children with multiple needs within a family setting. The team includes the child, family members, natural supports (relatives, friends, co-workers) and professionals.

Eligibility: Is the Child or youth under 18 years of age involved in at least two of the following direct services: Mental Health (Therapy and/or Medication Management), Special Education, Juvenile Justice, Child Protective Services, and/or AODA.

Expectations:

- 1) Centralized Access receives referral and forwards to CST manager (Please see how to make a referral process)
- 2) CST Social Worker will contact the family within 7 days of receiving referral to schedule an intake meeting.

Comprehensive Community Services (CCS)

Overview: CCS is a recovery-based program for people of all ages coping with a mental health and/or substance use condition. The individual and their family work with a dedicated team of supports to develop a treatment and recovery plan to meet individualized needs and goals.

Eligibility: Does the child or youth have any of the following: Source of Medicaid, diagnosed mental health and/or substance use disorder, determined eligible based on a functional screen, live at home or in a foster care setting, and a resident of Eau Claire County.

Expectations:

- 1) Centralized Access receives referral and forwards to CCS manager. (please see how to make a referral process)
- 2) The family will be contacted to further discuss the CCS Program and determine a timeframe for enrollment into the program.

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

NOTE: These totals do not include expense & revenue donation accounts or the one time adjustment done by Finance for the BCA payback

2019 Budget	All Programs
Expenditures:	
Personnel	18,044,140
Services & Supplies	495,393
Purchased	11,935,363
Overhead	817,623
Total	31,292,518
Revenue:	
State/Federal Grants	20,274,578
Charges & Fees	538,437
Other Sources	1,627,030
Property Tax Levy	8,852,473
Total	31,292,518

2019 Actual	All Programs	Variance
Expenditures:		
Personnel	15,655,067	2,389,073
Services & Supplies	659,366	(163,973)
Purchased	19,075,112	(7,139,749)
Overhead	757,045	60,578
Total	36,146,589	(4,854,070)
Revenue:		
State/Federal Grants	20,426,224	151,646
Charges & Fees	575,685	37,248
Other Sources	1,132,431	(494,599)
Property Tax Levy	8,852,473	(0)
Total	30,986,812	(305,706)

Net Variance (5,159,777)
Less CCS 2019 Reconciliation 2,190,048
Variance Net of CCS (2,969,728)

Program 1

2019 Budget	Program #1
	Community Care & Treatment of Children who are Abused or Neglected
Expenditures:	
Personnel	2,517,820
Services & Supplies	82,100
Purchased	2,966,919
Overhead	146,710
Total	5,713,549
Revenue:	
State/Federal Grants	1,678,307
Charges & Fees	153,500
Other Sources	50,000
Property Tax Levy	3,831,742
Total	5,713,549

2019 Actual	Program #1	Variance
	Community Care & Treatment of Children who are Abused or Neglected	
Expenditures:		
Personnel	2,248,534	269,286
Services & Supplies	193,485	(111,385)
Purchased	5,018,651	(2,051,732)
Overhead	136,794	9,915
Total	7,597,464	(1,883,915)
Revenue:		
State/Federal Grants	2,557,986	879,679
Charges & Fees	223,977	70,477
Other Sources	84,507	34,507
Property Tax Levy	3,831,741	-
Total	6,698,212	984,663

Net Variance (899,252)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 2

2019 Budget	Program #2
	Community Care & Treatment of Adults & Children with BH Issues
Expenditures:	
Personnel	8,244,000
Services & Supplies	216,260
Purchased	6,132,074
Overhead	207,210
Total	14,799,544
Revenue:	
State/Federal Grants	11,930,071
Charges & Fees	270,537
Other Sources	400,530
Property Tax Levy	2,198,405
Total	14,799,544

2019 Actual	Program #2	Variance
	Community Care & Treatment of Adults & Children with BH Issues	
Expenditures:		
Personnel	6,913,719	1,330,280
Services & Supplies	262,730	(46,470)
Purchased	11,741,420	(5,609,346)
Overhead	188,779	18,431
Total	19,106,649	(4,307,105)
Revenue:		
State/Federal Grants	12,312,939	382,868
Charges & Fees	283,712	13,175
Other Sources	363,069	(37,461)
Property Tax Levy	2,198,405	(0)
Total	15,158,125	358,582

Net Variance (3,948,523)

Program 2 Sub-Programs

2019 Budget	Sub-Program
	(1)Community Support Program
Expenditures:	
Personnel	1,469,010
Services & Supplies	66,600
Purchased	1,263,531
Overhead	85,322
Total	2,884,463
Revenue:	
State/Federal Grants	1,872,262
Charges & Fees	160,000
Other Sources	-
Property Tax Levy	852,201
Total	2,884,463

2019 Actual	Sub-Program	Variance
	(1)Community Support Program	
Expenditures:		
Personnel	1,238,930	230,080
Services & Supplies	66,400	200
Purchased	1,833,657	(570,126)
Overhead	80,770	4,552
Total	3,219,757	(335,294)
Revenue:		
State/Federal Grants	1,672,014	(200,248)
Charges & Fees	112,158	(47,842)
Other Sources	67,203	67,203
Property Tax Levy	852,201	-
Total	2,703,576	(180,887)

Net Variance (516,180)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 2 Sub-Programs Continued

2019 Budget	Sub-Program
	(2)Hospitalizations and IMD Placement
Expenditures:	
Personnel	-
Services & Supplies	-
Purchased	378,441
Overhead	-
Total	378,441
Revenue:	
State/Federal Grants	181,362
Charges & Fees	-
Other Sources	-
Property Tax Levy	197,079
Total	378,441

2019 Actual	Sub-Program	Variance
	(2)Hospitalizations and IMD Placement	
Expenditures:		
Personnel	-	-
Services & Supplies	-	-
Purchased	1,700,899	(1,322,458)
Overhead	-	-
Total	1,700,899	(1,322,458)
Revenue:		
State/Federal Grants	896,700	715,338
Charges & Fees	13,543	13,543
Other Sources		-
Property Tax Levy	197,079	-
Total	1,107,322	728,881
Net Variance		(593,577)

2019 Budget	Sub-Program
	(3)Crisis Mental Health Services
Expenditures:	
Personnel	853,242
Services & Supplies	16,700
Purchased	1,464,328
Overhead	49,032
Total	2,383,302
Revenue:	
State/Federal Grants	1,635,627
Charges & Fees	25,000
Other Sources	90,000
Property Tax Levy	632,675
Total	2,383,302

2019 Actual	Sub-Program	Variance
	(3)Crisis Mental Health Services	
Expenditures:		
Personnel	783,769	69,473
Services & Supplies	26,306	(9,606)
Purchased	2,078,975	(614,647)
Overhead	45,827	3,205
Total	2,934,877	(551,575)
Revenue:		
State/Federal Grants	1,707,698	72,071
Charges & Fees	137,694	112,694
Other Sources	57,334	(32,666)
Property Tax Levy	632,675	-
Total	2,535,400	152,098
Net Variance		(399,476)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 2 Sub-Programs Continued

2019 Budget	Sub-Program
	(4)Coordinated Services Team/SED/ CLTS
Expenditures:	
Personnel	247,040
Services & Supplies	5,450
Purchased	106,483
Overhead	13,297
Total	372,270
Revenue:	
State/Federal Grants	363,167
Charges & Fees	4,000
Other Sources	-
Property Tax Levy	5,103
Total	372,270

2019 Actual	Sub-Program	Variance
	(4)Coordinated Services Team/SED/ CLTS	
Expenditures:		
Personnel	218,413	28,627
Services & Supplies	3,555	1,895
Purchased	220,278	(113,795)
Overhead	11,713	1,584
Total	453,958	(81,688)
Revenue:		
State/Federal Grants	444,023	80,856
Charges & Fees	4,832	832
Other Sources		-
Property Tax Levy	5,103	-
Total	453,958	81,688

Net Variance

0

2019 Budget	Sub-Program
	(5)Treatment Courts
Expenditures:	
Personnel	484,581
Services & Supplies	12,870
Purchased	417,751
Overhead	27,702
Total	942,904
Revenue:	
State/Federal Grants	505,373
Charges & Fees	8,900
Other Sources	130,530
Property Tax Levy	298,101
Total	942,904

2019 Actual	Sub-Program	Variance
	(5)Treatment Courts	
Expenditures:		
Personnel	430,589	53,992
Services & Supplies	11,465	1,405
Purchased	452,717	(34,966)
Overhead	23,091	4,611
Total	917,863	25,041
Revenue:		
State/Federal Grants	424,169	(81,203)
Charges & Fees	15,485	6,585
Other Sources	121,298	(9,232)
Property Tax Levy	298,101	-
Total	859,053	(83,850)

Net Variance

(58,809)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 2 Sub-Programs Continued

2019 Budget	Sub-Program
	(6)CCS
Expenditures:	
Personnel	4,551,626
Services & Supplies	111,590
Purchased	2,452,637
Overhead	-
Total	7,115,853
Revenue:	
State/Federal Grants	7,043,216
Charges & Fees	72,637
Other Sources	-
Property Tax Levy	-
Total	7,115,853

2019 Actual	Sub-Program	Variance
	(6)CCS	
Expenditures:		
Personnel	3,868,662	682,963
Services & Supplies	145,643	(34,053)
Purchased	5,191,341	(2,738,704)
Overhead	-	-
Total	9,205,646	(2,089,793)
Revenue:		
State/Federal Grants	7,015,598	(27,618)
Charges & Fees	-	(72,637)
Other Sources		-
Property Tax Levy		-
Total	7,015,598	(100,255)

Net Variance (2,190,048)

2019 Budget	Sub-Program
	(7)Outpatient Clinic
Expenditures:	
Personnel	638,501
Services & Supplies	3,050
Purchased	48,903
Overhead	31,857
Total	722,311
Revenue:	
State/Federal Grants	329,065
Charges & Fees	-
Other Sources	180,000
Property Tax Levy	213,246
Total	722,311

2019 Actual	Sub-Program	Variance
	(7)Outpatient Clinic	
Expenditures:		
Personnel	373,356	265,145
Services & Supplies	9,361	(6,311)
Purchased	263,553	(214,650)
Overhead	27,379	4,478
Total	673,649	48,662
Revenue:		
State/Federal Grants	152,738	(176,327)
Charges & Fees		-
Other Sources	117,234	(62,766)
Property Tax Levy	213,246	(0)
Total	483,217	(239,094)

Net Variance (190,432)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 3

2019 Budget	Program #3
	Community Care & Treatment of Children who are Developmentally Disabled (DD) or Developmentally Delayed
Expenditures:	
Personnel	559,321
Services & Supplies	10,000
Purchased	682,927
Overhead	31,941
Total	1,284,189
Revenue:	
State/Federal Grants	1,000,136
Charges & Fees	24,400
Other Sources	5,000
Property Tax Levy	254,653
Total	1,284,189

2019 Actual	Program #3	Variance
	Community Care & Treatment of Children who are Developmentally Disabled (DD) or Developmentally Delayed	
Expenditures:		
Personnel	546,963	12,358
Services & Supplies	9,222	778
Purchased	785,005	(102,078)
Overhead	31,631	310
Total	1,372,823	(88,633)
Revenue:		
State/Federal Grants	1,088,727	88,591
Charges & Fees	26,339	1,939
Other Sources	3,103	(1,897)
Property Tax Levy	254,653	-
Total	1,372,822	88,633

Net Variance

0

Program 3 Sub-Programs

2019 Budget	Sub-Program
	(1)Birth to Three
Expenditures:	
Personnel	120,707
Services & Supplies	2,880
Purchased	338,988
Overhead	8,117
Total	470,692
Revenue:	
State/Federal Grants	392,105
Charges & Fees	10,000
Other Sources	-
Property Tax Levy	68,587
Total	470,692

2019 Actual	Sub-Program	Variance
	(1)Birth to Three	
Expenditures:		
Personnel	69,900	50,807
Services & Supplies	2,767	113
Purchased	434,525	(95,537)
Overhead	4,334	3,783
Total	511,526	(40,834)
Revenue:		
State/Federal Grants	427,659	35,554
Charges & Fees	15,280	5,280
Other Sources	-	-
Property Tax Levy	68,587	-
Total	511,526	40,834

Net Variance

0

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 3 Sub-Programs Continued

2019 Budget	Sub-Program
	(2) CLTS/ Children's COP
Expenditures:	
Personnel	438,614
Services & Supplies	7,120
Purchased	343,939
Overhead	23,824
Total	813,497
Revenue:	
State/Federal Grants	608,031
Charges & Fees	14,400
Other Sources	5,000
Property Tax Levy	186,066
Total	813,497

2019 Actual	Sub-Program	Variance
	(2) CLTS/ Children's COP	
Expenditures:		
Personnel	477,064	(38,449)
Services & Supplies	6,456	664
Purchased	350,481	(6,542)
Overhead	27,297	(3,473)
Total	861,297	(47,799)
Revenue:		
State/Federal Grants	661,068	53,037
Charges & Fees	11,059	(3,341)
Other Sources	3,103	(1,897)
Property Tax Levy	186,066	-
Total	861,296	47,799

Net Variance

0

Program 4

2019 Budget	Program #4
	Residential & Community Care & Treatment of Youth
Expenditures:	
Personnel	2,847,303
Services & Supplies	104,833
Purchased	1,893,565
Overhead	178,567
Total	5,024,268
Revenue:	
State/Federal Grants	1,892,698
Charges & Fees	90,000
Other Sources	1,096,500
Property Tax Levy	1,945,070
Total	5,024,268

2019 Actual	Program #4	Variance
	Residential & Community Care & Treatment of Youth	
Expenditures:		
Personnel	2,612,688	234,615
Services & Supplies	101,568	3,265
Purchased	1,275,576	617,989
Overhead	154,536	24,031
Total	4,144,369	879,899
Revenue:		
State/Federal Grants	1,213,807	(678,892)
Charges & Fees	36,070	(53,930)
Other Sources	637,423	(459,078)
Property Tax Levy	1,945,070	-
Total	3,832,369	(1,191,899)

Net Variance

(312,000)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 4 Sub-Programs

2019 Budget	Sub-Program
	(1)Youth Justice Services
Expenditures:	
Personnel	1,460,776
Services & Supplies	55,783
Purchased	464,413
Overhead	84,380
Total	2,065,352
Revenue:	
State/Federal Grants	683,968
Charges & Fees	35,000
Other Sources	-
Property Tax Levy	1,346,384
Total	2,065,352

2019 Actual	Sub-Program	Variance
	(1)Youth Justice Services	
Expenditures:		
Personnel	1,324,573	136,203
Services & Supplies	73,566	(17,783)
Purchased	101,113	363,300
Overhead	78,189	6,191
Total	1,577,442	487,910
Revenue:		
State/Federal Grants	220,808	(463,161)
Charges & Fees	10,250	(24,750)
Other Sources		-
Property Tax Levy	1,346,384	-
Total	1,577,442	(487,911)

Net Variance

0

2019 Budget	Sub-Program
	(2)Alternative to Corrections (Juv Det & 180)
Expenditures:	
Personnel	1,386,527
Services & Supplies	49,050
Purchased	91,818
Overhead	94,187
Total	1,621,582
Revenue:	
State/Federal Grants	26,000
Charges & Fees	-
Other Sources	1,096,500
Property Tax Levy	499,082
Total	1,621,582

2019 Actual	Sub-Program	Variance
	(2)Alternative to Corrections (Juv Det & 180)	
Expenditures:		
Personnel	1,288,116	98,411
Services & Supplies	28,002	21,048
Purchased	79,300	12,518
Overhead	76,346	17,841
Total	1,471,764	149,818
Revenue:		
State/Federal Grants	23,260	(2,740)
Charges & Fees		-
Other Sources	637,423	(459,078)
Property Tax Levy	499,082	-
Total	1,159,764	(461,818)

Net Variance

(312,000)

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 4 Sub-Programs Continued

2019 Budget	Sub-Program
	(3)Alternate Care
Expenditures:	
Personnel	-
Services & Supplies	-
Purchased	1,337,334
Overhead	-
Total	1,337,334
Revenue:	
State/Federal Grants	1,182,730
Charges & Fees	55,000
Other Sources	-
Property Tax Levy	99,604
Total	1,337,334

2019 Actual	Sub-Program	Variance
	(3)Alternate Care	
Expenditures:		
Personnel	-	-
Services & Supplies	-	-
Purchased	1,095,163	242,171
Overhead	-	-
Total	1,095,163	242,171
Revenue:		
State/Federal Grants	969,739	(212,991)
Charges & Fees	25,820	(29,180)
Other Sources	-	-
Property Tax Levy	99,604	-
Total	1,095,163	(242,171)

Net Variance

0

Program 5

2019 Budget	Program #5
	Protection of Vulnerable Adults who are at Risk for Abuse, Neglect, or Exploitation
Expenditures:	
Personnel	458,043
Services & Supplies	15,900
Purchased	108,580
Overhead	24,932
Total	607,455
Revenue:	
State/Federal Grants	351,781
Charges & Fees	-
Other Sources	21,000
Property Tax Levy	234,674
Total	607,455

2019 Actual	Program #5	Variance
	Protection of Vulnerable Adults who are at Risk for Abuse, Neglect, or Exploitation	
Expenditures:		
Personnel	450,446	7,598
Services & Supplies	17,966	(2,066)
Purchased	100,641	7,939
Overhead	24,110	822
Total	593,164	14,292
Revenue:		
State/Federal Grants	336,428	(15,353)
Charges & Fees	-	-
Other Sources	22,062	1,062
Property Tax Levy	234,674	-
Total	593,163	(14,292)

Net Variance

0

2019 DHS Preliminary Budget to Actual Comparison By Program/Sub-Program

Program 6

2019 Budget	Program #6
	Financial & Economic Assistance and FSET
Expenditures:	
Personnel	3,417,652
Services & Supplies	66,300
Purchased	151,298
Overhead	228,264
Total	3,863,514
Revenue:	
State/Federal Grants	3,421,584
Charges & Fees	-
Other Sources	54,000
Property Tax Levy	387,930
Total	3,863,514

2019 Actual	Program #6	Variance
	Financial & Economic Assistance and FSET	
Expenditures:		
Personnel	2,882,716	534,936
Services & Supplies	74,394	(8,094)
Purchased	153,818	(2,520)
Overhead	221,194	7,070
Total	3,332,121	531,393
Revenue:		
State/Federal Grants	2,916,336	(505,248)
Charges & Fees	5,586	5,586
Other Sources	22,269	(31,731)
Property Tax Levy	387,930	-
Total	3,332,121	(531,393)

Net Variance

0

Alternate Care

Budget vs. Actual - 2014 - 2019

2014			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 977,478	\$ 942,794	96.5%
TFC	\$ 1,138,301	\$ 1,112,842	97.8%
GH	\$ 146,165	\$ 181,021	123.8%
RCC	\$ 1,125,490	\$ 1,595,881	141.8%
Total	\$ 3,387,434	\$ 3,832,538	113.1%

2017			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 690,913	\$ 1,279,548	185.4%
TFC	\$ 1,047,943	\$ 681,592	64.9%
GH	\$ 190,166	\$ 306,179	164.5%
RCC	\$ 1,357,071	\$ 2,429,057	179.0%
Total	\$ 3,286,093	\$ 4,696,376	142.9%

2015			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 950,951	\$ 905,602	95.8%
TFC	\$ 1,072,789	\$ 935,573	87.0%
GH	\$ 126,190	\$ 239,608	189.9%
RCC	\$ 1,247,618	\$ 1,322,029	106.0%
Total	\$ 3,397,548	\$ 3,402,812	100.2%

2018			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 1,315,859	\$ 1,450,896	117.6%
TFC	\$ 296,506	\$ 676,685	218.4%
GH	\$ 199,216	\$ 301,159	154.0%
RCC	\$ 1,531,836	\$ 2,663,695	263.3%
Total	\$ 3,343,417	\$ 5,092,435	152.3%

2016			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 850,100	\$ 1,508,426	154.8%
TFC	\$ 1,047,518	\$ 916,582	87.6%
GH	\$ 173,554	\$ 281,873	323.5%
RCC	\$ 1,302,099	\$ 1,533,873	118.1%
Total	\$ 3,373,271	\$ 4,240,754	125.7%

2019			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 834,400	\$ 1,503,528	117.6%
TFC	\$ 356,050	\$ 610,606	218.4%
GH	\$ 102,327	\$ 139,496	154.0%
RCC	\$ 1,524,851	\$ 1,955,431	263.3%
Total	\$ 2,817,628	\$ 4,209,061	149.4%

Alternate Care

Budget vs. Actual - 2014 - 2019

2014			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 977,478	\$ 942,794	96.5%
TFC	\$ 1,138,301	\$ 1,112,842	97.8%
GH	\$ 146,165	\$ 181,021	123.8%
RCC	\$ 1,125,490	\$ 1,595,881	141.8%
Total	\$ 3,387,434	\$ 3,832,538	113.1%

2015			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 950,951	\$ 905,602	95.8%
TFC	\$ 1,072,789	\$ 935,573	87.0%
GH	\$ 126,190	\$ 239,608	189.9%
RCC	\$ 1,247,618	\$ 1,322,029	106.0%
Total	\$ 3,397,548	\$ 3,402,812	100.2%

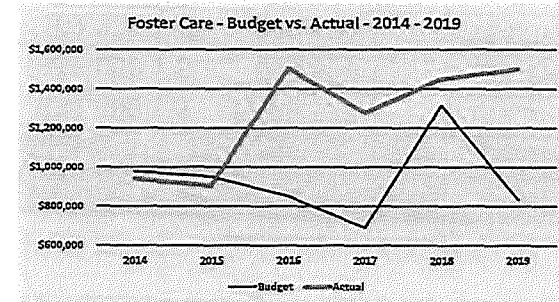
2016			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 850,100	\$ 1,508,426	154.8%
TFC	\$ 1,047,518	\$ 916,582	87.6%
GH	\$ 173,554	\$ 281,873	162.5%
RCC	\$ 1,302,099	\$ 1,533,873	118.1%
Total	\$ 3,373,271	\$ 4,240,754	125.7%

2017			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 690,913	\$ 1,279,548	185.4%
TFC	\$ 1,047,943	\$ 681,592	64.9%
GH	\$ 190,166	\$ 306,179	164.5%
RCC	\$ 1,357,071	\$ 2,429,057	179.0%
Total	\$ 3,286,093	\$ 4,696,376	142.9%

2018			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 1,315,859	\$ 1,450,896	111.6%
TFC	\$ 296,506	\$ 676,685	218.4%
GH	\$ 199,216	\$ 301,159	154.0%
RCC	\$ 1,531,836	\$ 2,663,695	263.3%
Total	\$ 3,343,417	\$ 5,092,435	152.3%

2019			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 834,400	\$ 1,503,528	117.6%
TFC	\$ 356,050	\$ 610,606	218.4%
GH	\$ 102,327	\$ 139,496	154.0%
RCC	\$ 1,524,851	\$ 1,955,431	263.3%
Total	\$ 2,817,628	\$ 4,209,061	149.4%

	2014	2015	2016	2017	2018	2019
Budget	\$977,478	\$950,951	\$ 850,100	\$ 690,913	\$1,315,859	\$ 834,400
Actual	\$942,794	\$905,602	\$1,508,426	\$1,279,548	\$1,450,896	\$1,503,528



Alternate Care

Budget vs. Actual - 2014 - 2019

2014			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 977,478	\$ 942,794	96.5%
TFC	\$ 1,138,301	\$ 1,112,842	97.8%
GH	\$ 146,165	\$ 181,021	123.8%
RCC	\$ 1,125,490	\$ 1,595,881	141.8%
Total	\$ 3,387,434	\$ 3,832,538	113.1%

2015			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 950,951	\$ 905,602	95.8%
TFC	\$ 1,072,789	\$ 935,573	87.0%
GH	\$ 126,190	\$ 239,606	189.9%
RCC	\$ 1,247,618	\$ 1,322,029	106.0%
Total	\$ 3,397,548	\$ 3,402,812	100.2%

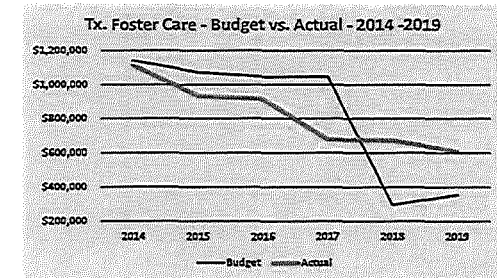
2016			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 850,100	\$ 1,508,426	154.8%
TFC	\$ 1,047,518	\$ 916,582	87.6%
GH	\$ 173,554	\$ 281,873	323.5%
RCC	\$ 1,302,099	\$ 1,533,873	118.1%
Total	\$ 3,373,271	\$ 4,240,754	125.7%

2017			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 690,913	\$ 1,279,548	185.4%
TFC	\$ 1,047,943	\$ 681,592	64.9%
GH	\$ 190,166	\$ 306,179	164.5%
RCC	\$ 1,357,071	\$ 2,429,057	179.0%
Total	\$ 3,286,093	\$ 4,696,376	142.9%

2018			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 1,315,859	\$ 1,450,896	117.6%
TFC	\$ 296,506	\$ 676,685	218.4%
GH	\$ 199,216	\$ 301,159	154.0%
RCC	\$ 1,531,836	\$ 2,663,695	263.3%
Total	\$ 3,343,417	\$ 5,092,435	152.3%

2019			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 834,400	\$ 1,503,528	117.6%
TFC	\$ 356,050	\$ 610,606	218.4%
GH	\$ 102,327	\$ 139,496	154.0%
RCC	\$ 1,524,851	\$ 1,955,431	263.3%
Total	\$ 2,817,628	\$ 4,209,061	149.4%

	2014	2015	2016	2017	2018	2019
Budget	\$1,138,301	\$1,072,789	\$1,047,518	\$1,047,943	\$296,506	\$356,050
Actual	\$1,112,842	\$ 935,573	\$ 916,582	\$ 681,592	\$676,685	\$610,606



Alternate Care

Budget vs. Actual - 2014 - 2019

2014			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 977,478	\$ 942,794	96.5%
TFC	\$ 1,138,301	\$ 1,112,842	97.8%
GH	\$ 146,165	\$ 181,021	123.8%
RCC	\$ 1,125,490	\$ 1,595,881	141.8%
Total	\$ 3,387,434	\$ 3,832,538	113.1%

2015			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 950,951	\$ 905,602	95.8%
TFC	\$ 1,072,789	\$ 935,573	87.0%
GH	\$ 126,190	\$ 239,608	189.9%
RCC	\$ 1,247,618	\$ 1,322,029	106.0%
Total	\$ 3,397,548	\$ 3,402,812	100.2%

2016			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 850,100	\$ 1,508,426	154.8%
TFC	\$ 1,047,518	\$ 916,582	87.6%
GH	\$ 173,554	\$ 281,873	323.5%
RCC	\$ 1,302,099	\$ 1,533,873	118.1%
Total	\$ 3,373,271	\$ 4,240,754	125.7%

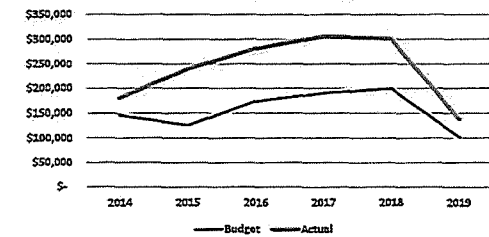
2017			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 690,913	\$ 1,279,548	185.4%
TFC	\$ 1,047,943	\$ 681,592	64.9%
GH	\$ 190,166	\$ 306,179	164.5%
RCC	\$ 1,357,071	\$ 2,429,057	179.0%
Total	\$ 3,286,093	\$ 4,696,376	142.9%

2018			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 1,315,859	\$ 1,450,896	117.6%
TFC	\$ 296,506	\$ 676,685	218.4%
GH	\$ 199,216	\$ 301,159	154.0%
RCC	\$ 1,531,836	\$ 2,663,695	263.3%
Total	\$ 3,343,417	\$ 5,092,435	152.3%

2019			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 834,400	\$ 1,503,528	117.6%
TFC	\$ 356,050	\$ 610,606	218.4%
GH	\$ 102,327	\$ 139,496	154.0%
RCC	\$ 1,524,851	\$ 1,955,431	263.3%
Total	\$ 2,817,628	\$ 4,209,061	149.4%

	2014	2015	2016	2017	2018	2019
Budget	\$146,165	\$126,190	\$173,554	\$190,166	\$199,216	\$102,327
Actual	\$181,021	\$239,608	\$281,873	\$306,179	\$301,159	\$139,496

Group Home - Budget vs. Actual - 2014-2019



Alternate Care

Budget vs. Actual - 2014 - 2019

2014			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 977,478	\$ 942,794	96.5%
TFC	\$ 1,138,301	\$ 1,112,842	97.8%
GH	\$ 145,165	\$ 181,021	123.8%
RCC	\$ 1,125,490	\$ 1,595,881	141.8%
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Total	\$ 3,397,548	\$ 3,402,812	100.2%

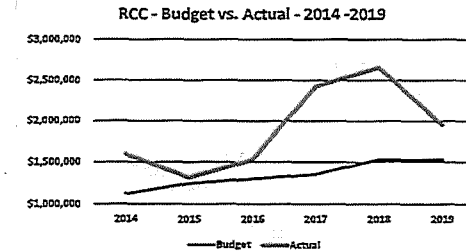
2016			
Placement	Budget	Actual	% of Budget Spent
FC	\$ 850,100	\$ 1,508,426	154.8%
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Total	\$ 3,373,271	\$ 4,240,754	125.7%

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Total	\$ 3,286,093	\$ 4,696,376	142.9%

2018			
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FC	\$ 1,315,859	\$ 1,450,896	111.6%
TFC	\$ 296,506	\$ 676,685	218.4%
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RCC	\$ 1,531,836	\$ 2,663,695	263.3%
Total	\$ 3,343,417	\$ 5,092,435	152.3%

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FC	\$ 834,400	\$ 1,503,528	117.6%
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Actual	\$1,595,881	\$1,322,029	\$1,533,873	\$2,429,057	\$2,663,695	\$1,955,431



Alternate Care

Budget vs. Actual - 2014 - 2019

2014			
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FC	\$ 977,478	\$ 942,794	96.5%
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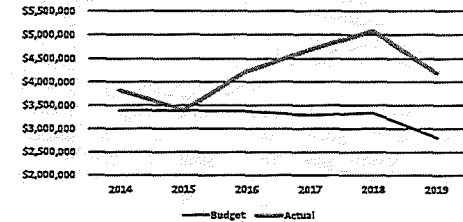
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RCC	\$ 1,524,851	\$ 1,955,431	263.3%
Total	\$ 2,817,628	\$ 4,209,061	149.4%

	2014	2015	2016	2017	2018	2019
Budget	\$3,387,434	\$3,397,548	\$3,373,271	\$3,286,093	\$3,343,417	\$2,817,628
Actual	\$3,832,538	\$3,402,812	\$4,240,754	\$4,696,376	\$5,092,435	\$4,209,061

Alternate Care - Budget vs. Actual - 2014 - 2019



2019 Program Overage Explanations
Presented to Budget and Finance June 8th, 2020

Program 1 – CPS (Child Protective Services)

- \$899K - Over budget
 - Alternate Care placements
 - Increased Revenues from Program 4 (Youth Services only) to pay for the youth that are placed with a CHIPS (child in need of protective services) order
 - Budget for 2021 will reflect these youth placements in program 1

Program 2 – CSP (Community Support Program)/Hospitalizations/Crisis/CST/CLTS/Treatment Courts/CCS (Comprehensive Community Services)/Outpatient Clinic

- 3.9M - Over budget
 - \$516K - CSP – reduction in MA revenue and increased placements
 - \$594K – Trempealeau Health Care Center IMD Placements
 - \$399K – Crisis – Inpatient AODA and Adult Crisis Placements
 - \$0 – CST/CLTS – Child mental health
 - \$59K – Treatment Court (Drug testing)
 - \$2.2M – CCS (Estimated reconciliation to be received in 2020)
 - \$190K – Clinic – Psychiatry Services and continued work to become a provider with a main HMO Insurance provider

Program 3 – Birth to 3/CLTS/CCOP

- \$0 Balanced budget
 - Birth to 3 and CLTS/CCOP

Program 4 – JDC (Juvenile Detention Center) & 180 program/Youth Justice Services

- \$312K – Over Budget for Juvenile Detention Center
 - Revenues Impacted
 - Staffing: Reduction of staff available due to FMLA's during this time period, impacting ability to admit youth
 - Managed very complex youth that impacted ability to admit additional youth

Program 5 – APS (Adult Protective Services)

- \$0 - Balanced budget
 - Adult Protective Services

Program 6 – (ES) Economic Support

- \$632K - Surplus in Economic Support
- Surplus allocated to Programs 2, 3, and 5

NOTE: The following items are not included in the program areas above:

- \$95K - BCA payback adjustment per Finance
- Donation accounts

Human Services Response to Questions from the Finance and Budget Chair

For Discussion at the June 8th, 2020 Finance and Budget Committee

1. Every area of overage, with specificity - so not just to say "Contracted Programs" but which specific programs in which program areas were overspent (and why).
 - Refer to attached 2019 budget vs actual program breakdown
 - Refer to attached document related to overage explanations by program
2. You said that expenditures for out of home placements in 2019 was over by more than \$1 million. I would like detailed information on the amount budgeted and the amount spent on out of home placements from 2014 to 2019.

I am aware that for years, HS budgeted about 3.5 million for out of home placements (not including corrections) and spent about 4 million each year. In 2018, out of home placements jumped to about 5 million. Yet for 2019, the budgeted amount was reduced to 2.8 million - so about half of what was spent in 2018.

 - Refer to attached Alternate Care placements budget vs actual for 2014-2019
 - Refer to responses for question 3 and 4
3. I would like an explanation with specificity from the department on why they reduced the out of home placement budget in 2019 by more than 1 million when they were trending so much over in expenditures. And if I recall, the woman from Alia said the department would continue trending over.

Alternate Care or Out of Home Placement services to kids are provided from 4 program areas. In proposing the 2019 budget, Human Services presented an operational shift in service delivery and reallocated resources budgetarily, to support services in-home and work towards reducing the reliance upon out of home care as the primary service for Child Welfare. The overall budget in Program 1 increased from 2018 to 2019:

 - 2018 budget for Program 1 was \$5.1M
 - 2019 budget for Program 1 was \$5.7M
 - Funds were used to support the increase of new staff in child welfare
4. As part of that, I would like to know where the funds were diverted to in the 2019 budget. Notably in the 2020 budget, there was a \$500K reduction in program one - child protection, and a \$600k increase for the Outpatient Clinic. The reasons provided were that the state was increasing funding for CPS, and the hope was that increasing the outpatient clinic would reduce contracted services. I would like to see any indication - like real numbers - if the outpatient clinic is reducing contracted programs (which I thought were CCS anyway).

Human Services Response to Questions from the Finance and Budget Chair
For Discussion at the June 8th, 2020 Finance and Budget Committee

In the 2020 budget, the Child Welfare Allocation from the State increased by \$654,913. The levy was shifted to program areas in Behavioral Health Services, to support the continue development of needed Behavioral Health Services for children and families served in Child Welfare and Youth Justice. In 2019 we reduced contracted services and increased internal services to individuals in family services. We estimate a savings of \$314,000, (see chart below).

Shift of Contracted Services to Internal Behavioral Health Services

Contracted Service	1/1/2019-6/30/2019	7/1/2019-12/31/2019	Estimated Savings
Family Preservation (In-home Therapy)	Avg. \$69,000 per month	Avg. \$25,000 per month	\$260,000
Family Counseling	Avg. \$12,000 per month	Avg. \$3,000 per month	\$54,000

5. Not to dwell on out of home care, I note that there are no youth in corrections. Did program #4 in 2019 have a surplus? What is the story on that?

- Revenues from Program 4 (Youth Services only) were allocated back to Program 1 to pay for the youth that were placed with a CHIPS (child in need of protective services) order
- Budget for 2021 will reflect these placements in Program 1

6. What other program areas were overspent - again with specificity.

- See attached overage explanations by program document

Eau Claire County DHS Data Requests

February 10, 2022

- **NOTE:** For all data extracts, please include, but not necessarily limit the extracts to, the fields identified below. If it is easier to run the reporting “*wide open*” vs. identifying specific fields to include, please do so.
 - Please indicate what system the data is being pulled from (ALIO, Avatar, US Bank, etc.).
 - Output can be provided in a generic file format – delimited – pipe delimiter preferred (|), fixed field length, etc., preferably with field identifiers.
 - For field identifiers, please provide a data dictionary or at a minimum context around each field’s type and values.
 - Please save your queries in case they need to be re-run, for whatever reason.
- Current **ALIO Dimension Table** (i.e. Chart of Accounts) listing all possible account combinations.
- All **General Ledger** accounting detail from 2017 – *present* for funds, departments and projects, including, but not limited to, the following fields:
 - Journal Source
 - Journal Number
 - Journal Line Entry Number
 - Debit Amount
 - Credit Amount
 - Account Number
 - Account Name
 - Journal Description
 - Journal Reference
 - Journal Memo
 - Posted By User
 - Posted Date and Time
 - Last Modified User
 - Last Modified Date and Time
- Current **Vendor Master File**, including *both active and inactive* vendors, including, but not limited to, the following fields:
 - Vendor Status
 - Vendor ID
 - Vendor Name
 - Vendor Address(es)
 - Vendor Telephone Number(s)
 - Vendor Tax ID Number(s) (EIN or SSN)
 - Bank Routing and Account Number(s)
 - Created By User
 - Created Date and Time
 - Last Modified By User
 - Last Modified Date and Time

Eau Claire County DHS Data Requests

- All **Disbursements** detail from 2017 – *present* for all payments, including, but not limited to, the following fields:
 - Payee/Vendor ID
 - Payee/Vendor Name
 - Payment Type
 - Payment Number
 - Payment Date
 - Amount Paid
 - Discount Taken
 - User ID
 - Invoice Date
 - Invoice Number
 - Invoice Amount
 - Process Date and Time
 - Posting Date and Time
 - Description
 - Account Number
 - Account Description
 - Void Flag
 - Bank Routing and Account Number(s)
 - Created By User
 - Created Date and Time
 - Last Modified By User
 - Last Modified Date and Time
- All **Purchasing Card** detail from 2017 – *present*, including, but not limited to, the following fields:
 - Employee ID
 - Employee Name
 - Card Account Number
 - Card Managing Account Number
 - Card Managing Account Name(s)
 - Transaction Date
 - Posting Date
 - Cycle Close Date
 - Transaction Amount
 - Purchase ID
 - Merchant Category Code (MCC) Number
 - Merchant Category Code (MCC) Description
 - MCC Group Code Number
 - MCC Group Code Name
 - Merchant Name
 - Merchant Address
 - Merchant Taxpayer ID Number (TIN)
 - Merchant Order Number
 - Accounting Code
 - Disputed Status

Eau Claire County DHS Data Requests

- All **Receivables** detail from 2017 – *present* for all receivables, including, but not limited to, the following fields:
 - Customer ID
 - Customer Name
 - Transaction Date
 - Transaction Amount
 - Invoice Number
 - Credit Memo Number
 - System Date Stamp
 - System Time Stamp
 - Account Number
 - Account Description
 - Entered By User
 - Entered Date and Time
 - Last Modified By User
 - Last Modified Date and Time
- Current **Employee Master File**, including *both active and inactive* employees, including, but not limited to, the following fields:
 - Employee Status
 - Employee ID
 - Employee Name
 - Employee Address(es)
 - Employee Telephone Number(s)
 - Employee SSN
 - Job Title
 - Job Classification
 - Work Location
 - Termination Date
 - Bank Routing and Account Number(s)
 - Created By User
 - Created Date and Time
 - Last Modified By User
 - Last Modified Date and Time
- All **Budgeting** detail from 2017 – *present*, including, but not limited to, the following fields:
 - Cost Center
 - Budget Code
 - Budget Category
 - Budget Description
 - Budget Amount
 - Budget Fiscal Year
 - Entered By User
 - Entered Date and Time
 - Last Adjusted By User
 - Last Adjusted Date and Time

Inventory of Financial Management System Data Files

Report	Date Received				
	2017	2018	2019	2020	2021
Chart of Accounts	03/22/22	03/22/22	03/22/22	03/22/22	03/22/22
Batch Master List	03/22/22	03/22/22	03/22/22	03/22/22	03/22/22
General Ledger Detail					
AP Detail Check Register	05/02/22	05/02/22	04/04/22	05/02/22	05/02/22
Expenditure Detail	05/02/22	05/02/22	04/04/22	05/02/22	05/02/22
Cash Receipt Detail	05/02/22	05/02/22	04/04/22	05/02/22	05/02/22
Revenue Detail	05/02/22	05/02/22	04/04/22	05/02/22	05/02/22
Employee Address			04/04/22		05/02/22
Employee Direct Deposit			04/04/22		05/02/22
Employee Listing			04/04/22		05/02/22
Employee Seniority Report			04/04/22		05/02/22
Vendor Master List	03/22/22				
Customer Master List	04/04/22				
Users and Roles List	04/04/22				
Invoice Receipt History	N/A	N/A	04/04/22	N/A	N/A