

STATE OF WISCONSIN
Plaintiff,
-vs-

DA Case No.: 2016RO000137
Assigned DA: David J. O'Leary
Agency Case No.: JV1537112
0-102-562-816

JESSICA L. WARNER REED
3131 SATINWOOD DRIVE
JANESVILLE, WI 53546
DOB: 01/18/1982
SEX/RACE: F/W
EYE COLOR: BLUE
HAIR COLOR: BLONDE
HEIGHT: 5 FT 10 IN
WEIGHT: 160 LBS

Court Case No.: 2016CF 145
ATN: 54021601120034

Defendant.

CRIMINAL COMPLAINT

JACKI GACKSTATTER
CLERK OF CIRCUIT COURT
2016 JAN 28 AM 10:55
ROCK COUNTY WI
FILED

Detective Chris Buescher, of the Janesville Police Department, being first duly sworn, states that:

Count 1: MISCONDUCT IN PUBLIC OFFICE

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, in the employee's capacity as such employee, did make an entry in an account or record book or return, certificate, report or statement which in a material respect the employee intentionally falsifies, contrary to sec. 946.12(4), 939.50(3)(i) Wis. Stats., a Class I Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than three (3) years and six (6) months, or both.

Count 2: THEFT - BUSINESS SETTING OVER \$10,000

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, by virtue of her employment, having possession of money having a value greater than \$10,000, of another did retain possession of such money without the owner's consent, contrary to the defendant's authority, and with intent to convert the property to her own use, contrary to sec. 943.20(1)(b)&(3)(c), 939.50(3)(g) Wis. Stats., a Class G Felony, and upon conviction may be fined not more than Twenty-Five Thousand Dollars (\$25,000), or imprisoned not more than ten (10) years, or both.

Count 3: FORGERY

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, with intent to defraud, did falsely make check number 64495 from the Craig Senior High School Activities Account so that it purported to have been made by authority of one who did not give such authority, in the amount of \$1,214.94, contrary to sec. 943.38(1)(a), 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 4: FORGERY

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, with intent to defraud, did falsely make check number 64378 from the Craig Senior High School Activities Account so that it purported to have been made by authority of one who did not give such authority, in the amount of \$1,425.96, contrary to sec. 943.38(1)(a), 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 5: FORGERY

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, with intent to defraud, did falsely make check number 63995 from the Craig Senior High School Activities Account so that it purported to have been made by authority of one who did not give such authority, in the amount of \$2,493.00, contrary to sec. 943.38(1)(a), 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 6: FORGERY

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, with intent to defraud, did falsely make check number 64002 from the Craig Senior High School Activities Account so that it purported to have been made by authority of one who did not give such authority, in the amount of \$3,042.24, contrary to sec. 943.38(1)(a), 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 7: FORGERY

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, with intent to defraud, did falsely make check number 63985 from the Craig Senior High School Activities Account so that it purported to have been made by authority of one who did not give such authority, in the amount of \$904.56, contrary to sec. 943.38(1)(a), 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 8: FORGERY

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, with intent to defraud, did falsely make check number 63980 from the Craig Senior High School Activities Account so that it purported to have been made by authority of one who did not give such authority, in the amount of \$415.84, contrary to sec. 943.38(1)(a), 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 9: FORGERY

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, with intent to defraud, did falsely make check number 63991 from the Craig Senior High School Activities Account so that it purported to have been made by authority of one who did not give such authority, in the amount of \$1,608.54, contrary to sec. 943.38(1)(a), 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 10: FORGERY

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, with intent to defraud, did falsely make check number 63987 from the Craig Senior High School Activities Account so that it purported to have been made by authority of one who did not give such authority, in the amount of \$1,214.68, contrary to sec. 943.38(1)(a), 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 11: FORGERY

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, with intent to defraud, did falsely make check number 64011 from the Craig Senior High School Activities Account so that it purported to have been made by authority of one who did not give such authority, in the amount of \$206.94, contrary to sec. 943.38(1)(a), 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 12: FORGERY

The above-named defendant between 08/01/06 and 07/20/15, in the City of Janesville, Rock County, Wisconsin, with intent to defraud, did falsely make check number 64908 from the Craig Senior High School Activities Account so that it purported to have been made by authority of one who did not give such authority, in the amount of \$1,957.48, contrary to sec. 943.38(1)(a), 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count ¹³~~14~~: FALSE INCOME TAX RETURN

LWB
The above-named defendant between 01/01/2014 and 12/31/14, in the City of Janesville, Rock County, Wisconsin, did render a false or fraudulent income tax return with intent to defeat or evade any assessment required, or to obtain a refund or credit with fraudulent intent, contrary to sec. 71.83(2)(b)1, 939.50(3)(h) Wis. Stats., a Class H Felony, and upon conviction may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

PROBABLE CAUSE:

Detective Chris Buescher of the Janesville Police Department states that in July of 2015 he met with representatives from the Janesville School District who provided him with bank records for the Craig High School Activities Fund going back to the 2007-08 school year. Buescher reports that there were approximately 140 sub-accounts/clubs included in the Activity Fund. Janesville School District CFO Keith Pennington advised that the defendant, Jessica Warner-Reed, was the banker for Craig High School and that her job entailed accepting money from advisors for various clubs, teams, groups and activities that occur at Craig High School. The defendant was responsible for paying invoices and depositing money into the bank/credit union where the Activities Account was held. The defendant was supposed to update the financial information using the school's accounting software so each group's account had an accurate monthly balance. The defendant was to provide monthly reconciliation statements to the groups' advisors and to the School District so they too were aware of the accounts' balances. The defendant took over the banker responsibilities in July of 2006. Detective Buescher was advised that recently the School District became aware of complaints from various advisors that account balances did not match what they thought should be in the account and vendors were also contacting advisors about unpaid invoices.

Detective Buescher was advised that an internal audit was conducted by the Janesville School District and it was determined that the defendant kept records of the money she received from various groups in spiral notebooks. Detective Buescher reviewed the spiral notebooks and determined that there were missing time periods from May 2010 to May 28, 2012 and that they were also missing from July 2006 through July 6, 2009. The audit also showed that the defendant was the last person to count the money received and the sole person responsible for deposits into the Activity Account. The audit showed that at the time the defendant took over the banking responsibilities in July 2006 that the balance in the Activities Account was \$205,389.79 and that at the time she was put on leave on July 13, 2015, the balance in the Activities Account was \$4,280.35. Jamie Legried from the School District provided Detective Buescher with a spreadsheet that showed that the School District had spent \$220,055.43 to get the clubs back to the balances that they should have had and to pay off unpaid invoices due as of July 2015.

Detective Buescher reports that Matt Knutson, Financial Analyst for the School District, was able to access the defendant's work computer and determined that the defendant created reports with higher balances on it and these were the reports that she would give to the advisors/teachers. Knutson stated that the April 2015 General Ledger on the defendant's computer showed that the Activity Account balance was \$99,617.31; however, the April 2015 General Ledger report that she sent to the School District showed the Activity Account balance as \$7,093.27. Detective Buescher reports that it became apparent that the defendant was creating two sets of accounting records, one for the teachers/advisors and one for the School District.

Detective Buescher subpoenaed and reviewed the banking records for both the Activities Account and the defendant's personal banking records. A review of these records showed that there were a series of 10 checks drawn on the Craig Activities Account and that the 10 checks were made out to either the defendant or her husband. All 10 checks were endorsed and deposited into the defendant's personal bank account. The 10 checks totaled \$14,484.18. When Detective Buescher compared the endorsement signature on

each check to the signature of the defendant's husband, Detective Buescher noted that the signatures did not match. Detective Buescher itemized the 10 checks as follows:

Check #64908 was dated June 5, 2015 and payable to the defendant's husband for \$1,957.48 and the memo section said "clothing". The check was stamped with Alison Bjoin's signature and was deposited into the defendant's personal checking account on June 29, 2015. The endorsement was forged in the name of the defendant's husband.

Check #64495 was dated February 2, 2015 and payable to the defendant's husband for \$1,214.94 and the memo section said "equipment". The check was stamped with Alison Bjoin's signature and was deposited into the defendant's personal checking account on February 23, 2015. The endorsement was forged in the name of the defendant's husband.

Check #64378 was dated January 2, 2015 and payable to the defendant's husband for \$1,425.96 and the memo section said "clothing reimbursement". The check was stamped with Alison Bjoin's signature and was deposited into the defendant's personal checking account on January 21, 2015. The endorsement was forged in the name of the defendant's husband.

Check #63995 was dated June 17, 2014 and was payable to the defendant's husband for \$2,493.00 and the memo section said "football clothing MMPR". The check was stamped with Alison Bjoin's signature and was deposited into the defendant's personal checking account on August 7, 2014. The endorsement was forged in the name of the defendant's husband.

Check #64002 was dated August 10, 2014 and was payable to the defendant's husband for \$3,042.24 and the memo section said "payment-musical". The check was stamped with Alison Bjoin's signature and was deposited into the defendant's personal checking account on August 15, 2014. The endorsement was forged in the name of the defendant's husband.

Check #63985 was dated July 14, 2014 and was payable to the defendant's husband for \$904.56 and the memo section said "clothing purchased". The check was stamped with Alison Bjoin's signature and was deposited into the defendant's personal checking account on July 21, 2014. The endorsement was forged in the name of the defendant's husband.

Check #63980 was dated July 7, 2014 and made payable to the defendant or her husband for \$415.84 and the memo section said "reimbursement-clothing". The check was stamped with Alison Bjoin's signature and was deposited into the defendant's personal checking account on July 7, 2014. The endorsement is in the defendant's name.

Check #63991 was dated June 21, 2014 and was payable to the defendant's husband for \$1,608.54 and the memo section said "reimbursement club". The check was stamped with Alison Bjoin's signature and was deposited into the

defendant's personal checking account on July 30, 2014. The endorsement was forged in the name of the defendant's husband.

Check #63987 was dated July 2, 2014 and was payable to the defendant's husband for \$1,214.68 and the memo section said "clothing/supplies". The check was stamped with Alison Bjoin's signature and was deposited into the defendant's personal checking account on July 14, 2014. The endorsement was forged in the name of the defendant's husband.

Check #64011 was dated June 30, 2014 and was payable to the defendant for \$206.94 and the memo section said "postage". The check was stamped with Alison Bjoin's signature and was deposited into the defendant's personal checking account on August 20, 2014. The check was endorsed by the defendant.

Detective Buescher interviewed Alison Bjoin who in June 2009 became the principal at Craig High School, located in the City of Janesville, Rock County, Wisconsin. Bjoin stated that several advisors began to complain that vendors were not being paid and that the activity account balances did not match with the reconciliation reports that they were being given by the defendant. Detective Buescher asked Bjoin how her signature stamp was used and Bjoin stated that she always signs outgoing checks and that the stamp was used only when she was unavailable and it was urgent. Bjoin stated that the Activities Fund checks would not fall into that category. Bjoin stated that the defendant did not have permission to write any of the 10 checks written to the defendant and/or her husband nor did the defendant have Bjoin's permission to use Bjoin's signature stamp on the 10 checks. Bjoin further stated that the defendant did not have permission to convert to her own use any of the monies contained in the Activities Account.

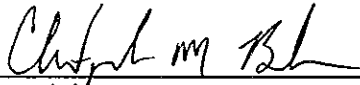
In reviewing the banking records for both the Activities Account and the defendant's personal checking account, Detective Buescher found that the balance in the Activities Account began to decrease in 2006 and correspondingly the deposits into the defendant's personal accounts began to increase. Detective Buescher discovered numerous cash deposits in the defendant's personal accounts that were not from legitimate payroll or other explained sources. Detective Buescher reports that he was only able to get deposit records for the defendant's accounts going back to 2009 and that based upon those records he was able to determine that from January 1, 2009 to June 30, 2015, \$303,876.96 in cash was deposited into the personal account of the defendant.

Special Agent Signe Melton of the State of Wisconsin Department of Revenue reports that she reviewed the banking records and investigative reports from Detective Buescher as well as the Department of Revenue records which showed that the defendant filed Wisconsin tax returns for the years 2009 through 2014 jointly with her husband. Melton reports that all returns were filed electronically and were prepared by the same tax practitioner. Melton reports that a PIN (personal identification number) must be entered for each person as their electronic signature. Melton reports that she reviewed the defendant's banking records for 2009 through 2015 and broke down the deposits made into the account based upon the source of income. Melton reports this analysis showed that the defendant embezzled a minimum of \$289,584 in cash and \$14,484 in checks from the Craig High School Activities Account. Melton reports that the defendant made a number of repayments to the Activities Account in the amount of \$21,179. Melton reports

that the tax returns filed by the defendant did not include any of the money stolen from the Activities Fund for the tax years 2009 through 2014 and that by not reporting the income the defendant evaded a total Wisconsin income tax of \$16,407 for those years.


Detective Buescher interviewed the defendant and when asked why this happened the defendant replied "greed." The defendant stated that she believes she had stolen around \$100,000.00 and believed she first took cash that was intended for the Activity Fund in 2007. The defendant said she took \$10.00 and was nervous however no one seemed to notice. After that the defendant continued to take cash that was intended for the Activity Fund and put much of the stolen money in her bank account. The defendant said she was glad it was over and felt guilty since she first started taking money. Detective Buescher showed the defendant copies of the 10 forged checks from the Activity Account and she confirmed that she wrote the checks, used Principal Alison Bjoin's signature stamp without consent, endorsed the checks with either her name or her husband's name without his knowledge and deposited the checks into her personal account for her personal use. The defendant said she had no idea why she wrote the checks and referred to that decision as "stupid." The defendant paid back approximately \$21,000.00 in 2009 and 2013 when she had extra money. The defendant said she handled the family finances and that her husband had no knowledge of the thefts. The defendant also admitted that she never reported the stolen money on her Wisconsin tax returns. To cover up the thefts, the defendant said she would change the numbers in the EPES reports, which are the school's accounting reports. The defendant would create a false report with higher numbers and provide those statements to the teachers/advisors and then create a separate report with the actual numbers that she would send to the School District Administrators. The defendant said that when bills would come due she would transfer money from another account to cover the bill but that eventually there was not enough money to transfer anymore as the 2015 school year ended. The defendant said she had no plan on what to do next.

Based on the foregoing, the complainant believes this complaint to be true and correct.


Complainant


Subscribed and sworn to before me
this 20~~th~~ day of January, 2016.


District Attorney David J. O'Leary

Approved for filing  District Attorney
David J. O'Leary

I find probable cause (exists) (does not exist) that the crime was committed by the defendant and order that he/she be (held to answer hereto)(released forthwith).

Dated this 25 day of JAN, 2016


Judge/Court Commissioner