

**STATE OF WISCONSIN                      CIRCUIT COURT                      WAUKESHA COUNTY**

STATE OF WISCONSIN

Plaintiff,

vs.

Diana M Taylor  
5807 N 92nd St  
Milwaukee, WI 53225  
DOB: 05/14/1977  
Sex/Race: F/B  
Eye Color: Green  
Hair Color: Brown  
Height: 5 ft 8 in  
Weight: 180 lbs  
Alias:

Defendant.

DA Case No.: 2018WK000498  
Assigned DA/ADA: Mary C. Brejcha  
Agency Case No.: H17008701  
Court Case No.:  
ATN: 6811170619

**CRIMINAL COMPLAINT**

The undersigned, of the Hartland Police Department being first duly sworn on oath, upon information and belief, states that:

**Count 1: THEFT - MOVABLE PROPERTY ( > \$10,000)**

The above-named defendant between June of 2015 and October of 2017, in the Village of Hartland, Waukesha County, Wisconsin, did intentionally take and carry away movable property of Hartland Lakeside School District, located at 800 E. Northshore Drive, in the Village of Hartland, Waukesha County, Wisconsin, having a value greater than \$10,000, without consent, and with intent to permanently deprive the owner of possession of the property, contrary to sec. 943.20(1)(a) and (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 2: FRAUD/RENDERING INCOME TAX RETURN OR OBTAIN REFUND WITH FRAUDULENT INTENT**

The above-named defendant for the tax year of 2016, did render a false or fraudulent income tax return with intent to defeat or evade any assessment required by this chapter, or to obtain a refund or credit with fraudulent intent by failing to report income stolen from 800 E. Northshore Drive, in the Village of Hartland, Waukesha County, Wisconsin, 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.

**Count 3: FRAUD/RENDERING INCOME TAX RETURN OR OBTAIN REFUND WITH FRAUDULENT INTENT**

The above-named defendant for the tax year 2017, did render a false or fraudulent income tax return with intent to defeat or evade any assessment required by this chapter, or to obtain a refund or credit with fraudulent intent by failing to report income stolen from 800 E. Northshore Drive, in the Village of Hartland, Waukesha County, Wisconsin, 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:**

And prays that the defendant be dealt with according to law; that the basis for complainant's charge of such offense is: based upon the review of the investigative reports of Detective Hoffa and Officer Jorgensen, of the Village of Hartland Police Department, and Special Agent Michael Austin, of the State of Wisconsin Department of Revenue, all of whom your complainant believes to be competent and reliable.

Said reports indicate that on November 9, 2017, Officer Jorgensen met with an individual identified as Glenn Schilling, who is the Superintendent of the Hartland-Lakeside School District at which the district office is located at 800 E. Northshore Drive, in the Village of Hartland, Waukesha County, Wisconsin. Schilling stated he wanted to report numerous thefts by the district's business manager whom he identified as Diana M. Taylor, d.o.b. 05/14/1977, hereinafter referred to as the defendant. Schilling advised that the district's internal checks and balances had revealed some suspicious purchases that the defendant had made using the district's vendor accounts such as Amazon and Sam's Club. Schilling stated that the suspicious purchases were first discovered on November 2, 2017, and Schilling was in the process of having its auditors look back one and a half years into the purchases that the defendant had made with school district funds. At the time Schilling made this report to Officer Jorgensen he stated that the auditors told him it appears that the defendant had made approximately \$11,000.00 worth of personal purchases using the district's Amazon account and approximately \$20,000.00 of personal purchases using other accounts of the district such as Sam's Club. Schilling stated that the illegal purchases were apparently made while the defendant was also buying legitimate items for the school district. Schilling stated that the Amazon orders that the defendant made online were delivered to her at the district office.

Said reports further indicate that Detective Hoffa conducted an investigation in this matter and on November 14, 2017, met with Schilling, Assistant Superintendent Nancy Nickolay, and District Coordinator Michele Davis. Schilling advised that two auditors from Baker Tilly had come to the school over the span of several days in order to conduct an audit. Schilling stated that the auditors worked with Davis, Schilling, and Nickolay to determine if purchases made by the defendant were legitimate or not. When in doubt about a purchase, Schilling stated they always gave the defendant the benefit of the doubt. Schilling stated that the defendant has worked at the school since October 10, 2011 as the school's part time business manager. Schilling stated that the defendant's annual salary was approximately \$80,000.00 with an addition of two bonuses each year, one in June and the other in December. Schilling stated that the defendant was given between \$6,000.00 and \$10,000.00 a year in bonuses. Schilling stated that the school had the auditors go through all of the purchases made by the defendant

on the school's credit card or other accounts going back to June of 2015. Schilling stated that the school felt that June of 2015 was when there was a noticeable amount of personal purchases made by the defendant. Schilling stated that a few years ago the defendant brought up the idea of using a P-card for school purchases. Schilling stated that the P-card is a Chase Bank Master Card credit card that is tax exempt and given to administrators of the school district to make authorized purchases. Schilling told Detective Hoffa that the defendant is the one who suggested this and then authored the policy on the P-cards. Schilling provided Detective Hoffa a copy of the policy of the P-cards which indicated in part that "The P-card is to be used for Hartland-Lakeside School District business purchases only. The purchase of personal items is prohibited and in violation of work policy." Schilling stated that every month the defendant would go over all of the expenditure receipts and that she worked with an individual named Christine Oestreich, who is the accounts payable employee for the school district. Schilling stated that the defendant was always a stickler when it came to processing receipts and expenses that employees had made. Schilling stated that he believed there were checks and balances in place where this type of theft could not occur. Schilling stated that he assumed that Oestreich checked over the purchases that the defendant was making. Schilling stated that Oestreich did question a few of the defendant's purchases in the past, however the defendant would justify them, giving some reason why the school district would need such items. Schilling stated that during the course of the investigation he also learned that the defendant has purchased several iPads over the years. Schilling stated that while he and his staff went over the list they recognized many items on the list as things the defendant had given as gifts to the staff for various reasons over the last few years. Schilling stated that when the defendant gave gifts to the staff they assumed it was of her own personal money and not the school districts. Schilling and Nickolay stated that the defendant never had permission to go out and purchase gifts or personal items with the school district's money. Schilling also stated that as it pertained to the Amazon purchases that the defendant made over the last few years that Taylor did not have permission to use the school funds for her purchases. Schilling stated that the defendant asked at one point if she could have her personal packages from Amazon shipped to the school because she lived in a neighborhood in which thefts were common and he told her he could have her own personal items shipped to the school, but he never gave her permission to use school funds to purchase these items.

Detective Hoffa was provided a spreadsheet that was drafted by the auditors and broke down charges which were not appropriate for the defendant to purchase and charges that were appropriate for the school district. The final amount that the school district determined that had been taken by the defendant through these fraudulent purchases was \$33,144.08. Examples of items that were purchased using the P-card or at Sam's Club that were made for the defendant's personal purchases are food, clothing, Beats by Dr. Dre headphones, PS4 game, iPad, Beats Solo headphones, a Sakar phone, a jacket, a solar orb light, various denominations of gift cards, gardening supplies, alcohol, candy, cleaning supplies, Edible Arrangement bouquet, an iPad, Sonic toothbrush. Examples of purchases made on the Amazon account that were not authorized are backpacks, rugs, movies, Weather Tech custom floor mats, an Amazon Echo, fragrances, a Mac Book Pro, Halloween decorations, candy, video games, a bike helmet, iPod Nano, women's shoes, costumes, computer accessories, gardening supplies, curtains, a slow cooker, a dehumidifier, and Ugg men's boots.

Schilling told Detective Hoffa that recently Oestreich had again become suspicious of purchases the defendant was making. Oestreich then began going into the Amazon account

to see exactly what items were being purchased by the defendant and not just looking at the total monthly purchases. Oestreich then, after seeing the actual orders, met with Schilling in regard to this matter. Schilling stated that he met with the defendant on November 6, 2017, and advised her she was being placed on administrative leave under the fraud policy. Schilling stated that the defendant became hysterical upon reading the letter and she made a comment that she knows she owes the district money but she didn't understand why this was happening. Schilling stated that the audit uncovered that the unauthorized purchases began in June of 2015 and that the defendant began escalating her purchases as time went on. Schilling stated that the defendant made more and more purchases in 2016 and 2017. Detective Hoffa then met with Oestreich who stated she has worked for the district since August of 2010. Oestreich stated that about a year ago she started questioning the defendant's purchases, such as car mats that the defendant bought for her car. The defendant told her that due to all of the cooking she does for the district and the amount of food and other items she purchases for the district, that Schilling had given her permission to buy car mats for her car in case things spilled. Oestreich stated she believed the defendant when she said this and had no reason to question it. Oestreich stated there were two times in which the defendant purchased alcohol with the school credit card which is a violation. Oestreich stated that the defendant did give her a check one time when the alcohol was purchased. Oestreich stated that the defendant would also make passing comments about purchases she had made and stated "Don't worry, I gave Denise Wallace a check for that". Oestreich stated that the defendant told her around October of 2017 that she was going to buy Ugg boots for her husband on Amazon and would give Oestreich a check for them. Oestreich stated she went into the Amazon account and noticed the Ugg boot purchase along with many other items that she found suspicious. Oestreich stated that the defendant never gave a check to the school district for the Ugg boots. Oestreich stated she was terrified to come forward to say something because the defendant was her boss and they were friends. Oestreich stated she also learned that the Sam's Club account was in the defendant's personal name and address but it was linked to the schools tax exempt card. Oestreich stated that the bills always went to the defendant's home. Oestreich stated that when a bill was sent to the defendant, the defendant would turn in her receipts to Oestreich and Oestreich would pay Sam's Club directly.

Detective Hoffa also spoke with Denise Wallace who is the accountant for the school district. Denise stated that the defendant never once told her that she needed to pay her back with a check for personal items she had purchased. Denise stated that no one has ever stated that to her. Detective Hoffa asked Denise if the defendant had ever asked her to take money out of her paychecks for any reason, to which Denise stated no.

Upon Detective Hoffa speaking with Nickolay and Wallace in regard to other possible fraudulent purchases the defendant made, they both indicated that the defendant had made purchases through Town Bank for Visa gift cards. Denise stated that the first of these transactions was June 20, 2017, in which the defendant purchased thirteen gift cards for a total of \$4,002.00. This purchase was for very specific amounts on the cards which did align with district employees traveling to San Antonio for a conference. The specific amounts reflected the per diem that each employee would get while attending the conference. This was deemed to be a legitimate purchase. However, Wallace then learned that the defendant had purchased \$500.00 in gift cards at Target which the school stated would be an unauthorized purchase because she had already gotten all of the gift cards she needed for that conference. Wallace stated that the next purchase that the defendant made at Town Bank was on July 18, 2017,

and this was a purchase of \$3,000.00 in gift cards with the invoice labeled "summer school". Detective Hoffa was later advised that an entirely different batch of gift cards had already been purchased for the summer school program and the correct amounts needed for each summer school class was based on how many children were going to attend. The twelve gift cards that the defendant purchased on July 18, 2017, at Town Bank were all from even amounts ranging from \$50.00 to \$500.00. There was a third purchase of gift cards from Town Bank that appeared to be legitimate.

Further, Detective Hoffa took a statement from another employee identified as Patricia Merlin. Patricia stated that during the course of the defendant being placed on administrative leave she had received several phone calls from her. Merlin stated that on November 4, 2017, the defendant called her to discuss what was occurring at the school in regard to her being placed on administrative suspension. During that conversation, Merlin stated that the defendant mentioned that maybe it had something to do with the gift cards. Merlin stated to the defendant "What gift cards?". The defendant then stated to Merlin "The gift cards I give the teachers. I buy them back and use them. Remember Patty? I told you that". Merlin stated at that point she got mad and told the defendant she never told her about using the gift cards. Merlin stated that the defendant then said she should have told Glen Schilling that she wanted to do that and she hadn't told him.

Detective Hoffa conducted an interview with the defendant on November 27, 2017. Detective Hoffa asked the defendant about her Amazon purchases using the school's account. The defendant stated that she would use the school district's Amazon account to make personal purchases and then would keep a list of what she spent and add it to her list to get deducted from her payroll. Diana stated that Oestreich kept receipts of all of the purchases she made from Amazon and then Patricia Merlin would do payroll deductions for all of Diana's personal purchases. Detective Hoffa asked the defendant why she would use the school district's account and money to make personal purchases when she could have used her own Amazon account, to which the defendant stated she didn't know why she did it. Detective Hoffa asked the defendant how many times she purchased her own personal items on Amazon with the school district's money and she stated six times in the last two years. The defendant stated she had ordered some Ugg boots for her husband and some DVD's. Detective Hoffa also asked the defendant about her using the P-card or the Chase Master Card for the school district for personal purchases. The defendant stated she could not think of any personal purchases she had made on the P-card. Detective Hoffa asked the defendant about purchasing dozens and dozens of DVD's with the school funds as Schilling had advised Detective Hoffa that the school does not purchase DVD's as they stream everything online. The defendant stated she did have dozens of DVD's at home but that she had turned in payroll deductions to Patty Merlin for these DVD's. While speaking with the defendant, the defendant did admit to making some personal purchases with the P-card as she admitted she had purchased some shoes from Target and some other items. The defendant later admitted to making purchases at Sam's Club with the school district's money for bed sheets, sweaters, collard greens, and jackets for herself. The defendant then tried to state that she had all personal purchases that she had made taken out of her payroll twice a year. Further, while going over the audit list that Detective Hoffa had obtained from the school district, the defendant did admit to purchasing many gift cards for herself and garden supplies for herself. She further admitted to purchasing other items such as cat fish, shirts for her staff, shrimp, Velveeta, chicken wings, jackets, and gift cards for herself.

After meeting with the above named defendant, Detective Hoffa again met with school district officials. Specifically, Detective Hoffa met with Patty Merlin to see if the defendant had taken any deductions out of her bonuses or pay checks. Merlin was able to determine that the defendant had a total of \$1,500.00 taken out of her bonuses during the year 2016, one for \$500.00 and one for \$1,000.00. There was no documentation of what was purchased by the defendant to show what these deductions were for. Detective Hoffa asked Merlin if the defendant had ever given her a list of purchases she had made and what needed to be deducted from her bonus. Merlin stated the defendant never did that. Merlin and Detective Hoffa then went through all of the paperwork in the defendant's file to double check to see if there were any itemized lists on the back of any forms, letters or payroll deductions as the defendant had indicated there would be. There was nothing to indicate a list of deductions that should be taken from her payroll.

Detective Hoffa interviewed the defendant again on December 6, 2017. In that statement, Detective Hoffa talked with the defendant about the gift cards that were in question. The defendant admitted that one of the gift cards got put in her safe. The defendant stated she also spent a gift card and others that had balances on them for her own personal shopping. The defendant stated she was not sure if she had spent all \$1,400.00 of the gift cards. The defendant stated that at no time did anyone from the school tell her to stop spending money and that Glen Schilling had signed off on all of her purchases. The defendant stated she was sorry for what she had done and she had broken school policy. The defendant wanted to make things right and pay her bills. The defendant stated she had brought many things that she had previously purchased back to the police department to turn over today. The defendant stated some of the items included the backpacks, crock pot, and blood pressure cuff. The defendant stated she started making personal purchases on her P-card in 2015 and that some of the purchases were for school but some of them were for her. The defendant also admitted that she used the P-card as a tax exemption for her personal purchases and admitted she should have paid taxes on the items she bought for herself. The defendant went on to state that Glen Schilling did not know about her buying food for herself but he knew about all of the other purchases. The defendant stated she used the school account and instead should have used her own but she got lazy and she wasn't trying to steal. The defendant did bring back numerous items to the police department, including a crock pot, dehumidifier, electric toothbrushes, blood pressure cuff, Beats headphones, and numerous DVD's.

Michael Austin of the Department of Revenue was also contacted in regard to this incident. Through his investigation, Agent Austin determined that for the tax year of 2016, the defendant reported to the Wisconsin Department of Revenue that she and her husband's Wisconsin taxable income was \$152,647.00. Once Agent Austin was able to review the reports of Detective Hoffa, the Baker and Tilly forensic accountant report, and the Wisconsin Department of Revenue internal reports, Agent Austin discovered there was an extra \$18,482.00 in embezzled income from the purchases the defendant made but did not pay for that she did not report on her 2016 income tax returns. Further, Agent Austin also discovered that in the 2017 tax year, the defendant reported that she and her husband's Wisconsin taxable income was \$114,009.00. However, when Agent Austin reviewed the reports of Detective Hoffa, the Baker and Tilly forensic accounting report, and the Wisconsin Department of Revenue internal reports he determined that there was an additional \$11,389.00 in embezzled income from the

fraudulent purchases that the defendant made that she did not report to the Wisconsin Department of Revenue.

Agent Austin was present for the interview that occurred on December 6, 2017, at the Village of Hartland Police Department with the above named defendant. Agent Austin asked the defendant about the unauthorized personal credit card charges in which she should have paid taxes on those items but she did not. Agent Austin was present when the defendant went through the list of items that were unauthorized and she stated she did not realize it was close to \$31,000.00 that she had allegedly made unauthorized charges on.

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

MCB/tmt  
EXT=CODE 3

Subscribed and sworn to before me on  
01/24/19

Electronically Signed By:

Andrea M. Will

Assistant District Attorney

State Bar #: 1064389

Electronically Signed By:

Detective Paula Hoffa

Complainant