

**FILED**  
**04-28-2020**  
**Clerk of Circuit Court**  
**Kewaunee County, WI**  
**2020CF000026**

**STATE OF WISCONSIN                      CIRCUIT COURT                      KEWAUNEE COUNTY**

STATE OF WISCONSIN  Plaintiff,  vs.  KAREN S SCHWIND 1101 Plum Court Kewaunee, WI 54216 DOB: 12/03/1968 Sex/Race: F/U Eye Color: Hair Color: Height: ; Weight: ; Alias:  Defendant.	DA Case No.: 2020KW000229 Assigned DA/ADA: Andrew P. Naze Agency Case No.:  Court Case No.: ATN:  <div style="text-align: center;"><b>CRIMINAL COMPLAINT</b></div>
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*For Official Use*

The undersigned, being first duly sworn, states that:

**Count 1: FRAUD/RENDERING INCOME TAX RETURN OR OBTAIN REFUND WITH FRAUDULENT INTENT**

The above-named defendant on or about Tuesday, April 9, 2019, in the City of Kewaunee, Kewaunee County, Wisconsin, 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, 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 2: FRAUD/RENDERING INCOME TAX RETURN OR OBTAIN REFUND WITH FRAUDULENT INTENT**

The above-named defendant on or about Monday, February 10, 2020, in the City of Kewaunee, Kewaunee County, Wisconsin, 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, 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:**

The basis of this complaint is the reports of Lisa Kennedy, a Special Agent with the Office of Criminal Investigation, Wisconsin Department of Revenue.

I, Special Agent Kennedy, investigated Karen S. Schwind for filing false and fraudulent income tax returns for the 2018 and 2019 years contrary to sec. 71.83(2)(b)1, Wis. Stats.

DOR records reveal Schwind filed a head of household, married Wisconsin income tax return for the 2018 year and a single Wisconsin income tax return for 2019. Schwind listed an address of 73 W 12<sup>th</sup> Street, Fond du Lac, WI for both years.

Schwind was hired in April 2017 as the safety and invoicing clerk for Stellar & Son, LLC and MTM Transport LLC. At the end of 2017, Schwind took over the bookkeeping duties.

On February 3, 2020, Schwind was charged with 71 counts of theft and fraudulent writings. Schwind listed her address as 1101 Plum Court, Kewaunee, WI.

Schwind electronically filed a head of household, married income tax return on Wisconsin Form 1 for 2018. The return was received by DOR on April 9, 2019. The return reported Wisconsin income of \$39,505. The return reported that Schwind had wages of \$39,505 from MTM Transport LLC. The return reported net tax of \$1,569. The return reported that Wisconsin withholding was \$1,989. The return resulted in a refund to Schwind in the amount of \$425.

Schwind electronically filed a single income tax return on Wisconsin Form 1 for 2019. The return was received by DOR on February 10, 2020. The return reported Wisconsin income of \$26,546. The return reported that Schwind had wages of \$18,758 from MTM Transport LLC, \$4,270 from American Business Resource Corp and \$3,518 from Sartori Company. The return reported net tax of \$685. The return reported that Wisconsin withholding was \$1,269. The return resulted in a refund to Schwind in the amount of \$584.

I reviewed narrative reports, payroll records, Fromm Accounting reports, and copies of checks that were obtained by the Kiel Police Chief Funkhouser as part of his investigation of Schwind for embezzling money from the Stellar & Son LLC and MTM Transport LLC. My review of the records found that Schwind had altered QuickBooks entries to make it appear a legitimate vendor had been paid when the check had been made payable to Schwind.

Below are the unauthorized checks written by Schwind:

2018

<u>Date</u>	<u>Check#</u>	<u>QuickBooks Payee</u>	<u>Actual Payee</u>	<u>Amount</u>
5/18/18	12299	NATSC	Karen Schwind	\$ 479.84
5/22/18	12322	WI Community Ad Network	Karen Schwind	\$ 463.02
5/25/18	12336	Maintenance Plus Fleet	Karen Schwind	\$ 487.12
5/31/18	12350	Xtra Lease	Karen Schwind	\$ 1,036.00
6/5/18	12356	Xtra Lease	Karen Schwind	\$ 1,036.00
6/11/18	12365	Thermo King of SE WI	Karen Schwind	\$ 565.25

<u>Date</u>	<u>Check#</u>	<u>QuickBooks Payee</u>	<u>Actual Payee</u>	<u>Amount</u>
6/15/18	12390	Quality Truck Care Center	Karen Schwind	\$ 365.28
6/18/18	12395	Xtra Lease	Karen Schwind	\$ 1,036.00
6/18/18	12396	Xtra Lease	Karen Schwind	\$ 2,022.00
6/25/18	12407	McCoy National	Karen Schwind	\$ 1,275.33
6/27/18	12409	Karen Schwind	Karen Schwind	\$ 31.37
6/27/18	12413	Quality Truck Care Center	Karen Schwind	\$ 154.63
7/9/18	12428	Translease	Karen Schwind	\$ 1,523.65
7/11/18	12434	USPS	Karen Schwind	\$ 50.00
7/18/18	12438	Pat's Tire Sales & Service	Karen Schwind	\$ 565.00
7/20/18	12443	Transportation Refrig.	Karen Schwind	\$ 565.25
7/27/18	12468	Translease	Karen Schwind	\$ 1,351.26
7/30/18	12470	Decleene Truck Refrig.	Karen Schwind	\$ 786.12
8/20/18	12523	Pat's Tire Sales & Service	Karen Schwind	\$ 954.36
8/22/18	12524	Weber Oil Company, Inc.	Karen Schwind	\$ 845.19
8/27/18	12527	NATSC	Karen Schwind	\$ 863.00
9/4/18	12554	Transportation Refrig.	Karen Schwind	\$ 946.12

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9/20/18	12570	Translease	Karen Schwind	\$ 1,248.72
9/25/18	12575	Xtra Lease	Karen Schwind	\$ 1,291.00
10/1/19	12587	not in QB register	Karen Schwind	\$ 1,232.19
10/11/18	12615	North Central Utility	Karen Schwind	\$ 1,000.00
10/15/18	12631	North Central Utility	Karen Schwind	\$ 987.21
10/19/18	12635	Quality Truck Care Center	Karen Schwind	\$ 613.52
10/23/18	12637	North Central Utility	Karen Schwind	\$ 1,015.00
10/31/18	12645	Verizon	Karen Schwind	\$ 414.06
11/2/18	12653	Truck Country of WI	Karen Schwind	\$ 1,304.56
11/14/18	12659	Truck Country of WI	Karen Schwind	\$ 1,431.16
11/16/18	12665	Truck Country of WI	Karen Schwind	\$ 960.54
11/20/18	12667	Truck Country of WI	Karen Schwind	\$ 1,175.58
11/27/18	12674	Imperial Supplies	Karen Schwind	\$ 784.26
12/6/18	12701	Translease	Karen Schwind	\$ 945.35
12/10/18	12706	Truck Country of WI	Karen Schwind	\$ 1,346.50
12/13/18	12710	Truck Country of WI	Karen Schwind	\$ 954.80
12/17/18	12720	Thermo King of SE WI	Karen Schwind	\$ 2,109.16
12/20/18	12725	Valley Truck Leasing Inc.	Karen Schwind	\$ 526.84
12/27/18	12755	WI Community Ad Network	Karen Schwind	\$ 889.23
<b>Total 2018</b>				<b>\$37,631.47</b>

2019

Date	Check#	QuickBooks Payee	Actual Payee	Amount
1/3/19	12766	North Central Utility	Karen Schwind	\$ 585.23
1/10/19	12770	Auto Owners Insurance	Karen Schwind	\$ 1,353.00
1/16/19	12790	Translease	Karen Schwind	\$ 850.39
1/16/19	12791	NATSC	Karen Schwind	\$ 485.00
1/24/19	12794	Daimler	Karen Schwind	\$ 2,478.05
1/31/19	12804	Ryan's Tire	Karen Schwind	\$ 1,472.00
2/18/19	12828	Blue Beacon International	Karen Schwind	\$ 460.43
2/19/19	12830	Hometown Community	Karen Schwind	\$ 496.00
Date	Check#	QuickBooks Payee	Actual Payee	Amount
3/4/19	12838	Translease	Karen Schwind	\$ 850.39
3/13/19	12843	Xtra Lease	Karen Schwind	\$ 662.92
3/19/19	12866	Karen Schwind	Karen Schwind	\$ 49.67
3/26/19	12887	Xtra Lease	Karen Schwind	\$ 1,528.44
3/27/19	12889	Karen Schwind	Karen Schwind	\$ 276.35
4/1/19	12898	Hometown Community	Karen Schwind	\$ 496.00
4/2/19	12899	NATSC	Karen Schwind	\$ 485.00
4/9/19	12921	Truck County of WI	Karen Schwind	\$ 1,664.08
4/19/19	12933	Truck Country of WI	Karen Schwind	\$ 653.41
4/19/19	12939	Fleet One	Karen Schwind	\$ 3,161.86
4/23/19	12942	Truck Country of WI	Karen Schwind	\$ 707.23
5/1/19	12958	Truck Country of WI	Karen Schwind	\$ 653.08
5/2/19	12959	Karen Schwind	Karen Schwind	\$ 47.25
5/13/19	12974	NATSC	Karen Schwind	\$ 418.96
5/15/19	12977	Karen Schwind	Karen Schwind	\$ 94.52
5/20/19	12984	Truck Country of WI	Karen Schwind	\$ 1,088.99
5/21/19	12988	Transportation Refrigeration	Karen Schwind	\$ 1,108.40
5/29/19	12992	Karen Schwind	Karen Schwind	\$ 1,231.86
5/31/19	13007	NATSC	Karen Schwind	\$ 496.00
6/3/19	13009	Truck Country of WI	Karen Schwind	\$ 660.16
<b>Total 2019</b>				<b>\$24,514.67</b>

Below is the computation of state income taxes evaded or refunds received she was not entitled to by Schwind for the 2018 and 2019 years from the unreported income:

	<u>2018</u>	<u>2019</u>
WI income previously reported	\$39,505	\$26,546
Embezzled income	\$37,631	\$24,515
<b>Subtotal</b>	<b>\$77,136</b>	<b>\$51,061</b>
Less: standard deduction	\$ 3,140	\$ 6,589
Less: deduction for exemptions	\$ 1,400	\$ 700
Taxable income	\$72,596	\$43,772
Tax	\$ 4,240	\$ 2,315
Less: WI income tax withheld	\$ 1,989	\$ 1,269
<b>TAXES EVADED</b>	<b>\$ 2,251</b>	<b>\$ 1,046</b>
Refund received	\$ 425	\$ 584
<b>Total due to DOR</b>	<b>\$ 2,676</b>	<b>\$ 1,630</b>

On October 11, 2019, Kiel Police Chief Dave Funkhouser interviewed Marlin Stellar Sr. at the City of Kiel Police Department.

Marlin Sr. stated that Schwind was hired in April of 2017 as the safety and invoicing clerk for their business. Schwind was known to Marlin Sr. due to his contacts with her family who reportedly also own a trucking business and there were no issues with the hire.

At the time Schwind was hired all bookkeeping duties for the business were done by Marlin Sr. girlfriend (Tammy) who wanted to retire. Schwind spoke of her experience and was pushing for a "new" system that she had for use and was familiar with (QuickBooks).

Marlin Sr. told Chief Funkhouser that they discussed it internally and decided Schwind could take over bookkeeping duties at the end of 2017.

Marlin Sr. stated that their goal was to convert all bookkeeping to QuickBooks by end of 2018 and that was done. He further stated that Schwind was given authority to print checks, but she was specifically told she could not sign the checks and that Schwind was directed to have checks signed by either Marlin Sr. or his son, Marlin Jr.

In May of 2019, Marlin Sr. said that the business started to "fall behind on bills" and he told Chief Funkhouser that he thought it was just business being slow and a cycle they were in. Marlin Sr. said he discovered \$2,000 missing from his Edward Jones investment account and he confronted Schwind about it who said she had transferred funds from that account to pay off other debt owed by the business. Schwind reportedly was able to show where the money went and it was legitimate, so he simply scolded her about it and told her not to do it again.

Marlin Sr. stated that on June 15, 2019, he received information that his American Express payment was past due. This confused him as he reportedly keeps the credit card in the office safe for use only in emergencies. Marlin Sr. said he discovered that Schwind had used the card to pay off bills of the business. Marlin Sr. stated that he scolded Schwind again and told Schwind not to use the card unless he approved it.

On June 16, 2019, Marlin Sr. was contacted by Truck Country of WI who stated that his company had not made any payments and his account was past due. Marlin Sr. said it was confirmed that per his business records, checks had been made out to Truck County of WI and he said he went

back and forth on this with the business who repeatedly told him that despite his records showing checks were issued, no payments had been received by Truck Country of WI.

Marlin Sr. stated that he went to his bank and obtained a copy of the most recent check that his business records showed was paid to Truck Country of WI. It was at that time that he discovered from a copy of the cleared check that the check had been made payable to Schwind and not Truck Country of WI as indicated in the business records. Marlin Sr. said that he confronted Schwind who said it was for "vacation pay" she felt the company owed her.

On June 24 and 25, 2019, Marlin Sr. discovered his property and vehicle insurance had also not been paid and his employee worker's compensation had not been paid either. The company records showed that the payments had been made, but he realized that Schwind had been altering the books to give the impression that payments had been made when she had been making checks out to herself instead.

Marlin Sr. said he terminated Schwind from employment (via text) and Schwind reportedly sent text messages apologizing and promising to pay him back for any money she took from the company.

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

Subscribed and sworn to before me on 04/27/20

Electronically Signed By:

Andrew P. Naze

District Attorney

State Bar #: 1037575

Electronically Signed By:

Mark Jandrin

Complainant