

STATE OF WISCONSIN	CIRCUIT COURT	BAYFIELD COUNTY
STATE OF WISCONSIN	Plaintiff,	DA Case No.: 2019BY000608 Assigned DA/ADA: Kimberly A. Lawton Agency Case No.: 2019-197 Court Case No.: 2020 CF ATN:
vs.		
SCOTT A WILLIAMS 68805 Cty. Hwy. A Iron River, WI 54847 DOB: 08/16/1961 Sex/Race: / Alias:	Defendant.	CRIMINAL COMPLAINT
		<i>For Official Use</i>

The undersigned, of the Bayfield County Sheriff's Office, being first duly sworn, states that:

Count 1: THEFT - BUSINESS SETTING OVER \$100,000

The above-named defendant on or about between Tuesday, September 2, 2014 and Monday, March 11, 2019, in the Town of Iron River, Bayfield County, Wisconsin, by virtue of his employment, having possession of negotiable instruments having a value greater than \$100,000, of another did use such negotiable instruments without the owner's consent, contrary to the defendant's authority, and with intent to convert the property to his own use, contrary to sec. 943.20(1)(b) and (3)(cm), 939.50(3)(f) Wis. Stats., a Class F Felony, and upon conviction may be fined not more than Twenty Five Thousand Dollars (\$25,000), or imprisoned not more than twelve (12) years and six (6) months, or both.

Count 2: FRAUD/RENDERING INCOME TAX RETURN OR OBTAIN REFUND WITH FRAUDULENT INTENT

The above-named defendant on or about Wednesday, April 19, 2017, in the Town of Iron River, Bayfield 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 3: FRAUD/RENDERING INCOME TAX RETURN OR OBTAIN REFUND WITH FRAUDULENT INTENT

The above-named defendant on or about Tuesday, January 23, 2018, in the Town of Iron River, Bayfield 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 4: FRAUD/RENDERING INCOME TAX RETURN OR OBTAIN REFUND WITH FRAUDULENT INTENT

The above-named defendant on or about Monday, January 28, 2019, in the Town of Iron River, Bayfield 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 5: FRAUDULENT CLAIM/INCOME TAX CREDIT

The above-named defendant on or about Wednesday, April 19, 2017, in the Town of Iron River, Bayfield County, Wisconsin, did file a claim for credit under s. 71.07, 71.28, 71.47 or subch. VIII or IX that is false or excessive and was filed with fraudulent intent, contrary to sec. 71.83(2)(b)4, 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: FRAUDULENT CLAIM/INCOME TAX CREDIT

The above-named defendant on or about Tuesday, January 23, 2018, in the Town of Iron River, Bayfield County, Wisconsin, did file a claim for credit under s. 71.07, 71.28 or 71.47 or subch. VIII or IX that is false or excessive and filed with fraudulent intent, contrary to sec. 71.83(2)(b)4, 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: FRAUDULENT CLAIM/INCOME TAX CREDIT

The above-named defendant on or about Monday, January 28, 2019, in the Town of Iron River, Bayfield County, Wisconsin, did file a claim for credit under s. 71.07, 71.28 or 71.47 or subch. VIII or IX that is false or excessive and filed with fraudulent intent, contrary to sec. 71.83(2)(b)4, 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 complainant is a law enforcement officer for the Bayfield County Sheriff's Office. The complainant has read the written reports of, and has spoken with fellow law enforcement officers employed by the Bayfield County Sheriff's Office or other law enforcement agencies, and the complainant believes the statements and information to be truthful and reliable. Specifically, the complainant has read the reports of or spoken with Bayfield County Sheriff's Office Investigator Brent Bratley and State of Wisconsin Department of Revenue Special Agent Nicholas Weidman. To the extent that information was obtained from citizen witnesses, the complainant also believes that the information provided was truthful and reliable.

1. On June 3, 2019, Witness 1 met with Bayfield County Sheriff's Office Investigator Brent Bratley ("Bratley") in Bratley's office. Witness 1 said he is the Chairman of the Board for the Tri-County Corridor Commission. The Tri-County Corridor

Commission consists of two Board members each from Ashland, Bayfield, and Douglas Counties in Wisconsin. Witness 1 explained that Scott Williams ("Williams") is the Director of the Tri-County Corridor Commission.

2. Witness 1 explained the Tri-County Corridor Commission had been getting complaints from people on Williams' job performance. Witness 1 expressed these concerns to a Board member who suggested that Witness 1 check the bank balance in the Tri-County Corridor Commission's checking account at Security State Bank located in the Town of Iron River, Bayfield County, Wisconsin. Witness 1 said he called Security State Bank and the teller told him that the account balance as of June 3, 2019 was just over \$7,000. Witness 1 told Bratley that he had been Chairman of the Board since 2014 and had never seen the account below \$90,000. Witness 1 said that at the Tri-County Corridor Commission's March 4, 2019 meeting, Williams told the Board that there was \$143,396.63 in the checking account at Security State Bank. Witness 1 suspected a theft of funds from the Tri-County Corridor Commission's account by Williams.
3. Witness 1 stated that Williams became Director of the Tri-County Corridor Commission in June 2014. Witness 1 said Williams is paid \$500 per month for the position he holds as the Tri-County Corridor Commission's Director. Williams is also paid \$200 per month to store the Tri-County Corridor Commission's computer and records at William's home. Witness 1 stated the only person who is allowed to write checks out of the Tri-County Corridor Commission's checking account is Williams. Witness 1 said that only Williams has access to the QuickBooks program to write Tri-County Corridor Commission checks. Witness 1 said that the computer and any receipts that Williams has belongs to the Tri-County Corridor Commission.
4. Witness 1 said that the Tri-County Corridor Commission is funded by Ashland, Bayfield, and Douglas Counties and Wisconsin Department of Natural Resources grants (and FEMA money within the past couple of years due to storm damage). Witness 1 said that Williams is the person who brings the Treasurer's Report to the Board meetings at the Iron River Community Center to inform the Board of the bank account balance. Witness 1 provided Bratley a copy of the minutes from the Tri-County Corridor Commission's March 4, 2019 meeting. In the meeting minutes was a printout of the Tri-County Corridor Commission's check register from December 3, 2018 through March 4, 2019. According to the March 4, 2019 financial report that Williams gave to the Board, the balance of the account on February 22, 2019 is listed as \$143,396.63.
5. Witness 1 said that Witness 2, who is an employee of Olson Brothers Contracting, told Witness 1 that he was contacted by Williams to provide gravel for the Tri-County Corridor. However, Witness 2 told Witness 1 that Williams had the gravel delivered to Williams' personal driveway and that Witness 2 was paid for the gravel driveway by a Tri-County Corridor Commission check.
6. On June 4, 2019, Bratley met with Security State Bank employee, Witness 3. Witness 3 provided Bratley with copies of Tri-County Corridor Commission check numbers 5310, 5311, & 5315 (those check numbers were missing from the March 4, 2019 meeting minutes check register). Check numbers 5310 & 5311 were made out to Scott Williams dated December 20, 2018. Check number 5310 was in the amount of \$200 and in the memo, it says Jan 2019

office rent. Check number 5311 was in the amount of \$500 and in the memo, it says Jan 2019 salary. In looking at the meeting minutes check register it states that check number 5313 was paid to Williams for \$500 and in the memo section says Jan 2019 salary. Check number 5314 was paid to Williams for \$200 and in the memo section says Jan 2019 office. It appears that Williams was paid twice for his salary and office rent for January 2019. Check number 5315 is dated January 14, 2019 and paid to Scott Williams in the amount of \$2,450.25 and in the memo section it says office rent. Bratley spoke to Witness 1 by telephone who stated that check number 5315 should not have been written to Williams because it was not approved by the Board and it appears that Williams had paid himself twice for January 2019 salary and rent.

7. Witness 3 provided Bratley with the Tri-County Corridor Commission's February 2019 bank statement. As of February 25, 2019 the ending balance on the account was \$6,802.61.
8. Witness 3 stated that Williams had been a signature on the Tri-County Corridor Commission checking account since August 18, 2014. Witness 3 said on October 16, 2014 the mailing address for the Tri-County Corridor Commission's bank statements was changed to Williams' residence. Witness 3 said there was no debit card or credit card connected to the account.
9. On June 5, 2019, Bratley and Bayfield County Sheriff's Office Investigator Ed McKillip went to Williams' residence located in the Town of Iron River, Bayfield County, Wisconsin. Williams agreed to a voluntary interview. Williams confirmed he was the Director of the Tri-County Corridor Commission and had held the position for over five years. Williams said his job duties were to oversee any grant money and to maintain the Tri-County Corridor. Williams also confirmed that he was paid \$500 per month salary for being the Tri-County Corridor Commission Director and paid \$200 per month for office rent. Williams said he also was paid for trail work for the Tri-County Corridor at \$11 per hour.
10. During the voluntary interview, Williams confirmed that the funds for the Tri County Corridor Commission are kept at Security State Bank in Iron River and all documents and books for the Tri-County Corridor Commission are kept at Williams' house in Iron River.
11. During the voluntary interview, Williams confirmed the Tri-County Corridor Commission's sources of income are grants from the Wisconsin Department of Natural Resources and annual commitments from Ashland, Bayfield, and Douglas Counties. Williams said that any Tri-County Corridor Commission grant money is mailed directly to Williams. He then fills out a deposit slip and brings it to Security State Bank for the Tri-County Corridor Commission account. Williams said there is nothing that is direct deposited. Williams confirmed that the Tri-County Corridor Commission bank statements go to his house.
12. During the voluntary interview, Williams was asked how he pays for Tri-County Corridor Commission expenses. Williams said that he either writes a Tri-County Corridor Commission check for it or uses his personal debit card and

then gets reimbursed. Williams said that any Tri-County Corridor Commission bills are directly mailed to his home, where he writes out a check to pay them.

13. During the voluntary interview, Williams said the checks for the Tri-County Corridor Commission are mailed to his home address which is the address he uses for the Tri-County Corridor Commission office. Williams said he fills the checks out on the computer and prints them. After the checks are printed, he signs them. Williams said the checks only require his signature and not two signatures. Williams said all the checks are done on the computer unless he had to go to a store like Best Buy. If he had to go to a store like Best Buy, he would take a Tri-County Corridor Commission check with him and fill it out there. Williams confirmed that he is the only person authorized to write checks out for the Tri-County Corridor Commission.
14. During the voluntary interview, Williams confirmed that he uses QuickBooks for accounting for the Tri-County Corridor Commission. Williams said the QuickBooks program is kept on the Tri-County Corridor Commission's computer at his house. Williams said that no one else has access to QuickBooks except himself.
15. During the voluntary interview, Williams admitted to the thefts from the Tri-County Corridor Commission's checking account. When asked how much money was missing from the account, Williams said probably \$60,000 to \$70,000. When asked later in the interview, if it was possible that more than \$100,000 was missing, Williams said "yeah", and that the earlier estimate was a guess off the top of his head. When asked how he would take the money, Williams said a lot of times he would write a check to himself. Williams repeatedly admitted to the thefts and repeatedly stated that he was the only one involved in the thefts.
16. Bratley noticed there was a PayPal account connected to the Tri-County Corridor Commission's checking account. During the voluntary interview, Williams admitted to using the PayPal account which is linked to the Tri-County Corridor Commission checking account for personal purchases in addition to Tri-County Corridor Commission purchases.
17. During the voluntary interview, Williams confirmed that he submits the Treasurer's Report to the Board at the Tri-County Corridor Commission meetings. When asked if he fabricated the March 4, 2019 report to show the Board that there was more money in the account than there actually was, Williams said "obviously". On the falsified report, Williams listed the Tri-County Corridor Commission's account balance as \$143,396.63 on February 22, 2019. The actual Tri-County Corridor Commission account balance on that date was \$7,905.61.
18. On July 19, 2019, Bratley obtained, via subpoena, Williams' personal checking account bank records from Chippewa Valley Bank. Bratley also obtained a copy of the records of Ehlers & Pierce, CPA which completed an audit of the Tri-County Corridor Commission account on August 5, 2019.

19. Bratley's review of the Tri-County Corridor Commission's audit and Williams' personal checking account bank records showed that Williams wrote approximately twenty-three checks from the Tri-County Corridor Commission's checking account and deposited them into Williams' personal checking account. The dates of these checks were from January 8, 2016 to February 22, 2019. The check amounts ranged from \$200 to \$22,902.84. The approximate total of these twenty-three checks was \$97,320.93.
20. Bratley's review of the Tri-County Corridor Commission's audit and Williams' personal checking account bank records showed three Tri-County Corridor Commission checks that were personally cashed by Williams at Security State Bank. Witness 3 said Williams was able to cash checks at Security State Bank, even though it was not his personal bank, because he was on the Tri-County Corridor Commission's checking account. On one of these checks Williams altered the payee's name in QuickBooks. The dates of these checks were from August 23, 2015 to May 21, 2018. The check amounts ranged from \$3,400 to \$4,500. The total of these three checks that were cashed by Williams was \$11,400.
21. Bratley's review of the Tri-County Corridor Commission's audit and Williams' personal checking account bank records showed approximately twenty-two Tri-County Corridor Commission checks that cleared the bank for different amounts than Williams had entered into QuickBooks. These checks were deposited into Williams' personal checking account. The dates of these checks were from November 30, 2016 to February 22, 2019. The check amounts ranged from \$200 to \$6,792.12. The approximate total of these twenty-two checks was \$45,211.48.
22. Bratley's review of the Tri-County Corridor Commission's audit and Williams' personal checking account bank records showed Tri-County Corridor Commission check number 5195 was written for a different amount than what was entered into QuickBooks and mailed to the Bayfield County Child Support Office. The check was written on November 15, 2017 in the amount of \$4,987.92 payable to WI SCTF with a pin number in the memo line and signed by Scott Williams. The envelope it was mailed in has Williams' home address and the pin in the memo line belongs to Scott Williams. During a subsequent voluntary interview on November 13, 2019, Williams admitted he wrote the check and that it was for child support for his daughter.
23. Bratley's review of the Tri-County Corridor Commission's audit and Williams' personal checking account bank records showed approximately nine Tri-County Corridor Commission checks had altered payee names in QuickBooks from what cleared the bank and were deposited into Williams' personal checking account. The dates of these checks were from September 24, 2017 to December 20, 2018. The check amounts ranged from \$750 to \$5,618.20. The approximate total of these nine checks was \$24,109.36.

24. On August 20, 2019, Bratley received copies of any check that was written for over \$500 out of Williams' personal checking account. There were six checks that were written from the Tri-County Corridor Commission checking account (dated from June 6, 2016 to October 15, 2018 and ranging in amount from \$3,400 to \$15,952.63) and deposited into Williams' personal account and then days later a large purchase was made by Williams out of his personal checking account. It appears that Williams purchased a number of motorcycles and two trucks with money from the Tri-County Corridor Commission. It appears when Williams wanted to purchase a vehicle he wrote a check from the Tri-County Corridor Commission and deposited it into his personal checking account and then wrote a check from his personal account for the vehicle.
25. Bratley's review of Tri-County Corridor Commissions checks found that Williams also wrote out checks from the Tri-County Corridor Commission account to businesses for what appears to be personal items for Williams.
26. Tri-County Corridor Commission checks which appear to have been written out for Williams' personal items include four checks written out to BestBuy. The four BestBuy checks were dated from July 24, 2015 to December 31, 2017 and totaled approximately \$4,973.93. Items bought include two laptops, iPad, computer accessories and washer and dryer. During the November 13, 2019 voluntary interview, Williams admitted to the BestBuy purchases and that they were for himself personally.
27. Tri-County Corridor Commission checks which appear to have been written out for Williams' personal items include two checks written out to AT&T. The two AT&T checks were dated January 28, 2015 and February 4, 2015 and totaled approximately \$2,465.62. During the November 13, 2019 voluntary interview, Williams admitted that he would sometimes use Tri-County Corridor Commission money to pay his personal cell phone bill.
28. Tri-County Corridor Commission checks which appear to have been written out for Williams' personal items include two checks written out to L&M Supply. The two L&M Supply checks were dated October 11, 2016 and July 27, 2017 and totaled approximately \$6,855.14. The October 11, 2016 purchase was a trailer. The July 27, 2017 purchase was a zero turn riding lawn mower. During the November 13, 2019 voluntary interview, Williams said the trailer was to haul Tri-County Corridor Commission equipment but he did not know where the trailer was located and it might be at his house. Williams admitted he was not authorized to buy the trailer and that he used the trailer for his personal use too.
29. Tri-County Corridor Commission checks which appear to have been written out for Williams' personal items include two checks written out to Tractor Supply. The two Tractor Supply checks were dated September 11, 2016 and September 23, 2016 and totaled approximately \$1,434.63. The purchases included a 30 gallon air compressor, fuel transfer pump, and 100 gallon steel

tank. During the November 13, 2019 voluntary interview, Williams said he did not know where the air compressor was located. Williams said the items were for work on the Tri-County Corridor but admitted that he did not get approval from the Board and should have gotten approval.

30. The total approximate amount of Williams' thefts from the Tri-County Corridor Commission's checking account is estimated to be between approximately \$183,000 and \$203,000. Bratley's review of the audit, Williams' personal checking account deposits, Williams' cashed checks and the child support check totaled approximately \$183,029.69. Witness 1's estimate based on his personal investigation is approximately \$196,000. Ehlers & Pierce's audit of the Tri-County Corridor Commission account showing checks that were either never entered into QuickBooks or entered into QuickBooks for a different amount than cleared the bank or entered into QuickBooks with a different name than cleared the bank totaled approximately \$203,440.66. These Tri-County Corridor Commission checks were either deposited into Williams' personal checking account or cashed by Williams or used by Williams to purchase personal items. According to the audit, the dates of these transactions are approximately between September 2, 2014 and March 11, 2019.
31. State of Wisconsin Department of Revenue Special Agent Nicholas Weidman ("Weidman") reviewed the financial documents including the audit and Williams' tax returns in his investigation of this case.
32. Weidman's report indicates that Williams changed the payee name on eleven different checks totaling \$30,018.53 in the Tri-County Corridor Commission's QuickBooks program. The payee on these checks were entered into QuickBooks with a different name than cleared the bank. The majority of these checks were originally written out to "Olson Bros. Contractors" in QuickBooks but were later changed to "Scott Williams" when cleared the bank. The audit trail shows that Williams often altered transactions the same day the original entry was made. The dates of these checks are between July 24, 2015 and December 20, 2018. Williams was the only user of the Tri-County Corridor Commission's QuickBooks program during this time and the computer that contained that QuickBooks program was kept at Williams' house.
33. Weidman's report indicates that Williams also changed in QuickBooks the amounts of the checks he had written to himself on twenty-three checks. The actual amount of these checks is \$50,199.40. The total amount of these checks in QuickBooks was \$7,597.28. The audit trail shows that Williams often altered transactions the same day the original entry was made. The dates of these checks are between November 30, 2016 and February 22, 2019. Williams was the only user of the Tri-County Corridor Commission's QuickBooks program during this time and the computer that contained that QuickBooks program was kept at Williams' house.
34. Weidman's report indicates that Williams deleted several entries in the Tri-County Corridor Commission's QuickBooks. Williams deleted twenty-two checks from the QuickBooks register from February 1, 2016 to March 4, 2019. These checks were

deposited into Williams' personal checking account. These checks total \$102,920.93. Williams was the only user of the Tri-County Corridor Commission's QuickBooks program during this time and the computer that contained that QuickBooks program was kept at Williams' house.

35. On April 19, 2017, the Wisconsin Department of Revenue received Williams' individual WI Form 1A tax return for the year 2016. The 2016 tax return did not include any of Williams' income from the Tri-County Corridor Commission. Williams reported taxable income of \$21,919 for 2016. According to Weidman's report, Williams' unreported income from Tri-County Corridor Commission for 2016 was \$67,584. The unreported income from the Tri-County Corridor Commission represents Williams' salary, office space rent, and wages for trail work in addition to his embezzled income. According to Weidman's report, Williams evaded \$4,707 in taxes in 2016 by not reporting his Tri-County Corridor Commission income.
36. Williams also claimed the Homestead Credit on his 2016 Wisconsin individual tax return. The Homestead Credit is a tax benefit for renters or homeowners with low or moderate incomes. It is designed to lessen the impact of rent and property taxes. Williams reported his income as \$21,919, making him appear eligible to claim the credit. Williams claimed the Homestead Credit in the amount of \$196 for 2016. According to Weidman's report, Williams' actual income for 2016 was \$89,503, which makes him ineligible for this credit.
37. On January 23, 2018, the Wisconsin Department of Revenue received Williams' individual WI Form 1A tax return for year 2017. The 2017 tax return did not include any of Williams' income from the Tri-County Corridor Commission. Williams reported taxable income of \$18,384 for 2017. According to Weidman's report, Williams' unreported income from Tri-County Corridor Commission for 2017 was \$86,794. The unreported income from the Tri-County Corridor Commission represents Williams' salary, office space rent, and wages for trail work in addition to his embezzled income. According to Weidman's report, Williams evaded \$6,030 in taxes in 2017 by not reporting his Tri-County Corridor Commission income.
38. Williams also claimed the Earned Income Credit on his 2017 Wisconsin individual tax return. The Earned Income Credit is a benefit for working people with low to moderate income. Williams claimed the Earned Income Credit in the amount of \$136 for 2017. Williams reported his income as \$18,384, making him appear eligible to claim the credit. According to Weidman's report, Williams' actual income in 2017 was \$105,178 which makes him ineligible to claim this credit.
39. On January 28, 2019, the Wisconsin Department of Revenue received Williams' individual WI Form 1A tax return for year 2018. The 2018 tax return did not include any of Williams' income from the Tri-County Corridor Commission. Williams reported taxable income of \$21,616 for 2018. According to Weidman's report, Williams' unreported income from Tri-County Corridor Commission for 2018 was \$46,370. The unreported income from the Tri-County Corridor Commission represents Williams' salary, office space rent, and wages for trail work in addition to his embezzled income. According to Weidman's report, Williams evaded \$3,273 in taxes in 2018 by not reporting his Tri-County Corridor Commission income.

40. Williams also claimed the Earned Income Credit on his 2018 Wisconsin individual tax return. The Earned Income Credit is a benefit for working people with low to moderate income. Williams claimed the Earned Income Credit in the amount of \$122 for 2018. Williams reported his income as \$18,384, making him appear eligible to claim the credit. According to Weidman's report, Williams' actual income in 2018 was \$67,596 which makes him ineligible to claim this credit.

41. On November 13, 2019, Bratley and Weidman had a scheduled voluntary interview with Williams at the Iron River Police Department. Williams admitted that he did not report any income from the Tri-County Corridor Commission on his 2016, 2017 and 2018 Wisconsin individual tax returns. He indicated that he did not know that it was taxable income but he knows now. He also indicated that he did not know anything about tax credits. Williams said that he filed his tax returns himself from his home in Iron River, Bayfield County, Wisconsin.

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

Subscribed and sworn to before me on
03/27/20

Electronically Signed By:

Kimberly A. Lawton

District Attorney

State Bar #: 1078621

Electronically Signed By:

Brent Bratley

Complainant