

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

STATE OF WISCONSIN,

Plaintiff,

v.

Case No. 21-CF-

JENNIFER JOHANNA KLIKA,
553 Seminole Way
Deforest, Wisconsin 53532
DOB: Oct. 27, 1977,
SEX: White; RACE: Female
HAIR: Blonde; EYES: Blue
HEIGHT: 5'6"; WEIGHT: 130 lbs.

Defendant.

CRIMINAL COMPLAINT

The State of Wisconsin, by Christopher A. Liegel, Assistant Attorney General upon the request of the Secretary of the Wisconsin Department of Revenue pursuant to Wis. Stat. § 71.80(6), alleges that the Defendant committed the following criminal violations of the laws of the State of Wisconsin and charges her as follows:

**COUNT 1: FILING A FALSE OR FRAUDULENT INCOME TAX RETURN—
WIS. STAT. § 71.83(2)(b)1. (2016 RETURN)**

The Defendant, on or about October 16, 2017, rendered a false or fraudulent Wisconsin income tax return with the intent to evade payment of Wisconsin income taxes contrary to Wis. Stat. § 71.83(2)(b)1.

Venue for this crime is properly Dane County. Wisconsin Stat § 71.80(6m).

Upon conviction for this offense, a Class H felony, the Defendant may be fined not more than ten thousand dollars (\$10,000) or imprisoned not more than six (6) years, or both. Wis. Stat. § 939.50(3)(h). The maximum term of initial confinement in prison may not exceed three (3) years. Wis. Stat. § 973.01(2)(b)8. The term of extended supervision may not exceed three (3) years. Wis. Stat. § 973.01(2)(d)5. In addition, the Defendant may be assessed the cost of prosecution. Wis. Stat. § 71.83(2)(b)1.

**COUNT 2: FILING A FALSE OR FRAUDULENT INCOME TAX RETURN—
WIS. STAT. § 71.83(2)(b)1. (2015 RETURN)**

The Defendant, on or about April 15, 2016, rendered a false or fraudulent Wisconsin income tax return with the intent to evade payment of Wisconsin income taxes contrary to Wis. Stat. § 71.83(2)(b)1.

Venue for this crime is properly Dane County. Wisconsin Stat § 71.80(6m).

Upon conviction for this offense, a Class H felony, the Defendant may be fined not more than ten thousand dollars (\$10,000) or imprisoned not more than six (6) years, or both. Wis. Stat. § 939.50(3)(h). The maximum term of initial confinement in prison may not exceed three (3) years. Wis. Stat. § 973.01(2)(b)8. The term of extended supervision may not exceed three (3) years. Wis. Stat. § 973.01(2)(d)5. In addition, the Defendant may be assessed the cost of prosecution. Wis. Stat. § 71.83(2)(b)1.

Facts Constituting the Offense Charged

I, Paul M. Libeck, am a special agent with the Wisconsin Department of Revenue (DOR), Office of Criminal Investigation. I base this complaint upon information and belief. I have relied upon my own investigation and the work of other agents and employees of the Wisconsin Department of Revenue; documents and records both public and private, electronic and paper, including business records, bank records, and tax documents. I have also relied upon reports

generated by the Randolph Police Department and evidence obtained by the Randolph Police Department as part of their investigation. I believe the work of other employees and agents of DOR to be truthful and reliable because these are persons I have worked with on past investigations and found to be truthful and reliable. I believe the records and documents I obtained and reviewed as part of my investigation to be accurate and reliable because they were records kept in the ordinary course of business, created and filed pursuant to a legal duty, or affirmed as accurate by a citizen witness.

Upon information and belief, Complainant states the following:

I reviewed reports of Michael J. Klavekoske, the police chief for the Village of Randolph, Wisconsin. Chief Klavekoske's reports show that he spoke with Witness A. Witness A informed Chief Klavekoske that he is vice president and chief financial officer for Company A located in Lansing, Michigan. Company A owns Company B located at 110 Hopkins Drive, Randolph, Wisconsin. Witness A stated that Company B is in the business of manufacturing agricultural chemicals and its products ship worldwide. Witness A stated that the chemical products produced by Company B frequently require government permits and authorizations before they may be shipped.

Witness A stated that the Defendant worked for Company B in the role of manager of regulatory affairs from December 1, 2009, until she left the company on September 29, 2016. The Defendant worked at Company B at its primary location at 110 Hopkins Drive, Randolph, Wisconsin. Her duties included obtaining the permits and authorizations to ship Company B's products. This involved submitting a written and signed request for a check to cover these permits and authorizations. Witness A stated that the Defendant submitted regular requests for funds and supplied supporting itemization of the purpose of the requests. Witness A stated that some

international governments required that purchases of the necessary authorizations be by money order. As such, it was the practice of Company A to send the Defendant a check made payable to “Piggly Wiggly.” The Defendant would then take the check to the Piggly Wiggly grocery store at 164 Kienow Drive in Randolph, Wisconsin and purchase money orders. Witness A stated that upon the Defendant resigning her position at Company B it was discovered that the cost of obtaining the necessary permits and authorizations had dramatically decreased. This led to an internal investigation that revealed that the Defendant had created false check requests and misrepresented the amount and purpose of the funds she requested.

To investigate this claim, Chief Klavekoske obtained a substantial number of documents. Relevant to this complaint are the following: From Company B: the check request documents showing the request for funds the Defendant sent to Company A; From Company A: the check sent to the Defendant; From Piggly Wiggly, 164 Kienow Drive, Randolph, Wisconsin: receipts showing the purchase of money orders; From Western Union Company: copies of cleared money orders.

Review of these documents revealed that between July 1, 2012, and September 29, 2016, the Defendant used this scheme to transfer money from Company A to herself on at least 79 separate occasions: In 2012, three times to deprive Company A of \$7,524.68; In 2013, 18 times to deprive Company A of \$80,706.76; In 2014, 19 times to deprive Company A of \$93,792.70; In 2015, 20 times to deprive Company A of \$105,894.38, and in 2016, 19 times to deprive Company A of \$102,556.35. The total amount that the Defendant obtained from Company A through her theft scheme was at least \$390,474.87.

Representative of the Defendant's scheme are two transactions described in detail below:

Typical Transaction 1:

On or about January 28, 2015, the Defendant submitted a document captioned, "[COMPANY B] CHECK REQUEST," to Company A. The document requested a check in the amount of \$5,515.83 made payable to, "RANDOLPH PIGGLY WIGGLY Randolph WI 53956." Under the heading, "Type of Expense," was printed, "Money orders for [Company B] International Registrations DuPont International Registrations." Under the words printed on the form, "Requested By:" was the Defendant's signature over her printed name. Next to her signature was handwritten, "1/28/15" in what appears to be the same handwriting.

In response to the Defendant's request, Company A issued check number 0252471 for \$5,515.83 dated "2/3/2015," and made payable to, "RANDOLPH PIGGLY WIGGLY MO 164 KIENOW STREET RANDOLPH, WI 53956."

Records obtained from Piggly Wiggly in Randolph, Wisconsin show that on February 4, 2015, 17 money orders were purchased with a check for \$5,515.83. The money orders purchased were in the following denominations: ten for \$500.00, one for \$346.00, one for \$55.00, one for \$30.00, two for \$24.00, and two for \$10.00. Piggly Wiggly charged \$0.99 for each money order.

Records obtained from The Western Union Company revealed clearance of money orders made payable to the following payees:

<u>Money Order No.</u>	<u>Amount</u>	<u>Payee</u>
17-111143105	\$500.00	Jenny Klika
17-111143106	500.00	Welhouse Horses & Hound
17-111143107	500.00	Welhouse Horses & Hound
17-111143108	500.00	Welhouse Horses & Hound
17-111143109	500.00	Welhouse Horses & Hound
17-111143110	500.00	Welhouse Horses & Hound
17-111143111	500.00	Welhouse Horses & Hound
17-111143112	500.00	Welhouse Horses & Hound

17-111143113	500.00	Fifth Third Bank
17-111143114	500.00	Jenny Klika
17-111143115	346.00	Kohls
17-111143116	55.00*	Blank—Endorsed, “Embassy of Egypt Consular Account”
17-111143117	30.00*	WI Secretary of State
17-111143118	24.00*	US Department of State
17-111143119	24.00*	Blank—Endorsed, “Saudi Arabian Business Council”
17-111143120	10.00*	WI Secretary of State
17-111143121	<u>10.00*</u>	WI Secretary of State
	\$5,499.00	

After reviewing this transaction, Company A stated that money orders 17-111143116 (\$55.00 – Embassy of Egypt Consular Account), 17-111143117 (\$30.00 – WI Secretary of State), 17-111143118 (\$24.00 – US Department of State), 17-111143119 (\$24.00 – Saudi Arabian Business Council), 17-111143120 (\$10.00 – WI Secretary of State), and 17-111143121 (\$10.00 – WI Secretary of State) were purchased in relation to the legitimate business of Companies A and B. The other 11 money orders were not purchased in relation to the legitimate business of Companies A or B and were purchased without the consent of either company. The Defendant took from Company A \$5,356.89 (\$5,346.00 + (11 x \$0.99)).

Typical Transaction 2:

On or about May 18, 2016, the Defendant submitted a document to Company A entitled, “[COMPANY B] CHECK REQUEST.” The document requested a check for \$5,615.84 made payable to “RANDOLPH PIGGLY WIGGLY Randolph WI 53956.” Under the heading, “Type of Expense” was printed, “Money orders for International Product Registrations.” Below the printed words, “Requested by,” the document was signed and dated by the Defendant above her printed name. Next to the Defendant’s signature was handwritten, “5/18/16,” in what appears to be the same handwriting.

In response to the Defendant's request, Company A issued a check for \$5,615.84 dated May 24, 2016, and made payable to "RANDOLPH PIGGLY WIGGLY MO 164 KIENOW ST. RANDOLPH WI 53956."

Records obtained from the Piggly Wiggly in Randolph, Wisconsin show that on May 27, 2016, 16 money orders were purchased with a check for \$5,615.84. The money orders were in the following amounts: nine for \$500.00, two for \$250.00, one for \$400.00, one for \$97.00, one for \$75.00, one for \$24.00, and one for \$4.00. Piggly Wiggly charged \$0.99 per money order.

Records obtained from The Western Union Company showed clearance of money orders made payable to the following payees:

<u>Money Order No.</u>	<u>Amount</u>	<u>Payee</u>
17-404240480	\$500.00	Stoffel Equine
17-404240481	500.00	Jenny Klika
17-404240482	500.00	Jenny Klika
17-404240483	500.00	Stoffel Equine
17-404240484	500.00	Stoffel Equine
17-404240485	500.00	Stoffel Equine
17-404240486	500.00	Welhouse Horses & Hounds
17-404240487	500.00	Welhouse Horses & Hounds
17-404240488	500.00	Home Depot Credit Services
17-404240489	400.00	Jenny Klika
17-404240490	250.00	Jenny Klika
17-404240491	250.00	Jenny Klika
17-404240492	97.00	Capital One
17-404240493	75.00	Lodi Vet Service (Klika)
17-404240494	24.00*	US Dept. of State
17-404240495	<u>4.00*</u>	Office of Great Seal (Michigan Dept of State)
	\$5,600.00	

After reviewing this transaction, Company A stated that money orders 17-404240494 (\$24 – US Dept. of State) and 17-404240495 (\$4.00 – Michigan Dept. of State) were purchased in relation to the legitimate business of Companies A and B. The remaining \$5,572.00 in money orders were not purchased for Company A or Company B's business and were purchased by the

Defendant without either company's consent. The Defendant took from Company A \$5,585.86 (\$5,572 + (14 x \$0.99)).

The Defendant perpetrated fraudulent transactions using this scheme on 77 other occasions. All involved the same process:

Step 1: Prepare and submit a falsified request for funds from Company B to Company A. These documents included requests for unneeded permits at costs well in excess of the cost for permits. All fraudulent requests for funds bore the Defendant's name and signature.

Step 2: Company A issues a corporate check made payable to the Piggly Wiggly grocery store in Randolph, Wisconsin.

Step 3: Using the corporate check she received from Company A the Defendant purchased Western Union money orders in various denominations from the Piggly Wiggly grocery store in Randolph, Wisconsin.

Step 4: The Defendant uses the money orders to pay for the legitimate business expenses for Company B or converts the money orders to her own personal use.

Using this scheme, the Defendant purchased 1,019 money orders for her own personal use with money fraudulently obtained from Company A. Piggly Wiggly charged \$0.99 for each of these money orders. Company A stated that it did not give the Defendant consent to purchase money orders for her personal use with its funds. Including the cost of purchasing the money orders, the Defendant's theft from Neogen amounts to \$390,474.87.

In reviewing the documents from the investigation of the Defendant's theft scheme, the Defendant embezzled \$105,605 in 2015 and \$102,294 in 2016. The \$0.99 cost of each stolen money order has not been included in this calculation because that cost would not be considered taxable income.

2016 Wisconsin Income Tax Return

On October 16, 2017, the Defendant electronically filed with the Wisconsin Department of Revenue a 2016 Wisconsin Form 1A income tax return. The Defendant reported wages which were verified by comparison to wages reported on IRS Form W-2 and retirement income reported on IRS Form 1099-R. The \$102,294 the Defendant embezzled from Company A during 2016 was not included as income in the Defendant's 2016 tax return. The failure to include this income resulted in the Defendant underpaying her Wisconsin income tax by \$6,414.

2015 Wisconsin Income Tax Return

On April 15, 2016, the Defendant electronically filed with the Wisconsin Department of Revenue a 2015 Wisconsin Form 1A income tax return. The Defendant reported wages which were verified by comparison to wages reported on IRS Form W-2. The \$105,605 the Defendant embezzled from Company A during 2015 was not included as income in the Defendant's 2015 Wisconsin income tax return. The failure to include this income resulted in the Defendant underpaying her Wisconsin income taxes by \$6,894.

Wisconsin taxpayers are required to pay taxes on all income regardless of its source. *See* Wis. Stat. § 71.03(1). This includes a duty to report and pay taxes on income received from illegal activities. *See James v. United States*, 366 U.S. 213 (1961).

I, Paul M. Libeck, state that the information contained in this complaint was included for the purpose of establishing probable cause. It is not intended to, nor does it, represent a summary of all the facts known to me, a summary of all the facts discovered during the investigation, or a summary of the facts that may be produced at trial or an evidentiary hearing. This complaint is

based upon information and belief and I believe that there is probable cause to believe that the Defendant committed the criminal offenses charged.

Dated this 3rd day of August, 2021.

Complainant:



Special Agent Paul M. Libeck
Wisconsin Department of Revenue

Subscribed and sworn to before me and approved
for filing this 3rd day of August, 2021.

Electronically signed by:

s/ Christopher A. Liegel

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