

FILED
12-01-2021
Clerk of Circuit Court
Winnebago County, WI
2021CF000691
Honorable Scott C Woldt
Branch 2

STATE OF WISCONSIN	CIRCUIT COURT	WINNEBAGO COUNTY
STATE OF WISCONSIN	DA Case No.: 2021WN005309	
Plaintiff,	Assigned DA/ADA: Eric D. Sparr	
	Agency Case No.: L-WC-08-23-2021-	
	0000148	
vs.	Court Case No.:	
STEPHANIE A ARNETT 6487 WENTZEL RD WINNECONNE, WI 54986 DOB: 11/03/1973 Sex/Race: F/W Eye Color: Hazel Hair Color: Brown Height: 5 ft 2 in Weight: 140 lbs Alias:	CRIMINAL COMPLAINT	
	Defendant.	<i>For Official Use</i>

CRIMINAL CHARGE

Count 1: THEFT - BUSINESS SETTING OVER \$10,000

The above-named defendant during or between January 2016 and August 2021, in the Village of Winneconne, Winnebago County, Wisconsin, by virtue of her employment, having possession of money having a value greater than \$10,000, of another did transfer 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.

AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT

The undersigned, being first duly sworn on oath and in that capacity has knowledge of the following:

Your affiant is informed from the reports of the Winneconne Police Department kept in the normal and ordinary course of business in which your affiant believes to be truthful and reliable and have proven so on numerous occasions in the past that on or about August, 2021, Lt. B. Sauriol of the Winneconne Police Department responded to Critters Wolf River Sports, located at 700 W. Main Street, Winneconne, Winnebago County, Wisconsin. Critters operates alongside Woodeye's Bar and Grill. Three individual business partners run the businesses as a single LLC. One of the business partners operates Woodeye's, and the other manages Critters.

STATE OF WISCONSIN - VS - STEPHANIE A ARNETT

One of the partners explained to Lt. Sauriol that they had an employee, **STEPHANIE A. ARNETT, D.O.B. 11/3/73**, who worked for the LLC as a bookkeeper, and another employee observed Arnett mobile depositing LLC checks multiple days in a row. After the suspicious activity was observed, an investigation was conducted to examine the LLC's financials. Stephanie Arnett handled payroll for the LLC, and had access to the LLC's banking accounts.

Employees of the business compared Arnett's time cards to the payroll checks issued to Arnett for the same time periods, noting that Arnett would also be the one involved in creating the checks. The investigation showed that Arnett was having the checks issued for a greater dollar amount than they should have been, based on the hours reflected on her time cards. The investigations revealed that a total of 271 of Arnett's checks were too large for the hours worked, from the time period of 2016-2021. The total overpayment from these checks was over \$26,000. The LLC provided copies of the paychecks, as well as the original time cards, to Lt. Sauriol.

A review of payroll checks showed that Arnett frequently had issued herself multiple payroll checks for the same pay period. A total of over \$16,000 was fraudulently obtained in this way by Arnett, from the LLC, from 2016 to 2021.

The LLC also found that Arnett had created checks in QuickBooks, which were payable to her, from the LLC, but when Arnett documented in company records where the payments were directed, she documented names of different vendors, rather than her own name. The LLC believed this was done so that if someone did a cursory review of the banking records, nothing would appear out of order. The fraudulent checks created by Arnett in this way totaled over \$40,000, and included 62 checks from 2016-2021.

Critters has a business account at Premier Community Bank, which was used for legitimate business purposes. Upon review of the activity in that account, the LLC found a series of direct transfers from the Critters account to accounts later determined to be associated with Arnett. Lt. Sauriol completed subpoenas for records to obtain account details for the accounts receiving the direct transfers. A review of the financial records showed that \$18,081.18 was transferred from the Critter's account to a Marcus by Goldman Sachs account, from 2/20/19 to 7/20/21. When the transfers to the Marcus by Goldman Sachs account were first discovered, the manager of Critters contacted Premier

Community Bank, and inquired as to who had set up the transfers. A Premier Community Bank representative provided the phone number for the transactions. An employee then called and found out it was from Marcus by Goldman Sachs and not an LLC account. Records obtained from Goldman Sachs reflect that Arnett was the account holder. From 6/1/17 to 10/15/20, \$21,343.56 was transferred to a Citibank account with Stephanie and William Arnett's names on it. From 3/11/21 to 6/11/21, \$1154.11 was transferred to a OneMain Financial account in Arnett's name. And from 3/29/17 to 6/1/21, approximately \$52,000 was transferred to a Chase Bank account in Arnett's name.

During the same time period as the other fraudulent transactions, the LLC found a series of checks issued to Arnett, apparently created by her, and labeled as "reimbursement." There were a total of 37 transactions in this category, totaling \$9530.93.

Portions of the accounting to determine the loss in this case were conducted by individuals connected to the LLC. An independent accountant was utilized to assist with the investigation as well.

During the early stages of the investigation, a representative of Critters had confronted Arnett about whether she had taken money from the LLC. The representative reported that Arnett seemed to acknowledge that she had accidentally inflated her paychecks, and agreed to pay back the money. The known loss at the time of that conversation was just a small fraction of the total that was later discovered.

The LLC reported that the transfers and transactions described within this affidavit, other than legitimate payroll checks up to the appropriate amount, were completed without the permission of anyone with authority at the LLC. The LLC reported that the total amount taken by Arnett without permission was over \$170,000.

All of the above incidents occurred in Winnebago County, Wisconsin.

WHEREFORE, as said affiant verily believes and prays that the said **STEPHANIE A ARNETT** might be arrested and dealt with according to law.

Subscribed and sworn to before me on 11/30/21

Electronically Signed By:

David C Rashid

Assistant District Attorney

State Bar #: 1056542

Electronically Signed By:

Inv. Steven Verwiel

Complainant