

**CRIMINAL COMPLAINT**

STATE OF WISCONSIN

DA Case No.: 2013ML005296

Plaintiff,

vs.

Complaining Witness:

Investigator Robert Stelter

Webb, Freida F.  
3700 N. 4<sup>th</sup> Street  
Milwaukee, WI 53212  
DOB: 06/11/1949

Court Case No.:

Defendant,

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THE ABOVE NAMED COMPLAINING WITNESS BEING DULY SWORN, ON INFORMATION AND BELIEF STATES THAT:

**Count 1: FORGERY (UTTERING)**

The above-named defendant on or about December 27, 2011, at 901 North 9<sup>th</sup> Street, in the City of Milwaukee, Milwaukee County, Wisconsin, did utter as genuine a forged writing whereby legal rights or obligations are created, to wit: a contract, a copy of which is attached hereto, knowing it to have been thus falsely made, contrary to sections 943.38(2) and 939.50(3)(h), Wis. Stats.

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.

**Count 2: MISCONDUCT IN PUBLIC OFFICE (ACT FORBIDDEN BY LAW)**

The above-named defendant on or about December 27, 2011, at 901 North 9<sup>th</sup> Street, in the City of Milwaukee, Milwaukee County, Wisconsin, being a public employee and while acting in her capacity as a public employee, did an act which she knew she was forbidden to do by law in her capacity as a public employee, to wit: utter a forged contract, contrary to sections 946.12(2) and 939.50(3)(i), Wis. Stats.

Upon conviction for this offense, a Class I Felony, the defendant may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than three (3) years and six (6) months, or both.

**Count 3: THEFT BY FRAUD, PTAC (VALUE EXCEEDING \$10,000)**

The above-named defendant from 2011 through 2012, at 2711 West Wells Street, in the City of Milwaukee, and other locations within Milwaukee County, Wisconsin, did, as party to a crime, obtain title to property of Milwaukee County, having a value exceeding \$10,000, by intentionally deceiving that person with a false representation known by defendant to be false, made with intent to defraud and which did defraud that person, contrary to sections 943.20(1)(d), 943.20(3)(c), 939.50(3)(g), and 971.36(3), Wis. Stats.

Upon conviction for this offense, a Class G Felony, the defendant may be fined not more than Twenty Five Thousand Dollars (\$25,000), or imprisoned not more than ten (10) years, or both.

**Count 4: PRIVATE INTEREST IN PUBLIC CONTRACT**

The above-named defendant on or about December 2011, at 2711 West Wells Street, in the City of Milwaukee, Milwaukee County, Wisconsin, did, being a public employee, and while acting in her capacity as a public employee, participate in the making of a contract in which she had a private pecuniary interest, contrary to sections 946.13(1)(b) and 939.50(3)(i), Wis. Stats.

Upon conviction for this offense, a Class I Felony, the defendant may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than three (3) years and six (6) months, or both.

1. I am an investigator and sworn law enforcement officer with the Milwaukee County District Attorney's Office. This complaint is based upon information and belief.

2. My official investigation determined that defendant Freida Webb, Director, Milwaukee County Community Business Development Partners, conspired with contractor, Homer Key, to defraud Milwaukee County out of Community Development Block Grant (CDBG) funds. In furtherance of the conspiracy, defendant Webb and Mr. Key fabricated and backdated a Milwaukee County contract awarding CDBG funds to Mr. Key. Defendant Webb knowingly approved more than \$10,000 in fraudulent billing that Mr. Key submitted under that contract. Mr. Key kicked back \$2,700 of the contract proceeds to defendant Webb.

**I. CAPACITY BUILDING PROGRAM OVERVIEW**

3. Milwaukee County receives federal CDBG funds. The CDBG office, within the Milwaukee County Department of Health and Human Services (DHHS), locally administers this federal funding.

4. Defendant Webb served as Director, Milwaukee County Community Business Development Partners (CBDP) throughout the time period alleged in this criminal complaint. Defendant Webb's formal job description identified her duties as including: "Promote business opportunities and funding for the Capacity Building Program" and "Oversee and monitor the mission and objectives of CBDP per County Budget, Ordinances, policies and procedure." In 2011, Milwaukee County paid a salary of \$80,255 to defendant Webb.

5. On behalf of Milwaukee County Community Business Development Partners, defendant Webb applied for and received annual CDBG funding for the Capacity Building Program from 2005 through 2011. The Capacity Building Program was a seminar for local disadvantaged businesses. Defendant Webb repeatedly contracted Homer Key as "outreach/capacity building advisor" to implement the Capacity Building Program.

6. Defendant Webb annually signed a standard agreement accepting CDBG funds for the Capacity Building Program. The CDBG agreements specifically required defendant Webb to expend CDBG funds through a competitive process and to return any unexpended grant funds.

7. Defendant Webb did not seek competitive price or rate quotations when disbursing CDBG funds for the Capacity Building Program. Defendant Webb hired contractor, Mr. Key on a preferred and noncompetitive basis. She knowingly approved Mr. Key's fraudulently inflated invoices.

a. Every year from 2005 through 2010 (and nominally in 2011), defendant Webb hired Mr. Key to run the Capacity Building Program. Every year, defendant Webb approved Mr. Key's contract and invoices allowing Mr. Key to obtain every penny of available CDBG funding (with the exception of \$620 in 2011) for the Capacity Building Program.

b. Mr. Key padded his billing with excessive class preparation hours. Every year from 2005 through 2011, Mr. Key billed approximately four hours of preparation time for every hour of class time. Defendant Webb approved this billing. For example, in the 2006 Capacity Building Program, Mr. Key invoiced Milwaukee County for 264 hours (\$19,800) of classroom instruction and preparation. Mr. Key spent just 55 hours in the classroom (22 class sessions of 2.5 hours each).

c. Mr. Key padded his billing with excessive administrative costs. Defendant Webb approved this billing. For example, the substance of the 2011 Capacity Building Program was ten classes and a film at a total instructional cost of \$8,225.00. Mr. Key invoiced additional "administrative", "registration", "start up", "orientation", "follow up", "graduation" and similar costs of \$18,875.00, or, seventy percent (70%) of the total contract cost.

8. The below table shows defendant Webb's payment of CDBG funds, through the Capacity Building Program, directly to Mr. Key.

<u>Year</u>	<u>CDBG (total grant)</u>	<u>Payments to Key</u>
2005	\$ 40,000	\$ 40,000
2006	\$ 40,000	\$ 40,000
2007	\$ 40,000	\$ 40,000
2008	\$ 30,000	\$ 30,000
2009	\$ 30,000	\$ 30,000
2010	\$ 30,000	\$ 30,000
2011	\$ 27,720	<u>\$ 27,100</u>
	total:	\$237,100

9. During this same time frame of 2005 through 2011, Mr. Key obtained an additional \$45,917.36 of CDBG funds via the Milwaukee Urban League. From 2005 through 2011, the Milwaukee Urban League annually received CDBG funding to help put on the Capacity Building Program seminar in collaboration with Milwaukee County Community Business Development Partners. Milwaukee Urban League hosted the Capacity Building Program seminars at its facilities and provided administrative support while Milwaukee County Community Business Development Partners arranged the instructional activities. Mr. Key simultaneously contracted with Milwaukee County Community Business Development Partners and with Milwaukee Urban League to provide services for the Capacity Building Program. Defendant Webb was aware of this double-billing.

10. On March 15, 2013, I interviewed Ralph Hollmon, President and Chief Executive Officer, Milwaukee Urban League. Mr. Hollmon stated as follows.

a. He has headed the Milwaukee Urban League since 2002.

b. Until recently, Mr. Hollmon was unaware defendant Webb had been paying a second stream of CDBG funds, via Milwaukee County Community Business Development Partners, to Mr. Key for the Capacity Building Program. He thought the Milwaukee Urban League's payments to Mr. Key included all classroom instruction costs.

c. When Milwaukee Urban League billed for the 2011 Capacity Building Program services subcontracted to Mr. Key, Milwaukee County DHHS denied the invoice as duplicative. Mr. Hollmon was surprised to learn that defendant Webb had already paid CDBG funds to Mr. Key for the same services.

11. Throughout my investigation, Mr. Hollmon and Milwaukee Urban League have been fully cooperative. I found no evidence of any wrongdoing at Milwaukee Urban League.

## II. 2011 CAPACITY BUILDING PROGRAM

12. In 2011, defendant Webb directly set up and ran the Capacity Building Program herself. Unlike prior years, she did not contract Mr. Key to serve as the program manager. After the program ended on December 13, 2011, defendant Webb encountered administrative problems paying instructor invoices because she did not have written contracts with the instructors. To circumvent this obstacle, defendant Webb and Mr. Key fabricated and backdated a contract, similar to those previously in place between Mr. Key and Milwaukee County Community Development Business Partners. The 2011 Capacity Building Program contract was a sham. Mr. Key processed the instructors' invoices as if he were a general contractor. He invoiced Milwaukee County for the instructors' services, and in turn, paid the instructors.

13. Defendant Webb funneled fraudulent payments to Mr. Key through the fabricated 2011 Capacity Building Program contract. In turn, Mr. Key kicked back \$2,700 of the contract payments to defendant Webb.

### Backdated contract

14. The 2011 Capacity Building Program classes ran from October 4 to December 13, 2011. Attendance averaged seventeen students per class. An extensive series of emails from defendant Webb's official Milwaukee County account demonstrates she, and not Mr. Key, ran the entire 2011 Capacity Building Program. Defendant Webb hired instructors, set instructor fees, scheduled classes, and organized the graduation ceremony.

15. Instructors submitted their invoices to defendant Webb and she forwarded them to Milwaukee County DHHS. Milwaukee County DHHS denied payment because defendant Webb had failed to secure written contracts with each individual instructor. In late November and early December 2011, instructors began emailing defendant Webb asking why they had not yet been paid. Defendant Webb pressed the issue with Milwaukee County DHHS.

16. On December 15, 2011, defendant Webb had a telephone conference call with the Milwaukee County DHHS staff overseeing the CDBG program, Damon Dorsey and Leonard Jackson. Defendant Webb confirmed her understanding of this conference call in the following email to Mr. Jackson on December 15, 2011.

Per our conference call today w/Damon Dorsey regarding processing payment for our 2011 Vendors per your conversation with Richard Tracy, Accounts Payable each vendor invoice must have a contract as well between them and CBDP. Thus

I will provide this hopefully all my or before the end of next week. Per my understanding these documents are all necessary to process these payments...

Defendant Webb had no written contracts with the individual class instructors.

17. Later in the day on December 15, 2011, defendant Webb emailed Mr. Key concerning the Capacity Building Program payment delays. Defendant Webb wrote: "Homer: If things become **complex** and likely to close this out and get folks paid I must do **plan "B"**" (emphasis added)(Attachment 1).

18. Things did become "complex" for defendant Webb. On December 15, 2011, defendant Webb sent the following email to Capacity Building Program instructor Roy Evans asking for a copy of his contract on a separate and unrelated newsletter project.

Do you have a copy of the contract we used for the work you performed for our Newsletter. I am not [*sic: now?*] advised that I need a contract between each vendor and or instructor who provided services for our 2011 Capacity Building Program. Please advise ASAP by faxing/ scanning a copy which will serve w/ the necessary modification to get all paid...

Defendant Webb soon abandoned this effort. She was unable to concoct after-the-fact contracts for the multiple instructors who taught at the 2011 Capacity Building Program.

19. Defendant Webb resorted to "plan B". She and Mr. Key agreed to falsely claim Mr. Key dba 5 Star Construction & Renovation Services LLC (5 Star Construction) served as the general contractor for the Capacity Building Program, and, that Mr. Key subcontracted the instructors. Defendant Webb and Mr. Key fabricated and backdated the supporting contract documents.

a. On December 20, 2011 at 11:40 a.m., defendant Webb emailed an old 2010 Capacity Building Program contract and contract proposal letter to Mr. Key. Her email reads: "Per our communication today see the attachments I will follow up w/the additional information" (Attachment 2).

b. On December 20, 2011 at 4:37 p.m., defendant Webb emailed Mr. Key as follows: "See the attached approximate amount due to be factored into the contract" (Attachment 3). The email attachment listed the classes and instructor costs for the 2011 Capacity Building Program (Attachment 4).

c. Using the old 2010 Capacity Building Program contract proposal letter as a template, Mr. Key fabricated the sham 2011 Capacity Building Program contract proposal letter. He incorporated defendant Webb's listing of individual classes and instructor costs into the 2011 version.

d. Milwaukee County District Attorney's Office investigators executed a search warrant at Mr. Key's home on July 19, 2012 and seized his desktop computer. James Krueger, Information Technology Director, Milwaukee County District Attorney's Office, is trained and certified in computer forensic examination. Mr. Krueger extracted, from the seized computer, digital files for a preliminary draft (Attachment 5) and final version (Attachment 6) of the 2011 Capacity Building Program contract proposal letter. Metadata (ie. Microsoft Word document properties statistics) shows Mr. Key created and printed the letter on December 21, 2011 and December 22, 2011. Mr. Key dated the preliminary draft as December 21, 2011. He then changed the date to September 21, 2011 on the final version.

e. In a similar fashion, defendant Webb used the old 2010 Capacity Building Program contract as a template to fabricate the sham 2011 Capacity Building Program contract.

f. Nelson Soler succeeded defendant Webb in the position of Director, Milwaukee County Community Business Development Partners. Mr. Soler found a folder, in the cabinet of defendant Webb's former office, containing 2011 Capacity Building Program records. He provided that folder to me. The folder includes a 2010 Capacity Building Program contract (Attachment 7) with handwritten edits changing the contract date to September 21, 2011. The edits further insert Mr. Key's new business name and new business address. The edits appear to be in Mr. Key's handwriting.

g. On December 22, 2011 at 12:27 p.m., defendant Webb sent an email (Attachment 8) to her secretary, Joyce Winfrey. The email forwards a blank signature page (Attachment 9) for the 2011 Capacity Building Program contract. Defendant Webb's email instructs Ms. Winfrey as follows: "Please see attachment and make sure it is in the same front [*sic: font?*] size spacing as the one you are typing so I can have it signed IMMEDIATELY". This blank signature page, created on December 22, 2011, exactly matches the signature page of the 2011 Capacity Building Program contract on file with Milwaukee County. The filed copy bears defendant Webb and Mr. Key's signatures purportedly signed on October 3, 2011.

h. I obtained copies of the sham 2011 Milwaukee County Community Business Development Partners-5 Star Construction contract (Attachment 10) and sham 2011 contract proposal letter (Attachment 11) from the Milwaukee County Department of Audit. The contract proposal letter is falsely signed by Mr. Key on the purported date of September 21, 2011. The contract is falsely signed by defendant Webb and Mr. Key on the purported date of October 3, 2011. The above emails, paper records, and computer forensic evidence establish defendant Webb and Mr. Key fabricated these documents on or after December 20, 2012.

20. Defendant Webb submitted the falsely backdated 2011 Milwaukee County Community Business Development Partners-5 Star Construction contract and falsely backdated contract proposal letter to various other departments within Milwaukee County, including the Office of Corporation Counsel, 901 N. Ninth Street, Milwaukee, WI, on or about December 27, 2012.

a. On March 6, 2013, I interviewed Jodi Giessel, Office Coordinator, Office of Corporation Counsel, Milwaukee County. Ms. Giessel provided copies from a contract logbook that her office maintains recording the dates that contracts are received. The logbook shows an entry on December 27, 2011 as follows: "Contract from Freida Webb, Standard Agreement re: "Capacity Building" program provided by Milwaukee County Economic & Community Development via Block Grant funds."

b. By signing and submitting a contract that "purports to have been made by another or **at another time**" (emphasis added), defendant Webb committed the crime of Forgery-Uttering (§943.38(2), Wis. Stats.). **COUNT 1.**

c. Defendant Webb uttered the forged contract while acting in her capacity as Director, Milwaukee County Community Business Development Partners. **COUNT 2.**

Contract used to fraudulently pay Mr. Key

21. Not only did defendant Webb forge the 2011 Capacity Building Program contract, she used the contract as a means to direct fraudulent payments to Mr. Key and to facilitate a \$2,700 kick-back to herself.

22. Pursuant to the fraudulent 2011 Capacity Building Program contract, Mr. Key fraudulently invoiced for services he did not provide. As recited in paragraphs 24-48 below, Mr. Key fraudulently inflated his invoices for such items as: "Start up and orientation" (\$2,850), "administration" (\$1,800), "graduation/completion ceremony" (\$4,400), "follow up" (\$4,500), and "one on one trainings...complete close out documentation" (\$4,500). Mr. Key also inflated the invoicing for his "subcontracted" instructors under the contract. Mr. Key submitted his fraudulent invoices to defendant Webb. Defendant Webb approved these invoices knowing that they were fraudulently inflated. **COUNT 3.**

23. Mr. Key submitted the attached three invoices (Attachments 12-14) to Milwaukee County under the 2011 Capacity Building Program contract. Defendant Webb approved the invoices. See Attachments 15-17. Milwaukee County paid the invoices by check no. 770651 (Attachment 18) dated March 16, 2013 for \$27,100.

"Credit, Money & Wealth" class

24. Defendant Webb knowingly approved Mr. Key's fraudulent invoice (Attachment 13) for \$675 for a "Credit, Money & Wealth" class. She knew that the instructor, Victor Frasher, had taught the "Credit, Money & Wealth" class for free, and consequently, that Mr. Key's billing for the class was invalid.

25. Mr. Key's contract proposal letter for the 2011 Capacity Building Program lists a business workshop "Credit, Money & Wealth, Part I, II & III" at a cost of \$675.

26. Mr. Key submitted an invoice dated December 21, 2011 billing \$675 for "Credit Money & Wealth." Defendant Webb approved this invoice on December 22, 2011.

27. I interviewed Victor Frasher. Mr. Frasher stated as follows. Defendant Webb hired Mr. Frasher to teach the above financial credit class for the 2011 Capacity Building Program. When defendant Webb hired him, Mr. Frasher specifically told defendant Webb he would teach the class for free. Mr. Frasher never submitted an invoice or request for payment. He was not paid.

Classes taught by Mr. Key

28. Defendant Webb knowingly approved Mr. Key's fraudulent invoice (Attachment 12) for the three classes he personally taught.

29. The 2011 Capacity Building Program contract proposal letter listed three classes, taught by Mr. Key, at a cost of \$2,775:

"Registration & Business Basics"	\$ 825
"Life & Business Plan"	\$ 975
"Strategic Growth Action Plan"	<u>\$ 975</u>
total:	\$2,775

30. Mr. Key charged Milwaukee County for the above classes by invoice (Attachment 12) dated October 28, 2011. He billed 37 hours of instruction at a total cost of \$2,775. The hours billed far exceeded the actual hours that Mr. Key provided.

31. The 2011 Capacity Building Program records from Milwaukee County Department of Audit include a class attendance matrix. The matrix shows Mr. Key taught the above classes on the following dates: "Business Basics" (October 4, 2011), "Life and Business Plan" (October 5, 2011), and "Strategic Growth Action" (October 11, 2011), and that each class each comprised just a single evening session. Program records further show that each evening session was 2.5 hours. Total classroom instruction time for the three classes that Mr. Key taught was 7.5 hours.

32. Defendant Webb knew Mr. Key spent 7.5 hours in the classroom teaching the above three classes. She nonetheless approved Mr. Key's invoice for 37 hours for these classes.

a. Defendant Webb set the class schedule for the 2011 Capacity Building Program. She slated defendant Key only to teach classes on October 4, 5, and 11, 2011.

b. Defendant Webb cannot justify paying Mr. Key's excessively billed hours as class preparation time. Defendant Webb's government email account contains a message dated September 29, 2011 to another instructor, Lydia Beasley-Brown. The message set payment for the 2011 Capacity Building Program as follows: "My budget allows for Instructors payment of \$75 per hour and one hour of preparation for classes." Defendant Webb further explained Ms. Beasley-Brown could charge one hour preparation time for each of her three class sessions.

c. Under defendant Webb's budget formula, Mr. Key was entitled to no more than 3 hours preparation time in addition to his 7.5 hours of actual classroom instruction time.

#### Administration

33. Defendant Webb knowingly approved Mr. Key's fraudulent invoice (Attachment 13) for 24 hours of "Administration" at a cost of \$1,800. This billing item was patently false.

34. The "Administration" billing item was more particularly described in the 2011 Capacity Building Program contract proposal letter as "Administrative: serve as fiscal agent for instructors & others necessary to complete a successful workshop series" at a cost of \$1,800.

35. Mr. Key did not provide 24 hours of "fiscal agent" agent services. The only fiscal agent service he provided was to list the instructor fees on his invoice and then, after receiving payment, to write less than a dozen checks to pay the instructors. Defendant Webb, and not Mr. Key, administered the 2011 Capacity Building Program. Defendant Webb nonetheless approved Mr. Key's "Administration" invoice item as 24 hours of services rendered.

#### Graduation dinner

36. Defendant Webb knowingly approved Mr. Key's fraudulent invoice (Attachment 13) in the amount of \$4,400 for the 2011 Capacity Building Program graduation ceremony. Defendant Webb knew this billing item was false in two respects. First, defendant Webb, not Mr. Key, organized the event. Defendant Webb could not honestly pay Mr. Key for work he did not do. Second, with defendant Webb's full knowledge and complicity, Mr. Key fraudulently inflated this invoice item. Mr. Key billed the graduation ceremony at \$4,400 when, in fact, the only significant cost for the event was \$840 for a catered dinner. Defendant Webb directed Mr. Key to separately invoice the catered dinner under the guise of a "Business Marketing & Etiquette" class, and so, the catered dinner was not part of the \$4,400 invoiced as graduation costs.

37. Defendant Webb's official email account activity shows that she, and not Mr. Key, organized the graduation ceremony. Email records show defendant Webb scheduled the event, chose the venue, set the agenda, arranged Milwaukee County Supervisor Willie Johnson, Jr. to



be the keynote speaker, and sent out invitations. The graduation ceremony was held on the evening of December 13, 2011 at the Clinton Rose Senior Center, Milwaukee, WI.

38. As recited in paragraphs 12-20 above, defendant Webb and Mr. Key created the 2011 Capacity Building Program contract proposal letter *after* the graduation ceremony had already occurred. The contract proposal letter listed Mr. Key's charge of \$4,400 for "Graduation, Event Planning, incentives, certificates, and other supplies." Attachment 11. Mr. Key submitted a corresponding invoice dated December 21, 2011 billing \$4,400 for "Graduation/ completion ceremony." Attachment 13. Defendant Webb approved the contract proposal and invoice knowing that she, and not Mr. Key, had organized and run the event. See Attachment 16.

39. Other than the dinner catering charge, which Mr. Key billed separately from the \$4,400 graduation ceremony charge, the graduation ceremony cost no more than \$200.

a. I interviewed Henrietta Allen, Director, Clinton Rose Senior Center. She stated as follows. The Clinton Rose Senior Center is a Milwaukee County facility. Defendant Webb reserved the center for the 2011 Capacity Building Program graduation ceremony. The facilities were provided free of charge.

b. Supervisor Johnson was paid no fee or honorarium to speak at the 2011 Capacity Building Program graduation ceremony. Mr. Key's bank records show no payment to Supervisor Johnson. I interviewed Supervisor Johnson who stated he received no remuneration for speaking.

c. Mr. Key provided no "incentives" or any other item of value to students at the 2011 Capacity Building Program. I interviewed Jean Wolfgang, Milwaukee County DHHS, who stated as follows. She attended the graduation ceremony. No materials, books, software or other items of value were distributed to the students.

d. Records seized from defendant Webb's government office indicate she may have hired a photographer for the graduation ceremony at a cost of \$200. Mr. Key's bank records show no payment for any photographer for the event.

e. My investigation uncovered no other possible costs for the graduation ceremony.

40. Defendant Webb directed Mr. Key to falsely bill the graduation dinner caterer as a "Business Marketing & Etiquette" class. Defendant Webb concocted this fraud to circumvent federal regulations forbidding expenditure of CDBG funds on entertainment meals.

a. Every year from 2005 through 2010, defendant Webb signed a standard CDBG grant agreement defining the proper use of the CDBG funds for the Capacity Building Program. The agreements expressly required compliance with federal regulations set forth in "Office of Management and Budget Circular A-87, Cost Principles for State and Local Government." Section 14 of that circular forbids expending federal grant funds on entertainment meals:

Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, **meals**, lodging, rentals, transportation, and gratuities) are unallowable. (Emphasis added.)

Under the above provision, CDBG funds were not allowable for the 2011 Capacity Building Program graduation dinner.

b. Ms. Wolfgang, Milwaukee County DHHS, attended the 2011 Capacity Building Program graduation ceremony. Ms. Wolfgang stated she did not eat the dinner because she knew federal regulations prohibited such an expenditure of CDBG funds.

c. Defendant Webb's government email account shows Deborah Spriggs-Ross dba Expressively "Your" Catering by Chef Deborah sent an email (Attachment 19) on December 2, 2011 forwarding an \$840 invoice (Attachment 20) for the 2011 Capacity Building Program graduation dinner.

d. Defendant Webb replied to Ms. Spriggs-Ross' email on December 6, 2011. See Attachment 19. Defendant Webb directed Ms. Spriggs-Ross to resubmit her invoice in a form that masked the dinner catering charge. Defendant Webb concocted an invoice version (Attachment 21) billing the dinner catering as "Expressely Yours Services" for "Services of Networking & Professional Development Series" and emailed it back to Ms. Spriggs-Ross. Document metadata shows computer user "FreidaWebb" created the bogus invoice on December 6, 2011 on her government computer. I also found a printed paper copy of the bogus invoice in defendant Webb's office files for the 2011 Capacity Building Program.

e. On December 20, 2011, defendant Webb emailed a list (Attachment 4) of individual class costs for Mr. Key to include in his sham 2011 Capacity Building Program contract proposal letter. The email listed "Deborah Springs-Ross, Business Marketing & Etiquette" for \$840. As defendant Webb directed, Mr. Key put "Business Marketing & Etiquette, Parts I, II, & III" for \$840.00 in his contract proposal letter and then invoiced Milwaukee County in the amount of \$840 for a "Business Marketing" class. Defendant Webb approved the invoice for payment. See Attachments 8, 10 and 13.

f. I interviewed Deborah Spriggs-Ross. She stated as follows. Ms. Spriggs-Ross provided a catered dinner for the 2011 Capacity Building Program graduation ceremony at the Clinton Rose Senior Center. Defendant Webb hired Ms. Spriggs-Ross. Ms. Spriggs-Ross was paid \$840 for the dinner. Ms. Spriggs-Ross simply provided the meal and was not a speaker at the ceremony. She did not teach a business marketing or business etiquette class.

#### Change order

41. After the 2011 Capacity Building Program concluded, defendant Webb and Mr. Key signed a fraudulent contract change order (Attachment 22) to tap the remaining balance of CDBG funds.

42. The 2011 Capacity Building Program concluded with a graduation dinner on December 13, 2011. On December 22, 2011, defendant Webb approved Mr. Key's invoicing for his total services rendered at \$22,600. See Attachments 12 and 13. The CDBG allocation for the program was \$27,720, and, defendant Webb still had the remaining \$5,120 at her disposal.

43. On December 28, 2011, defendant Webb emailed Mr. Key: "Per Program requirements have about 60 hours work to do to finalize this project. Please prepare an invoice accordingly identify services as 'One to One follow ups and Program close out i.e, paperwork'" (Attachment 23). The next day, on December 29, 2011, Mr. Key and defendant Webb signed a "Change Order" (Attachment 22) increasing the contract price by \$4,500, and, Mr. Key submitted an invoice (Attachment 14) for \$4,500 for 60 hours of "Conduct one on one trainings on Strategis [sic] Growth Action Plans and finish close out documentation." Defendant Webb endorsed this invoice increasing total payments to Mr. Key to \$27,100. See Attachment 17.

44. One week earlier, on December 22, 2011, Mr. Key had submitted an invoice (Attachment 13) for another 60 hours (\$4,500) for "Follow up". Mr. Key's contract proposal letter more particularly described this service as: "follow up is necessary because workshop attendees have numerous pressing, private, competitive unanswered questions."

45. Mr. Key's invoices of December 22, 2011 and December 28, 2011 combined for total billing of 120 hours of "follow up" at a cost of \$9,000. As recited in paragraph 19(d), James Krueger forensically examined defendant Key's desktop computer. Mr. Krueger, extracted 2011 Capacity Building Program documents from the computer including a log entitled "Follow Up Training Meeting" schedule. The schedule showed that, more than seven months after defendant Key billed for 120 hours of "follow up" training to students, he had provided just 20 hours of such training. The schedule further showed defendant Key's last follow up training was on May 10, 2012, and no further follow up training was scheduled after that date.

46. The change order and related invoice increased total payments to defendant Key under the 2011 Capacity Building Program contract to \$27,100. The total CDBG funding was \$27,720. The change order served to increase billing to nearly the maximum available grant funding.

#### Fair cost of comparable program

47. On April 2, 2013, I interviewed Wendy Baumann, President, Wisconsin Women's Business Initiative Corporation (WWBIC), 2745 N. Martin Luther King Drive, Milwaukee, WI. Ms. Baumann stated as follows. WWBIC is well-known in the community as a resource for providing educational seminars for local disadvantaged businesses. Ms. Baumann reviewed the program details and amount of CDBG funds paid for the 2011 Capacity Building Program. She found the payments far exceeded what WWBIC charges for similar programming. Ms. Baumann provided a copy of an orientation booklet for a "Start Smart" seminar that WWBIC presents to small disadvantaged businesses. The Start Smart program is comparable in content and duration to the Capacity Building Program. The Start Smart program cost is \$300 per student. This figure computes to \$9,000 for 30 students. This amount is a fraction of what defendant Webb fraudulently paid to Mr. Key for the Capacity Building Program.

#### Milwaukee County Department of Audit

48. Jerry Heer, Director, Milwaukee County Department of Audit, reviewed the above described records for the 2011 Capacity Building Program. He concluded that defendant Webb approved invoices that exceeded the amount of services Mr. Key actually provided.

### **III. KICKBACK TO DEFENDANT WEBB**

49. Mr. Key kicked back \$2,700 to defendant Webb directly from the 2011 Milwaukee County Community Business Development Partners-5 Star Construction contract proceeds.

50. On December 19, 2011, Mr. Dorsey, Milwaukee County DHHS, emailed (Attachment 24) defendant Webb warning her against conflict of interest. Mr. Dorsey quoted the following excerpt from an official U.S. Department of Housing and Urban Development memorandum on procurement of consulting services by Community Development Block Grant recipients:

"Nothing is perhaps more detrimental to a successful procurement operation than to have a relationship between the recipient/subrecipient and the contractor questioned by real or apparent conflicts of interest. Conflicts may be personal, financial, or organizational..."

Defendant Webb replied by email (Attachment 25) dated December 20, 2011 acknowledging Mr. Dorsey's admonition.

51. The very same day that defendant Webb acknowledged Mr. Dorsey's admonition against conflict of interest, she was fabricating the 2011 Capacity Building Program contract with her favored contractor, Mr. Key. See paragraphs 19(a)-(h) above. Three months later, defendant Webb accepted a \$2,700 kickback from Mr. Key from the contract proceeds.

52. Investigators from the Milwaukee County District Attorney's Office conducted surveillance of defendant Webb's activities on March 16, 2012. On that date, defendant Webb went to the Office of the Treasurer, Milwaukee County, and picked up Mr. Key's payment check (Attachment 18) for the 2011 Milwaukee County Community Business Development Partners-5 Star Construction contract. Defendant Webb provided the check to Homer Key's brother, Robert Key.

53. Robert Key deposited the contract proceeds check into the account of "5 Star Construction & Renovation Services LLC" at Park Bank on March 16, 2012. The deposit increased the account balance from \$1.67 to \$27,101.67. Homer Key drew on that balance to pay check no. 1553 (Attachment 26) to "Freida Webb" dated March 23, 2012 for \$2,700. This check constituted direct proceeds of the Capacity Building Program contract.

54. I obtained, by subpoena, records that BMO Harris Bank holds for defendant Webb's personal checking account. Those records show defendant Webb deposited the above check no. 1553 on March 28, 2012.

55. Section 946.13(1)(b), Wis. Stats., provides that a public officer or employee who:

"...in the officer's or employee's capacity as such officer or employee, participates in the making of a contract in which the officer or employee has a private pecuniary interest, direct or indirect..."

is guilty of the crime of Private Interest in a Public Contract. Whether the \$2,700 kickback constituted payment for services defendant Webb provided or simply a bribe, defendant Webb violated the above criminal statute. **COUNT 4.**

#### **IV. INTERVIEW OF DEFENDANT WEBB**

56. On July 19, 2012, I interviewed defendant Webb about the 2011 Capacity Building Program. She stated as follows.

a. Defendant Webb collaborated with the Milwaukee Urban League to put on the 2011 Capacity Building Program. The Milwaukee Urban League hosted the classes at their facilities.

b. Defendant Webb hired the instructors for the 2011 Capacity Building Program.

c. Mr. Key was the "coordinator" of the Capacity Building Program. Mr. Key provided the following services: "put together the notebooks", "support services", "talked to all the students", "talks to all the businesses and gets a better sense...what they need", "outreach", and "marketing."

d. Regarding the 2011 Capacity Building Program contract, defendant Webb said "we went back and amended the contract and put them [instructors] all under there I think at some

point” and “we converged them [instructor contracts] all under Homer Key because he had the insurance.”

e. Regarding Deborah Spriggs-Ross’ involvement in the 2011 Capacity Building Program, defendant Webb insisted: “She teach etiquette.”

f. Defendant Webb was present at the December 13, 2011 graduation dinner at the Clinton Rose Senior Center. She described the event as “It was my last class. That was our etiquette.”

g. Defendant Webb looked at the 2011 Milwaukee County Community Business Development Partners-5 Star Construction contract (Attachment 10) dated October 3, 2011. Defendant Webb acknowledged she signed the contract.

\*\*\*\*End of Complaint\*\*\*\*

Subscribed and sworn to before me and approved for filing this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

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Kurt B. Benkley  
Assistant District Attorney  
1021096

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Complaining Witness

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