

EXHIBIT A

CONFIDENTIAL LEGAL MEMORANDUM
ATTORNEY-CLIENT PRIVILEGED

TO: Patty Dreier, Portage County Executive
Portage County Finance Committee

FROM: Joseph M. Russell
von Briesen & Roper, s.c.

RE: Factual Findings of Independent Counsel Regarding its Investigation of the Office
of the Portage County Treasurer, Stephanie Stokes

DATE: September 23, 2016

On January 19, 2016, the law firm of von Briesen & Roper, s.c. (“von Briesen”), was engaged by the Portage County Board, through its Finance Committee, as Independent Counsel (“IC”) to conduct an independent and privileged investigation (the “Investigation”) of the conduct of Stephanie Stokes, the Portage County Treasurer, with regard to the fulfillment of her official duties as Treasurer, her compliance with the Portage County Ordinances, and the resignation of Portage County Deputy Treasurer Amy Townsend on September 3, 2015, and matters related hereto.

On August 15, 2016, the Finance Committee reviewed and approved the release of IC’s factual findings to Assistant Attorney General (Wisconsin Department of Justice) David Maas, who leads a parallel, on-going investigation of the Portage County Treasurer’s Office. Patty Dreier, Portage County Executive, was also provided IC’s factual findings. Those factual findings are provided below.

Scope & Methodology

Over the course of the investigation, the IC conducted interviews of the following officials and employees of Portage County and the City of Stevens Point (dates of interviews are in parentheses):

- Laura Belanger Tess, Portage County Director of Human Services (June 6)
- Trina Buerger, Land Description, Portage County Register of Deeds (June 6)
- Lisa Burant, Deputy Portage County Treasurer (May 25)¹
- Patty Dreier, Portage County Executive (June 6)
- Al Hawker, Portage County IT Director (May 25)
- Trish Heyman, Deputy Finance Director, Portage County Finance Department (June 6)

¹ IC was originally scheduled to speak with Lisa Burant on May 18, but that interview was cancelled after Stephanie Stokes instructed Lisa Burant not to meet with IC.

- Jennifer Jossie, Finance Director, Portage County Finance Department) (multiple dates)
- Kent Lepak, Detective, Stevens Point Police Department (January 20)
- Shirley Simonis, Portage County (June 6)
- Josh Schwantes, Portage County Programmer Analyst (May 25)
- Kristen Terch, Tax Collection Assistant, Portage County Treasurer Office (May 25)
- Cynthia A. Wisinski, Portage County Register of Deeds (June 6)

Mike McKenna (Portage County Corporation Counsel) agreed to be interviewed by IC as well but declined to answer certain questions regarding the conduct and activities of Stephanie Stokes.

Stephanie Stokes and David E. Hickethier (Portage County Deputy Corporation Counsel) declined to be interviewed by the IC.

In addition to various background documents provided by the interviewees, IC was provided email (plus attachments) and instant messages sent or received by Stephanie Stokes, Lisa Burant (current Deputy Treasurer) and Amy Townsend (former Deputy Treasurer) through their county government email addresses and computers (dating back to 2012). IC was also provided information and notes from the Portage County database, in which members of the Portage County Treasurer’s Office have recorded tax transactions during the tenure of Stephanie Stokes. Relevant emails and other documentary evidence are summarized in the timeline below.

TIMELINE OF RELEVANT EVENTS

- September 1999
 - Stephanie Stokes (“SS”) is hired to be an “Account Clerk II” in the Portage County Treasurer’s Office, in Stevens Point, Wisconsin. At the time, the Portage County Treasurer was Alice Dorshak.
- January 2001
 - SS is appointed Deputy County Treasurer by Treasurer Alice Dorshak.
- January 2003
 - Following the 2002 Fall election, SS replaces (retiring) Treasurer Alice Dorshak and becomes Portage County Treasurer.
 - Pursuant to Wis. Stat. § 59.25 (“Treasurer”), SS’s duties include the following:
 - “Receive all moneys from all sources belonging to the county, and all other moneys which by statute or county ordinance are directed to be paid to the treasurer. . .” Wis. Stat. § 59.25(3)(a)1.
 - Pursuant to Wis. Stat. 74.11(11)(a), “All real property taxes . . . that become delinquent shall be paid, together with

interest and penalties charged from the preceding February 1, to the county treasurer.”²

- Pursuant to Wis. Stat. § 74.47(1), “[t]he interest rate on delinquent general property taxes . . . is one percent per month or fraction of a month.”³
- Pursuant to Wis. Stat. § 74.69(1), general property taxes are timely if they are “mailed in a properly addressed envelope, postmarked before midnight of the last day prescribed for making payment, with postage prepaid, and [are] received by the [Treasurer] not more than 5 days after the prescribed date for making the payment.”
- Pursuant to Wis. Stat. § 74.11(7)-(8), general property tax installment payments are considered timely if they are “paid on or before 5 working days after” the respective installment payment deadlines (January 31 and July 31).⁴ This is known as the “statutory grace period” for paying taxes.⁵
- Pursuant to Wis. Stat. § 59.25(3), the Portage County Treasurer must “[k]eep a true and correct account of the receipt and expenditure of all moneys which come into the treasurer’s hands by virtue of the treasurer’s office . . . specifying the date of every receipt or payment . . .”

² The Portage County Treasurer collects the delinquent taxes for all 27 municipalities located in Portage County.

³ Counties can also charge a penalty for late tax payments under Wisconsin law; however, Portage County does not currently charge such penalties.

⁴ Prior to its updating in September of 2016, the Portage County Treasurer website (<http://www.co.portage.wi.us/treasurer/>) had a link to a document entitled “Top Ten Treasurer’s Office Questions and Answers,” which answers the question “When are taxes due?” as follows: “Taxes are collected in two installments in Portage County, payable January 31st and July 31st. Many taxpayers pay their bill in full by December 31st, so they can claim this payment on their income taxes for that year. The City of Stevens Point has opted to collect taxes in three installments: January 31st, April 30th and July 31st.”

⁵ The Portage County Treasurer website (prior to its update in September of 2016) answered the question “When do my taxes become delinquent?” as follows: “Due to the grace period, they become delinquent on the sixth business day after they were due. The entire bill becomes due if the due date for an installment date is missed. Interest begins accruing at 1% per month on the unpaid balance, beginning the month after the due date. For instance if a first installment is missed, February 6th after the grace period, one percent interest is added to the bill. In March another percent interest is added. Interest keeps accruing until the bill is either paid in full or foreclosed on through the Tax Deed process.” *Id.*

- Pursuant to Wis. Stat. § 946.12, “Any public officer or public employee who does any of the following is guilty of a Class I felony: . . . (4) In the officer’s or employee’s capacity as such officer or employee, makes an entry in an account or record book or return, certificate, report or statement which in a material respect the officer or employee intentionally falsifies.”
 - On May 15, 1979, the Wisconsin Attorney General issued a response to the Rock County Corporation Counsel, who had asked for the Attorney General’s opinion “as to whether town taxpayers may be granted the privilege of having two months beyond the last day of February to pay their property taxes in full, or one month beyond said date to pay the first installment, in both cases without interest, when a reassessment of their property was not completed until February, 1979.” The Attorney General responded that “[t]he answer is no” for the following reason: “There is no statute authorizing the county treasurer or county board to waive interest charges under these circumstances or otherwise grant special treatment to these taxpayers. . . . in the absence of statutory authority special treatment cannot be granted to residents of the town even though the shortness between notice and due date may have worked some hardship for them.”
 - Per the interview of independent counsel (“IC”) with Stevens Point police detective Kent Lepak, former Treasurer Alice Dorshak informed Detective Lepak that she did not inform SS that interest could be waived for untimely tax payments prior to her retirement.
- Pursuant to Portage County’s Code of Ethics (3.6), the Treasurer (as is any official or employee of Portage County) is prohibited from engaging in the following misconduct:

F. USE OF COUNTY PROPERTY

No employee or local public official shall use or permit the use of any Portage County property for personal convenience, improper use or profit, of the employee, public official or members of their immediate family.

G. EQUAL TREATMENT

No employee or local public official shall grant special consideration, treatment or advantage to any person.

H. CONFLICT OF INTEREST PROHIBITED; EXCEPTION

(1) Except as otherwise provided in sub. (2), no employee or local public official may . . . (iii) Use or attempt to use his or her employment or public

position to influence or gain unlawful advantage or privileges for himself or others.

* * *

3.11.13.2 GROUNDS FOR DISCIPLINE

The following shall be grounds for discipline ranging from a verbal warning to immediate discharge depending upon circumstances and the seriousness of the offense in the judgment of management (1) Dishonesty or falsification of records . . . (9) Use of official position or authority for personal or political profit or advantage . . . (18) Failure to follow duly established work rules, policies and procedures; (19) Unprofessional or unethical conduct or behavior;

3.11.13.3 PROHIBITION REGARDING CONFLICT OF INTEREST

Purpose - The following policy is set forth because the proper operation of democratic government requires that employees be independent, impartial and responsible to the people, and the public has confidence in the integrity of its government. . . .

- March 2005
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED])⁶:
2/02/04 RCVD \$1408.55 1ST INSTALL SHORT \$21.03 (PD
LAST YR AMOUNT) 2/7/05 P.M. \$21.03
2004 REMINDER SNT 3/8/05
[REDACTED] DOES NOT FEEL HE SHOULD HAVE TO PAY
INTEREST.WE WILL NOT WAIVE. THERE IS NO GRACE
PERIOD, SS

- March 2006
 - Treasurer Database Notes for Tax Parcel for [REDACTED] (Taxpayer name: [REDACTED]):
3/9/06 SNT 2005 REMINDER LTR,SS

STEPH WILL REFUND TAXPAYER INTEREST WHEN RECEIVE
2005 TAX PAYMENT FROM ASSOCIATED BANK,3/20/06,SS
3/29/06 2005 TAXES PAID BY ASSOCIATED BK

⁶ Taxpayer names identified in these Treasurer database “notes” were the names associated with these parcels as of Spring of 2016. This particular parcel was owned by [REDACTED] in March 2005.

- March 2007
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

RECEIPT PAYMENT AS TIMELY WHEN WE RECEIVE NEW CHEC FROM CITIMORTGAGE,3/9/07,SS
3/21/07 REC'D PAYMENT, CHECK INCLUDED INTEREST, BUT WE BACKDATED IT AND RETURNED THE \$ TO HER, AT

- July 2007
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

SHE MADE A MISTAKE ON FIRST INSTALLMENT PAYMENT- WE REMOVED INTEREST AND WILL ACCEPT JULY PAYMENT AS TIMELY FOR \$1375.09, SS

- September 2008
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

SNT 2007 REMINDER LTR 9/12/08, SS
2007 TAX CERT NOTICE SNT 9/3/08, SS
CALLED LEFT MESSAGE FOR [REDACTED], WE WILL NOT REMOVE INTEREST FOR LATE PAYMENT, 9/17/08, SS
[REDACTED] CALLED 9/18/08 VERY UPSET ABOUT NOT REMOVING INTEREST, TOLD HIM WE CANNOT GIVE SPECIAL TREATMENT TO ANYONE, SS
2007 TAXES PD \$6856.92 BY ONLINE BILL PAY UMB BANK 9/25/08, SS

- March 2009
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

REC'D CALL 3/11/09 FROM [REDACTED] THEY SENT CK IN THE AMT OF \$159.57 12/26/2008 WE NEVER RECEIVED THE CK THEY WILL SEND A NEW CK FOR \$159.57 WE WILL WAIVE THE INTEREST
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

3/12/09 ORIGINAL CK SENT 12/18/08 LOST IN MAIL
SENDING NEW CK WAIVED INTEREST

- Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

3/12/09 ORIGINAL CK SENT 1/30/09 FOR \$723.47 LOST
IN MAIL WILL PUT STOP PYMT ON ORIGINAL CK SENDING
A NEW CK 3/12/09 WAIVED INTEREST

- August 31, 2009

- Taxpayer [REDACTED] (a Portage County employee) approached SS regarding accrued interest on her delinquent taxes. Database records indicate that [REDACTED] did not pay interest on at least four occasions when her tax payments fell beyond the statutory grace period: 8/31/09, 2/15/10, 9/8/11, 2/24/12.

- 2010

- Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer name: [REDACTED]):

SUE FROM CITY TREASURER HAS US ADD LAKE DISTRICT
CHARGE TO 2010 BILL, WAS MISSED LAST DECEMBER, SO
NOW ARE DELINQUENT. IF THEY ARE UPSET YOU CAN
REMOVE THE INTEREST AND LET THEM PAY IT WITHOUT, SS

- February 2010

- Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

\$155.62 SNT TO T-ALMOND IN ERROR, S/B SENT TO PO
CO FOR PARCEL #034-23-0932-01.02, 1ST INST. STEPH
ASKED [REDACTED] TO ISSUE CHECK TO US, WHEN WE
RECEIVE, BACKDATE TO 1/31/10 INTEREST DATE SO DOES
NOT GO DLQT. \$155.62 UPDATED TO THIS PARCEL DELETED
2/9/10 BEFORE SETTLEMENT COMPLETED, SS

- July 13, 2010

- SS emails the Wisconsin County Treasurers' Association ("WCTA")⁷ listserv: "Hi everybody, Have you ever given an entity a reduced interest rate on delinquent taxes to facilitate a sale? Am I right in thinking that is illegal?"
 - An unknown WCTA member responds: "I have a corp council [sic] opinion that says we do not have the authority to reduce the interest rate except for court ordered things like soldiers and sailors, bankruptcies etc."

- August 31, 2010
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

[REDACTED] CALLED 8/31/10 TO SAY SHE PLANNED ON PAYINGT \$1000.00 ASAP TOWARDS 2006-STEPH TOLD HER HER BANK CALLED 8/31/10 TO SAY THEY WILL BE OVERNIGHTING A CHECK FOR 2006 TAXES 8/31 STEPH WILL CALL HER IF RECEIVE OR DON'T RECEIVE AT [REDACTED]. IF WE DON'T RECEIVE THE PAYMENT BY 9/3/10, ALLOW [REDACTED] TO PAY \$1000 WITH INTEREST DATE OF 8/31/10,SS

- February 17, 2011
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer name: [REDACTED]):

2/17/11 SENT 2010 REMINDER LTR,AT [REDACTED] WILL PAY TAXES 2/23/11,ACCEPT AS TIMELY-STEPH REMOVED DELINQUENT CODE 2/22/11,WILL PAY 1ST INST. W/OUT INTEREST,SS

- February 18, 2011
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

2010 REMINDER LTR SNT 2/16/11 JJ [REDACTED] CALLED 2/17/11, WE NEVER RECD HER PAYMENT FOR 1ST HALF, STEPH MADE AN EXCEPTION TO WAIVE THE

⁷ WCTA is comprised of County Treasurers within the State of Wisconsin. According to its website, its "mission is to stimulate professional development; promote unity and assistance among our members; to advocate an exchange of ideas and information, along with a spirit of cooperation with the state departments, legislators, local governments, and County Boards; and to promote ideas for operating efficiently and effectively as fiduciaries of our counties on behalf of the citizens of the State of Wisconsin." See <http://www.wicountytreasurers.com/>.

INTEREST, IF SHE PAYS 1ST HALF BY 2/18/11, AB

- March 2011
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer name: [REDACTED]):

2008 REMINDER LTR SNT 2/17/11 JJ
3/11/11 PLANNING ON SENDING \$275/MONTH,AT
DO NOT CHARGE INTEREST ON 2008 TAXES-GIVE PAYMENTS
TO STEPH TO RECEIPT AS TIMELY UNTIL PD IN FULL,SS

- July 8, 2011
 - Jane Nikolai (Racine County Treasurer) emails the WCTA listserv, including SS, with subject line “question about waiving interest and penalty”: “I have a question about waiving interest and penalties on delinquent property taxes. Our situation is that the City foreclosed on a property. Now the City is questioning whether the County can waive the interest and penalties on the delinquent taxes. My understanding is that the answer is ‘No’, but I thought I better check with the experts!”
 - Laurie Noble (St. Croix County Treasurer) responds: “No, I wouldn’t.”
 - Daniel Diliberti (Milwaukee County Treasurer) responds: “I, too, have been requested to do so with a municipality. My answer was the same as Laurie’s response, politely inform them that it is not possible. If you started doing that, word gets out quickly and it opens the gate to a slippery road with all kinds of precedence questions, an unending amount of requests for equal treatment and attracts all kinds of requests for exemptions. It is a road that I wouldn’t want to start sliding down. Early on, when I took office, I asked our corporation counsel and he gave me an opinion that I do not have authority to waive interest and penalty. It provided me with clear-cut guidance and I appreciated the clear and straight-forward policy. Here’s is a copy.”
 - The attached memo from Milwaukee County Corporation Counsel Timothy Schoewe (dated April 13, 2005) contains the following text: “You have asked for our opinion on the question of whether you have the authority to waive the interest and penalty charges assessed on delinquent property taxes under Wis. Stat. s. 74.47 and sec. 6.06, M.C.G.O. The information you received upon taking office is correct. The county treasurer does not have the authority to waive or forgive interest and penalties-which the law imposes upon delinquent property taxes. A review of Wis. Stat. s. 59.25 discloses that the authority to waive or compromise the interest and penalties charged on delinquent property taxes is not among the

enumerated powers and duties of the county treasurer. Nor is there any ordinance by which the county board has delegated to the county treasurer the authority to waive or compromise the County's claim for such interest and penalties. It follows that the county treasurer does not have that authority. The authority of a county officer is limited to those powers conferred by the legislature and those powers legitimately delegated to him or her by the county board, *Reichert v. Milwaukee County*, 159 Wis. 25, 35, 150 N.W. 401 (1914) (“The county acts through its officers as agents, but agents not of its own choice or creation. These officers are agents who represent the county in the transaction but have their authority conferred and limited by act of the state through its legislature, . . . Within the scope of the authority conferred by the legislature the county, through its board of supervisors, may by its acts arouse official action and official duties upon the part of other county officers, but the powers of the latter derived from the state legislature may not be taken away or narrowed by action of the county board nor enlarged except in cases in which the legislature has authorized such limitation or enlargement.”) In fact, it doubtful that, in the absence of specific statutory authority, even the county board has the authority to waive or compromise the interest and penalties imposed by statute on delinquent property taxes. The issue has never come up in a reported Wisconsin appellate decision. However, there is support in foreign case law for the proposition that a county may waive or compromise property tax obligations only to the extent that the legislature has explicitly empowered a county to do so, *Sawicki v. County of Suffolk*, 4 A.D.3d 465, 771 N.Y.S.2d 672 (2004) (Suffolk County law declared invalid because it ‘impermissibly expands the Legislature's limited authority’ under state law to compromise aims for unpaid property tax and penalties.).

- August 2011
 - Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

2010 REMINDER LTR SNT 2/16/11,SS
[REDACTED] WILL PAY TAXES
IN AUGUST, 2011 WITHOUT INTEREST OK PER STEPH
7/28/2011

- September 20, 2011
 - SS emails taxpayer [REDACTED] with subject line “tax payment”: “I am still waiting to hear back from our credit card company about why your payment was rejected. It is odd that it was accepted, why this wasn’t rejected right away, and it

is unfortunate the inconvenience it caused you. Why don't you pay the principal amount due this month, and I will waive the interest accrued. The total amount due is \$599.33.”

- October 2011

- Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]):

RECV CALL FROM [REDACTED]-HE WAS TOLD BY HIS LAWYER [REDACTED] THAT HE WOULD NOT NEED TO PAY INTEREST ON 2009 DLQT TAXES, HIS PHONE # [REDACTED], HERS IS [REDACTED]. STEPH CALLED [REDACTED] 10/24/11 TO CLARIFY THAT TAXES AND INTEREST ARE NON-DISCHARGEABLE AND THAT INTEREST ACCRUES LIKE IT WOULD FOR ANY OTHER TAXPAYER . . . SS

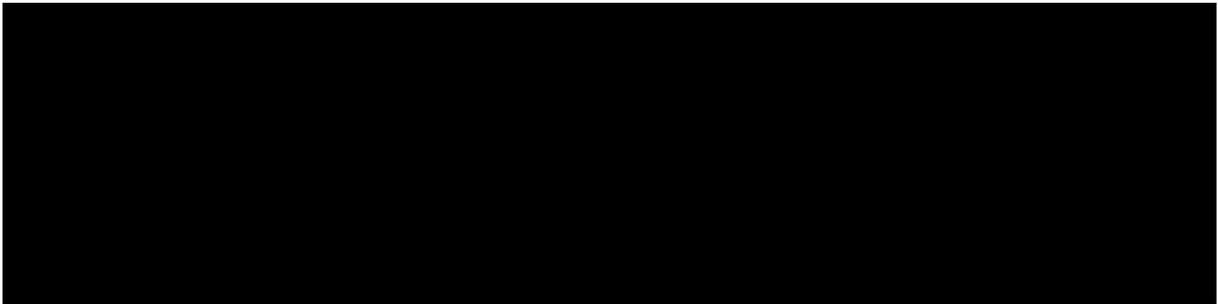
- May 7, 2012

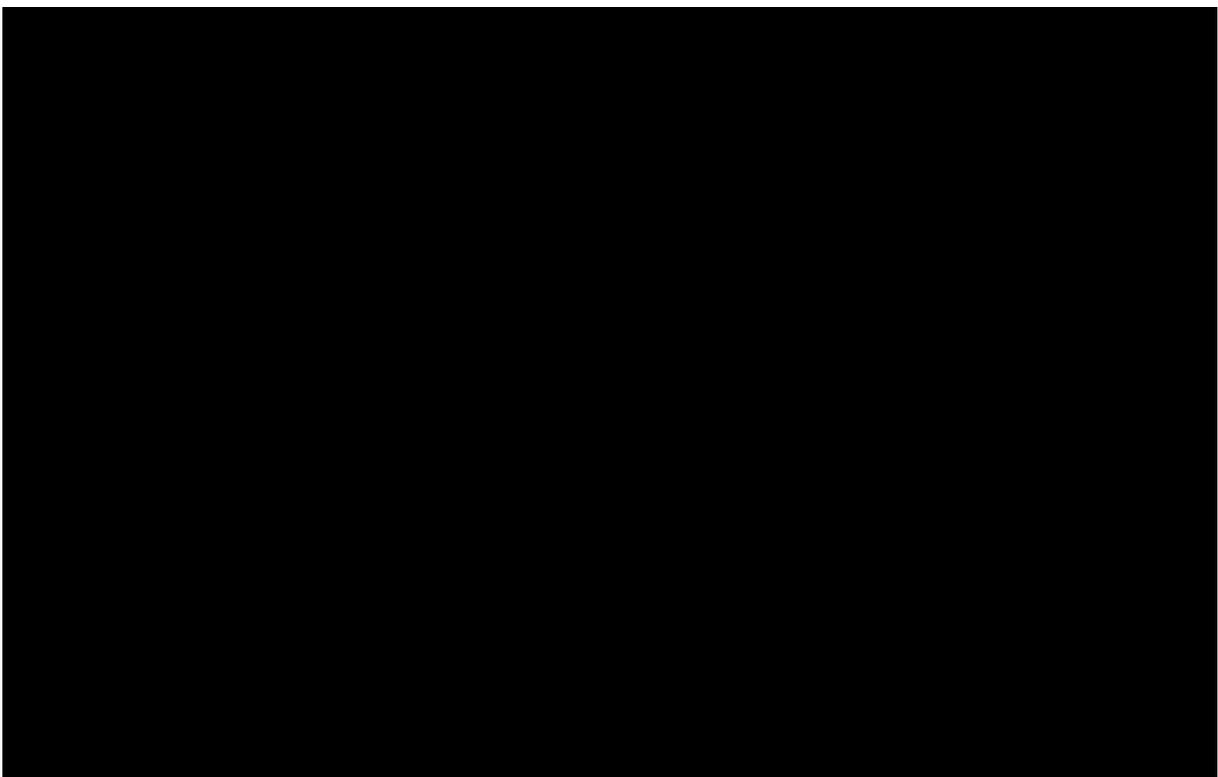
- SS emails the WCTA listserv the following email, with the subject line “Forbearance agreement”: “Have any of your counties ever agreed to a forbearance agreement with a taxpayer? We have a corporation that owes acreage in my county, and is asking my county board to waive interest and just accept principal as payment to bring their taxes current and avoid a subsequent tax deed. My supervisors are wondering if any of you have been approached with one of these, and if you agreed to it. I appreciate hearing any of your experiences. I am worried about setting a precedence [sic], and treating corporations with a different set of rules from our homeowners.”
 - Teri Jacobson (Kenosha County Treasurer) responds: “My corp council [sic] says we do not have the authority to do that and we must charge everyone according to statute and apply their payments according to statute . . . a church group that owned some land tried to have us waive the I&P and he said nope!”
 - Lynn Neeck (Price County Treasurer) responds: “I have been approached numerous times for this request, in fact, just last week. We do not waive interest and penalty to set a precedence [sic]. There were 2 exceptions, both dealing with contaminated property where someone was willing to purchase and clean the parcels up if we waived the interest and penalty. We waived the interest and penalty after the clean-up was completed and signed off by the DNR that the cleanup met their standards.”
 - Deborah Raimer (Columbia County Treasurer) responds: “I agree with Lynn....that’s the only time I would even consider waiving the interest.”

- Mary Erpenbach (Dunn County Treasurer) responds: “I had the same thing a couple of months ago. I asked my corp counsel and he said definitely not to sign anything like that. This lady has had issues with recording in the ROD office and payment issues in my office. Save yourself – don’t sign. I am getting so I won’t sign anything until I talk to corp. counsel.”
- Sherri Hawkins (Green County Treasurer) responds: “I was approached and Corp Counsel did a legal opinion that we don’t have the authority to forgive interest that is dictated by statutes and that penalty is by county code and it would be a bad precedent to set to forgive that as well and they agreed and voted to keep with the Corp Counsel opinion.”
 - NOTE: The Green County Treasurer website currently provides access to a memo⁸ from Green County Corporation Counsel (David Bucholtz) re “Forgiveness of Delinquent Property Tax Interest and Penalties” (dated February 14, 2014), which contains the following text: “Question: Does a county treasurer have discretionary authority to forgive some or all of the interest and penalties on delinquent property taxes? NO. Wis. Stat. § 74.47 sets interest and penalty rates on delinquent property tax amounts. Under general municipal law, a county has only those powers granted directly or indirectly by state enabling legislation. Therefore, unless state law specifically allows for interest and penalties to be forgiven, a county treasurer may not forgive interest and penalties on delinquent taxes. The State of Wisconsin allows for forgiveness of interest and penalties on delinquent property taxes only in very narrow situations. For example, interest and penalties on property taxes may be forgiven under the following circumstances: * The property is contaminated by a hazardous substance and the property owner has taken the necessary steps under Wis. Stat. § 75.105 to discharge delinquent property taxes, interest and penalties. * A “palpable error” as defined in Wis. Stat. § 74.33 was made in tax calculation. * Delay or administrative error by the U.S. Postal Office caused the tax payment to arrive untimely. Wis. Stat. § 74.69. * Penalties also may not be chargeable in certain circumstances when an individual or company has filed for bankruptcy. This list is not meant to be exhaustive and a taxpayer should contact an attorney or their financial advisor regarding whether or not interest or penalties on their property taxes can be forgiven. If a taxpayer believes that state or federal law allows for interest and penalties on their delinquent property taxes to be forgiven, they should contact the Green County Corporation Counsel at 608-328-9377.”

⁸ This memo was contained in SS’s email archive.

- Kathy Morris (Green Lake County Treasurer) responds: “I’ve never hear[d] of forbearance agreement, but I have never made an agreement to reduce interest and penalty because I just tell them I treat all the same, and that is to charge the appropriate interest and penalty. The only time it’s changed is because of a bankruptcy or court order.”
- Karen Makoutz (Ozaukee County Treasurer) responds: “Stephanie, you’re absolutely correct in your logic. Once you start negotiating the applicable fees for one, why not for all. I would not agree to do so, but recommend the company gets on a payment plan and stick to it until all delinquent charges are paid in full.”
- David Worzala (Dane County Treasurer) responds: “I would not entertain that on equity grounds. I would see big problems if you did because people would want to go backwards and say I shouldn’t have had to pay if they do not have to pay. That could cost a great deal of money to the county. If the Board told you to do it, a prior delinquent could petition the court to be treated similarly. I would encourage your finance committee to oppose it.”
- Michelle Dax (Kewaunee County Treasurer) responds: “I have had businesses that have asked this in the past. My committee has always said no.”
 - Michelle Dax sends follow-up email: “They had the same concerns you did - not wanting to set a precedence [sic] or treating any one tax payer differently than another.”
- Deborah Raimer (Columbia County Treasurer) responds: “I think you are right on the money when you talk about setting a precedence [sic] & treating certain groups of taxpayers differently than others. In my opinion that would open up a whole Pandora’s Box of potential problems & issues. Personally I wouldn’t do it, unless the ‘order’ came from the County Board & Corp Counsel. Then I would make it known publically that I did not agree with their decision. . . .”
 - Louise Ketterer (Grant County Treasurer) responds: “Stephanie, I totally agree with Deb and your idea of setting a precedence [sic] & treating certain groups of taxpayers differently than others.”



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- May 8, 2012
 - SS emails Sherri Hawkins (Green County Treasurer) and Teri Jacobson (Kenosha County Treasurer) the following (subject line “Legal opinions”): “Yesterday you mentioned that your Corp Counsel had given you a legal opinion against the waiving of interest on taxes. Would you be willing to share that with me?”
 - Teri Jacobson responds: “Here’s the letter from corp council to the person asking for the forgiveness . . . there was a bunch of backup docs that you probably don’t need so I didn’t include them!”
 - The attached letter, from Kenosha County Corporation Counsel Frank Volpintesta (dated April 4, 2007) contains the following text: “Our office has reviewed the February 22, 2007 request you have submitted on behalf of your client, Church Extension Investors Fund, for forgiveness of over \$35,000 in delinquent property tax interest and penalties. . . . Under general municipal law, the county has only those powers granted directly or indirectly by state enabling legislation. We find no such authority with respect to forgiving property taxes once levied on a parcel of property. . . . We have also inquired of the Treasurer’s Office as to whether there has ever been this kind of forgiveness of either the tax and/or interest and penalties and have been advised that to the best of their knowledge this has not occurred unless there has been a proven error on the part of a governmental office, a court order finding an error or the forgiveness related to some type of

rehabilitation project involving the city, village or town where the property was located. For all the above reasons, our opinion on this matter has not changed and specifically finds that the back taxes as well as the penalties and interest should be paid.”

- Sherri Hawkins responds: “So I went back to pull the opinion and guess what my Finance Committee adopted the Kenosha County Corp Counsel opinion as advised by our Corporation Counsel. My Corp Counsel is now going to do a memo for documentation stating that the County does not have the authority to forgive interest per Wisconsin State Statutes (except for contaminated parcels). My County clerk, Finance Chair and I all think we should have an official policy – when we get those people in who object when I tell them I can’t forgive interest and penalty they always ask who else they can talk to – this way I can just hand them this memo and tell them there is no one as our Attorney has advised that we do not have the authority. I can send you a copy of that when I get it. In the meantime I have attached a copy of the Kenosha County policy and if you have any questions contact Teri she was very helpful when this all came up a couple of years ago. She is so smart and can find stuff so quick. Let me know if you need that memo.”
- SS emails the WCTA listserv the following email (subject line is “Forgiving Principal”): “Earlier we were talking about the County Board’s ability to waive interest (consensus is they are not)[.] Have any of your counties ever agreed to a forbearance agreement with a taxpayer? We have a corporation that owes acreage in my county, and is asking my county board to waive interest and just accept principal as payment to bring their taxes current and avoid a subsequent tax deed. My supervisors are wondering if any of you have been approached with one of these, and if you agreed to it. I appreciate hearing any of your experiences. I am worried about setting a precedence [sic], and treating corporations with a different set of rules from our homeowners.”
 - Teri Jacobson (Kenosha County Treasurer) responds: “No we can’t unless it was an illegal tax somehow . . . it was covered in the same corp council opinion. We do not have the authority as a county to get rid of part of a legal tax or special. If a muni decides the special was in error, then you can remove it.”
 - Amanda Nissan (Polk County Treasurer) responds: “My understanding is that the County Board can do whatever they want. If they want to reduce the amount of taxes, interest, or specials that is owed . . . as long as it is not due to another taxing authority...they can do it. We have never written off any taxes or specials (which as we pay in full each August so are essentially one and the same), but committee has waived interest if paid by a specific timeline. Our County Board has given the Property Committee authority to do that. One case involved a court case settlement for an in-rem property, so it became actually part of the court record (they got a

lawyer and duked it out with the county). The other was an agreement between the committee and a bank regarding mortgage foreclosed properties. I make sure to get everything recorded in the minutes of the meeting and attach them to the payments so I have a backup in case questioned down the road. I tell people I can't remove interest, but the committee and board can make any decision they choose to, within legal limits. . . . PS—When we have removed taxes, we have an account 'void tax certificates' that we charge the expense to. We do not charge any interest when we are removing the taxes."

- May 14, 2012
 - Portage County Corporation Counsel Mike McKenna emails Wisconsin's Legislative Reference Bureau ("LRB") the following request (copying SS): "Prior to 1986, former Wis. Stat. former sec. 74.64 repealed in 1987-1989, allowed, in some circumstances authority for a county government to forgive property taxes. The current sec. 74.64 does not allow or permit forgiveness. If you could find some legislative history [on] that issue it would be most appreciated. Nothing in the current statutes, secs. 74.49, 74.51, 74.53 or 74.55 allow or permit a county to forgive property taxes or interest."
 - LRB Senior Legislative Analyst Bob Paolino responds as follows to Mike McKenna's request (copying SS): "It might be a matter of word choice, but it's not clear to me that the former Section 74.64, Wisconsin Statutes, allowed county governments to "forgive" property taxes, but rather provided a procedure for refunding payments of taxes that had been 'improperly assessed' or otherwise mistakenly paid. See <http://docs.legis.wisconsin.gov/1985/statutes/statutes/74.pdf> for the text of the section. In any event, that section was repealed as part of the recodification of Chapter 74 by 1987 Wisconsin Act 378, in which the entire chapter was repealed and recreated. The (then) new Chapter 74 did not include a Section 74.64. See the conversion table published at the beginning of the chapter in the 1987 Wisconsin Statutes at <http://docs.legis.wisconsin.gov/1987/statutes/statutes/74.pdf>. I have also attached excerpts from 1987 Wisconsin Act 378. See the Legislative Council notes at the beginning and the sections in Subchapter V. If after reading the notes in the Act you still have additional questions, you might consider ordering a duplicate microfiche of the drafting record for the Act; contact Richard Hsia (see cc: field) of our library to make arrangements."
- July 31, 2012
 - SS emails the International Bank of Amherst and attaches tax histories listed under the Bank "showing what was paid and what is due."
 - SS follows up with the bank by email (on September 21, 2012) to indicate that a taxpayer had called her to say they had paid their taxes at the Bank

and SS said she would work with the taxpayer's relative "who works here with me."

- SS follows up with the bank by email (on September 21, 2012) and writes the following: "It sounds like they just forgot to pay the 2nd parcel, so if you would please debit their account for \$337.42, I will remove the interest on this end."
- November 21, 2012
 - SS emails Lisa Burant: "[REDACTED] will be paying their 2008 balance of \$86.77 by Point and Pay. Please apply the payment with no interest."
- April 2013
 - Baker Tilly is engaged to conduct an operational audit of the Treasurer's Office.
- June 2013
 - Baker Tilly releases its "Operational Audit of the Office of the Treasurer," which is described as "an independent assessment of the County Treasury Function." Among other conclusions, were the following:

Observation: There is inconsistency in the process for allowing payment of back taxes. Constituents are provided opportunities for payment plans of back taxes on an ad hoc basis. Individuals are only made aware of this opportunity if directly contacted by the Office of the Treasury. There is no documented policy or procedure to allow people to pay back taxes in installments.⁹

County Impact: Lack of policies and procedures results in inconsistency in who is or is not allowed to pay. This could result in perceived or actual favoritism and unnecessarily expose the County to liability and reputational damage.
 - Baker Tilly offers ten recommendations, which include the following: that the Treasurer "[d]evelop consistent polices around the payment of back taxes" and identifies the following "Action Steps": "Determine if Treasury should continue offering any payment plans at all"; "If the payment plan is to continue, confirm with legal what is appropriate in regards to allowing payment plans for back taxes"; "Develop a consistent policy, based on legal guidance, for all constituents to follow in pursuing a payment plan for back taxes"; "Publish the policy on the

⁹ The Portage County Treasurer's website answers the question "Do we have payment plans available?" as follows: "There are many taxpayers who are unable to pay their bill in full when it is due. We accept payments of any amount weekly or monthly. We help them figure out an amount they can handle, that will be enough to get them caught up in time to avoid the foreclosure timeline."

Treasury's website so that all constituents are aware of the opportunity."¹⁰ In addition, Baker Tilly recommends that staff learn more about proper public finance and accounting practices.

- **REFERENCE NOTE:** Pursuant to Wis. Stat. §§ 74.11, 74.12 and Chapter 75, if property taxes are delinquent for three or more years, the property is eligible for foreclosure. The Portage County Treasurer's website answers the question "How long can my taxes remain delinquent before the County forecloses on my parcel?" as follows: "A lien is placed on your parcel September 1st of the year it was due. You then have two years before the County will foreclose using the tax deed process."
 - Treasurer records indicate that many taxpayers have delinquent taxes dating back more than three years. For instance, on May 5, 2015, SS emailed Shirley Simonis (Portage County Clerk) the following information: "The amount of unpaid real property taxes for parcel [REDACTED] owned by [REDACTED] for tax years 2009-2011 is \$12,186.59. The amount of unpaid real property taxes for parcel [REDACTED] owned by [REDACTED] for tax years 2009-2011 is \$16,339.36." Similarly, on May 11, 2015, SS emailed Marilyn Hutkowski (paralegal, Office of Corporation Counsel) that taxpayer [REDACTED] has unresolved taxes from 2005 through 2014, totaling \$47,708.68.
- August 16, 2013
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated August 16, 2013). Interest date is backdated to July 31, 2013 and no interest payment is collected.
- September 5, 2013
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated September 5, 2013). Interest date is backdated to July 31, 2013 and no interest payment is collected.
- November 13, 2013
 - SS drafted a "Progress Report" regarding Baker Tilly's June 2013 "Operational Audit of Office of Treasurer." The Progress Report, with regard to the recommendation to "Develop consistent policies around the payment of back taxes," contains the following text:

¹⁰ It is up to the county whether or not to offer payment plans for delinquent taxes; some Wisconsin counties do and some do not.

I am preparing a one page document addressing the payment of back taxes, to post in our windows and on the Treasurers website.

- My procedure regarding the payment of delinquent taxes states that we will accept any amount of money at any time, as payment towards unpaid taxes. A County Board resolution was passed requiring us to apply funds to the oldest year of outstanding taxes regardless of what the taxpayer may request. If taxes are not paid in time to avoid a foreclosure by Tax Deed, we foreclose on the parcel. We don't reduce interest or give people special treatment by giving them extra time to pay their bills.
- Often taxpayers ask to set up a 'payment plan' or make 'payment arrangements.' Although we do not have formal payment plans or payment arrangements that we set up, I do figure out how much they need to pay toward their unpaid taxes in order to avoid a Tax Deed foreclosure. All I do is divide the amount due by the number of months between today and the last day of the redemption period before a tax deed may be taken. Sometimes they will ask for this 'payment arrangement' to be put in a letter to them so they can prove they spoke with me, or their bank may call me to have this payment arrangement or payment plan put in a letter for their records, so they know what their customer's plans to pay are. At that point it is up to the taxpayer to make the payments.
- February 4, 2014
 - SS emails Kent Moore: "None of the personal property owners in Rosholt have received their bills. I think they must have been missed. Please mail them again. I've attached a pdf."
 - Kent Moore responds: "I have the PP bills printed. Do you want me to include a small insert that tells the taxpayers their bills are not due on January 31st like the tax bill says?"
 - SS responds: "Please include an insert stating that the personal property bills will not be charged interest if paid by Feb. 28th due to a mailing error."¹¹

¹¹ Pursuant to Wis. Stat. 74.09(6), failure to receive a tax bill does not relieve the obligation to pay real estate taxes: "Failure to receive a property tax bill does not affect the validity of the general property taxes, special taxes, special charges and special assessments levied or the collection of delinquent general property taxes, special taxes, special charges and special

- March 31, 2014
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated March 26, 2014). Interest date is backdated to January 31, 2014 and no interest payment is collected.

- May 13, 2014
 - Elizabeth Geoghegan (Sauk County Treasurer) emails WCTA listserv, including SS: “I need some ‘WCTA Courage’, meaning opinions from all of you that I am doing the right thing.....or if you think I am not. Property owner, Jim Smith has always faithfully paid his taxes in full by December 31st of year as far back as our records go. In September 2013, a tax certificate was issued on his property due to non payment of the 2012 taxes. I get the phone call, he is of course very upset (I won’t go into all the conversation details because we all have had them). I was proud of myself for coming up for this one though, Jim: ‘So you are holding me responsible for the US Postal Service and how they do their job?’ Eliz: ‘No, I am holding you responsible for the delivery method you chose when paying your taxes.’ Anyway, he did pay up all tax, I & P shortly after our conversation (Sept 2013) The local treasurer walks in this week and hands me an envelope from Jim, addressed to the local with a money order from the bank (dated 12/12/12) and his payment stub along with a SASE. HOWEVER, the envelope was postmarked 05/01/2014. As much as I would like to believe that it did get lost at the Post Office, I still do not have a timely postmark nor any proof that it was lost at the Post Office. It did not come in one of their sealed envelopes that sometimes happens when you get damaged mail, there was not 2 postmarks, etc. I have to contact the local treasurer and let her know that I am not refunding him. She thought that I should (I know it is my decision, not hers). Do you agree with me?”
 - Mary Krueger (Winnebago County Treasurer) responds: “I would personally take it to the post office and ask them if they could possibly tell you where this payment had been all this time. They should be able to read the all the bar coding on the envelope. If they CAN tell you that it

assessments.” The Wisconsin Department of Revenue’s 2016 Guide for Property Owners, emphasizes this (*see* page 20). Several county treasurer webpages provide this information as well. *See, e.g.,* Fond du Lac County Treasurer’s website, available at <http://www.fdlco.wi.gov/departments/departments-n-z/treasurer/frequently-asked-questions> (“In accordance with Wisconsin Statute 74.09(6), failure to receive a tax bill does not relieve the obligation to pay real estate taxes.”); Dunn County Treasurer’s website, available at http://www.co.dunn.wi.us/index.asp?SEC=FC0AE415-38E2-4C9B-BDED-2C09B8E38620&Type=B_BASIC (“Failure to receive a property tax bill does not relieve the taxpayer of the obligation to pay their taxes timely.”); Dodge County Treasurer’s website, available at <http://www.co.dodge.wi.us/index.aspx?page=112> (“Q: Do I still have to pay the interest even if I never received a tax bill? A: We are not allowed to forgive interest for any reason according to Wisconsin State Statues 74.09(6).”)

was somewhere within the USPS system since the payment was due, I would refund the interest to the property owner. If the USPS can NOT verify that information, I would not refund the interest. We do not charge penalty.”

- Adam Gallagher (Dane County Treasurer) responds: “If the property owner is so inclined and you feel like there may be potential to waive interest and penalty, I would have the property owner contact the US Postal Service and have them (USPS) provide something in writing for documentation. On the other hand, Wis. Stats. §74.69 does state that ‘...the payment is timely if...received by the proper official not more than 5 days after the prescribed date for making the payment.’ With it being more than a year late, I would do the latter. It would be different if it was only a couple weeks late.”
- Laurie Halama (Trempealeau County Treasurer) responds: “I agreed with Adam. I would leave it up to the taxpayer and if they can obtain a signed statement from the post office admitting that due to their error, the payment should have arrived by December 31st, then I would refund the interest and penalty.”

- August 21, 2014

- Taxpayer [REDACTED] make delinquent tax payment (check is dated August 15, 2014). Interest date is backdated to July 31, 2014 and no interest payment is collected.

- September 3, 2014

- Treasurer Database Notes for Tax Parcel [REDACTED] (Taxpayer Name: [REDACTED]): 1ST INST NO INTEREST IF PD BY 9/3/14, SS

- September 5, 2014

- Taxpayer [REDACTED] makes delinquent tax payment (check is dated September 4, 2014). Interest date is backdated to January 31, 2014 and no interest payment is collected.

- September 8, 2014

- Taxpayer [REDACTED] makes delinquent tax payment (check is dated September 4, 2014). Interest date is backdated to January 31, 2014 and no interest payment is collected.
- Taxpayer [REDACTED] makes delinquent tax payment (check is dated September 9, 2014). Interest date is backdated to January 31, 2014 and no interest payment is collected.

- September 16, 2014
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated September 10, 2014). Interest date is backdated to August 31, 2014 and all interest due is not collected.
- September 19, 2014
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated September 18, 2014). Interest date is backdated to August 31, 2014 and all interest due is not collected.
- September 23, 2014
 - Josh Schwantes emails SS: “. . . It’s a programming issue where once parcels are marked delinquent and you try and back date the payment to before it was marked delinquent, it uses the incorrect account number.”
 - SS forwards Schwantes email to Amy Townsend and Lisa Burant with following text: “This problem with the programming is probably why we’ve had so many problems balancing T-Reg and T-Red. I think the best way to avoid this problem is to remove the delinquent code before you backdate the interest date. If you have a payment you need to backdate, please let me know and we can test this.”
- September 24, 2014
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated September 18, 2014). Interest date is backdated to August 31, 2014 and all interest due is not collected.
- September 29, 2014
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated September 25, 2014). Interest date is backdated to July 31, 2014 and no interest payment is collected.
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated September 27, 2014). Interest date is backdated to August 31, 2014 and all interest due is not collected.
- October 13, 2014
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated September 15, 2014). Interest date is backdated to August 31, 2014 and all interest due is not collected.
- October 31, 2014

- SS emails [REDACTED]: “Would you please send me a copy of the original check you sent to Portage County for [REDACTED] issued July, 2014? My Finance Dept is questioning the fact that I didn’t charge interest due to the late payment, and would like to see the original check as proof that it was issued. If there is a charge for this please let me know.”
- November 26, 2014
 - SS emails Amy Townsend, Lisa Burant and Leon Dulak: “[REDACTED] is supposed to come in with his mortgage check of around fifty thousand next mon or tues. Either way I would like to give him November interest.”
- January 2, 2015
 - SS emails Josh Schwantes (Programmer Analyst) with the subject line “Grace period dates”: “I would like to talk to you about what dates we should use during the Grace Period. I would like to use the receipt date as the actual date, and the interest date as 1/31/14. Then when I run the February Settlements, they will include all payments made toward current 2014 taxes through 1/31/14.” Does this work for the settlement program to pull the correct information? I think part of our problem last year may have been that we have used 1/31/31 as the interest date and receipt date during the grace period. Is that how we are supposed to use the dates?”
- February 18, 2015
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated February 15, 2015). Interest date is backdated to January 31, 2015 and all interest is not collected.
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated February 10, 2015). Interest date is backdated to January 31, 2015 and no interest payment is collected.
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated February 10, 2015). Interest date is backdated to January 31, 2015 and no interest payment is collected.
 - Taxpayer [REDACTED] makes delinquent tax payment (check is dated February 25, 2015). Interest date is backdated to January 31, 2015 and no interest payment is collected.
- February 25, 2015
 - Jane Merten (Washington County Treasurer) emails WCTA listserv, including SS: “I have a City Finance Administrator asking me if there is a State Statute that states what kind of proof we would require to show that a payment was sent on time in order to reverse interest/penalty. Here is the scenario: ‘Recently XXX

from our Finance Team requested that the additional assessed interest for the referenced tax bills be abated. We made a good faith effort to pay the taxes timely. As XXX noted, we did process and mail the original check January 23rd, 2015. We discovered that this check was not cashed upon receipt of late payment notices. We then stopped payment on the original check - and issued a replacement.' It appears that the City sent them a delinquent notice 02-10-15 and they received the replacement check with a postmark of 02-23-15. I know that we have told people that indicate that they mailed the check and they check their bank statement and it still is outstanding that if they receive the check back in the mail to save the envelope and check and bring it to our office.”

- Kris (Oneida County Treasurer) responds: “74.69 will give you the low down on the late payment. We require they have post office proof that the check was issued. So some kind of tracking would have to be purchased. We have also told them to go back to their postmaster and if they write a letter stating it was postal error we would take that. We also reverse the penalty and interest if the envelope shows up with a Dec/Jan postmark. We had one couple that insisted they put their payment in a postal box on the 27th but the payment was postmarked Feb 4th and received after the grace period. They went to the postmaster who verified that the box they dropped their payment in was not emptied until February so we gave them credit for going the extra mile on getting that post office to admit this. They were told there is a way for them to tell when a box was emptied. Learned something new there. Otherwise we tell them they have to write a letter to the Administration Committee to request waiver of P&I. Only had one person successful-he was an attorney who had his wife sign an affidavit that she meant to mail the letters that fell between the car seat.”
- March 6, 2015
 - Jerri Radtke (Vilas County Treasurer) emails WCTA listserv, including SS: “Attached is a letter that a taxpayer brought into the office regarding a postal service delay. I’m concerned that we will be receiving many of these letters with the many postal service delays. Would you allow this as a valid letter to waive interest?”
 - Laurie Noble (St. Croix County Treasurer) responds: “I would not accept this letter to waive the interest and penalty. I don’t take anything before my committee regarding dismissing interest and penalty. When did the tax payer claim they mailed their tax payment?”
 - Louise Ketterer (Grant County Treasurer) responds: “I would not accept this as a postal delay. I do not take these types of things to the Committee as well. I make the decision, and I would ask the taxpayer for a copy of the duplicate check or a copy of their check register if they are willing to give it out, ask them where they mailed it, about what time of the day, and any other questions I can think of. Usually this puts them on the spot and

if they are not willing, I would charge them interest. This works for me anyway. Most people are honest. We did have an incident where someone mailed it in a mail box that wasn't picked up for a couple of days after talking to the post office. So many variables. . . ."

- Deborah Raimer (Columbia County Treasurer): "I don't have to take it to a Committee as I have been designated to make these kinds of decisions myself. I would not accept this type of letter because it does not really admit to an actual delay or administrative error by the Postal Service. See Ch. 74.69 (2) (3)."
- Mary Krueger (Winnebago County Treasurer): "I would take it to my committee and let them decide. To me the post office is not taking any responsibility for the delayed postmark and I would recommend to my committee not to waive the interest."
- Jani Zander (Adams County Treasurer): "Hmmm – they better find a better process fast. Credit card, billing companies aren't going to accept this as a validation for receiving late payments. . . ."

- March 10, 2015

- Vicki Brown (Rock County Treasurer) emails WCTA listserv, including SS: "As we have discussed the snail mail the past few days and how some of us are waiving interest and penalty due to that, just thought I would share an old Corp Counsel opinion on the matter."¹²

¹² Rock County Treasurer's website, available at <https://www.co.rock.wi.us/treasurer-interest-penalty-appeal>, also describes the timeliness of payments and the appeal process as follows, per Wisconsin Statute 74.69 and Rock County Board of Supervisors Resolution 90-1A-145: "Payment is timely if it is

- mailed in a properly addressed envelope with postage prepaid.
- postmarked before midnight of the last day prescribed for making the payment.
- is received by the proper official no more than 5 days after the prescribed date for making payment.

Written request for appeal must be filed

- in writing with the county treasurer.
- within 10 days of full payment of interest and penalty, but not later than December 1 of the year the tax was due.
- stating the sole reason the payment was not timely was a delay or administrative error by the postal service.

The Rock County Deputy Corporation Counsel shall act on the request within 30 days after receipt of the request by the treasurer. The Deputy Corporation Counsel shall deem a late-postmarked payment timely only if the postal service indicates in writing that the particular piece of mail should have been postmarked timely."

- Sherri Hawkins (Green County Treasurer) responds: “The Corporation Counsel opinion as does my Corp Counsel’s opinion is regarding delinquent taxes - whether taxes are delinquent or not I believe we have do the authority to determine if the taxes are delinquent or not if you look at Statute 74.69(e) - once taxes are delinquent I would say we do not have the authority to forgive interest and penalty but I do believe we have the authority to determine if they are considered delinquent or timely and to be honest that is where the issue is as I believe we all I think agree we have to charge interest and penalty on delinquent taxes. Just my two cents.”
 - Mike Schlaak (Calumet County Treasurer) responds: “I have a similar opinion from our Corp Counsel. I do recall the only exception is for contaminated lands through intergovernmental agreement, but I would have to dig for her correspondence to confirm. Be careful as to what you allow! I know common sense not always follows the letter of the law.”
- March 11, 2015
 - Taxpayer and County employee [REDACTED] makes delinquent tax payment (check is dated March 11, 2015). Interest date is backdated to January 31, 2015 and no interest payment is collected.
- March 16, 2015
 - Laurie Noble (St. Croix County Treasurer) emails WCTA listserv: “I’m taking survey of how many treasurers would forgive the interest and penalty on the following scenario: Property owner owns two parcels. One parcel is escrowed and paid by the mortgage company, and the other is paid by the tax payer directly. The tax payer sent in his check on time but he paid the parcel that the mortgage company that escrows his tax payment should have paid. My office received the check from the mortgage company and the records show it was paid so we sent the check back to the mortgage company. So, the tax payers other parcel is now delinquent. Tax payer feels it is an honest mistake and we should take a first installment payment as on time for the parcel that is delinquent. Tax payer admits that it was his fault. Tax payer has been delinquent one time in 2009. What would you do?...Thanks everyone for your opinion; We have been getting a lot of calls on errors and needing to ‘fix’ payments and requests to dismiss interest & penalty this year. (We are going crazy with all of the calls to ‘fix’ things).”
 - Laurie Noble follows up by email: “Just to clarify, it was the tax payer that instructed us to pay the wrong parcel that would have been paid by the mortgage company. The tax payer admitted that he wrote the incorrect parcel number at the bottom of the check. So we applied it to the parcel that is normally paid by the mortgage company per his instructions. He said it was an honest mistake, and now he would have to call his mortgage

company back to have this payment resent. Not sure how long this will take!! (He is not sending another check).”

- Jane Nikolai (Racine County Treasurer) responds: “I would not forgive interest and penalties. It was his mistake. Our office would not have time to contact each property owner that made honest mistakes. I would look at like other businesses do. For example, if he paid the wrong credit card company, his other credit card company would not waive interest because it was an honest mistake. If you waive it for him, you will need to for everyone else. They pay a penalty once, they probably will not make the honest mistake in the future!”
- Jani Zander (Adams County Treasurer) responds: “I’m in agreement with Jane: I just denied a person for the same thing. They directly had the parcel listed for it to be posted on – we can’t always second guess..... I feel it’s no different than those who send in their current year taxes to be paid and then later wanting you to reverse and put it on delinquent when they get put in foreclosure. They should be more attentive.”

- March 24, 2015

- Trish Heynman emails SS: “I have attached a screen shot of a parcel payment (parcel [REDACTED]) that has a payment date of 2-28-15 and an interest date of 12-31-14 for the amount listed above which seems to be causing the variance in these two accounts. Please review the parcel payment to determine why the interest was backdated to 12-31-14 on this payment.”

- April 27, 2015

- SS emails taxpayer [REDACTED]: “I have attached a copy of your tax history printouts for your 8 parcels, detailing the payments made and amounts due for tax years 2013 and 2014. I have also attached an Excel spreadsheet detailing these same parcels. The reason you have interest due even though you paid your taxes through Official Payments through the Town of Belmont’s website 7/31/14, is because we did not receive these payments totaling \$3,331.76 until 4/20/15. This is 10 months past the month they were due. At this point in time, the interest due to the County for your parcels is not mine to waive or reimburse you. I believe this is between the Town of Belmont and yourself to discuss. \$434.58 has been paid by you toward the 2013 in interest so far. If you decide to pay the 2013 taxes in full in May, 2015 there will be an additional \$69.53 due in interest that would not have accrued had your credit card payment been forwarded to my office in July, 2014. You have until July, 2015 to pay the 2nd installment of the 2014 taxes for \$3,104.17 without interest. If these are not paid by 7/31/15 interest will begin to accrue. This interest would be your responsibility alone.”

- Colleen Andrews (Town of Belmont Treasurer) emails SS (on May 6) the following with regard to the [REDACTED] payments: “I talked to [REDACTED] about

his late tax payments and he said he paid his 2013 taxes to Belmont instead of Portage County because he could not find the Portage County online payment site on the site Belmont uses for tax payments (Official Payments). At that point, he could have and should have called you to find out the site you were using last July. He said you told him you had stopped using Official Payments and had a new payment site of which he was apparently not aware. He never told me he paid his second installment to Belmont until he got a delinquent letter from your office this spring. I then confirmed that the Belmont bank account actually got the payments from Official Payments last August and had the Town make a check for the total tax paid which was sent to you last month. I don't think Belmont is responsible for the interest on [REDACTED] parcels, nor the County. What do you think should be done in this case?"

- SS responds (on May 11): "Well I guess I'm surprised you weren't aware there was money in your account until now. I get that he is upset, because he did pay in time, just to the wrong place. I would definitely fix his payments to remove the interest, but the County would not go for that after all of this time. They only would if they saw this as my error I think. I am going to talk to Finance this week, to see if I can take the money out of my budget to reimburse him for the interest. If they say no, I think [REDACTED] is out of luck unfortunately, if Belmont is unwilling to reimburse him. I'll let you know what they say ok?"
- Colleen Andrews emails SS (on May 30): "We discussed the [REDACTED] 2013 tax payments mistakenly made to the Town online payment site by [REDACTED]. He was attempting to pay property taxes that you collect for the Town of Belmont. The Town of Belmont does not feel we have any responsibility for any interest he may owe to the County. The fact that we didn't know he had paid us by mistake until March, 2014 is not our fault. We sent you the payment as quickly as we could once we were notified of the error."
- SS responds (on June 1): "I understand. I haven't heard from him recently, so I am wondering if maybe it has died down a bit. We are changing accounting systems on this end, and honestly have not had the time or resources to make this a priority. So for right now it will need to just be moved to the back burner. I don't think that I fully understood the situation originally. It really is the taxpayer's responsibility to ensure that their taxes are paid timely and in full. Not ours."
- Trish Heyman (Deputy Finance Director) emails SS (on August 25): "Please let me know why there is a requisition for interest removal due to a credit card issue. I would like more information before approving this request."

- When she arrives at the Treasurer’s Office, Amy Townsend enters “8/28/2015” as the “receipt date” for her delinquent tax payment and enters backdates as “7/31/2015” the interest due date for her delinquent tax payment, which zeroes out the interest that would otherwise be due because of the delinquent tax payment. Thereafter, Lisa Burant arrived. Lisa Burant reported to the IC that Amy Townsend expressed unease about waiving the interest but noted that “everybody else” gets interest waived. Lisa Burant reports that SS has routinely waived interest for certain taxpayers as long as she can remember.
- September 1, 2015 (Tuesday)
 - Cindy Wisinski (Portage County Register of Deeds) informs Jennifer Jossie, via instant messaging, that Amy Townsend’s name was on a tax delinquency report in August but that the name was removed from another iteration of the tax delinquency report without explanation. Ms. Wisinski forwards the relevant delinquency reports to Jennifer Jossie for review.
- September 2, 2015 (Wednesday)
 - Laura Belanger Tess (Portage County Human Resources Director), Jennifer Jossie (Finance Director), Mike McKenna (Corporation Counsel) send Patty Dreier (County Executive) a memo with the subject line “Request for Investigation – Treasurer’s Department.” The memo contains the following text:

The Finance Director received information earlier this week that the Deputy Treasurer may have engaged in conduct that is in violation of County policies including the Portage County Ethics Policy.

On Tuesday, September 1, 2015 it was brought to the Finance Director’s attention that land owned by the Deputy Treasurer was on a list of delinquent tax payments in early August but was no longer on a list later in August, with no interest payment being made on the delinquent taxes. After an initial review of the information available it appears the Deputy Treasurer may have receipted a check for a tax payment for her property, which was due on July 31, 2015, on August 28, 2015 and entered a receipt date of July 31, 2015. By entering a receipt date of July 31, 2015 the system zeroed out the interest due, as a result of being received after the July 31, 2015 due date, of approximately \$150.00. There is no record of the interest payment being made.

If the incident did happen the conduct is in violation of a number of County policies including but not limited to:

3.6 CODE OF ETHICS FOR PORTAGE COUNTY PUBLIC OFFICIALS AND EMPLOYEES

3.6.1 DECLARATION OF FINDINGS; AUTHORITY

The proper operation of democratic government requires that public officials and employees be independent, impartial and responsible to the people; that government decisions and policy be made in the proper channels of government structure; that public office and government service as an employee not be used for personal gain and that the public have confidence in the integrity of its government. In recognition of these goals, there is hereby established this Code of Ethics for Portage County employees and local public officials. The purpose of this Code is to establish guidelines for ethical standards of conduct for all such officials by setting forth those acts or actions that are incompatible with the best interest of Portage County and its residents. The Board of Supervisors finds that this Code will help avoid conflicts, will improve standards of public service, and will promote and strengthen the confidence of Portage County residents in their public officials. This ordinance is enacted pursuant to the authority set forth in sec. 19.59(2) Wis. Stats.

F. USE OF COUNTY PROPERTY

No employee or local public official shall use or permit the use of any Portage County property for personal convenience, improper use or profit, of the employee, public official or members of their immediate family.

G. EQUAL TREATMENT

No employee or local public official shall grant special consideration, treatment or advantage to any person.

H. CONFLICT OF INTEREST PROHIBITED; EXCEPTION

(1) Except as otherwise provided in sub. (2), no employee or local public official may:

(i) Take any official action affecting a matter in which the employee or official, a member of his or her immediate family, or an organization with which the employee or official is associated has a substantial financial interest.

(ii) Use his or her employment, office or position in a way that produces or assists in the production of financial gain or a substantial benefit, direct or indirect, for the employee or official, one or more members of the employee's or official's immediate family whether separately or together, or an organization with which the employee or official is associated.

(iii) Use or attempt to use his or her employment or public position to influence or gain unlawful advantage or privileges for himself or others.

3.11.13.2 GROUNDS FOR DISCIPLINE:

The following shall be grounds for discipline ranging from a verbal warning to immediate discharge depending upon circumstances and the seriousness of the offense in the judgment of management

- (1) Dishonesty or falsification of records;
- (9) Use of official position or authority for personal or political profit or advantage, including acts which constitute a violation of the Portage County Code of Ethics;
- (18) Failure to follow duly established work rules, policies and procedures;
- (19) Unprofessional or unethical conduct or behavior;

3.11.13.3 PROHIBITION REGARDING CONFLICT OF INTEREST:

Purpose - The following policy is set forth because the proper operation of democratic government requires that employees be independent, impartial and responsible to the people, and the public has confidence in the integrity of its government. Nothing in this section shall deny any individual rights granted by the United States Constitution, the Constitution of the State of Wisconsin, the laws of the United States and the State of Wisconsin or by labor agreements negotiated with certified employee bargaining unit representatives. No County employee shall use his/her office or position for personal financial gain or the financial gain of his/her family.

Also as the position is a management position, second in charge of the Treasurer's office, this conduct would be a serious violation of the above policies.

To determine if the conduct occurred, and if so at what level, we are requesting you order an investigation into this matter, to be conducted as soon as possible. Also as the Treasurer is an elected position we are requesting a member of the Finance Department and human Resources Department conduct the investigation.

- Later on September 2, Patty Dreier writes the following on the first page of the memo: "I would like you to investigate to discover the facts + report back."
- September 3, 2015 (Thursday)

- Amy Townsend (“AT”) is interviewed (starting at 10:40 AM) by Jennifer Jossie (“JJ”) and David Hickethier (“DH”) (Portage County Deputy Corporation Counsel). The interview was recorded, a transcription of which follows:

JJ: Have some questions that we need to ask you. I need you to be honest with your responses. I need to just remind you that if you are not honest, it could be subject to discipline up to and including termination. So . . .

DH: And, we are recording this so that you are aware of that, Amy. It is Thursday, September 3, 2015, about 10:40 in the morning. Jennifer Jossie, David Hickethier and Amy Townsend.

JJ: So I need to ask you to please explain this receipt [a copy of the receipt recording the delinquent tax payment is provided to AT].

AT: Okay. Back in February we refinanced our house. We had always had the escrow account pay our taxes.¹³ When I was doing delinquent letters – No, actually Central Credit Union called me and said you didn’t pay your taxes. And I laughed – I laughed, I thought what are you talking about. I said I actually collect taxes. I know my taxes are paid. So I looked it up, they were not paid. I just freaked out. So, I call –

DH: That was this year?

AT: Yeah. This is just a couple of days ago. This was Friday. I think Friday I did this. So, I called Wood Trust Bank and after a whole bunch of talking back and forth, they said no, when you refinanced you were supposed to pay your own taxes. We were going to escrow going forward. So, I told Steph what had happened and she said I could backdate it. I felt bad about backdating it, because this is probably the only – I still feel bad about it. Because we don’t do this normally but, it was a total honest – it wasn’t like I didn’t pay my taxes, I mean, my record will show I have never, ever, ever been late on my taxes.

DH: So, what did you – when did you actually – so let’s just back up, you said in February that you refinanced with you and husband on your home?

AT: Hmm, yep.

DH: February of this year?

AT: February – yep, 2015. And at that point they had already paid my January taxes out of escrow and then we were under the impression that in that big long paperwork that you do, our taxes would be taken care for the remainder of the year, and they weren’t.

¹³ A taxpayer can instruct the mortgage company when she or he wants taxes paid; this option is described, for instance, by the Fond du Lac County Treasurer website, available at <http://www.fdlco.wi.gov/departments/departments-n-z/treasurer/frequently-asked-questions>.

DH: And so, you were doing installment payments?

AT: They were doing installment payments, yep. The previous bank was doing a January installment and a July installment.

JJ: Can you tell us more about your conversation with Stephanie?

AT: There wasn't a big conversation, it was just I asked her if I could backdate it a month and I told her what happened and she said "yes."

JJ: When did that conversation occur?

AT: It would have been 8/26 because the next day I came in and I wrote out a check on 8/27 and receipted this.

DH: For what date?

AT: I back dated it to 7/31.

JJ: Are you sure of the date that you did it on 8/27?

AT: Yeah, because it was a Tuesday. You can't change that date. Well, maybe you can, I don't know I never have. I did it on 8/27. And my check was deposited probably, not – I didn't batch out on Friday –

DH: So this was your personal check?

AT: My personal check. Yep.

DH: That you deposited on August 27th?

JJ: On Friday?

AT: I think it was whatever – I think Friday was the 28th, so it must have been on Thursday because umm – yeah, it must have been on Thursday. I am trying to think when Steph was gone, but she was gone on Friday. When I came in in the morning, I did it right off the bat.

DH: Was anybody else in the office at the time?

AT: No. Lisa heard the whole conversation because we talked about the whole thing for about an hour because Lisa was saying when you refinance they are supposed to take care of previous things and blah, blah, blah.

DH: And that's the 26th, the day before that that you were having the conversation about –

AT: Yeah, hmm. Yep. Because the next morning I came in and right away paid it. I transferred –

JJ: But that was a day that Steph wasn't here?

AT: Right. She wasn't here when I did it. Well, I always am here first in morning and I just went up and paid it.

DH: And then so you backdated to what day?

AT: I back dated to one month earlier so the \$150.00 of interest wouldn't show up.

DH: How do you change that? How do you –

AT: You can backdate a receipt. You can backdate the interest. We do it occasionally for different reasons. Not usually like this, but –

DH: Is there a grace period that applies?

AT: There's a five (5) day grace period that is after the 31st. Taxes are due 7/31 and then there is a five (5) day grace period.

JJ: So in the case of the grace period, would you backdate the taxes?

AT: Well, it depends. Now Josh has us doing 8/1 and 8/1 during that grace period.

DH: What do you mean 8/1 and 8/1?

AT: Well, what you mean if it was 8

JJ: 8/2.

AT: Okay, if it was 8/2, we would go 8/2 date received 8/2. Receipt date and interest date both 8/2 and 8/2. But we used to put it back to 7/31, but now the system likes it better when we do 8/2 and 8/2 up through the grace period.

JJ: You mentioned that there are other reasons that you would change the date for the interest payment?

AT: Umm, hmm.

JJ: What would other reasons be?

AT: Let's see. There's been different circumstances – well we would have to change it for the postmark, of course. If we get an envelope in like yesterday we received 8/31 postmarks in so it said 9/2 and 8/31.

DH: There is a timing issue with the mail is what you are saying?

AT: Yep. Yeah. And we accept postmark. And different circumstances when – gosh, I am trying to think of what one would be the – we don't do it a whole lot, but umm –

DH: It's not your typical practice?

AT: No.

DH: Why?

AT: Well, because you shouldn't do it.

DH: Right. Should you have done it?

AT: No. But, and my – yeah, there is – I deserve to be busted for this. This is wrong. This is the only thing I have ever done like this. Umm, well – now you probably don't believe that, but – It wasn't like I was trying to get more time. I just – I would never have been late on my taxes.

DH: Is there a reason why you just wouldn't have paid the interest as well?

AT: I didn't want to pay the interest. Poor choice.

DH: You knew you were doing this.

AT: Yeah.

DH: Yeah.

AT: Definitely.

JJ: Can I confirm dates?

DH: Yes, please.

JJ: So, the information that I had in terms of the system was the check was dated 8-28?

AT: Umm, hmm.

JJ: So, your recollection indicated that it was 8-27.

AT: Okay.

JJ: The information that I have shows the transaction occurred the morning of 8/28, but had a receipt date of 8/27.

AT: I wonder if I hadn't changed the date over yet then.

DH: That's the check that you used from your bank?

AT: Yep. Personal account. Yep.

DH: It's Sentry Credit Union, Check No. 11506? Is that your signature or is that –

AT: That's my signature.

DH: That's your husband's.

JJ: And you indicated that you did it first thing in the morning when no one else was in the office.

AT: Umm, hmm.

JJ: So that would be concurrent with the information that I had from the system. This is a report of delinquent taxes with your parcel number on it as of 8/26 which shows the principal amount owed and the tax interest due for the taxes which is in the amount of \$175.31 as of 8/26.

AT: Umm, hmm. Okay.

JJ: But again, when this was receipted on 8/28 for a 8/27 receipt date, the interest rate was changed to 7/31, which in essence negates the interest due to zero.

AT: Umm, hmm.

JJ: So you would confirm that that is correct?

AT: Yes.

JJ: Okay.

AT: Nope, I know it was wrong, I shouldn't have done it.

JJ: Is there anything else you want to share with us at this time? Any more questions you specifically have?

DH: You said that you received a call that your taxes were –

AT: Yeah, we have a – our mortgage is with Wood Trust in Plover, but we have an equity line with Sentry Credit Union because that's where we have always done our business. And, the girl called to tell me that the taxes weren't paid.

JJ: From Sentry?

AT: Yeah.

DH: How would that be on her radar?

AT: Banks do that. We get calls all the time. They actually – there is even a report that prints out for banks that show, because they want to make sure people are paying their property taxes so it doesn't go to tax clearing.

JJ: Can I back up to the conversation again with Stephanie. So when you had the conversation, you requested to do this?

AT: Umm, hmm.

JJ: And Stephanie's response was, "It's okay to do," but more specifically

AT: I think she just said "yes." After hearing – like I said, I was just so shocked. It was like an hour of that afternoon that we were like how could this have happened? It's not a responsibility to pay these taxes and like I said the three of us were right there talking about it. That they should have to pay these taxes and blah, blah, blah. So, you know, we just all sat and talked about it for quite a while.

JJ: So you thought it was okay because they had –

AT: No I didn't think it was okay. After they explained to me what the reason that – well, I don't like how they handled it. I don't think they should have handled it that way, but I realize it is my responsibility. I had no reason to backdate it.

DH: Nor authority?

AT: No.

DH: And Stephanie wouldn't have authority to authorize it either.

AT: Okay.

DH: I mean, is that your – do you think she has the authority?

JJ: Does she have the authority to do that?

AT: I am not sure. I thought she did.

JJ: Do you think this is a violation of any County policy?

AT: Yes.

JJ: Would you be able to share which County policy you think it would be a violation of? Or what you think it might be?

AT: Stealing, I guess.

DH: Do you have an expectation and understanding what you think the consequence of this you said that you felt like you should be that you deserve to be busted for this? What do you think that might include?

AT: I am not sure with this. I am hoping it's not me being let go. But, I don't know what exactly the consequences are, no.

DH: Do you think that could include some type of termination?

AT: Probably.

JJ: In your role at Deputy Treasurer do you think there is a certain type of fiduciary responsibility in your position?

AT: Can you explain that better, I am sorry?

JJ: Responsibility for money and money handling and any financial transactions.

AT: Of course.

DH: If you thought this could result in termination, would you – have you thought about what other course of action there might be available?

AT: What do you mean?

DH: If termination from employment were a possibility with this –

AT: Umm, hmm.

DH: Would you give some thought to other alternatives?

AT: Such as what?

DH: Just asking.

AT: I don't know what you really mean by that though.

DH: Well, some people in other circumstances, certainly you are aware that HR and our office deal with a lot of employee matters, some matters that employees are facing termination and sometimes they are given an option of a resignation and being able to retain certain benefits.

JJ: And, just as a reminder at any point and time during this conversation that's always an option.

AT: So, there's an option for me to not be terminated?

DH: Well, what I am saying in other circumstances, in the past with certain employees, if there were discovered situations and facts that would warrant termination, sometimes what happens is the employee will say can I resign rather than being terminated with a resignation, if that is accepted, there are certain circumstances where people are able to retain certain of their benefits versus a termination where _____ not be able to stay with the person.

AT: I would choose to resign.

JJ: I would just remind you that at any point during this process you have the right to do that. Do we have more questions?

DH: I don't think so.

JJ: We need to step out and talk. We would ask that you stay here until we come back.

DH: I am going to stop the recording. It is 10:57.

- SS is interviewed by Laura Belanger Tess (Portage County Human Resources Direct) and Trisha Heyman (Deputy Finance Director).
 - Trisha Heyman's interview notes are as follows:

Does everything look ok on this?

It was a bank error and it was not an Amy error.

Not sure what happened but think the escrow account did not pay the taxes as they were suppose to.

If the escrow company is late on making the payment typically the bank/escrow company would pay the interest. We should reverse it and fix it and collect the interest from the

Authority to not pay interest if a bank error.

Probably not, I told her it was ok because it was not her fault.

So you are aware of it.

I just looked it up today to reviewed it. Probably five minutes before this.

Thought Amy was having the bank pay the interest.

Have not had time to talk about it.

No problem to reverse and have her pay the interest.

Is she in trouble?

Could be. It is an ethic violation and using position in office.

Have done this for people were banks have screwed them over. My purgative [sic] to help them.

Documentation from the bank requested explaining the situation.

Amy has paperwork from the bank regarding this and Steph can get the paperwork.

If my check does not come in then it is my responsibility to verify it is paid.

When they won't listen to the person and fix these situations then I typically talk to the bank and they pay.

I told her to not worry about it and it would be timely as it was not her fault and they would get the interest from the bank.

Lisa told Amy it was late. She was not aware until last week that it was late.

Was she expecting a check or wire or how?

Comes as a check to the treasurer and they apply it.

Do we send delinquent letters?

We did not have time to send delinquent letters this year and it is not required.

We are in the process of mailing tax certificate letters at this time.

No letter printed because of the payment now being made.

Have to check with finance on everything and have no purgative on my judgement.

Concerns discussed with Steph-Ethic Policy

Was not because she works here. Would have handled it the same if it was a member of the public.

She receipted the check herself and input the tax payment.

I told her to receipt it.

How is that fair or appropriate? She has the ability to apply the payment.

Have we waived the interest on someone else?

Have talked to the bank and had a conversation with them and they admit to screwing up and I have fixed it.

You did not have a conversation with the bank so was treated differently.

Different because I trust her and believe her. She probably has the paperwork here.

Within treasurers authority to waive anything outside of grace period?

As treasurer have to have some authority and as an elected official I feel this is my right.

Being elected I have to have some authority to make judgements calls and do the right thing. Don't know all policies.

Do what you need to do, Amy did not do anything wrong and if you want to take me to ethics you can.

Whatever you need I can get the paperwork. Amy is the most honest person in the world and would never do anything wrong so just put it on me. She does what I tell her to do. I don't think she did anything wrong. She would be happy to pay the interest and if the escrow company pays the interest then we could refund her.

- Laura Belanger-Tess' interview notes regarding the SS interview are as follows:

→ LBT laid out attached receipt and asked if Stephanie could explain it.

Stephanie → Bank error – escrow account – didn't pay.

→ Bank would pay the interest - should reverse that + have

→ Authority not to pay interest if bank error.

- Stephanie looked up today.
- Stephanie told her was okay.
 - Last week told her was okay.
- Have done that for other people.
- Require documentation from bank.
- I asked if have documentation from Amy's bank. She replied no. She said I trust Amy.
- Stephanie last week told Amy not to worry about the interest.
- Amy assumed was paid until last week.
- Think have prerogative as Treasurer to allow her to write a check or to waive interest.
- Similar to [REDACTED] – instead of paying \$525 interest.
- Stephanie has waived in the past interest after talking w/ the bank.
- Stephanie did not talk w/ the bank first in this case.
- I had no further ?s. Saw David H. in the hall.
- As we were leaving, Stephanie asked if should tell Amy. I replied Amy is already being spoken to. Stephanie asked by who. Trish and I continued to walk out. Stephanie saw David and asked if being spoken to by Corporate Counsel. Stephanie came out in the hallway + asked David if he needed anything. David said no.
- Went to David's office. Jen + David + Mike in office. Stated Amy admitted to adjusting record to not pay the interest. She said was wrong. Was stealing. Violated policy. She did it bc did not want to pay the interest. She is interested in Settlement Agreement.
- Drafted Settlement Agreement + called Patty Drier who came over.
- LBT + David went in by Amy explained we understood she was interested in resigning with a Settlement Agreement. LBT reviewed Agreement, each paragraph, + answered Amy's questions. LBT also gave Amy a copy of benefits that would be paid out but noticed error in longevity (need to be prorated). Stated can get her updated sheet. She replied no need.

→ We explained Stephanie, as Department Head, would need to approve waiving 2 week notice.

→ LBT asked if any ?s. She asked if would get time to work w/ Stephanie and show her what she does (started crying) b/c Stephanie does not know what all she does. I replied no but Trish (Finance) will be available + Josh (IT) to assist Stephanie. She nodded.

→ Amy signed SA.

→ Went to get Stephanie's signature (Laura, Patty + Dave).

→ When we came in, Stephanie got up + started walking toward us. She then said I remembered one more thing (and pointed at Amy's phone). I did hear her whole conversation with the bank. I stated Amy has decided to resign. Stephanie yelled out NO! And said no, no! How can you do this? You have just ruined me! And sat down in the nearest chair

→ She looked at Patty + said, "Fire me Patty. Take me to Ethics Board. Let Amy stay. She doesn't deserve this. It is all my fault. I told her it was OK."

→ Patty replied Amy has made a decision + we are honoring that decision. I also stated Stephanie you are elected. Patty cannot fire you. We are not sure of next steps but right now we are here to discuss allowing Amy to be paid out her benefits.

→ LBT went over SA w/ Stephanie + explained if Stephanie agrees to waive 2 week notice, Amy can get her benefits paid out. Stephanie signed.

→ Laura and David took final signed Settlement Agreement to Amy.

→ Laura went w/ Amy back to Treasurer's Dept.

→ When we walked in, Stephanie went over to Amy and they hugged and Stephanie kept saying, "I'm sorry. I'm so sorry. What will I do without you?" Amy kept saying it will be OK.

→ Amy started packing up her items and Stephanie went back to her desk.

→ Stephanie asked Amy why did you resign? Did they threaten you with an Ethics complaint? Amy replied no. Stephanie said then why? Amy said I did it. Stephanie said but I told you it was okay. Amy said but I'm the one who did it. Amy said they said I would be fired.

→ Stephanie kept saying I don't know what I'll do without you. Amy kept saying it will be OK.

→ After Amy had her stuff gathered and we were leaving, Stephanie said to Amy, I love you. Amy replied, I'll call you tonight.

→ Stephanie at one point said she wasn't having any meetings with Patty. She will cooperate with Jen but she had enough of Patty.

→ As we were walking out of Treasurer's office, a lady was by the door of the Treasurer's office. (I later found out it was [REDACTED]).

→ I held the door for Amy. She thanked me for allowing her benefits to be paid out. I held the main lobby door for her and wished her luck.

→ I went back to the Corporate Counsel Office. Jen and I discussed items Stephanie would need to deactivate with Amy's name.

→ Jen and I went to Treasurer's Office to discuss with Stephanie.

→ Stephanie was at her desk talking with Lisa Burant (who had come into work) and [REDACTED].

→ Stephanie came to the main door. We discussed deactivating bank tokens, change signature cards, etc.

→ Stephanie discussed deputizing Lisa B. Jen replied not sure best idea, use this as opportunity to hire someone with skills currently do not have in the office that need. Stephanie stated Deputy is easier job than Bookkeeper and Lisa will do good job and maybe will stay because knows unhappy. We left with Stephanie saying she is willing to discuss but thinks that is best thing for her department.

- AT and Portage County enter into a Settlement Agreement which memorializes the following: "Amy E. Townsend hereby resigns from employment with Portage County effective Thursday, September 3, 2015 with her last day worked being Thursday, September 3, 2015." The agreement is signed by Amy Townsend, Laura Belanger Tess, Patty Dreier and Stephanie Stokes.

- AT emails SS:

Wow I don't want you to have to go thru that huge folder. I thought maybe you could put it all on a CD. I have my personal email folder too that I would like to have if that could go on a disk. Is there a way you can forward the whole folder? I know you're too busy to be doing any of this now, I was just thinking that they will probably destroy my email account.

Please call me with every single question that comes up. We could go for coffee and I could give you a briefing on the way I do stuff

on MUNIS now. It's actually a lot easier. I wish they would have waited until Lisa got back to do this so I could be there next week.

Thank you so much for calling Bill. I will be over there tomorrow at 9:00. I have to find something fast because I doubt if they are going to give me unemployment. I didn't know whether it would be better to get fired or resign as far as that goes. I know sometimes when you get fired you can collect, but probably not for stealing. I just didn't know how to answer the questions in that room today. It was horrible. All I could think about was you sitting in there wondering what was going on. How did Trisha act? Jenny was like a deer in headlights. I thought they were going to ask me a general office question or something and then they pulled that out. The only thing I did wrong in 14 years. Oh well, I should have just paid the stupid interest. What was \$175 more after finding out I had to pay \$2200! What a dope.

I'm going to start looking for houses. I don't see how we can stay here. I can't even believe I just typed that.

I'll call you tomorrow after Whiting. Thanks again for calling him.

- SS responds (on September 4): “You’re right, I can put it on a cd. Good idea. I don’t know about unemployment, just try for it and see. That’s all you can do. As far as moving, I can’t believe that is the result. I’m just sick over it. I know you kind of like to move, but not like this. I’m so sorry. I’m not going to have you do anything for the County. They can teach me. You are so sweet to offer, but when we get together it will be just as friends from now on. But you are too kind to offer. Trisha is a cold bitch with no feelings. It was like nothing to her. Laura felt bad, Jen felt a little bad, I’ll txt you about someone who called me at home to check on me and you. You’ll never believe who HE is. Of course my phone is at home.”
- September 4, 2015
 - Patty Dreier sends memo to SS re “Meeting to Follow Up on Transition of Deputy Treasurer and Related Circumstances,” which contains the following text: “In light of yesterday’s resignation of your deputy and the circumstances surrounding her resignation, a meeting [for September 9] has been arranged with CPA David Maccoux from Schenck who has been providing assistance to follow up on your department’s internal audit.”

- Patty Dreier sends memo to Jennifer Jossie re “Follow Up on Deputy Treasurer Resignation Yesterday,” which contains the following text: “I direct you to do additional fact finding to determine if dates were altered on other tax records.”
- September 9, 2015
 - Trisha Heyman informs Jennifer Jossie that SS deleted the late tax payment made by Amy Townsend on August 28 because, as SS explained, “[L]isa likes things to be clean so easier to delete and do a [journal entry] and then enter the corrected payment.”
 - SS meets with Patty Dreier (“PD”), James Gifford (“JG”), Dave Maccoux (“DM”) and Jennifer Jossie (“JJ”). Jennifer Jossie’s notes from the meeting are as follows:

PD - Kicked off meeting thanking DM for being here - wanted Schenck perspective and bigger picture

SS - Thought what happened was confidential - my own deputy backdated taxes to not pay interest, the way our freedom is set up, we are set up to change interest dates, we change for postmarks, the next day to everyday, never crossed my mind that someone would do it to steal - what can we do so it doesn’t happen again-what do other counties do?

DM - indicated that is a normal process - the internal controls - how do we establish controls to ensure this didn’t happen

PD - a little confused, my understanding is that discovered in the process last week

SS - totally panicking, we just don't do it. I didn't understand the situation...recommended she call the bank - explained she called the bank, we never talked about it again, don't remember having the conversation

PD - why would you say it was all your fault - I didn't do anything wrong

SS - I freaked out and I always try to protect people

DM - internal controls are a multiple dimension, attitudes of management and how things occur, establish the rules and then follow them, if you change, then it is an attitude it is OK

SS - not the attitude in the Dept - deputy would get the mail - open it and organize - it would be run through - should have looked at report more closely

PD - why?

SS - to look at the dates - payment date and interest date

JG - what other counties do? - you could track who did what?...Lisa or Amy should not have been allowed to enter their own tax payment - that is how we do things generally

DM - critical piece is who did transaction

JJ - asked about the situation and changing of the information

PD - do you backdate anyone else's taxes

DM - opportunity to structure the deputy position to hire someone with relevant experience - options to appoint the deputy and what kind of qualifications they have

SS - I will not be bullied into appointing a deputy

PD - do you have a job description

SS - yes

PD - with qualifications

SS - you don't need qualifications - you need to be me in my absence

DM - you need to ensure the deputy has qualifications - critical position

SS - I don't want to hire an idiot

DM - encourage you strengthen the qualification side - the reality the County has the authority to adjust pay and other things to offset the qualifications needed - how do we ensure we set the controls over the office, not a good thing to have happen in the department

SS - happened to me in my department and I am going through this - I want a great department - wants her opinions to be respected

PD - I stood a few inches from you and the story is different today - how should PD move forward in regard to this situation - shines serious light on weaknesses - how do

SS - I didn't do anything wrong

PD - you're confused

SS - tell everyone what happened and that I suck

Discussed the deleted payment and how it happened - mentioned she deleted it today after discussing with Trisha

JJ - asked if she was being truthful...then informed her we knew she deleted the payment on Friday and the discussion with Trisha was today

Stephanie - that is always how we fix payments

PD - what does it mean fix?

SS - you need to be able to correct things....need to correct things that happen.

PD - when I was in your office - discussed the Treasurer's prerogative....what do you think is your prerogative?...would also like to hear from DM about other counties?...where is the line drawn?

SS - doesn't like the way she is being questioned - doesn't appreciate it

JG - an example would be you get to appoint your own deputy?

DM - a number of functions within the roles within the County?

PD - is there grey vs. black & white

SS - Amy said she was wrong

PD - how do we get to the place where things are fair?...interested in black and white?

SS - how can people see that PD treats people the same?

JG - not everything included in the statutes- somethings are not written

DM - constitution sets the roles - over time you still have to follow best practices - maintain integrity to prove it, challenge is the scenario of the employee how did something they should not have done, nobody should process the transaction of a relative - needs to be a policy of the department, anyone violating the policy should be subject to discipline

JG - what if word of mouth was that the Treasurer

DM - impact of financial statements - evaluate, if material, would do additional testing - made aware, if significant - dollars and controls determine significance- review materiality - review the processes and tighten up processes and procedures - non compliance with procedures - hire best qualified deputy - take a look at qualifications and person fits those qualifications - how do we prevent this going forward - policy to not receipt their own or relatives - recommended reviewing a report...establish an exception report - control feature would be established

JG - discussed getting something in place to minimize efforts - need to keep moving forward

PD - appreciate everyone sitting here- how do we ensure all is in place and ensure the integrity and trust

- September 14, 2015
 - The Portage County Finance Committee convenes in closed session “to consider strategy for financial crime detection or prevention within county departments.”
 - Schenck issues its “Independent Auditors’ Report” to the Portage County Board for year ended December 31, 2014. Among other items, the report noted (*see* pp. 15-16, 34) that “Delinquent [property] taxes, including interest” amounted to \$578,027. The County’s General Fund (*see* p. 39) showed an investment of \$6,493,810 in delinquent taxes (for years pre-dating 2014).
 - Schenck’s report “Management Communications Portage County, Wisconsin December 31, 2014” contains the following observations: “We noted during our audit that some Treasurer department’s procedures related to receipting, depositing, and tax collections were not being consistently applied. . . . In 2015 the County began an operations efficiency study in the Treasurer’s department. This study will review the procedures currently in place and recommend changes as deemed necessary to improve the efficiency and effectiveness of the department”
 - Rachel Hanson (Vernon County Treasurer) emails WCTA listserv: “I have a taxpayer who wants me to void the interest because his says it is the Postal services fault. Attached is his letter and if I won't void it he wants the full County Board to hear his complaint. Our Attorney who is new to most of the County Business says maybe I should void the payment in order For it not to go before the County Board so that other taxpayers will hear about it and then say they had a postal service error too. The postal service is very slow but how can we start saying how many days is a postal error. I don't think it should be voided because the letter is postmarked 8/3/2015 and we didn't receive it until 8/14/2015. What do you think?”

- Lynn Neeck (Price County Treasurer) responds: “I had an incident in 2013 where while I was gone on vacation a taxpayer that I refused to waive interest and penalty went to the County Board chair who brought his request to full County Board to waive the interest. Because the taxpayer was a business owner and one of the ‘good ol boys’ the county board waived his interest and penalty, which now set a precedence for the future. This waiving of the interest/penalty made front page news in our little county newspaper. So people started coming out of the woodwork claiming they too mailed their payments to the townships on time (even though the towns never received the payment). Amazingly, since these taxpayers were not Price County residents, the county board denied waiving their interest and penalty. What came out of all of this is I told them what they were doing is illegal and immoral. So they wanted to put together a ‘policy’ or process on how to handle claims of postal error. I told them, we do not need a policy...the statutes are the policy which they refused to follow...if they cannot follow statute what would make county board members follow a resolution or policy. Attached is the resolution they passed and came up with. I told them I want no part of writing the resolution or involvement in their ‘policy/process’, I follow statute. I don't know if this resolution will assist you or not...but with the situation you are describing, the statute clearly states that the payment has to be POSTMARKED TIMELY by the due date which is July 31st. August 3 is not a timely postmark. He owes interest and penalty and you will need to explain that to the county board members long before the meeting so they are aware of the law.”

- The text of the attached resolution is as follows:

“WHEREAS, it is the responsibility of Price County property owners to timely pay annual property taxes assessed on their property’, and

WHEREAS, payment of property tax liability is considered timely if it is mailed in a properly addressed envelope, postmarked by the last day prescribed for making the payment and is received by the proper official not more than five days after the prescribed date for making the payment; and

WHEREAS, property taxes not paid in a timely manner are considered delinquent and incur penalties and interest as proscribed by Wisconsin State Statute, and

WHEREAS, Wisconsin State Statute Chapter 74.69 provides for the waiver of any penalty and interest incurred due to U.S. Postal Service error; and

WHEREAS, the Price County Treasurer will waive any such penalty and interest upon receiving documented proof that the payment was late due to U.S. Postal Service error; and

WHEREAS, in situations where the Price County Treasurer does not honor a request to waive such penalty and interest due to the lack of any documented proof of U.S. Postal Service error, a request can be made to the County Board for such waiver by written request filed with the Price County Treasurer, per Wisconsin State Statute 74,69(3)(b); and

WHEREAS, to provide consistency and fairness in the handling of such requests by the County Board,

guidelines shall be established to be followed when determining the validity of the request.

NOW THEREFORE BE IT RESOLVED, that the Price County Board of Supervisors adopt the following guidelines to be followed when determining any request for the waiver of penalty and interest on the late payment of property taxes received by the County:

1) Evidence shall be provided that a complaint was filed with the U.S. Postal Service including the response received to such complaint, and

2) An original receipt from the U.S. Postal Service shall be presented verifying that the tax payment was in fact mailed in a timely manner. Such receipt shall include the date and time of mailing, the addressee, the amount of postage paid and the post office issuing the receipt, and

3) All taxes, interest and penalty shall be paid within 30 calendar days of receiving the notice of delinquency, and

4) Evidence shall be provided that a stop payment order was issued on the payment(s) in question.

- Laurie Noble (St. Croix County Treasurer) responds: “We would require a letter from the post office (postmaster) that is was indeed an error on the postal service; the delay was caused by the post office. Also, if mail is being routed through St. Paul and takes time to process, then taxpayers should keep this in mind and mail their payments earlier. Technically, payments are due on July 31st.”
- Jani Zander (Adams County Treasurer) responds: “After I wrote stating I couldn't due to Statutes, etc., I had 2 last year who wanted to go ‘over my

head.’ We asked them to put their request in writing and I brought it to my committee. After bringing it to the committee, they determined the same as I after I showed statutes and causes it could reap later if allowed. So our Corp Counsel, at the request of the committee, wrote them back again stating the reasons (same as I did before) and eventually they paid it.”

- Mary Krueger (Winnebago County Treasurer) responds: “We request the letter be from the US Post Office (not the owner) and the post office must state it was a postal error.”
- Vicki Brown (Rock County Treasurer) responds to listserv: “Our interest and penalty policy appeal is online. <http://www.co.rock.wi.us/treasurer-interest-penalty-appeal>. They did NOT get it postmarked by July 31 so it is late.”

- September 15, 2015

- Stevens Point Detective Lepak reviews a dozen “sample receipts” from a report that showed that there were 283 instances between 2013 and 2015 where tax payments were made more than 15 days after the tax deadline but where no interest was collected. Thereafter, Detective Lepak attempted to contact several “sample” taxpayers in relation to these apparent instances of waived interest. He spoke with the following taxpayers:

- [REDACTED]: Said his nephew made his tax payment by mail on 8/18/15 and that he didn’t realize interest fees were not charged. He thought “it was mighty nice of them” not to charge him interest. Office records show the receipt date of the payment was 8/20/15 but that the payment was backdated to 7/31/15.
- [REDACTED]: Said that his last tax payment for 2014 was hand-delivered or dropped off at the Treasurer Office’s drop box on 8/25/15. Office records show the receipt date of the payment was 8/26/15 but that the payment was backdated to 7/31/15.
- [REDACTED]: Said he recalled “very clearly” why he didn’t pay interest on his 2012 taxes. He said he owned five properties which all had different tax bills. In 2013 went to Treasurer’s office to pay his tax bills. The “intern” working there only found four of the five tax bills so [REDACTED] only paid those. He didn’t realize he didn’t pay the tax bill on his fifth until he got a delinquent tax notice. He spoke to SS in person on 9/5/13 to explain how the intern made an error and that he had never been delinquent before. Office records show a receipt date of 9/5/13 but that the payment was backdated to 7/31/13. Det. Lepak said that he spoke with other county treasurers and one (the Marinette County Treasurer, Bev Noffke) said that even in this situation it is up to the landowner to know that taxes on all parcels of land are paid. She said that even if taxpayer

names are misspelled in Treasurer's Office, it is still up to taxpayer to know whether they paid taxes on their landholdings or not. Detective Lepak also learned that [REDACTED]

[NOTE: [REDACTED] reported that, after [REDACTED] was contacted by Detective Lepak, [REDACTED] immediately called Stephanie Stokes.]

- [REDACTED] [Receipt date of payment (\$4,559.79) was 2/18/15 but payment backdated to 1/31/15]. [REDACTED] said he sent his check on time but that it bounced because of insufficient bank funds. He was notified that his check bounced by staff in the Treasurer's office and, at that time, he realized he wrote a school tuition check from the wrong checking account, which led to insufficient funds to cover his tax-payment check. He said he spoke on the phone with a female in the treasurer's office and was told the interest would be waived based on the circumstances. [REDACTED] then wrote another check and sent that to the Treasurer's office, which was received on 2/18/15.
- [REDACTED] was an owner of a business in [REDACTED] and was victim of embezzlement causing thousands of dollars of losses in 2009. When asked if her 2014 tax payment did not include interest fee she confirmed that her tax payment made in July 2015 did not include interest. She recalled getting into a bad car accident on July 20, 2015, and that after the accident, perhaps on July 31, she spoke on the phone with Stokes and told her about the embezzlement, car accident and financial hardship. She said she was going to pay some of the tax bill but not all of it. She then went into the Treasurer's office to talk directly with SS about her bad luck and recent financial hardship and that, at that time, she paid a portion of her tax bill. [REDACTED] said she never asked SS directly for any leniency with her tax bill and doesn't know SS personally and has no other association with her. She now realizes the payment she made in July (7 months late) did not contain interest fee. [REDACTED] stressed she did not ask for interest waiver directly and only talked to SS about her tough circumstances.

- September 17, 2015

- Patty Dreier issues the following memo to SS:

Per information brought to my attention today, it appears that all taxpayers are not being treated equally by your office. It appears that interest is being waived beyond the statutory grace, period for some taxpayers without a good business reason noted in our official records.

Tax dollars (including interest o.n taxes) are dollars that rightfully belong to the people of Portage County. The only way we can

honor the public trust is to treat taxpayers equally and steward their resources carefully and fairly for all to see. That is my expectation~ I believe that is an expectation shared by the citizens of Portage County.

There will be some steps to follow up on this matter. I felt compelled today share my expectations about fairness to the citizens of Portage County.

- September 25, 2015
 - Patty Dreier advises SS that, with regard to the open bookkeeper position that was vacated by Lisa Burant (whom SS appointed Deputy Treasurer following Amy Townsend's resignation), "there is a need for additional credentials/financial qualifications in this position in your department."

- September 28, 2015
 - The Portage County Finance Committee convenes in closed session "to consider strategy for financial crime detection or prevention within county departments."
 - Corey Ladick (Comptroller-Treasurer, City of Stevens Point) emails SS: "I have a favor to ask. We have identified that the property at 276 Second St. North was owned by Habitat for Humanity as of 1-1-14, meaning there should not have been a tax bill for the 2014 tax year. We will be paying the outstanding tax bill based on it being an unlawful tax (non-profit org). There is currently interest outstanding as well, would you be willing to waive the interest since this was an erroneous tax?"
 - SS responds: "No, we do not waive interest under any circumstance."

- September 29, 2015
 - Trish Heyman emails SS: "There was \$175.31 withdrawn from Amy Townsend's 9-18-15 pay check to be applied to her tax parcel interest amount due. A journal entry has been done by Colleen to move the money from the payroll other deductions account to the tax interest account. You should have received a notification in regards to the journal entry that was processed in addition to this email. Please apply the \$175.31 manual payment to parcel [REDACTED] with an effective date of 9-3-15."
 - SS responds: "I left you a voicemail, but there is only \$154.83 owed on Amy [Townsend]'s parcel for a September payoff. Where did \$175.31 come from? I'm out tomorrow, but will be back Thursday and Friday to handle this for you."
 - TH responds (on September 30) to SS and Lisa Burant: "Hi Lisa Please make a correction on the tax system for the tax payment that was received

and applied to Amy Townsend's tax parcel. The payment was received on 8-28-15 but the payment in the system reflects a payment date of 8-27-15. Also, there was \$175.31 placed in the tax interest account via journal entry. This payment was to be applied to Amy Townsend's tax parcel. The amount due on the Parcel, [REDACTED], is \$154.83. So please receipt a manual payment to this parcel for \$154.83. I will move \$20.48 of the amount placed in the interest account to the tax overpayment account to be refunded to Amy Townsend. These changes need to be made today so that interest is not charged for an additional month as of tomorrow. Please confirm once all the items listed above have been handled."

- October 15, 2015
 - Laura Belanger Tess emails Patty Dreier and Jennifer Jossie re "A. Townsend UI Determination": "Wanted to let you know that unemployment insurance determined it was not gross misconduct because her supervisor [SS] told her it was OK."
 - Attached is the Wisconsin Division of Unemployment Insurance determination, which contains the following text: "The employee's discharge was not for misconduct or substantial fault connected to her employment. The employee was discharged for violation of policy when she took off the penalty when paying her taxes. Because the employee was following her supervisor's directions misconduct or substantial fault have not been established."

- October 26, 2015

- SS prints out an untitled Word document with the following text:

Narrative

1. 3 September 2015. Trisha came into help balance taxes for August because they hadn't been balancing for a month. She happened across Amy's check and looked at the proof report and noticed that the interest date had been backdated to July to remove any interest due.
2. 3 September 2015. Trisha called HR and Corporation Counsel immediately for an investigation. Amy was taken to Corporation Counsel to be questioned. I was questioned in my office by the HR Director. Amy admitted guilt. She was given the option to resign with benefits or stay working and face the consequences, which were uncertain. She resigned that morning about 11:30 a.m. She was escorted out of the building and was not permitted to return.
3. I was questioned by the Stevens Point Police, Detective Kurt Lepak, twice. No charges were filed. He did not believe a crime was committed but that I "was a very nice person, maybe too nice for this job." He believed that I have backdated interest payments for unfortunate people. I do not do this for taxpayers. I do

backdate interest dates at the beginning of the month because we give taxpayers credit for the postmarks on their mailed envelopes. I have backdated a payment once this summer when I felt it was a staff error in missing a tax statement for a taxpayer when they asked us to look up their tax statement by name. I did not tell this to Kurt Lepak. I felt and do feel that I had the legal right to backdate interest payments as I see appropriate, according to State Constitutional statute and Treasurer's prerogative according to my interpretation of the statutes. I don't believe it is my right to backdate willy nilly, but as I see appropriate to correct staff errors. Two people have reached out to me who were questioned by the police regarding the police, one woman whose name I don't remember, and a man whose call I did not return. I don't remember his name either.

4. When Amy was initially challenged by the Corporate Counsel, I tried to protect her and take the blame; however, I had nothing to do with Amy's backdating of her interest payment. I later explained that I hadn't given her permission or had changed the interest date. I was not even in the office that day, but at a religious retreat in Green Lake. However, no one believed me.

5. Kurt Lepak passed on his findings to the District Attorney Louis Molepske. Molepske did not wish to pursue this as a case. As he said, "there is no criminal act here." So he recused himself and passed it along to other county DAs. No one would take the case. He was told by Phil Idsvoog, chair of the Portage County Supervisors, that he had to pass it along to the State Attorney General for a review. Phil Idsvoog had said to Det. Kurt Lepak, "go back and find something wrong in that office."

6. So we are waiting to hear from the Attorney General regarding his review.

Context

I and my office have been the subject of harassment and intimidation by County Executive Patti Dreier and her Finance Director, Jennifer Jossie, ever since Patti has been in office. Currently, there is a new lawsuit filed against Patti Dreier for wide-scale discrimination of her county department heads filed by the County Corporation Counsel [**IC NOTE:** This complaint was dismissed in August 2016].

The newspaper articles have gotten many facts incorrect and conflated other issues. The audit that is mentioned is the regular 2013 audit. The follow up to the audit is one that all county departments were and are to subject to. Because Amy chose to resign and the issue regarding her backdating of her payment dropped, she is not mentioned in the newspaper reports. Instead, the reporters focused on the Treasurer and Treasurer's Department and the audit, suggesting that there was malfeasance in the County Treasurer's Office. Rather, the details were part of the improvements that I have been instituting as a result of the earlier, year-long audit. I have been slandered and my reputation as a public servant and citizen have suffered as a result of these articles and suggestions.

- November 2, 2015
 - Louis Molepske, Portage County District Attorney, reports that the Wisconsin Department of Justice Assistant Attorney General David Maas, rather than his office, will investigate conduct within the Treasurer’s Office because of a conflict of interest.

- December 18, 2015
 - Corey Ladick (Comptroller-Treasurer, City of Stevens Point) emails SS: “I dropped off a check for 276 N Second St. on Wednesday, and I see that online it is not showing as paid. Is your information online up to date?”
 - SS responds: “Yes, I have not run it through. I told David that I do not waive interest for anyone for any situation, he is looking into it further. I need a statute that would allow for this. I can run it through for you if you would like, but it will show interest due while he researches this further. I don’t appreciate your giving my staff notes telling them to waive interest. You should only approach me with this type of request. As far as I am concerned it is breaking the law.”

- January 18, 2016
 - The Portage County Finance Committee meets and goes into closed session. Upon leaving closed session, the Finance Committee retains von Briesen & Roper, s.c., to conduct an independent investigation of the activities within the Portage County Treasurer’s Office.
 - A draft of the agenda for the January 18 Finance Committee meeting was circulated to a select number of individuals (excluding SS) prior to the meeting. Mike McKenna and SS met in Conference Room D after the draft was circulated and, thereafter, SS queried others about the meaning of the closed session.
 - Both Mike McKenna (Corporation Counsel) and SS’s lawyer (Tammy Levit-Jones) subsequently file open meetings complaints regarding the agenda notice.

- January 21, 2016
 - Patty Dreier (Portage County Executive) drafts “Background notes on Treasurer’s Office events surrounding Deputy’s resignation,” which contains the following text:

Day of Amy Townsend’s resignation, 9/3/15: I went into Treasurer’s Office with HR Laura (and I believe David Hicketier) to be present when Stephanie was told that Amy resigned. Stephanie said, “It’s all my fault.” Then moved to things along the line of: “As an elected official, I need to have my own prerogative.” “I’ll

work alone.” “Can’t do bank transactions.” “What happens if Amy just took the ethics charge versus resign?” Laura remarked that this was a situation that was “more than ethics. Could be criminal.”

9/4/15

- I sent letter to Stephanie about meeting on 9/9/15 at 4 p.m. with Mr. Maccoux—tells nature of meeting, asking her to hold off on staff decisions because he should have good advice for us.
- Stephanie receives the communication and emails back that she has a 4:45 p.m. commitment, will this work for this group?
- I respond that 30-45 minutes isn’t enough time for this important visit and matter and for Mr. Maccoux who is making a special trip to advise us (4:22 p.m.)
- Around 4:27 p.m., Stephanie calls me and said: “I am as shocked as anyone. It could have been a lot more money.” “If there is a way to protect (can’t remember what she said here).....I am for that.” “I am just shocked.” “It’s just my nature to protect.” “I wasn’t trying to weasel out of a meeting. It’s just I have a meeting at that time. I’ll reschedule it.”
- And she attended the meeting on 9/9/15.
- May 16, 2016
 - Patty Dreier issues a memo to SS to inform her that a county employee’s complaint about a delayed mileage-reimbursement check led to the discovery that SS had failed to release 153 deposits, totaling \$215,575, to employees and vendors when they were due.
- June 1, 2016
 - SS files her nomination papers for re-election with Wisconsin’s Government Accountability Board.
 - IC has been told that SS directed Treasurer Office staff to verify—using Portage County computers and the Portage County database—that the individuals who signed her nomination papers had, in fact, Portage County addresses.
 - IC has been told that SS solicited future votes from taxpayers and County employees during business hours in the Treasurer’s Office.
- June 13, 2016

- SS removes a larger number for Portage County tax records from the Treasurer's Office. These were subsequently returned at the request of the City of Stevens Point Police Department.
- June 15, 2016
 - SS removes a larger number for Portage County tax records from the Treasurer's Office. These were subsequently returned at the request of the City of Stevens Point Police Department.
- June 20, 2016
 - Phil Idsvoog (County Board Chair) and Jim Gifford (Finance Committee Chair) issue a memorandum to SS instructing her to confirm that all tax records have been returned to the Treasurer's Office without alteration. SS is also instructed not to remove any additional documents or records from the Treasurer's Office.
- August 15, 2016
 - The Portage County Finance Committee votes to permit IC to share certain written factual findings with David Maas, the Assistant Attorney General who is leading the state investigation of the Treasurer's Office.
- August 20, 2016
 - August Settlements are due. According to "A Portage County Treasurer's Calendar of Duties," the Portage County Treasurer pays all August Settlement amounts to the taxing jurisdictions. In particular, the Treasurer must "[p]ay the school districts and technical schools" or the County will owe interest.
- August 24, 2016
 - Taxpayer [REDACTED] calls the Treasurer's Office about a delinquency reminder letter she had received. The taxpayer had paid taxes on two parcels on time (January 20, 2016) but there were two additional parcels that remained unpaid. The taxpayer spoke with SS.
 - On August 25, 2016, the two parcels that were unpaid the previous day now showed themselves as paid in full by SS (with a payment received and interest date of January 20, 2016). SS reversed this payment and reapplied the payment as of August 26, 2016.
 - On August 30, [REDACTED] informed the Treasurer's Office that she would not pay interest on the two delinquent parcels. SS informed [REDACTED] not to worry about it because SS had paid her interest.
- August 25, 2016

- SS pays the interest owed by taxpayer [REDACTED] using a personal check.
- September 6, 2016
 - Bill Rudahl, the Finance Manager for the Stevens Point Area Public School District, writes a letter to the City of Stevens Point that it failed to receive the August Settlement it was due of \$3,042,958.65. Mr. Rudahl indicates that interest penalties accrue at 12% per state statute and that, as a result, every day adds an interest penalty of \$1,000.42.
- September 7, 2016
 - Lisa Burant (Deputy Treasurer) receives a call from Mid State Technical College inquiring why they did not receive their August Settlement payment (\$302,981.40) from Portage County.
 - Ms. Burant asks SS what the Treasurer's Office should do about the missed settlement payments to the Stevens Point School District and the technical college. SS informs Ms. Burant that SS failed to make the required payments and that Ms. Burant should handle the late payments herself.
 - As a result of the late payments, Portage County owes the school district and technical school an additional \$20,900.57 in interest payments.
 - The Treasurer's Office also failed to make timely payments to the Town of Almond (\$65,054.14), the Village of Amherst (\$118,181.86), the Village of Plover (\$943,084.22) and the Village of Whiting (\$77,269.83).
- September 15, 2016
 - SS removes [REDACTED] taxpayer parcels, without explanation, from the list of delinquent properties that should appear in November advertising to provide the "Tax Deed Notice" necessary for the County to take properties for which taxes are not paid.

Additional Reference Information Regarding the Waiving of Interest

- Many Wisconsin County Treasurer Offices inform their respective taxpayers that interest cannot be waived, including the following:
 - Fond du Lac County Treasurer Office (<http://www.fdlco.wi.gov/departments/departments-n-z/treasurer/frequently-asked-questions>): "Can the county waive interest and penalty fees? - There is no provision in the governing statutes or ordinance which authorizes the county to waive the imposition of interest and penalties. - Section 74.47(1), WI Stats., provides for an interest rate of one percent per month or fraction of a month to accrue on delinquent taxes. - Section 74.47(2), authorizes a county to impose a

penalty of up to 0.5% per month or fraction of a month on delinquent taxes, by ordinance. - By ordinance adopted by Resolution No. 59-83, dated July 19, 1983, the Fond du Lac County Board of Supervisors imposed a penalty of 0.5% per month or fraction of a month on all delinquent real estate taxes that are overdue or delinquent on and after the effective date of the ordinance.”

- Kenosha County Treasurer Office
(<http://www.co.kenosha.wi.us/FAQ.aspx?TID=15>): “Can you forgive some of the interest and penalties on my delinquent taxes? No, state law sets interest and penalties on delinquent tax amounts. There are no allowances to make any adjustments in those laws.”