


Theodore LIPSCOMB

Milwaukee County Board Chairman
County Supervisor, 1st District

To: Jennifer Folliard, Director of Audits
Scott Manske, Milwaukee County Comptroller
Margaret Daun, Milwaukee County Corporation Counsel

Date: April 25, 2019

From: Chairman Theodore Lipscomb, Sr. 

CC: Milwaukee County Board of Supervisors
Milwaukee County Executive Chris Abele
Stephen Cady, Research and Policy Director

The media recently reported on an investigation that focuses on alleged fraud activities involving the former elected Register of Deeds (ROD) who retired in April from Milwaukee County. I write to ask for an audit of the Register of Deeds Office and a legal analysis of our options for recoupment of taxpayer dollars if the allegations about the reported secret fund and the falsification of invoices are validated through the courts.

Information about this investigation may be limited while the case makes its way through the courts, so a comprehensive post-mortem on the alleged incidents must be completed when more information is available. In the interim, we have an obligation to the people of Milwaukee County to ensure that the services delivered by the ROD continue and that this public office is administered with integrity. If it is determined that tax dollars were illegally diverted as part of these reported schemes in avoidance of public oversight of expenditures, we also have a fiduciary responsibility to taxpayers to explore recoupment options available to Milwaukee County from all implicated parties, vendors and the former ROD.

An investigation of the person elected to the Register of Deeds position suggests the need for enhanced internal checks and balances in that Office to increase accountability. It also raises questions about purchasing procedures Countywide and whether they should be improved. An audit review of the ROD Office also would help give the Governor's appointee to the Register of Deeds position a full-picture view of what is working and what is not, from service delivery (e.g., vital records) to administrative processes (e.g., Human Resources). Notably, the search warrant indicates that "*the third-party vendors paid under this scheme included employees of the ROD,*" and one of the vendors listed in that warrant has search engines listed on the ROD website. Therefore, the question of whether there may be an ongoing problem in the ROD Office should be answered quickly.



Information in the requested audit and legal analysis could include:

- details about how the County investigation was initiated, its length, and scope;
- recommendations for strengthening internal County procedures to avoid schemes such as the falsified invoices that have been alleged;
- an estimate of the amount of taxpayer dollars that may have been illegally diverted as part of these alleged schemes;
- information about what recoupment options could potentially be available to the County from participants in the described scam, the individual requesting false invoices and the vendor providing falsified invoices for work not performed;
- an explanation of what actions would trigger various recoupment options, e.g., court-ordered damages or restitution to County; County initiation of a civil lawsuit to parties; or administrative garnishment (pension of former official); and
- the process for invoking termination of pension benefits under County ordinances if the court proceedings result in a criminal conviction of the former Register of Deeds that relates to work in County office.

Given the seriousness of the nature of this investigation, Milwaukee County officials must work together to restore public trust in the Register of Deeds Office and support the Governor's appointee in ensuring the transparency of daily operations. Accordingly, I plan to submit my request for this audit and legal analysis as a resolution for approval by the County Board and the signature of the County Executive in the May cycle.