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A resolution by Supervisors Lipscomb, Sr., Haas, and Johnson, Jr., requesting the Audit Services Division, Office of the Comptroller, conduct an audit of the Register of Deeds due to a Federal Bureau of Investigation fraud investigation, and seeking a legal analysis from Corporation Counsel, Office of Corporation Counsel, of Milwaukee County’s options to recoup taxpayer funds if the allegations are substantiated, by recommending adoption of the following:

**AN AMENDED RESOLUTION**

WHEREAS, on February 8, 2019, it was reported by the *Milwaukee Journal Sentinel* (Journal Sentinel) that the Register of Deeds Office was raided two days earlier by agents from the Federal Bureau of Investigation (FBI), and investigators from the District Attorney’s Office, taking away documents and several computers; and

WHEREAS, the incumbent Register of Deeds, Mr. John La Fave, announced his retirement effective April 12, 2019, more than one year and eight months prior to the end of the four-year term ceasing on January 3, 2021; and

WHEREAS, on April 16, 2019, the *Journal Sentinel* reported that according to Federal court documents, the former Register of Deeds is under investigation for fraudulent dealings worth more than \$2.8 million with two Milwaukee County (County) contractors dating back to 2010; and

WHEREAS, investigators stated in the court filings that Mr. La Fave engaged in a scheme to create false invoices worth more than \$2.3 million with Superior Support Services, Inc., (SSR), a Brookfield, Wisconsin based firm that had a contract with the County indexing documents and redacting information; and

WHEREAS, investigators were also looking into whether Mr. La Fave and another contractor, Fidlar Technologies, an Iowa-based firm, were involved in a similar scheme of setting aside revenue owed to the County in a separate account to, at a minimum, circumvent County procurement processes; and

WHEREAS, pursuant to Section 59.255(2)(i), Wisconsin State Statutes, the Audit Services Division (ASD), Office of the Comptroller (Comptroller), is responsible for performing all audit functions related to County government, and are to be performed in accordance with government auditing standards issued by the Comptroller General of the United States of America; and

42 WHEREAS, on April 25, 2019, in response to these news reports, the Chairman,  
43 Milwaukee County Board of Supervisors, sent a memo to the, Director of Audits, ASD-  
44 Comptroller, and Corporation Counsel, Office of Corporation Counsel, requesting an  
45 audit of the Register of Deeds Office and posing legal questions as to the options  
46 available to the County to recoup any misappropriated taxpayer funds if the allegations  
47 are proven to be true (copy hereto attached to file); and  
48

49 WHEREAS, the Governor of the State of Wisconsin is expected to appoint a  
50 Register of Deeds to fill the remaining term of office, which resulted due to the  
51 retirement of the incumbent prior to the next regularly scheduled election in the fall of  
52 2020; and  
53

54 WHEREAS, a new appointee, as well as policymakers and the public, would  
55 benefit from an in-depth review of Register of Deeds operations to ensure that County  
56 procedures are being followed and to restore trust in the office; and  
57

58 WHEREAS, if it is proven that taxpayer funds were misused, policymakers would  
59 benefit from a legal analysis by Corporation Counsel as to the options the County may  
60 have to recoup the funds from the former Register of Deeds or vendor if the allegations  
61 are proven true; and  
62

63 WHEREAS, the Committee on Finance and Audit, at its meeting of May 16,  
64 2019, recommended adoption of File No. 19-486 as amended (vote 7-0); now,  
65 therefore,  
66

67 BE IT RESOLVED, that Milwaukee County requests the Audit Services Division  
68 (ASD), Office of the Comptroller (Comptroller) perform an audit of the Register of Deeds  
69 Office to determine if Milwaukee County (the County) procedures are being followed,  
70 and any recommendations to improve internal and external controls and prevent future  
71 misuse of funds; and  
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73 BE IT FURTHER RESOLVED, as outlined in the letter dated April 25, 2019, from  
74 the Chairman, Milwaukee County Board of Supervisors (County Board), the audit  
75 should address the alleged misuse of public monies and any other factors that would  
76 assist in understanding how the alleged fraud occurred, including but not limited to  
77 details about any vendors that may have helped perpetrate the malfeasance; and  
78

79 BE IT FURTHER RESOLVED, Corporation Counsel, Office of Corporation  
80 Counsel (OCC), is requested to address the legal questions outlined in the Chairman's  
81 letter that, in broad terms, inquire as to the County's options to demand restitution or  
82 recoup any misused funds from any of the parties involved; and  
83

84 **BE IT FURTHER RESOLVED, the Comptroller is authorized and requested**  
85 **to enter into an agreement with a forensic accountant to help quantify the amount**  
86 **of misappropriated funds, and to later submit an appropriation transfer for**  
87 **consideration by the County Board to offset the cost of retaining the analysis;**  
88 **and**

89 BE IT FURTHER RESOLVED, with the understanding and sensitivity that the  
90 matter is still under investigation, and subject to potential criminal charges and judicial  
91 proceedings, Corporation Counsel, OCC, and ASD-Comptroller, shall separately report  
92 back as soon as practicable on the responses to the legal questions posed in the letter  
93 and with an audit of the operations of the Register of Deeds.

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