
State of Minnesota,

Plaintiff,

vs.

CHRISTENE MARIE SCHMIDTKE DOB: 01/13/1954

524 Kroshus Drive
Dilworth, MN 56529

Defendant.

COMPLAINT

Order of Detention

The Complainant submits this complaint to the Court and states that there is probable cause to believe Defendant committed the following offense(s):

COUNT I

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4), with reference to: 609.52.3(2)

Maximum Sentence: 10 years in prison, a \$20,000 fine, or both

Offense Level: Felony

Offense Date (on or about): 01/01/2001

Control #(ICR#): 14012330

Charge Description: On or about 11/21/2011 to 4/12/2012 within the County of Clay, Christene Marie Schmidtke DOB: 1/13/1954 (61) did obtain property from Clay County Abstract in the amount of \$16,091.12 by swindling, whether by artifice, trick, device, or any other means.

COUNT II

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4), with reference to: 609.52.3(2)

Maximum Sentence: 10 years in prison, a \$20,000 fine, or both

Offense Level: Felony

Offense Date (on or about): 01/01/2001

Control #(ICR#): 14012330

Charge Description: On or about 5/21/2012 to 10/8/2012 within the County of Clay, Christene Marie Schmidtke DOB: 1/13/1954 (61) did obtain property from Clay County Abstract in the amount of \$22,435.98 by swindling, whether by artifice, trick, device, or any other means.

COUNT III

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4), with reference to: 609.52.3(2)

Maximum Sentence: 10 years in prison, a \$20,000 fine, or both

Offense Level: Felony

Offense Date (on or about): 01/01/2001

Control #(ICR#): 14012330

Charge Description: On or about 11/09/2012 to 4/16/2013 within the County of Clay, Christene Marie Schmidtke DOB: 1/13/1954 (61) did obtain property from Clay County Abstract in the amount of \$13,110.84 by swindling, whether by artifice, trick, device, or any other means.

COUNT IV

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4), with reference to: 609.52.3(2)

Maximum Sentence: 10 years in prison, a \$20,000 fine, or both

Offense Level: Felony

Offense Date (on or about): 01/01/2001

Control #(ICR#): 14012330

Charge Description: On or about 6/12/2013 to 11/07/2013 within the County of Clay, Christene Marie Schmidtke DOB: 1/13/1954 (61) did obtain property from Clay County Abstract in the amount of \$23,821.25 by swindling, whether by artifice, trick, device, or any other means.

COUNT V

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4), with reference to: 609.52.3(2)

Maximum Sentence: 10 years in prison, a \$20,000 fine, or both

Offense Level: Felony

Offense Date (on or about): 01/01/2001

Control #(ICR#): 14012330

Charge Description: On or about 12/3/2013 to 1/2/2014 within the County of Clay, Christene Marie Schmidtke DOB: 1/13/1954 (61) did obtain property from Clay County Abstract in the amount of \$10,285.49 by swindling, whether by artifice, trick, device, or any other means.

STATEMENT OF PROBABLE CAUSE

The Complainant states that the following facts establish probable cause:

Your Complainant is a licensed peace officer in the state of Minnesota employed by the Moorhead Police Department. In this capacity your Complainant believes the following to be true and correct.

On May 5, 2014, Officer Heltemes was dispatched to Clay County Abstract Company at 403 Center Avenue for a theft report. Heltemes received preliminary information that was forwarded to Detective Joel Voxland who was assigned to investigate the incident on May 21, 2014.

Voxland generally learned in general the following information from the owners of Clay County Abstract and a Minnesota Department of Commerce Special Agent throughout the course of his investigation:

On or about January 2, 2014, Randy Stefanson (hereinafter "Stefanson") and Dan Plambeck (hereinafter "Plambeck") owners of Clay County Abstract (hereinafter "CCA") indicated they discovered a questionable check, #49593 written out of their business trust account made payable to Elan Financial Services in the amount of \$6,609.39. CCA owners later identified the payee (Elan) as one of their employee's, identified as CHRISTENE MARIE SCHMIDTKE, DOB: 1/13/1954 (hereinafter "Defendant") credit card company. CCA's internal investigation revealed Defendant used the company's record keeping software "QuickBooks" to input misleading information showing the check was issued and deposited into CCA's trust account.

Further investigation revealed Defendant altered the original information in the record system which reflected payment to CCA and then altered the payee to reflect Elan. Their investigation revealed a check was written from the company's trust account to Elan for the above listed amount. After Stefanson and Plambeck noticed this particular transaction, they continued auditing their trust account for other similar transactions and noticed a pattern of suspicious transactions going back multiple years. Plambeck stated they discovered several hundred-thousand dollars missing from their trust account from 2001-2014.

Plambeck and his colleague conducted an interview of Defendant in late February 2014 where they presented their findings. During the interview Defendant admitted stealing money from the company's trust account over several years. Defendant disclosed she misdirected funds for the purpose of paying her credit card bills which were growing increasingly high because she utilized cash advances to assist her children financially.

When CCA officials approached Defendant about the theft, Defendant was forthcoming about her scheme to defraud the company, however when asked about how much money she had taken over the years she was uncertain of the amounts. Defendant stated she would divert approximately two checks per month to pay her credit card bills. Plambeck further indicated after the interview of Defendant they continued to review the trust account for fraudulent transactions and identified a preliminary loss of approximately \$423,000.00 from 2001-2014.

After concluding the interview with Defendant, Plambeck advised a Commerce Special Agent that his company was contacted by Defendant's attorney and advised Defendant was regretful for her actions and wished to pay back the money she had taken over the years. Plambeck and Stefanson agreed and drafted a restitution agreement allowing her to return portions of the money on a time schedule with no other promises made. As of November 19th, 2014, Defendant has returned approximately \$66,772.62.

In early, February 2014 Minnesota Department of Commerce Civil Enforcement Division was contacted by CCA about the internal fraud committed against the company involving an employee. Civil Enforcement Division investigators were advised Defendant was the individual responsible for the fraud. CCA also indicated Defendant held a real estate closing agent and resident insurance producer license and acted in that capacity during her tenure with the company. Commerce Regulatory agents learned of the fraud Defendant was committing from Stefanson and Plambeck.

Commerce Civil Enforcement Division investigators conducted an investigation into the possible license violations committed by Defendant by reviewing all the internal investigation findings from CCA. During the course of their investigation Commerce Civil Enforcement Division investigators learned that beginning in or around 2001 through January 2014, Defendant engaged in a duplicate check scheme where she used real estate closing money marked to be deposited in CCA's trust account to pay her own personal creditors. Commerce Civil Enforcement Division investigators indicated they were able to identify more than 186 transactions resulting in over \$423,000.00 of fraud.

As a result of their findings Commerce Civil Enforcement forwarded their findings to the Commissioner of Commerce who entered a Consent Order against Defendant. Commerce Civil Enforcement Division investigators reported they conducted an interview at Defendant's residence in late March 2014. Investigators stated Defendant read the Tennessean advisory and elected to talk about her involvement. Defendant stated she understood why investigators were at her residence and explained she was responsible for taking money from CCA. Defendant explained she previously admitted wrong doings to the owners of CCA and discussed her fraud started back in 2003-2004. During the interview Defendant indicated "to the best of her recollection", she believes she's responsible for taking \$300,000 to \$400,000 from CCA while being employed.

Defendant articulated she was responsible for maintaining CCA's trust account and in charge of writing, ordering and printing checks from the trust account along with owner Plambeck, and the check printer was housed in her office while she maintained entries and accounting using the QuickBooks program. Defendant admitted she was the primary person having signing authority on both the trust account and the general account which allowed her to disperse account funds. Defendant explained the process of dispersing funds indicating there must be two signatures on a check prior to disbursement. She further stated she forged signatures of other signers prior to disbursement if the signers were not present. During the course of her employment at CCA Defendant indicated she would write checks out of the trust account to her creditors Elan and Discover.

Defendant explained she would write checks out of CCA's trust account using QuickBooks and enter her personal creditor's information For example: Discover would be inputted as the payee and a predetermined amount would also be entered. Then Defendant would print the checks and destroy their stubs. She explained she would then go back into QuickBooks and delete the payee (Discover); however, she would use the same check number, date and amount, and enter a known CCA payee. Defendant's scheme of switching payees in order to misappropriate funds was identified as her way of evading detection during audits, investigators were told. Defendant informed investigators she wrote two or more checks a month from the trust account to her creditors for several years.

A Minnesota Department of Commerce Special Agent obtained and reviewed copies of CCA's trust account statements for the purpose of identifying transactions consistent with the alleged fraud Defendant committed. Due to the statute of limitations, the Special Agent Investigator reviewed transactions starting on November 11, 2011, to January 2, 2014. During the financial record analysis three years' worth of statements were reviewed by the Special Agent Investigator who isolated checks sent to Elan Financial and Discover Card from CCA's trust account and located a total of 25 checks sent to the above mentioned credit card companies during that time period. The aggregated loss sustained during the three year period totaled \$85,744.68. Credit card statements from Defendant's credit institutions Elan account # 1972 and Discover account # 2770 were provided by Commerce Civil Enforcement Division investigators and reviewed. The Special Agent Investigator cross-referenced check numbers and transaction amounts dispersed from CCA's trust account with the transactions entered as credits on billing statements of Defendant's Elan and Discover credit cards. The Special Agent Investigator was able to determine all 25

checks sent to Elan and Discover fraudulently were shown as credits on Defendant's credit card bills. On 09/12/14, the Special Agent Investigator drafted a search warrant for account numbers 6560726 and 30139926 for the period of January 1, 2001 to March 30, 2014, which were known accounts held, kept or maintained by Defendant. The warrants were later signed by the Honorable Hennepin County Judge Miller. After reviewing the obtained information the Special Agent Investigator was not able to determine these accounts ever received transfers or checks directly from CCA's trust account. The accounts did show numerous small denomination payments to Elan and Discover which appeared to be minimum payments. Based on an internal CCA audit and the Minnesota Commerce Department investigation, the following are checks that were written by Defendant to Elan Bell State Bank Visa from 2011-2014:

Check #

41195 11/21/2011 \$3,570.22
44703 1/9/2012 \$3,227.75
44885 2/3/2012 \$3,446.00
45137 3/15/2012 \$2,080.00
45436 5/21/2012 \$3,126.00
45707 6/20/2012 \$4,403.00
45967 7/13/2012 \$4,440.94
46151 8/10/2012 \$4,741.67
45252 4/30/2012 \$2,089.00
46585 10/8/2012 \$1,000.00
46789 11/9/2012 \$3,500.00
47204 1/4/2013 \$4,067.00
47543 3/4/2013 \$2,496.70
47771 4/16/2013 \$3,047.14
48145 6/12/2013 \$6,003.00
48500 8/5/2013 \$5,531.40
48699 9/6/2013 \$4,034.54
48930 10/10/2013 \$3,118.00
49215 11/7/2013 \$5,143.31
49404 12/3/2013 \$3,676.11
49593 1/2/2014 \$6,609.38

Based on an internal CCA audit and a Minnesota Commerce Department investigation, the following checks were written by Defendant to Discover from 2012:

Check #

44969 2/14/2012 \$1,678.00
45252 4/12/2012 \$2,089.15
46150 8/10/2012 \$1,635.39
46584 10/8/2012 \$999.98

PLEASE TAKE NOTICE: Pursuant to Minn. Stat. 609.49., intentional failure to appear for duly scheduled court appearances may result in additional criminal charges, and in addition to any arrest warrant that may otherwise be issued by the Court.

SIGNATURES AND APPROVALS

Complainant requests that Defendant, subject to bail or conditions of release, be:
(1) arrested or that other lawful steps be taken to obtain Defendant's appearance in court; or
(2) detained, if already in custody, pending further proceedings; and that said Defendant otherwise be dealt with according to law.

Complainant

Brad Penas
Lieutenant
915 9th Avenue N
Moorhead, MN 56560
Badge: 107

Electronically Signed:
02/20/2015 10:37 AM

Subscribed and sworn to before the undersigned.

**Notary Public or
Judicial Official**

Robert D. Porter, Peace Officer
License Number: 9328,
Clay County, Minnesota.
My license expires: 06/30/2015
Juvenile Investigator
915 9th Avenue N
Moorhead, MN 56560

Electronically Signed:
02/20/2015 10:40 AM

Being authorized to prosecute the offenses charged, I approve this complaint.

Prosecuting Attorney

Johnathan R Judd
807 11th Street N
Moorhead, MN 56560
(218) 299-5035

Electronically Signed:
02/20/2015 10:33 AM

