

STATE OF WISCONSIN

CIRCUIT COURT

WALWORTH COUNTY

---

STATE OF WISCONSIN,  
P. O. Box 7857  
Madison, WI 53707-7857,

Plaintiff,

v.

Case No. 14-CF- 257

RONALD M. CARSTENSEN W/M  
1016 Madison Street  
Lake Geneva, WI 53147  
DOB: 2/19/1959  
Height: 6'1" Weight: 190  
Hair: Blonde Eyes: Blue

Defendant.

---

**CRIMINAL COMPLAINT**

---

Your complainant, Detective Robert Schiltz, being first duly sworn on oath, states as follows:

**COUNT ONE: MISCONDUCT IN PUBLIC OFFICE**

On or about and between November 19, 2009 and March 13, 2013, in the City of Lake Geneva, Walworth County, State of Wisconsin, the defendant, did, in his capacity as a public officer or public employee, exercise a discretionary power in a manner inconsistent with the duties of his employment and with intent to obtain a dishonest advantage for himself or another, specifically give salt that belonged to the City of Lake Geneva to private entities, contrary to Wis. Stat. §§ 946.12(3) and 939.50(3)(i), a Class I felony, for which the penalty upon conviction is a fine not to exceed \$10,000 and/or imprisonment not more than three years and six months.

**COUNT TWO: THEFT (\$2500-\$5000)**

On or about and between November 19, 2009 and December 28, 2009, in the City of Lake Geneva, Walworth County, Wisconsin, the defendant, by virtue of his employment, did intentionally transfer property that was in his possession and custody, to wit: salt, without the consent of the City of Lake Geneva, contrary to the defendant's authority and with intent to convert the property to his own use or the use of another contrary to Wis. Stat. § 943.20(1)(b).

Upon conviction of this offense, a Class I felony, the maximum possible penalty is a fine not to exceed \$10,000 and/or imprisonment not more than three years and six months, pursuant to Wis. Stat. §§ 943.20(3)(bf) and 939.50(3)(i).

**COUNT THREE: THEFT (\$2500-5000)**

On or about and between January 13, 2010 and December 22, 2010, in the City of Lake Geneva, Walworth County, Wisconsin, the defendant, by virtue of his employment, did intentionally transfer property that was in his possession and custody, to wit: salt, without the consent of the City of Lake Geneva, contrary to the defendant's authority and with intent to convert the property to his own use or the use of another contrary to Wis. Stat. § 943.20(1)(b).

Upon conviction of this offense, a Class I felony, the maximum possible penalty is a fine not to exceed \$10,000 and/or imprisonment not more than three years and six months, pursuant to Wis. Stat. §§ 943.20(3)(bf) and 939.50(3)(i).

**COUNT FOUR: THEFT (\$5000-10,000)**

On or about and between January 6, 2011 and December 29, 2011, in the City of Lake Geneva, Walworth County, Wisconsin, the defendant, by virtue of his employment, did intentionally transfer property that was in his possession and custody, to wit: salt, without the

consent of the City of Lake Geneva, contrary to the defendant's authority and with intent to convert the property to his own use or the use of another contrary to Wis. Stat. § 943.20(1)(b).

Upon conviction of this offense, a Class H felony, the maximum possible penalty is a fine not to exceed \$10,000 and/or imprisonment not more than 6 years, pursuant to Wis. Stat. §§ 943.20(3)(bm) and 939.50(3)(h).

**COUNT FIVE: THEFT (\$2500-5000)**

On or about and between January 16, 2012 and December 26, 2012, in the City of Lake Geneva, Walworth County, Wisconsin, the defendant, by virtue of his employment, did intentionally transfer property that was in his possession and custody, to wit: salt, without the consent of the City of Lake Geneva, contrary to the defendant's authority and with intent to convert the property to his own use or the use of another contrary to Wis. Stat. § 943.20(1)(b).

Upon conviction of this offense, a Class I felony, the maximum possible penalty is a fine not to exceed \$10,000 and/or imprisonment not more than three years and six months, pursuant to Wis. Stat. §§ 943.20(3)(bf) and 939.50(3)(i).

**COUNT SIX: THEFT (>\$10,000)**

On or about and between January 14, 2013 and March 13, 2013, in the City of Lake Geneva, Walworth County, Wisconsin, the defendant, by virtue of his employment, did intentionally transfer property that was in his possession and custody, to wit: salt, without the consent of the City of Lake Geneva, contrary to the defendant's authority and with intent to convert the property to his own use or the use of another contrary to Wis. Stat. § 943.20(1)(b).

Upon conviction of this offense, a Class G felony, the maximum possible penalty is a fine not to exceed \$25,000 and/or imprisonment not more than 10 years, pursuant to Wis. Stat. §§ 943.20(3)(c) and 939.50(3)(g).

---

**COUNT SEVEN: MISCONDUCT IN PUBLIC OFFICE**

On or about November 5, 2013, in the City of Lake Geneva, Walworth County, Wisconsin, the defendant did, in his capacity as a public officer or public employee, exercise a discretionary power in a manner inconsistent with the duties of his employment and with intent to obtain a dishonest advantage for himself or another, specifically retain possession of a tax refund check that was meant for the City of Lake Geneva, contrary to Wis. Stat. §§ 946.12(3) and 939.50(3)(i), a Class I felony, for which the penalty upon conviction is a fine not to exceed \$10,000 and/or imprisonment not more than three years and six months.

**COUNT EIGHT: THEFT (<\$2500)**

On or about November 5, 2013, in the City of Lake Geneva, Walworth County, Wisconsin, the defendant, by virtue of his employment, did intentionally retain possession of property that was in his possession and custody, to wit: a tax refund check, without the consent of the City of Lake Geneva, contrary to the defendant's authority and with intent to convert the funds to his own use or the use of another contrary to Wis. Stat. § 943.20(1)(b).

Upon conviction of this offense, a Class A misdemeanor, the maximum possible penalty is imprisonment not to exceed 9 months and a fine not to exceed \$10,000, or both, pursuant to Wis. Stat. §§ 943.20(3)(a) and 939.51(3)(a).

**PROBABLE CAUSE**

**Counts One through Seven**

Detective Robert Schiltz of the Walworth County Sheriff's Office reports that in October 2013, the Walworth County Sheriff's Department received a report from a confidential informant encouraging them to look into the activities of Lake Geneva Street Department Superintendent Ronald Carstensen, the defendant. The Street Department is located at 1065 Carey Street in the

City of Lake Geneva, Walworth County, Wisconsin. Detective Schiltz met with the informant, who stated that the defendant has been providing City of Lake Geneva sand to a private company, C&D Landscaping. The confidential informant also stated that the defendant and Street Department employees have "scrapped" city property and kept the profits.

Detective Schiltz met with Walworth County Business Services Director Peggy Watson and Kevin Brunner, the Director of Central Services/Highway Commissioner for Walworth County on January 10, 2014. Brunner and Watson stated that each municipality contracts with Walworth County for road salt. Brunner and Watson stated that the amount of salt sold to each municipality depends on the average use of the past five years. Brunner and Watson stated that Lake Geneva contracts with the county for a pre-mixed sand/salt mix of 80 percent sand and 20 percent salt. Watson stated that there is a county policy, issued in June 2008, which forbids the sale of salt to private entities.

Detective Joseph Ecklund of the Lake Geneva Police Department reports that on January 22, 2014, he spoke with City of Lake Geneva Administrator Dennis Jordan. Jordan provided three contracts to Detective Ecklund. One of the contracts had the defendant's name on it and read:

City of Lake Geneva agrees to an allocation of 511.00 tons of salt, Walworth County will procure the salt on behalf of the municipality for the 2009-10 season. Municipality agrees that salt will not be resold for private purposes per Wisconsin State Statute 83.018.

The form has the defendant's signature on it dated March 9, 2009.

Detective Ecklund spoke with City of Lake Geneva Comptroller Peg Pollitt on January 2, 2014. Detective Ecklund asked Pollitt to pull any accounting records related to C&D Landscape or B&J Landscape. Pollitt stated that she could go back to 2009 because that was when the current computer system was put in place. Pollitt stated that B&J was not in the accounts

---

receivable system at all. Pollitt located Invoice #8297 dated February 7, 2013, showing that C&D Landscape paid \$6,991.05 to the city in two installments: \$2,022.90 for "Salt usage 2012/2013" and \$4,968.15 for "Salt usage 2013." Pollitt stated that she remembered the defendant coming in to request this invoice stating that C&D needed to be billed for leftover salt that the city had given to them. Pollitt stated that former employee Jennifer Special created the invoice. Detective Ecklund contacted Special, who stated that she remembered the defendant coming to her with a half sheet of paper and some notes on it and telling her to invoice C&D. Special stated that the defendant came to her in 2013 to request that invoice.

Pollitt stated that records reflected that the City of Lake Geneva had paid C&D \$54,741 from 2009 through 2013 mostly for tree planting, but also snow hauling and other services. From 2009 through 2013 the city has paid B&J Landscape \$2,306.50 for snow removal, hauling snow, and other services.

Detective Ecklund spoke with Lake Geneva City Administrator Dennis Jordan on January 3, 2014. Jordan stated that he is in charge of the Lake Geneva Street Department; next in line is Dan Winkler, Director of Public Works; and then the defendant, the Superintendent. Jordan stated that he supervised the defendant when the defendant was Street Superintendent and Jordan completed the defendant's evaluations. Jordan stated that the last signed salt contract with Walworth County was in 2009. Jordan stated that the specific amount of salt for the city had risen steadily over the years that the defendant was Street Superintendent. Jordan stated that the defendant approached him in 2010 and asked if the city could sell its leftover salt to C&D Landscaping. Jordan stated that it was one load of salt, which is 7-8 tons at \$55 per ton. Jordan stated that the city invoiced C&D for the salt and that C&D paid for it. Detective Ecklund asked Jordan why, if this transaction was in 2010, did the defendant just ask for the invoice in 2013. Jordan replied that things "just started to come to light" recently. Detective Ecklund asked

Jordan if C&D owed approximately \$400 for one load, why were they invoiced for \$6000. Jordan replied that things were just starting to come to his attention recently. Jordan stated that he never gave the defendant consent to give away the city's sand/salt. Jordan stated that the only consent he ever gave was for the defendant to sell one load of leftover sand/salt to C&D in 2010.

Detective Ecklund met with Lake Geneva Street Department working foreman Donald Hoeft on January 6, 2014. Hoeft stated that he has worked for the Street Department for eighteen years and been the "number two" below the defendant for seven years. Hoeft stated that when the city trucks go to Walworth County to get salt, electronic transmitters in the city trucks send a message to Hoeft to let him know how much sand/salt the drivers are given. Hoeft stated that he wrote down which drivers hauled which loads and approximately how much sand/salt. Hoeft stated that he knows each city truck holds approximately eight tons of sand/salt, so if one truckload went out, he would mark eight tons. Hoeft stated that there are no scales at the city, so there is no way to know exactly how much goes out.

Hoeft stated that Street Department employee Duane Baerbock was the only city driver who delivered sand/salt to B&J and C&D. Hoeft stated that he sent Baerbock because Baerbock knew where to go at both businesses. Hoeft stated that Walworth County did not know that sand/salt was going to private businesses. Hoeft stated that the defendant told Hoeft that he was billing the private companies for the sand/salt. Hoeft stated that he kept logs of all the sand/salt that the city received from Walworth County and also kept logs of where it went. Hoeft provided those logs to Detective Ecklund. Hoeft stated that sometimes Danny Sojka from C&D or Bill Hill from B&J would call and stop by to pick up sand/salt and other times the defendant would tell Hoeft to send drivers to drop off sand/salt at C&D or B&J. Hoeft stated that he gave

---

the defendant copies of every single load ticket for deliveries to those private companies and the defendant stated that he was billing them.

Hoeft stated that he did not know it was wrong to give or sell salt to private companies until the internal city investigation when Dennis Jordan told him. Hoeft stated that Jordan told Hoeft that four or five years earlier the defendant had asked Jordan if they could “drop” a load of sand/salt to a private company. Jordan told Hoeft that he called the county and they said no.

Detective Ecklund reviewed the sand/salt records provided by Hoeft as well as city records provided by Pollitt and observed that B&J Landscape received approximately \$17,000 worth of sand/salt from the Lake Geneva Street Department from November 19, 2009 through March 13, 2013. There is no record of B&J paying for any of it. Records show that C&D Landscape received approximately \$14,000 of sand/salt from the Lake Geneva Street Department from December 23, 2009 through February 11, 2013, and has paid back approximately \$7,000.

Detective Ecklund spoke with Streets Department employee Duane Baerbock on December 14, 2013. Baerbock stated that he has worked for the Lake Geneva Street Department for 26 years under three different Street Department Superintendents, including the defendant. Baerbock stated that the defendant started the practice of taking sand/salt from the Street Department to C&D or B&J Landscape. Baerbock stated that the previous Superintendent, Lynn Allen, had never done that. Baerbock stated that the defendant or Hoeft would tell him to take a load of sand/salt from the Street Department to C&D or B&J. Baerbock stated that he never questioned it, as he had been brought up not to question authority, and that the defendant never told him why the defendant had him bring sand/salt to private businesses. Baerbock stated that he would take the sand/salt from the Street Department and drop it off at C&D on Bowers Road



or B&J on Krueger Road. Other Street Department employees also stated that they had heard the defendant telling Baerbock to take loads of salt from the Street Department to C&D or B&J.

Detective Ecklund spoke with B&J Landscape owner Robert Castleman on January 7, 2014. B&J is located at W2795 Krueger Road in the City of Lake Geneva, Walworth County, Wisconsin. Castleman stated that in the winter of 2011 or the summer of 2012 his foreman, Bill Hill, asked him if they could barter with the City of Lake Geneva and Castleman stated that would be okay. Castleman stated that B&J provided straw, mulches, seed, and topsoil to the city and Hill would keep track of what went back and forth. Castleman stated that Hill kept track of everything and would have records.

Detective Ecklund spoke with Hill on January 9, 2014. Hill stated that he and the defendant had a barter system to exchange sand/salt. Hill stated that since 2011 the City of Lake Geneva was the sole supplier of salt for B&J Landscape. Hill stated that in 2011 he called the defendant, whom he has known since their school days, and asked if he could get a load of sand/salt because B&J was "in a pinch." The defendant told Hill he did not need to keep records and they would "square up" in the spring. Hill stated that after this conversation, the city became B&J's only salt supplier. Hill stated that he kept records at the time but does not have them anymore. Hill stated that the defendant must have felt that it "washed" every year so that is why they continued the system. Hill stated that B&J never salted any city property, only private businesses. Hill stated that it was a "barter gone bad."

On January 10, 2014, Hill called Detective Ecklund and stated that he had lied to Detective Ecklund the previous day. Hill stated that he never kept any records because B&J was not bartering for sand/salt from the city. Hill stated that no one ever received any money for any loads of salt brought to B&J. Hill stated that the defendant had been working for B&J since he

---

left the city and that morning (January 10) the defendant dropped off his truck keys with a note saying it would be better for everyone if he stopped working at B&J.

On January 7, 2014, Detective Ecklund spoke with Daniel Sojka, who owns C&D Landscape, located at N4819 Bowers Rd in the City of Elkhorn, Walworth County, Wisconsin. Sojka stated that in 2010 there was a salt shortage so one of his trucks went to the Lake Geneva Street Department and was loaded with sand/salt. Sojka stated that he believed that the Street Department delivered another two to three loads of salt to C&D that year and that he gave back two truckloads of salt to the Street Department. Sojka stated that he must have received 127 tons of salt from the city in 2012-2013. Sojka stated that he would call a number ending in 0844 and speak with the defendant or Hoeft about getting salt for C&D. Sojka stated that he has known the defendant his entire life. Detectives asked Sojka why he was invoiced for nearly \$7,000 if he had been bartering with the city. Sojka responded that it was "easier" to do it that way and that it would be really hard for him to barter \$7,000.

On January 20, 2014, Detective Ecklund met with Lake Geneva Director of Public Works Dan Winkler. Winkler stated that he and his staff completed a spreadsheet of all salt delivered to B&J and C&D. Winkler stated that he never saw what the defendant was doing and "mostly went on trust." Winkler stated that when he went to the defendant's office in late 2013 he found load tickets marked "B&J" with dates from December 2012 through March 13, 2013 stapled together in the defendant's office. Winkler stated that any work that C&D or B&J did for the utility commission has been invoiced and paid. Winkler stated that he never gave the defendant consent to give away city sand/salt to private companies.

Detective Ecklund spoke with the defendant on February 10, 2014. The defendant stated that he was the Superintendent of the Lake Geneva Street Department from 2006 through 2013. The defendant started working at the Street Department in 1996. The defendant stated that he never signed a contract for salt purchasing. The defendant stated that a contract would have been signed by Winkler or Jordan. Detectives showed the defendant the 2009 contract he signed acknowledging that sand/salt should not be provided to private businesses. The defendant stated that he never really read it.

Detectives asked the defendant how he started providing salt to private businesses. The defendant stated that when he was working under the former Superintendent, Lynn Allen, businesses sometimes came by the Street Department and the defendant loaded them with city sand/salt. The defendant stated that he loaded C&D and other people he did not remember. The defendant stated that when he took over as Superintendent the first or second winter Winkler told him to load up Schiller Landscape one time, which he did. The defendant stated that he probably loaded Schiller with sand/salt three or four times. The defendant stated that he did not see a problem because "one hand washes the other." The defendant stated that he did not talk with Winkler or Jordan about any other private companies receiving sand/salt. The defendant stated that Winkler and Jordan probably were not aware that he was providing Street Department sand/salt to private companies.

The defendant stated that he started out with B&J Landscape on a "barter" system four or five years earlier. The defendant stated that it started "off and on" and then "things got out of hand." The defendant stated that Bill Hill from B&J would call him and the defendant would tell a Street Department employee to drop off a load of sand/salt at B&J as their last load of the day.

---

The defendant stated that in the last year he was not getting any calls and that B&J was calling Hoeft instead. The defendant stated that he had no idea that they were getting so much sand/salt. The defendant stated that when Hoeft told him that C&D had received 100 tons, the defendant went to Jordan to tell him the Street Department had been “helping” C&D. The defendant stated that C&D could have replaced the salt at that time but he wanted to invoice them to get Lake Geneva’s salt numbers up. The defendant stated that this was the same time when he was trying to get the City to approve using 50 percent or 100 percent salt instead of the 20 percent salt mixture they were getting from Walworth County.

The defendant stated that he never kept track and he would take “partial” blame as he did not stay on top of the amounts going to B&J and C&D. The defendant stated that things got “bigger and bigger” over the years and that he did not pay attention to it and did not know he had to. The defendant stated that he did not know that for the past three years the City of Lake Geneva was the sole salt supplier for B&J and he denied ever getting any personal benefit from supplying sand/salt to B&J. The defendant stated that he feels as if he is being set up because of what he knows.

Detective Ecklund spoke with former Street Department Superintendent Lynn Allen on January 15, 2014. Allen stated that his employees would never drop off Lake Geneva sand/salt to private residences or businesses. Allen stated that it was “common sense” that they could not do that. Allen stated that no private companies ever approached him when he was Street Superintendent. Allen stated that the defendant had worked at the Street Department when Allen was in charge and would know better than to provide sand/salt to private companies.

B&J Landscape was invoiced on February 5, 2014 for \$19,903.97 for sand/salt given to them by the City of Lake Geneva. B&J paid the bill in full by February 19, 2014.

According to the records provided by Hoeft and the City of Lake Geneva kept in the ordinary course of business, the following amounts of sand/salt were provided to B&J and C&D Landscaping by the Lake Geneva Street Department:

	<b>C&amp;D Landscape</b>	<b>B&amp;J Landscape</b>	<b>Total</b>
<b>2009</b>	\$670.24	\$1847.96	\$2518.20
<b>2010</b>	998.41	2238.78	3237.19
<b>2011</b>	3197.75	2976.93	6174.68
<b>2011</b>	894.00	3301.94	4195.94
<b>2012</b>	7367.95	5904.56	13,272.51

**Counts Eight and Nine**

On September 4, 2013, the City of Lake Geneva, Walworth County, purchased a scanner with a city credit card issued to the defendant. The scanner was purchased from the Neat Company. Lake Geneva employee Sabrina Waswo provided a copy of the invoice to Detective Ecklund. The invoice has a handwritten note dated 9/18 saying that someone will be refunding \$20.06 that the city should not have been charged for sales tax. The defendant's initials and 9/16/13 are also on the invoice. Waswo stated that she contacted the Neat Company on December 10, 2013 to find out where the refund was. Waswo stated that the company told her the refund had already been mailed. Waswo stated that the company gave her a copy of the refund check. The refund check was issued to the defendant, signed on the back, and deposited. Detective Ecklund obtained the defendant's bank records and observed a deposit ticket from November 5, 2013, as well as the Neat Company refund check for \$20.06 endorsed by the defendant and deposited into his personal bank account. Waswo stated that the \$20.06 has never been receipted into City Hall.

Jordan and Winkler stated that no one ever gave the defendant consent to retain possession of the tax refund check.

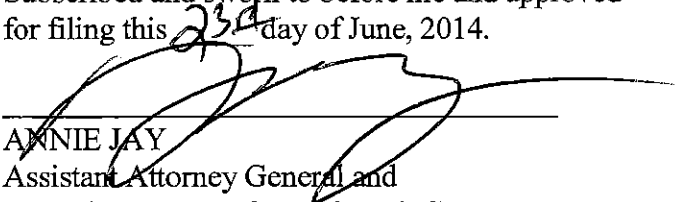
Your complainant is a Detective with the Walworth County Sheriff's Office, who bases his knowledge of this complaint on:

- the official law enforcement agency reports of the Lake Geneva Police Department and Walworth County Sheriff's Office, which reports were prepared in the normal course of law enforcement duties;
- statements by citizen informant(s), who are eyewitnesses to the facts they relate;
- statements by the defendant, which were made contrary to his penal interests;
- the official records of: the City of Lake Geneva; the Circuit Court for Walworth County; the Department of Transportation; the FBI Triple I Teletype; and the Wisconsin Circuit Court Automated Program, which records are maintained in the normal course of business duties.

Dated this 23 day of June, 2014.

  
\_\_\_\_\_  
DETECTIVE ROBERT SCHILTZ, Complainant

Subscribed and sworn to before me and approved  
for filing this 23<sup>rd</sup> day of June, 2014.

  
\_\_\_\_\_  
ANNIE JAY  
Assistant Attorney General and  
Special Prosecutor for Walworth County  
State Bar No. 1056404  
Wisconsin Department of Justice  
P.O. Box 7857  
Madison, WI 53707  
(608) 266-7447