

STATE OF WISCONSIN
P.O. BOX 7857
MADISON, WI 53707-7857,

Plaintiff,

v.

Case No. 21-CF-_____

LERENZO HEAD
A/K/A LORENZO HEAD
3599 DICKINSON RD
DE PERE, WI 54115
DOB: 10/22/1984,

Defendant.

CRIMINAL COMPLAINT

The undersigned, of the Wisconsin Department of Revenue, Office of Criminal Investigation, being first duly sworn, states on information and belief that:

Count 1: FRAUD/RENDERING INCOME TAX RETURN

On or about May 17, 2017, in the City of De Pere, Brown County, Wisconsin, the defendant, Lorenzo Head, did render a false or fraudulent income tax return with intent to defeat or evade any assessment required by Wis. Stat. ch. 71, or to obtain a refund or credit with fraudulent intent, contrary to Wis. Stat. §§ 71.83(2)(b)1. and 939.50(3)(h).

Upon conviction for this offense, a Class H Felony, the defendant may be fined not more than \$10,000, or imprisoned not more than six years, or both, and may be assessed the cost of prosecution.

Count 2: FRAUD/RENDERING INCOME TAX RETURN

On or about March 30, 2018, in the City of De Pere, Brown County, Wisconsin, the defendant, Lorenzo Head, did render a false or fraudulent income tax return with intent to defeat or evade any assessment required by Wis. Stat. ch. 71, or to obtain a refund or credit with fraudulent intent, contrary to Wis. Stat. §§ 71.83(2)(b)1. and 939.50(3)(h).

Upon conviction for this offense, a Class H Felony, the defendant may be fined not more than \$10,000, or imprisoned not more than six years, or both, and may be assessed the cost of prosecution.

Count 3: FAILURE TO FILE INCOME TAX RETURN

On or about April 15, 2019, in the City of De Pere, Brown County, Wisconsin, the defendant, Lorenzo Head, willfully failed or refused to make a return at the time required in Wis. Stat. §§ 71.03, 71.24, or 71.44, contrary to Wis. Stat. § 71.83(2)(a)1.

Upon conviction for this offense, an unclassified misdemeanor, the defendant may be fined not more than \$10,000, or imprisoned not more than nine months, or both, together with the cost of prosecution.

Facts Constituting the Offenses Charged

I, the Complainant, am a Special Agent with the Wisconsin Department of Revenue, Office of Criminal Investigation.

I base this complaint upon my training and experience, my review of tax records, my review of business records, and my review of the reports of Special Agent Kenneth Folkers of the Wisconsin Department of Justice, Division of Criminal Investigation and Sgt. Philip Nelson of the Brown County Sheriff's Office.

This complaint contains a summary of facts necessary to establish probable cause; it does not contain all facts related to this investigation.

Based upon information and belief, I state:

Background

Lorenzo Head, through his company True Care Advantage, LLC—which is also known as Head Adult Family Homes—was licensed by Department of Health Services (DHS) to provide housing, care, and treatment services to adult Medicaid recipients. Head operated three adult family homes located in Brown County, Wisconsin. Head also resides in Brown County, Wisconsin.

To ensure that Medicaid beneficiaries living at adult family homes are provided treatment and services, DHS contracts with a Managed Care Organization (MCO). DHS pays the MCO a monthly capitation rate for each Medicaid beneficiary. A capitation rate is fixed amount of money that DHS pays to the MCO. The MCO, in turn, pays a daily rate, which is also a fixed amount of money, to the adult family home.

“Gross income” from a business consists of the total gross receipts without reduction for expenses. Wis. Stat. § 71.03(1). From 2016 through 2018, Head received \$881,232 in gross income from Medicaid through two different MCOs: Lakeland Care

and Care Wisconsin. During that time, Head also received \$121,898 in gross income from private pay residents. So, in total, from 2016 to 2018, Head received \$1,003,130 in total gross income. During that same period, however, Head reported only \$379,753 in gross income on his State of Wisconsin income tax returns. This means that he failed to report \$623,377 in gross receipts on his Wisconsin income taxes.

As to Count 1:

In 2016, Head received \$494,955 in gross receipts as the operator of Head Adult Family Homes. Head, however, only reported \$248,604 in gross receipts on his Wisconsin income tax return. This means that Head failed to report \$246,351 in gross receipts. Head lived in and reported his address as being in Brown County, Wisconsin. Head's 2016 income tax return was electronically submitted on May 17, 2017.

As to Count 2:

In 2017, Head received \$296,036 in gross receipts but only reported \$131,149 on his Wisconsin income tax return. This means that Head failed to report \$164,887 in gross receipts. Head lived in and reported his address as being in Brown County, Wisconsin. Head's 2017 income tax return was electronically submitted on March 30, 2018.

As to Count 3:

In 2018, Head received \$212,139 in gross receipts, which exceeds the minimum income required to generate a tax liability for that year. However, Head did not file

an income tax return for that year. Generally, income tax returns must be filed on or before April 15 for the preceding year. Wis. Stat. § 71.03(6)(a).

Conclusion

I, the Complainant, believe the information contained above is truthful and accurate. I believe that there is probable cause to believe that Lorenzo Head committed the criminal offenses identified in this complaint.

Dated this 2nd day of MARCH, 2021.

Paul Libeck, CPA
Special Agent
Office of Criminal Investigation
Wisconsin Department of Revenue

Subscribed and sworn to before me and approved for filing this 2nd day of MARCH, 2021.

TIMOTHY J. FILIPA
Assistant Attorney General
State Bar No. 1007622

Wisconsin Department of Justice
Post Office Box 7857
Madison, Wisconsin 53707-7857
(608) 266-9222