

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

BJD/MSJ

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No. 11-CR-00022 (CNC)
[18 U.S.C. §§ 371, 641, and 1343]

DUANE GLADNEY,
TELISA HOPGOOD,
SHONTINA GLADNEY, and
LATASHA WILDER, aka LATASHA JACKSON,

Defendants.

INDICTMENT

THE GRAND JURY CHARGES:

Allegations Common to All Counts

1. From on or about June 1, 2006, through on or about April 26, 2010, in the state and Eastern District of Wisconsin,

**DUANE GLADNEY,
TELISA HOPGOOD,
SHONTINA GLADNEY, and
LATASHA WILDER, aka LATASHA JACKSON,**

knowingly devised and participated in a scheme to defraud and to obtain money by means of materially false and fraudulent pretenses and representations. The scheme is described in the following paragraphs:

2. Child care centers are licensed by the State of Wisconsin pursuant to the Wisconsin Works (W-2) program. That program is federally funded through the United States Department of

Health and Human Services but administration of that program is delegated to the state. The W-2 program is meant to help economically disadvantaged single mothers obtain and maintain full-time employment. If the mother is able to obtain full-time employment, the W-2 program pays for day care for her children at a licensed child care center. The state regulates these child care centers. By agreement with the state, Milwaukee County provides authorization to individual children making them eligible to enroll and receive these public day care benefits.

3. Prior to July 1, 2008, the W-2 child care program was administered by the Wisconsin Department of Work Force Development (DWD). Since that date, that function has been delegated to the Wisconsin Department of Children and Families (DCF).

4. During the period of the scheme, Duane Gladney was the owner and operator of Executive Kids (EK), a licensed child care center in Milwaukee, Wisconsin. EK was paid by DWD and DCF to care for children of mothers participating in the W-2 program.

5. During the period of the scheme, Telisa Hopgood was employed as the director of EK.

6. During the period of the scheme, Shontina Gladney, the wife of Duane Gladney and the sister of Telisa Hopgood, participated in the operation of EK.

7. Any child care center caring for children whose mothers were participating in the W-2 program was required to periodically submit a Child Care Attendance Report to DWD or DCF, which listed the children cared for and the number of hours per day within that period that each child attended that child care center.

8. With regard to the Child Care Attendance Reports, written instructions from the state agencies consistently stated the following points: (a) providers were to report only actual hours of

attendance for each child; (b) providers were to report within ten days if the child was no longer attending that child care center; (c) inaccurate reporting could lead to fraud investigation and requirements for repayment; and (d) the child care center was required to maintain records of attendance which the state had a right to review.

9. There were two bases upon which the child care center could be reimbursed by the state agency for caring for any individual child. If reimbursement for a child was attendance based, the center was paid for the number of hours the child was actually in attendance at the center. If reimbursement for a child was enrollment based, the center was paid for a preset number of hours. However, child care centers were still required to accurately report the actual number of hours the child was in attendance at the center. If the number of hours of actual attendance was consistently below the authorized hours for that child, the number of hours authorized for that child could be reduced by the state.

10. After receipt of the child care attendance report, the state agency paid the child care center based on a preset number of hours for enrollment-based children and actual hours of attendance for attendance-based children at whatever hourly rate applied to that child.

11. The state agency paid the individual child care center by means of an electronic funds transfer which originated from the processing center of the agency's bank in Minnesota and resulted in a deposit to the center's business bank account.

12. Throughout the period of the scheme, the defendants obtained reimbursement from the state agencies for EK by submitting several kinds of false entries on EK's child care attendance reports.

13. Throughout the scheme, the defendants claimed reimbursement for EK for caring for children who were not attending EK at all or had not attended EK for the number of hours claimed, resulting in large payments from the state agencies to EK that EK was not entitled to receive.

14. During the scheme, Latasha Wilder was also known as Latasha Jackson. As Latasha Jackson, she was licensed to operate Latasha's Learning Enterprise, another child care center in Milwaukee that participated in the W-2 program. Latasha Jackson lost her child care license on or about April 5, 2007. Soon after, Latasha Jackson agreed with Duane and Shontina Gladney and Telisa Hopgood that the W-2 authorizations for approximately 45 of the children who were attending Latasha's Learning Enterprise would be transferred to EK. However, as the defendants well knew, the children themselves would not be attending EK. Despite that, from on or about April 14, 2007, through on or about April 29, 2008, the defendants obtained reimbursement from DWD for EK by claiming EK was providing child care for those children. The defendants obtained more than \$75,000 from DWD as a result of these false and fraudulent billings.

15. After Latasha Jackson lost her child care license, she became qualified to participate in the W-2 program as a mother and enrolled her three children and her niece at EK for child care. Her two oldest children and her niece did not attend EK, but EK billed the state agency for caring for them, thereby obtaining more than \$20,000 in reimbursement in the period from on or about July 7, 2007, through on or about April 5, 2008.

16. Duane and Shontina Gladney made a series of payments to Latasha Jackson from May 2007 through April, 2008, at least in part to compensate her for allowing EK to bill the state for purporting to care for her daughters and niece as well as the children whose authorizations were transferred from Latasha's Learning Enterprise to EK.

COUNT ONE

THE GRAND JURY FURTHER CHARGES:

17. From on or about June 1, 2006, through on or about April 26, 2010, in the state and Eastern District of Wisconsin,

**DUANE GLADNEY,
TELISA HOPGOOD,
SHONTINA GLADNEY, and
LATASHA WILDER, aka LATASHA JACKSON,**

knowingly conspired and agreed with each other and others to commit the following offenses against the United States:

(a) To devise and participate in the scheme to defraud and to obtain money by means of materially false and fraudulent pretenses and representations, as described in paragraphs 1 through 16 of this indictment, and for the purpose of executing this scheme did transmit or cause to be transmitted by means of wire communication in interstate commerce certain signs and signals, in violation of Title 18, United States Code, Section 1343.

(b) To steal and knowingly convert to their own use and the use of another more than \$1,000 of money of the United States Department of Health and Human Services by submitting Child Care Attendance Reports for EK which claimed reimbursement from W-2 funds for caring for children for hours they were not in attendance at EK. The defendants did so with the intent to deprive the United States of the use or benefit of this money, in violation of Title 18, United States Code, Section 641.

THE GRAND JURY FURTHER CHARGES:

Acts in Furtherance

In furtherance of the conspiracy and to effect its objects, the defendants performed the following acts:

a. Throughout the conspiracy, Telisa Hopgood, maintained daily children's attendance records which often listed children who did not attend EK.

b. Throughout the conspiracy, Telisa Hopgood compiled and submitted Child Care Attendance Reports as part of her responsibilities as director of EK.

c. In about August of 2006, Duane Gladney began paying L.S., one of the teachers at EK, for enrolling her children at EK so EK could bill the state for caring for those children even though they were not attending EK.

d. On or about April 10, 2007, all four defendants agreed that a number of children who had been enrolled at Latasha's Learning Enterprise would have their authorizations transferred to EK so that EK could begin to bill the state for caring for those children.

e. On or about April 15, 2007, Latasha Jackson brought a milk crate of records concerning various children from Latasha's Learning Enterprise to EK.

f. On or about April 24, 2007, Telisa Hopgood started listing children who had attended Latasha's Learning Enterprise on EK attendance sheets.

g. Between May 3, 2007, and April 6, 2008, Duane Gladney wrote 27 EK checks payable to Latasha Jackson. The total value of those checks was \$93,162.66.

h. On or about May 10, 2007, Latasha Jackson drafted a letter to parents of children who had been enrolled at Latasha's Learning Enterprise telling them that they needed to change their children's child care authorizations to EK. The parents were given the authorization number for EK. The parents were asked to backdate that authorization to run from April 20, 2007.

i. Beginning on or about May 14, 2007, Duane Gladney caused EK attendance sheets to start listing children whose authorizations had been transferred from Latasha's Learning Enterprise to EK as attending EK on the second shift.

j. On or about May 30, 2007, Telisa Hopgood sent a fax to Latasha's Learning Enterprise listing 19 children whose authorizations had been transferred from Latasha's Learning Enterprise to EK and stating that their authorizations were ending in June.

k. On or about June 6, 2007, Telisa Hopgood sent a fax to Latasha's Learning Enterprise listing 17 children whose authorizations had been transferred from Latasha's Learning Enterprise to EK and stating that their authorizations were ending in June. The faxed note stated, "Tasha said she will be coming into the office to pick up."

l. On or about July 2, 2007, Latasha Jackson enrolled her daughters and her niece at EK.

m. On or about July 12, 2007, Shontina Gladney wrote a letter for Latasha Jackson stating that Jackson worked for Shontina Gladney's real estate office for 30 hours per week making \$7.00 per hour.

n. On or about July 17, 2007, Duane Gladney signed a Child Care Attendance Report certifying the accuracy of the children and hours listed although the attendance report did not match EK's own attendance records.

o. On or about July 20, 2007, sheets listing children purportedly in attendance at EK, including Latasha Jackson's own children, were faxed back and forth between Latasha's Learning Enterprise and EK.

p. On or about September 12, 2007, Telisa Hopgood sent a fax to Latasha's Learning Enterprise which listed the names of a number of children, five of which were children earlier cared for by Latasha's Learning Enterprise. Asterisks were next to those five names and the fax stated, "Attn: Tish*your children."

q. In about November of 2007, Duane and Shontina Gladney and Telisa Hopgood met with C.L., an E K employee, regarding her willingness to have EK bill for caring for her children, even though they were not attending EK, in exchange for a reduction in her rent in a building owned by Duane and Shontina Gladney.

All in violation of Title 18, United States Code, Section 371.

THE GRAND JURY FURTHER CHARGES:

Executions of the Scheme to Defraud

18. On or about the dates listed below, in the state and Eastern District of Wisconsin,

**DUANE GLADNEY,
TELISA HOPGOOD,
and SHONTINA GLADNEY,**

for the purpose of executing the scheme to defraud and to obtain money by materially false and fraudulent pretenses and representations, as alleged in paragraphs 1 through 16 of this indictment, caused to be transmitted in interstate commerce by means of a wire communication from Minnesota to West Allis, Wisconsin, certain writings, signs, and signals in the form of an electronic funds transfer from an account in Minnesota to an account of EK in West Allis. These transfers were to reimburse EK for caring for certain children EK had claimed to care for during a preceding two-week period when, as the defendants well knew, EK had claimed reimbursement for children that had not attended EK.

Count	Date	Amount of Funds Transferred
Two	October 2, 2007	\$22,378.22
Three	November 27, 2007	\$23,043.73
Four	December 27, 2007	\$20,775.64
Five	January 23, 2008	\$23,550.56
Six	March 4, 2008	\$21,269.08
Seven	April 15, 2008	\$23,267.60
Eight	November 25, 2008	\$13,974.68
Nine	June 9, 2009	\$12,578.44
Ten	February 17, 2010	\$14,380.35

Each in violation of Title 18, United States Code, Sections 1343 and 2.

THE GRAND JURY FURTHER CHARGES:

Executions of the Scheme to Defraud

19. On or about the dates listed below, in the state and Eastern District of Wisconsin,

**DUANE GLADNEY and
TELISA HOPGOOD**

stole and knowingly converted to their own use more than \$1,000 of money of the United States Department of Health and Human Services, a department and agency of the United States. With the intent to deprive the United States of the use and benefit of the money involved, the defendants submitted false attendance reports to state agencies, thereby wrongfully obtaining reimbursement from W-2 funds.

Count	Date
Eleven	October 6, 2006
Twelve	May 22, 2007
Thirteen	July 17, 2007
Fourteen	January 13, 2008
Fifteen	January 12, 2009

Each in violation of Title 18, United States Code, Section 641.

COUNT SIXTEEN

THE GRAND JURY FURTHER CHARGES:

20. On or about May 10, 2007, in the State and Eastern District of Wisconsin,

LATASHA WILDER, aka LATASHA JACKSON,

stole and knowingly converted to her own use money of the United States Department of Agriculture, a department and agency of the United States, by lying about her income and about the members of her household, thus qualifying herself for Foodshares benefits, resulting in her receipt of approximately \$4,666, to which she was not entitled. The defendant acted with the intent to deprive the United States of the use and benefit of that money.

In violation of Title 18, United States Code, Section 641.

COUNT SEVENTEEN

THE GRAND JURY FURTHER CHARGES:

21. On or about July 24, 2007, in the State and Eastern District of Wisconsin,

**LATASHA WILDER, aka LATASHA JACKSON,
and SHONTINA GLADNEY,**

stole and knowingly converted to their own use money of the United States Department of Health and Human Services, a department and agency of the United States, by lying about Latasha Jackson's employment and the members of her household thus qualifying her for childcare benefits resulting in the wrongful expenditure of approximately \$23,632. The defendants acted with the intent to deprive the United States of the use and benefit of that money.

In violation of Title 18, United States Code, Sections 641 and 2.

A TRUE BILL:

/s/ 10-01
FOREPERSON

Dated: January 25, 2011

/s/ James L. Santelle
JAMES L. SANTELLE
United States Attorney