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Human Resources Manager Charged With Nearly \$1 Million in Payroll Scheme

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Jacqueline R. Fox, 44, of Milwaukee, authorized direct deposits in the names of seven former employees to bank accounts Fox controlled, according to the criminal complaint, for a total of \$996,689. Fox also made unauthorized payment to herself for another \$12,944, the charges indicate.

The practice might have continued indefinitely but for a chance misreading of a pay envelope by a worker last summer.

According to the complaint:

Fox began working at United Milwaukee Scrap, 3100 W. Concordia Ave., in 2005. As human resources manager, Fox would present weekly payroll data to the company's chief financial officer, David Arnstein, who would sign off and return it to Fox, whose job it was to then forward the payroll data to Paychex, a payroll processing company.

Paychex would then issue checks or direct deposits to the company's approximately 150 employees, and send the whole batch of checks and deposit receipts back to United Milwaukee Scrap. Normally, Fox would receive the checks and receipts.

One week in August, however, Vice President Steve Lewinsky received and distributed

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after asking to talk with Arnstein first, admitted to thefts using Aguilera's name. She said she started when her husband kicked her and her children out of their home, and she had to find a place. She said the thefts only started in 2010, and she also used the money to support her paralyzed mother and pay for her daughter's tuition.

Fox denied any drug or gambling problems were behind her actions.

But further investigation turned up false payments in six other former employee's names, using different bank accounts, and going back to 2006, according to the complaint. Investigators also found evidence Fox made frequent large withdrawals from an ATM at Potawatomi Bingo Casino.

Susan Paprcka, a spokeswoman for United Milwaukee Scrap, said officials with the company would not comment on the case.

The company was formed in 2002 by the merger of three other smaller Milwaukee area recycling operations. It now includes six plants in the Milwaukee area, a warehouse in Minnesota, and sales offices in Boston and Detroit, according to its web site.

Fox faces six counts of theft by fraud over \$10,000, one for each year's worth of charged embezzlement. The maximum penalty for each count is five years in prison, five years of extended supervision and a \$25,000 fine.

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