

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
ASHEVILLE DIVISION

UNITED STATES OF AMERICA)

DOCKET NO. 1:18-CR-068

vs.)

SUPERSEDING

WANDA SKILLINGTON GREENE)

BILL OF INDICTMENT

Violations:

) 18 U.S.C. § 666(a)(1)(A)

) 18 U.S.C. § 1343

) 18 U.S.C. § 1957

) 26 U.S.C. § 7206(1)

THE GRAND JURY CHARGES:

INTRODUCTION

A. The Buncombe County Government

1. Buncombe County is a political subdivision of the State of North Carolina. At all times relevant to this Bill of Indictment, it has had a “county manager” form of government, under which the citizens of Buncombe County elect a Board of Commissioners (hereinafter “the Board”), and the Board appoints a county manager, who serves as the county’s chief executive officer. In each calendar year relevant to this Bill of Indictment, including 2015, 2016, and 2017, the Government of Buncombe County received benefits in excess of \$10,000 pursuant to a Federal program involving a grant, contract, subsidy, loan guarantee, and other forms of Federal assistance.

B. The Powers and Duties of the County Manager

2. Under the laws of the State of North Carolina, the County Manager is the chief administrator of the county government, responsible to the Board for the administration of all departments of county government under the Board's general control. The County Manager has the power to appoint, suspend, and remove all county officers, employees, and agents except for those elected by the citizens or whose appointment is otherwise provided for by law. The County Manager directs and supervises the administration of all county offices, departments, boards, commissions, and agencies under the general control of the Board, subject to the general direction and control of the Board.

3. State law mandates that the County Manager shall see that the orders, ordinances, resolutions and regulations of the Board are faithfully executed within the county. State law also requires the County Manager to prepare and submit the county's annual budget and capital program to the Board, and to submit annually to the Board, and to make available to the public, a complete report of the finances and administrative activities of the county as of the end of each fiscal year.

C. The Defendant

4. The defendant WANDA SKILLINGTON GREENE (hereinafter "GREENE" or "the defendant") began her employment with the Government of Buncombe County (hereinafter sometimes referred to as "Buncombe County" or "the County") in or about May 1994 as an Assistant County Manager. In or about July 1997, the Board appointed her as the County Manager. She continued in her employment as the County Manager until her retirement from that position, effective June 30, 2017.

D. Buncombe County's Budget Procedures

5. Buncombe County's fiscal year runs from July 1 through the following June 30. The County's Budget Director has the primary responsibility for drafting the annual budget for the fiscal year, as well as any later budget amendments. The County Manager has the final responsibility to review the Budget Director's draft, to make any changes she deems appropriate, and to submit the final proposed budget and any subsequent budget amendments to the Board.

6. Near the beginning of each fiscal year, the Board considers the proposed annual budget that has been submitted by the County Manager, makes any changes, and then enacts that year's budget.

7. Throughout the fiscal year, as the need arises, the Board adopts budget amendments to move money from one County fund to another in order to meet those expenses by paying them out of the appropriate fund. Any expense of \$75,000 or more requires such a budget amendment. The Board votes on the proposed amendments, either by a debate and a vote, or by the proposed amendment's being placed on the Board's consent agenda followed by a vote on adopting the consent agenda.

E. Buncombe County's Spending Procedures

8. After the Board passes a budget amendment, an authorized County employee can then create a request for payment, or requisition, based upon that amendment. The County's procedures require that any request for payment of more than \$5,000 must have a purchase order.

9. Once a purchase order has been approved, the County can pay an invoice associated with that purchase order. Payments can be by check or by wire transfers from Buncombe County's account with Wells Fargo Bank, NA.

F. Buncombe County Employees' Life Insurance Program

10. North Carolina law authorizes a County to purchase life insurance "for the benefit of all or any class of county officers and employees as part of their compensation." N.C.G.S. § 153A-92(d). State law also requires that in order to provide such benefits, a County's Board of Commissioners must act in its corporate capacity in a meeting duly held as prescribed by law. Additionally, under state law, a County Manager does not have the power to bind the County in such a way without an express delegation of authority to do so by the Board of Commissioners.

11. At all times relevant to this Bill of Indictment, pursuant to validly enacted County ordinances and amendments and in compliance with state law,

Buncombe County provided to all its employees, at the County's expense, a basic term life insurance policy with a face value of \$30,000. The County paid for these policies out of its employee compensation fund.

12. Each employee was also eligible to purchase supplemental life insurance coverage, at the employee's own expense, of up to an additional \$100,000.

13. This was the only legitimate life insurance program authorized by the Board for County employees.

G. The Relevant Business Entities

14. Wells Fargo Bank, NA ("Wells Fargo"), has its main office in Sioux Falls, South Dakota, and is a subsidiary of Wells Fargo & Company, headquartered in San Francisco, California.

15. The Bank of New York Mellon Corporation ("BNY Mellon") is a banking and financial services company headquartered in New York City.

16. Pershing LLC is a subsidiary of BNY Mellon that, among other services, provides lending and investment products to brokerage firms and independent wealth advisers.

17. PNC Bank, NA ("PNC Bank") is a subsidiary of the PNC Financial Services Group, Inc., headquartered in Pittsburgh, Pennsylvania.

18. The Guardian Life Insurance Company of America ("Guardian") is a mutual life insurance company, based in New York City.

19. Park Avenue Securities LLC is a wholly owned subsidiary of Guardian. It is a registered investment adviser and broker-dealer. Among its products and services are annuities, money market funds, and brokerage accounts. It maintains some of its money market accounts at Pershing LLC.

20. Guardian is represented in Charlotte, North Carolina, by a financial planning firm that offers Guardian life insurance policies and also offers security

products and advisory services through Park Avenue Securities. In its dealings with GREENE and other County employees, as described in this Bill of Indictment, that Charlotte firm (hereinafter “the insurance agency”) was represented primarily by one insurance agent (hereinafter “the insurance agent” or “the agent”).

COUNTS ONE THROUGH TWELVE

(Wire Fraud, in violation of 18 U.S.C. § 1343)

21. Paragraphs 1 through 20 are realleged and incorporated herein by reference.

THE SCHEME TO DEFRAUD

22. Beginning in or about April 2015, and continuing thereafter until in or about July 2017, in Buncombe County, within the Western District of North Carolina, and elsewhere, the defendant,

WANDA SKILLINGTON GREENE,

devised and intended to devise a scheme and artifice to defraud Buncombe County, and to obtain money and property by means of materially false and fraudulent pretenses and representations.

MANNER AND MEANS

23. It was a part of the scheme and artifice that the defendant, unlawfully and without authority, misappropriated approximately \$2.3 million of Buncombe County funds to purchase whole life insurance policies for herself, her son Michael Greene, and eight other County employees.

24. The scheme and artifice also included the purchase of an annuity for the County’s Emergency Services Director.

25. In the first month after GREENE retired from her County employment, she cashed out her two policies, thereby personally obtaining approximately \$396,000 of fraudulently-acquired money funded by Buncombe County.

26. To execute this scheme and artifice to defraud, GREENE committed, and caused to be committed, the following actions:

A. Creating the Scheme and Artifice

1. GREENE engages an insurance company

27. In April 2015, GREENE began communicating with the insurance agent about her intent to procure insurance policies for herself and certain other Buncombe County employees at County expense. On April 21, 2015, GREENE sent the agent an email stating: "Hoping we can talk about me and my situation and then bring you back to talk with my senior leaders."

28. During a meeting later that week, GREENE informed the agent of the names of the County employees that she had tentatively chosen to receive the insurance policies.

29. In April and May 2015, GREENE falsely began telling those selected County employees that she had been working with the Board of Commissioners on a new benefit program for certain employees involving the County's purchase of life insurance policies for them, at no expense to the employee. She stressed that only certain employees would be receiving this benefit, so the employees with whom she spoke should keep this program and their participation in it strictly confidential.

2. The insurance policies

30. The policies that GREENE was procuring were whole life policies, with a resulting cash value and the ability to borrow against such policies. Each of the participating employees, including GREENE, was immediately the sole owner of his or her policy, with the power to designate his or her beneficiaries.

31. The County prepaid several years' worth of annual premiums, along with the initial year's payment. These premium prepayments were placed into a "Suspend Account" by Guardian, similar to an escrow account, and each year on the anniversary of the policy date the company would withdraw that year's premium from the account.

32. As soon as Buncombe County made these premium prepayments to Guardian, that money became the property of the policy owner. Therefore, if the owner later decided to surrender his or her policy, not only would the owner receive whatever cash value the policy had, but he or she would also be able to cash out the balance remaining in the Suspend Account.

3. ***GREENE selects the employees and the amounts the County will prepay for each policy***

33. GREENE informed the agent that she would be deciding for each recipient employee how many years' worth of prepayments the County would be purchasing, and the total amount of those payments per employee. Then, based on the age, health, and other relevant factors, Guardian would determine how much the face value of each policy would be.

34. On multiple occasions in May, June, and July 2015, through emails and personal meetings, GREENE and the agent had such discussions about which recipients would be receiving policies and the size of the County's payments for them. For example, on June 11, 2015, GREENE sent the agent an email informing him:

I've thought it through and want to approach as follows.

Pay [MCF], Greene and [another employee] in one payment up front.

Pay rest over 60 in 3 payments.

Pay rest of 50's over 4 years.

35. On July 17, 2015, GREENE sent the agent an email adding two more employees, and attaching a spreadsheet, which she described as: "The attached spreadsheet has the names, dates of birth and the term/amount I'd like to have for everyone. Let me know if you have any questions or suggestions. I see us paying the full \$2.5 million up front."

B. **Funding the Scheme and Artifice**

36. GREENE did not seek the Board's authorization to purchase these policies with County funds. Rather, in order to gain access to the County money

necessary to fund her scheme, GREENE took advantage of two federal civil rights lawsuits that were pending against the County, and which were in monetary settlement negotiations. She later fraudulently claimed to Guardian, to the insurance agent, and to the various County employees that the Board of Commissioners had also approved and enacted funding for the life insurance program she had created when it enacted a budget amendment to settle those lawsuits. In fact, however, the Commissioners never approved, and never even knew about the existence of, GREENE's life insurance scheme.

1. *The civil rights lawsuits and settlements*

37. In August 2013 and September 2014, two persons filed lawsuits against the County and several County employees, alleging that they had been wrongly prosecuted and convicted of murder. The North Carolina Innocence Inquiry Commission vacated their convictions following hearings in 2011 and declared them innocent of the crime. Three other former co-defendants were similarly situated and were potential plaintiffs.

38. As a result, while those suits were pending, the County's attorneys engaged in monetary settlement negotiations with the attorneys for those five men. As County Manager, GREENE was aware of these negotiations and the possible cash payouts the County would need to make.

39. As GREENE knew, by August 2015 the attorneys for the plaintiffs and for the County had reached a proposed settlement, but the Board would be required to approve the settlement on behalf of the County. The Board would also have to adopt a budget amendment transferring sufficient money from the General Fund account into the account that would be used to pay the settlement.

2. *The August 4, 2015, Board of Commissioners meeting*

40. In anticipation of the regularly scheduled August 4, 2015, Board meeting, GREENE and the Budget Director, DMP, therefore drafted a proposed budget amendment for the Board's vote. The amendment authorized the transfer of \$8.59 million from the County's General Fund to its "Fund 80," which is denominated as "Claims/Benefit Pmts/Insurance & Bonds." The purpose of the

amendment was described, on the face of that amendment, as: "To budget settlement/compensation transfer."

41. The August 4, 2015, Board meeting began at 4:30 p.m. During that meeting, the Board went into a closed session, with GREENE, to discuss the proposed settlement in the civil rights lawsuits.

42. During that closed session, GREENE explained that on the advice of the County's attorneys and insurance carriers, the County had agreed to settle the five wrongful conviction claims. She listed the amounts to be paid to each of the five individuals, totaling approximately \$7.14 million.

43. GREENE told the Commissioners that these funds to pay the settlements were included in the budget amendment attached to the minutes, and she commended the county's attorneys for settling the cases "in a financially beneficial manner."

44. The Board gave its consent to accepting the settlements and the proposed budget amendment as presented to it by GREENE. After the Board returned to an open session, it approved the settlements and the budget amendment. The meeting adjourned at 8:45 p.m.

45. At no time, either orally during the meeting, or in the budget amendment itself, or in any other documents submitted to the Board, did GREENE ever mention to the Board the existence of the life insurance program she was creating for herself and selected County employees.

46. At no time, therefore, did the Board act in its corporate capacity to create or endorse an additional life insurance program, as would be required by state law.

3. The inflated amount of the budget amendment

47. Although the budget amendment submitted by GREENE and enacted by the Board was for \$8.59 million, that figure was far in excess of the amount required to settle the active and potential lawsuits, as GREENE knew. That is, as set forth above, the payments to the five men totaled approximately \$7.14 million.

The attorney fees were approximately \$1.06 million, resulting in a total exposure of approximately \$8.20 million.

48. As GREENE knew, however, the County had indemnity insurance policies with three carriers that resulted in payments to the County totaling approximately \$3.91 million for the settlements and attorney fees.

49. Therefore, although the budget amendment transferred almost \$8.6 million to Fund 80, the net out-of-pocket expense to the County, as calculated by the Budget Director, was approximately \$4.3 million. This resulted in a surplus of another \$4.3 million in Fund 80, much of which GREENE misappropriated to purchase the life insurance policies, and she then repeatedly cited that budget amendment as her authority to do so.

50. Specifically, when Guardian and the insurance agent requested a copy of the County's official authorization for the purchase of the insurance policies described herein, GREENE provided them with a copy of this budget amendment. When she discussed the authorization for this program with the Finance Director, the Budget Director, and other County employees, she cited this budget amendment. Similarly, the purchase requests, purchase orders, and other County spending paperwork used this budget amendment as the authorization for the spending from Fund 80 for these life insurance policies.

C. Perpetrating the Scheme and Artifice

1. The initial \$1.5 million wire to Guardian

51. On August 4, 2015, at 6:21 p.m., while the Board meeting was still underway, GREENE used her iPhone to send the insurance agent an email stating: "Just waiting for signal we are a go. Then want to set up individual meetings."

52. After the enactment of the August 4 budget amendment giving her access to the surplus money now in Fund 80, GREENE finalized the list of the employees who would be receiving the life insurance, as well as the amount of County money to apply to each policy. She communicated this information to the agent through emails.

53. On August 28, 2015, GREENE sent the agent an email, labeled "Subject: confidential," setting up individual meetings for the agent with herself and nine other employees. She also informed the agent: "I will send an updated list of the amounts for everyone. They do not know the amount, so you'll need to tell them how much we plan to invest on their behalf."

54. On the afternoon of October 15, 2015, GREENE and the agent met at a Buncombe County restaurant. They discussed the insurance policies and the agent gave GREENE copies of the policies.

55. Also on October 15, 2015, GREENE signed an "Authorization Letter to Transfer Funds," stating:

I, Dr. Wanda Greene, give authorization for Finance to wire the initial premium payment of \$1,950,000 for policy number C1584 for the benefit of "Buncombe County Insurance Plan."

The letter also provided the wire instructions for sending the funds to Guardian's account at PNC Bank.

56. On October 16, 2015, GREENE began distributing copies of the life insurance policies individually to the selected employees. For most of them, this was the first time that they learned of the face amounts of the policies as well as the premiums that the County would be paying and prepaying for their policies. GREENE again stressed to the recipients that they needed to keep the existence of these policies confidential.

57. The October 15 authorization to wire \$1,950,000 to Guardian's bank account was not executed, however, due to two complications. First, no one had yet created the purchase order that was required for any expense greater than \$5,000. As the Budget Director informed the insurance agent by email on October 16: "We have to do a purchase order today in advance of payment and the invoice needs to be dated after the fact." The Budget Director told the agent that GREENE was going to ask him to submit a revised invoice dated October 19.

58. The second complication with the original authorization letter was that Guardian had determined it would not issue two of the intended life insurance

policies. The original authorization had included an expense of \$150,000 for MJV's policy and \$300,000 for GREENE's policy. Guardian was unwilling to issue either policy at that time due to health concerns with MJV and with GREENE.

59. As requested, the agent sent a new proposed authorization letter dated October 19, 2015, for GREENE's approval to transfer funds from Buncombe County into Guardian's account at PNC Bank. The new letter was for \$1,500,000, representing the removal, from the original authorization amount of \$1,950,000, of the \$300,000 that had been intended for GREENE's policy and the \$150,000 that had been intended for MJV's policy.

60. On or about October 20, 2015, Buncombe County executed an interstate wire transfer of \$1,500,000 from its account with Wells Fargo to Guardian's account at PNC Bank.

61. As instructed by GREENE, Guardian issued the following life insurance policies with the following lump-sum premium prepayments, paid out of that \$1,500,000 wire transfer from Buncombe County (last four digits of the policies listed, and prepayments rounded to the nearest thousand dollars):

Employee and Position	Policy Number	Premium Prepayments
JEC, Planning Director/Assistant County Manager	9718	\$175,000
PCF, Identification Director	0152	\$150,000
TWF, Finance Director/IT Director	9662	\$201,000
MCF, Senior Attorney II	9714	\$150,000
PGI, General Services Director	0138	\$150,000
DMP, Budget & Management Services Director	9672	\$307,000
ALS, Health & Human Services Director/Assistant County Manager	9752	\$150,000
MJS, Permits and Inspections Director	9734	\$202,000

62. On November 16, 2015, the agent sent an email to GREENE about the best way for him to summarize the policies and benefits for each of the life insurance policy recipients, suggesting either a group meeting or individual

meetings. GREENE responded: "I prefer we handle individually. They don't know who got this. They have also honored my request to keep it confidential."

2. *The \$300,000 wire to GREENE's money market account and the \$150,000 wire to purchase an annuity for MJV*

63. On October 27, 2015, the agent sent an email to GREENE discussing her own options, given that Guardian was not yet willing to issue a life insurance policy for her based on health concerns. He told her: "With your plan, we would recommend a money market fund until we have more information from your Dr.'s."

64. Following a meeting with the agent, GREENE decided, as the agent had proposed, to cause the County to wire \$300,000 into a money market account with Guardian's subsidiary, Park Avenue Securities, held with Pershing LLC. She also decided to have the County purchase an annuity from Park Avenue Securities for \$150,000 for MJV in lieu of the previously-proposed life insurance policy.

65. To accomplish this, the insurance agent emailed wire transfer instructions to the Finance Director on November 5, 2015. Those instructions were to wire \$300,000 to an account for Park Avenue Securities, held through Pershing LLC at BNY Mellon for "Buncombe County Insurance Plan Account Number: TBC-069015," (hereinafter "GREENE's money market account") and in a separate wire to send \$150,000 to the same account for "Buncombe County Insurance Plan Account Number: TBC-069023" to be used to purchase the annuity for MJV.

66. On or about November 6, 2015, Buncombe County executed two interstate wire transfers from its account with Wells Fargo to the Pershing LLC account at BNY Mellon, one for \$300,000 with the ultimate beneficiary being GREENE's money market account, and the other for \$150,000 to fund the MJV annuity.

3. *The \$30,000 wire to Guardian and the \$10,000 wire to GREENE's money market account*

67. On or about December 17, 2015, after the above-described life insurance policies had gone into effect, GREENE caused DMP, the Budget Director, to generate a new purchase order to wire \$20,000 to the Guardian account at PNC Bank and another \$20,000 into her money market account with Pershing LLC. Before those funds were wired, however, GREENE had the purchase order amended to have \$30,000 wired to Guardian and \$10,000 wired into her money market account.

68. On the night of December 21, 2015, GREENE sent an email to the agent alerting him that she was causing the County to wire an additional \$40,000, and informing him to distribute \$10,000 of that to her account and to distribute \$10,000 each to the policies for ALS, JEC, and DMP.

69. On or about December 22, 2015, pursuant to the revised purchase order, the Buncombe County Finance Department executed an interstate wire transfer for \$30,000 from its Wells Fargo account to Guardian's account at PNC Bank, and another interstate wire transfer for \$10,000 from its Wells Fargo account to GREENE's Pershing LLC money market account.

70. As instructed, Guardian used the \$30,000 to purchase additional coverage on the policies belonging to ALS, JEC, and DMP, thereby increasing the face value of those policies.

4. *The next wire transfer to Guardian*

71. In April 2016, GREENE implemented a plan for the County to start making quarterly payments of an additional \$40,000 to Guardian, with her deciding how these payments would be assigned among the various policies. On April 7, 2016, GREENE sent an email to the Finance Director to "set up quarterly payments of \$40,000 for [the insurance agency]. Payments should begin with the current quarter and go through the last quarter of CY2018."

72. The Finance Director communicated this to the insurance agent, who prepared and sent another "Authorization Letter to Transfer Funds" for GREENE,

directing the Finance Department to wire a premium payment of \$40,000 to Guardian's account at PNC Bank for the benefit of the "Buncombe County Insurance Plan."

73. On or about April 18, 2016, the County's Finance Department executed an interstate wire transfer from its account at Wells Fargo to Guardian's account at PNC Bank. At GREENE's direction, Guardian applied \$10,000 of these funds to ALS's policy and the remaining \$30,000 to JEC's policy, thereby increasing the value of the coverage of each policy.

5. *GREENE's purchase of life insurance policies for herself for \$210,000 and for her son for \$100,000*

74. By May 2016, Guardian approved GREENE's eligibility for a life insurance policy of her own. She therefore executed a plan to use the \$310,000 that the County had previously wired into her money market account to purchase a policy for herself and a policy for Michael Greene, her adult son, who was also a County employee.

75. On May 23, 2016, the insurance agent emailed GREENE: "Please see the attached forms (2 pages total). This will authorize us to move the money from your Money Market Account with us to fund your Life Insurance Policy and Michael's policy. The other policies (2) will be funded by the expected quarterly wire and the check that you sent on Friday."

76. The two attached forms were wire request forms directing transfers out of GREENE's Park Avenue Securities account with Pershing LLC at BNY Mellon to Guardian's account at PNC Bank, for purposes of paying life insurance premiums. One request was for \$210,000, for the "Ultimate Beneficiary" WANDA GREENE, and the other was for \$100,000, for the "Ultimate Beneficiary" Michael Greene.

77. Those wires were executed on or about June 2, 2016. As a result, Guardian issued a policy ending in 8797 for WANDA GREENE, with a face value of \$700,000. Guardian also issued a policy ending in 8689 for Michael Greene, with a face value of \$418,565.

6. *Three additional \$40,000 wire transfers to Guardian*

78. On or about June 6, 2016, in accordance with the quarterly payment plan GREENE had instituted, the County executed another \$40,000 interstate wire transfer from Wells Fargo to Guardian's account at PNC Bank. GREENE had Guardian apply part of those funds to a new additional life insurance policy for DMP, and had Guardian use the remainder for funding yet another life insurance policy for herself, this one ending in 1082.

79. On or about July 5, 2016, the County executed another \$40,000 interstate wire transfer from Wells Fargo to Guardian's account at PNC Bank. GREENE had Guardian apply those funds to the two policies owned by DMP, increasing the face values of each of DMP's policies.

80. On or about October 25, 2016, the County executed another \$40,000 interstate wire transfer from Wells Fargo to Guardian's account at PNC Bank. GREENE had Guardian apply the entire \$40,000 to her second life insurance plan, ending in 1082, increasing the value of that policy.

7. *The \$160,000 wire to Guardian*

81. In December 2016, GREENE decided to modify her \$40,000 quarterly wire plan by frontloading the payments. On or about December 29, 2016, at GREENE's instructions, the Budget Director sent an email to the Finance Director directing him to change the purchase order from four quarterly payments of \$40,000 to a single lump sum of \$160,000 "and pay in full in early January. That will be a recurring, annual payment we will make through January, 2019."

82. The Finance Director complied, and on or about January 5, 2017, the County executed an interstate wire transfer from Wells Fargo to Guardian's account at PNC Bank. GREENE then had Guardian apply the entire \$160,000 to her second life insurance plan, ending in 1082.

8. *Total value of policies purchased by Buncombe County*

83. Following the last \$40,000 wire in October 2016 and the \$160,000 wire in January 2017, both of which GREENE instructed to be applied in their

entireties to one of her own policies, the final face values and the approximate values of the premiums that the County prepaid for the life insurance policies (rounded to the nearest thousand dollars) were:

Employee	Policy Number	Face Value	Total Premium Prepayments
WANDA GREENE	1082	\$700,000	\$236,000
WANDA GREENE	8797	\$700,000	\$222,000
Michael Greene	8689	\$419,000	\$101,000
JEC	9718	\$522,000	\$215,000
PCF	0152	\$580,000	\$150,000
TWF	9662	\$671,000	\$201,000
MCF	9714	\$557,000	\$150,000
PGI	0138	\$538,000	\$150,000
DMP	9672	\$745,000	\$307,000
DMP	0319	\$338,000	\$40,000
ALS	9752	\$617,000	\$160,000
MJS	9734	\$587,000	\$202,000

84. Additionally, GREENE caused the County to spend \$150,000 for the Park Avenue Securities annuity for MJV.

9. *GREENE's attempt to implement \$160,000 quarterly wire payments to Guardian*

85. On May 5, 2017, GREENE emailed the insurance agent to inform him that she was thinking about buying certain real estate and was wondering about her options for obtaining cash through her policies. In his reply, the agent discussed the present value of GREENE's two life insurance policies: "[A]ll the prepaid money is available for your use. 6 Years of a 38k premium on one policy and 6 years of \$32,796 on the other. Plus the \$24,145 in current cash value."

86. On May 7, 2017, GREENE sent an email to the insurance agent asking, "If I wanted to borrow \$125,000, how do we structure the payback? Can I use the next check from county to pay it back?" GREENE wrote back later that day that she would "[p]robably need the money in 30-45 days."

87. GREENE ultimately did not go forward with borrowing against her policies, telling the agent on May 19, 2017, that she did not “want to mess anything up,” and instead would “tap [her] 401K.”

88. Shortly before she announced her intention to retire effective June 30, 2017, GREENE attempted to quadruple the County’s \$40,000 quarterly payments to \$160,000. She sent a handwritten note to the Budget Director, DMP, instructing her to implement this plan.

89. DMP, however, instead met with the Finance Director, TWF, to discuss this potential new expenditure of \$640,000 per year. TWF then met with GREENE, bringing GREENE’s note with him. He expressed concern about GREENE’s instruction, given that the chairman and many members of the Board had changed since the enactment of the August 4, 2015, budget amendment, and he asked to see more specific documentation from the Board authorizing such expenditures. In response, GREENE took the handwritten note, tore it up, and threw it in the trash, then told him to forget about any more payments.

90. On May 30, 2017, GREENE publicly announced that she would be retiring as County Manager effective at the end of the fiscal year, June 30, 2017.

10. GREENE’s \$396,000 cash-out of her Guardian policies

91. Almost immediately upon her retirement, GREENE liquidated her two Guardian life insurance policies in order to receive the accumulated cash values of the whole life policies and also the value of the prepaid premiums in the Suspend Accounts.

92. As a result, on or about July 13, 2017, Guardian sent GREENE checks for \$203,498.66 from her policy 1082, and for \$192,360.94 from her policy 8797. GREENE deposited these checks into her State Employees’ Credit Union account in Buncombe County on or about July 24, 2017.

93. On or about August 7, 2017, GREENE used a portion of the proceeds from the Guardian checks to wire \$155,000 from her State Employees’ Credit Union account to a Tennessee law firm’s account held at F&M Bank in Clarksville, Tennessee, for purposes of a real estate closing.

94. On or about each of the dates set forth below, in Buncombe County, within the Western District of North Carolina, and elsewhere, the defendant,

WANDA SKILLINGTON GREENE,

for the purpose of executing the scheme and artifice described above, caused to be transmitted, by means of wire communication in interstate commerce, signals and sounds, that is, interstate wire fund transfers, each transmission constituting a separate count:

Count	Date	Wired Amount	Originating Financial Institution	Receiving Financial Institution
ONE	10/20/15	\$1,500,000	Wells Fargo	PNC Bank
TWO	11/6/15	\$300,000	Wells Fargo	BNY Mellon
THREE	11/6/15	\$150,000	Wells Fargo	BNY Mellon
FOUR	12/22/15	\$10,000	Wells Fargo	BNY Mellon
FIVE	12/22/15	\$30,000	Wells Fargo	PNC Bank
SIX	4/18/16	\$40,000	Wells Fargo	PNC Bank
SEVEN	6/2/16	\$210,000	BNY Mellon	PNC Bank
EIGHT	6/2/16	\$100,000	BNY Mellon	PNC Bank
NINE	6/6/16	\$40,000	Wells Fargo	PNC Bank
TEN	7/5/16	\$40,000	Wells Fargo	PNC Bank
ELEVEN	10/25/16	\$40,000	Wells Fargo	PNC Bank
TWELVE	1/5/17	\$160,000	Wells Fargo	PNC Bank

All in violation of Title 18, United States Code, Section 1343.

COUNTS THIRTEEN THROUGH TWENTY

(Federal Program Fraud, in violation of 18 U.S.C. § 666(a)(1)(A))

95. Paragraphs 1 through 20 and 22 through 82 are realleged and incorporated herein by reference.

96. On or about the dates listed below, in the Western District of North Carolina, and elsewhere, the defendant,

WANDA SKILLINGTON GREENE,

being an agent of a local government, that is, the Government of Buncombe County, did knowingly embezzle, steal, and obtain by fraud, and without authority knowingly converted to the use of a person not the rightful owner, and otherwise did intentionally misapply property with a value of at least \$5,000 that was owned by and under the control of such local government. The Government of Buncombe County received benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, and other form of Federal assistance during each of the continuous 12-month periods of calendar years 2015, 2016, and 2017.

Count	Date	Value of Property
THIRTEEN	10/20/15	\$1,500,000
FOURTEEN	11/6/15	\$450,000
FIFTEEN	12/22/15	\$40,000
SIXTEEN	4/18/16	\$40,000
SEVENTEEN	6/6/16	\$40,000
EIGHTEEN	7/5/16	\$40,000
NINETEEN	10/25/16	\$40,000
TWENTY	1/5/17	\$160,000

All in violation of Title 18, United States Code, Section 666(a)(1)(A).

COUNTS TWENTY-ONE THROUGH TWENTY-THREE
(Money Laundering, in violation of 18 U.S.C. § 1957)

97. Paragraphs 1 through 20 and 22 through 93 are realleged and incorporated herein by reference.

98. On or about the dates listed below, in the Western District of North Carolina, and elsewhere, the defendant,

WANDA SKILLINGTON GREENE,

did knowingly engage and attempt to engage in the following monetary transactions by and through a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, that is, the transfers and deposits of United States currency, funds, and monetary instruments, such property having been derived from a specific unlawful activity,

that is, wire fraud, in violation of 18 U.S.C. § 1343, and federal program fraud, in violation of 18 U.S.C. § 666(a)(1)(A).

Count	Date	Monetary Transaction	As Described in Paragraph Number
TWENTY-ONE	6/2/16	Wire Transfer of \$310,000	74-77
TWENTY-TWO	7/24/17	Deposit of checks for \$203,498.66 and \$192,360.94	92
TWENTY-THREE	8/7/17	Wire Transfer of \$155,000	93

All in violation of Title 18, United States Code, Section 1957.

COUNT TWENTY-FOUR
**(Making and Subscribing a False Federal Tax Return,
in violation of 26 U.S.C. § 7206(1))**

99. Paragraphs 1 through 20 and 22 through 82 are realleged and incorporated herein by reference.

100. On or about April 22, 2013, in Buncombe County, within the Western District of North Carolina, the defendant,

WANDA SKILLINGTON GREENE,

a resident of Buncombe County, did willfully make and subscribe a United States Individual Income Tax Return, Form 1040, for the calendar year 2012, which was verified by a written declaration that it was made under the penalties of perjury and which she did not believe to be true and correct as to every material matter. That Form 1040, which was prepared and signed in the Western District of North Carolina and was filed with the Internal Revenue Service, stated that her taxable income was \$125,449, whereas, as she then and there knew, that figure was false as a result of the following:

- a) the defendant falsely claimed \$16,308 as business expenses on Lines 24 and 36 of her Form 1040; and

- b) the defendant failed to report approximately \$8,400 in additional income that she had received through embezzlement from Buncombe County.

All in violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-FIVE
(Making and Subscribing a False Federal Tax Return,
in violation of 26 U.S.C. § 7206(1))

101. Paragraphs 1 through 20 and 22 through 82 are realleged and incorporated herein by reference.

102. On or about May 5, 2014, in Buncombe County, within the Western District of North Carolina, the defendant,

WANDA SKILLINGTON GREENE,

a resident of Buncombe County, did willfully make and subscribe a United States Individual Income Tax Return, Form 1040, for the calendar year 2013, which was verified by a written declaration that it was made under the penalties of perjury and which she did not believe to be true and correct as to every material matter. That Form 1040, which was prepared and signed in the Western District of North Carolina and was filed with the Internal Revenue Service, stated that her taxable income was \$139,646, whereas, as she then and there knew, that figure was false as a result of the following:

- a) the defendant falsely claimed \$10,010 as business expenses on Lines 24 and 36 of her Form 1040; and
- b) the defendant failed to report approximately \$16,031 in additional income that she had received through embezzlement from Buncombe County.

All in violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-SIX
**(Making and Subscribing a False Federal Tax Return,
in violation of 26 U.S.C. § 7206(1))**

103. Paragraphs 1 through 20 and 22 through 82 are realleged and incorporated herein by reference.

104. On or about May 17, 2016, in Buncombe County, within the Western District of North Carolina, the defendant,

WANDA SKILLINGTON GREENE,

a resident of Buncombe County, did willfully make and subscribe a United States Amended Individual Income Tax Return, Form 1040X, for the calendar year 2014, which was verified by a written declaration that it was made under the penalties of perjury and which she did not believe to be true and correct as to every material matter. That Form 1040X, which was prepared and signed in the Western District of North Carolina and was filed with the Internal Revenue Service, stated that her taxable income was \$180,195, whereas, as she then and there knew, that figure was false as a result of the following:

the defendant failed to report approximately \$8,413 in additional income that she had received through embezzlement from Buncombe County.

All in violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-SEVEN
**(Making and Subscribing a False Federal Tax Return,
in violation of 26 U.S.C. § 7206(1))**

105. Paragraphs 1 through 20 and 22 through 82 are realleged and incorporated herein by reference.

106. On or about May 9, 2016, in Buncombe County, within the Western District of North Carolina, the defendant,

WANDA SKILLINGTON GREENE,

a resident of Buncombe County, did willfully make and subscribe a United States Individual Income Tax Return, Form 1040, for the calendar year 2015, which was verified by a written declaration that it was made under the penalties of perjury and which she did not believe to be true and correct as to every material matter. That Form 1040, which was prepared and signed in the Western District of North Carolina and was filed with the Internal Revenue Service, stated that her taxable income was \$253,826, whereas, as she then and there knew, that figure was false as a result of the following:

- a) the defendant failed to report approximately \$29,256 in additional income that she had received through embezzlement from Buncombe County; and
- b) the defendant failed to report \$310,000 in additional income from her causing Buncombe County to transfer money into the defendant's money market account, which she later used to purchase whole life insurance policies.

All in violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-EIGHT
(Making and Subscribing a False Federal Tax Return,
in violation of 26 U.S.C. § 7206(1))

107. Paragraphs 1 through 20 and 22 through 82 are realleged and incorporated herein by reference.

108. On or about May 8, 2017, in Buncombe County, within the Western District of North Carolina, the defendant,

WANDA SKILLINGTON GREENE,

a resident of Buncombe County, did willfully make and subscribe a United States Individual Income Tax Return, Form 1040, for the calendar year 2016, which was verified by a written declaration that it was made under the penalties of perjury and which she did not believe to be true and correct as to every material matter. That

Form 1040, which was prepared and signed in the Western District of North Carolina and was filed with the Internal Revenue Service, stated that her taxable income was \$338,730, whereas, as she then and there knew, that figure was false as a result of the following:

- a) the defendant failed to report approximately \$8,766 in additional income that she had received through embezzlement from Buncombe County; and
- b) the defendant failed to report \$62,000 in additional income from Buncombe County's purchase of whole life insurance policies owned by the defendant.

All in violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-NINE
**(Making and Subscribing a False Federal Tax Return,
in violation of 26 U.S.C. § 7206(1))**

109. Paragraphs 1 through 20 and 22 through 82 are realleged and incorporated herein by reference.

110. On or about May 21, 2018, in Buncombe County, within the Western District of North Carolina, the defendant,

WANDA SKILLINGTON GREENE,

a resident of Buncombe County, did willfully make and subscribe a United States Individual Income Tax Return, Form 1040, for the calendar year 2017, which was verified by a written declaration that it was made under the penalties of perjury and which she did not believe to be true and correct as to every material matter. That Form 1040, which was prepared and signed in the Western District of North Carolina and was filed with the Internal Revenue Service, stated that her taxable income was \$524,750, whereas, as she then and there knew, that figure was false as a result of the following:

- a) the defendant falsely claimed business losses of \$37,210 on Line 12 of Form 1040, and submitted a Schedule C in which she claimed to own

as a sole proprietorship a business named "Buncombe County," which earned no income but incurred expenses of \$3,510 in vehicle expenses, \$25,000 in legal and professional expenses, \$400 in supplies, and \$8,300 in utilities; and

- b) the defendant failed to report approximately \$8,857 in additional income that she had received through embezzlement from Buncombe County; and
- c) the defendant failed to report \$160,000 in additional income from Buncombe County's purchase of whole life insurance policies owned by the defendant

All in violation of Title 26, United States Code, Section 7206(1).

NOTICE OF FORFEITURE AND FINDING OF PROBABLE CAUSE

111. Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981 and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by Section 981(a)(1)(C). The following property is subject to forfeiture in accordance with Section 982 and/or 2461(c):

- a. All property which constitutes or is derived from proceeds of the violations set forth in this Bill of Indictment;
- b. All property involved in the monetary transaction violations or traceable to such property; and
- c. If, as set forth in 21 U.S.C. § 853(p), any property described in (a) or (b) cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, all

other property of the defendant to the extent of the value of the property described in (a) and (b).

112. The Grand Jury finds probable cause to believe that the following property is subject to forfeiture on one or more of the grounds stated above:

- a. A forfeiture money judgment in the amount of at least \$395,859.60, such amount constituting the proceeds of the violations set forth in this Bill of Indictment; and
- b. Approximately \$29,479.47 seized on or about June 6, 2018, from State Employees' Credit Union Account XXX7797, such account held in the name of Wanda S. Greene

A TRUE BILL


FOREMAN

R. ANDREW MURRAY
UNITED STATES ATTORNEY


RICHARD LEE EDWARDS
ASSISTANT UNITED STATES ATTORNEY