

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

UNITED STATES OF AMERICA)	DOCKET NO.: 1:18-CR-047-01
)	DOCKET NO.: 1:18-CR-068
v.)	DOCKET NO.: 1:18-CR-088-01
)	
WANDA SKILLINGTON GREENE)	FACTUAL BASIS
)	

NOW COMES the United States of America, by and through R. Andrew Murray, United States Attorney for the Western District of North Carolina, and hereby files this Factual Basis in support of the plea agreement filed simultaneously in this matter.

This Factual Basis is filed pursuant to Local Criminal Rule 11.2 and does not attempt to set forth all of the facts known to the United States at this time. By their signatures below, the parties expressly agree that there is a factual basis for the guilty plea(s) that the defendant will tender pursuant to the plea agreement, and that the facts set forth in this Factual Basis are sufficient to establish all of the elements of the crime(s). The parties agree not to object to or otherwise contradict the facts set forth in this Factual Basis.

Upon acceptance of the plea, the United States will submit to the Probation Office a "Statement of Relevant Conduct" pursuant to Local Criminal Rule 32.4. The defendant may submit (but is not required to submit) a response to the Government's "Statement of Relevant Conduct" within seven days of its submission. The parties understand and agree that this Factual Basis does not necessarily represent all conduct relevant to sentencing. The parties agree that they have the right to object to facts set forth in the presentence report that are not contained in this Factual Basis. Either party may present to the Court additional relevant facts that do not contradict facts set forth in this Factual Basis.

1. Buncombe County is a political subdivision of the State of North Carolina, and during each of the calendar years relevant to this case, from 2007 through 2017, it 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.

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. 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.

Facts Specific to the Conduct in 1:18-CR-047-01:

4. At all times relevant to this matter, Buncombe County issued credit cards, also known as "purchasing cards," "purchase cards," and "PCards," to certain of its employees. These PCards were corporate Visa cards issued by the Bank of America to Buncombe County. The County's policy manual restricted the use of the PCards to legitimate County business, forbade the use of the card for personal purchases of any kind, and prohibited the use of the card by anyone other than the employee to whom the card had been issued. The PCards also had a single purchase limit of \$5,000.

5. By 2007, GREENE received at least three different County PCards, subject to these policies and procedures. She possessed at least two PCards simultaneously, using each of them. Due to her position as County Manager, she had the ultimate authority to review and approve her own PCard purchases. No review of her PCard purchases by the Board was required. In 2011, she returned her PCards and ceased using any of the PCards that the County had issued to her.

6. Beginning in or before 2007, and continuing until in or about January 2011, the defendant repeatedly used her PCards to make purchases, at the expense of the County, that were prohibited by the County's policy and procedures, including personal purchases and transactions split to avoid or circumvent the single purchase limit. These included purchase of goods and services for personal wireless telephones and coverage plans, personal purchases from retailers such as Target, Best Buy, TJ Maxx, Bed, Bath & Beyond, Barnes & Noble, and Amazon, totaling approximately \$40,000.

7. GREENE also repeatedly used her PCards to purchase gift cards from various vendors. She then used most of those gift cards to purchase personal items for herself and others, and not for proper County purposes. She provided some of the gift cards to other persons, including a then-serving Buncombe County Commissioner, and those other persons likewise used them to make purchases that were not for legitimate County purposes. Between 2007 and 2011, she made approximately \$21,000 in such gift card purchases.

8. In 2011, the defendant's method of executing the scheme to defraud Buncombe County shifted from using PCards that the County had assigned to her to using PCards that the County had assigned to various other County employees who were subordinate to the defendant. These employees used, and allowed the use of, their PCards for the personal benefit of the defendant and others, at the direction of the defendant. The defendant used, and caused the subordinate employees to use, those PCards to make purchases of goods and services, other than

for legitimate County business, from vendors including Verizon Wireless, Apple, Bose, Touch of Class, Sharper Image, B&H Photo-Video, Best Buy, and Amazon.

9. From on or about May 7, 2010, and continuing through on or about April 26, 2017, the defendant also directed at least two of her subordinate County employees to travel to certain retail stores in Buncombe County and elsewhere in order to use those employees' PCards to purchase store gift cards. After they purchased those gift cards, the employees gave them to the defendant, who used those cards to make improper purchases of merchandise for herself and others. Those gift cards were purchased at retailers such as Walmart, Office Depot, Staples, Target, and Sam's Club, and were in a total amount of approximately \$75,000.

Facts Specific to the Conduct in 1:18-CR-068:

10. Beginning by April 2015, the defendant began communicating with an insurance agent about her intent to procure insurance policies for herself and certain other Buncombe County employees at County expense. In April and May 2015, she 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 instructed them to keep this program and their participation in it strictly confidential.

11. These were whole life policies, with a resulting cash value and the ability to borrow against such policies. Each of the participating employees, including the defendant, was immediately the sole owner of his or her policy, with the power to designate his or her beneficiaries. The County prepaid several years' worth of annual premiums, along with the initial year's premium payment. These premium prepayments were placed into a "Suspend Account" by the insurance company, 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. 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.

12. In May, June, and July 2015, the defendant decided who the recipients of these policies would be, how many years' worth of prepayments the County would be purchasing, and the total amount of those payments per employee, and informed the insurance agent of her decisions.

13. The defendant did not seek the Board of County Commissioners' authorization to purchase these policies with County funds. Rather, in order to gain access to the County money necessary to fund her scheme, the defendant took advantage of two federal civil rights lawsuits that were pending against the County, and which were in monetary settlement negotiations. At the Board meeting on August 5, 2015, the defendant submitted a budget amendment to fund a proposed settlement of the lawsuits in the amount of approximately \$8.6 million. The Board approved the settlement and authorized those funds. In fact, however, the true settlement amount

was several million dollars below \$8.6 million, and the defendant used part of that excess amount to fund the purchases of these life insurance policies.

14. She later fraudulently claimed to the insurance company, 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 this life insurance scheme.

15. To execute the purchases of these policies, the defendant caused the County to wire, through multiple electronic fund transfers, approximately \$2.3 million between October 20, 2015, and January 5, 2017. This included the purchase of two separate policies for the defendant.

16. In July 2017, shortly after her retirement from Buncombe County, the defendant surrendered her two insurance policies and requested the insurance company to send her the cash value of the policies as well as the value of the prepaid premiums in the Suspend Accounts. The company sent her two checks, in the approximate amounts of \$192,000 and \$203,000, which she deposited into her credit union account on July 24, 2017.

17. In April 2018 (and logged in by the Internal Revenue Service in May 2018), the defendant made and subscribed to a United States Individual Tax Return, IRS Form 1040, for calendar year 2017, which she verified by a written declaration as being made under the penalties of perjury. In fact, however, she did not believe that return to be true and correct as to every material matter.

18. In that return, she stated that her taxable income was \$524,750, whereas, as she knew, that figure was false for several material reasons. These included her falsely claiming business losses of \$37,210 on Line 12 of Form 1040, and submitting 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.

19. She also failed to report in that return an additional \$160,000 in income from Buncombe County's payment of the premiums for the whole life insurance policies owned by her, and approximately \$8,000 in additional income that she had received through embezzlement from Buncombe County.

Facts Specific to the Conduct in 1:18-CR-088-01:

20. A person identified herein as "the Contractor" was a registered Professional Engineer. From the mid-1980s through 2018, he was the agent and contractor on behalf of three businesses that obtained more than \$15 million in contracts with Buncombe County for consulting and engineering services.

21. Beginning before 2014, some County personnel, including the defendant and her co-defendants—Assistant County Managers Jon Creighton and Amanda Stone—went on trips that were connected in some way with legitimate County business, but during which the Contractor provided such things of value as expensive meals, wine, tickets to sporting events and other excursions, and other things of value. By 2014, the defendant and her co-defendants began to execute a pattern and practice of soliciting and accepting trips, valuable gifts, and other things of value from the Contractor that were entirely unrelated to any legitimate County business.

22. The defendant and Creighton had the authority to award or deny the contracts that the Contractor's companies had with the County. They and the Contractor understood and agreed that his providing these trips, gifts, and favors was a necessary condition to his companies' continuing to obtain contracts with the County. During the time period when the Contractor was providing trips and other things of value to Buncombe County's top three officials—the County Manager and the two Assistant County Managers—the Contractor was also negotiating with the County, usually through the co-defendant Creighton, and was able to obtain contracts on behalf of the three companies with which he was affiliated.

23. It was a part of the scheme and artifice to defraud the citizens and Government of Buncombe County that the defendant, Creighton, and Stone received gifts and other things of value from the Contractor, consisting primarily of expense-paid pleasure trips to such locations as Key West, Boston, Martha's Vineyard, Maine, Phoenix, San Diego, and the Napa Valley, and to such foreign locations as Vienna, Budapest, Cartagena, and Vancouver. Generally, the Contractor paid for the airplane tickets, hotel rooms, meals and beverages, ground transportation, sightseeing excursions, spa sessions, and gift shop purchases, such as cases of wine from the Napa Valley vineyards that the defendants visited, and health and beauty items from the spas the defendant and Stone visited.

24. At some time in 2015, the defendant prepared a written list of the places she wanted to go, at the Contractor's expense, and the proposed dates of travel, and gave that list to Creighton, instructing him to pass it on to the Contractor. Creighton did so. That list included locations such as Key West, Phoenix, Philadelphia, Jackson Hole, and the District of Columbia.

25. To facilitate the charges to the Contractor's credit cards for such trips and gifts, the Contractor provided the defendant, Creighton, and Stone with his credit card numbers and, in the case of the defendant, with the card itself. The defendant, Creighton, and Stone then generally used those card numbers to make their airplane reservations for these pleasure trips, although they sometimes charged the County directly for their airline tickets on some of the trips where they timed their excursions to coincide, to some degree, with an official meeting happening in the vicinity. .

26. For those trips during which the Contractor accompanied these County employees, he would generally charge the expenses to his card. For the trips during which the Contractor did not accompany the County employees, they used a copy of the Contractor's actual card to pay for

rooms, meals, beverages, gift store purchases, and other incidental expenses. Creighton generally used the physical card in such circumstances.

27. Additionally, sometimes when the Contractor accompanied the County employees, he would stay at a separate Marriott hotel under Creighton's name, charging that separate hotel room to Creighton's credit card and using Creighton's hotel rewards account number, and then later reimbursing Creighton for the charge, so that Creighton would receive the rewards points.

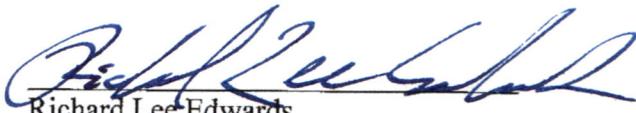
28. To enable the Contractor to use Creighton's credit card, and Creighton to use the Contractor's card, the defendant and Creighton caused personnel in the County's Human Resources Department to create false official Buncombe County employee identification cards. One bore the Contractor's photograph but Creighton's name and title, and the other bore Creighton's photograph but with the Contractor's name and a false title as a County employee.

29. In addition to receiving these gifts from the Contractor, the defendant and her co-defendants also took advantage of these trips to defraud the County in at least two other ways: first, by claiming that they had traveled on official County business and therefore not using their annual leave for these trips. By doing so, they were able to preserve their hours of annual leave, which they were later able to "sell" to the County, thereby receiving monetary payments to which they were not legally entitled.

30. The second way in which the defendants used these trips to defraud the County was by submitting *per diem* and expense claims for their supposed costs of meals and incidental expenses incurred during these trips. That is, while in fact their meals and expenses were actually being paid for by the Contractor, they nonetheless obtained cash payments from the County for their supposed dining and incidental costs.

31. As a result of this scheme, this defendant received more than \$5,000 per year in 2014, 2015, 2016, and 2017 in income, reimbursements, gifts, and things of value to which she was not lawfully entitled.

R. ANDREW MURRAY
UNITED STATES ATTORNEY



Richard Lee Edwards
ASSISTANT UNITED STATES ATTORNEY

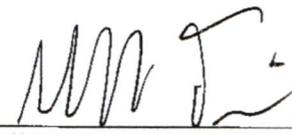
Defendant's Counsel's Signature and Acknowledgment

I have read this Factual Basis, the Bills of Indictment and the Superseding Bill of Indictment, and the plea agreement in this case, and have discussed them with the defendant. Based on those discussions, I am satisfied that the defendant understands the Factual Basis, the Bills of Indictment and the Superseding Bill of Indictment, and the plea agreement. I hereby certify that the defendant does not dispute this Factual Basis.



J. Thomas Amburgey, Attorney for Defendant

DATED: 12/19/18



Noell P. Tin, Attorney for Defendant

DATED: 12/19/18