
State of Minnesota,

Plaintiff,

vs.

STEPHANIE LANTGEN CASTILLO DOB: 10/13/1972

9373 Libby Ln
Eden Prairie, MN 55347

Defendant.

COMPLAINT

Warrant

The Complainant submits this complaint to the Court and states that there is probable cause to believe Defendant committed the following offense(s):

COUNT I

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 10/01/2010

Control #(ICR#): 14002169

Charge Description: That on or between October 1, 2010 and March 28, 2011, in Hennepin County, Minnesota, STEPHANIE LANTGEN CASTILLO obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000) from Balderson Management Inc. by swindling it using artifice, trick, device or other means.

COUNT II

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 04/01/2011

Control #(ICR#): 14002169

Charge Description: That on or between April 1, 2011 and September 28, 2011, in Hennepin County, Minnesota, STEPHANIE LANTGEN CASTILLO obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000) from Balderson Management Inc. by swindling it using artifice, trick, device or other means.

COUNT III

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 10/06/2011

Control #(ICR#): 14002169

Charge Description: That on or between October 6, 2011 and March 21, 2012, in Hennepin County, Minnesota, STEPHANIE LANTGEN CASTILLO obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000) from Balderson Management Inc. by swindling it using artifice, trick, device or other means.

COUNT IV

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 04/02/2012

Control #(ICR#): 14002169

Charge Description: That on or between April 2, 2012 and September 24, 2012, in Hennepin County, Minnesota, STEPHANIE LANTGEN CASTILLO obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000) from Balderson Management Inc. by swindling it using artifice, trick, device or other means.

COUNT V

Charge: Theft-by Swindle

Minnesota Statute: 609.52.2(4)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 10/01/2012

Control #(ICR#): 14002169

Charge Description: That on or between October 1, 2012 and March 22, 2013, in Hennepin County, Minnesota, STEPHANIE LANTGEN CASTILLO obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000) from Balderson Management Inc. by swindling it using artifice, trick, device or other means.

COUNT VI

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 04/02/2013

Control #(ICR#): 14002169

Charge Description: That on or between April 2, 2013 and September 30, 2013, in Hennepin County, Minnesota, STEPHANIE LANTGEN CASTILLO obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000) from Balderson Management Inc. by swindling it using artifice, trick, device or other means.

COUNT VII

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 10/01/2013

Control #(ICR#): 14002169

Charge Description: That on or between October 1, 2013 and March 31, 2014, in Hennepin County, Minnesota, STEPHANIE LANTGEN CASTILLO obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000) from Balderson Management Inc. by swindling it using artifice, trick, device or other means.

COUNT VIII

Charge: Theft-By Swindle

Minnesota Statute: 609.52.2(a)(4)

Maximum Sentence: 20 YEARS AND/OR \$100,000

Offense Level: Felony

Offense Date (on or about): 04/09/2014

Control #(ICR#): 14002169

Charge Description: That on or between April 9, 2014 and September 24, 2014, in Hennepin County, Minnesota, STEPHANIE LANTGEN CASTILLO obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000) from Balderson Management Inc. by swindling it using artifice, trick, device or other means.

STATEMENT OF PROBABLE CAUSE

Complainant has investigated the facts and circumstances of this offense and believes the following to establish probable cause that Defendant herein has committed crimes as follows: Complainant, David Larson, is a Detective with the Golden Valley Police Department, and has investigated a case involving embezzlement from several business entities,

Victim 1: Blakely Properties, LLC (Buffalo);
Victim 2: Blakely Properties, LLC (Burnsville);
Victim 3: Blakely Properties, LLC - Chalen, LP;
Victim 4: Brookstone Vanman, LLC;
Victim 5: Chanhassen Retail, LP; and
Victim 6: Stewart Properties, LLC

by STEPHANIE LANTGEN CASTILLO (“Defendant” herein) while she was working as a property co-manager for Balderson Management Inc. Balderson Management manages properties for each of the victim business enterprises listed above. Based upon the evidence reviewed, Complainant believes that Castillo stole in excess of \$1,300,000 from various business enterprises owned by the victim.

In investigating this matter, Complainant reviewed documents including banking and financial records belonging to both the victim business enterprises, and Defendant. Complainant also interviewed multiple individuals associated with the victim business enterprises.

STEPHANIE LANTGEN CASTILLO (DOB October 13, 1972) is a 42 year-old woman who resides at 9373 Libby Lane, Eden Prairie, Hennepin County, Minnesota. Balderson Management is a business located at 810 North Lilac Drive, Suite 212, Golden Valley, Hennepin County, Minnesota, that other businesses hire to run the day-to-day operations of commercial properties. From 2009 to 2014, CASTILLO worked for Balderson Management. CASTILLO provided property managing and leasing services to Balderson Management, and had access to client businesses’ checks. CASTILLO used her access to Balderson Management’s records, and Balderson Management’s client businesses’ checks to steal funds. CASTILLO drafted and logged fake invoices for vender services. CASTILLO then applied a certain amount of money for the fake services to the corresponding vendors in Balderson Management’s records. Finally, CASTILLO created fraudulent checks, payable from the accounts of the businesses that hired Balderson Management. CASTILLO herself is not an authorized signatory on the accounts for the various properties under Balderson Management, nor is she responsible for issuing checks to vendors. CASTILLO forged the signature of Cynthia Balderson – Balderson Management’s owner, and CASTILLO’s mother – on each of the fraudulent checks. CASTILLO made most of the checks payable to herself, but she also used victim businesses’ checks to directly pay her personal bills.

On September 24, 2014, Richard Martens, co-owner of some commercial properties under Balderson Management, discovered the theft after realizing that his ‘business projections were coming up very short.’ After self-auditing his financial records, Martens noticed several ‘check amounts that did not make sense.’ Each of the suspicious checks bear Balderson’s signature. Under further investigation, Martens concluded that the signatures on the questionable checks did not match that of Cynthia Balderson, and that CASTILLO, Balderson’s daughter, cashed nearly all the suspicious checks. Martens reported his findings to the Golden Valley police department on September 25, 2014.

On October 1, 2014, Complainant confronted CASTILLO about the check irregularities Martens had discovered. CASTILLO first indicated that she was unaware of any problem, but when Complainant advised her that he knew about the many checks made out to her, she agreed to tell the truth. CASTILLO

admitted – in a tape recorded statement – to stealing from the company since 2009. CASTILLO took responsibility for the crime, and stated that no one else was involved. CASTILLO confessed to forging her mother's signature on all of the fraudulent checks, and stated that she did not have permission, and that what she did was wrong. CASTILLO stated that "she started stealing money from the company back in 2009 when she had a sick dog with cancer and was desperate for money to help that animal." CASTILLO informed authorities that the amount she had stolen could be more than one million dollars (\$1,000,000), and that approximately half of the money went to feeding her shopping addiction. CASTILLO stated that the other half went to Mexico to fund her husband's business that she helped him start with the stolen money. CASTILLO's husband, Oscar Castillo, lives in Cabo San Lucas, Mexico. Defendant was not in custody when she spoke to Complainant.

Complainant conducted several interviews with individuals with knowledge of the theft, including the Defendant; victim business owner, Richard Matrens; suspect's mother and supervisor, Cynthia Bladerson; and Balderson accountant, Cathy Lubich. Each interviewee verified similar methods of theft; that CASTILLO created false billings for property services in order to write undetected fraudulent checks – for matching amounts – out to herself. Complainant reviewed a financial report compiled by Michael Anderson, an independent accountant, calculating the funds stolen by CASTILLO from each of the property businesses managed by Balderson. The hundreds of forged checks are nearly all made out to CASTILLO, with the exception of a few dozen that CASTILLO used to directly pay personal bills. From reviewing this documentary evidence, Complainant determined the thefts date back to January 2009 and continued until September 2014, at which times Richard Martens discovered defendant's fraud.

For example, the Complainant – authorized by a search warrant – seized from the defendant's home many of the above mentioned fraudulent invoices. According to one invoice dated June 4 2011, Chanhassen Retail LP (victim 5) paid \$77.46 to CenterPoint Energy – listing the actual payment address for this actual utility company. The invoice references check number 5815 and lists 'vacant utilities' as the charge description. The Complainant also found – with that invoice – a corresponding check-stub with a matching: date of 6/4/2011, check number of 5815, and check amount of \$77.46 for vacant utilities. But this second document is different in that it states the check was made payable to State Farm. A copy of the check – retrieved from victim 5's banking records – confirms that State Farm Insurance did in fact receive the check for \$77.46, and credited that amount to account 1039-3645-05; an account believed to belong to CASTILLO. Defendant logged the fraudulent invoice in the victim company's accounting records, so the fraudulent check made payable to State Farm went undiscovered.

Similarly, on March 7, 2014 CASTILLO created an invoice for 'snow removal,' paying \$5,112.50 from Brookstone Vanman, LLC (victim 4) to Timberland Outdoor Services Inc. Timberland Outdoor Services is a real enterprise that actually provides snow removal services and the invoice lists that enterprise's actual address. The Complainant again found with this invoice a corresponding check-stub, which denotes a matching charge description, check amount, and check date. But the document states that the check was instead made payable to 'Stephanie Castillo Lantgen.' A copy of the check – retrieved from victim 4's banking records – confirms that CASTILLO redeemed the check for \$5112.50. CASTILLO logged the fraudulent invoice in the victim company's accounting records, so the fraudulent check made payable to her went undiscovered.

These examples are just two of four-hundred and four (404) separate occurrences of CASTILLO's embezzlement. Anderson, the independent accountant, determined, based upon the financial records of each victim business, that CASTILLO embezzled a total of \$1,306,709.23 between January 2009 and September 2014

Time Period Count Amount

OCT 1, 2010 – MAR 28, 2011 Count 1 \$53,423.79
APR 1, 2011 – SEP 28, 2011 Count 2 \$55,054.27
OCT 6, 2011 – MAR 21, 2012 Count 3 \$46,093.13
APR 2, 2012 – SEP 24, 2012 Count 4 \$57,531.29
OCT 1, 2012 – MAR 22, 2013 Count 5 \$169,002.17
APR 2, 2013 – SEP 30, 2013 Count 6 \$235,417.50
OCT 1, 2013 – MAR 31, 2014 Count 7 \$313,202.97
APR 9, 2014 – SEP 24, 2014 Count 8 \$293,369.61

Time Period Counts Total Amount

OCT 1, 2010 – SEP 24, 2014 Counts 1-8 \$1,223,094.73

Defendant is not in custody. Because her husband currently resides and works in Mexico, your Complainant believes that Defendant is a flight risk. Moreover, Defendant faces substantial prison time if convicted of the crimes detailed in this Complaint.

SIGNATURES AND APPROVALS

Complainant requests that Defendant, subject to bail or conditions of release, be:
(1) arrested or that other lawful steps be taken to obtain Defendant's appearance in court; or
(2) detained, if already in custody, pending further proceedings; and that said Defendant otherwise be dealt with according to law.

Complainant

David P Larson
Detective
7800 Golden Valley Rd
Golden Valley, MN 55427
Badge: 516

Electronically Signed:
01/06/2015 02:50 PM

Subscribed and sworn to before the undersigned.

**Notary Public or
Judicial Official**

Stacie Budig
Administrative Assistant, County
of Wright
7800 Golden Valley Rd
Golden Valley, MN 55427
Notary ID: 20249189

Commission expires: 01/31/2015
Electronically Signed:
01/07/2015 01:20 PM

Being authorized to prosecute the offenses charged, I approve this complaint.

Prosecuting Attorney

Emery Adoradio
300 S 6th St
Minneapolis, MN 55487
(612) 348-5550

Electronically Signed:
01/06/2015 02:37 PM

FINDING OF PROBABLE CAUSE

From the above sworn facts, and any supporting affidavits or supplemental sworn testimony, I, the Issuing Officer, have determined that probable cause exists to support, subject to bail or conditions of release where applicable, Defendant's arrest or other lawful steps be taken to obtain Defendant's appearance in court, or Defendant's detention, if already in custody, pending further proceedings. Defendant is therefore charged with the above-stated offense(s).

SUMMONS

THEREFORE YOU, THE DEFENDANT, ARE SUMMONED to appear on _____, _____ at _____ AM/PM before the above-named court at 401 Fourth Avenue S, Minneapolis, MN 55415 to answer this complaint.

IF YOU FAIL TO APPEAR in response to this SUMMONS, a WARRANT FOR YOUR ARREST shall be issued.

WARRANT

To the Sheriff of the above-named county; or other person authorized to execute this warrant: I order, in the name of the State of Minnesota, that the Defendant be apprehended and arrested without delay and brought promptly before the court (if in session), and if not, before a Judge or Judicial Officer of such court without unnecessary delay, and in any event not later than 36 hours after the arrest or as soon as such Judge or Judicial Officer is available to be dealt with according to law.

Execute in MN Only *Execute Nationwide* *Execute in Border States*

ORDER OF DETENTION

Since the Defendant is already in custody, I order, subject to bail or conditions of release, that the Defendant continue to be detained pending further proceedings.

Bail: \$300,000.00
Conditions of Release:

This complaint is issued by the undersigned Judge as of the following date: January 7, 2015.

Judicial Officer William R Howard Electronically Signed: 01/07/2015 01:26 PM
 Judge

Sworn testimony has been given before the Judicial Officer by the following witnesses:

COUNTY OF HENNEPIN
STATE OF MINNESOTA

Clerk's Signature or File Stamp:

State of Minnesota

Plaintiff

vs.

Stephanie Lantgen Castillo

Defendant

RETURN OF SERVICE

I hereby Certify and Return that I have served a copy of this Warrant upon the Defendant herein named.

Signature of Authorized Service Agent: