

1 KAMALA D. HARRIS  
Attorney General of California  
2 MARK BRECKLER  
Chief Assistant Attorney General  
3 DIANA CALLAGHAN  
Deputy Attorney General  
4 State Bar No. 132460  
KRISTOPHER S. YOUNG  
5 Deputy Attorney General  
State Bar No. 220013  
6 300 South Spring Street, Suite 1702  
Los Angeles, CA 90013  
7 Telephone: (213) 620-6355  
Fax: (213) 897-2802  
8 E-mail: [diana.callaghan@doj.ca.gov](mailto:diana.callaghan@doj.ca.gov);  
[kristopher.young@doj.ca.gov](mailto:kristopher.young@doj.ca.gov)  
9 *Attorneys for the People of the State of California*

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF SANTA BARBARA

12  
13 **THE PEOPLE OF THE STATE OF  
CALIFORNIA,**

14  
15 Plaintiff,

16 v.

17  
18 **1. JULIE LYNN HAYDEN**

19  
20 Defendants

Case No.

**FELONY COMPLAINT FOR  
ARREST WARRANT**

21 The undersigned is informed and believes that:

22 **COUNT 1**

23 On and between January 1, 2008 and December 31, 2008, in the County of Santa Barbara,  
24 the crime of CONSPIRACY TO COMMIT A CRIME, in violation of PENAL CODE SECTION  
25 182(a)(1), a Felony, was committed by **KURT KANE HAYDEN, JULIE LYNN HAYDEN**  
26 **and HAYDEN ENVIRONMENTAL INC.,** who did unlawfully conspire together and with  
27 another person and persons whose identity is unknown to commit the crimes of Grand Theft in  
28

1 violation of Penal Code section 487(a), A felony; that pursuant to and for the purpose of carrying  
2 out the objects and purposes of aforesaid conspiracy, the said defendants committed the following  
3 overt act and acts at and in the County of Santa Barbara:

4 It is further alleged that in the commission of the above offenses the said defendant, **JULIE**  
5 **LYNN HAYDEN**, with the intent to do so, took, damaged, and destroyed property of a value  
6 exceeding \$200,000, within the meaning of Penal Code section 12022.6(a)(2).  
7

8 “NOTICE: Conviction of this offense will require you to provide specimens and  
9 samples pursuant to Penal Code section 296. Willful refusal to provide the specimens is a crime.”

10 It is further alleged that the above offense is a violation of Penal Code section 462(a).

### 11 **COUNT 2**

12 On and between January 1, 2008 and December 31, 2008, in the County of Santa Barbara,  
13 the crime of GRAND THEFT OF PERSONAL PROPERTY, in violation of Penal Code section  
14 487(a), a Felony was committed by **JULIE LYNN HAYDEN**, who did unlawfully take money  
15 and personal property of a value exceeding Nine Hundred Fifty Dollars (\$950), to wit: the  
16 property of the State of California.  
17

18 It is further alleged that in the commission of the above offenses the said defendants, **JULIE**  
19 **LYNN HAYDEN**, with the intent to do so, took, damaged, and destroyed property of a value  
20 exceeding \$200,000, within the meaning of Penal Code section 12022.6(a)(2).  
21

22 “NOTICE: Conviction of this offense will require you to provide specimens and samples  
23 pursuant to Penal Code section 296. Willful refusal to provide the specimens is a crime.”

24 It is further alleged that the above offense is a violation of Penal Code section 462(a).

### 25 **COUNT 3**

26 On and between January 1, 2008 and December 31, 2008, in the County of Santa Barbara, the  
27 crime of PRESENTING A FRAUDULENT CLAIM, in violation of Penal Code section 72, a  
28

1 Felony was committed by **JULIE LYNN HAYDEN**, who did unlawfully and with intent to  
2 defraud, present for allowance and payment a false and fraudulent claim, bill, account, voucher and  
3 writing.  
4

5  
6 **OVERT ACTS**

7 **I**

8 On or about April 3, 2009 and August 28, 2009, in the County of Santa Barbara, Hayden  
9 Environmental Inc. submitted a reimbursement request for a total of \$95,232.90 for work done at  
10 Woody's detail Shop in 2008.

11 **II**

12 On or about October 5, 2009, June 29, 2010, and February 8, 2011, in the County of Santa  
13 Barbara, Hayden Environmental Inc. submitted a reimbursement request for a total of \$37,473.83  
14 for work done at Petre Industries in 2008.

15 I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND  
16 CORRECT AND THAT THIS COMPLAINT, CASE NUMBER \_\_\_\_\_  
17 CONSISTS OF 2 COUNTS.

18 Executed at Los Angeles, County of Los Angeles, on April \_\_, 2012.

19 \_\_\_\_\_  
20 RICHARD GUERRERO  
21 DECLARANT AND COMPLAINANT

22 .....  
23 KAMALA HARRIS,  
24 ATTORNEY GENERAL

25 BY: \_\_\_\_\_  
26 DIANA CALLAGHAN,  
27 DEPUTY ATTORNEY GENERAL  
28

1 AGENCY: CALIFORNIA BUREAU OF INVESTIGATION AND INTELLIGENCE

2 PRELIM. TIME. EST.: 1 day

3	<u>DEFENDANT</u>	<u>CII</u>	<u>DOB</u>	<u>BOOKING</u>	<u>BAIL</u>	<u>CUSTODY</u>
4				<u>NO.</u>	<u>RECOM'D</u>	<u>RTN DATE</u>
	JULIE HAYDEN				\$200,000	

5 Pursuant to Penal Code section 1054.5(b), the People are hereby informally requesting that  
6 defense counsel provide discovery to the People as required by Penal Code section 1054.3.

7 FELONY COMPLAINT – ORDER HOLDING TO ANSWER– P.C. SECTION 872

8 IT APPEARING TO ME FROM THE EVIDENCE PRESENTED THAT THE FOLLOWING OFFENSE(S)  
9 HAS/HAVE BEEN COMMITTED AND THAT THERE IS SUFFICIENT CAUSE TO BELIEVE THAT THE  
10 FOLLOWING DEFENDANTS GUILTY THEREOF, TO WIT:

11 *(STRIKE OUT OR ADD AS APPLICABLE)*

12 JULIE HAYDEN

13	<u>Count</u>	<u>Charge</u>	<u>Charge</u>	<u>Special</u>	<u>Alleg.</u>
14	<u>No.</u>		<u>Range</u>	<u>Allegation</u>	<u>Effect</u>
15	1	PC 182	16-2-3	12022.6(a)( 2)	+2
16	2	PC 487(a)	16-2-3	12022.6(a)( 2)	+2
17	3	PC 72	16-2-3		

18 I order that the defendant(s) be held to answer therefor and be admitted to bail in the sum of:

19 **JULIE HAYDEN** \_\_\_\_\_ DOLLARS

20 and be committed to the custody of the Sheriff of Santa Barbara County until such bail is given.  
21 Date of arraignment in Superior Court will be:

22 **JULIE HAYDEN** \_\_\_\_\_ in Dept \_\_\_\_\_

23 at: \_\_\_\_\_ A.M.

24 Date \_\_\_\_\_

25 \_\_\_\_\_  
26 *Committing Magistrate*



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

AFFIDAVIT

The State Water Resources Control Board maintains a cleanup fund called the Underground Storage Tank Cleanup Fund. The fund was established to reimburse any cleanup-related costs incurred at a contaminated petroleum site. The cleanup fund reimburses up to \$1.5 million dollars per site for investigation and cleanup-related costs incurred at a contaminated site. Hayden Environmental, Inc. (HEI) is an environmental consulting company that performs cleanup of contaminated soil and underground petroleum sites, the owners are Kurt and Julie HAYDEN. HEI's business address is 1500 Alameda Padre Serra in Santa Barbara, California. [Based on several database records, this address is also believed to be the HAYDEN's primary residence.]

HEI conducts work for which it seeks reimbursement from the cleanup fund either directly or through the property owners at approximately 22 active California sites. The fraud, Waste and Abuse Prevention Unit within the State Water Board's Office of Enforcement conducted an audit of HEI's reimbursement requests for work performed at three specific sites in 2008. Fraudulent charges were detected in the following categories: padding labor hours, equipment overutilization, excessive vehicle charges and markup charges. Charges were determined to be fraudulent or overbilled by comparing timesheets and field records to invoices submitted by HEI to the cleanup fund.

HEI has been reimbursed over \$12.9 million dollars by the cleanup fund since 1993. Of the \$12.9 million, \$6.5 million was reimbursed in the last five years. The 2008 audit of the three sites revealed an average overbilled percentage of 57%. During the audit's standard reimbursement review process, cleanup fund staff determined that some charges were ineligible and did not pay them. The resulting average percentage of overpayment to HEI is now estimated at 31%. Assuming that the audit is representative, HEI could have defrauded the cleanup fund of over \$2 million dollars in the last five years.

During the course of the audit, HEI failed to disclose that Clean Earth Equipment Corporation is an affiliated company and has been invoicing the cleanup fund for markup on equipment provided by the subcontractor. The cost guidelines allow 15% markup for costs under

1 \$50,000 and 10% markup for costs over \$50,000 to cover overhead and profit. The cost  
2 guidelines state that “markups should not be applied to charges from an affiliate or subsidiary  
3 company of the primary contractor.” The Secretary of State’s website lists Julie HAYDEN as  
4 the President and Registered Agent for Clean Earth Equipment Corporation. The mailing address  
5 for Clean Earth Equipment Corporation is 850 Mono Drive, June Lake, California 93529. [Based  
6 on several database records, this address is also believed to be the HAYDEN’s vacation  
7 residence.]

8 The HEI audit also found that the reported time for hours worked by Kurt HAYDEN was  
9 unreasonable. The number of hours reportedly worked by Kurt HAYDEN in 2008, divided by  
10 365 days in a year, comes out be 11.2 hours a day, everyday of the year. If Kurt HAYDEN  
11 worked a five day work week and took two weeks off for vacation the total number of hours  
12 worked per day comes out be 16.3 hours per day.

13 The above allegations were discovered by the State Water Board’s Office of Enforcement,  
14 Fraud Waste and Abuse Prevention Unit, if substantiated, the acts are in violation of Penal Code  
15 72 (fraudulent claims), Penal Code 115 (falsifying records), and penal Code section 487 (Grand  
16 Theft).

17 **DETAILS OF PROBABLE CAUSE**

18 Please see Attachments 1, 2 and 3.

19  
20 **SUMMARY OF INVESTIGATION**

21  
22 Based on my training, experience and the facts set forth in this affidavit, I conclude that  
23 the information contained in the Affidavit in support of search warrant and its attachments along  
24 with the report of documentation seized pursuant to that search warrant provide sufficient  
25 evidence to believe that a crime has been committed by Kurt and Julie HAYDEN.

26 Based on my training and experience, I believe that there is sufficient probable cause  
27 exists to support the arrest of Kurt Hayden.  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**DECLARATION**

I declare under penalty of perjury that the foregoing is true and correct. Executed on the \_\_\_\_\_ day of May 2012 at Los Angeles, California.

\_\_\_\_\_  
Richard Guerrero  
Special Agent  
California Department



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**ORDER**

It appearing to the Court that probable cause exists for the issuance of a warrant of arrest for **JULIE LYNN HAYDEN** , the Warrant is so ordered:

**KURT K. HAYDEN**

Bail: \$200,000

DATE: \_\_\_\_\_

\_\_\_\_\_  
Judge of the Superior Court of Santa Barbara