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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF SANTA BARBARA

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

15 Plaintiff,

16 **v.**

17
18 **1. KURT KANE HAYDEN**

19 Defendant

Case No.

**FELONY COMPLAINT FOR
ARREST WARRANT**

20 The undersigned is informed and believes that:

21 **COUNT 1**

22 On and between January 1, 2008 and December 31, 2008, in the County of Santa Barbara,
23 the crime of CONSPIRACY TO COMMIT A CRIME, in violation of PENAL CODE SECTION
24 182(a)(1), a Felony, was committed by **KURT KANE HAYDEN, JULIE LYNN HAYDEN**
25 **and HAYDEN ENVIRONMENTAL INC.,** who did unlawfully conspire together and with
26 another person and persons whose identity is unknown to commit the crimes of Grand Theft in
27 violation of Penal Code section 487(a), A felony; that pursuant to and for the purpose of carrying
28

1 out the objects and purposes of aforesaid conspiracy, the said defendants committed the following
2 overt act and acts at and in the County of Santa Barbara:

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

7 “NOTICE: Conviction of this offense will require you to provide specimens and
8 samples pursuant to Penal Code section 296. Willful refusal to provide the specimens is a crime.”
9 It is further alleged that the above offense is a violation of Penal Code section 462(a).

10 **COUNT 2**

11 On and between January 1, 2008 and December 31, 2008, in the County of Santa Barbara,
12 the crime of GRAND THEFT OF PERSONAL PROPERTY, in violation of Penal Code section
13 487(a), a Felony was committed by **KURT KANE HAYDEN, JULIE LYNN HAYDEN and**
14 **HAYDEN ENVIRONMENTAL INC.**, who did unlawfully take money and personal property
15 of a value exceeding Nine Hundred Fifty Dollars (\$950), to wit: the property of the State of
16 California.
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18 It is further alleged that in the commission of the above offenses the said defendants, **KURT**
19 **KANE 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
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Felony was committed by **KURT KANE HAYDEN**, who did unlawfully and with intent to defraud, present for allowance and payment a false and fraudulent claim, bill, account, voucher and writing.

OVERT ACTS

I

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

II

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

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT THIS COMPLAINT, CASE NUMBER _____ CONSISTS OF 2 COUNTS.

Executed at Los Angeles, County of Los Angeles, on April __, 2012.

RICHARD GUERRERO
DECLARANT AND COMPLAINANT

.....
KAMALA HARRIS,
ATTORNEY GENERAL

BY: _____
DIANA CALLAGHAN,
DEPUTY ATTORNEY GENERAL

AGENCY: CALIFORNIA BUREAU OF INVESTIGATION AND INTELLIGENCE

PRELIM. TIME. EST.: 1 day

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

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

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

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

(STRIKE OUT OR ADD AS APPLICABLE)

KURT J. HAYDEN

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

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

KURT K. HAYDEN _____ DOLLARS

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

KURT K. HAYDEN _____ in Dept _____

at: _____ A.M.

Date _____

Committing Magistrate

1 **DECLARATION IN SUPPORT OF ARREST WARRANT**
2 (Made under Code of Civil Procedure section 2015.5)

3 The undersigned hereby declares:

4 That your declarant is currently employed as a special agent for the California Department
5 of Justice. That pursuant to said employment, your declarant has been assigned to investigate
6 allegations that **KURTand JULIE HAYDEN and HAYDEN ENVIRONMENTAL, INC** did
7 commit the crime(s) set forth in the attached complaint.

8 That pursuant to said assignment, your declarant has contacted persons having knowledge
9 of said offenses and who have prepared written reports and/or statements, and/or have received
10 and read written reports and/or statements prepared by others known by your declarant to be law
11 enforcement officers, whose reports and/or statements are attached hereto and incorporated by
12 reference.

13 That each of these documents is presently an official record of a law enforcement agency.

14 WHEREFORE, your declarant prays that a warrant issue for the arrest of the herein
15 above-named defendants and that said defendants be dealt with according to law.

16 I declare under penalty of perjury that the foregoing is true and correct.

17 Executed on the ____ day of May, 2012, in Los Angeles, California.

18
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21 _____
22 Richard Guerrero
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1 AFFIDAVIT

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

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

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

26 During the course of the audit, HEI failed to disclose that Clean Earth Equipment
27 Corporation is an affiliated company and has been invoicing the cleanup fund for markup on
28 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.

20 **SUMMARY OF INVESTIGATION**

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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.
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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

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ORDER

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

KURT K. HAYDEN

Bail: \$200,000

DATE: _____

Judge of the Superior Court of Santa Barbara