

IN THE SUPERIOR COURT SANTA BARBARA JUDICIAL DISTRICT  
COUNTY OF SANTA BARBARA

THE PEOPLE OF THE STATE OF CALIFORNIA

Plaintiff,

vs.

BRIAN NICHOLAS PASSARO,

Defendant.

Court No. [COURT NUMBER]

DECLARATION IN SUPPORT OF  
ARREST WARRANT

NORMA HANSEN, declares:

That he/she is a peace officer employed by the Santa Barbara District Attorney's Office and that he/she has investigated a reported crime of 424 PC, Misappropriation of Public Funds.

On 10-28-11, Santa Barbara District Attorney Chief Investigator Dave Saunders, Deputy District Attorney Justin Greene and I met with Santa Barbara County Auditor-Controller Bob Geis and Santa Barbara County Internal Audit Manager Heather Harkless to discuss the possible misuse of funds under the control of the Mosquito and Vector Management District.

At the meeting it was explained by Geis that the Mosquito and Vector Management District (MVMD) is a special district that is funded by a percentage of property taxes from Santa Barbara County residents. The MVMD may also be funded through Federal and State Grants. The General Manager of the MVMD is Brian Passaro who was hired in October 2008.

In July of 2011, Geis said that he received a call from MVMD bookkeeper Carrie Troup about a problem with credit card purchases on the MVMD Visa credit card assigned to Brian Passaro. Troup stated that Passaro had been failing to provide receipts on his expenditures and that he would only give her the third page of his district issued credit card statement. The third page does not list the individual purchases, just the total charged. Troup was finally able to get a full copy of a statement from MVMD Administrative Assistant, Jessica Sprigg. Upon receiving this statement, Troup felt that some of the charges were not for business purposes. Troup had also notified the Board of Trustees for MVMD of her concerns. At Brian Passaro's suggestion, an independent audit was conducted by the CPA Firm Moss, Levy and Hartzheim, LLP. An internal audit was also conducted by the Santa Barbara County Auditor-Controllers Office. I was provided with a copy of Moss, Levy and Hartzheim's audit report dated August 15, 2011 rendered by Ronald Levy. I also received a copy of an Internal Audit Report from the Santa Barbara County Auditor-Controller dated August 22, 2011. Passaro provided a written response to the Auditor-Controller. In the response he acknowledged that purchases such as room service, movies, room refrigerator may have been expensed to the District during stays away from the local area. He agreed to repay \$150.81 for those expenses. He acknowledged that sun block, a

hat and golf shoes were purchased for his participation in a golf tournament while at the Annual California Mosquito and Vector Control Association Conference and agreed to reimburse \$65.71 for those expenses. He acknowledged that his total expenditures for meals associated with his non-district related work on the Human Services Commission from June 1, 2010 through June 30, 2011 were \$838.31. He stated that his work on the HSC is related to MVMD business in respect to promoting the District, educating the community as to the District's functions, and establishing relationships with leaders in the non-profit sector. He agreed to repay 50% of those expenditures for a total of \$419.16. Note: According to Auditor-Controller Bob Geis, participation in the HSC does not benefit the MVMD. Passaro stated in the response that there was no express policy against meal purchases for local travel, or a requirement for prior authorization for business lunch meetings. He acknowledged that local breakfast and coffee purchases occurred while traveling to and/or from business meetings. He agreed to repay 50% of those purchases made from June 1, 2010 through June 30, 2011 for a total of \$463.03. Passaro acknowledged the purchase of a Sirius satellite radio subscription, and charges at local grocery stores. He stated that the Sirius radio was in his district car which he used for extensive travel throughout the State. He stated that the grocery store expenses were for district related office supplies and consumption. He acknowledged that the rental of two cars was erroneous charges. He agreed to repay the Sirius radio subscription, the grocery store charges and the car rental charges. In total, Passaro reimbursed the MVMD \$1917.96 for the purchases identified in the audit report. Passaro did not enter into a civil compromise with the MVMD or the SB County Auditor-Controllers Office.

During the meeting, the issue of misappropriation of public funds pursuant to California Penal Code 424 was discussed. Following the meeting, I was directed to pursue an investigation into this matter.

I reviewed the internal audit report from the Santa Barbara County Auditor-Controller. The audit focused on Passaro's credit card charges from June 22, 2010 to June 22, 2011. Samples of 55 credit card transactions were examined to determine whether adequate supporting documentation existed and if the business purpose appeared reasonable. Thirty of the 55 items reviewed did not contain itemized receipts. Of the transactions without itemized receipts, a majority were for local restaurants. Thirteen of the 30 items without itemized receipts were for purchases over \$75.

The internal audit report concluded the following:

- Significant deficiencies in the MVMD's existing travel and reimbursement expense policy
- The purchase of unallowable items by the General Manager
- Lack of transparency in expenditures charged to the credit card
- Lack of oversight by the Board of Trustees
- The use of the credit card for business expenses unrelated to the District

The MVMD Budget was increased each year in the category of transportation and travel expenditures and was over budget every year.

<b>2009</b>	<b>2010</b>	<b>2011</b>
Budgeted amount \$5000	Budgeted amount \$7500	Budgeted amount \$9000
Actual amount \$7434	Actual amount \$8828	Actual amount \$20,008
Negative variance (\$2434)	Negative variance (\$1328)	Negative variance (\$11,008)

During my investigation, I was provided with copies of the credit card statements for Passaro's credit card for October 2008 through November 2011. The statements were provided to me by SB Co. Audit Manager Heather Harkless who obtained them from bookkeeper Carrie Troup. I also received copies of the statements from MVMD Administrative Assistant Jessica Sprigg. Sprigg also included copies of the receipts that Passaro had attached to the statements. Sprigg obtained the statements and receipts from a file in the office that Passaro used.

I calculated Passaro's credit card expense to be the following based on fiscal year:

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
\$2007.96	\$18,967.76	\$27,999.91	\$5,168.33

I reviewed the credit card statements for the card issued to Passaro, US Bank Visa # 4246-0400-1529-5167. I saw questionable charges on Passaro's account such as charges for subscriptions to Sirius Satellite Radio for \$86.09 and \$89.59, an Amazon.com Prime purchase on August 8<sup>th</sup>, 2010 for \$79.00. This is an annual subscription that benefits Amazon customers by faster shipping. This type of service is typically not necessary for business purposes. Other charges appear to be for questionable business purposes such as Donald's Gifts on a Sunday in Anaheim for \$26.10. Donald's Gifts is a convenience store located inside The Disneyland Hotel that sells snacks, soft drinks and souvenirs, a \$168.27 restaurant charge to the Blue Bayou located inside the Disneyland Theme Park in Anaheim, a \$23 purchase of popcorn, a pretzel and candy from the IMAX Theatre in Sacramento, a Sunday purchase from Gelson's Market for \$72.90, a Saturday purchase of a fish aquarium from PetCo in Santa Barbara for \$102.16, Christmas Day purchases of fuel totaling \$140.84 in Carpinteria and Santa Paula, a Christmas Day purchase of gas station mini-mart snacks for \$8.32, kids meal purchases from restaurants, other weekend fuel purchases and charges made at cantinas, pubs, wine bars, brew and tap houses, cocktail lounges which appear to be alcohol related when there were no itemized receipts to detail what was purchased.

I obtained a copy of Passaro's Employment Agreement signed and dated Oct.5<sup>th</sup>, 2008. The agreement does not discuss the use of the district issued credit card or make any mention of meals being one of the job perks.

The policy of the MVMD states that the purchase of alcohol is a non-reimbursable expense. There was no written credit card use policy in place until one was instituted in September 2011.

On October 31, 2011, Passaro submitted a letter of resignation from his position as MVMD General Manager. His official last day was December 30, 2011.

I interviewed Jessica Sprigg, District Technicians Vesna Ibarra, Royce Sharp, Kenneth Learned, Donald Cram, and Karen Egerman Schultz as to their understanding of the credit card use policy. Each of them had a MVMD District card issued to them. They all stated that there was no written policy. They thought the card was to be used primarily for gas if they were in the field and unable to get back to McCormix where the district has an account. The card could also be used for lodging and meals if they were at a training conference. Sprigg told me when she went to a conference in March 2011, she asked Passaro what the guidelines were for using the credit card. He asked her, "Do you want to know the rules or how to bend them?" He then told her the limit was \$10 for breakfast, \$20 for lunch and \$40 for dinner. He also told her if she was at a cheap place then she could treat a friend and he told her if she wanted to purchase alcohol on the district credit card to get the non-itemized receipt. Ibarra told me that she asked him what would happen if she were to accidentally use the card for a personal purchase. Passaro told her that it would be grounds for termination. All of the cardholders were all told by Passaro that they had to turn in the itemized receipts along with their credit card statement every month for him to review and that failure to do so could mean that they would be personally responsible for the charges.

Per MVMD policy the General Manager (Passaro) approved his own expenses on the district credit card as well as those of each person to whom a card was issued. During my interviews with former board presidents Ron Hurd and Larry Fausett (current General Manager) neither of them saw the credit card statements or the receipts. The only thing they saw at the board meetings was the warrant register listing all of the vendor disbursements for the month. The payment to US Bank would be shown as a lump sum rather than a breakdown of each cardholder's monthly charge. Fausett said that if the board had a question about the payments amount, Passaro would state that it was higher than usual because of an equipment purchase. Fausett said the board was unaware of the fact that Passaro was spending money on local dining and coffee charges, or that he was allegedly treating other people to lunch. Fausett also told me that the district laptop computer that was purchased for Passaro's use at the district had not been returned by Passaro when he resigned. The computer was purchased new for Passaro in 2009 with Passaro's district credit card for \$2651.88. MVMD employee Kenny Learned contacted Passaro about the computer in January 2012 and was told that he left it his work car. The laptop was not located and a grand theft report was made with SBSO on 01-17-12. A SBSO Detective left a message for Passaro who never returned the call. The laptop was finally returned to MVMD by Passaro on 02-21-12.

I interviewed Carrie Troup, MVMD bookkeeper and licensed certified public accountant. She has been the bookkeeper for the MVMD for approximately 5 years. She is also the bookkeeper for several other special districts and has private clients. She said since Passaro was hired she had been receiving the credit card statements from the MVMD in order to pay them. She saw an on-going pattern of numerous charges on Passaro's MVMD issued US Bank Visa credit card account relating to dining and coffee purchases and purchases from what she believed were alcohol related establishments. She spoke with Passaro on more than one occasion during his tenure with MVMD and warned him about those types of charges. She told him that those types of charges are of concern with auditors. She told him to make sure he documented on the receipt

who the meeting was with and what was discussed during the course of the meal. She said that Passaro assured her that he was doing that and dismissed her when she brought it up with him again. She described Passaro's credit card expenses as looking like a "bad personal credit card."

Troup said that in June of 2011, she notified the members of the MVMD Board of her concerns about Passaro's credit card charges. After bringing the matter to the board members attention and sending them copies of all Passaro's credit card bills, she also brought the matter to the attention of the SB County Auditor-Controller's Office. Troup said she also noticed instances where Passaro had made charges using the district credit card while on vacation. She recalled that in December 2010, the board approved Passaro to take vacation time off and there were charges on Passaro's district credit card for fuel during that approved time off. Troup provided a copy of the MVMD Board Minutes for December 2010 which reflect that Passaro was approved for vacation time off from December 27-30, 2010. The credit card statement for Passaro's account indicates that there were two charges at the Union 76 gas station in Santa Paula and a charge at the Union 76 gas station in Carpinteria. Christmas Day is a MVMD holiday. Another charge to RC Petro, a gas station on Palm Springs occurred on 12-30-10 during Passaro's vacation.

Troup also told me that the particular Visa card issued to members of the MVMD is a CAL-Card. This card is issued to governmental agencies. The administrator of the CAL-Card signs an agreement when they become an administrator. Passaro was the administrator of the MVMD CAL-Card. The agreement states that the card is to be used for official agency/organization purchases only. The monthly credit card statement has a section on it that states that the charges are for official business only followed by a signature line for the cardholder to sign. Passaro's signature appears on all the monthly statements. This included the September 2010 statement from Passaro's account that shows a charge Quantum Cooling in the United Kingdom on 09-10-10 for \$2,488.27. This was later determined by the board to be an erroneous charge from an employee of this company who transposed the credit card numbers on a telephone order. Passaro signed off on this statement verifying that this was an official business purchase.

Troup provided me with a Timecard Report from their payroll vendor ADP listing Passaro's vacation, sick and holiday hours from Nov. 2008 through Dec. 2011. Troup said that unless logged as vacation, sick or holiday, Passaro would have been paid for the time as a regular workday and there would have been no deduction from his vacation balance.

I reviewed the Timecard Report and looked at Passaro's usage of vacation, sick and holiday hours. I looked at the credit card statements for charges during these times. I also looked at the board minutes for all approval that I could find from the board granting Passaro vacation leave.

I identified the following areas of concern:

**Usage of the MVMD issued credit card on Christmas Day holiday and while on board approved vacation.**

- Saturday 12-25-10, time unknown (Christmas Day holiday), Union 76, Carpinteria, fuel 17.76 gallons. \$57.52 TL, no justification on the receipt.

- Saturday 12-25-10, 9:27:44 PM (Christmas Day holiday), Union 76, Santa Paula, fuel 23.01 gallons, \$75.00 TL, no justification on the receipt.
- Saturday 12-25-10, 9:26:17 PM (Christmas Day holiday), Union 76, Santa Paula, 2 Nature Valley bars, 2 bags of peanuts, 1 MetRx bar, 3 fruit items, \$8.32 TL, no justification on receipt.
- Thursday 12-30-10, (Board approved vacation day), RC Petrol, Palm Springs, \$56.66 TL, no receipt turned in.

**Vacation hours not logged:**

- Approved for vacation May 17-21, 2010. Passaro's timecard does not show that he logged vacation hours for May 17 and May 19<sup>th</sup> (Mon. & Wed. 16 hours) but he did log vacation hours on May 18, 20 and 21 (Tues, Thurs, and Fri.).
- Approved for vacation June 28-July 7, 2010. Passaro's timecard shows that he logged June 27 (Sunday) and June 28 thru July 2<sup>nd</sup> (Mon- Fri.) and July 5<sup>th</sup> (Mon.) as vacation but not July 6 or 7 (Tues. & Wed), resulting in an underreporting of 8 hours vacation time.
- Approved for vacation Dec. 27<sup>th</sup> to Dec. 30<sup>th</sup>, 2010 (Mon-Thurs., 32 hours). Passaro's time card does not reflect vacation hours taken for any of those days.

A total of 7 days/56 hours vacation appears not to have been logged. Carrie Troup told me that Passaro was paid for 288 hours of unused vacation time after his resignation from MVMD.

**Questionable credit card expenses while on vacation, sick or holiday, hours logged as such:**

I also looked at the Timecard Report and Passaro's MVMD credit card statements for usages of his MVMD credit card on days that he logged as vacation, sick or holiday. I found the following charges:

- On Thursday, 11-11-10 (Veterans Day Holiday), Passaro logged 8.0 hours as holiday. His MVMD credit card statements show charges on 11-11-10 to:

Cantwell's Market, Summerland, 8:59 AM, Simply Orange Juice purchase \$6.44, receipt states in handwriting, "Board Meeting."

Vons, Carpinteria, 8:50 AM, bagel/donuts/muffin/pastry and cream cheese purchase, \$13.41, receipt states in handwriting "Board Meeting."

\*According to the MVMD agenda, the board met on 11-09-10, 2 days prior to the charges at Cantwell's and Vons.

- On Monday, 01-17-11, (Martin Luther King holiday), Passaro logged 8.0 holiday hours. His MVMD statement shows charges on 01-17-11 to:

OSH, Goleta, 10:19 AM, a 7-1/4 “ 5 piece blade set, staple gun kit, galvanized poultry wire, \$69.57, no justification on receipt. According to information I later received from MVMD Admin. Assistant Jessica Sprigg, these items were for the construction of a chicken coop at Passaro’s house. The materials were never seen or utilized by the MVMD staff. In further interviews with MVMD staff, I was told that they were directed by Passaro to move surplus district chickens and a coop to his house using a district truck and trailer and district time to do so. They were told that it was because Passaro’s wife wanted the chickens.

Channel Islands Do It Yourself Hardware Store, 3:04 PM, purchased was a scratch awl, a garment hook, a robe hook, and deck screws, \$23.45, no justification on receipt.

- On Monday, 05-30-11, (Memorial Day Holiday), Passaro logged 8.0 hours of holiday day hours. His MVMD statement shows charges on 05-30-11 to:

7-11, Sunnyvale, 6:05 PM, snack items, \$11.78, receipts states in handwriting “Marin/Sonoma Site visit.”

Valero, Sunnyvale, 6:05 PM. 14.29 gallons, \$58.02, no justification on receipt.

McDonalds, Paso Robles \$20.09, note on statement “lost receipt.”

McNears Saloon & Dining, 2:04 PM, Petaluma, \$95.14, receipts states in handwriting “Dinner/Lunch Marin/Sonoma Brian +3.”

\*According to MVMD Administrative Assistant Jessica Sprigg, the purpose of the Marin/Sonoma site visit is not clear. There is no mention in the board minutes or General Manager’s report about this visit. Sprigg stated that around April or May 2011, Passaro applied for a Vector Control manager’s position in Marin-Sonoma. She speculated that the purpose for Passaro’s visit to Marin/Sonoma had to do with this job application.

- On 08-25-11(Thurs.), Passaro logged 8.0 hours sick time. His MVMD credit card statement/receipt shows a charge on 08-25-11 at 1511 hours for 7.71 gallons of fuel at Conserv Fuel, SB, \$28.53 TL. The receipt does not list a justification.
- On 09-01-11(Thurs.), Passaro logged 8.0 hours vacation. His MVMD credit card statement/receipt shows a charge on 09-01-11 at 1603 hours for 12.49 gallons of fuel at Chevron, Los Alamos, \$51.12 TL. The receipt does not list a justification.

### **Questionable credit card expenses on weekends outside of normal work schedule**

I also looked at the charges on Passaro's MVMD credit card expenses that occurred on weekends, which were not a normal workdays and found the following:

- Saturday, 04-25-09, Santa Ynez Hardware, 12' almond cord handset, \$5.43, no justification on receipt.
- Sunday, 06-13-10, 12:03 PM, Conserv Fuel SB, 13.07 gallons, \$40, no justification on receipt.
- Sunday, 06-13-10, Gelson's Market, \$72.90, no receipt turned in.
- Saturday, 07-10-10, 17:22 hours, ConservFuel SB, 12.66 gallons, \$40, no justification on receipt.
- Sunday, 07-18-10, 1354 hours, USA Petroleum SB, 12.76 gallons, \$39.83, no justification on receipt.
- Sunday, 07-25-10, 1456 hours, USA Petroleum SB, 12.49 gallons, \$39.21, no justification on receipt.
- Saturday, 08-07-10, 5:37 PM, Vons Fuel Goleta, 13.02 gallons, \$39.59, no justification on receipt.
- Saturday, 10-16-10, 3:43 PM, Vons Fuel Goleta, 14.35 gallons, \$42.33, no justification on receipt.
- Saturday, 11-20-10, Root 246 Restaurant, Solvang, \$39.15, no receipt turned in. Written on the 11-22-10 statement in handwriting is "CSDA (California Special Districts Association) Award dinner, lost receipt." I found in the SBSDA (Santa Barbara Special Districts Association) and MVMD board minutes that the SBSDA award dinner was on 11-19-10 at Root 246 and Passaro was awarded General Manager of the year. Although it's possible that the charge did not get processed until the following day, I find it unusual that an award winner would pay for their own dinner. It's also likely that attendees would pay the SBSDA directly rather than the restaurant, since reservations were being requested in advance by the SBSDA. I also found a brochure on the SBSDA website that stated the dinner was \$65 for attendees. It's not clear what the charge for \$39.15 was for.
- Saturday, 01-11-11, 2:02 PM, PetCo SB, \$102.16, purchased was a 10 gallon fish tank, fish food, plants, décor and gravel. Receipt states in handwriting "Mosquito Fish & Tank Donation to Open Alternative School." There is no mention of this donation in board minutes for Dec.2010/Jan. 2011 or in any other board minutes. I received information from Jessica Sprigg, Administrative Assistant for MVMD that the tank was a project for Passaro's son who attended the school.
- Sunday, 01-16-11, time unknown, Union 76 Carpinteria, 15.02 gallons, \$49.28, no justification on receipt.



- Sunday (Super Bowl), 02-06-11, 0825 AM, Starbuck's Goleta, 1 LB whole bean coffee. \$10.95. Receipts states in handwriting "Office Supplies."
- Sunday (Super Bowl), 02-06-11, Rusty's Pizza Carpinteria, \$28.86, no receipt, handwritten on statement "Working Weekend." Jessica Sprigg told me that on that date she received a text message from Passaro inviting her to join him for pizza and beer at Rusty's, an invitation that she declined.
- Saturday, 02-12-11, 12:56 PM, ConservFuel SB, 15.76 gallons, \$54.20, no justification on receipt.
- Sunday, 02-27-11, ConservFuel SB, \$64.13, no receipt turned in.
- Saturday, 04-02-11, 2317 hours, 7-11 Carpinteria, 14.55 gallons, \$58.79, no justification on receipt.
- Sunday 05-15-11, time unknown, Union 76 station Carpinteria, 15.44 gallons, \$63.33, no justification on receipt.
- Saturday, 06-04-11, 12:29 PM, Chevron Carpinteria, 3.99 gallons, \$20.33, no justification on receipt.
- Sunday 06-05-11, 2014 hours, ConservFuel SB, 13.38 gallons, \$54.05, no justification on receipt.

During my review of Passaro's credit card statements and the receipts from the file provided by Sprigg, I did a count of the charges and the missing receipts. From 2008 to 2011 there were approximately 751 charges for which 626 receipts were turned in resulting in 125 missing receipts. The yearly break down is as follows: 2008 (6) missing receipts, 2009 (8) missing receipts, 2010 (63) missing receipts, 2011 (54) missing receipts.

Sprigg said that there was a receipt for lunch at Sojourner Café on Feb 8, 2011 indicating she had lunch with Passaro. She said she did not have lunch with him.

I looked through the receipts and statements and found receipts indicating meetings with Doreen Farr, Third District Supervisor on the Board of Supervisors for Santa Barbara County was indicated as follows:

- 12-16-10, Starbucks, Goleta \$2.35, written on the statement is "meeting w/sup Farr." It also states the receipt was lost.
- 06-06-11, 3:59 PM, Stacky's Seaside, Summerland, \$12.97 written on the non-itemized receipt is "Lunch Brian Meeting w/Supervisor Farr."

I contacted Supervisor Farr and asked her whether or not she had been to lunch or coffee with Passaro. She stated that she did not believe she had ever been to Stacky's Seaside and certainly not with Passaro. She also stated she did not have coffee with Passaro.

Farr said that on 12-16-10, she had meeting with SBCAG at 8:30 AM followed by a lunchtime planning meeting on senior issues at 11:30, followed by the APCD board meeting at 1:30, followed by the office's annual holiday open house at 3:30 which lasted about two hours. All of these meetings occurred in the Santa Barbara County Administration Building. She did not have coffee with Passaro.

Farr said that on 06-06-11, she met with Brian Passaro and Julie Kessler Solomon to talk about the upcoming budget discussions and how they might impact the funding for the Human Services Commission. Both Julie and Brian at that time were her appointees to the HSC. The meeting took place in her Santa Barbara office from 2:30 to 3 PM. At no time during that meeting did they discuss Vector control district business.

During my investigation, Sprigg provided me with a spreadsheet listing all Passaro's purchases at gas stations and Educated Car Wash. Sprigg pointed out that there were gasoline station charges on consecutive days and in some instances more than one charge on the same day. As an example:

- 08-24-10 Union 76, Carpinteria, time unknown, 14.91 gallons \$44.74
- 08-24-10, ConservFuel SB, 0743 Hours, 15.02 gallons, \$43.36
  
- 09-08-10, Shell Oil SB, 9:15 AM, 11.51 gallons, \$43.98
- 09-08-10, Vons Fuel, Goleta, 5:13 PM, 15.02 gallons \$44

When Sprigg provided the spreadsheet she wrote a letter providing further details about the charges. She said that Passaro's district car was a Ford Fusion hybrid. From her research, the Ford Fusion hybrid had a 17.5 gallon fuel tank capacity and it gets an estimated 39 mpg combined. This would allow the vehicle to travel around 680 miles on a full tank of gas. This vehicle was purchased new for Passaro's use in December, 2010. In January, 2011 Passaro was given official board approval to use it for commuting to and from his residence. The board minutes for January 2010 reflect that Passaro moved from Buellton to the Santa Barbara area. MVMD Technician Vesna Ibarra provided a letter to me stating that Passaro was seen using the car before had been given official approval to use it for commuting. She said that his wife would commute with him. She also said that his car would be seen in the Goleta Kmart parking lot where he worked a second job in loss-prevention.

When I looked through the receipts I saw numerous occasions where there were fuel charges for more gallons than the Ford Fusion's tank capacity. The highest charge was at Educated Car Wash for \$90.53 of regular unleaded gas on 02-03-11. The number of gallons is not listed; however other gas charges on Passaro's credit card around the same date show gas prices to range from \$3.39 to \$3.49 a gallon. I know from personal experience that Educated Car Wash has one of the lowest gas prices in town because you have to buy a car wash in order to get gas. The Educated Car Wash charge on 02-03-11 included gas, a car wash and 2 raspberry Panda's

(possibly candy) for a total of \$112.08. DMV records show that Passaro has a 2003 Chevy 1500 Suburban registered to him. I looked on the Internet for the fuel tank capacity of this vehicle. It has a 31 gallon tank. At a gas price of \$3.49 a gallon, it would cost \$108.19 for 31 gallons. The Ford Fusion would cost \$61.07 to fill. Sprigg said that she was not aware of Passaro needing to use his personal vehicle for district use.

On 06-09-12, I called Passaro and interviewed him. Prior to the end of the interview he either hung up the phone or the call was dropped. He did not try and call me back. Passaro told me that he had been given board approval to purchase meals and coffee because he would be going to district related meetings. He said that if he were to go straight from home to a meeting he would stop and get something to eat because there was no policy against that. He said there were many occasions when he went to meetings. He also said he had been directed by the board to mend poor relationships with other governmental entities that had been caused by a former general manager. He said that he bought meals for other people such as general managers of other boards. He said there may have been a couple of occasions when he purchased alcohol. He claimed these purchases were made in error and he has since reimbursed the district for these purchases. It should be noted that the district was not reimbursed until the investigator by the SB Co. Auditor-Controller's office began. Passaro was asked if he bought meals for Co. Supervisor Doreen Farr. He said that he had a sit down lunch with County Supervisor Doreen Farr at Panera Bread in Santa Maria and he purchased her lunch. During my review of Passaro's dining charges, I did not find a charge to Panera Bread in Santa Maria.

Passaro acknowledged that he was the administrator of the CAL-Card and that his staff had been directed by him to maintain their itemized receipts and turn them in with their credit card statements for him to review. He said that no one reviewed his expenses and that the board did not see the monthly statements. He said that he didn't know how the charge to Quantum Cooling in England got through. He said for whatever reason, it got missed. He said that he was on salary making approximately \$83,500 when he started and \$95,000 when he left. He said he had been told by bookkeeper Carrie Troup to maintain receipts for purchases.

I asked Passaro if he ever used the district credit card to put gas in any other car besides the one he was assigned to drive. He said that he only used the card to put gas in that car. I then asked him to explain why there were occasions when he bought more gallons of gas than his Ford Fusion could hold. He then said that perhaps he was driving one of the district trucks that day. I asked him what he would use a district truck for and he said he couldn't think of anything right off the top of his head. He also said that the technicians normally drive the trucks.

I asked Passaro about the procedure to take vacation time off. He said that he would have to obtain board approval to take vacation time off and that the payroll would reflect the vacation hours that he took off. He said he would have told Carrie Troup the dates he was on vacation so that his vacation balance would have been deducted accordingly. He said he although his office workdays were Monday through Friday, he was available 24/7 via email or telephone. He said it wasn't uncommon for him to work from home or come into work on the weekends. He said that his schedule was at his own discretion and he was not subject to any sort of call-out.

With regards to using his district card while on vacation, he asked what I meant. I pointed out an example to him of the card being used for gasoline purchases on Christmas Day in Santa Paula and in Palm Springs while he was on vacation. He refused to explain this and told me that he had already explained this to the board. I later found out from Ron Hurd that after the investigation by the Auditor-Controller's office began, he and Larry Fausett had questioned Passaro about the Christmas Day purchases of gasoline. Passaro told them that he had taken a district vehicle to Santa Paula to pickup a Christmas gift for one of his kids. When he got there, he realized the vehicle wasn't large enough to transport the gift so he returned to the district office and exchanged the car for the pick-up truck. As a result of his travels, he obtained fuel in Carpinteria and Santa Paula using his district issued Visa card.

I asked Passaro about the chickens and chicken coop that was reportedly delivered to his house. He said that there was a spare coop that wasn't being used and chickens that were being taken out of service. He decided to borrow the coop and take the chicken's to his home. He said that some of the technician's helped transport the coop and the chickens using a district truck and trailer. I asked him if thought that was district related. His response was that you could probably make the argument that it wasn't. I asked him about the purchase of a fish aquarium from PetCo. He said it was a donation to a school. I asked him which school that was and he said it was the OAS (Open Alternative School) in Santa Barbara. I asked him who worked there that he knew and he said his son was a student there. He said that his wife worked at ORCA School. I asked him if he had ever bought his wife lunch with the district card and he said not that he was aware of. I then asked him why there would be a charge to Itsuki Restaurant that states on the receipt that it was for a "lunch for ORCA School x 4?" He said that it was because some of his staff went to the school and listened to science reports being given by the students and they had meeting with some of the people from the school to discuss how they were going to work that out. I then asked him if his wife was at that meeting and he said she was as representative of the school. I then asked him who the four were that was at the meeting. He said the master teacher, the administrator and another party who was affiliated with the school. I then asked him if his wife was the master teacher and he said she was. I asked him if his wife was at the lunch meeting at Itsuki and he told me was. There is another example of a meal charge justified as a working brunch with ORCA School Master Teacher that I did not get a chance to ask Passaro about before the call was terminated. That charge for \$51.50 took place at CorkTree Cellars in Carpinteria on 05-27-11 at 5:10 PM.

As a result of the interviews with MVMD staff and board members and subsequent follow-up investigation, I identified several areas of concern and possible misappropriation of public monies by a public officer. The concerns are as follows:

- Questionable charges to restaurants that include purchases of alcohol, a violation of the MVMD's policy.
- Failure to obtain itemized receipts for purchases.
- Failure to document justification on receipts for credit card purchases.

- Failing to properly audit credit card statements resulting in the failure to notice a fraudulent charge to Quantum Cooling in the United Kingdom on 09-10-10 for \$2,488.27
- Making questionable purchases using MVMD issued credit card for charges on weekends, and while on vacation, sick and holiday time.
- Purchases of gasoline on the same and consecutive days.
- Purchases of gasoline for more gallons than could be held in the gas tank of the district's Ford Fusion Hybrid.
- Questionable meal expenses that were justified as being meeting for ORCA School where his wife was employed as a teacher
- Meal/Coffee justified as meetings with County Board of Supervisor Doreen Farr who had no such meal or coffee with him.
- Signing off on credit card statements certifying that all purchases on the statements were for official business only.
- Failure to log vacation hours on time card.

I am a Criminal Investigator employed by the Santa Barbara County District Attorney's Office. I have been a sworn peace officer for 28 years and employed as an investigator for the Santa Barbara County District Attorney's Office since May 2008. Prior to that, I was employed as a sworn peace officer at the Santa Barbara Police Department for 23 years. During my employment at the Santa Barbara Police Department, I was assigned to the Detective Division for approximately 14 years. My area of expertise was the investigation of financial crimes and included the investigation of fraud schemes, forgery, credit card fraud, embezzlement, identity theft, elder financial abuse and high tech computer crimes. I have received approximately three hundred hours of specialized training in the investigation of financial crimes and high tech computer crimes and I have investigated hundreds of cases involving financial crimes. Based upon my training and experience and the information contained in this affidavit, I believe that probable cause exists for the issuance of an arrest warrant for Brian Passaro.

Wherefore, declarant prays that an Arrest Warrant be issued for the arrest during the day or night of BRIAN PASSARO, Defendant.

I declare under penalty of perjury, that the foregoing is true.

Executed at Santa Barbara, California

On this 27th day of June, 2012.

NORMA J. HANSEN

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Declarant