

**CRIMINAL INVESTIGATION
RMS # AZ1700049926**

CAMP VERDE MARSHALS OFFICE

FRAUD/FORGERY



**COMPILED BY:
THE ARIZONA DEPARTMENT OF PUBLIC SAFETY
SPECIAL INVESTIGATIONS UNIT
DETECTIVE RICK ORTIZ, #6760
2102 WEST ENCANTO BOULEVARD
PHOENIX, ARIZONA 85009**



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Detective Name	ID No.	Location	Date	Supervisor
Rick Ortiz	6760	31030100	11/01/17	Sergeant Robert Phillips, #6284



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I. SYNOPSIS

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On November 1, 2017, investigators from the Arizona Department of Public Safety's (DPS) Professional Standards Unit requested investigative assistance from the DPS Special Investigation Unit (SIU).

I, DPS SIU Detective Rick Ortiz, #6760 was assigned the investigation. I was informed the DPS PSU had been requested to conduct an investigation into Nancy Gardner, the Town Marshal for the Camp Verde Marshal's Office in Camp Verde, Arizona. During PSU's investigation, PSU investigators uncovered information that Gardner may have participated in Forgery and Fraud Schemes through the use of petty cash funds.

After conducting an investigation into the possible Forgery and Fraud Schemes committed by Gardner, I was unable to find any evidence warranting charges for Forgery or Fraud Schemes.

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INVESTIGATIVE REPORT

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This report was authored by Arizona Department of Public Safety (DPS) Special Investigations Unit (SIU) Detective Rick Ortiz, #6760.

Assignment

On Wednesday, November 1, 2017, I was assigned by DPS SIU Sergeant Robert Phillips, #6284, to conduct a criminal investigation. Phillips informed me the investigation was requested on behalf of the DPS Professional Standards Unit (PSU) but did not have any further information.

Briefing

On November 1, 2017, I attended a briefing by DPS PSU Sergeant Andrew Williams, #2842, Captain Jennifer Borquez, #6138, and Sergeant Troy Titzer, #4069. I was informed they were conducting an administrative investigation into Nancy Gardner, the Town Marshal for the Camp Verde Marshal's Office in Camp Verde, Arizona. Williams stated they were contacted by the Camp Verde Town Manager, Russ Martin. Russ Martin informed Williams he had received numerous complaints from various Camp Verde police officers and professional staff regarding Gardner's conduct as the Camp Verde Town Marshal to include possible unethical behavior.

I was informed Williams had conducted several interviews with several police department personnel. Williams conducted an interview with Gardner's Administrative Assistant, Debra Martin. During the interview with Debra Martin, Williams learned Gardner had allegedly used white out to falsify receipts for items purchased with petty cash from town funding. Based on the provided information, the PSU believed Gardner may have been involved in Forgery or Fraud Schemes. Based on the discovery of possible criminal activity, the PSU requested the DPS SIU to conduct the criminal investigation.

Williams provided me with contact information for Debra Martin. DPS Major Crimes District Commander, Captain Frank Griego, #5698, provided me with a letter from Russ Martin dated November 1, 2017. The letter was addressed to DPS Director Frank Milstead, #12710. The letter provided consent for investigators from the DPS to obtain all necessary documents to continue the criminal investigation. (Supportive Documents V1)

Investigative Actions

On November 1, 2017, I contacted Debra Martin via telephone. I asked Debra Martin if she would be available for an interview on November 2, 2017. Debra Martin stated she would be available.

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Interview

On Thursday, November 2, 2017, at approximately 0818 hours, DPS SIU Detective Jeff Webb, #6257, and I met with Debra Martin at the Camp Verde Marshal's office, located at 646 South 1st Street, Camp Verde, Arizona, 86322. Webb and I conducted a recorded interview with Debra Martin.

- ❖ Investigators note: The following is a summary of the interview with Debra Martin and not a word for word transcript. For the completed transcript of the interview, refer to Interview IV.1 or the audio recording.

Debra Martin explained to detectives, Gardner would provide employees with "appreciation days". Debra Martin explained appreciation days consisted of Gardner telling employees to take a day off from work but to claim the time as worked on duty. Debra Martin provided detectives with several documents showing time had been claimed by the employees along with the radio records to show the employee or employees had not been to work on that particular day. Debra Martin stated Camp Verde Sergeant Laura Robinson, #573, was given Mother's Day off by Gardner and was told by Gardner to claim the time as worked or on duty time. Debra Martin provided me with copies of Robinson's time sheets documenting the time off as on duty time approved by Gardner. **(Supportive Documents V.3/Evidence Item RO2)**

Debra Martin stated other employees were given a day off after helping with an awards banquet on their off time. Debra Martin stated those employees were also told by Gardner to claim the time as on duty work time.

Debra Martin explained there was a civilian animal control officer, Britt Allen, who was having financial difficulties and could not afford her initial uniform. Gardner paid for Allen's uniform with her personal money and reimbursed herself with the Camp Verde petty cash funds. Debra Martin stated another animal control officer, Dave Marshal found out and complained his uniforms were not purchased for him. Debra Martin stated Gardner had Marshal purchase a uniform and he was reimbursed the uniform purchase with petty cash funds. Debra Martin stated the names on the receipts turned into petty cash were whited out by Gardner. Debra Martin provided me with an invoice from United Uniform.

(Supportive Documents V.2)

Debra Martin stated Gardner likes to help people. Debra Martin stated one of their Volunteers in Policing (VIP) fuel pump stopped working on their personal vehicle.

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Gardner told the VIP to go to the nearby NAPA auto parts store and purchase the fuel pump but have it billed to the Marshal's office. Debra Martin explained the police department had an open account with the NAPA auto parts store. Debra Martin stated she questioned Gardner about the purchase. Gardner stated there was not an issue because the VIP sometimes uses his personal vehicle for work.

Debra Martin explained on one occasion, Gardner went out to lunch with several detectives. Debra Martin stated the lunch was for one of the detective's birthday. Gardner had paid for the meal and was later reimbursed through the Camp Verde Marshal's petty cash funds. Debra Martin stated she took the receipt from Gardner and hand wrote on the receipt, the funds were used for a birthday lunch. When the receipt was sent back to Gardner to approve, Gardner used white out tape to cover up the word "Birthday" and hand wrote "meeting". Debra Martin provided me with the original receipt.

(Supportive Documents V.2/ Evidence Item RO1)

Debra Martin stated there was a separate incident where Robinson needed some class A uniform dress pants for an interview and could not afford a new pair. Debra Martin stated Gardner told Robinson to purchase the pants and have it billed to the department's account.

- ❖ Investigators note on petty cash operations: Debra Martin explained she collects receipts and invoices for any expenditures from the Camp Verde Marshal's petty cash. Debra Martin will send copies of the expenditures after coding them to the Camp Verde Finance office. Debra Martin further stated, after the Finance office received a copy of the expenditures they would write a check for the amount of cash expended. Debra Martin stated she would cash the check produced from Finance office and place the cash back into petty cash.

I submitted a copy of the audio recording to Nettranscripts for transcription. The transcript was returned to me in a Word document. I reviewed the document for accuracy and saved the document as a PDF file. **(Interviews IV.1 D. Martin Transcript)**

Evidence Collection

Immediately following the interview, Debra Martin escorted Webb and myself to the Camp Verde Finance office, located at 395 South Main Street, Camp Verde, Arizona, 86322 to retrieve any further original documentation related to the Camp Verde Marshal petty cash **(Evidence item RO3)**.

At approximately 1036 hours, I was provided all the original documents consisting of

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receipts pertaining to the Camp Verde Marshals office petty cash expenditures, by Linda Peterson. I made photo copies of all the documents I received and placed them into the DPS Property and Evidence unit, located at 2102 West Encanto Blvd., Phoenix, Arizona, 85009.

I reviewed all the documents pertaining to the petty cash expenditures for the Camp Verde Marshal's Office. The documents were dated from April of 2015 to March of 2016. Included in the documents was a photo copy of the check stubs from the Finance office to pay back the Camp Verde Marshals petty cash fund. After reviewing all the provided documents, I noticed white out tape had been used on three of the documents.

The first document with white out was a receipt from Denny's dated February 15, 2015. The total purchase was \$24.85. The receipt was taped to a blank white paper. On the top right corner of the paper was Gardner's initials. Hand written above the receipt was "Meeting – lunch with Det McCleare, Det. Zwak P*(illegible) Sgt. Robinson". White out was under the written works "meeting" and "with". Per Debra Martin, she originally wrote "Birthday – lunch for Det...".

The second document with white out was a receipt from United Uniforms dated April 8, 2015. The total purchase was \$211.30. The top of the receipt showed the Camp Verde Marshal Office with the Marshal's Office address. Under the address was "Invoice Number". The words following to the right of "invoice number" was covered with white out tape. Through the white out tape, I was clearly able to see typed the name "Dave Marshal". The receipt was for 5-11 cargo pants and two uniform shirts with badges and name embroidering. On the bottom right of the receipt there was a yellow sticky note taped with the handwritten message, "please pay out of uniforms- thank you" with Gardner's initials. The top right of the page was also initialed by Gardner and dated April 9, 2015.

The third document with white out was a receipt from United Uniforms dated December 8, 2014. The total purchase was \$50.66. The top of the receipt showed the Camp Verde Marshal Office with the Marshal's Office address. Under the address was "Invoice Number: LAURA ROBERTSON". On the bottom left of the page, I noticed a handwritten note was covered with white out tape. During an inspection of the document with the use of florescent lighting, I was able to determine the covered up note stated "Laura Rob". There was a handwritten note on the bottom right of the document with "Dept. covering cost per N. Gardner". On the top right of the document was Gardner's initials.

The review of the documents concluded my investigative actions.

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III. FINDINGS

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After a review of all the collected documents, there was no evidence, in the totality of the documents recovered which showed Gardner did or attempted to defraud the Camp Verde Marshal's Office or the citizens of Camp Verde, which would support probable cause for Fraud.

Through this investigation, there was no evidence, to show Gardener had attempted to or actually used any false or fraudulent pretenses to receive any benefit or financial gain, which would support probable cause for Fraud Schemes and Artifices

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