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FOR IMMEDIATE RELEASE, JULY 8, 2020

NEWS RELEASE

Arrest Warrant Issued for Misappropriation of Public Funds

Durango, CO: The La Plata County District Court has signed the arrest warrant for Julie Brown, the former Finance Director of the City of Durango. Ms. Brown is being charged with: Theft of \$100,000.00 or more but less than \$1,000,000.00, as defined by C.R.S. 18-4-401(1)(a),(2)(i), class 3 felony; Identity Theft, as defined by C.R.S. 18-5-902(1)(c), a class 4 felony; Embezzlement of Public Property, as defined by C.R.S. 18-8-407(1), a class 5 felony; and Forgery, as defined by C.R.S. 18-5-102(1)(c),(e), a class 5 felony. Bail has been set at \$25,000.

The District Attorney's office will seek to modify the bond to a personal recognizance bond so that Ms. Brown can be released from jail, while her case is pending. The jail is currently experiencing excess capacity and is having difficulty maintaining social distancing sufficient to maintain a safe jail environment. The bond statute presumes that defendants should be released on the least restrictive conditions taking into account the safety of the community and whether the person is a flight risk. Given the underlying facts of this case, the District Attorney does not consider Ms. Brown to be a safety risk to the community; and her willingness to cooperate with CBI these last nine months suggests that she is not a flight risk.

The arrest warrant and affidavit are attached to this news release.

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20CR296

La Plata Combined Courts, La Plata County, State of Colorado

Criminal Action Number

WARRANT FOR ARREST UPON AFFIDAVIT

BEFORE THE HONORABLE

THE PEOPLE OF THE STATE OF COLORADO

TO: ANY PERSON AUTHORIZED BY LAW TO EXECUTE ARREST WARRANTS.
YOU ARE HEREBY COMMANDED TO ARREST THE PERSON OF

Julie Lynn Brown

DOB: 12/27/1968
HEIGHT: 5'07"
WEIGHT: 165

HAIR: Blond
EYES: Green
RACE/SEX: White/female

Offense Date: September 2009 – October 2019

AND TAKE THE PERSON ABOVE-NAMED WITHOUT UNNECESSARY DELAY BEFORE THE NEAREST JUDGE OF A COURT OF RECORD; TO BE ADVISED THAT THE PERSON IS BEING HELD FOR THE ALLEGED COMMISSION OF THE FOLLOWING CRIME(S), TO-WIT:

- 1) 18-4-401 (1)(a),(2)(i) – Theft – F3 – 1 Count
- 2) 18-5-902(1)(c) – Identity Theft – F4 – 1 Count
- 3) 18-8-407(1) – Embezzlement of Public Property – F5 – 1 Count
- 4) 18-5-102 (1)(c),(e) – Forgery – F5 – 1 Count

Combined Court, County of La Plata
State of Colorado
Sixth Judicial District
Certified to be a full, true and correct copy of the original in my custody.
Date 7/7/20
Clerk KANDI McC...
Deputy [Signature]

THAT THIS WARRANT FOR ARREST IS ISSUED UPON AFFIDAVIT SWORN TO OR AFFIRMED BEFORE THIS COURT AND RELATING FACTS SUFFICIENT TO ESTABLISH PROBABLE CAUSE THAT THE ABOVE-NAMED OFFENSE HAS BEEN COMMITTED AND PROBABLE CAUSE THAT THE PERSON NAMED IN THIS WARRANT COMMITTED THAT OFFENSE.

BAIL IS SET AT \$ 25,000.00 WITH CONDITION(S) _____

DATE

Enforcement agency case number: 2019-271
Agent: John Zamora, Colorado Bureau of Investigations

BY THE COURT: [Signature]
Judge

I hereby certify that I have duly executed this warrant on this _____ day of _____, 2020, by _____ as I am therein commanded.

SHERIFF FEES:
SHERIFF
Service \$ _____
Mileage \$ _____
Return \$ _____
Total \$ _____

By _____
Deputy

AFFIDAVIT FOR ARREST WARRANT

The affiant is Agent John Zamora, a duly commissioned officer of the Colorado Bureau of Investigation, State of Colorado. The affiant, being duly sworn, deposes and stated the following:

On Wednesday, October 16, 2019, Colorado Bureau of Investigation (CBI) Agent in Charge (AIC) Collin Reese informed me he had recently received a request for assistance from the Durango Police Department. He advised a City of Durango employee (former Finance Director Julie Brown, DOB: 12/27/1968) had admitted to stealing about \$500,000.00 from the city.

On Friday, October 18, 2019, at approximately 7:30AM, I arrived at the Durango Police Department (DPD) and met with DPD Chief Bob Brammer and Deputy Chief Brice Current. I was provided a copy of the DPD Report relating to this case, as well as copies of the paper documents obtained and placed into evidence by the DPD. I was informed by Deputy Chief Brice Current that Julie Brown had deposited upwards of \$500,000.00 into her personal banking account by writing checks to a business identified as Animas Professionals, and Animas Professionals had been dissolved in 2010. I reviewed the documents and observed the following documents that were included in the DPD Evidence:

- **DPD Evidence Item 2** - Copy of the Colorado Secretary of State Summary for Animas Professionals LLC, which documented the following:
 - **Name:** ANIMAS PROFESSIONALS LLC, **Dissolved** March 22, 2010
 - **Status:** Voluntarily Dissolved
 - **Formation date:** 11/14/2003
 - **ID number:** 20031364767
 - **Form:** Limited Liability Company
 - **Periodic report month:** February
 - **Jurisdiction:** Colorado
 - **Principal office street address:** 108 River Oaks Court, Durango, CO 81303, United States
 - **Principal office mailing address:** 108 River Oaks Court, Durango, CO 81303, United States
 - **Registered Agent Name:** BILL E. BROWN (I was informed Bill Brown is the father in law to Julie Brown)
 - **Street address:** 108 River Oaks Court, Durango, CO 81303, United States
 - **Mailing address:** n/a
- **DPD Evidence Item 3** – Copy of ARTICLES OF ORGANIZATION for Animas Professionals LLC.
- **DPD Evidence Item 4a** – Copy of City of Durango Check number 208107; Dated 10/04/2010; Made payable to: Animas Professionals, PO Box 421, Durango, CO 81302; Dollar amount: \$8,500.00; Rubber stamped signatures of Ronald P. LeBlanc and Julie L. Brown.
- **DPD Evidence Item 4b** – Copy of the Endorsement on the back of the check written as Animas Professionals, Julie Brown, and account number **48442585**.
- **DPD Evidence Item 5** – Copies of 55 Animas Professionals Invoices beginning 10/31/2012 and ending 08/31/2019, with the dollar amount totaling **\$492,422.65**.

On the front of 43 invoices, there was writing displaying “Ok to pay Julie.” On the front of three invoices there was writing displaying “Ok to pay.” The remaining nine invoices did not have any writing on the front.

was informed they would need more time to find the remaining checks, as well as the associated invoices.

On Tuesday, October 22, 2019, I received an e-mail from Amber Blake. Attached to the e-mail were two more check copies, as well as the associated invoices made payable to Animas Professionals, obtained from their GEMS Software. I observed the copies of the associated checks, from the GEMS Software, began on 10/02/2009, ended on 10/19/2012, there were 26 check copies, and 8 transactions that did not have associated checks.

While meeting with Amber Blake on Wednesday, October 23, 2019, Amber Blake told me the City of Durango had never had any business dealings with Animas Professionals. Amber Blake also told me Julie Brown became the City of Durango's Account Supervisor in February, 2003, the Interim Finance Director July 2007, and the Finance Director in September 2007.

On Thursday, October 24, 2019 I spoke with Julie Brown and her attorney, Richard Jaye. Julie Brown admitted to all of the transactions relating to Animas Professionals, and informed me she had also transferred money, received from the City of Durango using the Animas Professionals account, into her Bank of Colorado account. I asked Julie Brown if I would find any other type of fraud and she suggested I look into the (City of Durango's) ACH forms/transactions. I asked her to explain that, and she told me businesses were supposed to make payments to the City of Durango, she set up payments where the businesses transferred money from their account(s) to the City of Durango's account, however, Julie Brown accidentally had the money from the businesses transferred into her personal Bank of Colorado account. Julie Brown recalled the Bank of Colorado had questioned a transaction, and Julie Brown then had it deposited into the City of Durango's (Bank of Colorado) account. Julie Brown believed the Bank of Colorado could have caught all of the transactions she accidentally had deposited into her account. Julie Brown thought two of the transactions (to be made payable to the City of Durango) could have involved the Transit Grant, and Great Outdoors Colorado. I asked Julie Brown for the timeframe, she told me early 2000's, and said she began working (as the Account Supervisor) in 2003.

During this investigation I created the following Production of Records and Search Warrants which were reviewed and signed by Sixth Judicial District Judge William Herringer:

- Production of Records:
 - Julie Brown's USAA Federal Savings Bank account 48442585 and associated accounts
 - Julie Brown's Bank of Colorado Account 8305070838 and associated accounts
- Search Warrant:
 - City of Durango Dell Desktop Computer used by Julie Brown
 - City of Durango iPhone issued to Julie Brown
 - City of Durango Surface Pro Computer used by Julie Brown

I later received bank records from USAA Federal Savings Bank and Bank of Colorado. While reviewing the records for these accounts I observed copies of 87 checks (one check was stamped "image for this item not found") from the City of Durango issued to Animas Professionals beginning September 2009 until October 2019, as well as the associated monthly account statements for each check. All of the checks were deposited into Julie Brown's USAA Federal Savings Bank account 48442585. I also observed \$9,375.00 was deposited into another USAA Federal Savings Bank account (42306213), on August 13, 2019, belonging to Julie Brown, and there was no associated check copy. The \$9,375.00 amount was a very common amount on the Animas Professionals checks. On the back of all the City of Durango checks issued to Animas Professionals was an endorsement of Animas Professionals, Julie

Brown, and several of the checks also had the USAA Federal Savings Bank account number 48442585 written on them as well. The total dollar amount of the City of Durango checks issued to Animas Professionals, and deposited into Julie Brown's account, was **\$710,449.16**. I also observed these checks had the stamped authorization signatures of Julie Brown and Ron LeBlanc.

The City of Durango also reviewed Julie Brown's City of Durango issued credit card use for potential fraudulent activity. I later received a memo from City of Durango Acting Finance Director Devon Schmidt, and she documented the following relating to Julie Brown fraudulently using her City of Durango issued credit card:

1. *Credit card transactions where reviewed and the following items appear to be fraudulent:*
 - a. 09/06/2019 \$464.60 United Airlines round-trip to Denver Ms. Brown was using PTO
 - b. 08/02/2011 \$225.14 wrong credit card used by her husband at Lake Powell. Reimbursement check of \$225.14 was submitted.
 - c. 11/18/2011 \$1384.11 Purchase Disney Resort-Disney

The dollar amount of the above credit card use is **\$1,848.71**.

The cell phone and computers were delivered to the Rocky Mountain Regional Computer Forensic Laboratory (RMRCFL) and processed by CBI Agent Maria Lunn. Agent Maria Lunn later provided records for the cell phone and computers. While reviewing the cell phone I observed a signature believed to April Zion's, the former City of Durango Grants and Contract Manager (she left the City of Durango on July 1, 2019), in the images section of the cell phone. I contacted April Zion, emailed her a copy of the signature, and she verified the signature that was in the cell phone was her signature. April Zion had no idea why Julie Brown would have her signature in her City of Durango issued cell phone, and expressed she was a bit concerned Julie Brown had her signature in her (City of Durango issued) cell phone.


The Suspect, Julie Lynn Brown, is described as a White female, 5'07" in height, 165 pounds, green eyes, blond hair, Date of Birth December 27, 1968, per her Colorado Driver's License. Your affiant believes he has presented sufficient probable cause to believe the crimes of Theft of \$100,000.00 or more but less than \$1,000,000.00, as defined by C.R.S. 18-4-401(1)(a),(2)(i), a class 3 felony; Identity Theft, as defined by C.R.S. 18-5-902(1)(c), a class 4 felony; Embezzlement of Public Property, as defined by C.R.S. 18-8-407(1), a class 5 felony; and Forgery, as defined by C.R.S. 18-5-102(1)(c),(e), a class 5 felony, has been committed by Julie Lynn Brown, Date of Birth December 27, 1968 as described above.

The Affiant requests such a warrant be issued by the Court at this time.



Affiant

Sworn to before me and subscribed in my presence this 7th day of July 2020, in the County of La Plata, State of Colorado.



Judge

Combined Court, County of La Plata
State of Colorado

Sixth Judicial District
Certified to be a full, true and
copy of the original in my custody.

Date 7/7/20

Clerk KANDI McCOPY

Deputy [Signature]

