



Office of the Washington State Auditor
Pat McCarthy

Fraud Investigation Report

Grant County Fire Protection District No. 4

For the investigation period October 1, 2022 through November 12, 2024

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**Office of the Washington State Auditor
Pat McCarthy**

December 22, 2025

Board of Commissioners
Grant County Fire Protection District No. 4
Warden, Washington

Report on Fraud Investigation

Attached is the official report on a misappropriation at Grant County Fire Protection District No. 4. On November 22, 2024, the District notified the Office of the Washington State Auditor of a potential loss of public funds. This notification was submitted to us under the provisions of state law (RCW 43.09.185).

This report contains the results of our investigation of the former Fire Chief's unallowable activities at the District from November 28, 2022, through November 12, 2024. The purpose of our investigation was to determine if a misappropriation had occurred.

Our investigation was performed under the authority of state law (RCW 43.09.260) and included procedures we considered necessary under the circumstances.

If you are a member of the media and have questions about this report, please contact Assistant Director of Communications Adam Wilson at (564) 999-0799. Otherwise, please contact Special Investigations Program Manager Stephanie Sullivan at (360) 688-0858.

Pat McCarthy, State Auditor

Olympia, WA

cc: Brylee Pruneda, Secretary

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FRAUD INVESTIGATION REPORT

Investigation Summary

In November 2024, while preparing for year-end financial reporting, the District Secretary identified personal payments made payable to the Fire Chief using the District's petty cash bank account. The District filed a police report with the City of Warden on November 11 and notified our Office on November 22 regarding a potential loss of public funds, as required by state law (RCW 43.09.185).

The City of Warden Police Department turned the case over to Grant County Sheriff's Office, which opened an investigation and referred it to the Grant County Prosecuting Attorney's Office in February 2025.

We reviewed the Grant County Sheriff's Office investigation and agreed the Fire Chief misappropriated District checks totaling \$33,373 between November 28, 2022, and November 12, 2024. The Sheriff's Office also noted the Fire Chief may have used the District credit card for personal use but did not investigate further. We expanded our review to examine the District's credit card purchases and identified at least \$2,544 in credit card misappropriations between March 2023 and October 2024, as well as questionable purchases totaling \$12,879 between November 2022 and October 2024. "Questionable" means we were unable to determine whether the expenditures were for a legitimate business purpose.

In March 2025, the Prosecuting Attorney filed criminal charges that ultimately resulted in the former Fire Chief pleading guilty in September 2025 to one count of first-degree theft in Grant County Superior Court.

As is our standard process, we will refer this case to the Prosecuting Attorney's Office.

Background and Investigation Results

Grant County Fire Protection District No. 4 provides fire suppression services in the City of Warden located in Grant County. The District operates on an annual revenue of about \$550,000. An elected three-member commission governs the District. The District employs a full-time Fire Chief to oversee the District's daily operations, a part-time Secretary, a part-time maintenance employee and about 30 volunteer firefighters to support four fire stations. The Fire Chief has key financial responsibilities including monitoring the use of the petty cash bank account and District credit card purchases. The District hired the Fire Chief in August 2022.

In November 2024, while preparing for year-end financial reporting, the District Secretary identified personal payments made by the Fire Chief using the petty cash account. The District placed the Fire Chief on administrative leave and filed a police report with the City of Warden on November 11, 2024. City police referred the case to the Grant County Sheriff's Office to investigate. The Fire Chief resigned on November 20, 2024.

We reviewed the Grant County Sheriff's Office investigation, which determined the Fire Chief misappropriated 103 petty cash checks that he prepared, made payable to himself and cashed totaling \$33,373 between November 28, 2022, and November 12, 2024. The investigation found there were no supporting receipts on file related to these checks and the authorizers named on the checks did not sign them. The Sheriff's Office also noted the Fire Chief may have used the District credit card for personal use but did not investigate further.

During our review, we expanded to include a review of the District's credit card purchases from the time the District hired the Fire Chief to his resignation. Our review found:

- The District did not have credit card statements and most supporting receipts on file, so current staff needed to request copies of the statements from the credit card company for our review. Once available, we noted purchasing activity totaled \$8,902 in 2022, \$8,554 in 2023, and increased to \$14,282 in 2024.
- From March 2023 to October 2024, we totaled \$2,544 in cash advance transactions. Since the District has no business need for cash advances, we concluded that this was misappropriation. Although the Fire Chief normally held the credit card, it was shared among other staff when needed. Additionally, no one maintained usage logs, which impacted our ability to assign responsibility for the misappropriation.
- A total of \$12,879 in questionable purchases occurred between November 12, 2022, and October 11, 2024. These transactions occurred outside of the District's general business and related to various purchases of fuel, food, beverages, lodging and transportation. Given there were no supporting receipts on file to support the business purpose for the expense, we were unable to determine whether the expenditures were for a legitimate business reason.

On November 13, 2024, District Commissioners questioned the Fire Chief about the petty cash checks, and he acknowledged some were for personal use. On November 21, 2024, the Sheriff's Office attempted to interview the Fire Chief, who declined and directed the Sheriff's Office to speak to his attorney.

As mentioned, in September 2025, the former Fire Chief pled guilty to one count of first-degree theft in Grant County Superior Court. He was sentenced to three months in jail plus community service and ordered to pay \$70,000 in restitution.

Control Weaknesses

Internal controls at the District were not adequate to safeguard public resources. We found the following weaknesses allowed the misappropriation to occur:

- The District lacked adequate oversight of the Fire Chief's activities. The Fire Chief had full access to the District's petty cash bank account, which allowed him to process check payments to himself without approval.
- The District credit card is not held in an individual's name and the District does not maintain a log to track or monitor who used the card, making it difficult to assign responsibility for charges. Further, itemized receipts or other documentation is not always maintained to support the business purpose of the transactions.

Recommendations

We recommend the District establish effective management of its operations, including:

- Establishing adequate policies and monitoring procedures to ensure petty cash and credit card purchases are made only for allowable and valid business purposes. This should include someone independently reconciling the District's petty cash account and credit card activity to account for all its disbursements.
- Requiring and retaining supporting documentation for all transactions to demonstrate their business purpose
- Either assigning a credit card to only one person or maintaining documentation of custody to clearly identify who made which purchases

We also recommend the District seek recovery of at least the misappropriated \$33,373, questionable amounts, as appropriate, and related investigation costs of \$9,754 from the former Fire Chief and/or its insurance bonding company, as appropriate. Any compromise or settlement of this claim by the District must be approved in writing by the Attorney General and State Auditor as directed by state law (RCW 43.09.260). Assistant Attorney General Matt Kernutt is the contact person for the Attorney General's Office and can be reached at (360) 586-0740 or Matthew.Kernutt@atg.wa.gov. The contact for the Office of the Washington State Auditor is Brandi Pritchard, Assistant Director of Special Investigations, who can be reached at (509) 726-1886 or Brandi.Pritchard@sao.wa.gov.

District's Response

We, Grant County Fire District 4, agree to the fraud report. We have a new policy book that covers credit card purchases, a credit card log as well as a petty cash policy stating the requirements on who can use it and for what. The District has put many new policies into place to secure the District's funds and to try and keep any fraudulent activities from happening again.

Auditor's Remarks

We thank District officials and personnel for their assistance and cooperation during the investigation. We will follow up on the District's internal controls during the next audit.

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