



Enforcement News

Multiple Offender Hayden Environmental Inc. Barred from Work on Underground Storage Tank Cleanup Program *Contractor to Pay \$100,000 in Settlement over Fraud Charges*

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SACRAMENTO – A Santa Barbara contractor has agreed to pay \$100,000 and is permanently barred from work with the state’s Underground Storage Tank Cleanup Fund under a settlement with state regulators over fraud allegations.

The settlement -- with [Kurt Hayden](#), Julie Hayden, and Hayden Environmental, Inc. (HEI) dba TKO Enviroservices., located in Santa Barbara, -- follows a history of allegations and convictions for fraudulent activity dating back to 2012.

“The Hayden’s are an example of why permanent disqualification is an essential enforcement tool when we discover fraud in a fund intended for critical environmental cleanup activities,” said Yvonne West, the Director of the State Water Boards’ Office of Enforcement.

The company, which provided investigation and remediation services for sites contaminated by leaking underground storage tanks, including former gas stations, had worked at more than 30 sites in Santa Barbara and Ventura counties.

It has had multiple run-ins with law enforcement and State Water Board Resources Control Board investigators on a variety of fraudulent billing activities. In May 2013, Kurt Hayden pled guilty to a felony charge and paid \$1.6 million for submitting false documents to the Cleanup Fund.

(See press releases related to both criminal and civil allegations, from [May 2012](#), [July 2012](#), including a press release on the criminal conviction [June 2013](#).)

“Kurt and Julie Hayden never ceased working on the claims -- as we suspected -- and unacceptable billing practices were identified yet again,” West said. “We take reports of fraud very seriously, whether it’s for the first time or repeat offenders like the Hayden’s.”

With the addition of the disqualification authority from Senate Bill 445 in 2014, the State Water Board now has the ability to prevent consultants from continuing to participate in the Cleanup Fund when we identify these types of violations.





Under the terms of the agreement with the State Water Board, Hayden Environmental will pay \$100,000 in penalties and is debarred from future work overseen, directed, funded, submitted to or administered by the State Water Board. In addition, the principals, Kurt and Julie Hayden, are also disqualified from all work involving the State Water Boards.

The Hayden's are alleged to have made misrepresentations to the State, including: negotiating and receiving a credit for a portion of crane service costs, but submitting the full cost invoice to the Cleanup Fund; altering electricity bills to hide costs not eligible for reimbursement from the Cleanup Fund; billing staff at higher project management rates when they do not possess the requisite education or experience; and charging to lease storage space even though the expense was unrelated to the claim.

The Santa Barbara District Attorney's office filed a criminal complaint on Sept. 28, 2017, against Julie and Kurt Hayden. On Jan. 24, 2019, Kurt and Julie Hayden plead guilty to one count each for a misdemeanor violation of Health and Safety Code section 25299.80.5.

The settlement agreement can be viewed on the Office of Enforcement's [website](#).

For more information on the State Water Board's efforts to prevent, investigate and prosecute cases of fraud, waste and/or abuse against the Cleanup Fund, see the [fact sheet](#). Also, the State Water Board maintains an online [list of disqualified businesses and persons](#) banned from working for the State Water Board.

Suspected fraud, waste and/or abuse against the Cleanup Fund can be reported by email at reportfraud@waterboards.ca.gov, by toll-free message line (1-855-263-0863), or by mailing or faxing a [Fraud Reporting Complaint Form](#) to the State Water Board at:

State Water Board
Office of Enforcement
P. O. Box 100
Sacramento, CA 95812
Fax: (916) 341-5896

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