



# BUTTE COUNTY DISTRICT ATTORNEY



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## **PRESS RELEASE**

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### **CHICO STATE UNIVERSITY FACULTY AND STAFF CHARGED IN GRAND THEFT SCHEMES**

Three former employees of the Chico State University School of Business, Department of Accounting were charged earlier this week in a criminal complaint that alleges they expensed fraudulent time, money, travel and other items to the University and the University Foundation.

Butte County District Attorney Mike Ramsey said the felony case against accounting professors Timothy Kizirian, 53, and Jeffrey Decker, 59, and the Accounting Department secretary Ronda McGrath, 55, began when a new Dean of the College of Business alerted the University in March 2019. The University administration began an investigation into financial irregularities in the Department of Accounting. That investigation determined some \$1.12 million dollars had been spent over a period of several years on items such as duplicate compensation, gift card purchases, fraudulent mileage claims, improper travel and personal expenses – including meals, hospitality and gifts and unreported absences. At the conclusion of the University's administrative inquiry, the matter was turned over to the Chico State University Police Department who launched their own criminal investigation. The Chico State University Police Department's investigation subsequently revealed patterns of alleged criminal fraud and manipulation that extended back to at least 2013. These included fraudulent travel claims, theft of time related to outside employment, improper use of gift cards and meal and mileage claims; as well as the manipulation of class sizes and student enrollment to secure additional compensation for accounting department faculty.

Ramsey said the five filed charges in the felony criminal complaint represent a small subset of the discovered activities by the suspects and included only those counts where sufficient evidence existed through witness statements and other evidence to secure convictions at trial.

Count 1 of the felony complaint alleges Kizirian stole approximately \$8,022 in time from the University by fraudulently reporting he took no vacation or leave time from Chico State University when in fact, between April and June of 2017, he was absent on numerous occasions while teaching an accounting course at the University of California at Davis.

Count 2 of the felony complaint alleges Kizirian defrauded Chico State University and its Foundation of approximately \$24,517 in expenses for travel, “student placement” activities and other expenses between December 1, 2013 and November 30, 2018, which either did not exist, or were expenses for participants who were either not present, or not connected with university business. This included include a “Spring Social” at a Sacramento accounting firm on April 12, 2017 that never took place.

Count 3 of the felony complaint alleges that Kizirian and McGrath engaged in a pattern of fraudulent activity concerning Accounting Department expense reports between May 2014 and December 2018, wherein some \$9,219 in expenses submitted to the University and its foundation were determined by investigators to be either false or personal in nature. Some expenses included gift cards reportedly given to students who reportedly never received them, and reimbursements for student meetings that the students themselves did not attend.

Count 4 of the felony complaint alleges Kizirian and Decker defrauded Chico State University and its Foundation of approximately \$1,015 in expenses for an overnight “student placement” trip to Davis, CA on May 6 to May 7, 2017 where, in part, expenses were claimed for individuals that investigators determined were not present.

Count 5 of the felony complaint alleges Kizirian and Decker billed the University and its Foundation approximately \$2,094 for a trip to Tucson, AZ to attend a “celebration of life” event for a deceased former colleague on September 30, 2016. Email discussions between Kizirian and Decker demonstrated their belief the trip would be a “blast from the past” and contained discussions about their efforts to conceal the true nature of the trip.

Ramsey said the balance of the activities discovered in the civil and criminal investigations represented situations resulting from lax oversight by the University, including insufficient management and accounting controls and inadequate policy safeguards, but were not by themselves criminal, or were cases where evidence was insufficient to obtain a conviction.

Ramsey said he was informed the University suspended Kizirian, Decker and McGrath shortly after the administrative investigation was concluded in December of 2020. McGrath voluntarily resigned then retired in January 2021. Decker resigned in August 2021. Kizirian was dismissed in June 2021, but is contesting that dismissal through an arbitration board. The board held a hearing on the dismissal and is expected to issue a ruling next month to determine whether to uphold the dismissal or not.

Ramsey said if criminally convicted, Kizirian, Decker and McGrath face between three and five years, eight months in county jail. Ramsey said the case is set for initial arraignment in Butte County Superior Court on January 6, 2022. Ramsey said his office continues to investigate the matter and charges against additional defendants are possible.