

CASE NO. JCF-25-6920

IN THE ELKO JUSTICE COURT
IN AND FOR THE COUNTY OF ELKO, STATE OF NEVADA

STATE OF NEVADA,

Plaintiff,

CRIMINAL

vs.

COMPLAINT

LORNA ANN HATCH,

Defendant.

COMES NOW, THE STATE OF NEVADA, the Plaintiff in the above-entitled cause, by and through its Counsel of Record, the Elko County District Attorney's Office, and based upon the Declaration Of Probable Cause and/or the narrative report and the Officer Declaration executed by the submitting officer in connection with said narrative report, complains and alleges that the Defendant above-named, on or about or between October 1, 2011 and the 3rd day of November, 2024, at or near the location of the businesses of Western Energy Transport and/or Western States Propane and/or Jewels Floral Studio and/or the city of Elko and/or the community of Spring Creek and/or some other location as yet unknown but in any event within the County of Elko, and the State of Nevada, committed the following described criminal offenses in a secret manner:

COUNT 1

THEFT BY CONVERSION, A CATEGORY B FELONY AS DEFINED BY NRS 205.0832(1)(b) and 205.0835. (NOC 61963)

That the Defendant, without lawful authority and knowingly, pursuant to NRS 205.0832(1)(b), and with the intent to permanently deprive the owner thereof, did convert, make an unauthorized transfer of an interest in, or did, without authorization, control any property of another person or entity, or did use the

1 services or property of another person or entity entrusted to the Defendant or
2 placed in the Defendant's possession for a limited, authorized period of
3 determined or prescribed duration or for a limited use, in the following manner:
4 the defendant, as the book keeper and/or payroll person for Western States
5 Propane and/or Western Energy Transport and/or Jewels Floral Studio did divert
6 money from Western States Propane and/or Western Energy Transport and/or
7 Jewels Floral Studio to the Defendant's bank account or accounts and/or to her
8 husband's bank account or accounts and/or to her daughter, by paying for hours
9 not worked or falsifying her time card or her husband's time card or her
10 daughter's or by giving raises not authorized and/or by paying for unauthorized
11 employee services like AFLAC insurance and/or other secondary insurance
12 and/or Health Savings Accounts and/or making contributions to the defendant's
13 or her husband's 401k retirement account which were not owed or entitled
14 and/or by diverting money from the companies to her own benefit and/or use
15 which was not provided by the employer that inured to the benefit of the
16 Defendant and/or by causing extra taxes to be paid and/or vacation overages to
17 be paid or given resulting in a loss to the company and/or by some other manner
18 or means as yet unknown, and furthermore that said money or property or
19 services had a value of \$100,000.00 or more.

20 OR, IN THE ALTERNATIVE TO COUNT 1

21 COUNT 2

22 **EMBEZZLEMENT, A CATEGORY B FELONY AS DEFINED BY NRS 205.300**
23 **and NRS 205.222(2) and NRS 205.220. (NOC 62163)**

24 That the Defendant, while acting as a bailee or book keeper and/or payroll
25 manager and/or money manager for Western States Propane and/or affiliated
26 companies Jewels Floral Studio and/or Western Energy Transport, did willfully
27 and unlawfully convert money, goods or property, to wit: money, having a value
28 of \$100,000.00 or more, to her own use, with the intent to steal or to defraud the

1 owner or owners thereof;
2 or as an alternative theory,

3 That the Defendant while acting as an agent, manager or clerk of any person,
4 corporation, association or partnership, to wit: Western States Propane and/or
5 Western Energy Transport and/or Jewels Floral Studio, or while acting as a
6 person with whom any money, property or effects, to wit: money, having a value
7 of \$100,000.00 or more, had been deposited or entrusted, and thereafter the
8 Defendant did willfully and unlawfully use or appropriate the money, property, or
9 effects, or any part thereof, in any manner or for any other purpose than that for
10 which they were deposited or entrusted; in the following manner: by the same
11 manner or means as described in Count 1.

12 OR, AS AN ALTERNATIVE TO COUNTS 1 AND 2

13 COUNT 3

14 **THEFT BY CONVERSION, A CATEGORY B FELONY AS DEFINED BY NRS**
15 **205.0832(1)(b) and 205.0835. (NOC 61961)**

16 That the Defendant, without lawful authority and knowingly, pursuant to NRS
17 205.0832(1)(b), and with the intent to permanently deprive, did convert, make an
18 unauthorized transfer of an interest in, or did, without authorization, control any
19 property of another person, or did use the services or property of another person
20 entrusted to the Defendant or placed in the Defendant's possession for a limited,
21 authorized period of determined or prescribed duration or for a limited use, in the
22 same manner or means as described in Count 1, and furthermore that said
23 property or services had a value of \$25,000.00 or more.

24 OR, IN THE ALTERNATIVE TO COUNTS 1, 2 AND 3,

25 COUNT 4

26 **EMBEZZLEMENT, A CATEGORY B FELONY AS DEFINED BY NRS 205.300**
27 **and NRS 205.222(2) and NRS 205.220. (NOC 62161)**
28

1
2 That the Defendant, while acting as a bailee for Western States Propane and/or
3 affiliated companies Jewels Floral Studio and/or Western Energy Transport, did
4 willfully and unlawfully convert money, goods or property, to wit: money, having a
5 value of \$25,000.00 or more, to her own use, with the intent to steal or to defraud
6 the owner or owners thereof;

7 or as an alternative theory,

8 That the Defendant while acting as an agent, manager or clerk of any person,
9 corporation, association or partnership, to wit: Western States Propane and/or
10 affiliated companies Jewels Floral Studio and/or Western Energy Transport, or
11 while acting as a person with whom any money, property or effects, to wit:
12 money, having a value of \$25,000.00 or more, had been deposited or entrusted,
13 and thereafter the Defendant did willfully and unlawfully use or appropriate the
14 money, property, or effects, or any part thereof, in any manner or for any other
15 purpose than that for which they were deposited or entrusted; in the same
16 manner or means as described in Count 1.

17
18
19 All of which is contrary to the form of the statute in such cases made and provided,
20 and against the peace and dignity of the State of Nevada. Said Complainant, therefore,
21 prays that the Defendant be dealt with according to law.

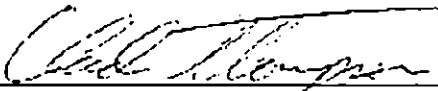
22 The Complainant further prays:

23 XXXX For the issuance of a Warrant of Arrest.

24
25 The undersigned hereby declares under penalty of perjury that the foregoing
26 Complaint is true to the best of his/her knowledge, information, and belief.
27
28

1 Dated: September 19, 2025.

2
3 TYLER J. INGRAM
4 ELKO COUNTY DISTRICT ATTORNEY

5 
6 CHAD B. THOMPSON
7 Deputy District Attorney
8 State Bar No.: 10248

9 **Estimation Of Time Needed**

10 The State estimates that 3 hours will be needed to conduct the trial/preliminary
11 hearing in this matter.

12 **The Issue Of Obtaining The Discovery
Available In This Matter**

13 **To: The Defendant's Counsel or The Defendant Representing Himself/Herself**

14 The Elko County District Attorney's Office has an open file discovery policy. This
15 means you will be provided with a complete copy of all reports, photos and compact discs
16 received by the DA's Office from the submitting Officer and agency in connection with this
17 case. Private Counsel and/or Defendants appearing without Counsel will be charged a
18 reasonable copying and duplication fee. If this is a misdemeanor case the State believes and
19 avers that by providing a copy of the discovery containing the names and addresses of the
20 witnesses the State may call in its case-in-chief, the State is fulfilling its discovery obligations
21 pursuant to NRS 174.234.(1)(b)(2) which provides that:

22 (2) The prosecuting attorney shall file and serve upon the
23 defendant a written notice containing the name and last known
24 address or place of employment of any witness the prosecuting
25 attorney intends to call during the case in chief of the State whose
26 name and last known address or place of employment have not
27 otherwise been provided to the defendant pursuant to NRS
28 171.1965 or 174.235.

Extradition Scope: 48 Contiguous States

DA #F-25-00875/ REPORT #: 24EP18017/ AGENCY: ELKO POLICE DEPARTMENT

Narrative

Initial Report
24EP-18017
Officer M. Galindo

CASE DISPOSITION:

I request this report to be forwarded to the Elko Police Department Detective Division.

ASSIGNMENT/ARRIVAL:

On November 3, 2024 at approximately 1516 hours, I, Officer M. Galindo, was operating as a marked patrol unit. While on duty, I wore an Elko Police Department patrol uniform. I was dispatched to 2354 Khoury Lane, in the City of Elko, for a report of an employee embezzling from a business.

DISCLAIMER:

All statements or interviews have been paraphrased in the report unless quotation marks are used. Verbatim statements can be obtained by watching footage from my body worn camera.

INVESTIGATION:

Upon arrival, I met with Julie Kraus, who identified herself as the owner of Western States Propane and Western Energy Transports, LLC located at 1207 Water Street, in the City of Elko.

Julie stated that on November 1, 2024, she was reviewing payroll files on her computer in the company QuickBooks software and clicked on a tab she does not normally review. This tab showed check deposits from Western Energy Transports to Lorna Hatch. Julie identified Lorna Hatch as an employee for Western States Propane who works over the payroll division of the company and has worked in this position with the company since June 1, 2011.

Julie was not sure why Lorna would be receiving checks from Western Energy Transports so she waited to do further investigation into this matter until she could speak with her husband, Paul Kraus, who is also an owner of the businesses. Paul later advised Julie that Lorna should not be receiving checks from Western Energy Transports.

On November 3, 2024, Julie went back into Western States Propane to conduct further investigation into this matter and found that thus far in the year 2024 alone, Lorna had issued herself approximately \$26,255.13 in unauthorized wages between falsifying her timecard with Western States Propane and issuing herself unauthorized checks from Western Energy Transports.

Julie was unsure of the timeframe that this has been ongoing with Lorna and advised that it would take her some more time to go through all of the payroll records for years prior to determine an exact amount of money lost to the companies.

Julie was unable to provide me hard copies of the payroll records that she had because she was still in the process of reviewing the paperwork, however, I was able to take digital photographs of what she did have with my department issued cellphone and later uploaded those into Evidence.com. What I took photos of can be described as follows:

-Employee pay stub from Western Energy Transports to Lorna A. Hatch, direct deposited into check account ending in 3679, showing a year-to-date amount of \$12,462.61 (Per Julie, this is the amount in overtime Lorna has collected in unauthorized overtime pay).

-Employee pay stub from Western Energy Transports to Lorna A Hatch, direct deposited into checking account ending in 3679, showing a year-to-date amount of \$13,792.52 (Per Julie, this is the amount in unauthorized checks that Lorna had issued to herself from Western Energy Transports).

I advised Julie that she would need to provide hard copies of everything she had to the Police Department as soon as she could.

Julie noted that she was aware that Lorna had been convicted in the past of embezzlement. A records check revealed that Lorna had been arrested for Forgery, NRS 205.110, in the year 2013.

ADDITIONAL INFORMATION:

Julie advised that she was going to call for a civil standby on November 4, 2024 at which time she was going to inform Lorna that the company was suspending her pending an investigation. She was concerned what Lorna might do as she carries a gun and has a CCW permit.

Nothing further at this time.

Responsible LEO:

Approved by:

Date

Supplement

Supplement Report 1

Case #24EP18017

Det. Cpl. Jason Checketts

Disposition - I request that this report be forwarded to the Elko County District Attorney's office for prosecution for embezzlement greater than \$100,000 and that a warrant be issued for the arrest of Lorna Hatch.

I was assigned this case on November 5, 2024. On November 6, 2024, I received a message from Det. Andrew Kellum, that was forwarded to him. The note had the complainant's contact information. I called Julie Kraus and arranged to meet on November 7, 2024, at 1400 hours to review the case and documents they were compiling. Julie mentioned they had many records to review and were still in the process, but had traced the activity to 2019.

On November 7, 2024, at approximately 1400 hours, I met with Julie Kraus, Mike Kraus, Ryan George, and Miranda Holcomb at Western States Propane at 1207 Water St, Elko, NV. The four had been working on compiling the records for the investigation and had made progress from 2020 to the present. Julie explained that Lorna Hatch had been employed by the company since 2011. Lorna was in charge of financial transactions with the business. The "business" covered three separate companies, Western States Propane (WSP), Western Energy Transports (WET), and Jewel's Floral. Lorna completed payroll, handled accounts payable, and other tasks. Julie's payroll was only covered under WSP. Before the company started using direct deposit, Julie or Mike would sign off on payroll, but a proper audit of the financial transactions had not been conducted. Neither had any reason to doubt Lorna's actions until the discrepancy was identified recently.

I was provided with a summary of what had been compiled, showing a discrepancy or loss for the business in Lorna's payroll from 2020 to the present. A discrepancy/loss for the business was identified in Dave Hatch's (Lorna's husband) payroll for 2020. The amount did not account for Social Security and 401(k) employer contributions, but totaled \$94,838.84. Records were still to be compiled to document the total loss accurately.

I was provided with bank information for direct deposit for Lorna for the Elko Federal Credit Union. I was provided with information related to Lorna's 401(k). I used the information to author a search warrant for records. On November 20, 2024, I met with Justice of the Peace Randall Soderquist. I was granted a search warrant for bank records from Elko Federal Credit Union for the two accounts identified where direct deposits were made.

I served the search warrant on Elko Federal Credit Union on November 21, 2024. The teller manager, Shannon West, took the search warrant and completed the request. On November 25, 2024, I picked up the production from Elko Federal Credit Union. I reviewed the production. The two accounts identified had the last four digits of 3679 and 5602. The account ending in 3679 was opened in April 2018. The account ending in 5602 was opened in June 2019. Later in the investigation, after interviewing David Hatch, I identified 3679 as Lorna Hatch's and 5602 as David Hatch's separate accounts. I identified payroll deposits for Western States Propane and Western Energy Transport, which were deposited into both accounts. I have imported the documentation to Spillman.

On December 9, 2024, I met with Julie, Mike, Ryan, and Miranda. I was provided with a large folder containing all the compiled records for the investigation to

this point by employees of Western States Propane. Fraudulent contributions were identified going into the 401 (k) and health savings accounts provided by the business. The compilation of records documented the discrepancies in question. A summary spreadsheet compiled by employees for the business, showing for 2014 to 2024 of monetary funds embezzled as follows:

Payroll Hourly Overages	\$97,063.88
Vacation Overages	\$2,058.35
401k Overage x 9%	\$3,5017.28
HSA Overage	\$8150.00
401k Overage (Employee)	\$9,005.60
401k Overage (WSP Match)	\$2,487.55
Employer Taxes Contributions Overage	\$8,913.38
The total amount embezzled	\$131,196.04

I identified TPP Retirement Plan Specialists as the investment group Western States Propane partnered with for employee/employer retirement contributions. An additional spreadsheet specific to the 401 (k) showed that \$15,010.43 of the money contributed to the account was fraudulent.

I began communications with Chris A. Burton (CPA, QKA) for TPP Retirement Plan Specialists, stating that the preferred method of handling the money would be to freeze them in the account until litigation is complete. In review with the DDA, Chad Thompson, it was advised that a seizure of the funds would be required.

I authored a search warrant to seize the \$15,010.43 and the following account information: account holder name, user names, mailing addresses, residential addresses, business addresses, email addresses, telephone numbers, and other contact information, financial statements, and transactional history for the life of the account.

On January 13, 2025, I identified contact information for the Overland Police Department in Overland, Kansas. Det. Jacklyn Zickel was assigned to assist me. I forwarded my warrant documentation to her, and she advised that she would contact an assistant district attorney for assistance.

On January 14, 2025, I was contacted by Kendall Kaut, prosecutor in Johnson County, Kansas, who would review my warrant. ADA Kaut reviewed the warrant and requested additional information. I made the additions, and she advised that she could meet with a district court judge on Tuesday, January 21, to have the warrant reviewed.

I contacted ADA Kaut on January 21, 2025, and the warrant was prepared for the judge to review.

The investigation identified Lorna Hatch, David Hatch, and Stephanie Hatch as receiving fraudulent payments through the business. I was told David had worked for Western States Propane on different occasions, but paychecks were issued to him when he was not employed. Stephanie is currently employed at Jewel's Floral. Julie Kraus owns Jewel's Floral, and Lorna handled the financials for the floral shop as well. I called David, Stephanie, and Lorna Hatch to set up interviews. I was unable to speak to anyone, so I left voicemails requesting that they return my calls. Lorna returned my call and said she could meet me on January 22, 2025, at 1100 hours, at the police department. Lorna mentioned Dave had received a voicemail and said they had nothing to do with it. I explained I needed to speak to everyone that I had identified.

On January 22, 2025, at approximately 1100 hours, I met with Lorna Hatch at the

Elko Police Department. We met in interview room one, which has both audio and video recording capabilities. I activated the system upon entering the room. The following summarizes our conversation; it is not intended to be an exact representation or to follow the conversation in chronological order. For a complete understanding, the video recording should be reviewed. A copy of the interview was uploaded to evidence.com.

I explained to Lorna that the door to the interview room was unlocked, and she was free to leave whenever she decided to. She did not have to answer any questions if she did not want to, and I had no intention at that time of arresting her. Lorna stayed and spoke with me.

I asked Lorna how long she had been employed with Western States, and she said, "13 years." Lorna explained that she had multiple responsibilities within the business, including specific roles for accounts payable and payroll. No one else assisted her with those responsibilities. I asked Lorna about the accounts payable and payroll process. Accounts payable were reviewed and correlated with the system, and Julie completed authorization.

Lorna said the business initially tracked employees' hours with a time clock, where they would clock in and out. Then, the business switched to an application called Time Station, which employees could access via phone or computer. I asked Lorna if she used the application, and she said, "Yes." Employees are paid bi-weekly, and Lorna was an hourly employee with the business.

Lorna said she helped set up the QuickBooks system for the business when she was hired, but did not set up any other software for the business. I asked Lorna if she had a degree or was an accountant, and she said "no." Lorna explained she has taken classes and worked for a certified public accountant (CPA).

I asked Lorna what company she was employed by. Lorna said she worked under Western States Propane as well as Western Energy Transports. I asked if it was agreed upon that she worked under both businesses. Lorna did not say yes or no but replied, "mmhmm." Lorna explained that she did not get paid under both businesses at first and could not remember when exactly she was getting paid under WET. I asked if there was an agreement or anything tracking the arrangement. Lorna said, "No, it was just a conversation with me and Julie." I asked how she would track her hours. Lorna said, "At first, I would try to remember to clock out of Western States and into Western Energy. Then I would just kind of sort out, like, what I knew how long it took me to do payroll in Western Energy or to send invoices or whatever. Then I just started..." I asked if the hours were not tracked under Western Energy, and she expressed with an "mmhmm," acknowledging they were not.

Lorna justified it by being contacted late at night or on the weekends with things, and she would not clock in. I asked how often it would occur. Lorna explained that transport drivers would call her daily with various issues. Lorna explained one issue as resetting a tracker that was located on the trucks. The drivers she spoke of were employed under WET. I asked Lorna why she would not track the hours, and she said, "In and out, in and out, I just didn't. I'd just." Lorna explained she would estimate and add hours accordingly to her timesheet. I asked if Mike and Julie were aware of it. Lorna said they were aware of her being called. I asked about the hours being added, and she said, "Probably not. No."

I asked if she had ever had a conversation with them about the hours, and she said, "No." Lorna added, "I had a conversation with them about the guys calling

all the time but I never said I'm adding the time. I did not one hundred percent say that." I asked when she started adding the hours to her timesheet, and she estimated it was either 2020 or 2021, but could not recall when the transport drivers had started working for the business.

I asked what other benefits she had with Western States. Lorna said she had a 401(k), health insurance, AFLAC, and an HSA. Lorna explained how each worked with deductions and contributions.

I asked if the books were audited, and Lorna said, "No." I asked if it was all under her control, and she acknowledged it was. I explained to Lorna there were significant discrepancies in the timesheets and other documentation I had. I told her there were \$97,000 in discrepancies from 2014 to 2024 in both businesses for hours added that were not documented. I asked if she could explain. Lorna said, "Probably...a...due to...a...some advice from my legal counsel. I don't want to answer that question."

I asked if someone represented her. Lorna explained that she had been talking to an attorney, Ben Gaumond, but had not retained him. She explained that she was waiting until charges were filed and would proceed from there. I clarified whether she had retained an attorney and found that she did not have legal representation, but she did not want to answer the specific question. Lorna did not ask to speak to an attorney, invoke her right to counsel, or stop the conversation. I did not ask anything related to the question she said she did not want to answer. I decided to continue our conversation. I inquired about the overages for the 401 (k) and HSA. Lorna did not want to answer any questions regarding the discrepancies. I asked about the discrepancies identified with David and Stephanie. Lorna did not want to answer any questions regarding the discrepancies.

I did not have any further questions that were not related to the above questions that she did not want to answer, so I ended the interview. I explained I would contact David about meeting next week, and Lorna said he could meet with me on Monday at noon. I asked Lorna if she had any questions, and she said, "No." I provided Lorna with my business card. Lorna left the police department.

I called Julie to confirm what was said during the interview and ask about Lorna's conversation with her. Julie said they had discussed what Lorna was doing for WET, but there was never any agreement or intention to track hours for payroll or to be paid under WET. Lorna was only to be paid under Western States Propane. The conversation occurred within the last six months, when it was noticed that Lorna was not fulfilling her responsibilities, and they were trying to identify the reason.

I confirmed no conversation or agreement had been made between Lorna and Julie for adding hours to her timesheet. I asked about the communications from drivers with WET and how the process worked. Julie said she and Mike handled the majority of the communications with the drivers. Lorna occasionally helped, but it was not that often because it was typically mechanically related, and Lorna did not know what to do. I asked Julie if we could speak to the drivers and attempt to identify how often they had contacted Lorna. Julie said the drivers were no longer with the business, but she would research it. I asked about the tracker and reset Lorna mentioned in my interview. Julie said she should not have been doing anything with that. The tracker falls under federal regulations; nothing should have happened without her knowledge.

After speaking with Lorna, I received communication from ADA Kaut stating the

warrant would not be signed, with me being the affiant. Det. Zickel said she would assist with the warrant. Det. Zickel requested my report and case information so that she could author the warrant and present it to the court. I asked the records division to email the case file to Det. Zickel.

On January 27, 2025, I received a voicemail from Julie requesting a meeting regarding the case. On January 29, 2025, at approximately 0900 hours, I met with Julie and Miranda at Western States Propane. Additional documents showed Lorna had created a false persona where paychecks were being received. The persona was identified as

First Name Hatch
Last Name Lorna
Gender Male
Date of Birth 11/27/1972
SSN
Hire Date 06/24/2011
Email lhatch73@gmail.com
Phone 775-934-2529

I reviewed the information. I was told the date of birth was David Hatch's. The email and phone number are Lorna's. The social security number appears to have been created using the first five numbers of David's, ending in a random four numbers. A summary of all the checks paid to the false persona showed a period from October 28, 2011, to December 27, 2019, with a total payout of \$195,635.09.

The business continued to compile information related to the investigation. On multiple occasions between March and May 27, 2025, I met with Julie, Dave, Ryan, and Mandi Phillips to review the additional information that she had compiled for the business. The company hired Mandi as an accountant to assist with various tasks that needed rectification, establish, and investigate further the embezzlement that had been identified. Mandi identified additional discrepancies in the payroll created by Lorna. Mandi compiled a spreadsheet identifying payroll deposits to Lorna's various banking accounts. The spreadsheet is identified as "Lorna Hatch - WSP Direct Deposits." Lorna used different personas to create payroll. The personas identified were Lorna Hatch, David Hatch, Hatch Lorna, A.P, P.A, D H, H.D, Javier Mendoza, and Merissa Kraus. The names were consistent with employees, past employees, and fake personas. We were able to distinguish between legitimate payroll and fraudulent transactions.

Discrepancies in the deposits identified for the business and bank were accounted for and identified. Lorna would author payroll to herself or in the name of one of the personas. The payroll would then be cleared, deposited into the bank, and voided on the business side. In other instances, the amount would be manipulated on the business side, showing less than what was deposited into the account. I created a summary sheet in the "Working Spreadsheet of Deposits" to help identify the monies, discrepancies, and recipients of the funds. All of the deposits identified went into one of the following accounts.

EFCU ****9304
Lorna Hatch
David Hatch
564 Blackstone Dr.
Spring Creek, NV, 89815

EFCU ****3679
Lorna Hatch

564 Blackstone Dr.
Spring Creek, NV, 89815

EFCU ****5602
David Hatch
564 Blackstone Dr.
Spring Creek, NV, 89815

Wells Fargo *****8503
David Hatch
Lorna Hatch
564 Blackstone Dr.
Spring Creek, NV, 89815

Wells Fargo *****5071
David Hatch
Lorna Hatch
564 Blackstone Dr.
Spring Creek, NV, 89815

American Federal *****7607
Unknown

Unknown ***3737
Unknown

On April 16, 2025, I authored and submitted a warrant for one EFCU account and two Wells Fargo accounts. On April 22, 2025, Justice of the Peace Bryan Drake reviewed and granted the warrant. On April 22, 2025, I served the warrants on EFCU and Wells Fargo at the local branches in Elko, Nevada. On April 23, 2025, EFCU complied and provided the requested information per the search warrant. On April 27, 2025, Wells Fargo complied with the request and provided the requested information as per the search warrant.

On May 28, 2025, I spoke with David Hatch via phone. David said he would come to the police department and meet with me. I met with David at approximately 1100 hours in interview room one. The following summarizes our conversation, not intended to depict it exactly or in exact chronological order. For a complete understanding, the video recording should be reviewed. The video recording was uploaded to evidence.com.

I advised David that the recording system had been turned on, the door was not locked, he was free to leave at any time if he desired, and did not have to answer any questions if he did not want to. David understood and agreed to speak with me. I started with a general conversation. David said he currently works for Nevada Gold Mine as a mechanic.

After talking briefly, I asked David if he knew why I needed to speak to him. David had a general idea but no details. I explained to David that I had been working on an embezzlement case involving Western States Propane, which involved his wife, Lorna. I explained to David the different aspects of the embezzlement, gauging his knowledge of what had been occurring.

I learned several years ago that David and Lorna opened individual accounts due to financial issues. David explained that Lorna was a bad spender, and he noticed overdraft fees from their joint account. The issue was a point of contention between them. David's account was opened to ensure their bills and financial obligations were being met. David and Lorna's paychecks were deposited

into this account. David would log into the account via an application on his device and ensure bills were paid. David did not pay particular attention to the activity in the account, assuring me he confirmed the paychecks were deposited and their bills were paid. David was not aware of what was going in or out of Lorna's checking account, stating he did not have access to it that he was aware of.

The information allowed me to identify the accounts and their correlation in the list above. The account holder names I have documented are representative of what David advised. David said the American First Credit Union account was a joint account that he opened during a period when they were considering returning to Utah. The move never occurred. The other account, David did not know what it would have been associated with. David confirmed having a Wells Fargo account several years prior and thought it would have been associated with when they refinanced their house.

David was not aware that the other accounts' deposits were being made into, and it would appear that those accounts only received monies associated with Lorna and the fraudulent activities. I showed and explained to David aspects of how the embezzlement occurred. David said he was not aware of it and had difficulty understanding how they struggled financially if Lorna was embezzling. David could not think of any other accounts or investments they would be associated with. David was dumbfounded by the figures I shared with him and could not understand how the amount of money was being spent. The spending would be characteristic of Lorna.

David was unable to explain the additional deposits identified in the bank statements. David explained that Lorna prepared taxes for different businesses and individuals. Additionally, Lorna worked as a personal trainer at a gym in Spring Creek, Nevada. The deposits for Watchmen Fitness would correlate with this employment.

I asked about Lorna's employment with Western States Propane and Western Energy Transportation. David was only aware that Western States Propane employed Lorna. David said there were times when WET was in operation, Lorna would receive phone calls related to the business. David could not confirm how frequently she would have to complete work for the business. David was not aware of how she tracked or documented the hours. David explained how Time Station worked and how it was easy to operate. David could not recall precisely how it worked, but said he thought he just had to check in and out to log his time. The process did not appear to be difficult.

I asked David about the overtime Lorna worked. David explained that Lorna worked a lot for the business and would often be home late. David assumed the hours were associated with work with Western States Propane, but did not know for sure. The pattern did not raise any awareness of anything unusual. This, coupled with the rotating shift work at the mine, led to him not being aware of what Lorna was doing.

David did not have any questions for me. I provided David with my contact information for future reference, in case he needed it. My interview with David lasted approximately one hour and three minutes.

I have documented only a portion of the figures in this narrative, and those were at the beginning of the investigation. The figures change as the investigation progresses, becoming more complex, and the narrative reflects this, unfolding in an approximate chronological order. I relied on the

spreadsheets compiled by the employees of the business (namely Miranda and Mandi), and the "Working Spreadsheet of Deposits 1" that I used to add the bank deposits in a manner to correlate with the payroll deposits. The spreadsheet documents a compilation payroll deposits and should be reviewed in conjunction with the other attached documents for a complete understanding. The business provided all other spreadsheets and business-related documents. I compiled figures in the "Working Spreadsheet of Deposits 1" totaling \$492,636.60. The total was identified through a review of the deposits, the names on the deposits, and confirmation by the business that the transactions were fraudulent. Mandi is still reviewing and working with data related to the investigation. I will complete additional supplements as more information comes in.

I requested written statements from all who had a part in the investigation from Western States Propane. Julie said she would work on collecting those statements and let me know when they were ready.

Nothing further.

Supplement

Supplement Report 2

Case #24EP18017

Det. Cpl. Jason Checketts

Disposition - I request that this report and additional files be forwarded to the Elko County District Attorney's Office.

On May 29, 2025, I met with Julie, Mike, Ryan, and Mandi at Western State Propane. Julie had typed statements from those involved in the case. I answered questions Julie had regarding the case being forwarded and the process to come. Mandi had questions about the Aflac total that was not identified in the summary I created. The amount would have been \$23,280.83.

Additionally, the padding identified for Dave Hatch and Steph Hatch was not accounted for in the summary. I modified and resaved the "Working Spreadsheet of Deposits 1" with the new data and renamed it "Working Spreadsheet of Deposits 2" to maintain transparency in the data processing. The total amount identified at this time is \$531,054.52.

24EP18017

OFFICER DECLARATION

I hereby certify that I am a Law Enforcement Officer employed by the Elko Police Department and that I am one of the Officers investigating or aware of the facts described in the reports and statements attached hereto. I hereby affirm under pain and penalty of perjury that the facts set out in the reports and statements attached hereto are true to the best of my knowledge, information, and belief, except as otherwise noted therein.

Date: 5/30/2025

Signature

A handwritten signature in black ink, appearing to be 'Makayla Galindo', written in a cursive style.

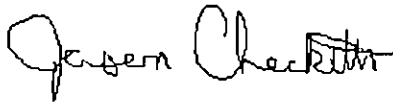
Makayla Galindo

24EP18017

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Date: 5/30/2025

A handwritten signature in black ink, appearing to read "Jason Checketts". The signature is written in a cursive, somewhat stylized font.

Signature

Jason Checketts