

WARRANT FOR ARREST

In Magistrate Court

No.

THE STATE OF TEXAS

COUNTY OF GONZALES

Greetings:

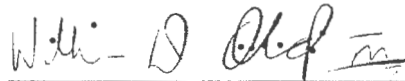
To the Sheriff, Constable, or any Law Enforcement of any county within the State of TEXAS:

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS:

YOU ARE HEREBY COMMANDED TO ARREST: Russell, James (Jim) Edward, W/M, DOB: 05-31-1960, charged with MISAPPLICATION OF FIDUCIARY PROPERTY OR PROPERTY OF FINANCIAL INSTITUTION, which is a violation of Chapter 32 of the Texas Penal Code

Having found probable cause, I hereby issue this warrant and order you to arrest this person and order you to safely keep said person to answer to the proper presiding court unless said person gives good sufficient bond in the sum of \$50,000.00 Dollars.

SIGNED this the 31st day of May, **2018 A.D.**



**Magistrate
Gonzales County, Texas**

**COMPLAINT AND AFFIDAVIT OF PROBABLE CAUSE FOR ARREST
WARRANT**

IN THE NAME AND BY AUTHORITY OF THE STATE OF TEXAS

BEFORE ME, The undersigned authority on this day did personally appear affiant who being first duly sworn, charges, and swears that he had good reason to believe and does believe that one **James (Jim) Edward Russell, DOB: 05-31-1960**, hereinafter referred to as defendant.

On this day, the 3/4 day of May, 2018 and before making and filing this complaint in the **District Court** of Gonzales County, State of Texas.

DEFENDANT DID THEN AND THERE; intentionally and knowingly commit the offense of Misapplication of Fiduciary Property, as defined in Chapter 32.45 of the Texas Penal Code.

To Wit:

On September 10, 2015 Gonzales Police Department Sergeant Bethany McBride was working an off duty security job at the Gonzales Memorial Hospital. While at her post she was approached by Gonzales County EMS Emergency Medical Technician [REDACTED] who asked to speak with McBride about things going on within the Gonzales County EMS.

[REDACTED] told McBride that Gonzales County EMS personnel needed some major help and were in trouble but [REDACTED] didn't know what to do. [REDACTED] told McBride that Gonzales County EMS employees believed Jim and Carla Russell were misappropriating funds, embezzling money and taking from the Gonzales County EMS employees to benefit themselves. [REDACTED] believes this has been going on for long time but employees are terrified to say anything because they know they will be fired like previous employees were that had suspicions about Jim and Carla. [REDACTED] stated to McBride, that he wanted to remain anonymous because he was afraid of retaliation by Jim and Carla Russell, along with being fired from Gonzales County EMS.

[REDACTED] told McBride that employees don't know anything about sick or vacation time, it's made up as they go, and there's no retirement program or bonus structure. [REDACTED] also told McBride it shows on their Gonzales County EMS pay check stubs that Social Security is being taken out but that [REDACTED] had called the Social Security Office, and was advised nothing was being paid to them.

[REDACTED] stated that Jim and Carla Russell are paying what's owed in taxes by the way he is paying Gonzales County EMS employees. [REDACTED] advised he would get all of his pay stubs to Sgt. McBride.

A short time later [REDACTED] partner [REDACTED] walked up and added to the conversation that McBride had with [REDACTED]. [REDACTED] stated that there have been several things are suspicious but everyone is scared to "whistle blow" on Carla and Jim for fear of being fired. [REDACTED] told

McBride that he has heard that Jim and Carla Russell have friends everywhere, and get away with everything. Jim Russell had a complaint filed on him from the state related to an incident involving Eduardo Silvestre. When notified that a complaint was filed on him, Jim Russell went to all Gonzales County EMS employees and demanded they write a letter stating he was not a bully, when in fact Jim Russell was bullying Gonzales County EMS employees to write a letter.

██████████ stated that Jim left out one of his "books" out and that screen shot photographs showed the Russell's made a two hundred fifty thousand dollars a year.

Another major concern that was brought up to McBride by ██████████ and ██████████ was the insurance for Gonzales County EMS employees. McBride was told that Jim Russell is making some full time employees "part time" employees because he can't afford to pay their insurance, when some of Jim Russell's family members are on the pay roll, and have the best insurance. ██████████ told McBride that Jim Russell's daughter, son in law, and daughter in law are on the Gonzales County EMS pay roll. Those family members don't work full shifts and receive full pay checks and benefits from Gonzales County EMS.

██████████ and ██████████ advised that many other Gonzales County EMS employees know about the misuse of money, suspected money laundering, and embezzling. Those employees are terrified of the retaliation from Jim and Carla Russell. ██████████ told McBride that the other employees who knew about this were identified as ██████████, ██████████ and ██████████

██████████ and ██████████ were told to get as many pay stubs as they could and provide them to McBride.

On 04-21-2017 AFFIANT was contacted by Gonzales Police Department Chief Tim Crow and Gonzales County Attorney Investigator John Brumme in reference to assisting Gonzales Police Department investigators with an investigation into the Gonzales County Emergency Medical Services (EMS) Director and his wife, for the allegation of Misapplication of Fiduciary Property or Property of a Financial Institution.

On 05-05-2017 AFFIANT traveled to the Gonzales Police Department, 716 St. Paul Street, Gonzales, Texas 78629 where AFFIANT met with Chief Crow, Gonzales Police Department Sgt. McBride, Investigator Brumme, and Assistant County Attorney Keri Miller in reference to this investigation.

Continuing on 05-05-2017 AFFIANT was advised that the initial investigation into the Russell's was started in September 2015 by Sergeant McBride. AFFIANT reviewed Gonzales County EMS employee statements, partial financial records related to the operation of Gonzales County EMS by the Russell's. Based on the review of the employee witness statements and available financial documents AFFIANT believed a violation of Texas Penal Code - 32.45(1)(A)(c)(4) was occurring.

Based on witness statements collected by AFFIANT, and supporting documentation, to include financial records related to Gonzales County EMS, two (2) search warrants were applied for and granted. On 1-18-17 Texas Rangers and the City of Gonzales Police Department executed

search warrants at the Gonzales County EMS Station, 1703 St. Joseph, Gonzales, Texas 78629, and the residence of Jim and Carla Russell, 1403 St. Joseph Street, Gonzales, Texas 78629.

Upon a review the documents seized by AFFIANT, the seized documents showed both Jim Russell and Carla Russell were double dipping, in relation to Gonzales County EMS and other entities. While scheduled and paid as a Gonzales County EMS supervisor with funds from Gonzales County EMS, Jim Russell was simultaneously being paid by City of Gonzales, Gonzales ISD, Texas Junior High Rodeo Association, Texas Youth Rodeo Association, and Texas High School Rodeo Association Region VI to provide those events with a staffed Gonzales County EMS ambulance.

In May 2017, upon receiving and reviewing subpoenaed records for Wells Fargo bank account # 6420385129 that listed Jim Russell and Carla Russell as the only signers on the account, along with listing their personal P.O. Box as the accounts mailing address. It was also determined that this account did not have any connection to accounts related to Gonzales County EMS. The investigation showed this account was labeled as EMST, used exclusively by Jim Russell and Carla Russell to deposit checks made out personally to Jim Russell and Carla Russell for teaching CPR and First Aid classes to the following Gonzales County entities: Gonzales Independent School District, BYK Inc. Chemical Plant, Kitchen Pride Mushroom Farm, City of Gonzales, S & K Electrical, and Emmanuel Fellowship and School for a total of \$21,040.00. The investigation showed that the previous listed entities believed the checks were wrote to Emergency Medical Services Training (EMST) and deposited into an account related to Gonzales County EMS for the received training. The contract between the Gonzales County Emergency Services District (ESD) Board and Gonzales County EMS states that Gonzales County EMS will provide CPR and First Aid training to Gonzales County entities at comparable area rates. Further investigation of records related to that Wells Fargo bank account show that the EMST bank account was used exclusively by Jim Russell and Carla Russell for personal purchases unrelated to Gonzales County EMS business. Those purchases included the purchase of a livestock bull for \$2,200.00 and a new roof for their personal residence at a cost of \$7,411.00. The investigation and related interviews showed all monies received from CPR and First Aid training classes were supposed to go back to the financial accounts of Gonzales County EMS per the contract between Gonzales Emergency Services District Board and Gonzales County EMS.

Investigation and review of payroll records by AFFIANT for Carla Russell for the calendar years of 2015 and 2016 revealed numerous discrepancies. According to all pay stubs issued to her by Gonzales County Emergency Medical Services (GCEMS) during the years 2015, 2016 and 2017, is a "Salary Supervisor" being compensated for that position at \$2,100 per pay check (twice monthly) until October 2016 when her compensation went up to \$2,600 per pay check. According to the Bid Specifications completed by Gonzales County EMS in 2011, Supervisors shall receive \$48,000.00.

For each of the following pay periods, Carla Russell received additional compensation for "Third out" consisting of payment for four (4) hours at \$25 per hour, for a total of \$100. Based on interviews with Gonzales County Emergency Medical Services personnel, "Third Out" occurs under the following conditions: Both first out ambulances, Medic 1 and Medic 2, are out on

calls when a third call comes in requiring personnel to use the ambulance designated Medic 6 to make the third call, thus the designation "Third out". According to page 2-5 of the 2010 and 2014 GCEMS Standard Operating Procedure (SOP) manuals, personnel making "Third out" calls as an EMT are paid \$20/hr. and those making calls as an EMT-1 or higher are paid \$25/hr. for the time worked on the call. The manuals further require that the "member is not on-duty or receiving shift compensation". (NOTE- the online GCEMS SOP was changed in February 2018, after the execution of the previously mentioned search warrants, omitting all information on page 2-5 and replacing it with the words "Blank Page"). Gonzales County EMS employees are required to list any "Third Out" calls on their Payroll Record as "extra hours" in order for them to be compensated.

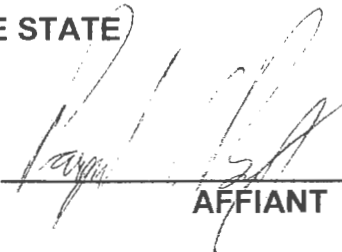
In relation to the compensation paid to Carla Russell for "Third out, as a supervisor she was to work shifts as needed without additional compensation. Investigation has shown that there are no Gonzales County EMS work schedules for 2015, 2016, or 2017 that document Carla Russell as working "Third out". The investigation has also shown that none of the seized Payroll Record documents completed by Carla Russell for each of the listed pay periods show any reference to "Third out" or "extra hours". Each "Third out" call claimed by Carla Russell was exactly four (4) hours in length, and one (1) four (4) hour call was claimed by Carla Russell in every pay period.

Further investigation showed that the Gonzales County EMS contract states that a Gonzales County EMS supervisor's pay, is paid at \$43,800 (365 x 24 x \$5), and is a line item included in the Bid Specifications written by Jim Russell. This appears to be the hourly rate paid to individuals for being the on-duty shift supervisor of operations for Gonzales County EMS. The rate for that duty was \$4.16 per hour until approximately 2009 when it was raised to \$5.00 per hour, and appears to be paid in addition to any other Gonzales EMS compensation that employee may be receiving simultaneously. The scheduling and payment of the supervisor's pay is at the discretion of Gonzales County EMS Director Jim Russell. The investigation and review of Gonzales County EMS payroll records show that since 2005, Jim Russell has received the majority of all supervisors' pay from Gonzales County EMS. Further investigation showed that for multiple pay periods, Jim Russell received supervisor's pay for three hundred (360) hours, and on occasion, received pay for as much as four hundred (408) hours in a pay period. The investigation showed that Gonzales County EMS has been on two-week (14 days) pay periods with every pay period containing exactly 336 hours. An example of this was for twenty nine (29) weeks during the time period of 04-18-2016 through 10-30-2016, which constituted 14 consecutive pay periods for a total of 4,872 hours. During that time period, Jim Russell was paid for 360 hours as a Gonzales County EMS shift supervisor for all fourteen (14) pay periods for a total of (14 X 360) 5040 hours at \$5.00 per hour for a total of twenty five thousand two hundred dollars (\$25,200). The number of hours that Jim Russell was paid, was five thousand forty hours (5040), which exceeded the actual number of hours in that pay period (4,872) by one hundred sixty eight (168) hours, which shows Jim Russell was overpaid by eight hundred forty

dollars (\$840) (168 X \$5). During that same time period, there were twenty four (24) days or five hundred seventy two (572) hours (24 X 24) that either Robert McCauley or Allen Linebrink were scheduled and paid to be the Gonzales County EMS shift supervisor instead of Jim Russell. The investigation showed that Jim Russell was overpaid for a total overpayment of \$3,700 (\$2,860 + \$840).

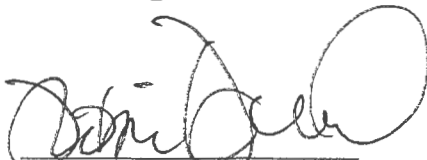
Therefore, it is clear that the defendant committed the offense of **Misapplication of Fiduciary Property**.

AGAINST THE PEACE AND DIGNITY OF THE STATE



AFFIANT

SUBSCRIBED AND SWORN TO before me by said affiant on this 31st day of May, 2018.



Notary Public

