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7 *Attorneys for Plaintiff*

8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
9 **IN AND FOR THE COUNTY OF SANTA CRUZ**

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11
12 THE STATE OF ARIZONA,
13 *Plaintiff,*
14 -v-
15 ROBERT CANCHOLA,
16 *Defendant.*

NO. _____

57 SGJ 79

I N D I C T M E N T

CHARGING VIOLATIONS OF:

COUNT 1
Theft
A.R.S. § 13-1802
class 5 felony

COUNTS 2, 17, 20
Misuse of Public Monies
A.R.S. § 35-301
class 4 felony

COUNTS 3-16
Theft
A.R.S. § 13-1802
class 6 felonies

COUNT 18
Fraudulent Schemes and Artifices
A.R.S. § 13-2310
class 2 felony

COUNTS 19
Theft
A.R.S. § 13-1802
class 3 felony

COUNTS 21-40
Conflict of Interest
A.R.S. § 38-503

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class 6 felonies

The Arizona State Grand Jury accuses ROBERT CANCHOLA, of committing the following crimes in Santa Cruz County, Arizona:

COUNT 1

Theft

Between on or about May 1999, and April 2000, defendant, ROBERT CANCHOLA, while acting in his capacity as the Santa Cruz County School Superintendent, without lawful authority, knowingly: (1) controlled property of another with the intent to deprive the other person of such property; or (2) converted for an authorized term or use services or property of another entrusted to the defendant or placed in the defendant's possession for a limited, authorized term or use.

This conduct occurred when defendant, ROBERT CANCHOLA, caused Santa Cruz County School funds (in an amount greater than \$1,000.00 but less than \$2,000.00) to be paid toward his personal auto repair expenses.

All violation of A.R.S. §§ 13-1802, 13-1801, 13-701, 13-702, 13-702.02, and 13-801.

COUNT 2

Misuse of Public Monies

Between on or about May 1999, and April 2000, defendant, ROBERT CANCHOLA, a public officer, charged with the receipt, safekeeping, transfer or disbursement of public money: (1) knowingly transferred the money when not authorized or directed by law; or (2) without authority of law, appropriated it, or any portion thereof, to his own use, or to the use of another. Said conduct occurred when defendant, ROBERT CANCHOLA, while acting as a public officer, as the Santa Cruz County School Superintendent, transferred money to pay for his personal auto repairs, without lawful authority, and\or appropriated it, or a portion thereof, to his own use.

All in violation of A.R.S. §§ 15-301, 35-301, 35-302, 13-701, 13-702, 13-702.02, and 13-801.

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Theft

On or about the dates listed below, defendant, ROBERT CANCHOLA, while acting in his capacity as the Santa Cruz County School Superintendent, without lawful authority, knowingly: (1) controlled property of another with the intent to deprive the other person of such property; or (2) converted for an authorized term or use services or property of another entrusted to the defendant or placed in the defendant’s possession for a limited, authorized term or use. This conduct occurred when defendant, ROBERT CANCHOLA, caused Santa Cruz County School funds (in amounts greater than \$250.00 but less than \$1,000.00) to be paid toward his personal auto loan, as listed below:

<u>COUNT</u>	<u>DATE</u>	<u>AMOUNT</u>
3	02/13/01	\$345.26
4	03/14/01	\$345.26
5	11/27/01	\$345.90
6	03/21/02	\$350.00
7	04/17/02	\$350.00
8	05/16/02	\$350.00
9	06/20/02	\$350.00
10	07/11/02	\$350.00
11	08/12/02	\$350.00
12	02/26/03	\$335.00
13	04/08/03	\$335.00
14	09/16/03	\$345.00
15	10/09/03	\$345.00
16	11/03/03	\$345.00

Each count in violation of A.R.S. §§ 13-1802, 13-1801, 13-701, 13-702, 13-702.02, and 13-801.

COUNT 17

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Misuse of Public Monies

Between on or about February 2001, and November 2003, defendant, ROBERT CANCHOLA, a public officer, charged with the receipt, safekeeping, transfer or disbursement of public money: (1) knowingly transferred the money when not authorized or directed by law; or (2) without authority of law, appropriated it, or any portion thereof, to his own use, or to the use of another. Said conduct occurred when defendant, ROBERT CANCHOLA, while acting as a public officer, as the Santa Cruz County School Superintendent, transferred money to pay for his personal auto loan, without lawful authority, and\or appropriated it, or a portion thereof, to his own use.

All in violation of A.R.S. §§ 15-301, 35-301, 35-302, 13-701, 13-702, 13-702.02, and 13-801.

COUNT 18

Fraudulent Scheme and Artifice

Between on or about February 2001 and March 2002, defendant, ROBERT CANCHOLA, pursuant to a scheme or artifice to defraud, knowingly obtained any benefit by means of false or fraudulent pretenses, representations, promises or material omissions. This conduct occurred when defendant, ROBERT CANCHOLA, caused Santa Cruz County school funds to be deposited into a company account he created to pay for personal expenses.

All in violation of A.R.S. §§ 13-2310, 13-2301, 13-1802, 13-1801, 13-301, 13-302, 13-303, 13-701, 13-702, 13-702.01, and 13-801.

COUNT 19

Theft

Between on or about February 2001 and March 2002, defendant, ROBERT CANCHOLA, while acting in his capacity as the Santa Cruz County School Superintendent, without lawful authority, knowingly: (1) controlled property of another with the intent to deprive the other person of such property; or (2) converted for an authorized term or use services or property of another entrusted to the defendant or placed in the

1 defendant's possession for a limited, authorized term or use. This conduct occurred when defendant,
2 ROBERT CANCHOLA, caused Santa Cruz County School funds (in an amount greater than \$3,000.00
3 but less than \$25,000.00) to be deposited into a company account he created to pay for personal expenses.

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5 All in violation of A.R.S. §§ 13-1802, 13-1801, 13-701, 13-702, 13-702.02, and 13-801.

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COUNT 20

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Misuse of Public Monies

8 Between on or about February 2001, and March 2002, defendant, ROBERT CANCHOLA, a public
9 officer, charged with the receipt, safekeeping, transfer or disbursement of public money: (1) knowingly
10 transferred the money when not authorized or directed by law; or (2) without authority of law, appropriated
11 it, or any portion thereof, to his own use, or to the use of another. This conduct occurred when defendant,
12 ROBERT CANCHOLA, while acting as a public officer, as the Santa Cruz County School Superintendent,
13 transferred Santa Cruz County school funds into a company account he created to pay for personal
14 expenses, without lawful authority, and/or appropriated it, or a portion thereof, to his own use.

15 All in violation of A.R.S. §§ 15-301, 35-301, 35-302, 13-701, 13-702, 13-702.02, and 13-801.

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COUNTS 21-30

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Conflict of Interest

19 On or about the dates listed below, defendant, ROBERT CANCHOLA, a public officer, or employee of a
20 public agency, had, or whose relative had a substantial interest in any contract, sale, purchase or service to
21 such public agency should have made known that interest in the official records of such public agency and
22 should have refrained from voting upon or otherwise participating in any manner as an officer or employee in
23 such contract, sale or purchase. This conduct occurred when defendant, ROBERT CANCHOLA, while
24 acting as a public officer, as the Santa Cruz County School Superintendent, failed to make it known in the
25 official records of Santa Cruz County that defendant, ROBERT CANCHOLA, and/or his family, had a

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1 substantial interest in the transactions, and awarded Santa Cruz County school funds to McDonald's and
2 Canchola Group, Inc., as listed below:

3	<u>COUNT</u>	<u>DATE</u>	<u>CHECK #</u>
4	21	01/27/99	116605
5	22	11/24/99	116668
6	23	02/15/00	116685
7	24	03/23/00	116698
8	25	05/02/00	519306
9	26	07/12/00	116722
10	27	01/23/01	116741
11	28	02/06/01	116750
12	29	12/05/01	535223
13	30	03/05/03	116822

14 Each count in violation of A.R.S. §§ 38-503, 38-510, 38-501, 38-502, 13-701, 13-702, 13-702.02, and
15 13-801.

16 COUNTS 31-40

17 **Conflict of Interest**

18 On or about the dates listed below, defendant, ROBERT CANCHOLA, a public officer, or employee of a
19 public agency, had, or whose relative had a substantial interest in any contract, sale, purchase or service to
20 such public agency should have made known that interest in the official records of such public agency and
21 should have refrained from voting upon or otherwise participating in any manner as an officer or employee in
22 such contract, sale or purchase. This conduct occurred when defendant, ROBERT CANCHOLA, while
23 acting as a public officer, as the Santa Cruz County School Superintendent, either: (1) failed to make it
24 known in the official records of Santa Cruz County that defendant, ROBERT CANCHOLA, and/or his
25 wife, Sandra Canchola, had a substantial interest in the transactions, and/or (2) awarded Santa Cruz County

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1 school funds to L.D. Consulting Services, as listed below:

2	<u>COUNT</u>	<u>DATE</u>	<u>CHECK #</u>
3	31	07/24/01	152207
4	32	08/06/01	155262
5	33	09/04/01	153851
6	34	11/06/01	534367
7	35	12/04/01	156822
8	36	01/22/02	158187
9	37	02/05/02	158342
10	38	05/07/02	161094
11	39	06/04/02	162208
12	40	08/06/02	164115

13 Each count in violation of A.R.S. §§ 38-503, 38-510, 38-501, 38-502, 13-701, 13-702, 13-702.02, and
14 13-801.

15 Pursuant to A.R.S. § 21-425, the State Grand Jurors allege that these offenses were committed in Santa
16 Cruz County, Arizona.

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1 TERRY GODDARD
2 Attorney General
3 State of Arizona

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5 M. DESI RUBALCABA
6 Assistant Attorney General
7 Criminal Division

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9 Date

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("True Bill")

FOREPERSON OF THE GRAND JURY