

Corona-Norco embezzlement could top \$2 million, report says



Ted Eugene Rozzi was charged with 30 felonies related to his work as the assistant superintendent of facilities at the Corona-Norco Unified School District. (Press-Enterprise photo)

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PUBLISHED: December 19, 2019 at 5:18 p.m. | UPDATED: December 27, 2019 at 2:18 p.m.

The amount of money that prosecutors say a former Corona-Norco school district official embezzled could be more than twice what was originally reported, a new report says.

[Ted Eugene Rozzi, 60, of Redlands](#), a longtime assistant superintendent of facilities, is accused of embezzling and laundering approximately \$1.17 million by depositing checks written by an Ontario contractor into his credit card accounts. Rozzi is due to be arraigned in Superior Court in Riverside on Friday, Dec. 20.

Edward Curtis Mierau, 65, of Ladera Ranch, the head of school builder Neff Construction, is scheduled to be arraigned Jan. 3 on charges that include money laundering and helping a public official financially benefit from a contract. Both men were charged Nov. 5.



A check written by Neff Construction of Ontario to Bank of America on July 10, 2014, for \$43,788.15 is shown. A number for a credit card account that authorities say belongs to former Corona-Norco school district facilities director Ted Rozzi was written in the memo field and is now blurred out. A credit card statement using the same account number shows a deposit of the same amount on July 14, authorities say. Rozzi is accused of diverting such checks that should have gone to the district to his credit card accounts instead. (Courtesy of FCMAT)

From 1992 to 2017, Rozzi supervised construction for the district. Cash-strapped districts will sometimes ask contractors to front the money to pay vendors before being reimbursed. During the investigation, which began in May 2017, search warrants were served and it was determined there were emails between Rozzi and Mierau in which Rozzi asked for checks to be written from Neff to various financial institutions and not the school district, the Riverside County District Attorney's Office said. Investigators said they determined that more than \$1.1 million was stolen between December 2011 and May 2017.

But that amount could be much higher, according to a 62-page report by the Fiscal Crisis & Management Assistance Team. The agency, created by state law, assists California schools with business operations and fiscal practices. Fiscal Crisis investigated the case on behalf of the Riverside County Office of Education.

A Riverside County sheriff's investigator identified 15 instances of emails with the associated checks written to various financial institutions between July 2014 and May 2017, totaling almost \$500,000, according to a declaration written to obtain arrest warrants for Rozzi and Mierau. Then two other credit card accounts belonging to Rozzi, UCLA Alumni Association and Alaska Airlines, were identified as having received 24 checks from Neff totaling more than \$600,000 from December 2011 to May 2017. Mierau would deliver some checks to Rozzi at dinners, the declaration said.

But Neff itself said there were many more checks, according to the Fiscal Crisis report.

In May 2017, facilities employee Nancy Baker discovered a document that said Rozzi requested Neff write a check to Bank of America and give it to Rozzi. Baker and another facilities employee, Lynne Murray, discussed the check and learned that the district did not do

business with Bank of America, the report said. The women contacted a Neff employee, Shelley Porter, and requested more checks. Porter sent those, including some made out to Chase and AT&T.

“In a follow-up phone call, Porter disclosed to Baker the total amount of checks like the ones identified so far written to Bank of America, AT&T and Chase Bank was \$2,638,636.82. However, after the follow-up phone call between Baker and Porter, communication from Porter stopped. As a result, Baker was unable to obtain additional data or backup documentation from Neff,” the report said.

The report showed an example of the documentation that prosecutors are relying on.

On July 10, 2014, Neff wrote — and Mierau signed — and check for \$43,788.15 made payable to Bank of America. Someone wrote an account number in the memo area, and on the reverse, that number was printed on the check when it was deposited. The report also displayed Rozzi’s Bank of America credit card statement with that same account number that showed a check for that same amount was deposited on July 14.

No evidence points to any other contractor writing suspicious checks in this case, the report said.

Mierau has 30 years of experience in the business, the arrest declaration notes.

“Due to the vast knowledge, expertise and experience in the field of school construction, Mierau should have, at some point, questioned the Rozzi-directed payments to Rozzi bank accounts,” the declaration said.

Mierau’s attorney, Rod Pacheco, said there is no evidence that Mierau committed a crime. Rozzi’s attorney, Eric D. Anderson, declined to comment.

Fiscal Crisis said Rozzi took advantage of a lack of oversight at the school district.

Before Rozzi resigned in 2017, the head of facilities reported only to the superintendent. Since, then, the district has reorganized, and the facilities director reports to the superintendent through the business department. Other layers of accountability have been added, Superintendent Michael Lin said.

<https://www.pe.com/2019/12/19/amount-of-alleged-embezzlement-in-corona-norco-school-construction-funds-could-top-2-million/#>