

**Report of Investigation into Discrepancies in Financial Reports
Submitted by the California Department of Parks and Recreation**

By Thomas M. Patton, Deputy Attorney General

EXECUTIVE SUMMARY

California's Natural Resources Agency issued a statement on July 20, 2012, advising that preliminary investigation into finances at the Department of Parks and Recreation "has revealed that for at least 12 years the department underreported tens of millions of dollars to the Department of Finance." The statement also advised that, as of the Parks Department's "most recently reported balances," the Department of Finance (DOF) was unaware of \$20,378,000 in the State Parks and Recreation Fund, and \$34,492,000 in the Off-Highway Vehicle (OHV) Fund. It has since been continuously reported that the Parks Department "has been sitting on nearly \$54 million in surplus money for at least 12 years." This report, based on extensive investigation, concludes that the amount of funds intentionally undisclosed is much more limited.

This investigation found no evidence of intentional or systematic failure to disclose OHV fund monies to the DOF, including the \$34 million described as having been under-reported to the DOF at the close of fiscal year 2010-11. Instead, the evidence indicates that the historically erratic and at times significantly disparate OHV fund balances reported to the DOF and State Controller's Office (SCO) are largely attributable to the timing and methodology of reporting a variety of multi-million-dollar events to those two control agencies. Examples of such events include large appropriations and deductions, followed by budget report reimbursements, for land purchases not consummated, multi-million-dollar loans of OHV monies to the general fund, and errant infusions in the 2010-11 and 2011-12 fiscal years of millions in fuel excise tax dollars later corrected and reclaimed by the Legislature. In four of the past nineteen years, such events have evidently resulted in anywhere from \$20.5 to \$35.1 million more OHV dollars being *over-*reported to the DOF when compared to balances reported to the SCO.

This investigation has yielded no evidence that any OHV monies were ever intentionally hidden. Instead, as the DOF has noted, these discrete fiscal events have contributed to significant disparities in OHV fund reports dating back to the 1990s.

The systematic non-disclosure to the DOF of millions in State Parks and Recreation Fund (SPRF) monies for the past 15 years is a different story. The disparity in SPRF balances reported to the DOF and SCO, and the resulting amount unreported to the DOF, grew consistently from \$5.5 million in 1996 to a high of \$29.2 million in 2003. The unreported amount then incrementally declined the next four years, from \$29.2 to \$20.2 million, and from 2007 to the present has remained close to \$20 million. Those SPRF monies, and how they came to exist, grow, partially contract, and be kept hidden from the DOF, are the focus of this report.

Based on interviews with 40 current and former state employees, and related documentation, the evidence indicates the disparity in SPRF year-end balance reports began and grew unintentionally during a challenging financial tracking and budgeting period from 1995 to 2003, resulting in far fewer dollars being reported for budget purposes to the DOF. During the first five years of this period, 1995 to 2000, the Department was engaged in a performance-based budgeting project, which reportedly entailed the added complexity of operating dual financial tracking and budgeting programs. This may be at the root of SPRF budget reporting errors that began around 1996. The growing disparity in SPRF balance reports may have been exacerbated in 2000 when Proposition 12 added \$1.364 billion in funding for California's parks, including \$519 million for capital improvement projects. The backup documentation for the SPRF budget fund condition statements submitted to the DOF over those past 16 years would be required to pinpoint precisely what caused the balance disparities, and it is unknown whether such material remains available. Thus, the original cause or causes of the SPRF balance disparities may never be fully understood. Regardless of its origins, the fact that the Department's budgeting manager, with assistance from her peers in accounting, set out in 2001 to study and understand the disparity strongly suggests that non-disclosure of SPRF monies to the DOF was not originally intended.

It is clear, however, that by no later than 2003, and perhaps as early as 1999, the failure to accurately report all SPRF monies to the DOF became conscious and deliberate. The facts show that former budget officer Becky Brown noticed the growing disparity as early as 1998. By late 2002, when the discrepancy in SPRF balance reports had reached \$26.8 million, the budget and accounting officers and their supervisor, Tom Domich, then-manager of fiscal services, were all aware of the discrepancy. Thereafter, from 2002 to 2012, numerous individuals failed to take appropriate action to ensure the monies were revealed to the DOF. The

primary reason consistently given for not doing so was fear that the Department would see its already-reduced general funding cut further if the extra monies in the SPRF were revealed. The embarrassment expected to result from revealing the funds was another motivating factor. Some witnesses attempted to shift responsibility by noting that the correct SPRF balance was always reported to the SCO. Throughout this period of intentional non-disclosure, some Parks employees consistently requested, without success, that their superiors address the issue. Ultimately, Aaron Robertson arrived as head of the Department's administrative services division and recognized his duty to report the matter up the chain of command, both within and outside the Department. Until then, no one had been willing to report the matter beyond their supervisors. Instead, people have consistently followed the directions of those above them that the fund balance disparity would not be disclosed to the DOF.

Conclusively identifying everyone who knew of the funds and gave orders that they not be reported to the DOF is difficult. Reports that former director Ruth Coleman knew of the funds are unreliable. One such assertion was attributed in media reports to Cheryl Taylor. Taylor stated during her interview in this investigation that the assertion was speculation. Two people, Rob Boriskin and Manuel Lopez, state that they believe they explained the situation and existence of disparate SPRF fund balance reports to Coleman, but are uncertain whether and to what extent she understood. What is apparent, however, is that by no later than 2003 then-financial services manager Tom Domich was informed about what was then approaching \$29 million in undisclosed SPRF monies. This is evident from the testimony of former accounting officer Freda Luan-Dun, who states that she and Domich and then-budget officer Becky Brown had many conversations about the issue. Similarly, former chief deputy Michael Harris states that, shortly after he arrived at Parks in November 2003, he received his original briefing about the undisclosed funds from Domich and Brown, and was told a decision had already been made not to disclose them to the DOF. Domich, however, refuses to acknowledge he was aware of the disparity in balance reports and the undisclosed SPRF monies.

Because Domich denies he knew of the funds, it is uncertain whether he alone made the decision in 2003 not to disclose the monies to the DOF, or whether he reported the issue to those above him, specifically former administrative services chiefs Denzil Verardo and Ron Brean, or Ruth Coleman, who became acting director in January 2002 and went on to serve as director until July 2012. Verardo, Brean, and Coleman have all stated that they did not know of the

funds. Former budget officer and then administrative services chief Manuel Lopez acknowledges he learned of the funds after arriving at Parks in April 2005. Lopez promptly reported the matter to his supervisor, then-administrative services deputy director Michael Harris, who was already aware. Over the ensuing years Lopez played a role in keeping the funds hidden from the DOF, but Lopez was not the first manager to learn of and order the funds be kept hidden, and he was not the highest-ranking manager known to have ordered their continued non-disclosure. The evidence indicates Domich made the initial decision not to disclose the funds, and in subsequent years Harris was the highest ranking manager who ordered their continued non-disclosure.

Ultimately, there is no indication the funds were ever expended. Because they were not reported to the DOF, the monies seem to have represented an essentially useless reserve that could not be spent by the Parks Department as there was no legislative appropriation to do so. With better internal management and oversight, and increased coordination and sharing of financial information among control agencies as now legislatively mandated, a repeat of any such non-disclosures should be less likely.

REPORT SYNOPSIS and TIMELINE OF EVENTS

Structure of Investigation and Report

At the request of the Governor's Office, the Attorney General's Office commenced an administrative investigation on July 18, 2012, into reports that the Department of Parks and Recreation had for years been under-reporting funds to the Department of Finance (DOF). Within days the DOF provided a spreadsheet detailing the fund balances reported to the DOF and the State Controller's Office (SCO) for the State Parks and Recreation Fund (SPRF) and Off-Highway Vehicle (OHV) Fund between fiscal years ending 1998 through 2011. That document was later corrected and expanded to include fiscal years ending 1993 to 2011. The DOF's corrected spreadsheet is attached hereto as **Exhibit A** and tells much of the story.¹

¹ Exhibit A shows that disparities of \$2.4 to \$5.5 million existed in SPRF balance reports submitted to the DOF and SCO between fiscal years ending 1993 to 1996. The DOF advised that it did not retrieve and present additional historical balance reporting data because the numbers during that time period were relatively stable, the disparity percentage was relatively low in relation to the total size of the SPRF fund which generates some \$100 million each year, and because some amount of disparity can be normal in light of differences in methodologies for

The Parks Department promptly cooperated in providing all requested information and materials.² Departmental organization charts dating back to 2000 were obtained and are attached hereto as **Exhibit B**. A graph and timeline attached hereto as **Exhibit C** depicts the disparity between year-end SPRF fund balances reported to the DOF and SCO from 1993 to 2011, juxtaposed with nine key positions and the individuals who held them throughout that same period. A similar graph and timeline attached as **Exhibit D** depicts key personnel and the disparity between year-end balances reported to the DOF and SCO for the OHV fund from 1993 to 2011. Exhibits C and D were prepared using the DOF's financial data reflected in Exhibit A and personnel data derived from a variety of sources, including Department organization charts and records, published biographies, and the recollections and reports of individuals. In some instances precise months of service were not identifiable, and service dates depicted are therefore approximate. The personnel history charts attached as Exhibits C and D are therefore instructive but not definitive in all cases.

The individuals occupying key positions in Parks managerial and financial posts over the past 15 years were identified and efforts made to locate and record interviews with them. Interviewees were advised this was an administrative investigation, and current employees were informed that their truthful cooperation was required. All persons asked to participate in a recorded interview accepted the request, with the exception of former director Ruth Coleman, who advised through her attorney she would not do so but would consider responding to written questions. Coleman's request for this special accommodation was declined.

providing budgeting and accounting reports. It is thus important to note that 1993 is the first year reflected on the DOF spreadsheet solely because that is how far back the DOF elected to retrieve and present numbers, and does not establish that any problems related to non-disclosure of funds existed between 1993 and 1996, or that any problems began in 1993.

² Aaron Robertson, formerly deputy director of administrative services and now chief deputy, is credited for opening his office and ensuring all requests for information and materials were promptly satisfied. Robertson was expertly assisted in that effort by his assistant, Lynn Black. Chief accounting officer Dorothy Kroll has been a reliable source of invaluable information and historical knowledge, and chief budget officer Elsie Brenneman has been helpful with research. As a whole the Parks Department has been remarkably helpful and cooperative, and this in-depth investigation benefitted greatly from that assistance.

Summaries of the interviews of 40 witnesses are attached hereto and arranged alphabetically by last name. An organizational and chronological witness index is included and lists the witnesses interviewed by name, title, and dates of service. This material is most easily understood if witness statements and related materials are considered chronologically. Accordingly, the sections below provide a chronological overview of the investigation results and conclusions. It is recommended that this overview and organizational list of witnesses be reviewed first, and the full summaries read in approximately the same chronological order. Referral to the Exhibit C timeline will also help the reader identify the logical chronological order.

Overview of Disparities in Balance Reports for the State Parks and Recreation Fund

The annual SPRF disparity figures produced by the DOF and set out in Exhibit A reveal a number of important things. First, some disparity in the SPRF balance reports to the DOF and SCO existed before 1996, and in the additional years reflected in Exhibit A, 1993 to 1995, ranged from \$2.4 to \$4.5 million. But this is not in and of itself necessarily improper. The SPRF generates fee revenue and other income of approximately \$100 million per year.³ Witnesses state that budget reports to the DOF often reflect encumbrances and projected expenditures that are not yet accrued obligations, and thus are properly not reflected in year-end “California modified accrual” balance reports submitted to the SCO. Witnesses suggest that disparities of five percent or less between the reported budget balance and year-end modified accrual balance for the SPRF are not necessarily problematic. The fact that an amount of legitimate disparity can exist due to timing and methodology of reporting funds to the DOF and SCO appears to underlie previous DOF memos detailing such disparities and asking departments to reconcile them. (See **Exhibits E, F, G, and H.**) It was also among the reasons reportedly given by the DOF in August 2012 for why other explainable discrepancies existed with regard to reported special fund balances.⁴

³ See **Exhibit J** attached (Fund Condition Statement as of 6/30/11- Fund 0392 State Parks and Recreation Fund).

⁴ Los Angeles Times, *California budget audit finds no other hidden funds*, August 3, 2012 - <http://latimesblogs.latimes.com/california-politics/2012/08/california-budget-audit.html>.

After 1996, however, the discrepancy in DOF budget versus SCO year-end balance reports for the SPRF (and thus the amount under-reported to the DOF) grew consistently and dramatically--from \$5.5 million as of June 30, 1996, to a high of \$29.2 million on June 30, 2003. (See Exhibit A.) The amount of SPRF monies unreported to the DOF then declined at the close of fiscal years ending 2004, 2005, 2006, and 2007, in respective increments of \$2.49, \$2.76, \$2.34, and \$1.37 million. From 2007 to 2011 the undisclosed amount remained relatively steady at close to \$20 million. Given this growth, decline, and stabilization in the amount of unreported SPRF funds, this investigation focused on the following issues: (1) how the discrepancy in SPRF balances began and grew; (2) when the discrepancy was detected; (3) who knew about and who ultimately decided the additional SPRF funds would not be disclosed to the DOF; (4) why the decision was made not to disclose the additional SPRF funds to the DOF; and (5) what plans were in place and executed to correct the balance discrepancy. The short answers to these questions follow.

Advent and growth. The discrepancy in SPRF fund balance reports apparently began and grew as a result of unintended errors in calculating and reporting prior-year adjustment figures in annual budget reports between 1996 and 2002. Dual financial tracking and budgeting processes were reportedly executed during a performance-based budgeting program that ran from 1995 to 2000, and may have led to errors in calculating prior-year adjustments for the SPRF budget report. The passage of Proposition 12 in 2000, which added \$1.364 billion in bond monies to California's parks, including \$519 million for capital improvement reportedly spent over the course of three high-expenditure years, may have exacerbated the prior-year adjustment miscalculations and further skewed the SPRF budget reports.⁵ Current budget officer Elsie Brenneman states that the backup documentation required to recreate all past SPRF budget fund condition reports over the past 19 years, and to pinpoint the exact errors, is likely not available. Thus the reasons for the advent and growth in the SPRF fund balance report discrepancy are not fully known and may never be.

⁵ The Parks Department's website notes: "In 2000, California voters approved a general obligation bond to address several key resources needs. The bond, the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000, known as Proposition 12, allocated \$1.364 billion to California State Parks with \$519 million for additions and improvements to the State Park System. (The remaining \$845 million is for local park grants.)" (See http://www.parks.ca.gov/?page_id=24975.)

But the conclusion that the beginning of the discrepancy and its growth between 1996 and 2002 was unintentional is well supported by the fact that, in 2001, then-budget officer Becky Brown sought help from the Parks accounting section to research and identify why the discrepancy existed. That Brown did so dispels the notion a cache of SPRF monies hidden from the DOF was deliberately established. The fact that in later years various managers, such as then-budget officer Manuel Lopez and then-administrative services deputy director Michael Harris, sought discreetly to reconcile incrementally the balance figures and in at least one year did so, further indicates the balance report disparity began as an error. In any event, no evidence has been adduced that suggests the disparity in SPRF balance reports was initially conceived, or began its dramatic ascent in fiscal year 1997-98, as a result of intentional conduct.⁶

Initial detection and analysis. As early as 1998, and by not later than November of 2001, the existence of the disparity had been detected by then-budget officer Becky Brown, who asked the accounting section in 2001 for help examining it. In the fall of 2002 the disparity had been examined by then-accounting specialist Dorothy Kroll, and Kroll explained to Brown and key budget staff members that the problem appeared to lie in the prior-year adjustment figures set out in prior budget fund condition statements. Brown and Kroll discussed it with others, including then-accounting chief Freda Luan-Dun. Brown and Luan-Dun also discussed it with their supervisor, then-financial services manager Tom Domich.

Original decision not to correct. By the fall of 2002, when Kroll explained her findings to Brown, and well after Brown first detected the problem, the disparity in SPRF balance reports had reached \$26,825,000. By the end of fiscal year 2002-03 at the latest, the first in a series of annual decisions not to correct the discrepancy (and thereby not to reveal the funds to the DOF) was deliberately made. That the first deliberate decision not to disclose the funds was made not later than 2003 is apparent since the discrepancy had been clearly identified not later than the fall of 2002, but rather than being corrected the unreported amount grew once again to its ultimate high of \$29,184,000 as of June 30, 2003. The statements of former accounting chief Freda Luan-

⁶ A DOF audit report issued December 21, 2012, states at pages 1 and 2 that all disparities over the past 19 years in SPRF and OHV balances reported to the DOF and SCO are the result of “intentionally under-reporting fund balances to Finance.” This statement is over-inclusive as it does not distinguish events that unintentionally affected OHV fund balance reports, and the DOF did not have the benefit of information gained in this investigation that shows the SPRF balance discrepancy began unintentionally, and only later became systematic and intentional.

Dun and former chief deputy director Michael Harris show that the discrepancy was reported by Brown and Luan-Dun to their supervisor, Tom Domich. Domich refuses to acknowledge these facts and unpersuasively denies all knowledge of the disparity and his role in the deception. It thus may never be known whether Domich acted alone in making the initial decision not to report the funds, or whether he reported the issue up the chain of command to his long-time supervisor and friend, then-administrative services director Denzil Verardo, or to Verardo's interim successor, Ron Brean. Consequently, it also cannot be determined with certainty whether the matter was reported to Ruth Coleman, who became acting director in January 2002 and went on to serve as director until July 2012.⁷ In any event, Verardo and Brean deny, and Coleman reportedly denied, any knowledge of the unreported funds.

Proffered rationales for non-disclosure. After the initial discovery and decision not to correct the issue, the disparity in reported SPRF fund balances and intentional non-disclosure of funds continued, with some downward adjustments to the disparity, through the next generation of budget and administrative services managers, including Manuel Lopez and Michael Harris. The reason consistently provided by witnesses for not fully correcting the balance report discrepancy and revealing the funds to the DOF was a fear the Department's general fund appropriation would be cut if the DOF learned of the monies. The Department had previously sustained cuts to its general fund and been forced to rely more on its SPRF park fee revenues. In

⁷ The DOF's audit report issued December 21, 2012, at page 4, states that the "former Deputy Director of the Administrative Services Division was responsible for the unauthorized vacation buy-back program *and misreporting of fund balances* as well as other critical business functions, such as accounting and procurement." (Emphasis added.) This is an apparent reference to Manuel Lopez, who was determined in May 2012 to have engineered the improper vacation buy-back program. As to misreporting SPRF fund balances, however, the existence of the unreported funds was identified by Parks finance employees and managers not later than the fall of 2002. The intentional non-reporting of those funds thus began not later than during the next round of budget reports in 2003, two years before Lopez came to the Department as budget officer in April 2005. Lopez played a role in the continued failure to report an amount of SPRF funds to the DOF, but the original decision necessarily predates Lopez, and all indications are it was made by then-financial services manager Tom Domich. In any event, all final decisions to continue the non-disclosure were made by persons other than Lopez, either by those at the highest levels of management or, assuming neither Verardo, Brean, nor Coleman was informed, by Domich and subsequently by former administrative services deputy director and then chief deputy director Michael Harris.

particular, Domich's statements reveal his keen sensitivity to and ongoing fear of such cuts, a fear reportedly shared by others in the Parks Department.⁸

Other explanations. Apparent discrepancies in SPRF balance reports to the DOF and SCO were among special fund balance discrepancies pointed out by the DOF in fund balance discrepancy memos issued to the Parks Department and other agencies in 1998, 1999, 2002, and 2003. (Exhibits E, F, G, and H attached hereto.) The discrepancies were not properly reconciled by the Parks Department, and it is not known what actions the DOF took to further investigate. The DOF memos were discontinued after 2003. An internal DOF email in 2006 states that the DOF's fund balances discrepancy memos stopped after 2003 because "the SCO has been unable to provide us with the file containing their balances."⁹ (**Exhibit I** attached hereto.)

As some Parks Department personnel have pointed out, the balances reported to the SCO have always been readily and publicly available through the SCO's website. Thus Manuel Lopez and his former assistant administrative services officer, David Saxby, are not entirely incorrect when they note that the correct fund balance for the SPRF has in fact been reported over the years. But it certainly has not been correctly reported to the DOF. The enactment of Assembly Bill 1487 in September 2012, which requires that the DOF and SCO share state financial information, hopefully eliminates the possibility of future non-disclosures.

Attempting to incrementally address the discrepancy. Manuel Lopez reports that, while he was budget officer in 2005, and with the approval of then-administrative services deputy director Michael Harris, he accomplished one incremental correction in the SPRF balance reported to the DOF. That correction is likely reflected in the reduced SPRF balance disparity that existed as of June 30, 2006, which constituted a \$2.34 million reduction from the disparity that existed on June 30, 2005. It is unknown whether additional, similar "corrections" to the SPRF prior-year adjustment figure are what account for the balance disparity reductions of \$2.49, \$2.76, and \$1.37 million reflected at the close of fiscal years ending in 2004, 2005, and 2007, respectively.

⁸ The embarrassment expected to result from revealing the funds was another motivating factor.

⁹ Long-time Parks employee and current accounting chief Dorothy Kroll saved the 2002 and 2003 DOF balance discrepancy memos and provided them during her interview. The DOF volunteered the balance discrepancy memos issued in 1998 and 1999, and the 2006 internal email concerning why they had been discontinued.

Current budget officer Elsie Brenneman reports that she has compared SPRF revenues and expenditures reported to the DOF and SCO for each year going back to 2000, and the amounts reported to the two offices are consistent. It thus appears the other unexplained incremental corrections which reduced the disparity between balances reported to the DOF and SCO, and thus reduced the amount of funds undisclosed to the DOF, are likely due to changes traceable to prior-year adjustment figures, the component originally identified as the root cause of the balance reporting disparities. Consequently, the evidence only shows that the disparity between reports has been reduced, and does not indicate the amount of actual funds has been reduced or that there has been any surreptitious expenditure of SPRF funds.

Disparities in Balance Reports for the Off-Highway Vehicle Fund

With regard to the OHV fund, Exhibit A reveals that, from 1993 to 2011, discrepancies in the DOF budget and SCO year-end balance reports have been highly erratic. In the 19 years detailed on Exhibit A, the balance reports have been within \$6 million of one another seven times, and within \$3 million on six of those seven occasions. In eight of the years, anywhere from \$11.5 to \$33.5 million more has been reported to the SCO than to the DOF. But in four other years (2002, 2006, 2007, and 2010) the opposite has occurred, and anywhere from \$20.5 to \$35.1 million more has been *over*-reported to the DOF when compared to the balances reported to the SCO.

No evidence has been adduced that suggests any OHV monies have been intentionally unreported to the DOF. Instead, witnesses consistently claim the disparities in OHV fund balance reports are due to: (1) differences in how the multi-million-dollar loans of OHV monies to the general fund, now totaling \$160 million, are required to be reported to the DOF and SCO; (2) reporting and timing issues relating to appropriations, encumbrances, and crediting back of funds for proposed multi-million-dollar OHV land acquisitions that were never consummated; and (3) an unintended and subsequently corrected multi-million-dollar infusion of fuel excise tax dollars into the OHV fund. The DOF audit report of December 21, 2012, at page 7, footnote 1, likewise observes that the OHV fund received an errant influx of tax monies in fiscal years 2010-11 and 2011-12, which was later corrected and the OHV fund then reduced by \$103.8 million. The DOF audit division earlier advised this investigator that the errant tax event

“partially attributes” to the \$34 million OHV balance report disparity as of June 30, 2011, and the DOF audit section further advised:

Variations between the SCO and the Governor’s Budget for the Off-Highway Vehicle Fund in prior fiscal years can partially be attributed to timing differences for loans to the general fund, and errors in fuel tax allocations. These variations are in the process of being corrected and will be reflected in 2012-13 fiscal year financial statements and the Governor’s Budget.

The available evidence thus does not support a claim that OHV fund balances have been systematically, intentionally under-reported to the DOF over the years, as has been the case with the undisclosed monies in the SPRF.

Fund balance reports for the SPRF and OHV fund have very different histories and therefore must be considered separately. The SPRF fund balance reports involve admitted deception (intentional under-reporting) while the OHV fund balance reports do not appear to involve deception. Rather, they involve multi-million-dollar events with related complex accounting and reporting issues. It is a mistake to analyze and make claims about both funds simultaneously as if they were related. Doing so, and focusing on the fact that \$33.4 million more OHV dollars were reported to the SCO at the close of fiscal year ending 2011, without recognizing that millions more OHV monies were reported to the DOF than the SCO the previous year (and in other prior years) would perpetuate the misconception that tens of millions of OHV dollars have been consistently and intentionally unreported to the DOF for years. Unless analyses are done of each of the annual OHV fund condition reports to the DOF and SCO, including a thorough examination of all significant fiscal events and how they were accounted and reported, it cannot be said with any authority that any OHV funds have been intentionally under-reported to the DOF. Complicated accounting and reporting issues relating to the OHV funds exist, and the challenging work of reconciling and explaining the disparate OHV fund balance reports is left to those with the requisite expertise.

**ORGANIZATIONAL AND CHRONOLOGICAL
LIST OF WITNESSES INTERVIEWED**

1. Directors:

Patricia Megason	(December 1997 to January 1999)
Rusty Areias	(March 1999 to January 2002)

2. Chief Deputy Directors:

Mary Wright	(1999 to 2001)
Paul Romero	(March 2004 to June 2008)
Michael Harris	(Fall 2008 to July 2012)

3. Deputy Directors of Administrative Services:

Denzil Verardo	(1994 to May 2003)
Ron Brean	(June to October 2003)
Michael Harris	(November 2003 to July 2005)
Manuel Lopez	(April 2007 to October 2011)
Kirk Sturm	(October to December 2011)
Aaron Robertson	(January 2012 to present)

4. Assistant Deputy Directors of Administrative Services:

Tom Domich	(1987 to 2004)
Rob Boriskin	(February 2005 to April 2006)
Olaya Paschal	(2007 to 2009)
(now Slaughterback)	
Gayle Bohlmann	(June 2009 to June 2010)
David Saxby	(July 2010 to August 2012)

5. Budget Officers:

Becky Brown	(1997 to 2005)
Manuel Lopez	(April 2005 to March 2007)
Cheryl Taylor	(March 2008 to January 2011)
Elsie Breneman	(February 2011 to present)

6. Assistant Budget Officers (aka “support budget manager”):

Alan Fujii	(1993 to 2003)
Jason Summers	(2004 to 2007)
Marilyn Evans-Jones	(April 2008 to November 2011)
Rachele Manges	(February 2011 to present)

7. Budget Analysts:

Lisa Coronado	(1992 to present)
Wendy Nodohara	(2000 to present)

8. Accounting Officers:

Freda Luan-Dun	(1997 to 2005)
Olaya Paschal	(2006 to 2007)
(now Slaughterback)	
Dorothy Kroll	(2007 to present)

9. Assistant Accounting Officers:

Cheryl Kilzer	(1992 to 2002)
Dorothy Kroll	(2003 to 2007)
Lisa Ortega	(2009 to present)

10. Deputy Directors of Parks Operations:

Ron Brean	(2003 to Fall 2004)
Ted Jackson	(November 2004 to February 2009)
Tony Perez	(March 2009 to July 2012)
Mary Veliquette (Visitor Services Manager)	(2004 to present)

11. Deputy Directors, Off-Highway Vehicle Division:

Daphne Greene	(2004 to December 2011)
Phil Jenkins	(January 2012 to present)

12. Other witnesses:

Roy Stearns (Deputy Director, Communications)	(June 2000 to present)
Sedrick Mitchell (Deputy Director, External Affairs)	(1999 to present)
Steve Lehman (Deputy Director, Acquisition & Development)	(2004 to present)
William Herms (Deputy Director, Legislation)	(2007 to 2012)
Arthur Lee (Chief of Audits)	(May 2009 to present)
Wayne Donaldson (State Historic Preservation Officer)	(2004 to September 2012)
Nancy Leonard (Supervisor of Becky Brown at FI\$CAL)	

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ALPHABETICAL INDEX OF WITNESS INTERVIEW SUMMARIES

1. Rusty Areias
Director: March 1999 to January 2002
2. Gayle Bohlmann
Assistant Deputy Director, Administrative Services: June 2009 to June 2010
3. Rob Boriskin
Assistant Deputy Director, Administrative Services: February 2005 to April 2006
4. Ron Brean
Deputy Director, Administrative Services: 2003 to Fall 2004
5. Elsie Brenneman
Budget Officer: February 2011 to present
6. Becky Brown
Budget Officer: 1997 to 2005
7. Lisa Coronado
Budget Analyst: 1992 to present
8. Tom Domich
Assistant Deputy Director, Administrative Services: 1987 to 2004
9. Milford Wayne Donaldson
State Historic Preservation Officer: 2004 to September 2012
10. Marilyn Evans-Jones
Assistant Budget Officer (aka “support budget manager”): April 2008 to November 2011
11. Alan Fujii
Assistant Budget Officer (aka “support budget manager”): 1993 to 2003
12. Daphne Greene
Deputy Director, Off-Highway Vehicle Division: 2004 to December 2011
13. Michael Harris
Chief Deputy Director: Fall 2008 to July 2012
Deputy Director, Administrative Services: November 2003 to July 2005

14. William Herms
Deputy Director, Legislation: 2007 to 2012
15. Ted Jackson
Deputy Director, Parks Operations: November 2004 to February 2009
16. Phil Jenkins
Deputy Director, Off-Highway Vehicle Division: January 2012 to present
17. Cheryl Kilzer
Assistant Accounting Officer: 1992 to 2002
18. Dorothy Kroll
Accounting Officer: 2007 to present
Assistant Accounting Officer: 2000 to 2007
19. Arthur Lee
Chief of Audits: May 2009 to present
20. Steve Lehman
Deputy Director, Acquisition & Development: 2004 to present
21. Nancy Leonard
Supervisor of Becky Brown at FI\$CAL
22. Manuel Lopez
Deputy Director, Administrative Services: April 2007 to October 2011
Budget Officer: April 2005 to March 2007
23. Freda Luan-Dun
Accounting Officer: 1997 to 2005
24. Rachele Manges
Assistant Budget Officer (aka “support budget manager”): February 2011 to present
25. Patricia Megason
Chief Deputy Director: December 1997 to January 1999
26. Sedrick Mitchell
Deputy Director, External Affairs: 1999 to present
27. Wendy Nodorhara
Research Analyst, Budget Office: 2000 to the present
28. Lisa Ortega
Assistant Accounting Officer: 2009 to present

29. Tony Perez
Deputy Director, Parks Operations: March 2009 to July 2012
30. Aaron Robertson
Deputy Director, Administrative Services: January 2012 to present
31. Paul Romero
Chief Deputy Director: March 2004 to June 2008
32. David Saxby
Assistant Deputy Director, Administrative Services: July 2010 to August 2012
33. Olaya Paschal (now Slaughterback)
Assistant Deputy Director, Administrative Services: August 2007 to May 2009
34. Roy Stearns
Deputy Director, Communications: June 2000 to present
35. Kirk Sturm
Deputy Director, Administrative Services: October to December 2011
36. Jason Summers
Assistant Budget Officer (aka “support budget manager”): 2004 to 2007
37. Cheryl Taylor
Budget Officer: March 2008 to January 2011
38. Mary Veliquette
Deputy Director, Parks Operations: 2004 to present
39. Denzil Verardo
Deputy Director, Administrative Services: 1994 to May 2003
40. Mary Wright
Chief Deputy Director: 1999 to 2001

**Report of Investigation into Discrepancies in Financial Reports
Submitted by the California Department of Parks and Recreation**

**ORGANIZATIONAL AND CHRONOLOGICAL
LIST OF WITNESSES INTERVIEWED**

1. Directors: Patricia Megason (December 1997 to January 1999)

2. Chief Deputy Directors: Mary Wright (1999 to 2001)
Paul Romero (March 2004 to June 2008)
Michael Harris (Fall 2008 to July 2012)

3. Deputy Directors of Administrative Services:
Denzil Verardo (1994 to May 2003)
Ron Brean (June to October 2003)
Michael Harris (Nov 2003 to July 2005)
Manuel Lopez (April 2007 to October 2011)
Kirk Sturm (October to December 2011)
Aaron Robertson (January 2012 to present)

4. Assistant Deputy Directors of Administrative Services:
Tom Domich (1987 to 2004)
Rob Boriskin (February 2005 to April 2006)
Olaya Paschal (2007 to 2009)
(now Slaughterback)
David Saxby (July 2010 to August 2012)

5. Budget Officers: Becky Brown (1997 to 2005)
Manuel Lopez (April 2005 to March 2007)
Cheryl Taylor (March 2008 to January 2011)
Elsie Brenneman (February 2011 to present)

6. Assistant Budget Officers (aka “support budget manager”)
Alan Fujii (1993 to 2003)
Jason Summers (2004 to 2007)
Marilyn Evans-Jones (April 2008 to November 2011)
Rachele Manges (February 2011 to present)

7. Budget Analysts: Lisa Coronado (1992 to present)
Wendy Nodohara (2000 to present)

8. Accounting Officers: Freda Luan-Dun (1997 to 2005)
 Olaya Paschal (2006 to 2007)
 (now Slaughterback)
 Dorothy Kroll (2007 to present)
9. Assistant Accounting Officers:
 Cheryl Kilzer (1992 to 2002)
 Dorothy Kroll (2003 to 2007)
 Lisa Ortega (2009 to present)
10. Deputy Directors of Parks Operations:
 Ron Brean (2003 to fall 2004)
 Ted Jackson (November 2004 to February 2009)
 Tony Perez (March 2009 to July 2012)
 Mary Veliquette (2004 to present)
 (Visitor Services Manager)
11. Deputy Directors, Off-Highway Vehicle Division:
 Daphne Greene (2004 to December 2011)
 Phil Jenkins (January 2012 to present)
12. Other witnesses:
 Roy Stearns (June 2000 to present)
 (Deputy Director, Communications)
 Sedrick Mitchell (1999 to present)
 (Deputy Director, External Affairs)
 Steve Lehman (2004 to present)
 (Deputy Director, Acquisition & Development)
 William Herms (2007 to 2012)
 (Deputy Director, Legislation)
 Arthur Lee (May 2009 to present)
 (Chief of Audits)
 Wayne Donaldson (2004 to September 2012)
 (State Historic Preservation Officer)
 Nancy Leonard
 (Supervisor of Becky Brown at FISCAL)