Documents show how state parks moved money around

By Kevin Yamamura, Sacramento Bee

The state Department of Parks and Recreation routinely searched for ways to spend extra money each June despite facing the threat of park closures and forgoing upkeep at its 278 properties, based on newly released transcripts from an internal investigation.

Testimony from 30 interviews with state employees portrays parks administrators who appeared to have the opposite problem from one long described by Gov. Jerry Brown – excess cash left over and not enough ways to spend it.

That was the case in June 2011, when the investigation found former parks administrator Manuel Thomas Lopez tapped some of the funds for a cash buyout of accumulated leave without authorization. The state Resources Agency made transcripts available late Friday from the completed report by Deputy Attorney General Corinne Murphy on Lopez's actions.

Brown's administration revealed last month that the parks department had long hidden $54 million without reporting it to the Department of Finance and state lawmakers, who have constitutional authority over spending in California. In the past year, private donors and other government agencies have contributed under the impression the parks department did not have a dime to spare. Longtime state parks director Ruth Coleman and other top officials resigned last month.

The documents depict a department that wanted to keep secret a reserve of its own special funds to hedge against future financial problems while securing – and spending – as much state general fund money each year as it could.

Department of Finance spokesman H.D. Palmer said his office was unaware that parks officials had hidden funds until July. Finance and the state Department of Justice are investigating further.

“I’m not going to get into what (our audit) is going to conclude, other than there was something very much awry in the way parks was working their budget operations,” Palmer said.

In the documents, Cheryl Taylor, a former state parks budget director, described a cat-and-mouse game that parks officials played with finance officials to protect their department’s share of general fund money.

The parks department is funded by fee revenues and taxpayer dollars. Taylor suggested parks officials kept a hidden surplus in the fee-based State Parks and Recreation Fund because they feared the Finance Department and lawmakers would cut the share of department funds that comes from taxpayers.

Read the whole story