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TRANSCRIPTION OF RECORDED INTERVIEW

OF

Steve Lehman

September 26, 2012
Sacramento, California

Investigation of Department of Parks
and Recreation - Financial Irregularities

Interviewed by: Thomas M. Patton
Deputy Attorney General
Office of the Attorney General
State of California

Transcribed by: Zipporah Geralnik
eScribers, Inc.
October 4, 2012
New York, New York

(SA201210710)

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1 MR. PATTON: The time is 9:40 a.m.
2 Wednesday, September 26th, 2012. This is
3 Thomas M. Patton, Deputy Attorney General
4 speaking. With me is Investigator Michael
5 Mattson (ph.); he's an investigator with the
6 Department of Justice. And we have with us,
7 sir, if you'd identify yourself?

8 MR. LEHMAN: Steve Lehman. I'm
9 deputy director for acquisition and
10 development in State Parks.

11 MR. PATTON: And how do you spell
12 your last name?

13 MR. LEHMAN: L-E-H-M-A-N.

14 MR. PATTON: Deputy director,
15 acquisition and development. And you've been
16 in that role for how long?

17 MR. LEHMAN: First week in November,
18 it'll be eight years.

19 MR. PATTON: Okay. First week in
20 November will be eight years.

21 MR. LEHMAN: Eight years.

22 MR. PATTON: So you started eight
23 years ago, almost.

24 MR. MATTSON: Thank you.

25 MR. LEHMAN: Yeah.

1 MR. PATTON: That would take us back
2 to '04. Started in that role in November '04.

3 MR. LEHMAN: '04?

4 MR. PATTON: If my math is any good.

5 MR. LEHMAN: Yeah, that's -- that
6 would do it.

7 MR. PATTON: Okay. Good. And had
8 you been in -- with Parks before that?

9 MR. LEHMAN: No.

10 MR. PATTON: You came to Parks from
11 where?

12 MR. LEHMAN: Department of Finance.

13 MR. PATTON: Oh.

14 MR. LEHMAN: And just prior to that,
15 Legislative Analyst's Office.

16 MR. PATTON: You were at finance for
17 how long?

18 MR. LEHMAN: Eight years.

19 MR. PATTON: And you were with LAO
20 for how long?

21 MR. LEHMAN: Three years.

22 MR. PATTON: What was your job at
23 finance?

24 MR. LEHMAN: I was a principal
25 program budget analyst.

1 MR. PATTON: Principal program
2 budget analyst. So you know something about
3 budgets.

4 MR. LEHMAN: A little bit.

5 MR. PATTON: And what was your job
6 at LAO?

7 MR. LEHMAN: I was a principal
8 fiscal and policy analyst.

9 MR. PATTON: Okay.

10 (Knock on door)

11 MR. PATTON: Yes.

12 UNIDENTIFIED SPEAKER: I'm sorry.
13 Steve, did you want Jennifer to go on back
14 or --

15 MR. LEHMAN: Oh, you know what?

16 MR. PATTON: we're going to go off
17 for one sec here.

18 UNIDENTIFIED SPEAKER: I'm sorry.

19 MR. PATTON: It's all right.

20 MR. LEHMAN: She can go.

21 UNIDENTIFIED SPEAKER: Oh, okay.

22 MR. LEHMAN: Sorry about that.

23 MR. PATTON: No worries. Okay. We
24 had a brief interruption. We're back on the
25 record. Better make sure my audio/visual --

1 MR. MATTSON: Yeah, we're good.

2 MR. PATTON: Okay. So you were a
3 principal fiscal policy analyst.

4 MR. LEHMAN: Fiscal and policy
5 analyst.

6 MR. PATTON: Okay. So what we're
7 doing, as you probably area aware, is we've
8 been tasked with talking to people and looking
9 at this history of some discrepancy in the
10 reports -- the fund reports submitted to the
11 finance department and to the controller. And
12 we're just asking all the various division
13 managers if they've ever heard of this or if
14 anybody had ever -- you know, ever made
15 mention, maybe called something a reserve or
16 if you have any knowledge that might be
17 relevant to this at all.

18 MR. LEHMAN: No. I heard about this
19 shortly after it went public -- shortly before
20 it went public, I should say.

21 MR. PATTON: And who'd you hear
22 about it from?

23 MR. LEHMAN: You know, I think it
24 was Pat Kemp at agency that mentioned it to me
25 that Erin (ph.) had found a discrepancy in our

1 fund condition. And not long thereafter, a
2 friend of mine who works at the controller's
3 office is chief executive operating officer
4 over there --

5 MR. PATTON: John Hiber?

6 MR. LEHMAN: John Hiber called me
7 and said he got a PRA request to look at our
8 fund condition versus their fund condition.
9 And he said there is a big discrepancy. And I
10 told him, well, you probably ought to give
11 Erin a call.

12 MR. PATTON: So that was the first
13 you heard of it?

14 MR. LEHMAN: Um-hum.

15 MR. PATTON: So you, for eight
16 years, you're part of the --

17 MR. LEHMAN: Executive team?

18 MR. PATTON: Yeah.

19 MR. LEHMAN: Yeah.

20 MR. PATTON: Yeah. And I understand
21 there's a large and a small executive
22 committee?

23 MR. LEHMAN: There was under Ruth
24 Coleman, yeah.

25 MR. PATTON: And are you part of

1 both?

2 MR. LEHMAN: Both. The small
3 committee are the deputy directors and the
4 large committee had a couple of add-ons. The
5 state historic preservation officer and, I
6 think, the planning division chief and --

7 MR. PATTON: And some of the second
8 lieutenants, I think.

9 MR. LEHMAN: Yeah, maybe.

10 MR. PATTON: Yeah. So you've been
11 going to executive committee meetings, large
12 and small, on a weekly basis for years.

13 MR. LEHMAN: Yes.

14 MR. PATTON: And so I guess then
15 this issue of we may have some reserve funds
16 never got touched on?

17 MR. LEHMAN: It was never discussed
18 in those meetings.

19 MR. PATTON: Okay. Okay.

20 MR. LEHMAN: Which, you know, is
21 kind of disheartening to know that we're going
22 through a closure plan and several people
23 sitting around that table knew about this.

24 MR. PATTON: Because I'm sure fiscal
25 issues came up at those meetings, right?

1 MR. LEHMAN: Um-hum.

2 MR. PATTON: Oh, yeah.

3 MR. LEHMAN: Absolutely.

4 MR. PATTON: Did you ever talk, in
5 those meetings -- off-highway vehicle, someone
6 from that division would be there, right?

7 MR. LEHMAN: Yeah. The deputy for
8 off-highway vehicle division was there.

9 MR. PATTON: Do you recall any
10 discussions about --

11 MR. LEHMAN: A reserve there?

12 MR. PATTON: Well, or just -- just,
13 you know, big fiscal issues, you know, big
14 loans, big tax infusions --

15 MR. LEHMAN: Well, the loans, you
16 know, like, what the governor did or the
17 legislature did where they took a loan out of
18 there. You know, we talked about those. But
19 those were part of the, you know, annual
20 budget negotiations that were taking place
21 then and there.

22 MR. PATTON: Yeah. Yeah. Okay.
23 I -- so you first learned about this talking
24 with Pat Kemp. You talked to John Hiber over
25 at the controller's office. Anybody else

1 you've talked to at Parks about it?

2 MR. LEHMAN: At Parks? Well, we've
3 have, clearly, discussions --

4 MR. PATTON: Yes.

5 MR. LEHMAN: -- since it came out.

6 MR. PATTON: Yeah.

7 MR. LEHMAN: Wit Erin and company,
8 sure.

9 MR. PATTON: Okay. You haven't
10 talked to the former director about it?

11 MR. LEHMAN: No.

12 MR. PATTON: Okay.

13 MR. LEHMAN: No. I mean, as soon as
14 this hit, she resigned and that's the last
15 I've heard from her.

16 MR. PATTON: Okay.

17 MR. LEHMAN: And the same thing with
18 Michael Harris. He never said a word about
19 this.

20 MR. PATTON: Okay. Okay. Anything
21 else you might add that --

22 MR. LEHMAN: No. I feel kind of
23 embarrassed at how out of the loop I was.

24 MR. PATTON: Yeah.

25 MR. LEHMAN: But it's just kind of

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surprising.

MR. PATTON: Yeah. Okay. That will
conclude it.

MR. LEHMAN: All right.

MR. PATTON: We're off the record
at --

MR. MATTSON: 9:47.

(Off the record at 9:47 a.m.)

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TRANSCRIBER'S CERTIFICATE
Steve Lehman interview on 9-26-12

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

 This is to certify that I
transcribed the foregoing pages 1 to 10 to the
best of my ability from an audio recording
submitted by Heidi Webb at the California
Department of Justice, in Sacramento,
California.

 I have subscribed this certificate
at New York, New York, this 4th day of
October, 2012.

Zipporah Geralnik
eScribers, Inc.

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[lehman - yeah]

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[years - zipporah]

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