

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
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TRANSCRIPTION OF RECORDED INTERVIEW

OF

Nancy Leonard

August 29, 2012

Sacramento, California

Investigation of Department of Parks &
Recreation - Financial Irregularities

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

Transcribed by: David Rutt,
eScribers, Inc.
September 11, 2012
New York, New York

(SA201210710)

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1 MR. PATTON: So we're on the record
2 at 2:11 over at the FisCal offices at 2000
3 Evergreen Street, Suite 200H, with one Nancy
4 Leonard, a budget person with the Department
5 of Finance involved in the FisCal project, a
6 team project with the Controller's office,
7 Treasurer, and Department of General Services.
8 And Nancy Leonard is the supervisor of Becky
9 Brown.

10 Right?

11 MS. LEONARD: Yes.

12 MR. PATTON: All right. And Nancy,
13 as I indicated, we got a call -- we were
14 scheduled to talk with Becky Brown at 12 -- at
15 1:30, and I got a call -- a message from her
16 on my voice mail at 12:42 saying she would be
17 unavailable and would have to call and
18 reschedule. And we wanted to come by and make
19 sure, first of all, that that was true and
20 then to arrange to talk with her because we
21 understand she's leaving when?

22 MS. LEONARD: Tomorrow. She's a
23 retired annuitant. All retired annuitants or
24 student assistants are no longer --

25 MR. PATTON: Okay.

1 MS. LEONARD: -- with the
2 departments.

3 MR. PATTON: And she's -- she did
4 get called to duty today to go sit on some
5 sort of an interview panel?

6 MS. LEONARD: Correct. I'm
7 interviewing for an Accounting Admin 1, that
8 she sat on the panel with me.

9 MR. PATTON: Okay. What kind of
10 work then has Becky been -- Brown been doing
11 for you here?

12 MS. LEONARD: Well, Becky's been
13 with the FisCal project for six years. She
14 does -- she preps the governor's budget. She
15 works on budget change proposals. She works
16 closely with our accounting folks -- well, at
17 one accounting triple A, social accounting
18 person. She's great. I mean --

19 MR. PATTON: She's been handling the
20 responsibility of preparing the budget
21 proposal for the governor?

22 MS. LEONARD: Correct. But the
23 budget change proposal, we -- an EAW was done,
24 economic analysis worksheet is how -- when the
25 project first started, it's how we're costing

1 out then and our future years of how much we
2 need each fiscal year and how much staffing we
3 need each fiscal year. I don't think she was
4 a part of that. But based on what was
5 completed, we do adjust positions as we're
6 working through the budget change proposal.
7 We work with the teams. We work with the PBEs
8 from all the different control agencies that
9 are our partners, and they let us know, yes,
10 these are the type of positions we need, any
11 kind of changes we need to make. That's what
12 she's been working with me on. And her and I
13 have had a lot of knowledge transfer over the
14 last three months. She's great. She is
15 fantastic.

16 MR. PATTON: Very knowledgeable
17 about --

18 MS. LEONARD: Knowledgeable.
19 Unbelievable.

20 MR. PATTON: -- about how budgets
21 work.

22 MS. LEONARD: Yes.

23 MR. PATTON: Yep. Now, you
24 indicated she's been working primarily on
25 dealing with budget change proposals?

1 MS. LEONARD: Right. She updates
2 the EAWs if there's any need to update, for
3 example, the system integrator.

4 MR. PATTON: What's an AW?

5 MS. LEONARD: An EAW, economic
6 analysis worksheet.

7 MR. PATTON: Okay.

8 MS. LEONARD: So any time we have
9 changes in cost, she will help us update those
10 changes.

11 MR. PATTON: Okay.

12 MS. LEONARD: So if we have -- where
13 the system integrator needed -- like in
14 '13-'14, we scheduled out for that fiscal year
15 X amount. Well, they wanted to move it to the
16 '12-'13 budget. So as long as our bottom line
17 doesn't change, we can move the funds. So
18 that's what she helps me with. And it's all
19 tracked on Excel spreadsheet.

20 MR. PATTON: Yeah.

21 MS. LEONARD: It all goes to Steve
22 McCall -- Steven McCall, our Deputy Director,
23 and Assistant Deputy Director. They approve
24 everything before it leaves this office. So
25 she works very close with them.

1 MR. PATTON: Is your operation also
2 preparing annually a -- what I've been -- had
3 described to me as a fund condition statement
4 basically in the fall -- or at the end of the
5 fiscal year, there's a fund condition
6 statement, and then a budget for the next
7 fiscal year is --

8 MS. LEONARD: Correct.

9 MR. PATTON: -- built around that?

10 MS. LEONARD: Yeah.

11 MR. PATTON: You do that here also?

12 MS. LEONARD: Correct.

13 MR. PATTON: Has she been involved
14 in that?

15 MS. LEONARD: Well, I think she's
16 the one that's been doing the fund condition
17 statements, but I don't know for sure. We
18 haven't gotten that far in our training.

19 MR. PATTON: When -- have you ever
20 done a fund condition statement?

21 MS. LEONARD: Um-hum, I've done in
22 other departments.

23 MR. PATTON: You indicated she's
24 working very closely with people in
25 Accounting?

1 MS. LEONARD: Yes.

2 MR. PATTON: Why is that? Why does
3 she need to do that?

4 MS. LEONARD: Because our accounting
5 person isn't -- doesn't have the experience to
6 read an economic analysis worksheet, doesn't
7 have the experience to read what a BCP planner
8 is that shows all of our positions and the
9 positions that one time continuing costs. So
10 we help break that out because what we're
11 doing is developing a cost allocation plan for
12 FisCal, so we need to break out percentages
13 and dollars, and that's where she's very
14 helpful in helping us determine that.

15 MR. PATTON: Do you do, as part of
16 your process, a report to the Controller's
17 office as what's called a year-end financial
18 statement?

19 MS. LEONARD: We do not do that at
20 FisCal. We contract with CFS who is part of
21 Department of General Services. So we use
22 CALSTARS. She's not involved in that at all.
23 That's all my accounting person over here.
24 No, we work with them. We provide them
25 numbers. They do all of our year-end

1 financial statements.

2 MR. PATTON: When you go to build
3 your budget and do the fund condition
4 statement and then start building your budget
5 for the next year, do you utilize the
6 information that accounting or your
7 provider -- outside provider has worked on and
8 reported to the Controller's office.

9 MS. LEONARD: I haven't -- like I
10 said, I haven't gotten that far. I haven't
11 done a budget cycle with FisCal yet.

12 MR. PATTON: Okay.

13 MS. LEONARD: So that's where she's
14 been very helpful.

15 MR. PATTON: Okay.

16 MS. LEONARD: So --

17 MR. PATTON: Is your understanding
18 that the two reports that there's a necessary
19 relationship that you're going to need the
20 accounting numbers to work into your -- to
21 arrive at your fund condition statement or do
22 you know nothing about that?

23 MS. LEONARD: Again, I don't know
24 what the process is here until I work with
25 her.

1 MR. PATTON: Okay. All right. But
2 you consider her very, very knowledgeable?

3 MS. LEONARD: Yes.

4 MR. PATTON: How's her -- and her
5 memory?

6 MS. LEONARD: Is great.

7 MR. PATTON: Okay.

8 MS. LEONARD: Yeah.

9 MR. PATTON: Is she a detail
10 oriented -- is she able to --

11 MS. LEONARD: Very detail oriented.
12 Can explain things very well.

13 MR. PATTON: And she's been with you
14 for six years?

15 MS. LEONARD: She's been with the
16 project for six years. She's been with me for
17 three months.

18 MR. PATTON: Okay. Have you had
19 occasion to discuss with her things going back
20 a year or two or more?

21 MS. LEONARD: No.

22 MR. PATTON: Okay.

23 MS. LEONARD: I mean, when you say
24 back to -- I mean --

25 MR. PATTON: You're saying there's a

1 transfer of knowledge going on here, trying to
2 have her teach you things, is she -- or you
3 ever go take the way-back machine at all to
4 talk about things in a prior fiscal year?

5 MS. LEONARD: Yeah. I mean, we'll
6 talk about, like, the current year, the
7 current year we're sitting in today --

8 MR. PATTON: Yeah.

9 MS. LEONARD: -- where we're at.
10 You know, budget letters are coming up as you
11 can see, and things are due to Finance and
12 just kind of how we gather that information
13 and -- yeah, she is very knowledgeable. I
14 have the utmost respect for her.

15 MR. PATTON: Okay. Okay. And
16 she's -- from what you could gather, her
17 ability to recall details during whatever time
18 period is --

19 MS. LEONARD: Yeah, is very good.

20 MR. PATTON: Okay. I think that's
21 all we need on the record.

22 MR. MATTSON: What's your position
23 title?

24 MS. LEONARD: Staff Services Manager
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MR. MATTSON: Okay. Thank you.

MS. LEONARD: You're welcome.

MR. MATTSON: And it is 2:19.

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TRANSCRIBER'S CERTIFICATE
Nancy Leonard interview on 8-29-12

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

 This is to certify that I
transcribed the foregoing pages 1 to 11 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 11th day of
September, 2012.

David Rutt
eScribers, Inc.

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[& - information]

&	audio 11:4 12:12	control 4:8	f
& 1:10	august 1:7	controller's 2:6 7:16	fall 6:4
1	aw 5:4	8:8	fantastic 4:15
1 3:7 12:11	b	correct 3:6,22 6:8	far 6:18 8:10
11 1:21 12:11	back 9:19,24 10:3	6:12	finance 2:5 10:11
11th 12:17	based 4:4	cost 5:9 7:11	financial 1:11 7:17
12 2:14 5:16	basically 6:4	costing 3:25	8:1
12:42 2:16	bcp 7:7	costs 7:9	first 2:19 3:25
13 5:14,16	becky 2:8,14 3:10	county 12:8	fiscal 2:2,5 3:13 4:2
14 5:14	becky's 3:12	current 10:6,7	4:3 5:14 6:5,7 7:12
1:30 2:15	best 12:12	cycle 8:11	7:20 8:11 10:4
2	bottom 5:16	d	folks 3:16
2 10:25	break 7:10,12	david 1:19 12:21	foregoing 12:11
2000 2:2	brown 2:9,14 3:10	day 12:17	fund 6:3,5,16,20 8:3
200h 2:3	budget 2:4 3:14,15	dealing 4:25	8:21
2012 1:7,21 12:18	3:20,23 4:6,25 5:16	department 1:10	funds 5:17
29 1:7	6:6 8:3,4,11 10:10	2:4,7 7:21 12:14	future 4:1
2:11 2:2	budgets 4:20	departments 3:2	g
2:19 11:3	build 8:2	6:22	gather 10:12,16
8	building 8:4	deputy 1:14 5:22,23	general 1:14,16 2:7
8-29-12 12:3	built 6:9	described 6:3	7:21
a	c	detail 9:9,11	go 3:4 8:2 10:3
ability 10:17 12:12	california 1:8,17	details 10:17	goes 5:21
able 9:10	12:6,13,15	determine 7:14	going 8:19 9:19 10:1
accounting 3:7,16	call 2:13,15,17	developing 7:11	good 10:19
3:17,17 6:25 7:4,23	called 3:4 7:17	different 4:8	gotten 6:18 8:10
8:6,20	calstars 7:22	director 5:22,23	governor 3:21
adjust 4:5	certificate 12:2,16	discuss 9:19	governor's 3:14
admin 3:7	certify 12:10	doing 3:10 6:16 7:11	great 3:18 4:14 9:6
agencies 4:8	cfs 7:20	dollars 7:13	h
allocation 7:11	change 3:15,23 4:6	due 10:11	handling 3:19
amount 5:15	4:25 5:17	duty 3:4	heidi 12:13
analysis 3:24 5:6 7:6	changes 4:11 5:9,10	e	help 5:9 7:10
annually 6:2	close 5:25	eaw 3:23 5:5	helpful 7:14 8:14
annuitant 2:23	closely 3:16 6:24	eaws 5:2	helping 7:14
annuitants 2:23	come 2:18	economic 3:24 5:5	helps 5:18
approve 5:23	coming 10:10	7:6	how's 9:4
arrange 2:20	completed 4:5	escribers 1:20 12:22	hum 6:21
arrive 8:21	condition 6:3,5,16	evergreen 2:3	i
assistant 5:23	6:20 8:3,21	example 5:3	indicated 2:13 4:24
assistants 2:24	consider 9:2	excel 5:19	6:23
attorney 1:14,15	continuing 7:9	experience 7:5,7	information 8:6
	contract 7:20	explain 9:12	10:12

[integrator - things]

<p>integrator 5:3,13 interview 1:1 3:5 12:3 interviewed 1:13 interviewing 3:7 investigation 1:10 involved 2:5 6:13 7:22 irregularities 1:11</p>	<p>mccall 5:22,22 mean 3:18 9:23,24 10:5 memory 9:5 message 2:15 months 4:14 9:17 move 5:15,17</p>	<p>pbes 4:7 people 6:24 percentages 7:12 period 10:18 person 2:4 3:18 7:5 7:23 plan 7:11 planner 7:7 position 10:22 positions 4:5,10 7:8 7:9 preparing 3:20 6:2 preps 3:14 primarily 4:24 prior 10:4 process 7:16 8:24 project 2:5,6 3:13 3:25 9:16 proposal 3:21,23 4:6 proposals 3:15 4:25 provide 7:24 provider 8:7,7</p>	<p>sat 3:8 saying 2:16 9:25 scheduled 2:14 5:14 see 10:11 september 1:21 12:18 services 2:7 7:21 10:24 shows 7:8 sit 3:4 sitting 10:7 six 3:13 9:14,16 social 3:17 sort 3:5 spreadsheet 5:19 ss 12:7 staff 10:24 staffing 4:2 start 8:4 started 3:25 state 1:17 12:6 statement 6:3,6,20 7:18 8:4,21 statements 6:17 8:1 steve 5:21 steven 5:22 street 2:3 student 2:24 submitted 12:13 subscribed 12:16 suite 2:3 supervisor 2:8 sure 2:19 6:17 system 5:3,13</p>
<p>j</p>	<p>n</p>	<p>r</p>	<p>t</p>
<p>justice 12:14</p>	<p>nancy 1:5 2:3,8,12 12:3 necessary 8:18 need 4:2,3,10,11 5:2 7:3,12 8:19 10:21 needed 5:13 new 1:22,22 12:17 12:17 numbers 7:25 8:20</p>	<p>s</p>	<p>take 10:3 talk 2:14,20 10:4,6 teach 10:2 team 2:6 teams 4:7 thank 11:1 things 9:12,19 10:2 10:4,11</p>
<p>k</p>	<p>o</p>	<p>sa201210710 1:24 sacramento 1:8 12:8 12:14</p>	
<p>kind 3:9 4:11 10:12 know 4:9 6:17 8:22 8:23 10:10 knowledge 4:13 10:1 knowledgeable 4:16 4:18 9:2 10:13</p>	<p>o0o 1:25 12:23 occasion 9:19 office 1:15 2:6 5:24 7:17 8:8 offices 2:2 okay 2:25 3:9 5:7,11 8:12,15 9:1,7,18,22 10:15,15,20 11:1 operation 6:1 oriented 9:10,11 outside 8:7</p>		
<p>l</p>	<p>p</p>		
<p>leaves 5:24 leaving 2:21 leonard 1:5 2:4,8,11 2:22 3:1,6,12,22 4:18,22 5:1,5,8,12 5:21 6:8,10,12,15 6:21 7:1,4,19 8:9,13 8:16,23 9:3,6,8,11 9:15,21,23 10:5,9 10:19,24 11:2 12:3 letters 10:10 line 5:16 long 5:16 longer 2:24 lot 4:13</p>	<p>pages 12:11 panel 3:5,8 parks 1:10 part 4:4 7:15,20 partners 4:9 patton 1:13 2:1,12 2:25 3:3,9,19 4:16 4:20,23 5:4,7,11,20 6:1,9,11,13,19,23 7:2,15 8:2,12,15,17 9:1,4,7,9,13,18,22 9:25 10:8,15,20</p>		
<p>m</p>			
<p>m 1:13 machine 10:3 mail 2:16 manager 10:24 mattson 10:22 11:1 11:3</p>			

[think - york]

think 4:3 6:15 10:20 thomas 1:13 three 4:14 9:17 time 5:8 7:9 10:17 title 10:23 today 3:4 10:7 tomorrow 2:22 tracked 5:19 training 6:18 transcribed 1:19 12:11 transcriber's 12:2 transcription 1:1 transfer 4:13 10:1 treasurer 2:7 triple 3:17 true 2:19 trying 10:1 two 8:18 9:20 type 4:10	works 3:15,15 5:25 worksheet 3:24 5:6 7:6
	x
	x 5:15
	y
	yeah 5:20 6:10 9:8 10:5,8,13,19 year 4:2,3 5:14 6:5,7 7:17,25 8:5 9:20 10:4,6,7 years 3:13 4:1 9:14 9:16 yep 4:23 york 1:22,22 12:17 12:17
u	
um 6:21 unavailable 2:17 unbelievable 4:19 understand 2:21 understanding 8:17 update 5:2,9 updates 5:1 use 7:21 utilize 8:5 utmost 10:14	
v	
voice 2:16	
w	
wanted 2:18 5:15 way 10:3 webb 12:13 welcome 11:2 work 3:10 4:7,7,21 7:24 8:20,24 worked 8:7 working 4:6,12,24 6:24	