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TRANSCRIPTION OF RECORDED INTERVIEW

OF

Rachele Manges

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.
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New York, New York

(SA201210710)

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1 MR. PATTON: All right. We're on
2 the record. It's 8:41 a.m. Wednesday,
3 September 26th, 2012. Thomas M. Patton,
4 Deputy Attorney General speaking. With me is
5 agent Michael Mattson (ph.) of the Department
6 of Justice. And we also have with us this
7 morning -- if you would introduce yourself and
8 spell your name.

9 MS. MANGES: Rachele Manges.
10 R-A-C-H-E-L-E M-A-N-G-E-S.

11 MR. PATTON: And Rachele -- I'm
12 looking for the second L, but I'm not going to
13 find it. You are employed at the Parks
14 Department in what capacity?

15 MS. MANGES: I am one of the budget
16 managers.

17 MR. PATTON: One of the budget
18 managers. Did you -- I think we -- before we
19 went on the tape, we were just talking about
20 getting a promotion.

21 MS. MANGES: Yes. I was recently
22 promoted to an SSMII.

23 MR. PATTON: Staff service
24 manager --

25 MS. MANGES: Two.

1 MR. PATTON: -- services manager II,
2 which there's only one of those in the budget
3 section, correct?

4 MS. MANGES: That's correct.

5 MR. PATTON: And what's your -- so
6 you're the number two under the budget
7 officer, Elsie Brenneman.

8 MS. MANGES: That's correct.

9 MR. PATTON: And what is your
10 function as a staff services manager II?

11 MS. MANGES: Allocations,
12 projections --

13 MR. PATTON: You supervise the staff
14 that handle allocations, projections --

15 MS. MANGES: Currently, I'm actually
16 doing both myself right now. We're
17 understaffed.

18 MR. PATTON: Okay.

19 MS. MANGES: So we just recently
20 hired a new manager and another gentleman who
21 comes on on the first.

22 MR. PATTON: And you got promoted to
23 this spot when?

24 MS. MANGES: I believe in July.

25 MR. PATTON: And before that? Why

1 don't you actually start at the beginning of
2 your Parks career and tell me when you started
3 it and in what capacity and we'll go forward.

4 MS. MANGES: Okay. I started with
5 Parks in 2001 as a PI office technician in the
6 Cultural Resources Division, now called
7 Archaeology History Museum Division.

8 MR. PATTON: Okay.

9 MS. MANGES: I was there for six
10 years and then was promoted to a BSOI,
11 business service officer I in the
12 procurement --

13 MR. PATTON: In 2007?

14 MS. MANGES: 2006 or 2007.

15 MR. PATTON: Okay. You were
16 promoted to what?

17 MS. MANGES: Business service
18 officer I.

19 MR. PATTON: Okay. In what section?

20 MS. MANGES: Business management
21 services. It was the procurement unit. So
22 reviewed the PAPOs.

23 MR. PATTON: What's a PAPO?

24 MS. MANGES: Purchase order.

25 MR. PATTON: Okay.

1 MS. MANGES: That came in from the
2 district and all of the other purchasing
3 documents.

4 MR. PATTON: So you were in
5 procurement.

6 MS. MANGES: I was there for nine
7 months, about, and got promoted to AGPA,
8 associate government program analyst, in the
9 bonds unit, which is a subsection of the
10 budget office.

11 MR. PATTON: Do you remember what
12 year that was?

13 MS. MANGES: Two thousand -- like
14 December 2006.

15 MR. PATTON: Okay.

16 MS. MANGES: I think.

17 MR. PATTON: Okay. So you were in
18 the bond unit as an AGPA until?

19 MS. MANGES: Until -- well, I was
20 promoted to an RAI I -- research analyst II in
21 the bond unit. And then I became the support
22 budget manager, January 2011.

23 MR. PATTON: Support manager in the
24 budget shop.

25 MS. MANGES: At the time, we were

1 separated out as support, local assistance and
2 capital ally. So there was two manager Is.

3 MR. PATTON: And you were the
4 support manager for that --

5 MS. MANGES: The support and local
6 assistance manager.

7 MR. PATTON: For local assistance.
8 Starting in January of 2011, you said?

9 MS. MANGES: Yes.

10 MR. PATTON: Okay. Okay. So you'd
11 been in admin services since you came to Parks
12 in 2001 --

13 MS. MANGES: No, since 2006.

14 MR. PATTON: Since 2006.

15 MS. MANGES: Yeah. Archaeology
16 History Museum is part of Park Operations.

17 MR. PATTON: Oh, okay.

18 MR. MATTSON: What's it called?
19 Archaeology --?

20 MS. MANGES: History Museums
21 Division. It used to be called Culture
22 Resources.

23 MR. PATTON: Okay. Business
24 services manager starting in 2006. So who --
25 who hired you, then, to come over into admin

1 services in 2006?

2 MS. MANGES: I was hired by Tim
3 Woods.

4 MR. PATTON: Okay. And his job
5 was -- he was the business services --

6 MS. MANGES: He was the business
7 services manager --

8 MR. PATTON: Okay.

9 MS. MANGES: -- at the time.

10 MR. PATTON: Now what we've been --
11 what we're looking at and have been asking
12 people -- so I'm going to cut right to the
13 heart of the matter is you've probably seen
14 the reports in the paper about disparities in
15 fund condition reporting. Disparities between
16 the reports going to the controller's office
17 and to the finance department. And you're
18 nodding your head yes.

19 MS. MANGES: Yes. Yes, I've read
20 the --

21 MR. PATTON: Okay.

22 MS. MANGES: I've tried to stop
23 reading those.

24 MR. PATTON: And what we're
25 interested in finding out -- we've talked with

1 a number of people who knew something about
2 it, varying degrees. Some people, you know,
3 maybe just heard references to reserves, other
4 people knew a little bit more in terms of the
5 actual documentation. So we just want to find
6 out if you'd ever heard of this because it
7 goes back quite a few years.

8 MS. MANGES: Right.

9 MR. PATTON: So you just tell us
10 whatever you might know --

11 MS. MANGES: Okay.

12 MR. PATTON: -- that's related to
13 that.

14 MS. MANGES: So I really don't know
15 much. I do know, when I did become one of the
16 managers of the budget section and Elsie came
17 on, when she was looking into things, that
18 there was a discrepancy in the SPRF fund
19 balance.

20 MR. PATTON: This was in 2011, now?

21 MS. MANGES: This is in 2011. So
22 very recent.

23 MR. PATTON: Okay. And so what you
24 learned, you learned from Elsie?

25 MS. MANGES: Well, she has asked if

1 I had known why there was a discrepancy. And,
2 you know, I had basically been there a few
3 months before her.

4 MR. PATTON: So --

5 MS. MANGES: So I didn't --

6 MR. PATTON: You didn't know.

7 MS. MANGES: -- know anything. Unh-
8 unh.

9 MR. PATTON: Okay. So Elsie asked
10 if you knew why there was a discrepancy -- not
11 just within SPRF but between SPRF and
12 something else.

13 MS. MANGES: No, I didn't actually
14 know that there was a discrepancy in OHV -- in
15 the OHV fund.

16 MR. PATTON: No, I'm not asking
17 about OHV.

18 MS. MANGES: Oh.

19 MR. PATTON: You said she asked you
20 if you knew why there was a discrepancy in
21 SPRF.

22 MS. MANGES: Well, in the way that
23 it -- in the fund balance, basically.

24 MR. PATTON: Reported in SPRF --

25 MS. MANGES: Right.

1 MR. PATTON: -- to these two
2 entities.

3 MS. MANGES: Right.

4 MR. PATTON: And your response
5 was --

6 MS. MANGES: No.

7 MR. PATTON: -- didn't know that.

8 MS. MANGES: Didn't know that.

9 MR. PATTON: Okay. All right. Have
10 you done any additional work tracking that
11 down?

12 MS. MANGES: No. I did not work on
13 budget development last year.

14 MR. PATTON: Okay. Okay. So that's
15 the extent of what you heard about any
16 discrepancies in SPRF.

17 MS. MANGES: Right. I know that
18 Dorothy, the accounting manager, had said that
19 it stemmed back from when Becky Brown was the
20 budget officer.

21 MR. PATTON: Okay.

22 MS. MANGES: But that's basically
23 all that I knew until the newspaper started
24 reporting.

25 MR. PATTON: Okay. And then you

1 jumped ahead to my next question. I think you
2 told me -- what'd you say about OHVs?

3 MS. MANGES: The OHV one I learned
4 in the paper like everyone else.

5 MR. PATTON: Okay. So you'd never
6 heard anything --

7 MS. MANGES: Yeah. I never heard --

8 MR. PATTON: -- anything about OHV.

9 MS. MANGES: -- that there was any
10 problems with the OHV --

11 MR. PATTON: Okay.

12 MS. MANGES: -- fund.

13 MR. PATTON: Okay. All right. And
14 we've let people know, as we've talked about
15 this that it appears that the suggestion that
16 OHV has had undisclosed, unreported funds for
17 a long period of time. That actually doesn't
18 appear to be the case. It appears that there
19 are accounting issues --

20 MS. MANGES: Right.

21 MR. PATTON: Why are you nodding
22 your head yes to that? You've heard that --

23 MS. MANGES: Well, no, yeah, now
24 I've heard that. Just because, you know,
25 we've had to start looking into it and pulling

1 records for the auditors and --

2 MR. PATTON: Okay. Okay. And have
3 you been helping with that?

4 MS. MANGES: No. Not really.

5 MR. PATTON: Okay.

6 MS. MANGES: Because I'm still
7 working on budget development. We're still
8 trying to do allocations for this year. With
9 all of the cuts, it's been extremely hard to
10 try to figure out who's getting what. So I've
11 kind of been hands off, again, on budget
12 development this year.

13 MR. PATTON: You've been hands on?

14 MS. MANGES: Hands off.

15 MR. PATTON: Hands off.

16 MS. MANGES: Well --

17 MR. PATTON: Have you ever --

18 MS. MANGES: -- I mean, it just
19 started but --

20 MR. PATTON: Have you ever helped
21 with the fund condition statement going to
22 finance?

23 MS. MANGES: No. This will only be
24 the second round --

25 MR. PATTON: Okay.

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MS. MANGES: -- since I've been in this position.

MR. PATTON: Okay.

MS. MANGES: And we didn't do the fund balance on the bonds when I was in the bond side because -- I don't know why we don't report the fund balance for the bonds.

MR. PATTON: Okay. I think that's all we have for you. We appreciate your time, Rachele and we're going to go off the record at 8:50.

(Off the record at 8:50 a.m.)

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TRANSCRIBER'S CERTIFICATE
Rachele Manges interview on 9-26-12

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

 This is to certify that I
transcribed the foregoing pages 1 to 13 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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