

Summary of 12-14-12 interview of Patricia Megason

Interview and summary by Thomas M. Patton, Deputy Attorney General

Patricia Megason served at the Department of Parks and Recreation from 1993 to 1999. In 1993, then-Governor Wilson appointed Megason deputy director of legislation. In 1995 Wilson appointed Megason chief deputy director, and when director Donald Murphy left at the end of 1997, Megason was designated acting director. Megason served as acting director from approximately December 1997 to January 1999, and left the Department at that time when former Governor Davis took office. Megason previously worked as chief of staff to Assemblywoman Jean Moorhead, and as a staff member to Assemblyman Steve Clute. (Patricia Megason 12-14-12 interview transcript (PMtr), pp. 1-5.)

Megason recalled that after Davis took office in January 1999, park fees were cut and the Department received a one-time increase in general funding. Megason states that she and others wondered how the ongoing costs of operations would be sustained given those cuts and the non-permanent general fund increase. (PMtr, pp. 8-9.)

Megason was shown a Department of Finance (DOF) spreadsheet reflecting disparities between 1993 and 2011 in year-end balances reported to the DOF and State Controller's Office (SCO) for the State Parks and Recreation Fund (SPRF) and the Off-Highway Vehicle Fund. (Exhibit A attached.) It was pointed out to Megason that the disparity in balances reported to the DOF and SCO for the SPRF began growing significantly in 1997, and that it went from \$6.4 million in 1997 to a high of \$29.2 million in 2003. Megason stated she had never been made aware during her leadership of Parks that any such disparity existed, or that there were any problems reconciling budget balances reported to the DOF with accounting balances reported to the SCO. (PMtr, pp. 9-13.)

Megason also noted she received her budget briefings from financial services manager Tom Domich and budget officer Becky Brown, rather than from administrative services deputy director Denzil Verardo. She recalled that Verardo's primary area involved a performance-based budgeting project that ran during her tenure, and that the project involved the additional challenge of creating two budgets and operating dual budget and financial tracking processes.

Megason stated that she had not, however, been informed such dual budgeting and tracking resulted in any problems other than increased workload. (PMtr, pp. 11-13.)

Megason also stated that Domich was a “pretty straight forward” person. Megason stated that, assuming Domich knew about the disparity in balances reported from the SPRF, she would be surprised if Domich had not reported the matter both to the DOF and to his supervising deputy director, Denzil Verardo. (PMtr, pp. 13-14.)