

## **Summary of 8-1-12 interview of Lisa Ortega**

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

### **Background**

Lisa Ortega is an accounting administrator II with the Department of Parks and Recreation, and supervises two units and some twenty people in the accounting section. She is the second highest ranking manager in accounting after chief accounting officer Dorothy Kroll. Ortega has worked in the accounting section since starting with the Department in 1997, and originally reported to then-accounting chief Freda Luan-Dun and her assistant, Cheryl Kilzer. (Lisa Ortega August 1, 2012 interview transcript (LOtr), pp. 2-5, 9.)

### **Disparities in State Parks and Recreation Fund Balance Reports**

Ortega reports that she learned about the discrepancy in balances reported to the State Controller's Office (SCO) and the Department of Finance (DOF) for the State Parks and Recreation Fund (SPRF) about six years ago after she became a supervisor in accounting. She learned of it through her supervisor, Dorothy Kroll, and was also present at numerous meetings where Kroll disclosed the discrepancy to the Department's past and current budget officers and assistants, including Manuel Lopez, Jason Summers, Cheryl Taylor, Marilyn Evans-Jones, and Elsie Brenneman. Ortega recalled that Kroll would explain to each new budget manager that the budget section's fund condition statement for the SPRF did not match the accounting section's report to the SCO. (LOtr, pp. 8-11, 16-20.)

Ortega recalled that Kroll would consistently tell the budget managers they needed to inform the DOF what the real balance figures were for the SPRF. Ortega recalled hearing the response that if the correct balance in the SPRF were reported to the DOF, the Department's general funding would be cut. Ortega stated she believed she heard that response from Lopez, but did not know where the response originated or where Lopez heard it. (LOtr, pp. 21-23.)

Ortega recalled a meeting in 2012 to discuss revenue generation that was attended by Ortega, Kroll, Aaron Robertson, Elsie Brenneman, and a couple of people involved in tracking revenue. Ortega recalled that Kroll brought up the issue that the budget reports did not contain correct figures and that Kroll was very upset. Ortega stated that meeting may have been the first

time new administrative services deputy director Aaron Robertson heard about the issue. Ortega stated that Kroll was rightly upset about the issue, since the possibility of closing some state parks was also being discussed at the time. (LOtr, pp. 27-28.)

Ortega recalled another meeting with former administrative services deputy director Lopez and assistant deputy director David Saxby where Kroll raised the issue and asked them “why are we closing parks when we’re not reporting the right balances?” Ortega could not recall the specific response but stated the general response she consistently heard over the years was that the Department was afraid of having its general funding levels cut. (LOtr, pp. 28-31.)

Ortega recalled that both Lopez and Summers came to Kroll when they began working in the budget office seeking to understand why the SPRF fund condition statement to the DOF did not match the year-end SPRF balance report the accounting section provided to the SCO. Ortega stated that Kroll informed them they needed to adjust whatever was being reported to the DOF so that the information matched the accounting reports. Ortega recalled subsequent budget personnel also came to Kroll seeking to understand the disparity in the SPRF balance reports to the DOF and SCO, and that Kroll would tell them to talk with Lopez. (LOtr, pp. 34-35.)

### **Off-Highway Vehicle Fund**

Ortega advised that she was only aware of discrepancies with regard to fund balances reported for the SPRF, and knew nothing about any discrepancies in balances reported for the Off-Highway Vehicle (OHV) fund. Ortega did recall that \$90 million had been borrowed from the OHV fund in the 2008-09 fiscal year, and recalled two other loans from the OHV Fund in the amounts of \$22 and \$21 million.