

Audit: Calif. governments misallocate casino money - San Jose Mercury News

Written by Administrator

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SACRAMENTO, Calif.—A state audit has revealed that local governments are misappropriating millions of dollars from casino-operating Indian tribes that are supposed to address the negative effects of gambling. Three grants, for example, went to projects that had nothing to do with or were only marginally related to casino impacts. In 10 other cases, worth \$3.2 million, grant recipients could not prove impacts to justify their spending. Yet another grant went to an ineligible entity.

Most California gambling tribes deposit a percentage of their net wins into a so-called Special Distribution Fund for local governments. The money is supposed to help communities address traffic, crime and other issues related to casino operations.

The report released Tuesday by the state auditor investigated 20 grants in seven counties.

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