

Audit finds problems with handling of casino mitigation grants - Press-Enterprise

Written by Administrator

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SACRAMENTO - A state audit released Tuesday finds that some local governments are spending tribal casino-mitigation money on undeserving projects, in violation of state law. The audit called for legislation that would force agencies to forfeit tribal-mitigation grants if state officials concluded that money went to projects lacking a quantifiable link to casino-related impacts.

It is the second report by the California Bureau of State Audits that raises concerns about the handling of money from the so-called special distribution fund. In 2007, auditors concluded that some agencies, including those in Riverside and San Bernardino counties, misspent grants on things like a boat and a program for troubled students.

Agencies in Riverside and San Bernardino counties have been among the biggest beneficiaries of the distribution fund, receiving at least \$83 million of \$165 million in grants since 2003. The money has paid for police cars, medical services and other projects.

Lawmakers approved \$30 million in tribal-mitigation money for the 2008-09 fiscal year. Tuesday's audit examined a sample of the grants made to 185 recipients in 25 counties.

Of the 20 grants examined, 10 -- totaling \$3.2 million -- went to recipients who couldn't prove that the project was related to a casino or else couldn't quantify it.

In Riverside County, the county Fire Department spent a \$906,000 grant on wildland firefighting equipment, citing fires in a local casino's "area of influence." But the area of influence covered a large part of the county and fire officials couldn't point to fires linked to the casino, according to auditors.

In its response to the audit, Riverside County contended that it was in fact tracking casino-related fire calls "or the Fire Chief would not have been able to provide the specific statistic for the local casino's area of influence."

Tuesday's report also frowned on some local governments' practice of waiting to consider requests for mitigation money until there was a tribal sponsor. The projects should be considered before there is a tribal sponsor, the audit said.

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