

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Tensas Parish Police Jury
St. Joseph, Louisiana

May 14, 2003



Investigative Audit

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Daryl G. Purpera, CPA, CFE

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May 14, 2003

**MR. JAMES NICHOLSON, PRESIDENT,
AND MEMBERS OF THE TENSAS
PARISH POLICE JURY**
St. Joseph, Louisiana

Transmitted herewith is our investigative report of the Tensas Parish Police Jury. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our finding and recommendations as well as your response. Copies of this report have been delivered to the Tensas Parish Police Jury; the Honorable James Caldwell, District Attorney for the Sixth Judicial District of Louisiana; and others as required by state law.

Respectfully submitted,

A handwritten signature in black ink, reading "Grover C. Austin". The signature is written in a cursive style with a large, prominent initial "G".

Grover C. Austin, CPA
First Assistant Legislative Auditor

JLS:JM:DGP:dl

[TENPJ03]

Executive Summary

Investigative Audit Report Tensas Parish Police Jury

Background *(See page 3.)*

The Tensas Parish Police Jury (Police Jury) is the governing authority for Tensas Parish and is a political subdivision of the State of Louisiana. Seven jurors representing the various districts within the parish govern the Police Jury.

The legislative auditor received information indicating that the Police Jury secretary/treasurer paid herself compensation that she did not earn. This investigative audit was performed to determine the propriety of this information.

The procedures performed during this investigative audit consisted of (1) interviewing employees and officials of the Police Jury; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the Police Jury; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable state laws.

Finding *(See page 5.)*

The Police Jury has violated its agreement with the Louisiana Housing Finance Authority (LHFA) by claiming overtime and charging the payment to the Tri-Delta Standard Housing Assistance for Rural Economies (SHARE) Grant Program when the overtime did not actually relate to the grant. Ms. Linda Sikes, secretary/treasurer, claimed overtime on her time sheets and was paid \$5,448 from the Tri-Delta SHARE Grant Program; however, according to Ms. Sikes, half of her overtime involved work unrelated to the grant. When a police juror questioned this compensation, Ms. Sikes repaid the Police Jury \$437 and voided another paycheck amounting to \$481. In addition, police jurors William Trevillion and Woodrow Wiley signed documents authorizing payments that had previously been made to Ms. Sikes but were not properly approved at the time of payment. By signing pay vouchers without clearly indicating that the signatures were applied after-the-fact, the two police jurors have caused the public documents to indicate that their signature approval was given in the normal course of business before the actual disbursement when, in fact, their signature approval was given after the disbursement was made.

Recommendations (See page 9.)

The Police Jury should review all charges made to the Tri-Delta SHARE Grant Program and reimburse LHFA for all costs not properly associated with the administration of the grant. The Police Jury should review the time reporting procedures and ensure that employees are properly reporting and charging their work hours to the proper revenue source. All expenditures should be properly approved before payment. When approval is given subsequent to payment, documentation should correctly state the actual date authorization was given.

In addition, we recommend that the District Attorney for the Sixth Judicial District review this matter and, at his discretion, take appropriate legal action, to include seeking restitution.

Management's Response (See Attachment I.)

The Police Jury does not agree with the conclusion that it violated the grant agreement with LHFA citing that LHFA requested that employees be paid for administration of the grant. Management states that detailed time records were not kept and that a policy of keeping detailed time sheets for all work on any grant programs will be implemented. The police jury has agreed to refund \$4,214 to LHFA and seek restitution from the individual employees. The jury is also issuing a letter of reprimand to Ms. Linda Sikes. Management states that the report fails to point out that each payment was verbally approved by the finance committee before payment. The signatures on the approval stamp on the check stub vouchers were added later on these checks, but this in no way falsified the actual approval of the payment. To correct any misinterpretation, the Police Jury will implement a policy of each juror dating his signature in signing a check stub/voucher.

Background and Methodology

The Tensas Parish Police Jury (Police Jury) is the governing authority for Tensas Parish and is a political subdivision of the State of Louisiana. Seven jurors representing the various districts within the parish govern the Police Jury.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers to regulate and direct the affairs of the parish and its inhabitants. The more notable of these are the powers to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Ad valorem property taxes, sales and use taxes, beer and alcoholic beverage permits, occupational licenses, state and revenue sharing, and various other state and federal grants provide funding to accomplish these tasks.

The legislative auditor received information indicating that the Police Jury secretary/treasurer paid herself compensation from the Tri-Delta Standard Housing Assistance for Rural Economies (SHARE) Grant Program that she did not earn. This investigative audit was performed to determine the propriety of this information.

The procedures performed during this investigative audit consisted of (1) interviewing employees and officials of the Police Jury; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the Police Jury; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable state laws.

The results of our investigative audit are the finding and recommendations herein.

Finding

The Tensas Parish Police Jury (Police Jury) has violated its agreement with the Louisiana Housing Finance Authority (LHFA) by claiming overtime and charging the payment to the Tri-Delta Standard Housing Assistance for Rural Economies (SHARE) Grant Program when the overtime did not actually relate to the grant. Ms. Linda Sikes, secretary/treasurer, claimed overtime on her time sheets and was paid \$5,448 from the Tri-Delta SHARE Grant Program; however, according to Ms. Sikes, half of her overtime involved work unrelated to the grant. When a police juror questioned this compensation, Ms. Sikes repaid the Police Jury \$437 and voided another paycheck amounting to \$481. In addition, police jurors William Trevillion and Woodrow Wiley signed documents authorizing payments that had previously been made to Ms. Sikes but were not properly approved at the time of payment. By signing pay vouchers without clearly indicating that the signatures were applied after-the-fact, the two police jurors have caused the public documents to indicate that their signature approval was given in the normal course of business before the actual disbursement when, in fact, their signature approval was given after the disbursement was made.

The Police Jury and LHFA entered into an agreement in February 2002, to rehabilitate sub-standard housing in Tensas Parish. The agreement awarded the Police Jury a grant under LHFA's Tri-Delta SHARE Grant Program. The grant included funds for housing rehabilitation and \$10,000 for administrative needs.

Administrative funds can be used to pay for any items or activities associated with administering the grant. Four Police Jury employees were paid for administrative duties including home inspections, processing grant documents, and handling homeowner complaints as follows:

Linda Sikes	\$5,448
Virginia Hubbard	\$3,163
Sandra Smith	\$1,175
Edith Jones	\$316

According to Ms. Sikes, employees are required to keep a time sheet for any overtime work. Ms. Sikes submitted time sheets claiming overtime incurred on the SHARE program that resulted in nine checks totaling \$5,448 being made payable to her. According to Ms. Sikes, 50% of the overtime she charged to the SHARE program was actually spent on other work unrelated to the grant. Ms. Smith and Ms. Jones stated that the work that they performed on the SHARE program was done during normal business hours. They also stated Ms. Sikes instructed them to code all overtime to the SHARE program.

On December 19, 2002, Ms. Sikes received a \$437 check for 20 hours of overtime during November. Mr. Wiley stated that he questioned this check because it was his understanding that the work associated with the SHARE program had been completed months before the check was written. As a result, Ms. Sikes reimbursed the Police Jury \$437 on January 16, 2003. A \$481

check payable to Ms. Sikes for 22 hours of overtime purportedly related to the SHARE program during December was voided.

Two jurors signed pay vouchers after the disbursements had been made. The signatures of two finance committee members are required to approve a voucher for payment. However, three of Ms. Sikes' nine vouchers were paid with only one signature. Though all rehabilitation work was completed by October 2002, the Police Jury held a special meeting on March 12, 2003, to pass a retroactive resolution authorizing overtime pay for employees related to the Tri-Delta SHARE Grant Program. On or about the time of the meeting, Ms. Sikes retrieved her pay vouchers. Three of those vouchers did not contain the signatures of two finance committee members. Thereafter, Ms. Sikes presented the vouchers to two members of the finance committee to obtain their signatures.

Mr. Wiley stated that he signed a document on March 12, 2003. Ms. Sikes confirmed she gave one document to Mr. Wiley to sign. Mr. Trevillion stated that on March 11, 2003, he signed four or five of Ms. Sikes' overtime sheets.

Below is an example of a pay voucher at the time payment was actually made and then after Ms. Sikes obtained the signatures of the additional jurors.

TENSAS PARISH POLICE JURY		Vendor ID	336	32200
Vendor Name LINDA SIKES				52200
Account Number				05-31-02
Invoice	Description	Discount Amount	Amount Paid	
TRI D05	TRI DELTA ADM FEES FOR MAY 02	0.00	437.60	
TRVL5LS	TRAVEL THRU MAY 23, 2002	0.00	90.93	
Total		0.00	528.53	

Approved by:
TENSAS PARISH POLICE JURY

Jane Kuntz
Finance Committee

LaserOne MULTI-USE CHECK 268418 RAPIDFORMS, INC. 301 GROVE ROAD, THOROFARE, N.J. 08066-9499 CALL TOLL FREE 800-237-8354 FAX 1-800-451-8113 COMPATIBLE ENVELOPE CHENY H42 50996

TENSAS PARISH POLICE JURY		Vendor ID	336	32200
Vendor Name LINDA SIKES				52200
Account Number				05-31-02
Invoice	Description	Discount Amount	Amount Paid	
TRI D05	TRI DELTA ADM FEES FOR MAY 02	0.00	437.60	
TRVL5LS	TRAVEL THRU MAY 23, 2002	0.00	90.93	
Total		0.00	528.53	

Approved by:
TENSAS PARISH POLICE JURY

William Trevillion
Jane Kuntz
Finance Committee

LaserOne MULTI-USE CHECK 268418 RAPIDFORMS, INC. 301 GROVE ROAD, THOROFARE, N.J. 08066-9499 CALL TOLL FREE 800-237-8354 FAX 1-800-451-8113 COMPATIBLE ENVELOPE CHENY H42 50996

The Police Jury has violated its agreement with LHFA by claiming overtime and charging the payment to the Tri-Delta SHARE Grant Program when the overtime did not actually relate to the grant. By incorrectly recording this overtime on time sheets, Ms. Sikes has prepared public records containing false or misleading information. By signing pay vouchers without clearly indicating that the signatures were applied after-the-fact, the two police jurors have caused the public documents to indicate that their signature approval was given in the normal course of business before the actual disbursement when, in fact, their signature approval was given after the disbursement was made.

According to the Police Jury, Ms. Sikes has resigned her employment effective May 13, 2003.

Recommendations

The Tensas Parish Police Jury (Police Jury) should review all charges made to the Tri-Delta Standard Housing Assistance for Rural Economies (SHARE) Grant Program and reimburse the Louisiana Housing Finance Authority for all costs not properly associated with the administration of the grant. The Police Jury should review the time reporting procedures and ensure that employees are properly reporting and charging their work hours to the proper revenue source. All expenditures should be properly approved before payment. When approval is given subsequent to payment, documentation should correctly state the actual date authorization was given.

This information is being provided to the District Attorney of the Sixth Judicial District and, subject to his discretion, may be found to be in violation of the Louisiana Criminal Code.¹

¹ **R.S. 14:133** provides, in part, that filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, any forged document, any wrongfully altered document, or any document containing a false statement or false representation of a material fact.

R.S. 14:134 provides, in part, that malfeasance in office is committed when any public officer or public employee shall (1) intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; (2) intentionally perform any such duty in an unlawful manner; or (3) knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him or to perform any such duty in an unlawful manner.

Attachment I

Management's Response

COTTON, BOLTON, HOYCHICK & DOUGHTY, L.L.P.

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May 5, 2003

Attn.: Grove C. Austin, CPA
First Assistant Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
P O Box 94397
Baton Rouge, LA 70804-9397

Re: Tensas Parish Police Jury

Dear Mr. Austin:

Enclosed please find the Management Response of Tensas Parish Police Jury to Legislative Audit Report Regarding Tri-State Delta Grant. This management response was adopted by the Tensas Parish Police Jury at a special meeting on May 2, 2003.

If you have any questions, please don't hesitate to call.

Sincerely,

COTTON, BOLTON, HOYCHICK,
& DOUGHTY, L.L.P.


DAVID P. DOUGHTY

Enclosure

cc: Tensas Parish Police Jury

**MANAGEMENT RESPONSE OF TENSAS PARISH POLICE JURY TO
LEGISLATIVE AUDIT REPORT REGARDING TRI-STATE DELTA GRANT**

The Tensas Parish Police Jury does not agree with the auditor's conclusion that it violated the grant agreement with LHFA. By letter dated April 16, 2002, Ronald Johnson, Compliance Manager with LHFA, requested that Virginia Hubbard, a police jury employee at the time, be paid for services concerning administration of the grant. "These services include but are not limited to working after hours and on weekends." See letter of Ronald Johnson attached with this response. Virginia Hubbard and other employees of the Tensas Parish Police Jury, including Linda Sikes, Sandra Smith, and Edith Jones, continued to work in administering this grant. The increased work load resulted in these employees working overtime hours and on weekends. Detailed time records showing what work occurred during each day were not kept as to the grant work. To correct this problem in the future, the Tensas Parish Police Jury will implement a policy of keeping detailed time sheets for all work on any grant program, separate from their regular police jury work.

Since detailed time records do not exist, the police jury has agreed to refund the sum of \$4,215.00 to LHFA, and seek restitution from the individual employees. The jury is also issuing a letter of reprimand to Linda Sikes in regards to the situation.

The auditor also implies that the police jury finance committee did not actually approve the payments to the employees in administering the grant. However, the report failed to point out that each payment was verbally approved by the Finance Committee prior to payment. The signatures

Management Response
of Tensas Parish Police Jury
May 5, 2003
page 2

on the approval stamp on the check stubs vouchers were added later on some of these checks, but this in no way falsified the actual approval of the payment. In order to correct any misinterpretation, the Tensas Parish Police Jury will implement a policy of each juror dating his signature in signing a check stub/voucher.

RECEIVED
APR 22 2002
TENSAS PARISH POLICE JURY

April 16, 2002

Mr. James Nicholson
President
Tensas Parish Police Jury
P.O. Box 6168
St. Joseph, Louisiana 71366

RE: Tri-Delta SHARE Grant Funds

Dear Mr. Nicholson:

As you are aware, the Tensas Parish Police Jury will be provided administrative funding for the Tri-Delta SHARE Grant Program through the Louisiana Housing Finance Agency. These funds are provided to the Parish Governing Unit to be used to assist the Staff of LHFA, the Consultant for the grant and the Risk Assessor. These funds can be used for salaries as well as supplies.

Ms. Virginia Hubbard has been assisting us with the grant. She has been very helpful to every one connected with the grant. We would like to request that Ms. Hubbard be paid for services rendered concerning the Tri-Delta SHARE Grant. These services include but are not limited to working after hours and on weekends.

Thank you for your consideration of this matter

Sincerely,

Linda J. Summarrell
Ronald Johnson
Compliance Manager
LHFA
Linda J. Summarrell
Consultant
Tri-Delta SHARE Grant