

TOWN OF ABITA SPRINGS

INVESTIGATIVE AUDIT SERVICES

Issued December 11, 2024

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December 11, 2024

**HONORABLE DANIEL CURTIS, MAYOR,
AND MEMBERS OF THE TOWN COUNCIL**
Town of Abita Springs, Louisiana

We are providing this report for your information and use. This investigative audit was performed in accordance with Louisiana Revised Statutes 24:513, *et seq.* to determine the validity of complaints we received.

The procedures we performed primarily consisted of making inquiries and examining selected financial records and other documents and do not constitute an examination or review in accordance with generally accepted auditing or attestation standards. Consequently, we provide no opinion, attestation or other form of assurance with respect to the information upon which our work was based.

The accompanying report presents our findings and recommendations as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the 22ND Judicial District of Louisiana, United States Attorney for the Eastern District of Louisiana, and others as required by law.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/aa

TOWNOFABITASPRINGS



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EXECUTIVE SUMMARY

Former Finance Clerk Diverted Public Funds to Herself

Former Finance Clerk Stacy Ludlow used an online money transfer service (Venmo) to divert \$41,773 of public funds from the Town of Abita Springs' (Town) Venmo account to her personal Venmo between August 29, 2022 and September 1, 2023. By improperly transferring and receiving public funds she was not entitled to receive, Ms. Ludlow may have violated state and federal law.

Personal Purchases by Former Finance Clerk with Town Credit Cards

Ms. Ludlow used Town credit cards issued in the names of the Mayor, Town Clerk, and public works directors, as well as an unapproved credit card in her name, to make \$87,227 in personal purchases between December 2020 and September 2023. Further, it appears Ms. Ludlow recorded false transactions to the Town's accounting records to conceal the existence of the unapproved credit card in her name. Finally, Ms. Ludlow modified a Town credit card statement to conceal the existence and use of the unapproved credit card in her name. By using Town funds to make personal purchases, recording false transactions to the Town's accounting records, and modifying a Town credit card statement, Ms. Ludlow may have violated state and federal law.

Former Public Works Supervisor Used Town Credit Cards for Personal Purchases

Former Public Works Supervisor Frederick Young used three Town credit cards and a charge account at Home Depot to make \$132,633 in personal purchases between November 2021 and August 2023. By using Town funds to make personal purchases, Mr. Young may have violated state and federal law.

BACKGROUND AND METHODOLOGY

The Town of Abita Springs (Town) is located in St. Tammany Parish and has a population of 2,631 (2020 Census). The Town operates under the provisions of the Lawrason Act and has a mayor-board of alderman (council) form of government. The Town's mayor and five elected aldermen (councilmen) serve four-year terms. The Town provides public safety, utility services, streets, and administrative services to residents and businesses.

We began our audit after receiving a notice from the Town of a potential misappropriation. We appreciate the Town's cooperation and assistance during the course of the audit. The procedures performed during this audit included:

- (1) interviewing Town employees and others, as appropriate;
- (2) examining selected Town documents and records;
- (3) gathering and examining third parties' documents and records; and
- (4) reviewing applicable state and federal laws and regulations.

FINDINGS AND RECOMMENDATIONS

Former Finance Clerk Diverted Public Funds to Herself

Former Finance Clerk Stacy Ludlow used an online money transfer service (Venmo) to divert \$41,773 of public funds from the Town of Abita Springs' (Town) Venmo account to her personal Venmo between August 29, 2022 and September 1, 2023. By improperly transferring and receiving public funds she was not entitled to receive, Ms. Ludlow may have violated state and federal law.^{1,2,3,4}

Ms. Ludlow was the finance clerk for the Town from August 1, 2019 until September 1, 2023. She was responsible for preparing checks for signature, updating timecards for processing, and entering transactions into the Town's accounting system. She also collected and deposited funds for town-sponsored events and festivals. When needed, Ms. Ludlow also made online purchases approved by the Mayor.

The Town hosts festivals and a weekly farmer's market where it accepts cash, checks, and Venmo^A payments for tickets used to purchase beverages at festivals and from farmer's market vendors for table (rental) fees. Prior to September 2023, the Town did not have procedures in place to calculate how much cash was collected at festivals and ensure all of the funds were deposited in the Town's bank account.

Town Clerk Janet Dufrene, said that Ms. Ludlow opened a Venmo account in the Town's name to collect funds due to the Town for events and the farmer's market. Ms. Dufrene also stated Ms. Ludlow had sole access to the Venmo account; Ms. Dufrene further stated she did not monitor the Town's Venmo account and was unaware of the transaction activity since Ms. Ludlow never provided her with any reports of transactions. The Town closed the Venmo account when Ms. Ludlow's employment was terminated on September 1, 2023, and Ms. Dufrene opened a new account for the Town.

The Town's Venmo records for the account opened by Ms. Ludlow show that the Town collected \$76,514^B between January 1, 2022 and October 15, 2023. The Town's Venmo and the Town's bank records show \$29,808 was transferred to two Town bank accounts, and \$41,773 was transferred to Ms. Ludlow's personal Venmo account.

^A Venmo is an online payment service that allows account holders (users) to pay, send, or transfer money to other users and accept payments from other users. An email address, U.S. mobile phone number, and username are used to identify a user. Users link their bank accounts, debit cards, or credit cards to their Venmo accounts for payments. Alternatively, if users have a Venmo balance, they may use that balance for their transactions.

^B There were 40 payments or refunds totaling \$5,459 to 40 Venmo users.

We received Ms. Ludlow's personal Venmo records and found \$43,371 in incoming funds^C between August 29, 2022 and September 1, 2023, which included \$41,773 from the Town. Her Venmo and bank records also show the following:

- (1) \$14,468 was transferred from Ms. Ludlow's Venmo account to her bank account.
- (2) \$18,393 was transferred from Ms. Ludlow's Venmo account to two Visa cards.
- (3) \$10,544^D was used for Venmo purchases and payments to others.

We called Ms. Ludlow's attorney and left voicemails to request an interview with Ms. Ludlow and discuss these transactions, but her attorney did not return our calls.

By transferring public funds from the Town Venmo account to her own account that she was not entitled to receive, Ms. Ludlow may have violated state and federal law.^{1,2,3,4}

Personal Purchases by Former Finance Clerk with Town Credit Cards

Ms. Ludlow used Town credit cards issued in the names of the Mayor, Town Clerk, and public works directors, as well as an unapproved credit card in her name, to make \$87,227 in personal purchases between December 2020 and September 2023. Further, it appears Ms. Ludlow recorded false transactions to the Town's accounting records to conceal the existence of the unapproved credit card in her name. Finally, Ms. Ludlow modified a Town credit card statement to conceal the existence and use of the unapproved credit card in her name. By using Town funds to make personal purchases, recording false transactions to the Town's accounting records, and modifying a Town credit card statement, Ms. Ludlow may have violated state and federal law.^{1,2,3,4,5,6}

The Town had four credit cards^E to make purchases of materials and supplies for the Town. The Town's policy manual states that only authorized employees^F of the municipality may use the credit cards for the purchase of goods or services for official business for the municipality. The employee using the credit card must submit the following to the finance clerk within 24 hours of the transaction: receipts; documentation detailing the goods or services purchased; and the cost, date of the purchase, and the department or project for which it was purchased.

^C \$1,598 of deposits were from individuals.

^D \$5,124 was paid to other individuals, and \$5,380 was used to make purchases at places like Walmart, Amazon, and Rouses.

^E The Mayor, Town Clerk, Inside Public Works Director, and Outside Public Works Director had Town credit cards in their name.

^F The Mayor determined which employees had credit cards.

According to Ms. Dufrene, all purchases are required to have a purchase order^G except for recurring expenses. She stated that when items were purchased with a Town check, Ms. Ludlow received the receipts and invoices; entered the expenses into the accounting system; printed the checks; and provided the checks and associated documentation to Ms. Dufrene and the Mayor for review and approval. Ms. Ludlow was also responsible for filing the records after the check was approved and mailed. Ms. Dufrene said she reviewed the documentation for anything out of the ordinary before she signed the Town checks.

Purchase orders are also required for credit card expenses that are not recurring payments.^H Ms. Dufrene stated that Ms. Ludlow received all of the credit card statements; corresponding documentation (including receipts from employees); paid the credit card monthly statement online; filed the records; and entered the transactions into the Town's accounting software. Ms. Dufrene said that prior to the Covid pandemic, she and the Mayor received monthly statements and corresponding documentation from Ms. Ludlow for review and approval. However, beginning around the time of the Covid pandemic and Hurricane Ida,^I they stopped receiving statements and documentation from Ms. Ludlow.

The Town's credit card statements show a Town credit card in Ms. Ludlow's name for the first time in November 2020. The Mayor and Ms. Dufrene told us that Ms. Ludlow was not authorized to have a Town credit card in her name.

According to an employee at the credit card company, an employee must be an "authorized contact" to add a card to the Town's account. Ms. Dufrene stated that Ms. Ludlow was never added as an authorized contact; however, the credit card company employee said that she was in fact an authorized contact. The credit card company employee could not provide how or when Ms. Ludlow was added as an authorized contact, but stated the only way to be added is with a letter from the Town adding her as an authorized contact. Ms. Dufrene requested a copy of the letter adding Ms. Ludlow as an authorized contact, but the credit card company employee said they would have to research the matter further and did not provide proof of how Ms. Ludlow became an authorized contact.

The Town's credit card statements show \$115,348 in charges between December 2020 and October 2023 on Ms. Ludlow's Town credit card. There were no receipts (as required by Town policy) for \$93,207 of the charges on her card and \$488 in finance charges and late payment fees.

The four authorized Town credit cards^J were used to make an additional \$36,817 in purchases that were shipped to Ms. Ludlow's house between December 2020 and September 2023. It appears that \$10,750 of the \$36,817 in purchases shipped to Ms. Ludlow's house were personal in nature.

^G Purchase orders were issued by the Mayor, Ms. Ludlow, the Town's Inside Public Works Director, and another public works employee.

^H Monthly Bills.

^I Hurricane Ida made landfall on August 29, 2021.

^J Town credit cards in the names of the Mayor, Town Clerk, and public works directors.

Of the \$152,165 of purchases made between December 2020 and September 2023 on Ms. Ludlow's Town credit card or other cards where the goods were shipped to Ms. Ludlow's house, \$87,227 appear to be personal in nature. These credit card purchases are summarized in the table below:

Purchases on Ms. Ludlow's Town Credit Card and Purchases on Other Town Credit Cards That Were Shipped to Ms. Ludlow's Home Between December 2020 and September 2023		
Expense Type	Total Purchased	No. of Purchases
Pet/Pet Store-Related Items ^K	\$21,387	355
Restaurant/Food-Related Purchases ^L	18,654	484
Household goods/ Electronics ^M	20,959	439
Travel	6,599	13
Clothing/Shoes/Accessories ^M	11,598	309
Personal Care	2,990	95
Children's Toys	2,451	119
Monthly Subscriptions	2,101	109
Finance Charge/Late Payment Fee	488	16
Total Personal Charges	\$87,227	1,939
Other Purchases with No Receipts	\$35,626	614
Purchases for the Town ^N	29,312	319
Totals	\$152,165	2,872

Pet-Related Expenses

Town records show that \$21,387 in pet-related charges were incurred on the Town credit cards^O such as \$5,257 at Chewy.com; \$2,764 to Litter Robot; and \$1,872 to PetSmart. There were no receipts in the Town's records for these purchases. The Mayor and Town Clerk stated that the Town does not have an animal shelter, nor does the Town have a need for pet-related purchases.

Restaurants/Food

Town Records show \$18,654 in food and restaurant-related purchases using Ms. Ludlow's Town credit card including \$6,230 at DoorDash, \$3,774 at

^K These transactions were comprised of purchases from Amazon that included receipts and pet stores with no receipts.

^L These purchases included restaurant purchases and online food subscription purchases.

^M These transactions included receipts.

^N These are purchases identified by Town employees as a business purchase or they were unsure.

^O Charges were on the unapproved Town credit card in Ms. Ludlow's name and purchases on other Town credit cards that were shipped to Ms. Ludlow's home.

restaurants, and \$4,438 at grocery stores.^P Ms. Dufrene stated that Ms. Ludlow offered to purchase meals for Town employees through DoorDash and was reimbursed for those meals by the Town employees. Ms. Dufrene said that the Town employees thought Ms. Ludlow was using personal funds to purchase the meals, not the Town's credit card. The Mayor told us the Town does not purchase food for employees except when required to attend a meeting through lunch. Town policy states that meal expenses will be reimbursed only if authorized by the Mayor.

Household Goods and Electronics

Town records show \$20,959 charged to Town credit cards^Q for home goods from retailers such as MyPillow, Inc. and Amazon. The Amazon purchases included a \$485 undercounter ice maker, \$234 storage ottoman, and \$158 cabinet organizers.

Clothing and Toys

Town records show \$14,049 in clothing, shoes, accessories,^R and children's toys charged to the Town credit cards^S from retailers such as Lands' End, Old Navy, Rack Room Shoes, and Amazon. The Mayor and Town Clerk stated that the Town contracts for uniforms but does not buy personal clothing for Town employees, nor does it buy children's toys.

Travel

Ms. Ludlow paid \$6,508 in condominium rental charges for two trips to Orange Beach, Alabama using the Town credit card in her name. There was also a charge for \$90.55 at Sleep Inn and Suites located in Orange Beach; however, there were no receipts in the Town's files. Ms. Dufrene stated that Ms. Ludlow did not travel for Town business.

Subscriptions

Town records show Ms. Ludlow's Town credit card was used to pay for \$2,101 in monthly subscriptions from GoodRX, Hulu, Prime video, Sirius XM, Greatergood.com, Google Peacock, DoorDash, Amazon Music, and Amazon Kids. According to Ms. Dufrene, the Town does not have subscriptions to these vendors.

^P This included grocery stores such as Walmart and Winn-Dixie and online purchases from websites such as Amazon and Omaha Steaks.

^Q Charges were on the unapproved Town credit card in Ms. Ludlow's name and purchases on other Town credit cards that were shipped to Ms. Ludlow's home.

^R Jewelry, hats, and belts

^S Charges were on the unapproved Town credit card in Ms. Ludlow's name and purchases on other Town credit cards that were shipped to Ms. Ludlow's home.

Personal Care Items

Town records show \$2,990 in personal care items and services were charged to Ms. Ludlow's Town credit card. These items and services included \$261 in nails and salon charges, \$437 for a Fitbit, \$483 at an eye doctor, and \$271 in hearing aids.

Other Purchases with no Receipts

Town records show \$35,626 in charges on the Town's credit cards^T to vendors such as Walmart, Target, Sam's Club, and Walgreens. There were no receipts in the Town's records for these purchases, as required by Town policy. Because Ms. Ludlow did not maintain receipts as required by policy, we could not determine the business purpose for these expenses.

Purchases for the Town

We reviewed most of the purchases with Town employees who identified \$29,312 in purchases using either Ms. Ludlow's credit card or one of the other four credit cards and were shipped to her house they believed were likely used for the Town. These purchases included decorations, office supplies, and microphones for the Board room.

Modification of Public Records

Ms. Ludlow's duties as finance clerk included opening^U and reviewing the credit card statements and corresponding documentation. She also paid the credit card bills and entered the payments into the Town's accounting software. The Town paid \$103,944 towards Ms. Ludlow's Town credit card between January 2021 and August 2023. Ms. Ludlow herself paid \$3,775 towards the balance of her Town credit card from her personal bank account between January 2021 and August 2023.

Each of the four approved Town credit cards had a separate ledger code in the accounting records to record purchases. In order to conceal payments to her unauthorized credit card in the Town's accounting system, Ms. Ludlow increased the amounts owed to two of the four approved credit cards and did not list her credit card in the accounting system as a separate account. Additionally, records submitted to the Town's independent auditor for the Town's 2022 annual audit included a credit card statement that was modified to show increased amounts owed in order for the credit card statement to reconcile with the Town's accounting system.

Mayor Daniel Curtis stated that in about August of 2023, the Town was investigating some potential personal purchases made by another Town employee.

^T Charges were on the unapproved Town credit card in Ms. Ludlow's name and purchases on other Town credit cards that were shipped to Ms. Ludlow's home.

^U The credit card statements came by mail but were later switched to electronic delivery.

Ms. Ludlow was assisting in that investigation but was reluctant to provide requested records. On Friday, September 1, 2023, Mayor Curtis and Ms. Dufrene decided to place Ms. Ludlow on administrative leave until they completed their investigation. Mayor Curtis stated that on Saturday or Sunday, Ms. Ludlow called him to meet her at Town hall and admitted to him that she was using the Town credit card for personal purposes.

We obtained a transcript from a March 2024 hearing where Ms. Ludlow testified, under oath, while represented by legal counsel, regarding personal matters. During this hearing she was asked if she was terminated by the Town for using credit cards for personal expenses that were billed to the Town. After being advised of her privilege against self-incrimination, Ms. Ludlow stated that she "made charges" and that is why she resigned from the Town. She stated that she "went to the Mayor and admitted what was going on." Additionally, her attorney asked her if she wished to assert her Fifth Amendment right, to which she responded, "No." During her sworn testimony, she responded, "Yes, I did," to a question about taking her grandchildren on vacation and charging it to the Town. She also said she was making payments on the Town card from her personal bank account.

We called Ms. Ludlow's attorney to request an interview with her, but did not receive a response.

By using Town funds to make personal purchases, recording false transactions to the Town accounting system, and modifying credit card statements, Ms. Ludlow may have violated state and federal law.^{1,2,3,4,5,6}

Former Public Works Supervisor Used Town Credit Cards for Personal Purchases

Former Public Works Supervisor Frederick Young used three Town credit cards and a charge account at Home Depot to make \$132,633 in personal purchases between November 2021 and August 2023. By using Town funds to make personal purchases, Mr. Young may have violated state and federal law.^{1,2,3,4}

As mentioned in the previous finding, the Town had four credit cards^V used to make purchases of materials and supplies for the Town. The Town's policy manual states that only authorized employees^W of the municipality may use the credit cards for the purchase of goods or services for official business for the municipality. The employee using the credit card must have an approved purchase order and submit the following to the finance clerk within 24 hours of the transaction: receipts; documentation detailing the goods or services purchased; and the cost, date of the purchase, and the department or project for which it was purchased.

^V The Mayor, Town Clerk, Inside Public Works Director, and Outside Public Works Director had authorized credit cards.

^W The Mayor determined which employees had credit cards.

Frederick Young was the Town's public works supervisor. He supervised a crew of three to five employees and was responsible for coordinating repairs and maintenance of streets, drainage systems and equipment, and lawnmowing needs for the Town. Mr. Young did not have a Town credit card, but did use other employees' credit cards and a Home Depot credit account to purchase items.

Credit Cards

Mr. Young used three Town credit card numbers to make purchases from eBay using his personal eBay account that were shipped to Mr. Young's residence. Mr. Young's supervisor stated that there was no reason for Mr. Young to buy items from eBay, and that the Town does not use eBay for purchases. These purchases are summarized in the table below:

Purchases Made on Town Credit Cards by Mr. Young October 2022 through July 2023		
Expense Type	Total Purchased	# of Purchases
Vehicle-Related Items	\$16,627	79
Electronics	8,572	31
Clothing	902	15
Shoes	6,093	47
Jewelry and Accessories	1,803	18
Sports and Outdoor Items	6,486	30
Other Purchases	5,089	24
Totals	\$45,572	244

Vehicle-Related Items

Mr. Young used the Town credit card to purchase \$16,627 in vehicle-related parts that included multiple sets of wheel rims totaling \$5,928. He also bought a fifth-wheel hitch totaling \$552 that he installed in a Town vehicle and used to pull his fifth-wheel camper without permission. Mr. Young's supervisor said that Mr. Young still has the hitch.

Electronics

Mr. Young also bought \$8,572 in electronics, which included \$5,604 in mobile phones and accessories. The Mayor and Ms. Dufrene stated that the Town provides certain employees mobile phones; however, they do not purchase phones from eBay. He also purchased a drone for \$1,087 and a PlayStation 5 for \$652 that were not for the Town's use.

Clothing, Shoes, and Jewelry

Mr. Young used a Town credit card to buy shoes and clothing totaling \$6,995, which included \$3,919 in Nike Air Jordans and Air Max shoes for men, women, and

children. He also bought \$1,803 in jewelry and accessories which included \$717 in Michael Kors watches.

Sports and Outdoor Items

Mr. Young purchased \$6,486 in sports and outdoor-related gear on the Town credit card. This gear included a \$923 batting cage, \$1,005 for two pitching machines, \$709 for a trampoline, \$383 for an inflatable water slide, and \$304 for a night vision rifle scope that were not for the Town's use.

Other Purchases

Mr. Young purchased other items, totaling \$5,088, using Town credit cards that included \$1,562 for a metal carport cover that was delivered to his house and \$1,160 for three headboards and frames for use in bedrooms. He also purchased \$518 for a dual-tank electric countertop fryer; \$183 for a deep fryer funnel cake mold; and \$195 for a commercial hot dog steamer. Mr. Young's supervisor told us that Mr. Young sells fried foods at fairs and other events and, therefore, the cooking equipment was not for the Town's use.

Home Depot

The Town has a charge account at Home Depot that was used to purchase parts and supplies for the Town. As mentioned in the previous finding, purchase orders are required on all purchases. Mr. Young's supervisor said that if a purchase did not have a purchase order number it likely was not a purchase for the Town. He also said purchase order numbers are six-digit numbers.

According to the Town's Home Depot statements, Mr. Young made 384 purchases, totaling \$87,409, between November 2021 and August 2023. Mr. Young's supervisor and Ms. Dufrene reviewed the Home Depot receipts from Mr. Young's purchases and identified \$87,062 of purchases that were not for the Town. Eighteen of the transactions, totaling \$7,419, used purchase order numbers that were either reused from another purchase or did not exist. In addition, 248 of the 384 purchases Mr. Young made were on weekends he did not work or after his scheduled work hours.

Mr. Young's purchases that were not for the Town included the following: \$5,162 was for two refrigerators; \$2,713 for roller shades; \$2,214 for an ice maker; \$1,956 for a generator; \$1,105 for a six-piece dining set; \$1,005 for a dishwasher; and \$888 for men's and women's e-bikes. Mr. Young's supervisor stated that Mr. Young was remodeling his house during this time period. Mr. Young also bought a \$342 French fry warmer and a \$280 fryer. As previously mentioned, Mr. Young's supervisor stated that Mr. Young sells fried foods at fairs and other events.

Mr. Young also made multiple returns to Home Depot, totaling \$12,071, between January 2023 and August 2023, which included a \$999.99 water slide,

\$249.99 ring floodlight and camera, and \$170.52 in three-inch framing nails on the day his employment was terminated (August 24, 2023).

We spoke to Mr. Young, and he referred us to an attorney; however, the attorney told us he was not retained by Mr. Young.

By using Town funds to make \$132,633 in personal purchases, Mr. Young may have violated state and federal law.^{1,2,3,4}

Recommendations

We recommend the Town consult with legal counsel to determine the appropriate actions to take, including the recovery of the Town's funds. In addition, the Town should:

- (1) Follow all Town policies and procedures regarding purchases;
- (2) Require purchase orders for all purchases;
- (3) Separate duties of office personnel to prevent an employee from issuing a purchase order, approving or making a vendor payment, and maintaining records;
- (4) Require the Mayor, Town Clerk, and/or department head review and document approval of all purchases prior to payment;
- (5) Ensure all records of purchases are maintained and filed in a timely manner; and
- (6) Monitor all funds collected and verify they are deposited to Town bank accounts.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 14:67 (A)** states, "Theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential."

² **La. R.S. 42:1461 (A)** states, "Officials, whether elected or appointed and whether compensated or not, and employees of any "public entity", which, for purposes of this Section shall mean and include any department, division, office, board, agency, commission, or other organizational unit of any of the three branches of state government or of any parish, municipality, school board or district, court of limited jurisdiction, or other political subdivision or district, or the office of any sheriff, district attorney, coroner, or clerk of court, by the act of accepting such office or employment assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they hold office or are employed."

³ **La. R.S. 14:134 (A)** states, "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; or (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; or (4) Willfully and knowingly subject any person to the deprivation of any right, privilege, or immunity secured or protected by the United States Constitution and laws, if serious bodily injury or death results."

⁴ **18 United States Code (U.S.C.) §1343** states, in part, "Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both."

⁵ **La. R.S. 14:132 (B)** states, "Second degree injuring public records is the intentional removal, mutilation, destruction, alteration, falsification, or concealment of any record, document, or other thing, defined as a public record pursuant to R.S. 44:1 et seq. and required to be preserved in any public office or by any person or public officer pursuant to R.S. 44:36."

⁶ **La. R.S. 14:73.7 (A)(3)** states, in part, "Computer tampering is the intentional commission of any of the actions enumerated in this Subsection when that action is taken knowingly and without the authorization of the owner of a computer:...(3) Damaging or destroying a computer, or altering, deleting, or removing any program or data contained within a computer, or eliminating or reducing the ability of the owner of the computer to access or utilize the computer or any program or data contained within the computer."

APPENDIX A

Management's Responses



December 9, 2024

Michael J. "Mike" Waguespack, CPA

Louisiana Legislative Auditor

PO Box 94397

Baton Rouge, LA 70804-9397

Email: responses@lla.la.gov

Dear Mr. Waguespack,

The Town of Abita Springs would like to extend our sincere gratitude to you and your team for agreeing to investigate the theft of town funds by two former employees. We truly appreciate your willingness to assist in this matter, as it has been a crucial step toward ensuring transparency and accountability. Your office's involvement in examining the situation has provided us with the confidence that all necessary actions will be taken to address the issue thoroughly.

As you know, this investigation followed the town's initial report of the theft, and we are deeply grateful for your team's prompt and professional response. Your attention to this matter has been invaluable in guiding the town toward the next steps in both recovering the lost funds and strengthening our internal controls moving forward.

Your team's professionalism and dedication to uncovering all relevant facts have been invaluable. The findings of your audit not only confirm the conclusions reached by the Town administration but also support our efforts to address this matter transparently and responsibly.

We are fully committed to implementing all of the recommendations outlined in your report and have already taken significant steps to strengthen our internal controls and prevent future incidents of theft. While we have made numerous changes to our financial and operational procedures, we will highlight a few key areas:

1. **Credit card controls:** All town credit cards have been frozen, except for one used by the Town Clerk, with purchases requiring mayoral approval and appropriate documentation.
2. **Disbursement procedures:** A more rigorous process for purchase orders and disbursements has been put in place, including reviews by multiple individuals to ensure legitimacy and accuracy.
3. **Separation of duties:** We have enhanced segregation of duties across departments, with clear roles for individuals involved in transactions, ensuring better oversight and accountability.
4. **Monthly reconciliations:** Accounts are now reviewed monthly, with reconciliations signed by both the Mayor and Town Clerk, ensuring greater transparency.

Additionally, we have pursued claims on our crime coverage and surety bonds to recover a total of \$150,000 in stolen funds. Civil claims have also been filed against the former employees involved, and we are committed to seeking full restitution and cooperating with law enforcement in holding the responsible parties accountable.

Once again, we deeply appreciate the support and professionalism demonstrated by your office throughout this process. Your findings have been instrumental in guiding our efforts to improve our financial systems and ensure the security of town resources.

Respectfully,

A handwritten signature in blue ink that reads "Daniel J. Curtis". The signature is written in a cursive style with a large initial "D" and "C".

Honorable Daniel J. Curtis, Mayor



December 9, 2024

Michael J. "Mike" Waguespack, CPA

Louisiana Legislative Auditor
PO Box 94397
Baton Rouge, LA 70804-9397
Email: responses@lla.la.gov

Dear Mr. Waguespack,

On behalf of the Town of Abita Springs, I would like to express our sincere gratitude for your office's thorough investigation and the comprehensive report concerning the theft of town funds. We deeply appreciate the assistance provided by your team in the investigation of these serious issues and helping us to understand the steps necessary to prevent such actions in the future.

As the Mayor Pro Tempore, I have reviewed the findings outlined in the report, and I want to assure the residents of Abita Springs that we take these matters very seriously. Our community's trust in local government is of utmost importance, and it is crucial that we take decisive action to restore and maintain that trust.

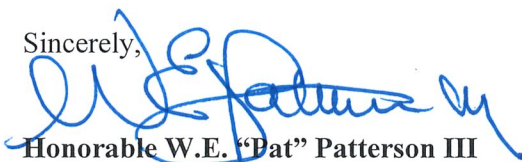
In response to the findings, the Town has already begun implementing a number of policy and procedural changes. These include strengthening financial oversight processes by instituting revised policies as well as increasing the frequency and rigor of internal reviews. The Town Administration and the Board of Aldermen have introduced more robust checks and balances to ensure that all financial transactions are properly reviewed, documented, and approved before any funds are disbursed.

Furthermore, I would like to reaffirm my personal commitment to improving communication and transparency with our residents. We will be more proactive in sharing financial updates and progress on these reforms through regular public meetings. Our goal is to ensure that all taxpayers are confident that their money is being handled with the utmost care and responsibility.

While the theft of public funds is a deeply regrettable occurrence, we are taking decisive steps to ensure that such an incident does not happen again. We will continue to be vigilant in protecting the taxpayers' interests and restoring the trust that has been compromised.

Thank you again for your assistance, and we look forward to working together to strengthen the financial integrity of the Town of Abita Springs.

Sincerely,



Honorable W.E. "Pat" Patterson III
Mayor Pro Tempore