

ST. JAMES PARISH GOVERNMENT
TRANSPORTATION DEPARTMENT



INVESTIGATIVE AUDIT
ISSUED AUGUST 14, 2019

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

August 14, 2019

**THE HONORABLE TIMOTHY P. ROUSSEL, PRESIDENT
AND MEMBERS OF THE ST. JAMES PARISH COUNCIL**
Convent, 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.

We looked into whether a former St. James Parish transit system mechanic purchased vehicle parts on behalf of the parish that he then used on his personal vehicles. We found that, between March 2016 and February 2019, he appeared to have used \$11,053 in parish funds to buy parts that did not fit any of the parish vehicles he worked on.

Parish officials initially investigated the mechanic's parts purchases from between January 2018 and January 2019 after finding several requisitions for parts that did not fit parish vehicles. After officials questioned him in February 2019 about the purchases, the mechanic agreed to repay \$2,181.42, which was withheld from his last paycheck.

Our investigation covered the period between March 2016 and February 2019 and found the amount of purchases for parts that did not fit parish vehicles totaled \$11,053. The former mechanic admitted that he used some of the parts he bought on his personal vehicles.

The procedures we performed primarily consisted of making inquiries and examining selected financial records and other documents and were not 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 were provided to the District Attorney for the 23rd Judicial District of Louisiana and others, as required by law.

Respectfully submitted,

Thomas H. Cole, CPA
First Assistant Legislative Auditor

THC/aa
STJAMESTRANSPORTATION

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EXECUTIVE SUMMARY

Improper Parts Purchases

Former St. James Parish (Parish) Transit mechanic Klay Becnel appears to have purchased \$11,053 in automobile and boat (vehicle) parts using Parish funds that do not fit Parish-owned vehicles Mr. Becnel repaired from March 2016 to February 2019. Mr. Becnel told us he used some of the parts on his personal vehicles. By purchasing parts with Parish funds for vehicles not owned by the Parish for his personal use, Mr. Becnel may have violated state law. Additionally, Mr. Becnel may have violated state law by submitting requisitions with false information to the Parish to purchase parts the Parish could not use.

BACKGROUND AND METHODOLOGY

St. James Parish (Parish) is a political subdivision of the state of Louisiana. The Parish is governed by the Parish Council, which is comprised of seven council members, each elected from one of seven districts within the Parish. The Parish President is the Parish's chief executive officer. The Parish President is elected by the voters of the Parish and is responsible for carrying out the policies adopted by the Parish Council and for administration, direction, and supervision of all Parish departments, offices, agencies, and special districts. Council members and the Parish President serve four-year terms; the current terms end on January 13, 2020.

We received a complaint from the Parish regarding a former transit system mechanic purchasing parts that could not be used on Parish vehicles. This audit was initiated to determine the validity of the complaint. The procedures performed during this audit included:

- (1) interviewing Parish employees and officials;
- (2) interviewing other persons, as appropriate;
- (3) examining selected Parish documents and records;
- (4) gathering and examining external parties' documents and records; and
- (5) reviewing applicable state laws and regulations.

FINDINGS AND RECOMMENDATIONS

Improper Parts Purchases

Former St. James Parish Transit mechanic Klay Becnel appears to have purchased \$11,053 in automobile and boat (vehicle) parts using Parish funds that do not fit Parish-owned vehicles Mr. Becnel repaired from March 2016 to February 2019. Mr. Becnel told us he used some of the parts on his personal vehicles. By purchasing parts with Parish funds for vehicles not owned by the Parish for his personal use, Mr. Becnel may have violated state law.^{1,2,3} Additionally, Mr. Becnel may have violated state law^{2,4} by submitting requisitions with false information to the Parish to purchase parts the Parish could not use.

St. James Parish Government (Parish) operates the Parish Transit, which provides weekday public transportation services and transports passengers to a variety of destinations, including to and from work, school, and medical facilities. Members of the general public pay \$1 to ride the Parish Transit; elderly and disabled persons pay 50 cents to ride; and children five years of age or younger ride for free. The Parish Transit also has out-of-parish routes that cost \$2.

In addition to fares paid by passengers, the Parish obtained a Federal Transit Administration grant that passes through the Louisiana Department of Transportation and Development (DOTD) to help defray costs of the Parish Transit's operation. The grant reimburses 50% of the Parish Transit's eligible net operating deficit. The remaining 50% is paid by the Parish from non-federal sources. Reimbursement to the Parish for services and expenses related to the grant is made on a monthly basis upon receipt by DOTD of itemized and certified invoices for operating expenditures.

The Parish also provides transportation and meal delivery services to the elderly through its elderly program. The Parish owns vans and meal trucks to perform these services. The van and meal truck expenses are paid through the Parish's general fund.

The Parish employed a mechanic and a mechanic's helper (helper) to maintain the Parish's fleet of vehicles used by the Parish Transit and elderly departments. The mechanic, Mr. Klay Becnel, was responsible for ordering parts and supplies as needed for the Parish Transit program and the elderly department. Mr. Becnel and the helper installed the parts. Mr. Becnel's supervisor told us that Mr. Becnel did not work on any other Parish-owned vehicles other than the vehicles used by the Parish Transit and elderly departments.

The Parish maintains an inventory of common vehicle maintenance parts, such as oil, oil filters, air filters, brake pads, and tires. Mr. Becnel stated that he did not keep track of the parts inventory but would order more when he noticed the inventory was running low. Specialty parts were ordered as needed.

When ordering parts and supplies, Mr. Becnel told us he completed a requisition for the parts and supplies needed and then obtained his supervisor's approval. Once approved, the requisition was submitted to the purchasing department, who prepared a purchase order. In May 2017, the Parish began using an electronic purchasing system where Mr. Becnel input his request to create a purchase order instead of the paper purchase requisition. After Mr. Becnel input his request, the purchase order was sent to a supervisor for approval.

Once the purchase order was complete, Mr. Becnel ordered the parts. If there was an emergency repair required, Mr. Becnel said he would order the needed parts and then complete the purchasing process. Parts were either delivered by NAPA or picked up by Mr. Becnel or the helper.

On February 28, 2019, Parish officials discovered that several requisitions were issued to purchase vehicle parts from NAPA Auto Parts in Reserve, Louisiana that did not fit Parish vehicles. An investigation by the Parish revealed \$2,181.42 in parts was purchased from January 10, 2018 to January 31, 2019, that were unrelated to the Parish fleet. Parish officials confronted Mr. Becnel regarding the use of Parish funds to purchase parts for vehicles not related to the Parish fleet. According to Parish records, Mr. Becnel did not respond and shrugged his shoulders. On March 3, 2019, Mr. Becnel signed a letter agreeing to pay the Parish \$2,181.42 from his last check.

Our audit went beyond the one year the Parish looked at and covered the three-year period beginning March 2016 and ending February 2019. In total, we found the Parish purchased \$11,053 in parts that do not appear to fit any Parish vehicles on which Mr. Becnel worked. He created requisitions for all of these purchases, and either he or the helper signed for the parts. Most of the requisitions and purchase orders noted a specific unit number assigned to a Parish vehicle, but the parts did not fit and could not be installed on those vehicles.

Mr. Becnel told us he purchased parts through the Parish for his personal vehicles. He said that when he was terminated, he reviewed the \$2,181 of parts the Parish called into question, agreed that he used the parts for personal use, and signed paperwork allowing the Parish to withhold the \$2,181 from his final check.

When we told Mr. Becnel we found a total of \$11,053 in parts that were purchased by the Parish but did not fit Parish vehicles, Mr. Becnel stated that he was not the only person who could order parts from NAPA. We spoke with the helper, who said he never ordered any parts from NAPA. He said that, on occasion, Mr. Becnel sent him to NAPA with part numbers and he bought those parts.

A NAPA employee confirmed the helper's statement. The NAPA employee stated that Mr. Becnel called and ordered parts and that Mr. Becnel was the person he most often dealt with at the Parish Transit department. On occasion, the helper came to the NAPA store and told him that Mr. Becnel sent him to pick up parts. Mr. Becnel stated that he may have ordered parts for vehicles he worked on at his home, but could not recall. He also told us he did some things wrong, admitted to it, and was fired for it, and is now trying to move on.

Parish officials told us the Parish is required to return any misspent funds to DOTD. Parish officials are in the process of determining whether Mr. Becnel submitted expenses to DOTD for parts he used personally.

By purchasing parts for vehicles not owned by the Parish and using them for personal use, Mr. Becnel may have violated state law.^{1,2,3} Additionally, by submitting requisitions for these parts to the Parish, Mr. Becnel may have violated state law.^{2,4}

Recommendations

We recommend that Parish management consult with its legal counsel to determine the appropriate actions to take, including recovery of the missing funds. We also recommend that Parish management develop and implement policies and procedures to ensure parts and supplies are purchased and used according to program regulations and state law, including, but not limited to, ensuring:

- (1) inventory received is matched to the requisition/purchase order;
- (2) inventory usage is tracked to determine who used what and when;
- (3) periodic spot checks of inventory are conducted in between annual physical inventory counts; and
- (4) purchase requisitions, purchase orders, and invoices are reviewed and scrutinized more closely prior to approval.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 14:67(A)** provides that, “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. 14:134(A)** provides 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; 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.”

³ **La. R.S. 42:1461(A)** provides that, “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.”

⁴ **La. R.S. 14:133(A)** provides 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, of any of the following: (1) Any forged document. (2) Any wrongfully altered document. (3) Any document containing a false statement or false representation of a material fact.”

APPENDIX A

Management's Response



St. James Parish Government

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Timothy P. Roussel
Parish President

Michelle N. Octave
Chief Administrative Officer

August 9, 2019

Mr. Daryl G. Purpera, CPA, CPE
Louisiana Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804

RE: Investigative Audit Report

Dear Mr. Purpera,

On behalf of St. James Parish Government, we would like to thank you for the thorough audit conducted by the Louisiana Legislative Auditor's office. Upon learning of potential improprieties with purchases made by one of our employees, St. James Parish self-reported the problem to the LLA. As soon as more concrete evidence of the suspected misconduct was received, St. James Parish took immediate action and terminated the employee in question.

We are very appreciative of the LLA for coming into SJP as requested and working very closely with the Parish in their investigation. St. James Parish will continue to work with the Louisiana Legislative Auditor's office on any similar situations in the future. St. James Parish is looking at measures to help minimize the risk of unauthorized purchases occurring again. St. James Parish Management will discuss and emphasize with the individuals tasked with overseeing programs that they must review and scrutinize more closely the purchase orders and/or invoices which they are responsible for approving for payment. The administration is also looking at various actions towards restitution. The recommendations presented by the LLA are being utilized in developing proper internal controls.

Blaise J. Gravois
Director of
Operations

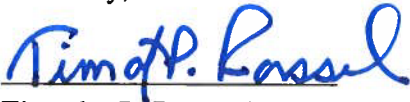
Chantal T. Waguespack
Director of
Finance

Ingrid Bergeron-LeBlanc
Director of
Human Resources

Ryan Donadieu
Interim Director of
Emergency Preparedness

Thank you again for your assistance to determine the extent of this loss and the Parish Administration will continue to take the necessary precautions to ensure this type of activity does not occur again.

Sincerely,



Timothy P. Roussel
Parish President

TR/mog

cc: Roger W. Harris
Assistant Legislative Auditor
Director of Investigative Audit

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