

ACT 461 REPORT ON FISCAL DEFICIENCIES, INEFFICIENCIES, FRAUD, OR OTHER SIGNIFICANT ISSUES DISCLOSED IN GOVERNMENTAL AUDITS FIRST QUARTER, FISCAL YEAR 2026

**Report to the Joint Legislative
Committee on the Budget
Issued October 16, 2025**

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October 16, 2025

Chairman Glen Womack and Members of the
Joint Legislative Committee on the Budget

Dear Chairman Womack and Members of the Joint Legislative Committee on the Budget:

Act 461 of the 2014 Regular Legislative Session (Louisiana Revised Statute 24:516.1) requires the Louisiana Legislative Auditor to make quarterly and annual reports to the Joint Legislative Committee on the Budget of certain audits which have findings with a dollar impact of \$150,000 or more relative to waste or inefficiencies, missed revenue collections, erroneous or improper payments or overpayments by the state, theft of money, failure to meet funding obligations such as pension or health benefits, failure to comply with federal fund or grant requirements, failure to comply with state funding requirements, including failure to report as required, misappropriation of funds, errors in or insufficient support for disaster expenditures, accountability of public money associated with various disasters such as the Deepwater Horizon event, and repeat findings.

Attached is our report to meet the requirements of Act 461 for the first quarter of Fiscal Year 2026. That report is linked and referenced to the full reports which contain the applicable findings of interest, as well as management's responses.

We are available to present the information that is of interest to your committee. We hope that this report assists you in your legislative decision-making process.

Sincerely,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/ch

ACT 461 REPORTING – Q1 FY26



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STATE AGENCIES

Coastal Protection and Restoration Authority - Gulf of Mexico Oil Spill Restoration (July 2024 - June 2025) ([Report Link](#))

- Expenditures were not supported by sufficient documentation. (Amount: \$119,852,313) (p.3)

Department of Energy and Natural Resources - Infrastructure Investment and Jobs Act and Inflation Reduction Act (November 2024 - June 2025) ([Report Link](#))

- Grant payments were not compliant with applicable federal and state laws, rules, and regulations. (Amount: \$408,722) (p.3)

Governor's Office of Homeland Security and Emergency Preparedness - Hazard Mitigation Grant Program (July 2024 - June 2025) ([Report Link](#))

- Completed work included in reimbursement requests was not within the approved scope of the project. (Amount: \$651,868) (p.3)
- Expenses included in reimbursement requests were not supported by sufficient documentation. (Amount: \$7,029,515) (p.3)
- Contracts and purchases included in reimbursement requests did not show evidence of compliance with applicable procurement guidelines. (Amount: \$904,735) (p.4)

Since April 1, 2008, the LLA has noted exceptions totaling \$332,151,805, which includes \$8,770,171 noted this period, and GOHSEP has resolved \$260,948,771, which includes \$21,426,385 resolved this period.

Governor's Office of Homeland Security and Emergency Preparedness - Public Assistance Program (July 2024 - June 2025) ([Report Link](#))

- Completed work included in reimbursement requests was not within the approved scope of work and/or the cost estimate was exceeded. (Amount: \$12,778,601) (p.4)
- Expenses included in reimbursement requests were not supported by sufficient documentation. (Amount: \$108,740,200) (p.4)

- Contracts and purchases included in reimbursement requests did not show evidence of compliance with applicable procurement guidelines. *(Amount: \$71,602,517) (p.4)*
- Expenses included in reimbursement requests were not in compliance with applicable FEMA regulations and guidance. *(Amount: \$9,083,143) (p.4)*
- Expenses included in reimbursement requests were duplicated, omitted, and/or miscategorized. *(Amount: \$4,089,988) (p.4)*

Since April 1, 2008, the LLA has noted exceptions totaling \$2,625,571,168, which includes \$206,294,449 noted this period, and GOHSEP has resolved \$2,265,193,306, which includes \$327,873,887 resolved this period.

L.E. Fletcher Technical Community College (FTCC) ([Report Link](#))

- For the second consecutive engagement, and despite noted improvements, FTCC did not maintain adequate internal controls over accounts payable. Subsequent to audit inquiries, FTCC identified various errors within accounts payable, resulting in accounting entries to correct prior-year general ledger errors of \$1,337,488 to accrued liabilities and \$10,463 to pay past-due accounts payable balances. **(Repeat)** *(Amount: \$1,347,951) (p.1)*

Louisiana Department of Health (LDH) ([Report Link](#))

- LDH paid approximately \$9.6 million in per-member per-month fees for 1,072 beneficiaries from February 2019 through March 2025 for Medicaid coverage after their date of death. **(Repeat)** *(Amount: \$9,603,074) (p.4)*

Road Home Corporation d/b/a Louisiana Land Trust (LLT) ([Report Link](#))

- For the fifth consecutive year, LLT did not have adequate controls over financial reporting to ensure its financial statements were accurate and complete. As a result, LLT submitted an inaccurate Annual Fiscal Report to the Division of Administration, Office of Statewide Reporting and Accounting Policy that contained multiple errors requiring adjustment. **(Repeat)** *(Errors noted included: Assets, \$2,786,939; Liabilities, \$317,226; Revenues, \$721,902; and Expenses, \$2,961,574) (Exhibit A.2)*
- LLT does not have adequate controls in place to ensure that credit card transactions and bank accounts are properly monitored and comply with its own policies and federal program regulations, increasing the risk of theft and fraud. Auditors noted apparent credit card misuse. *(Amount: \$171,465) (Exhibit A.4)*

LOCAL GOVERNMENT AGENCIES

National Association for African American Economic Development ([Report Link](#))

- State Funds Improperly Used for Charitable Gaming Activities (*Amount: \$199,568*) (p.4)

Lafayette Consolidated Government ([Report Link](#))

- Unauthorized Public Spending and Permit Failures (*Amount: \$3,699,800*) (p.7)

South Louisiana Charter Foundation, Inc. ([Report Link](#))

- Charter School Management Organization Paid Its Related Parties Without Foundation Board Approval, Written Contracts, or Adequate Documentation (*Amount: \$6,961,965*) (p.7)
- Learning Pods Charged Fees to Students (*Amount: \$511,538*) (p.21)
- Related-Party Leases of Iberville Charter Academy and Learning Pod Facilities (*Amount: \$13,897,828*) (p.28)
- Cash Transfers Between Charter School's Operating Bank Account and the Management Organization Were Made Without Adequate Documentation or Board Approval (*Amount: \$681,895*) (p.32)