

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

**Housing Authority of the  
City of Natchitoches**  
Natchitoches, Louisiana

February 20, 1998



*Investigative Audit*

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*Daniel G. Kyle, Ph.D., CPA, CFE*  
*Legislative Auditor*

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# **Housing Authority of the City of Natchitoches**

**February 20, 1998**



**Investigative Audit  
Office of the Legislative Auditor  
State of Louisiana**

**Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor**

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**Daniel G. Kyle, Ph.D., CPA, CFE**

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Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this report, or any report of the Legislative Auditor, please contact Skip Irwin, Director of Administrative Services, at 504/339-3800.

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OFFICE OF  
LEGISLATIVE AUDITOR  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

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February 20, 1998

**MR. D. MICHAEL HAYES**  
**EXECUTIVE DIRECTOR**  
**HOUSING AUTHORITY OF THE**  
**CITY OF NATCHITOCHES**  
Natchitoches, Louisiana

Transmitted herewith is our investigative report on the Housing Authority of the City of Natchitoches. 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 findings and recommendations, as well as your response. Copies of this report have been delivered to the Honorable Van H. Kyzar, District Attorney for the Tenth Judicial District of Louisiana, and the United States Attorney for the Western District of the State of Louisiana, and others as required by state law.

Respectfully submitted,

A handwritten signature in cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

AFB/ka

[NATHOUS]

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# Executive Summary

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## Investigative Audit Report Housing Authority of the City of Natchitoches

The following summarizes the findings and recommendations that resulted from this investigation. Detailed information relating to the finding and recommendation may be found at the page number indicated.

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### **Executive Director Used Public Employees and Assets to Conduct His Personal Business**

**(Page 1)**

**Finding:**

Mr. D. Michael Hayes, the Executive Director of the Housing Authority of the City of Natchitoches (Housing Authority), used Housing Authority personnel and assets in his private law practice, his horse racing business, and personal matters. While it is not possible to determine the total cost in public dollars, based on the information provided, cost to the Housing Authority amounts to at least \$12,000.

**Recommendation:**

We recommend that Mr. Hayes comply with Louisiana law and not use public employees and public assets in the furtherance of his private legal practice or other personal matters. Further, we recommend that the District Attorney for the Tenth Judicial District of Louisiana and the United States Attorney for the Western District of the State of Louisiana review this information and take appropriate legal action, to include seeking restitution.

**Management's Response:**

To ensure that this problem does not arise in the future, management has adopted a policy prohibiting any employee from conducting personal business using Housing Authority assets.

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**Executive Director Used Public Credit Cards to Obtain Cash  
Advances at Gaming Establishments****(Page 3)**

**Finding:** During fiscal years 1995, 1996, and 1997, using publicly funded credit cards, Mr. D. Michael Hayes, Executive Director of the Housing Authority of the City of Natchitoches (Housing Authority), obtained 35 cash advances totaling \$8,042 at gaming establishments.

**Recommendation:** We recommend that Mr. Hayes discontinue using the Corporation credit card to obtain personal credit. Further, we recommend that management review the use of its credit cards and instruct Mr. Hayes to reimburse the Corporation for any amounts owed including interest and transaction fees. Finally, we recommend that the District Attorney for the Tenth Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.

**Management's Response:** To ensure that this problem does not arise in the future, management has canceled all public credit cards.

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**Executive Director Submitted Duplicate Reimbursement Requests  
and Was Paid \$273 for Travel Expenses He Did Not Incur****(Page 5)**

**Finding:** Mr. D. Michael Hayes, Executive Director of the Housing Authority of the City of Natchitoches (Housing Authority), submitted a travel advance request and duplicate reimbursement requests, which resulted in his receiving \$273 to which he was not entitled.

**Recommendation:** We recommend that the District Attorney for the Tenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

**Management's Response:** To ensure that this problem does not arise in the future, management has adopted procedures requiring employees to submit travel claims within 30 days of the incurring of the expenses.

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# Background and Methodology

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The Office of the Legislative Auditor received information alleging misappropriation of public funds under the control of the Housing Authority of the City of Natchitoches.

We conducted our investigation to obtain additional information regarding these allegations. Our procedures consisted of (1) interviewing employees and officials at the housing authority; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the housing authority; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable Louisiana and federal laws.

The results of our investigation are the findings and recommendations presented herein.



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# Findings and Recommendations

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## **Executive Director Used Public Employees and Assets to Conduct His Personal Business**

**Mr. D. Michael Hayes, the Executive Director of the Housing Authority of the City of Natchitoches (Housing Authority), used Housing Authority personnel and assets in his private law practice, his horse racing business, and personal matters. While it is not possible to determine the total cost in public dollars, based on the information provided, cost to the Housing Authority amounts to at least \$12,000.**

The Housing Authority is a publicly funded agency receiving federal funding through the Department of Housing and Urban Development (HUD). The Housing Authority's employees are paid with public funds.

During 1988 or 1989, the Office of Inspector General (OIG) for HUD conducted an investigation of the Housing Authority. Mr. Marcus Wohl, Special Agent for OIG, stated that the investigation disclosed that Mr. Hayes used Housing Authority personnel and assets to conduct his private legal practice and his horse racing interests. Mr. Wohl told us that he instructed Mr. Hayes to discontinue using the assets and personnel of the Housing Authority to conduct his legal practice and other personal business. Further, Mr. Wohl stated that Mr. Hayes assured him that he had used bad judgment and would no longer use Housing Authority personnel and assets for his personal benefit.

We also spoke with Mr. Jim Alexander, Housing Program Advisor for HUD, who confirmed that he counseled the Executive Director of the Housing Authority, Mr. D. Michael Hayes, during 1988 or 1989 to discontinue practicing law from the offices of the Housing Authority. Mr. Alexander further told us that Mr. Hayes gave him assurances that he would comply with his (Mr. Alexander's) counsel.

We also spoke with ten (three of which are named on the following page) former and current employees of the Housing Authority who stated that Mr. Hayes instructed them to perform work not related to their duties at the Housing Authority while on the Housing Authority payroll. Several of these employees told us that they interpreted Mr. Hayes' instructions to perform personal work for him as a job requirement.

**Ms. Dorothy Dowdy**

Ms. Dowdy worked for the Housing Authority as Mr. Hayes' personal secretary during the period July 1994 through August 1996. Ms. Dowdy stated that during this time Mr. Hayes instructed her to handle his horse racing business and to prepare numerous legal documents including documents related to his contract work for the Indigent Defender Board for Natchitoches Parish. She added that Mr. Hayes told her to conceal the personal work she was doing for him warning her they could get in trouble for what they were doing.

Ms. Dowdy stated that she spent approximately 40% of her time working on private matters for Mr. Hayes. Ms. Dowdy estimated that the Housing Authority paid her approximately \$12,000 for the private work Mr. Hayes required her to do.

**Ms. Kecia Glynn**

Ms. Glynn informed us she was employed at the Housing Authority from August 1996 to October 1996 as secretary to Mr. Hayes. During her employment, Ms. Glynn said she was routinely assigned responsibilities that had no relationship to Housing Authority business and the tasks varied in duration from a few minutes to a few hours. Ms. Glynn also stated that Mr. Hayes instructed her not to allow anyone to see her working on his private law work on Housing Authority time.

Further, Ms. Glynn said that many of her assigned duties involved horses and horse racing. She was instructed by Mr. Hayes to research the Internet almost daily for information on horses and race results.

Ms. Glynn was unable to determine the total amount of Housing Authority time she was required to spend working on Mr. Hayes' personal business.

**Ms. Betty Lee**

Ms. Lee worked for the Housing Authority from December 1996 until August 1997 as Confidential Assistant to Mr. Hayes. During her employment, Ms. Lee said that Mr. Hayes directed her to prepare numerous documents for his private legal practice. Ms. Lee said that it became evident to her that Mr. Hayes hired her to perform his private legal work. Ms. Lee was unable to determine the total amount of Housing Authority time she was required to spend working on Mr. Hayes' personal business.

We also spoke with four other former employees, Ms. Patricia Antley, Ms. Theresa Gibson, Mr. Greg Wafer, and Ms. Gladys Dodd, who made statements similar to the statements provided by Ms. Dowdy, Ms. Glynn, and Ms. Lee. Ms. Dodd said that in 1988 or 1989 when Mr. Hayes was being investigated by the OIG (Office of Inspector General, Housing and Urban Development) she knew that she had done work for him on Housing Authority time, which she knew was wrong; however, she said it was demanded of her.

To compensate the Housing Authority, she had 100 hours of her annual leave deducted from her balance.

### **Additional Information**

We also found that Mr. Hayes keeps a quantity of his attorney at law business cards at the offices of the Housing Authority. Those cards show the address of his law office to be the same as the address of the Housing Authority, 416 Shady Lane.

Further, we found many documents not related to the Housing Authority stored on the computer used by Mr. Hayes' assistant. Some of those documents appear to involve legal matters handled by Mr. Hayes as a private attorney.

By using public employees and public assets to conduct his personal business, Mr. Hayes may be in violation of the following state and federal laws:

- R.S. 14:134, "Malfeasance in Office"
- R.S. 14:138, "Payroll Fraud"
- R.S. 42:1461(A), "Obligation Not to Misappropriate"
- 18 U.S.C. §666, "Theft from Federal Programs"

We recommend that Mr. Hayes comply with Louisiana law and not use public employees and public assets in the furtherance of his private legal practice or other personal matters. Further, we recommend that the District Attorney for the Tenth Judicial District of Louisiana and the United States Attorney for the Western District of the State of Louisiana review this information and take appropriate legal action, to include seeking restitution.

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### **Executive Director Used Public Credit Cards to Obtain Cash Advances at Gaming Establishments**

**During fiscal years 1995, 1996, and 1997, using publicly funded credit cards, Mr. D. Michael Hayes, the Executive Director of the Housing Authority of the City of Natchitoches (Housing Authority), obtained 35 cash advances totaling \$8,042 at gaming establishments.**

We reviewed the credit card statements of the Natchitoches Housing Corporation (Corporation), a nonprofit corporation operating from the offices of the Housing Authority, during fiscal 1995, fiscal 1996, and fiscal 1997, and determined that Mr. Hayes obtained advances at gaming establishments during this period amounting to \$8,042.

We determined that Mr. Hayes got many of the cash advances on Saturdays or Sundays. Further, many of these cash advances were not reimbursed by Mr. Hayes for several months. The ten most delinquent reimbursements are as follows:

Transaction Date	Day of Week	Transaction Amount	Date of Reimbursement	Days from Transaction to Reimbursement
July 18, 1995	Tuesday	\$525	April 30, 1996	287
September 23, 1995	Saturday	\$109	April 30, 1996	220
September 23, 1995	Saturday	\$212	April 30, 1996	220
September 23, 1995	Saturday	\$212	April 30, 1996	220
June 22, 1995	Thursday	\$212	January 10, 1996	202
July 14, 1995	Friday	\$212	January 10, 1996	180
September 17, 1995	Sunday	\$212	January 10, 1996	115
February 20, 1996	Tuesday	\$212	April 29, 1996	69
February 23, 1996	Friday	\$212	April 29, 1996	66
May 5, 1995	Friday	\$315	July 6, 1995	62

While the ten most delinquent reimbursements occurred in fiscal years 1996 and 1997, Mr. Hayes was also delinquent as much as 60 days on the vast majority of the reimbursements in fiscal year 1995.

On November 25, 1997, Mr. Hayes faxed a copy of his check in the amount of \$172 payable to Natchitoches Housing Corporation. According to Mr. Hayes, the check was payment of interest on the ten most delinquent reimbursements.

By using the publicly funded credit cards for other than business purposes, Mr. Hayes may have violated the following laws:

- R.S. 14:68, "Unauthorized Use of a Movable"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 42:1461(A), "Obligation Not to Misappropriate"
- Article VII, Section 14 of the Louisiana Constitution, "Donation of Public Assets"

We recommend that Mr. Hayes discontinue using the Corporation credit card to obtain personal credit. Further, we recommend that management review the use of its credit cards and instruct Mr. Hayes to reimburse the Corporation for any amounts owed including interest and transaction

fees. Finally, we recommend that the District Attorney for the Tenth Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.

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### **Executive Director Submitted Duplicate Reimbursement Requests and Was Paid \$273 for Travel Expenses He Did Not Incur**

**Mr. D. Michael Hayes, Executive Director of the Housing Authority of the City of Natchitoches (Housing Authority), submitted a travel advance request and duplicate reimbursement requests, which resulted in his receiving \$273 to which he was not entitled.**

Mr. Hayes signed and submitted a travel advance request dated August 22, 1996, for travel to a Louisiana Housing Council Insurance Committee meeting in Baton Rouge on August 23. The advance amount totaled \$346 and included a charge for lodging, meal allowance, mileage, and miscellaneous expenses. Subsequent to his return, Mr. Hayes settled this travel advance by submitting receipts totaling \$374 and receiving a check for the difference on August 28. Included in the expenses submitted by Mr. Hayes was a lodging charge amounting to \$83.

We reviewed the Visa credit card statement of the Natchitoches Housing Corporation (Corporation), a nonprofit corporation operating from the offices of the Housing Authority, for this period and determined that Mr. Hayes charged his lodging of \$83 to this credit card. This statement was paid in full with Corporation funds. Therefore, the lodging charge was paid directly by the Corporation not out of the cash advance as claimed by Mr. Hayes.

On February 4, 1997, Mr. Hayes submitted a second reimbursement request for travel to Baton Rouge on August 23, 1996. However, the reason for this trip is described as "Mtg. With Legislative Auditor." The reimbursement request for \$190 includes an \$80 meal allowance, \$98 for mileage, and \$12 for miscellaneous expenses. Since Mr. Hayes had already received a meal allowance, mileage, and miscellaneous expenses for his August 23 trip to Baton Rouge, he was not entitled to receive reimbursement for these same expenditures a second time. In addition, we spoke with employees of the Legislative Auditor who might have met with Mr. Hayes on August 23, and all responded that they did not recall meeting with Mr. Hayes.

On November 21, 1997, Mr. Hayes faxed a copy of his check in the amount of \$299 payable to Natchitoches Housing Corporation. According to Mr. Hayes, the check represents a reimbursement of the duplicate \$83 lodging charge, the \$98 mileage charge, the \$80 meals charge, the \$12 miscellaneous charge, and interest of \$26.

By submitting reimbursement requests for \$273 (\$83 lodging, \$98 mileage, \$80 meals, and \$12 miscellaneous expenses) in expenses not incurred, Mr. Hayes may have violated the following provisions:

- R. S. 14:67, “Theft”
- R.S. 42:1461(A), “Obligation Not to Misappropriate”
- R.S. 14:134, “Malfeasance in Office”

We recommend that the District Attorney for the Tenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

**Attachment I**  
**Management's Response**

LAW OFFICES  
**WATSON, MURCHISON, CREWS, ARTHUR & CORKERN**

616 FRONT STREET P. O. BOX 226  
NATCHITOCHE, LOUISIANA 71458-0226

ARTHUR C. WATSON (1933-1984)

DANIEL T. MURCHISON, SR.  
WILLIAM P. CREWS, JR.  
R. RAYMOND ARTHUR  
RONALD E. CORKERN, JR.  
STEVEN D. CREWS

TAMA B. THOMAS  
DANIEL T. MURCHISON, JR.

TELEPHONE (318) 352-2302  
TELECOPIER (318) 352-7548

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

February 12, 1998

Dr. Daniel G. Kyle  
Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

RE: Legislative Audit of the  
Housing Authority of the  
City of Natchitoches

Dear Dr. Kyle:

The Board of Commissioners for the Natchitoches Housing Authority received the preliminary draft of your audit report on February 3, 1998. As you are aware, your office began its audit in June, 1997 which culminated in your preliminary draft dated February 2, 1998. Since the Housing Authority has had only ten days to respond to your findings and recommendations, it has been impossible to conduct an exhaustive investigation.

Nevertheless, this letter should serve as management's response to your findings and recommendations.

**FINDING NO. 1:** Executive Director Used Public Employee's and Assets to Conduct His Personal Business.

**Management's Response:** D. Michael Hayes has been employed by the Housing Authority of the City of Natchitoches as Executive Director since October 16, 1969. The duties and responsibilities of the Executive Director have continued to encompass broader areas of development, including an understanding and coordination of State and Federal laws dealing with Housing and Urban Development. For instance, Mr. Hayes has been actively involved on the State and National level on issues related to public housing, and most recently was instrumental in the passage by the Louisiana Legislature of the Model Act for Public Housing.

08 FEB 17 AIO: 49



Mr. Hayes' legal education has resulted in a considerable savings to the Authority for legal expenses and has benefited the entire State.

It has been the policy of the Authority, as additional compensation to its Executive Director, and as a means of employing an Executive Director with the qualifications of D. Michael Hayes at a lesser salary than would otherwise be appropriate, to authorize the Executive Director to practice law on a part time basis, using personnel employed solely by the Executive Director, and equipment owned or leased solely by the Executive Director.

The Board of Commissioners has been unable during its limited investigation to verify the proposed finding that legal and personal business was conducted on behalf of the Executive Director through the use of Housing Authority personnel and assets. The Executive Director has produced cancelled personal checks purporting to represent payment to Housing Authority personnel for personal work performed on behalf of the Executive Director, which checks preceded this audit.

The Housing Authority will continue to cooperate in this investigation, and to the extent it may be established that Housing Authority personnel performed personal work on behalf of the Executive Director during regular business hours, restitution will be sought.

In an effort to make certain this problem does not arise in the future, and that every employee of the Housing Authority is aware of their duties and responsibilities, the Board of Commissioners has adopted a policy, effective February 16, 1998, prohibiting any employee from conducting personal business on property owned or managed by the Natchitoches Housing Authority or through the use of Housing Authority assets. This policy is represented by Resolution No. 1418, a copy of which is attached hereto and made a part hereof as Exhibit "A".

**FINDING NO. 2:** Executive Director Used Public Credit Cards to Obtain Cash Advances at Gaming Establishments.

**Management's Response:** Our investigation reveals that all credit card advances to the Executive Director were repaid to the Natchitoches Housing Corporation. Most, if not all, reimbursements were made before your audit began in June, 1997. When your audit

revealed the existence of these cash advances together with the fact that on some occasions reimbursement was not made within thirty (30) days, the Housing Authority's accountant was asked to calculate the credit card interest that would have been incurred by the Natchitoches Housing Corporation.

On November 25, 1997, Mr. Hayes paid to the Natchitoches Housing Corporation the sum of \$172.00, this sum representing the payment of interest on the delinquent reimbursements identified in your report.

To insure this finding does not recur, the Board of Commissioners has cancelled all public credit cards and adopted a new policy relative to reimbursement for travel expenses incurred by Housing Authority employees, which policy requires, in part, that all travel be approved in advance by the Board of Commissioners, and that a travel reconciliation form be completed by the employee within thirty (30) days after travel and approved by the Board of Commissioners within sixty (60) days of the travel occurrence.

The policy referred to above is included in Resolution No. 1419 effective February 16, 1998, a copy of which is attached hereto and marked for identification herewith as Exhibit "B".

**FINDING NO. 3:** Executive Director Submitted Duplicate Reimbursement Requests and Was Paid \$273.00 For Travel Expenses He Did Not Incur.

**Management's Response:** As a result of your staff's thorough, painstaking, time consuming audit covering a period in excess of eight (8) years, one incident involving a duplicate reimbursement request totalling \$273.00 was discovered. It is apparent that no pattern exists for requesting duplicate reimbursement for travel expenses and this payment was in error.

On November 21, 1997, Mr. Hayes paid to the Natchitoches Housing Corporation the sum of \$299.00. This payment represented reimbursement for the duplicate travel expenses plus interest through the date of reimbursement.

The Board of Commissioners believes that the adoption of Resolution No. 1419, (Exhibit "B") will serve to prevent such mistakes in the future, since the adoption of this new policy

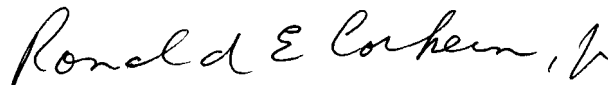
requires an employee/director of the Housing Authority to submit a travel reconciliation form within thirty (30) days after the travel has been completed, and approval must be obtained by the Board of Commissioners within sixty (60) days of the travel occurrence. Additionally, the Board of Commissioners has requested its accountant to perform bi-annually an audit of all travel expenses.

**CONCLUSION**

The six-month (6) audit conducted by your staff has revealed some deficiencies in the Housing Authority's policies and accounting procedures. As a result of your thorough and time-consuming audit, we feel confident that the findings will result in an improved operation of the Natchitoches Housing Authority, including better internal control. The Natchitoches Housing Authority and Board of Commissioners intend to continue cooperating with your office, and wish to take this opportunity to thank your staff for the courteous and professional manner in which this audit was conducted.

With kindest regards, I am

Sincerely yours,



RONALD E. CORKERN, JR.  
Attorney, Housing Authority  
of the City of Natchitoches

RECjr/tbc

Exhibit "B"

RESOLUTION NO. 1419

RESOLUTION AMENDING HOUSING AUTHORITY  
RESOLUTION NUMBERS 272, ADOPTED  
12/15/75 AND 379, ADOPTED 3/19/79 AND  
RESOLUTION NUMBER 40 ADOPTED 6/25/90  
REGARDING REIMBURSEMENT FOR TRAVEL EXPENSES  
INCURRED BY LOCAL AGENCY MEMBERS AND EMPLOYEES  
IN CONNECTION WITH OFFICIAL TRAVEL RELATED TO  
LOW-RENT HOUSING ACTIVITIES

WHEREAS, the City of Natchitoches, effective July 19, 1979, adopted an official travel policy, which is substantially in the form and substance as attached hereto and made a part hereof and identified as Exhibit "1"; and,

WHEREAS, the Housing Authority's policy regarding reimbursement for travel expenses incurred by local agency members and employees in connection with official travel related to low-rent housing activities shall conform with that of the officially adopted City Travel policy; and,

WHEREAS, by Resolution No. 40 of 1990, adopted by the City of Natchitoches, Louisiana on June 25, 1990, the City Council of the City of Natchitoches, Louisiana, approved an increase in reimbursement for use of personally owned vehicles, from \$0.24 per mile to \$0.31 per mile; and,

BE IT HEREBY RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEs, LOUISIANA, THAT effective February 16, 1998, the Housing Authority policy regarding reimbursement for travel expenses incurred by local agency members and employees in connection with official travel related to low-rent housing activities shall conform with that of the officially adopted City Travel policy, as follows, to-wit:

(1) A policy is hereby established providing for reimbursement of travel expenses incurred by local agencies and

members and employees in connection with official travel related to low-rent housing activities on an actual subsistence expense basis, or per diem basis, whichever is most advantageous to the Housing Authority of the City of Natchitoches, Louisiana. The Board of Commissioners will determine whether an employee draws per diem or pays actual expenses. Payment of per diem rates will be based on the following:

- (1) For metropolitan areas (New Orleans, Dallas, Houston, etc.) the rate will be \$80.00 per day plus the actual cost of lodging;
- (2) For all areas other than metropolitan areas, the rate will be \$60.00 per day plus the actual cost of lodging.

Actual expenses reimbursement and cost of lodging when drawing per diem must be supported by receipts and other documentation of actual expense.

The Board of Commissioners shall have the sole authority for approving each trip outside of the City, subject to an evaluation of the request as to necessity of the travel. Travel request forms must be submitted and written approval obtained from the Board of Commissioners prior to the proposed travel date.

Transportation costs of persons authorized to travel on official business shall be reimbursed for the cost of coach or tourist airline accommodations. Cost of taxi fares, telephone calls and similar items incidental to the performance of official business will also be considered reimbursable items.

Reimbursement for privately owned vehicles traveling on official business of the Housing Authority of the City of Natchitoches, Louisiana, will be computed at a standard \$0.31 per mile. If Housing Authority-owned vehicles are available for use,

all efforts will be made to utilize them. This determination will be the responsibility of the Board of Commissioners who must, in all circumstances, approve by written verification any request for travel.

LESS THAN 24-HOUR DAY: For travel less than 24 hours per day, when night's lodging is not required, the per diem rate shall be \$50.00 with one-fourth (1/4) (\$12.50) allowed for each six-hour period, or fraction thereof. No per diem shall be allowed when the entire travel period is eight hours or less during the same calendar day unless departure is prior to 7:00 a.m. or return is after 7:00 p.m.

All agency members and employees of the Housing Authority of the City of Natchitoches, Louisiana, will be required to complete the required travel expense form and obtain written approval before an advance/reimbursement can be made by the Housing Authority of the City of Natchitoches. It shall be the responsibility of the Executive Director to see that all Travel Expense Forms are completed and filed for payment in a prompt and expedient manner.

The policy for travel advancements and settlements is as follows:

(1) A travel advance form estimating expenses will be completed and submitted to the Board of Commissioners simultaneous with any request for proposed travel.

(2) After approval of travel has been made by the Board of Commissioners, an advance will be made to the employee in accordance with the guidelines set forth above.

(3) After completion of the travel, a travel reconciliation form will be completed by the employee, and this form will be presented at the next regularly scheduled Board meeting to be

approved by the Board of Commissioners. After approval, any balance due will then be paid.

(4) The travel reconciliation form must be completed by employee within thirty (30) days after travel completed and must be approved by the Board of Commissioners within sixty (60) days of travel occurrence.

(4) Any violation of this policy, because of their seriousness, may result in immediate disciplinary action, including possible dismissal.

B. Grievance Procedure

Should any employee of the Housing Authority believe that he/she has been treated unfairly in connection with his/her job, and the basis for such grievance involves the employee's supervisor and/or Executive Director, then he/she may present in writing the grievance to the Chairman of the Board of Commissioners. The Chairman of the Board of Commissioners shall, as soon as practical, convene a meeting of the Board of Commissioners for the purpose of investigating and responding to the grievance.



Exhibit "A"

RESOLUTION NO. 1418

RESOLUTION ADOPTING THE NATCHITOCHEES  
HOUSING AUTHORITY'S POLICY RELATIVE  
TO OUTSIDE EMPLOYMENT, PERSONAL ACTIVITIES  
AND USE OF HOUSING AUTHORITY PERSONNEL,  
PROPERTY OR EQUIPMENT FOR PERSONAL USE

WHEREAS, the Housing Authority's policy regarding outside employment, personal use of Housing Authority property and grievance procedures shall conform with that of the City of Natchitoches as contained in the "Personnel Policies Manual for the City of Natchitoches", except as hereinafter modified;

BE IT HEREBY RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEES, LOUISIANA, THAT effective February 16, 1998, the Housing Authority policy regarding outside employment, personal use of Housing Authority property and grievance procedure shall conform with that of the officially adopted policy of the City of Natchitoches, except as hereinafter modified:

(A) Statement of Policy of Outside Employment and Personal Use of Housing Authority Property

(1) An employee of the Natchitoches Housing Authority may engage in outside activities, paid or unpaid, which do not conflict, delay or in any manner interfere with the duties and responsibilities of his/her employment.

(2) No employee shall engage in any personal business or activities, not Housing Authority related, for himself or any other employee during regular work hours.

(3) No employee shall use or loan Housing Authority property or equipment for personal use.

(4) Any violation of this policy, because of their seriousness, may result in immediate disciplinary action, including possible dismissal.

B. Grievance Procedure

Should any employee of the Housing Authority believe that he/she has been treated unfairly in connection with his/her job, and the basis for such grievance involves the employee's supervisor and/or Executive Director, then he/she may present in writing the grievance to the Chairman of the Board of Commissioners. The Chairman of the Board of Commissioners shall, as soon as practical, convene a meeting of the Board of Commissioners for the purpose of investigating and responding to the grievance.

Exhibit "B"

RESOLUTION NO. 1419

RESOLUTION AMENDING HOUSING AUTHORITY  
RESOLUTION NUMBERS 272, ADOPTED  
12/15/75 AND 379, ADOPTED 3/19/79 AND  
RESOLUTION NUMBER 40 ADOPTED 6/25/90  
REGARDING REIMBURSEMENT FOR TRAVEL EXPENSES  
INCURRED BY LOCAL AGENCY MEMBERS AND EMPLOYEES  
IN CONNECTION WITH OFFICIAL TRAVEL RELATED TO  
LOW-RENT HOUSING ACTIVITIES

WHEREAS, the City of Natchitoches, effective July 19, 1979, adopted an official travel policy, which is substantially in the form and substance as attached hereto and made a part hereof and identified as Exhibit "1"; and,

WHEREAS, the Housing Authority's policy regarding reimbursement for travel expenses incurred by local agency members and employees in connection with official travel related to low-rent housing activities shall conform with that of the officially adopted City Travel policy; and,

WHEREAS, by Resolution No. 40 of 1990, adopted by the City of Natchitoches, Louisiana on June 25, 1990, the City Council of the City of Natchitoches, Louisiana, approved an increase in reimbursement for use of personally owned vehicles, from \$0.24 per mile to \$0.31 per mile; and,

BE IT HEREBY RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF NATCHITOCHEs, LOUISIANA, THAT effective February 16, 1998, the Housing Authority policy regarding reimbursement for travel expenses incurred by local agency members and employees in connection with official travel related to low-rent housing activities shall conform with that of the officially adopted City Travel policy, as follows, to-wit:

(1) A policy is hereby established providing for reimbursement of travel expenses incurred by local agencies and

members and employees in connection with official travel related to low-rent housing activities on an actual subsistence expense basis, or per diem basis, whichever is most advantageous to the Housing Authority of the City of Natchitoches, Louisiana. The Board of Commissioners will determine whether an employee draws per diem or pays actual expenses. Payment of per diem rates will be based on the following:

- (1) For metropolitan areas (New Orleans, Dallas, Houston, etc.) the rate will be \$80.00 per day plus the actual cost of lodging;
- (2) For all areas other than metropolitan areas, the rate will be \$60.00 per day plus the actual cost of lodging.

Actual expenses reimbursement and cost of lodging when drawing per diem must be supported by receipts and other documentation of actual expense.

The Board of Commissioners shall have the sole authority for approving each trip outside of the City, subject to an evaluation of the request as to necessity of the travel. Travel request forms must be submitted and written approval obtained from the Board of Commissioners prior to the proposed travel date.

Transportation costs of persons authorized to travel on official business shall be reimbursed for the cost of coach or tourist airline accommodations. Cost of taxi fares, telephone calls and similar items incidental to the performance of official business will also be considered reimbursable items.

Reimbursement for privately owned vehicles traveling on official business of the Housing Authority of the City of Natchitoches, Louisiana, will be computed at a standard \$0.31 per mile. If Housing Authority-owned vehicles are available for use,

all efforts will be made to utilize them. This determination will be the responsibility of the Board of Commissioners who must, in all circumstances, approve by written verification any request for travel.

LESS THAN 24-HOUR DAY: For travel less than 24 hours per day, when night's lodging is not required, the per diem rate shall be \$50.00 with one-fourth (1/4) (\$12.50) allowed for each six-hour period, or fraction thereof. No per diem shall be allowed when the entire travel period is eight hours or less during the same calendar day unless departure is prior to 7:00 a.m. or return is after 7:00 p.m.

All agency members and employees of the Housing Authority of the City of Natchitoches, Louisiana, will be required to complete the required travel expense form and obtain written approval before an advance/reimbursement can be made by the Housing Authority of the City of Natchitoches. It shall be the responsibility of the Executive Director to see that all Travel Expense Forms are completed and filed for payment in a prompt and expedient manner.

The policy for travel advancements and settlements is as follows:

(1) A travel advance form estimating expenses will be completed and submitted to the Board of Commissioners simultaneous with any request for proposed travel.

(2) After approval of travel has been made by the Board of Commissioners, an advance will be made to the employee in accordance with the guidelines set forth above.

(3) After completion of the travel, a travel reconciliation form will be completed by the employee, and this form will be presented at the next regularly scheduled Board meeting to be

approved by the Board of Commissioners. After approval, any balance due will then be paid.

(4) The travel reconciliation form must be completed by employee within thirty (30) days after travel completed and must be approved by the Board of Commissioners within sixty (60) days of travel occurrence.

**Attachment II**  
**Legal Provisions**

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# Legal Provisions

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The following legal citations are referred to in the Findings and Recommendations section of this report:

**R.S. 14:67** 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.

**R.S. 14:68** provides that unauthorized use of a movable is the intentional taking or use of a movable which belongs to another, either without the other's consent, or by means of fraudulent conduct, practices, or representations, but without any intention to deprive the other of the movable permanently.

**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.

**R.S. 14:138** provides, in part, that payroll fraud is committed when any public officer or public employee shall carry, cause to be carried, or permit to be carried, directly or indirectly, upon the employment list or payroll of his office, the name of any person as employee, or shall pay any employee, with knowledge that such employee is receiving payment or compensation for services not actually rendered by said employee or for services grossly inadequate for such payment or compensation.

**R.S. 42:1461(a)** provides that officials, whether elected or appointed, by the act of accepting such office assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property or other thing of value belonging to the public entity in which they hold office.

**Article VII, Section 14 of the Louisiana Constitution** provides that except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.



**18 U.S.C. §666** provides, in part, that theft concerning programs receiving federal funds occurs when an agent of an organization, state, local, or Indian tribal government or any agency thereof embezzles, steals, obtains by fraud, or otherwise intentionally misapplies property that is valued at \$5,000 or more and is owned by or under control of such organization, state, or agency when the organization, state, or agency receives in any one year period, benefits in excess of \$10,000 under a federal program involving a grant contract, or other form of federal assistance.

Exhibit "A"

RESOLUTION NO. 1418

RESOLUTION ADOPTING THE NATCHITOCHESS  
HOUSING AUTHORITY'S POLICY RELATIVE  
TO OUTSIDE EMPLOYMENT, PERSONAL ACTIVITIES  
AND USE OF HOUSING AUTHORITY PERSONNEL,  
PROPERTY OR EQUIPMENT FOR PERSONAL USE

WHEREAS, the Housing Authority's policy regarding outside employment, personal use of Housing Authority property and grievance procedures shall conform with that of the City of Natchitoches as contained in the "Personnel Policies Manual for the City of Natchitoches", except as hereinafter modified;

BE IT HEREBY RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF NATCHITOCHESS, LOUISIANA, THAT effective February 16, 1998, the Housing Authority policy regarding outside employment, personal use of Housing Authority property and grievance procedure shall conform with that of the officially adopted policy of the City of Natchitoches, except as hereinafter modified:

(A) Statement of Policy of Outside Employment and Personal Use of Housing Authority Property

(1) An employee of the Natchitoches Housing Authority may engage in outside activities, paid or unpaid, which do not conflict, delay or in any manner interfere with the duties and responsibilities of his/her employment.

(2) No employee shall engage in any personal business or activities, not Housing Authority related, for himself or any other employee during regular work hours.

(3) No employee shall use or loan Housing Authority property or equipment for personal use.