

LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS

INVESTIGATIVE AUDIT SERVICES

Issued February 15, 2023

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

ASSISTANT LEGISLATIVE AUDITOR FOR INVESTIGATIONS
ROGER W. HARRIS, J.D., CCEP, CFI

INVESTIGATIVE AUDIT SENIOR MANAGER
GREGORY CLAPINSKI, CPA, CFE

INVESTIGATIVE AUDIT TEAM
KUNTA OSBERRY, MBA
LEWIS "BREN" BRENDLE, MBA, CFE

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 is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3302 or Report ID No. 50220019 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$0.65. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Jenifer Schaye, General Counsel, at 225-339-3800.

February 15, 2023

**JOSEPH TOWNSEND, EXECUTIVE DIRECTOR
AND MEMBERS OF THE BOARD OF DIRECTORS
LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS**
Baton Rouge, 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 19th Judicial District of Louisiana and others, as required by law.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/aa

LBENFA



TABLE OF CONTENTS

| | Page |
|----------------------------------|------------|
| Executive Summary | 2 |
| Background and Methodology | 3 |
| Finding and Recommendations: | |
| Improper Credit Card Usage | 4 |
| Legal Provisions..... | 9 |
| Management’s Response..... | Appendix A |
| Mark Hebert’s Response | Appendix B |

EXECUTIVE SUMMARY

Improper Credit Card Usage

Former Louisiana Board of Examiners of Nursing Facility Administrators (LABENFA) Executive Director Mark Hebert used his office-issued credit card to incur charges totaling \$98,080 from June 2019 through July 2022. During our audit, we identified charges totaling \$18,979 that either appear personal in nature or did not have a clear business purpose. In addition, records show several items purchased by Mr. Hebert were shipped directly to his personal residence, and items totaling at least \$7,677 were stored at his personal residence. By using public funds for personal purchases, Mr. Hebert may have violated state laws. In addition, purchases with no business purpose and are not necessary to the operations of LABENFA may be a violation of the Louisiana Constitution, which prohibits the donation of public funds.

BACKGROUND AND METHODOLOGY

The Louisiana Board of Examiners of Nursing Facility Administrators (LABENFA) was created within the Louisiana Department of Health pursuant to Louisiana Revised Statute 37:2501, *et. seq.* The Board is composed of 13 members, 10 of whom are ex-officio members and three of whom are appointed by the Governor. Each board member appointed by the governor serves a three-year term. LABENFA is responsible for developing, imposing, and enforcing standards for nursing facility administrators, issuing licenses, and investigating complaints.

In May 2022, LABENFA's independent certified public account (ICPA) issued its agreed-upon procedures report for the year ending June 30, 2021. During the engagement, the ICPA was required to randomly select two monthly statements for each of the agency's credit cards; obtain the supporting documentation for all transactions included on the monthly statements; and observe whether or not each transaction was properly reviewed, approved, and documented with a business/public purpose. The ICPA's report indicated the monthly statements lacked evidence of review or approval and identified charges in excess of \$3,000 that did not have original receipts and/or for which the business/public purpose was questionable. The report also noted several of the items purchased were shipped to the executive director's personal address.

The Louisiana Legislative Auditor initiated this audit to determine if LABENFA credit cards were used for personal purposes.

The procedures performed during this audit included:

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

FINDING AND RECOMMENDATIONS

Improper Credit Card Usage

Former Louisiana Board of Examiners of Nursing Facility Administrators (LABENFA) Executive Director Mark Hebert used his office-issued credit card to incur charges totaling \$98,080 from June 2019 through July 2022. During our audit, we identified charges totaling \$18,979 that either appear personal in nature or did not have a clear business purpose. In addition, records show several items purchased by Mr. Hebert were shipped directly to his personal residence, and items totaling at least \$7,677 were stored at his personal residence. By using public funds for personal purchases, Mr. Hebert may have violated state laws.^{1,2,3,4} In addition, purchases with no business purpose and are not necessary to the operations of LABENFA may be a violation of the Louisiana Constitution,⁵ which prohibits the donation of public funds.

During the period of our audit, LABENFA utilized between two and three credit cards: one issued to Executive Director Mark Hebert and one issued to each of the other two staff members employed during the period. The credit cards are linked to one account, and the credit card company automatically withdraws the entire balance (for all three cards) from LABENFA's checking account each month. Once the credit balance has been paid, each employee is responsible for classifying their charges (by expense type) so the transactions can be entered into the accounting system. LABENFA's purchasing policy provides that each credit card transaction shall be documented to include the business purpose for using the card, purchase order number or equivalent tracking number, date and time of the purchase, and any other information deemed necessary by the LABENFA Board of Directors (Board) or executive director. The policy further states that LABENFA shall not tolerate any personal or unauthorized use of a credit card and requires the executive director, or his designee, to account for and review all purchase documentation in comparison with the monthly statements.

Records show Mr. Hebert used his LABENFA credit card to incur charges totaling \$98,080 from June 24, 2019 to July 19, 2022. During our review of Mr. Hebert's credit card charges, we noted there was little to no documentation to support authorization and/or the business purpose of the purchases, which included multiple cell phones, tablets, accessories, generators, home Internet service charges, and multiple streaming subscriptions. Credit card receipts show Mr. Hebert used his personal Amazon account to purchase several of the items, which appear to have been shipped directly to Mr. Hebert and stored at his personal residence. Mr. Hebert denied using his agency credit card for personal purposes, but did agree that his purchase of a smartwatch "didn't look good" and reimbursed LABENFA \$261 for the smartwatch on June 2, 2022. Mr. Hebert resigned from his position on

August 25, 2022. Examples of Mr. Hebert's credit card transactions are provided below.

Electronics and Related Accessories

According to LABENFA records, Mr. Hebert incurred charges totaling \$16,317 for electronics and related accessories from July 2019 to May 2022. Receipts show a majority of these items were shipped directly to Mr. Hebert's personal residence, and there was little or no documentation to support authorization or a clear business purpose for the purchases. For example, Mr. Hebert purchased four different Samsung Galaxy cell phones totaling \$3,704; two Galaxy tablets totaling \$1,340; related accessories, such as cases, stands, and earbuds for the phones and tablets totaling \$795; and a smartwatch for \$261. We found items purchased totaling \$7,064 either had no clear business purpose, were stored at Mr. Hebert's personal residence, or could not be located.

Mr. Hebert told us he purchased a Samsung Galaxy S20 (the second cell phone purchased) for business use and later upgraded to a Samsung Galaxy S21 Ultra (third phone purchased). Mr. Hebert stated that, when he upgraded his phone, he gave his old phone (S20) to the former Assistant Executive Director who failed to return the phone after she retired. Several days later, Mr. Hebert informed us he located the cell phone (and several other items) at his home and stated that his wife had been using the cell phone for the past six months. Mr. Hebert also returned the two tablets; a safe purchased on May 14, 2020, for \$135; and a robotic vacuum cleaner purchased on October 16, 2020, for \$500. In total, Mr. Hebert returned items valued at \$2,836. We were unable to locate a portable car starter, a set of speakers, or an air fryer.^A

Home Internet Service

Records show Mr. Hebert used his LABENFA credit card to pay for his home Internet service totaling \$3,436 from July 2019 to March 2022. Mr. Hebert told us that the former chairman of the LABENFA Board (now deceased) approved payments for Internet services at his personal residence due to COVID-19. Mr. Hebert further stated he worked from home exclusively from March 2020 – May 2020 due to COVID-19, and from May 2020 - December 2020 he and the former Assistant Executive Director rotated days working from the office. In January 2021 he and the former Assistant Executive Director began working back in the office full time with no restrictions.

Although Mr. Hebert claimed the former Board Chairman approved payments for personal Internet services during COVID-19, we found Mr. Hebert began using his LABENFA credit card to pay for Internet services at his personal residence as early as July 2019, several months before COVID-19. Records also show Mr. Hebert

^A Records show Mr. Hebert purchased two air fryers from October 5, 2020 to December 14, 2021. The first air fryer appears to have shipped to LABENFA's address and the second appears to have been shipped to Mr. Hebert's personal address. We were able to locate the second air fryer (shipped to Mr. Hebert's address) but did not locate the first air fryer (shipped to LABENFA's office).

continued to use his LABENFA credit card to pay for his Internet services after he returned to work full-time at the LABENFA office in January 2021. Mr. Hebert could not provide any documentation to support Board approval for these charges. In addition, we reviewed the minutes from LABENFA Board meetings and did not find an instance in which the Board authorized payment for Mr. Hebert's personal Internet services.

Generators and other items stored at Mr. Hebert's residence

Mr. Hebert incurred credit card charges totaling \$6,035 for a gas generator, four portable power stations, and related accessories from June 2020 to May 2022. This amount included \$4,483 for the generators/portable power stations and \$1,552 for accessories (14-gallon fuel caddy, covers, cords, etc.). We performed an inventory of assets at the LABENFA office on June 2, 2022, and found the portable power stations were present, but the gas generator was not.

Mr. Hebert told us LABENFA has two gas generators, both of which were located at his residence because there was no room for them at the LABENFA office. Mr. Hebert also told us the 14-gallon fuel caddy and two extension cords were stored at his house with the gas generators. Mr. Hebert stated the generators were purchased to run different parts of the office during disasters and that he never used the generators personally. LABENFA's assistant executive director told us she is not aware of any of the generators being used at the office and that the office shuts down when the Division of Administration announces the closure of state offices due to emergencies.

Shortly after our inventory, Mr. Hebert rented a storage unit on behalf of LABENFA and transferred all LABENFA assets located at his home to the storage unit. We inventoried all items brought to the storage unit by Mr. Hebert, which included the following:

- Two gas-powered generators
- 14-gallon gas caddy
- Four 5-gallon gas cans
- Two generator tent canopy covers
- Portable air conditioning unit
- Mini refrigerator
- Two fans
- Four extension cords
- Two Hyper Tough Lights
- Energizer LED Light
- Tire inflator
- DeWalt drill bit/driving set
- Ryobi drill and driving kit
- Ryobi drill
- Ryobi impact wrench

Although not all of the items listed above were purchased during our audit period, we estimated the value of the items was \$4,841.

Subscription Services

Credit card records show Mr. Hebert incurred charges totaling \$2,444 for recurring subscription services such as television services, streaming services, newspaper subscriptions, satellite radio, software, extended warranties, and personal membership dues for Walmart and Amazon. For example, Mr. Hebert charged \$997 for TV/streaming subscriptions including the Weather Channel, Fox Nation Patriot News, KlowdTV, and Philo. There was no documentation to support authorization for these charges or how these charges benefitted LABENFA. LABENFA's assistant executive director told us she did not have the login information for any of these services and that Mr. Hebert never provided a reason or business purpose for any of the subscriptions.

Conclusion

Former LABENFA Executive Director Mark Hebert used his office-issued credit card to incur charges totaling \$98,080 from June 2019 through July 2022. During our audit, we identified charges totaling \$18,979 that either appear personal in nature or did not have a clear business purpose. In addition, records show several of the items purchased by Mr. Hebert were shipped directly to his personal residence and items totaling at least \$7,677 were stored at his personal residence. By using public funds for personal purchases, Mr. Hebert may have violated state laws. In addition, purchases with no business purpose and are not necessary to the operations of LABENFA may be a violation of the Louisiana Constitution, which prohibits the donation of public funds.

Recommendations

We recommend the Board seek reimbursement for all personal charges incurred and adopt detailed policies and purchasing procedures for the use of credit cards. These policies should provide guidance for the business use of credit cards and the supporting documentation expected to be maintained. Neither the credit card charge authorization receipt nor the credit card statement alone is adequate documentation, as it does not provide sufficient detail to support the propriety of charges. This policy should require:

- (1) A listing of all active credit cards and who has physical possession of the credit cards at all times;
- (2) Documentation of the business purpose for all expenditures;
- (3) Itemized receipts for meals, as well as a listing of people attending the meals and the purpose of the meeting/gathering;

- (4) Timely submission and retention of original receipts. Receipts should be submitted before the monthly statement arrives and in time to adequately review the propriety of the expenditure;
- (5) Review of monthly statements for reasonableness and compliance with policy before payment is made. Any exceptions or noncompliance issues should be immediately investigated and resolved,
- (6) Disciplinary action for noncompliance with the policy; and
- (7) Establish a policy that the agency head or Board president comply with La. R.S. 24:523 and notify the Legislative Auditor and District Attorney, in writing, when they have actual knowledge or reasonable cause to believe there has been a misappropriation of public funds or assets.

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. 14:68(A)** states, in part, "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."

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."

⁴ **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."

⁵ **Louisiana Constitution Article VII, Section 14(A)** provides, in part, "Prohibited Uses. 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."

APPENDIX A

Management's Response



**STATE OF LOUISIANA
BOARD OF EXAMINERS
OF NURSING FACILITY
ADMINISTRATORS**

Phone (225) 295-8571
Fax (225) 295-8574

5647 Superior Drive
Baton Rouge, LA 70816-6049

February 8, 2023

Michael J. Waguespack, CPA
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

To Whom It May Concern:

The Louisiana Board of Examiners of Nursing Facility Administrators (LABENFA) was audited by an independent certified public accountant (ICPA) in May 2022. The audit covered Fiscal Year 2021. That audit raised questions regarding the agency's credit card usage. As a result of the audit, the Louisiana Legislative Auditor initialed an audit to determine if LABENFA credit cards were used for personal purposes. The findings of the Legislative audit yielded multiple recommendations regarding credit card protocols.

It should be noted that the team of auditors exhibited exemplary professionalism. Their audit was thorough. LABENFA accepts their findings and recommendations. LABENFA employs two unclassified professionals and at times one temporary classified employee. With the limited number of staff, the Board understands the necessity of strict operational oversight. Thus, the Board has reviewed the Louisiana Legislative Auditor's recommendations and has adopted detailed policies and purchasing procedures for the use of credit cards that meet and/or exceed those recommendations. They are:

(1) A listing of all active credit cards and who has physical possession of the credit cards at all times.

Credit cards are limited to the Board Chair, the Executive Director, and the Assistant Executive Director. These persons are responsible for the credit card issued to them and for the charges made on those credit cards. Credit card charges are restricted to Board business only, and there are no exceptions. Any routine (recurring) charges placed on any of the three credit cards must be approved by Chairperson of the Finance Committee. Non-routine charges must be approved in advance.

(2) Documentation of the business purpose for all expenditures.

LABENA is committed to adhering to a purchasing system that ensures all purchases are for LABENFA business-related purposes. The protocols detail the purpose of the purchase and reasons of the purchase. The system implemented includes the use of purchase orders that are approved for all ***non-routine purchases and services***, a maximum limit on the purchase, and a monthly review of all routine and non-routine purchase. Purchase orders must be approved prior to purchase.

Purchase Orders

The Purchase Order system is the first step in the purchase of non-routine good and services. These include but are not limited to:

- Office supplies/forms, etc.
- Repair and Maintenance
- Meeting expenses
- Travel expenses

Routine purchases that do not require a Purchase Order prior to payment include:

- Utilities
- Trash pick-up
- Office of General Benefits
- LASERS
- Copy Machine and postage machine rentals
- Storage rental

Purchase Limits

Purchasing authority is limited per position.

- Assistant Executive Director: Any purchases over \$250 must be approved by the Executive Director *prior* to purchase.
- Executive Director: Any purchases over \$500 must be approved by the Chairman *prior* to purchase.
- Chairman: Any purchases over \$1000 must be approved by the Finance Committee Chairperson *prior* to purchase.

Any non-routine purchase that exceeds the specific employee's spending authority must be approved by the professional who has that spending limit authority. The authority will sign and date the purchase order prior to the purchase.

Approvals and Reviews

All purchases will be reviewed monthly by the Chairperson, or his designee, and the Executive Director or Assistant Executive Director to ensure documentation supports the need for the

purchases. At the end of each month, the Chair and/or the Finance Committee Chairperson will review all purchases and supporting documentation to ensure purchasing integrity. Any purchase that does not meet the Board purchasing protocols, credit card or otherwise, will be investigated to determine the legitimacy of the purchase. The Board has the authority to discipline the credit card holder should the receipts and other documentation not support the purchase.

(3) Itemized receipts (for meals, as well as a listing of people attending the meals and the purpose of the meeting/gathering).

Credit card receipts alone do not support the meal purchases. Thus, all credit card receipts for breakfast/lunch/dinner meetings or for group meetings such as continuing education programs, must be accompanied by an itemized receipt. The receipts must be itemized to the point where it reflects the meals purchased. **LABENFA does not reimburse for alcoholic beverages.**

Additionally, a list of those attending the meals must be provided as well as written justification of the meeting. Per continuing education programs, a list of participants is required to validate the quantity of food that was ordered. These receipts will be reviewed monthly by the LABENFA Chair, Executive Director, and Assistant Executive Director. Any of these types of purchases that do not have appropriate documentation will not be approved and the person who made the charges will be required to reimburse the Board of those specific charges.

(4) Submission and Retention of Original Receipts

Credit card receipts are submitted as soon as feasible after a purchase is made. Purchases made by the Assistant Executive Director will be review by the Executive Director; purchase made by the Executive Director will be reviewed by the Assistant Executive Director; purchases made by the Chairperson will be reviewed by the Executive Director.

(5) Review of Monthly Statement

Receipts will be reconciled to the Credit Card Statement prior to remittance of payment. Executive Director must review and approve monthly credit card statements to ensure all expenses are appropriate and necessary. These approvals are then sent to the Chairman of the Board for final review and approval no later than the 20th of each month. Any non-compliance will be investigated by Chairman or the Chair of the Finance Committee. A workable solution the issue will be formulated and put into place to ensure compliance going forward.

(6) Board Oversight

To help ensure that oversight, the Assistant Executive Director remits all financial information to the Board's contracted accounting firm by the 10th working day of each month. The accounting firm has seven (7) working days to submit to the Executive Director the previous month's financials, which includes the *Statement of Revenues, Expenses, and Changes in Net Position*. The Executive Director immediately forwards a copy of the financials to the Chair and to the Board's Finance Committee members for their review and analysis. The Executive Director must respond to any questions posed by the Chair or the Committee members in a timely manner. The

Executive Director and/or the Assistant Executive Director must report the reasons expenses that exceed budget by 5 percent or more to the Finance Committee within five working days of receipt of the financials.

(7) Disciplinary Action

Appropriate Disciplinary measures will be taken against the employee violating the policy. Disciplinary actions will be appropriate to the level of the violation. These actions include a verbal warning, a written warning, suspension, and up to and including termination.

(8) Restitution of Funds

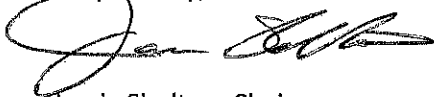
The Legislative Audit found that the former Executive Director used his Board's Visa credit card to purchase goods and services specific for his personal use. Therefore, LABENFA will seek restitution for these funds, as identified in the Louisiana Legislative Audit report, through whatever legal means are necessary.

(9) Notifying Legislative Auditor and District Attorney of Misappropriation of Public Funds or

The LABENFA Executive Director or the Chairman of the LABENFA Board will notify, in writing, anytime they have actual knowledge or reasonable cause to believe there has been a misappropriation of public funds or assets.

In conclusion, LABENFA understands the importance of implementing and adhering to financial controls. With the implementation of the Purchase Order system, the spending limitations of each person who has a Board credit card, and the review processes that are in place, LABENFA is confident that the issues noted in the May 2022 audit and subsequent findings by the Louisiana Legislative Audit team have been corrected and will not be an issue going forward.

Respectfully,



Jamie Shelton, Chairperson
Louisiana Board of Examiners of
Nursing Facility Administrators

APPENDIX B

Mark Hebert's Response

JOHN S. MCLINDON
Attorney at Law



12345 Perkins Road
Building Two, Suite 202
Baton Rouge, Louisiana 70810

john@mclindonlaw.com
www.mclindonlaw.com

Phone: 225-408-0362
Cell: 225-603-6493

February 10, 2023

Mr. Michael J. Waguespack, CPA
Louisiana Legislative Auditor
P O Box 94397
Baton Rouge LA 70804-9397

**Re: Legislative Audit Report of Louisiana Board of Examiners
of Nursing Home Facility Administrators (LABENFA) (Mark Hebert)**

Dear Mr. Waguespack:

I represent Mark Hebert. On January 27th you forwarded to us a draft of your investigative audit on the Louisiana Board of Examiners of Nursing Facility Administrators, which audit references Mr. Hebert.

Mark and I have gone through the audit report, and we would like to provide to you some explanation as to certain items mentioned in the report. Our response/explanations are outlined below according to the subcategories provided in your report.

Electronics and Related Accessories

- The Samsung Smart watch. In his position, Mark was available to Board members, nursing home owners, as well as Administrators that needed assistance. He was constantly getting calls from these people. Among his duties, he was expected to make statewide rounds making unannounced visits on those Administrators in Training during their 6-month internship (clinical). The average number on a monthly basis was approximately 22 Administrators in Training spread throughout the state. As a result, he spent a good bit of time driving. Mark thought the smart watch would be an efficient and safe investment. Like his cellphone this device was simply an extension of the office equipment needed to perform his job duties.¹
- **4 Galaxy cellphones -**
 - 1 & 2 – A phone was purchased by Mr. Hebert for business use. Over time when he upgraded, that phone was given to the then Assistant Executive Director, Mary Alice Durham who used it until she was terminated.
 - 3 – A phone was purchased for Cheryl May. The phone was left with the office when she left her employment with LABENFA.

¹ When questioned about it he agreed to reimburse the Board for that cost.

- 4 – This phone was a replacement for the second phone which broke. [See Attachment A for emails and documentation from Amazon.]
- **2 Tablets**
 - One tablet was for Mark because he was working remotely. Part of the staff's responsibility was to issue/re-issue invoices for services such as seminars, exams, Initial registration, and annual re-registration. People would contact them during and after hours as well as on weekends if they had problems.
 - The second tablet was originally bought for Mary Alice Durham. When she left, it was given to Christy. When the investigation started, she decided to give it to Mark. Mark in turn gave it to the LLA investigators along with his tablet.
 - Again, these tablets were necessary due to the fact that Mark and other employees were working remotely due to COVID. This included the accessories such as tablet covers, headphones, speakers, and the like.
- **Robotic Vacuum** – This was purchased to replace the janitorial service when Chaney and Associates was discontinued. It worked well for a while but then it quit working. An effort was made to return or replace the vacuum, but Amazon had removed them as a vendor. Mark took it home and tried to fix it. It worked once or twice at his house, but he could never get the gps to properly track the rooms. While broken, it stayed there until it was returned to the office.
- **Air Fryer** – See Footnote A, Page 3 of the report.
 - The first air fryer was shipped to the office. It was used by staff to heat meals as well as to prepare items for meetings.
 - When the first air fryer broke, it was thrown away and a second one was ordered to replace it. The second one was shipped to Mark's house for theft prevention purposes only. It was taken to the office, which can be verified by any employee.
- **Portable Car Starter** – Mark purchased this item because he travels so much. He kept it in the car or at times it was kept in the office. He does not know where it is now. It was never kept his residence.
- **Safe** was purchased during COVID because again, Mark was working remotely, and he felt like certain documents should be kept in the fireproof safe which was kept at his house.

Home Internet Service

- **Home Internet Service** – The home internet service was approved by former Board Chair, Earl Thibodeaux. It was a necessary business expense because Mark consistently worked after hours and on weekends. Moreover, home internet service was absolutely mandatory during the period of COVID when Mark, as well as other employees, worked remotely.

Generators and Other Items Stored at Mr. Hebert's Residence

- **Generators** – Mark purchased the first generator several years ago. It was getting old and unreliable. Before Ida hit, a second generator was purchased. These generators were stored at his house because there was no place to store them at the office. Mark was also trying to

save money by storing them at his house as opposed to renting a storage unit. In fact, when this investigation started and the storage of things at his residence was questioned, Mark rented a storage unit for approximately \$100 per month. He then moved the generators and other things there for future storage. Board Chair, Earl Thibodaux, was aware that Mark was storing the generators and other things at his home.

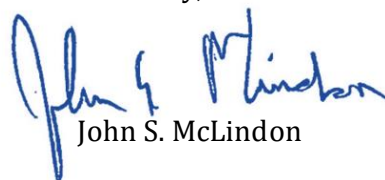
- **Shipping to home - Items sent to his personal residence as opposed to the office.** The office of LABENFA was on Superior Drive which is off of Sherwood Forrest Blvd. The area was starting to become a higher crime area. Many times, Amazon delivery people would leave packages at the back door and it was not safe. Accordingly, Mark had many things delivered to his home address where he could ensure that the items were delivered and kept safe. During COVID when no one was at the office, deliveries were made to Mark's residence.
- **Other Items** – Any item belonging to LABENFA used or stored at his residence were either returned to the office or placed in the storage facility unless for some reasons the item was broken or disposed of. [Attachment B]

Subscription Services

- **Membership Dues to Walmart and Amazon** – Although these accounts were in Mark Hebert's name, clearly the purchases were made for items for LABENFA.
- **Satellite Radio** – Mark's job required him to travel all over the State for many hours at a time, this was the reason for this purchase. He is willing to reimburse the Board the cost of this.
- **Other Streaming Services** such as The Weather Channel, FOXNation, PHILO, Klowd TV were streamed at the office through the Roku in the Conference room. When Administrators in Training have completed their 6-month clinicals, passed their state and national exam, they would schedule a time to complete their exit exam. This was typically completed at the office and was approximately 4 hours in length. Many times, spouses would drive the applicants to Baton Rouge. The streaming services provided a place where the spouse could watch television during the 4-hour exam.

In conclusion, the Board was well aware of the amount of time that Mr. Hebert spent in his role as Director. He was available at all hours of the day and night in order to service the needs of the organization as well as administrators and owners. The electronic items listed above were used so that he could perform his job better and more efficiently.

Sincerely,



John S. McLindon

JSM/tct
Attachments

John McLindon

From: Mark Hebert < >
Sent: Friday, February 3, 2023 10:37 AM
To: John McLindon
Subject: Fwd: Asurion claim fulfilled – gift card inside

----- Forwarded message -----

From: **Jamie Shelton** < :entralmanagement.com>
Date: Sat, Aug 27, 2022, 1:42 PM
Subject: Re: Asurion claim fulfilled – gift card inside
To: Mark Hebert < _____ im>

Ok...Thanks for the reminder.

Jamie Shelton
Central Management Company, LLC

On Aug 26, 2022, at 4:14 PM, Mark Hebert < _____ i> wrote:

Mr. Shelton,

Please don't forget about this credit. I believe that it can be transferred to any account as long as you have the gift card claim code below:

To add this to your Amazon account:

1. Go to www.amazon.com/gc/redeem.
2. Enter your Amazon gift card claim code:
3. Click, "Apply to your balance."

Funds will automatically be applied to eligible orders during checkout. Your gift card balance does not expire and can't be transferred to other accounts.

If I can help, please let me know.

Kindest Regards,

Mark A. Hebert

----- Forwarded message -----

From: **Mark Hebert** < _____ >
Date: Fri, Jun 24, 2022, 4:39 PM

Subject: Fwd: Asurion claim fulfilled – gift card inside
To: Jamie Shelton < > @centralmanagement.com>

Mr. Shelton,

This is the reimbursement for the phone that the screen cracked. They reimbursed themtotal amount. I don't want to apply to the balance to the Amazon account until the board has a need for something. It does not expire. Eventually if I can switch it to a card, that would be preferable.

Kindest Regards,
Mark

----- Forwarded message -----

From: **Product Protection Team** <statusupdate@emails.asurion.com>
Date: Tue, Jun 21, 2022, 8:54 AM
Subject: Asurion claim fulfilled – gift card inside
To: < >

Reimbursement for SR#1665137528

asurion



Your Amazon gift card is here.

—————
We're fulfilling your claim with a \$999.99 gift card.

To add this to your Amazon account:

1. Go to www.amazon.com/gc/redeem.
2. Enter your Amazon gift card claim code:
3. Click, "Apply to your balance."

Funds will automatically be applied to eligible orders during checkout. Your gift card balance does not expire and can't be transferred to other accounts.

Add funds to my Amazon

This gift card reimbursement fulfills your protection plan. We are committed to providing our customers the very best experience. If you have any remaining questions or concerns regarding this claim or your protection plan, call us at 1-866-551-5924.

Don't forget to protect your next purchase on Amazon with an Asurion protection plan!

Review us on Amazon

www.asurion.com

Copyright © 2022 Asurion LLC. All rights reserved.
Asurion LLC, 140 11th Ave. N Nashville, TN 37203

Do not reply to this message.

This email may contain confidential information belonging to the sender which is governed by the Louisiana Privacy Statutes. This communications including any information transmitted with it is intended only for the use of the addressee(s). If you are not an intended recipient, any review, disclosure, conversion to hard copy, dissemination, reproduction or other use of any part of this communication is strictly prohibited, as is the taking or omitting of any action in reliance upon this communication. If you receive this communication in error please notify us immediately by returning e-mail or by phone (318-628-4116) and permanently delete the entire communication from any computer, disk drive, or other storage medium. The views expressed in this email are, unless otherwise stated, those of the author and not those of Central Management Company or its affiliated nursing facilities or management.



B.7

Attachment B - Items Returned by Hebert