

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Tech University
Ruston, Louisiana

November 4, 1996



Investigative Audit

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

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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.

Louisiana Tech University

November 4, 1996



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

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

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OFFICE OF
LEGISLATIVE AUDITOR
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November 4, 1996

DR. DANIEL D. RENEAU, PRESIDENT
LOUISIANA TECH UNIVERSITY
Ruston, Louisiana

Transmitted herewith is our investigative report on Louisiana Tech University. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of an allegation referred to my office.

This report presents our finding as well as your response. Copies of this report have been delivered to the Honorable Robert W. Levy, District Attorney for the Third Judicial District 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

(LATECH)

Executive Summary

Investigative Audit Report Louisiana Tech University

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

Misappropriation of University Equipment

(Page 1)

Finding:

Dr. Roy W. Dowling, Louisiana Tech University Environmental Health and Safety Director, took university equipment for his personal use, gave away university equipment as gifts, sold university equipment for personal gain, and filed a false police report and insurance claim regarding a fictitious burglary of his office. The value of the equipment is in excess of \$5,720.

Recommendation:

Louisiana Tech University police should continue its investigation of this matter and its efforts to recover university property. In addition, the District Attorney for the Third Judicial District of Louisiana should review this information and take appropriate action.

Management's Response:

Management agreed with the finding and is further pursuing the matter.

Background and Methodology

Dr. Daniel D. Reneau, President of Louisiana Tech University, requested our assistance in the investigation of an allegation received by his office. We conducted our investigation to determine whether a university employee took or misused university equipment.

Our procedures consisted of (1) interviewing certain university officials, employees, and students; (2) examining certain documents and university policies; (3) making inquiries and observations to the extent we considered necessary to achieve our purpose; and (4) reviewing applicable Louisiana laws.

The result of our investigation is the finding and recommendation presented herein.

Finding and Recommendation

The following finding contains abbreviated references to Louisiana Revised Statutes (LSA-R.S.), which are explained in detail in the Legal Provisions section of this report (Attachment II).

MISAPPROPRIATION OF UNIVERSITY EQUIPMENT

Dr. Roy W. Dowling, Louisiana Tech University Environmental Health and Safety Director, took university equipment for his personal use, gave away university equipment as gifts, sold university equipment for personal gain, and filed a false police report and insurance claim regarding a fictitious burglary of his office. The value of the equipment is in excess of \$5,720.

During our investigation, we learned that two computers, three monitors, a desk, a filing cabinet, and a laser printer were missing from the Environmental Health and Safety office. Dr. Dowling had reported that the two computers and the printer were stolen in a burglary that occurred during October 1995. According to sources, Dr. Dowling had taken the desk and filing cabinet for his own use and sold the third monitor to a student. On October 1, 1996, we interviewed Dr. Dowling regarding the missing equipment. Dr. Dowling informed us that he had taken the equipment for his personal use. We accompanied Dr. Dowling to his home on Fletcher Lane in Ruston, Louisiana. While at his residence, university police were summoned, and upon their arrival, the following items were retrieved:

1. Gateway computer, keyboard, and mouse
2. Vivitron monitor
3. Hewlett Packard Laser Jet 4 printer and printer tray
4. Altec Lansing Multimedia subwoofer
5. Altec Lansing Multimedia speakers

All of the above were identified by Dr. Dowling as items he had reported as stolen during an alleged break-in at his Louisiana Tech office during October 1995. In addition, Dr. Dowling stated that he gave away the other Gateway computer and Vivitron monitor that he reported stolen. This computer and monitor were recovered by university police on October 3, 1996. The total value of these items reported as stolen is \$5,151.

We also retrieved another computer at Dr. Dowling's residence. Dr. Dowling stated that he built this computer with parts purchased by Louisiana Tech. The value of this computer is not known.

The desk that is missing from the Environmental Health and Safety office was purchased from Sam's Club for \$170 and purportedly delivered to Dr. Dowling's home. According to Dr. Dowling, shortly before our interview he took the desk to a storage area owned by the university. Dr. Dowling stated that he had the university desk at his home because he swapped two computer work stations that were his personal property for the desk. He stated that he did not get permission to do this. He stated that the value of these work stations was approximately \$245 (total). He could not provide proof of purchase for the two wooden work stations. On October 1, 1996, university police and investigative audit staff recovered the desk.

Dr. Dowling also stated that he had a filing cabinet that belonged to the university. He added that the filing cabinet was in a self storage warehouse in Ruston. The value of this filing cabinet is \$130. This filing cabinet along with a second university filing cabinet was recovered from a storage unit rented by Dr. Dowling.

Dr. Dowling also admitted that he sold a university computer monitor that belonged to Louisiana Tech to a student. He stated that the student returned the monitor and he gave it to someone else. The value of this monitor is \$269. This monitor was also recovered by university police.

On October 20, 1995, Dr. Dowling reported to the Louisiana Tech Police that a break-in had occurred at the Environmental Health and Safety office and several items were missing including two Gateway computers, two monitors, and a Hewlett Packard printer. On November 3, 1995, Dr. Dowling filed a "Sworn Statement in Proof of Loss" with the State of Louisiana, Office of Risk Management. Louisiana Tech collected \$4,600 on this claim. As reported above, the equipment reported as stolen on October 20, 1995, was in the possession of Dr. Dowling.

The above actions indicate possible violations of the following Louisiana laws:

- LSA-R.S. 14:67, Theft
- LSA-R.S. 14:134, Malfeasance in Office
- LSA-R.S. 42:1461, Obligation Not to Misappropriate

Dr. Dowling was arrested on October 1, 1996, and charged with theft of state property valued at over \$5,000. University officials terminated his employment at the end of the business day October 1, 1996. University police are continuing the investigation of this matter.

Louisiana Tech University police should continue its investigation of this matter and its efforts to recover university property. In addition, the District Attorney for the Third Judicial District of Louisiana should review this information and take appropriate action.

Attachment I

Management's Response



LOUISIANA TECH
UNIVERSITY

OFFICE OF THE PRESIDENT

October 28, 1996

RECEIVED
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Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

I am responding to the preliminary draft of your investigative report on Louisiana Tech University regarding Dr. Roy Dowling and theft of university property. We find the report to be correct as stated.

Our investigation at the university by the University Police Department is continuing, and hopefully, it will be concluded in the near future. We have turned the matter over to the District Attorney for the Third Judicial District of Louisiana and intend to pursue the matter.

Dr. Kyle, please let me take this opportunity to express my appreciation for your assistance in this matter. Mr. Allen Brown and Mr. Darrell Purpera handled the investigation in a very professional manner, and it was a pleasure working with them.

Please call if you have questions or need further information.

Sincerely,

Daniel D. Reneau
President

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A MEMBER OF THE UNIVERSITY OF LOUISIANA SYSTEM

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Attachment II
Legal Provisions

Legal Provisions

The following legal citations are referred to in the Finding and Recommendation section of this report:

LSA-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. An intent to deprive the other permanently of whatever may be the subject of the misappropriation is essential.

LSA-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.

LSA-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 things of value belonging to or under the custody or control of the public entity in which they hold office or are employed. The breach of an obligation established under this Section gives rise to an action in favor of the public entity for the recovery of any such funds, property, or other things of value and for any other damages resulting from the breach.