

VILLAGE OF LONGSTREET



INVESTIGATIVE AUDIT  
ISSUED APRIL 27, 2022

**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**  
TROY LOGARBO, CPA  
LEWIS "BREN" BRENDLE, MBA, CFE

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LOUISIANA LEGISLATIVE AUDITOR  
MICHAEL J. "MIKE" WAGUESPACK, CPA

April 27, 2022

**HONORABLE WANDA SUE FIELDS, MAYOR,  
AND MEMBERS OF THE BOARD OF ALDERMEN  
VILLAGE OF LONGSTREET**  
Longstreet, 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 42<sup>nd</sup> Judicial District of Louisiana and others, as required by law.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be "Mike Waguespack", written over a horizontal line.

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

MJW/aa

VILLAGEOFLONGSTREET



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## EXECUTIVE SUMMARY

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### **Village Clerk Paid Excess Wages**

Former Village of Longstreet (Village) Clerk Kristen Jackson Thompson appears to have paid herself excess wages totaling \$45,428 from January 23, 2019 to May 19, 2021. According to Mayor Wanda Sue Fields, Ms. Thompson was authorized to work a maximum of 30 hours per week; however, available time sheets show that Ms. Thompson paid herself an average of 46 hours per week during this period. By paying herself for excessive hours, Ms. Thompson may have violated state laws.





## BACKGROUND AND METHODOLOGY

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The Village of Longstreet (Village) is located in DeSoto Parish and has a population of 157 (Year 2010 Census). The Village was incorporated under the provisions of the Lawrason Act and has a mayor-board of aldermen form of government. The Village provides non-potable water to commercial customers and general administrative services to residents and businesses.

In July 2021, the Village's Certified Public Accountant (CPA) submitted the Village's sworn financial statements to the Louisiana Legislative Auditor (LLA) for the fiscal years ending June 30, 2016 through June 30, 2020. The CPA informed LLA that the financial statements for fiscal years 2016, 2017, and 2018 were reissued due to "glaring" inaccuracies and noted that the Village had serious internal control and segregation of duties issues. Further, the CPA questioned amounts paid to the Village clerk that were not supported by timesheets and exceeded the Village's annual revenue during fiscal year 2020. The LLA initiated this investigative audit to determine the validity of these complaints.

The procedures performed during this audit included:

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



## FINDING AND RECOMMENDATIONS

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### Village Clerk Paid Excess Wages

**Former Village of Longstreet (Village) Clerk Kristen Jackson Thompson appears to have paid herself excess wages totaling \$45,428 from January 23, 2019 to May 19, 2021. According to Mayor Wanda Sue Fields, Ms. Thompson was authorized to work a maximum of 30 hours per week; however, available time sheets show that Ms. Thompson paid herself an average of 46 hours per week during this period. By paying herself for excessive hours, Ms. Thompson may have violated state laws.<sup>1,2,3,4</sup>**

Ms. Thompson was hired by the Board of Aldermen (Board) as a permanent, part-time Village clerk on September 13, 2016. As the Village clerk, Ms. Thompson was responsible for paying bills, issuing her own paychecks, billing customers for non-potable water sales, making deposits, recording transactions in the computerized accounting system, and preparing minutes of the Board meetings. The Village's checking account required two signatures on all disbursements, including the paychecks issued by Ms. Thompson. Ms. Thompson, Mayor Fields, and the three aldermen were authorized signers on the Village's sole checking account. During our audit, we found that Ms. Thompson issued paychecks to herself for weekly pay periods that were mostly signed by her and Mayor Fields. Although Ms. Thompson completed timesheets using a cell phone application for parts of our audit period, it does not appear that Mayor Fields reviewed and/or approved them.

While preparing the Village's sworn financial statements for the fiscal years ended June 30, 2019, and June 30, 2020, the Village's external CPA questioned amounts paid to Ms. Thompson, which exceeded the Village's annual revenue during fiscal year 2020. The CPA presented this information to Mayor Fields and the Board during a meeting on May 31, 2021, and notified the Louisiana Legislative Auditor in July 2021. Mayor Fields told us that Ms. Thompson stopped coming into work after the May 31, 2021, Board meeting, and that she did not terminate Ms. Thompson. Ms. Thompson formally resigned from her position in December 2021.

Although the Village could not provide an ordinance setting Ms. Thompson's pay, Mayor Fields informed us that Ms. Thompson was authorized to work a maximum of 30 hours per week at the rate of \$18 per hour.<sup>A</sup> We reviewed the Village's bank records, payroll records, and available timesheets for the period January 2018 through May 2021,<sup>B</sup> and found that Ms. Thompson issued payroll checks to herself for an average of 46 hours per week from January 28, 2019 to December 29, 2020. As a result, Ms. Thompson appears to have paid herself excess wages totaling \$45,428.

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<sup>A</sup> Village records show that Ms. Thompson's beginning pay rate in September 2016 was \$15 per hour and increased to \$18 per hour in February 2019.

<sup>B</sup> The Village could not provide Ms. Thompson's time sheets for the period from December 30, 2020 to May 19, 2021.

During the period of our audit, we found that the Village averaged less than three deposits per month (2.7) and issued an average of 13 checks per month, including payroll checks. Since Ms. Thompson was the sole employee, roughly one-third of the checks issued by the Village were her weekly payroll checks. Although the Village's financial activities were limited, Ms. Thompson consistently paid herself in excess of the 30 hours per week that she was authorized to work, including overtime, paid at time-and-one-half, for all hours in excess of 40 hour per week. For example, during the four-week period beginning December 2, 2020, and ending December 29, 2020, Ms. Thompson paid herself for 231 hours, or an average of 57.85 hours per week, including overtime. Bank records show that the Village made two deposits and issued nine checks in December 2020. Further, records show that Ms. Thompson paid herself \$56,391 during calendar year 2020, which exceeded the Village's total deposits (\$34,015) by \$22,376.

Mayor Fields told us that she did not review or approve any of Ms. Thompson's timesheets and that she signed blank checks for Ms. Thompson to complete for monthly bills and payroll checks. Although Ms. Thompson provided the mayor and aldermen a monthly report of checks issued and revenues deposited during Board meetings, neither the mayor nor the aldermen questioned the amounts paid to Ms. Thompson until the September 8, 2020, Board meeting. According to Ms. Thompson's written notes from this meeting, former Alderman Billy Lee made a motion to go into executive session and then noted, "clerk to cut hours." Alderman Queenie Rogers told that us that the Board passed a motion to cut the clerk's hours during the meeting; however, the typed minutes, signed by Ms. Thompson, only reflect that discussions were held during executive session. From the pay period following the September 8, 2020, Board meeting to the pay period ending December 29, 2020 (Ms. Thompson's last available time sheet), Ms. Thompson paid herself for an average of 56.83 hours per week. Mayor Fields stated that she should have discussed the excessive hours with Ms. Thompson, but failed to do so because she did not like confrontation.

Ms. Thompson stated that her regular duties as the Village clerk included writing checks and entering those transactions into the computerized accounting system, billing customers who purchased non-potable water from the Village, preparing financial reports for Board meetings, and recording and processing the Board minutes. Ms. Thompson estimated that it took her approximately 10 hours per week to complete her regular duties. Ms. Thompson told us that in addition to her regular duties, she spent time cleaning Village Hall and pulling and removing old files (dating back to the 1920s) from a storage building located directly behind Village hall. According to Ms. Thompson, the Board members authorized her to work as much as she needed to get everything done. Ms. Thompson stated that she did not hide the amounts she was paid because she completed timesheets and provided the mayor and Board with a financial report each month.

### Recommendations

We recommend that the Village seek legal advice to determine the appropriate actions to be taken, including recovering excess funds improperly paid to the former clerk. The Village should:

- (1) Implement written policies and procedures to ensure that compensation for municipal officers is set by ordinance in accordance with state law;
- (2) Develop and implement policies and procedures to ensure that amounts paid to employees are appropriately earned and approved;
- (3) Require that time and attendance records be properly completed, approved by an immediate supervisor, and maintained for all employees;
- (4) Develop comprehensive written policies and procedures that require the segregation of accounting functions to ensure that the same person is not responsible for issuing, approving, authorizing, recording, and reconciling accounting transactions;
- (5) Discontinue the practice of pre-signing blank checks; and
- (6) Timely reconcile all bank accounts on a monthly basis.



## LEGAL PROVISIONS

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<sup>1</sup> **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.”

<sup>2</sup> **La. R.S. 14:138(A)(1)** states, “Public payroll fraud is committed when: Any person shall knowingly receive any payment or compensation, or knowingly permit his name to be carried on any employment list or payroll for any payment or compensation from the state, for services not actually rendered by himself, or for services grossly inadequate for the payment or compensation received or to be received according to such employment list or payroll.”

<sup>3</sup> **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.”

<sup>4</sup> **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.”





## APPENDIX A

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### Management's Response





VILLAGE OF LONGSTREET  
P. O. BOX 187  
KEATCHIE, LA 71046

Thank you for bringing this matter to our attention. We are working on establishing new policy and procedures, so this does not happen again. We are also in close contact with the Mayor Elect and letting her know of this situation in hopes that she has more ideas to correct these matters.

*Queenie Rogers*  
Queenie Rogers

*Queenie Rogers*