



Report Highlights

Town of Eros

MICHAEL J. "MIKE"
WAGUESPACK, CPA

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Why We Conducted This Audit

In September 2021, the Louisiana Legislative Auditor (LLA) received a complaint stating that Mayor Kelly Gryder and other Town of Eros (Town) employees improperly received unemployment benefits during the COVID-19 Pandemic while working for the Town. LLA initiated this investigative audit to determine the validity of this complaint.

What We Found

Town Employees/Officials Provided Inaccurate and Incomplete Information to Obtain Unemployment Benefits

Town Mayor Kelly Gryder, Maintenance Operator Brian Costin, and former Police Chief Aaron Rayburn provided inaccurate and incomplete information to the Louisiana Workforce Commission (LWC) to obtain COVID-19 Pandemic unemployment benefits. LWC paid \$36,086 in unemployment benefits to Mayor Gryder (\$13,047), Mr. Costin (\$11,633), and Mr. Rayburn (\$11,406) from April 13, 2020 to September 18, 2020. The unemployment applications submitted by Mayor Gryder and Mr. Costin falsely claimed they were employed by Aaron Rayburn Enterprises, LLC, a company owned by Mr. Rayburn, prior to the Pandemic. In addition, Mr. Costin and Mr. Rayburn's unemployment applications failed to disclose their employment with the Town. Had Mayor Gryder, Mr. Costin, and Mr. Rayburn provided complete and accurate information, they may not have been eligible to receive unemployment benefits. By providing incomplete and inaccurate information to LWC, Mayor Gryder, Mr. Costin, and Mr. Rayburn may have violated state law.

Excess Compensation Paid to Town Employees/Officials

From April 9, 2019 to December 28, 2021, the Town paid Mayor Gryder and other Town employees excess compensation totaling \$7,930. This amount included improper leave payouts totaling \$7,080 and Christmas bonuses totaling \$850. During this period, these employees/officials did not complete timesheets and may not have been entitled to leave benefits. Further, the payment of Christmas bonuses may have violated the Louisiana Constitution, which prohibits the donation of public funds. The payment of excess compensation to Town employees/officials may have violated the Louisiana Constitution and state law.

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What We Found (Cont.)

Utility Payments Not Deposited

Town records indicate that utility payment transactions totaling \$28,088 were received and/or recorded in the utility system but not deposited in the Town's bank accounts from January 1, 2020 through December 31, 2021. This includes \$834 in credits to Mayor Gryder's utility account, for which the Town did not receive payment. During this period, Mayor Gryder and four different Town clerks were responsible for handling utility collections. Records show that the Town did not issue receipts for all payments collected and failed to deposit collections daily into the Town's bank account. By failing to ensure that all monies were properly documented and deposited on a daily basis, Mayor Gryder may have violated state law.

Municipality Improperly Classified as a Town

The Town appears to be improperly classified as a town under the provisions of the Lawrason Act. Because the Town has less than 1,000 inhabitants, state law requires the Board to adopt a resolution requesting the governor to change its classification to the appropriate classification based on the Town's current population.