

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Southern University at Baton Rouge
Baton Rouge, Louisiana

December 15, 2000



Investigative Audit

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

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Southern University at Baton Rouge

December 15, 2000



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

**Daniel G. Kyle, Ph.D., CPA, CFE
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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

November 27, 2000

**DR. LEON R. TARVER, II, PRESIDENT,
AND MEMBERS OF THE BOARD OF SUPERVISORS
SOUTHERN UNIVERSITY SYSTEM**
Baton Rouge, Louisiana

Transmitted herewith is our investigative report on Southern University at Baton Rouge. 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 management's response. Copies of this report have been delivered to the University; the Honorable Doug Moreau, District Attorney for the Nineteenth Judicial District of Louisiana; the United States Attorney for the *Middle District of Louisiana*; and others as required by state law.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

DGP:EKL:SED:dl

[SOUTHERN]

Executive Summary

Investigative Audit Report Southern University at Baton Rouge

The following summarizes the findings and recommendations as well as management's response that resulted from this investigation. Detailed information relating to the findings and recommendations may be found at the page number indicated. Management's response may be found at Attachment I.

Employees and Non-Working Students Receive Work-Study Funds Intended for Needy Students

(Page 7)

Finding:

From January 1996 through May 1999, Financial Aid employees and student employees of the Financial Aid Office used the names of 67 students who did not actually work to generate \$169,317 in paychecks through the Federal Work-Study Program. Some of these 67 students (see Appendix) shared in the proceeds while others may have been unaware of the paychecks written in their names. To conceal that these students did not work, over 200 payroll documents were falsified and made part of University records.

Recommendation:

We recommend that the University review its Financial Aid and payroll procedures and implement such policies and procedures that will ensure that:

- (1) only those students that properly qualify for financial aid receive such assistance;
- (2) student employees are paid for hours actually worked;
- (3) payroll records are properly reviewed; and
- (4) a proper separation of duties exists that will prevent employees who have authority to add and/or change payroll vouchers from receiving student paychecks.

We recommend that management for the University review the information provided herein to determine whether additional instances of abuse of the Federal Work-Study Program have occurred. In addition, the University should seek to recover all

funds paid to students who did not actually work the hours for which they were paid. Furthermore, we recommend that the District Attorney for the Nineteenth Judicial District of Louisiana and the United States Attorney for the Middle District of Louisiana review this information and take appropriate legal action regarding possible violations of state and federal laws, to include seeking restitution.

Management's Response: Management concurs with the finding.

**Ms. Ellois Blount Was Paid \$44,772 in Salary
That She Was Not Entitled to Receive**

(Page 16)

Finding: During the period April 1992 through February 2000, Ms. Ellois Blount, former Federal Work-Study Coordinator for Southern University, was paid \$44,772 for 3,379 hours in accumulated leave that she had not earned. According to University policy, it was Ms. Blount's responsibility to initiate and complete leave slip requests and the responsibility of her immediate supervisor, the director of the Financial Aid Office, to ensure that Ms. Blount documented her leave taken. It was also the director's responsibility to approve Ms. Blount's leave and to certify the accuracy of the employee's monthly payroll. During the period we examined, three individuals held the position of director, Ms. Cynthia Tarver, Ms. Barbara Shaffer, and Ms. Debra Ephrom. All three failed to perform their administrative duties according to University policy directives.

Recommendation: Management for Southern University should implement policies and procedures to ensure all employee leave taken is accurately accounted for, recorded, and deducted from employee leave balances. Management should ensure that employees are not paid for time not worked when no available leave balance exists. By paying employees for time not worked when accumulated leave is not available, management places the University in violation of Article 7, Section 14 of the Louisiana Constitution. In addition, the District Attorney for the Nineteenth Judicial District of Louisiana should review this information and take appropriate legal action regarding these possible violations of state law, to include seeking restitution.

Management's Response: Management concurs in part with the finding. However, management states that the directors did not knowingly or intentionally certify incorrect payroll records.

Employees Received Cash From Students

(Page 19)

Finding:

Former State Student Incentive Grant (SSIG) Coordinator, Ms. Sharon Davis, and former Financial Aid employee, Mr. Darrel Lee, stated that they accepted cash from students. Ms. Davis stated that during her tenure as SSIG Coordinator, September 1992 to July 1998, she received an undetermined amount of cash from at least ten students and possibly as many as 50 students. Mr. Lee stated that 11 students gave him approximately \$2,250 in cash in exchange for the SSIG grant awards. In addition, Mr. Lee stated that he applied for SSIG funds in the name of certain students without their knowledge and that Ms. Davis was aware of this practice.

Recommendation:

We recommend that management implement policies and procedures to ensure that employees do not solicit or accept funds from students for doing that which they are being paid to do. Second, management should review this information to determine whether additional instances have occurred. Management should ensure that grants are awarded only in accordance with grant award regulations. Finally, we recommend that the District Attorney for the Nineteenth Judicial District of Louisiana and the United States Attorney for the Middle District of Louisiana review this matter and take appropriate legal action regarding these possible violations of state and federal laws, to include seeking restitution.

Management's Response:

Management concurs with the finding and will reissue policies and procedures to ensure that employees do not solicit or accept funds from students for the performance of their work duties.

Background and Methodology

Southern University is under the management and supervision of the Southern University Board of Supervisors created by the Louisiana State Constitution of 1974. The Board is responsible for the management and supervision of the institutions of higher education, statewide agricultural programs, and other programs that comprise the Southern University System. The powers of the Board of Supervisors are subject to those vested by the Constitution to the Louisiana State Board of Regents.

The Office of the Legislative Auditor received several allegations regarding the Financial Aid Office of Southern University. One allegation indicated that students were receiving paychecks from the Federal Work-Study Program for which they did not work. Southern University's Financial Aid Office is contracted with the U.S. Department of Education to administer the Federal Work-Study Program.

The procedures performed during this investigative audit were designed to determine the propriety of this allegation and consisted of (1) interviewing present and former employees and students of the University; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the University; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable state and federal laws.

We acknowledge the assistance provided this investigation by Southern University's Internal Auditor, the Comptroller's Office, Campus Police, and the Information Systems Department.

The results of our investigative audit are the findings and recommendations herein.

Findings and Recommendations

EMPLOYEES AND NON-WORKING STUDENTS RECEIVE WORK-STUDY FUNDS INTENDED FOR NEEDY STUDENTS

From January 1996 through May 1999, Financial Aid employees and student employees of the Financial Aid Office used the names of 67 students who did not actually work to generate \$169,317 in paychecks through the Federal Work-Study Program. Some of these 67 students (see Appendix) shared in the proceeds while others may have been unaware of the paychecks written in their names. To conceal that these students did not work, over 200 payroll documents were falsified and made part of University records.

Program Description - The Federal Work-Study Program is a federally funded program that allows a student to work and earn money to help pay for school. The University received an average of \$1,000,000 to fund this program each year. The University established a low maximum award to make this program available to as many needy students as possible. For the last two fiscal years, the maximum award per student was \$900 per semester; previously, the award was \$800 per semester. To be eligible for the program, students must apply for financial aid and meet certain financial criteria, which is based on their expected family contribution. Upon meeting these criteria, students are given a Work-Study award and are informed of the department in which they are to work.

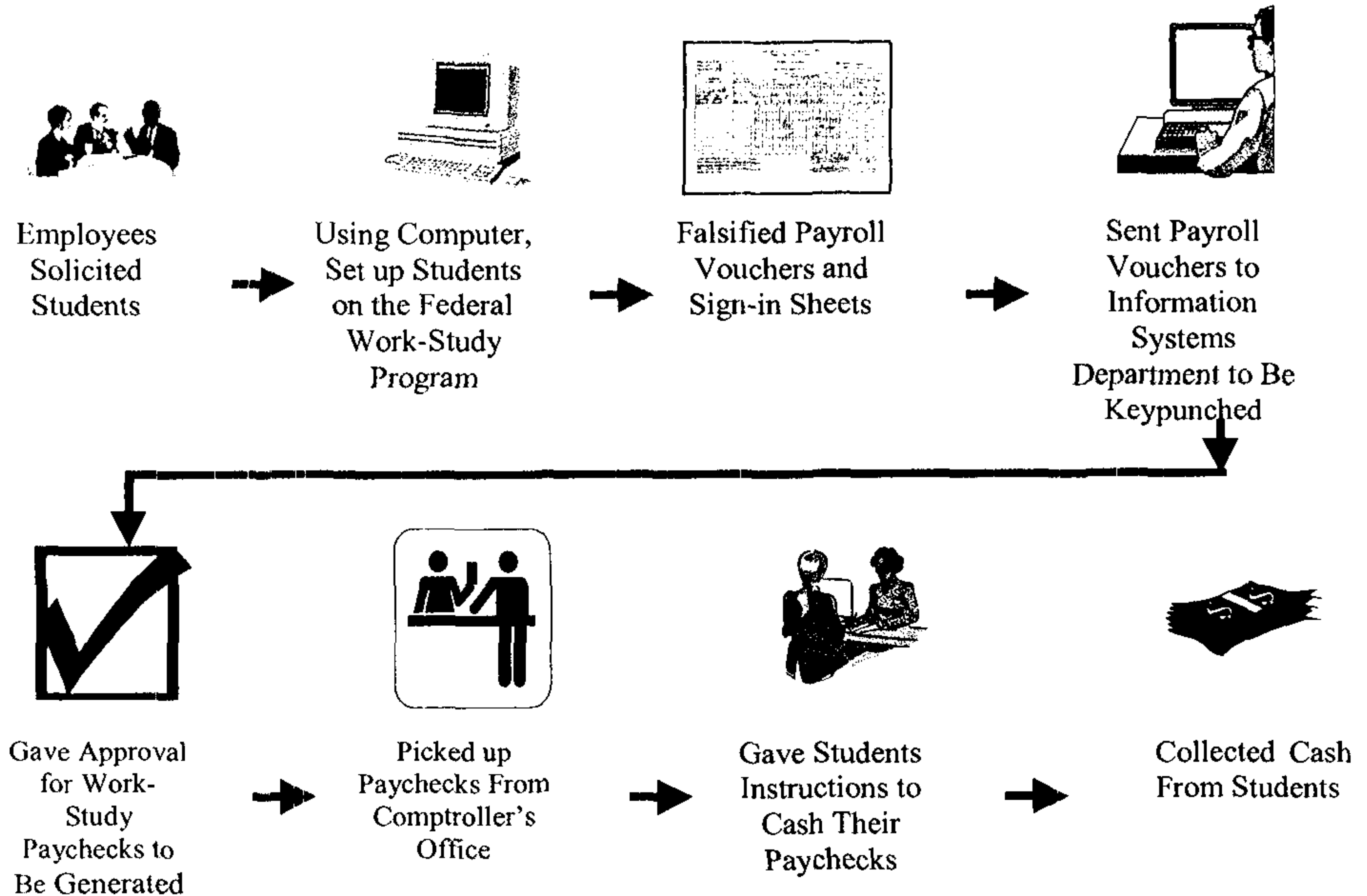
Students participating in the Work-Study program were paid through a system designed to ensure that the students were paid for the actual hours that they worked. This system included students recording their actual work hours on sign-in sheets, the preparation of payroll vouchers, and the review and approval of supervisors and the Work-Study program coordinator as follows:

1. Students recorded their actual work hours on sign-in sheets.
2. Students sign-in sheets, once approved, were used by department employees to prepare student payroll vouchers.
3. Once the supervisor and department head approved the payroll vouchers, they were forwarded to the Financial Aid Office.
4. After receipt in the Financial Aid Office, the payroll vouchers were forwarded to the Information Systems Department to be keypunched.
5. The Federal Work-Study program coordinator and her staff corrected keypunch errors with direct access to the computerized payroll system. Once errors had been corrected, the Federal Work-Study program coordinator gave her approval to generate the paychecks.

Our investigation revealed that certain individuals of the Work-Study section of the Financial Aid Office (Ms. Ellois Blount, Mr. Darrel Lee, Ms. Sharon Davis, and Ms. Sandra Perry) participated in a scheme calling for students, who did not work, to receive paychecks if they returned a portion of the paycheck to the employees. To accomplish this scheme, these individuals circumvented the internal control system, prepared false documents, and performed their duties in an improper manner, sometimes working in collusion with each other, as follows:

1. Financial Aid employees responsible for reviewing student financial records to determine eligibility, improperly approved ineligible participants. In addition, these individuals enlisted department employees who were willing to carry non-working students on their student payrolls.
2. Next, students were solicited into the program who were willing to return a portion of their unearned paychecks to the individuals in return for not having to work.
3. Using computer access, these individuals set up students in the Federal Work-Study Program.
4. Then, falsified sign-in sheets and payroll vouchers were prepared and the payroll vouchers were sent to the Information Systems Department to be keypunched.
5. The Federal Work-Study program coordinator gave approval to generate the student paychecks.
6. The paychecks were then picked up from the Comptroller's Office by one of these individuals. The individuals then gave instructions to the students to cash their paychecks and return the agreed-upon portion of the proceeds. In some instances, however, students who were friends and/or relatives were not required to return a portion of the proceeds. In other instances, student checks may have been cashed or deposited without the student's knowledge.

THE SCHEME



The non-working students' wages were charged to the following University departments: Community Service, Athletics, Intramural, Engineering Technology, Financial Aid, and Computer Science.

The University employees involved, based on their own statements or the statements of others as detailed below, included Ms. Elloise Blount, Mr. Darrel Lee, Ms. Sandra Perry, Ms. Sharon Davis, Ms. Shirley Alexis Bell, Mr. Robert Jones, Mr. Moses Dupre, and Mr. Richard Wilson. In addition, the names of 67 students were used as detailed in the appendix.

Ms. Ellois Blount - Ms. Blount, former Financial Aid employee, was the Federal Work-Study program coordinator within the Financial Aid Office during the period of our examination, spring semester January 1996 through spring semester May 1999. Ms. Blount informed us and our investigation revealed that Ms. Blount (1) recruited students who did not work, (2) instructed employees to add students who did not work to the payrolls, (3) created false payroll vouchers, and (4) collected cash from students.

Ms. Blount stated that she recruited students who did not work. Our investigation revealed that Ms. Blount recruited numerous students as detailed in the appendix.

Ms. Blount added non-working students to the payroll herself and instructed another employee to add non-working students to the payroll. Though procedures required payroll vouchers, it was not necessary to have a physical payroll voucher to create a paycheck. Ms. Sharon Davis, former Financial Aid employee, stated that Ms. Blount instructed her to add non-working students to the payroll through direct access, thereby creating paychecks without supporting payroll vouchers and/or sign-in sheets. However, in most instances, falsified payroll vouchers were placed in University files effectively concealing that the students did not work. In addition, Ms. Blount stated that, after receipt by the Financial Aid Office, she added students to blank lines on approved payroll vouchers.

SOUTHERN UNIVERSITY - BATON ROUGE CAMPUS
STUDENT FINANCIAL AID OFFICE

Department Code 7013 PAYROLL VOUCHER Pay Period September
Fund Code 30 DUE BACK: 9/29/97 by 2 p.m. 9/29/97 to 9/30/97
Department ATHLETICS

NAME Signature / Print	Soc. Sec. No. (Student ID No.)	HOURS & DAYS WORKED																												Total Hours	Rate	Amount	
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29				30
<u>Eric Collins</u> <i>Eric Collins</i>	<input type="checkbox"/>	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	72	\$5.15	\$367.20
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I hereby certify that the above documentation is a true indication of hours worked by each student listed, each student listed has not worked during unassigned class hours, each student listed has performed his/her assigned assigned duties satisfactorily, and that all time sheets are attached

Sharon Davis
Signature of Supervisor 9/29/97
Date Received

Sharon Davis
Signature of Department Head

This payroll voucher contained one student name before being forwarded to the Financial Aid Office.

Ms. Blount stated that she recruited students who did not work. Our investigation revealed that Ms. Blount recruited numerous students as detailed in the appendix.

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This payroll voucher contained one student name before being forwarded to the Financial Aid Office.

SOUTHERN UNIVERSITY - BATON ROUGE CAMPUS
STUDENT FINANCIAL AID OFFICE

Department Code 7013 **PAYROLL VOUCHER** Pay Period September 9/1/97 to 9/30/97
 Fund Code 30 DUE BACK: 9/26/97 by 2 p.m.
 Department ATHLETICS

NAME Signature / Print	Soc. Sec. No. (Student ID No.)	HOURS & DAYS WORKED																														Total Hours	Rate	Amount
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30				
<u>Eric Collins Sr</u> <u>Eric Collins</u>	<input type="checkbox"/>	<u>1</u>																														172	\$5.15	\$885.90
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																																	\$5.15	

I hereby certify that the above documentation is a true indication of hours worked by each student listed; each student listed here has worked during scheduled class hours, each student listed has performed his/her assigned assigned duties satisfactorily, and that all these sheets are attached

[Signature] 9/21/97 Date
 Signature of Supervisor
[Signature] Date Received
 Signature of Department Head

SOUTHERN UNIVERSITY - BATON ROUGE CAMPUS
STUDENT FINANCIAL AID OFFICE

Department Code 7013 **PAYROLL VOUCHER** Pay Period: September
Fund Code 00 DUE BACK: 9/26/97 by 2 p.m. 9/29/97 to 9/30/97
Department: Athletics

NAME: Signature / Print	Sec. No. (Student ID No.)	HOURS & DAYS WORKED																														Total Hours	Rate	Amount	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30				
<i>Eric Collins</i>																																	60	\$5.15	309.00
<i>Candice Blount</i>																																		\$5.15	
<i>Eric Collins</i>																																		\$5.15	
<i>Candice Blount</i>																																		\$5.15	
																																		\$5.15	
																																		\$5.15	
																																		\$5.15	
																																		\$5.15	

Eric Collins
Candice Blount

9/21/97
Date

Signature of Department Head

Their Receipt

This is the same payroll voucher after processing by the Financial Aid Office. Mr. Darrel Lee stated that the information for student Ms. Candice Blount was in Ms. Ellois Blount's handwriting.

Ms. Blount prepared false payroll vouchers including non-working students and two of her relatives. Ms. Blount stated that she prepared entire payroll vouchers and submitted the falsified vouchers to generate paychecks. Ms. Blount identified 37 payroll vouchers that she falsified totaling \$33,083.

According to Ms. Ellois Blount, some of these falsified payroll vouchers included Ms. Candice Blount and Ms. Zenolia Blount, her daughter and sister-in-law. Ms. Candice and Zenolia Blount's wages were charged to multiple departments. Supervisors of those departments stated that Ms. Candice Blount and Ms. Zenolia Blount did not work. From March 1997 through March 1999, Ms. Candice Blount received 33 paychecks totaling \$12,091 and from January 1997 through August 1998, Ms. Zenolia Blount received 24 paychecks totaling \$13,601.

One student informed us that Ms. Candice Blount arranged for her (the student) to receive a \$536 Work-Study paycheck for which she did no work. The agreement was that she would treat Ms. Candice and Ms. Ellois Blount to dinner. The student estimated that she spent approximately \$200 at T. J. Ribs and Bennigan's restaurants from the proceeds of her Work-Study paycheck.

Ms. Blount collected cash from the students she personally recruited. Four students informed us that they gave approximately \$19,816 in cash directly to Ms. Blount. In addition, Mr. Darrel Lee, former Financial Aid employee, estimated he gave \$10,640 in cash directly to Ms. Blount, which he stated was her share of the amount that he collected from the students he recruited.

Mr. Darrel Lee - Mr. Lee (1) recruited students who did not work, (2) instructed employees to add students who did not work to the payrolls, (3) received student paychecks, (4) created false payroll vouchers, and (5) collected cash from students.

According to Mr. Lee, sometime in 1996, Ms. Blount approached him about recruiting students with the idea that the students did not have to work if they returned a portion of their Work-Study paychecks. Mr. Lee stated that the general rule was that the students had to return half of the paycheck proceeds.

Mr. Lee admitted that he instructed Mr. Moses Dupre, Department of Athletics employee, to add non-working students to his payroll. Furthermore, he admitted that he picked up these students' paychecks. In addition, Mr. Lee identified 52 payroll vouchers that he and Ms. Blount falsified totaling \$45,776. Mr. Lee identified 18 students that he personally recruited and from whom he collected approximately \$18,433. He stated that of the \$18,433 he collected, he kept \$7,793 and gave Ms. Ellois Blount the remaining \$10,640, which was her share.

Ms. Sandra Perry - Ms. Perry (1) collected cash from students, (2) negotiated students' paychecks, and (3) deposited students' paychecks into her personal bank account. Ms. Sandra Perry was a student who worked for Ms. Ellois Blount in the Work-Study section of the Financial Aid Office. Her duties included processing Work-Study payroll vouchers.

Two students identified Ms. Perry as the individual who went with them to the bank where they followed her instructions to endorse and cash their Work-Study paychecks. According to the students, Ms. Perry gave the two students \$100 each from their paycheck proceeds and kept the remaining \$675. From another participant in the scheme, Ms. Perry received 11 non-working students' paychecks totaling \$5,052, which Ms. Perry deposited into her personal bank account. Two of the students interviewed, and whose paychecks Ms. Perry deposited, stated they were unaware of the existence of the paychecks.

Three of the 11 paychecks, totaling \$1,880, were issued to Ms. Perry's daughter, Ms. Anntionette Perry. The payroll vouchers that created the three paychecks were from two departments. The department's supervisors, Dr. Ibiba Dabipi, Head of Engineering Technology, and Mr. Alvin Allen, Computer Science employee, stated that their signatures on the payroll vouchers were forged and that Ms. Anntionette Perry did not work the hours shown on the payroll vouchers.

From October 1996 through March 1999, Ms. Sandra Perry received 40 Work-Study paychecks made payable to her totaling \$15,805. Of this amount, \$3,090 was charged to the Engineering Technology Work-Study payroll. However, Dr. Dabipi stated that Ms. Sandra Perry did not work in his department. The majority of her Work-Study wages, \$12,715, was charged to the Financial Aid Office. Three financial aid employees Ms. Linda Carr, Ms. Carolyn Brown James, and Ms. Oreater Lee stated that Ms. Sandra Perry was frequently absent from work. Two of these employees concurred that once the monthly Work-Study payroll vouchers were completed, Ms. Sandra Perry would rarely show up for work until the next time the payroll vouchers were due.

Ms. Sharon Davis - Ms. Davis, former Financial Aid employee, (1) instructed employees to add students who did not work to the student payroll, (2) created false sign-in sheets and falsified payroll vouchers, and (3) collected cash from a student.

Ms. Davis stated that she transferred to the Federal Work-Study Program in the fall of 1995 under the supervision of Ms. Ellois Blount. She stated that, when she arrived, non-working students were already being added to student payrolls. She explained that after a while she became comfortable with this process and that she added two non-working students. She confirmed that she requested Mr. Dupre to add two non-working students and she stated that one of the two students gave her \$20 to \$30 from each paycheck. Ms. Davis identified her handwriting and stated that she knowingly added non-working students to blank lines on payroll vouchers after they were received in the Financial Aid Office. In addition, she stated that she took sign-in sheets containing the name of a non-working student to Mr. Dupre for him to approve, which he did.

Mr. Dupre, Department of Athletics employee, stated that at the request of Ms. Davis, he added two non-working students to his payroll. The two students collectively received \$9,432. One of these two students confirmed that Ms. Davis set her up on the Work-Study payroll and told her if anyone asked where she worked she was supposed to tell them that she worked for Mr. Dupre in the Department of Athletics. The student also stated she did not work and that she gave cash to Ms. Davis from most of her 14 paychecks.

Ms. Shirley Alexis Bell - Ms. Bell, former Financial Aid employee, (1) added students who did not work, (2) created false payroll vouchers, (3) received student paychecks, and (4) added herself to the student payroll.

Ms. Bell added non-working students to the Engineering Technology Work-Study payroll. Dr. Dabipi stated that, during the fall of 1998 through the spring of 1999, Ms. Bell prepared 11 of his department's Work-Study payroll vouchers. According to Dr. Dabipi, these vouchers included the names of 12 non-working students. These 12 students received paychecks totaling \$14,889. According to Dr. Dabipi, Ms. Bell picked up these paychecks. Twenty-seven of the paychecks totaling \$10,362 were given to Mr. Robert Jones and to Ms. Sandra Perry for them to negotiate. We spoke with four of the 12 students, all of whom stated that they did not work.

In addition, Ms. Bell added herself to the Work-Study payroll and received \$778 in Work-Study paychecks. Records indicate that at the time she received the paychecks, she was a full-time employee of the University on leave without pay and was performing her student teaching at Scotlandville High School. Student teaching records indicate that her teaching hours were in direct conflict with the hours listed on the Work-Study payroll vouchers.

Mr. Robert Jones - Mr. Jones, a former Work-Study student, (1) deposited students' paychecks into his personal bank account, (2) recruited students who did not work, (3) received students' paychecks, and (4) collected cash from students.

Mr. Jones cashed or deposited students' paychecks through his bank accounts and in some instances, without the students' knowledge. Records indicate that he negotiated 20 paychecks through his bank account totaling \$6,860. Two students confirmed that Mr. Jones recruited them and accompanied them to the bank where they cashed one or more paychecks and gave him cash totaling \$1,056.

Another student recruited by Mr. Jones stated that his payment to Mr. Jones from two paychecks totaling \$778 was to finance a "night on the town" for Mr. Jones. The student estimated he spent between \$200 and \$300 on drinks and gambling money for Mr. Jones.

Mr. Moses Dupre - Mr. Dupree, Department of Athletics employee and supervisor, (1) falsified payroll vouchers and (2) added non-working students to payroll vouchers.

Mr. Dupree stated that he signed the names of Ms. Glenda Rutledge, Department of Athletics supervisor, and Mr. Marino Casem, Department of Athletics director, without their permission to 22 Work-Study payroll vouchers that included one or more non-working students.

SOUTHERN UNIVERSITY - BATON ROUGE CAMPUS
STUDENT FINANCIAL AID OFFICE

PAYROLL VOUCHER

Department Code: 2013 Pay Period: January 2008
Fund Code: 20 DATE BACK: 02/20/08 To: 02/28/08
Department: Student

NAME Department / Year	Emp. No. Student ID No.	HOURS & RATE PAID												Hour Amount				
		1	2	3	4	5	6	7	8	9	10	11	12					
Glenda Rutledge		5	7	5	9	6	7	9	9	9	9						30	\$15,000.00
Marino Casem		8	6	6	6	6	6	6	6	6	6						48	\$24,000.00
Glenda Rutledge		8	6	6	6	6	6	6	6	6	6						48	\$24,000.00
Marino Casem		5	5	5	5	5	5	5	5	5	5						42	\$21,000.00
Glenda Rutledge		6	6	6	6	6	6	6	6	6	6						42	\$21,000.00
Marino Casem		8	8	8	8	8	8	8	8	8	8						48	\$24,000.00
Glenda Rutledge		8	8	8	8	8	8	8	8	8	8						48	\$24,000.00

I hereby certify that the above information is a true and correct record of hours worked by each student listed and Student ID's are not included during school days hours on 1 student payroll per person listed and not do this voucher to be used for all other purposes.

Glenda Rutledge
 Signature of Supervisor
Marino Casem
 Signature of Department Head

Authorized Signatures

Glenda Rutledge
Signature of Supervisor

Marino Casem
Signature of Department Head

Glenda Rutledge
Signature of Supervisor

Marino Casem
Signature of Department Head

Forged by Mr. Dupre

He identified seven of the 22 payroll vouchers that were brought to him by either Ms. Candice Blount or Ms. Ellois Blount to approve, which he did. The payroll vouchers were for Ms. Candice Blount and were for hours she did not work. He approved 30 student sign-in sheets for non-working students. He identified 17 non-working students that he knowingly added to his payrolls who had combined paychecks of \$39,812. Mr. Dupre denied receiving any monies to add the non-working students to his student payrolls.

Mr. Richard Wilson - Mr. Wilson, employee of the Department of Intramural, (1) falsified student sign-in sheets and payroll vouchers and (2) added non-working students to payroll vouchers.

Mr. Wilson prepared and approved the payroll vouchers and student sign-in sheets in his department. He stated he approved 22 student sign-in sheets with knowledge that the students did not actually work. Furthermore, he stated that he prepared and approved 56 payroll vouchers where he personally added one or more non-working students. According to Mr. Wilson, he added the non-working students at the request of Ms. Ellois Blount. Ms. Blount denied that she requested Mr. Wilson to add the non-working students. Mr. Wilson identified 28 students who did not work and six other students about which he was unsure as to whether they actually worked the hours for which they were paid. We confirmed through other sources that three of the six students did not work. Therefore, 31 non-working students were included on payroll vouchers by Mr. Wilson. The paychecks of the 31 non-working students totaled \$42,187.

Mr. Wilson further stated that he included, on his payroll vouchers, his nephew, Mr. Bryan Wilson and his niece, Ms. Michelle Wilson. He claimed Mr. Bryan Wilson worked and Ms. Michelle Wilson did not. Mr. Bryan Willson received \$1,694 and Ms. Michelle Wilson received \$6,574 from the University as a result of these payroll vouchers.

**NONWORKING STUDENTS WERE ADDED TO THE COMMUNITY SERVICE
PAYROLL WITHOUT THE KNOWLEDGE OF SUPERVISOR**

The Baton Rouge Recreation and Parks Commission (BREC) contracted with Southern University to use student workers to tutor elementary students at BREC's recreational centers. Ms. Mary Weatherspoon, BREC supervisor, stated her signatures had been forged on 41 Work-Study payroll vouchers and 46 student sign-in sheets. She identified 29 students listed on her payroll vouchers who did not work for BREC. Fifteen of the 29 students interviewed informed us that they did not work.

By causing the University to pay student employees for hours that were not actually worked and receiving a portion of the proceeds of their pay, one or more of the above mentioned University employees and one or more of the students listed in the attached appendix may have violated the following state and federal laws:

- R.S. 14:67, "Theft"
- R.S. 14:72, "Forgery"
- 18 U.S.C. §641, "Embezzlement and Theft"
- 18 U.S.C. §666, "Theft From Federal Programs"

Though the actions of the individuals listed in this report appear to substantiate the elements of the laws listed above, the actual determination as to whether individuals are subject to formal charge is at the discretion and determination of the district attorney and the United States Attorney.

We recommend that the University review its Financial Aid and payroll procedures and implement such policies and procedures that will ensure that:

- (1) only those students that properly qualify for financial aid receive such assistance;
- (2) student employees are paid for hours actually worked;
- (3) payroll records are properly reviewed; and
- (4) a proper separation of duties exists that will prevent employees who have authority to add and/or change payroll vouchers from receiving student paychecks.

We recommend that management for the University review the information provided herein to determine whether additional instances of abuse of the Federal Work-Study Program have occurred. In addition, the University should seek to recover all funds paid to students who did not actually work the hours for which they were paid.

Furthermore, we recommend that the District Attorney for the Nineteenth Judicial District of Louisiana and the United States Attorney for the Middle District of Louisiana review this information and take appropriate legal action regarding possible violations of state and federal laws, to include seeking restitution.

**MS. ELLOIS BLOUNT WAS PAID \$44,772
IN SALARY THAT SHE WAS NOT
ENTITLED TO RECEIVE**

During the period April 1992 through February 2000, Ms. Ellois Blount, former Federal Work-Study Coordinator for Southern University, was paid \$44,772 for 3,379 hours in accumulated leave that she had not earned. According to University policy, it was Ms. Blount's responsibility to initiate and complete leave slip requests and the responsibility of her immediate supervisor, the director of the Financial Aid Office, to ensure that Ms. Blount documented her leave taken. It was also the director's responsibility to approve Ms. Blount's leave and to certify the accuracy of the employee's monthly payroll. During the period we examined, three individuals held the position of director, Ms. Cynthia Tarver, Ms. Barbara Shaffer, and Ms. Debra Ephrom. All three failed to perform their administrative duties according to University policy directives.

University employees earn annual and sick leave based on the hours worked and accumulate this leave at a rate which increases with the number of years of service. There is no limit to the amount of annual and sick leave an employee may accumulate. When employees use leave, it is deducted from their accumulated leave balance.

From April 1992 through February 2000, employees of the Financial Aid Office used timecards and a time clock to record their daily attendance. The monthly payroll was prepared from these timecards. During this period, University payroll records indicate that Ms. Blount used 3,379 more hours of leave than she had earned and accumulated. Because all of her used leave was not properly recorded and/or deducted from her leave balance, the University was unaware that Ms. Blount actually began a deficit leave balance in August 1995. Furthermore, the University was unaware of Ms. Blount's deficit leave balance when it advanced her 176 hours of leave in

June 1997. At that time, Ms. Blount already had been paid for 1,964 hours of leave amounting to \$26,023, to which she was not entitled. Ms. Blount kept a negative leave balance for over four years because she continued to receive pay for unearned leave, she continued to miss work, and her leave was not accurately recorded.

Eleven Financial Aid Office employees confirmed that Ms. Blount's absenteeism was chronic for a number of years. The employees noted that Ms. Blount's absences extended for months at a time. Employees stated that Ms. Blount was out for such an extended period that during a period of time two student workers actually operated the Work-Study section. The employees stated that Ms. Blount's absenteeism was common knowledge. They further informed us that they questioned whether Ms. Blount's accumulated leave was sufficient to cover her absences. In addition, they further questioned why Ms. Blount was allowed absences that appeared excessive.

	9-Months in 1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Ms. Blount's time expressed in days:										
Days paid	197	260	260	260	262	256	253	135	0	1,883
Days worked	148	180	187	113	131	141	164	56	0	1,120
Days missed	49	80	73	147	131	115	89	79	0	763

University records indicate that Ms. Blount actually attended work during 59.5% (or 1,120) of the 1,883 workdays from April 1992 through February 2000.

<u>Ms. Blount's Time Expressed in Hours</u>	<u>Beginning Leave Balance</u>	<u>Leave Accrued</u>	<u>Hours Not at Work</u>	<u>Audited Ending Leave Balance</u>	<u>Unaudited Ending Leave Balance</u>
9 months in 1992	905	254	392	767	967
1993	767	336	637	466	921
1994	466	336	583	219	972
1995	219	221	1,180	(739)	400
1996	(739)	228	1,052	(1,562)	255
1997	(1,562)	247	1,097	(2,412)	74
1998	(2,412)	287	715	(2,840)	29
1999	(2,840)	97	634	(3,376)	6
2000	(3,376)	(3)	0	(3,379)	3

Included in the column "Hours Not at Work" for 1997 is 176 hours of leave advanced by the University in June 1997. In addition, Ms. Blount was paid for 3 hours of annual leave when she departed the University on February 28, 2000.

From 1989 through 1999, there were nine directives sent by University officials (including the President of the Southern University System, the System Director of Personnel, and the Chancellor for the Baton Rouge Campus) to University employees relating to payroll explaining the responsibility of the employee, supervisor, and department head. These directives explained that the employee was to complete a request for leave (leave slip), that the immediate supervisor

was to ensure that the employee completed this leave slip, and that the department head's signature indicated that he or she would be held accountable.

The primary reason why Ms. Blount's leave balance was not accurate was because Ms. Blount *did not complete leave slip forms for all her leave taken*. In addition, her immediate supervisors, the successive directors of the Financial Aid Office, failed to make sure that Ms. Blount documented all leave taken. Furthermore, the directors failed to ensure that all of Ms. Blount's leave taken was recorded on payroll documents. Our examination period was April 1992 through February 2000, and there were three directors as follows: Ms. Cynthia Tarver - April 1992 through February 1998, Ms. Barbara Shaffer - March 1998 through June 1998, and Ms. Debra Ephrom - July 1998 through February 2000.

Ms. Tarver failed to ensure that 1,547.5 hours of leave taken by Ms. Blount was recorded. Ms. Shaffer, who served as acting director for four months, failed to ensure that 128.5 hours of leave taken by Ms. Blount was recorded. Ms. Ephrom, director for a 20-month period, failed to ensure that 103.5 hours of leave taken by Ms. Blount was recorded.

Ms. Blount stated that her immediate supervisor was the director of the Financial Aid Office and that the position was occupied by Ms. Tarver, Ms. Shaffer, and then Ms. Ephrom.

Ms. Tarver stated that she was not Ms. Blount's immediate supervisor. Furthermore, Ms. Tarver stated that she assumed that she had competent people who prepared the payroll documents. Finally, Ms. Tarver also stated that she had received the directives described above and that she *failed to perform her administrative duties as outlined in the directives and that she signed payroll documents without reviewing the documents*.

Ms. Shaffer stated when she was acting director, she probably did not check Ms. Blount's timecards before signing the payroll documents. She confirmed that, as acting director, she was Ms. Blount's immediate supervisor.

Ms. Ephrom stated that when she signed the payroll documents, she was under the impression that those who prepared the payroll had made certain that it was accurate. However, she agreed it was her responsibility to review the payroll before signing it and that, as director, she was Ms. Blount's immediate supervisor. It should be noted that starting in mid April 1999, Ms. Ephrom appointed Ms. Shaffer to monitor Ms. Blount's leave taken.

The above actions indicate possible violations of one or more of the following:

- R.S. 14:134, "Malfeasance in Office"
- R.S. 14:138, "Payroll Fraud"
- Article 7, Section 14 of the Louisiana Constitution

Though the actions of the individuals listed in this report appear to substantiate the elements of the laws listed previously, the actual determination as to whether individuals are subject to formal charge is at the discretion and determination of the district attorney.

Management for Southern University should implement policies and procedures to ensure all employee leave taken is accurately accounted for, recorded, and deducted from employee leave balances. Management should ensure that employees are not paid for time not worked when no available leave balance exists. By paying employees for time not worked, when accumulated leave is not available, management places the University in violation of Article 7, Section 14 of the Louisiana Constitution. In addition, the District Attorney for the Nineteenth Judicial District of Louisiana should review this information and take appropriate legal action regarding these possible violations of state law, to include seeking restitution.

EMPLOYEES RECEIVED CASH FROM STUDENTS

Former State Student Incentive Grant (SSIG) Coordinator, Ms. Sharon Davis, and former Financial Aid employee, Mr. Darrel Lee, stated that they accepted cash from students. Ms. Davis stated that during her tenure as SSIG Coordinator, September 1992 to July 1998, she received an undetermined amount of cash from at least ten students and possibly as many as 50 students. Mr. Lee stated that 11 students gave him approximately \$2,250 in cash in exchange for the SSIG grant awards. In addition, Mr. Lee stated that he applied for SSIG funds in the name of certain students without their knowledge and that Ms. Davis was aware of this practice.

SSIG grants consist of federal and state funds that are provided to academically qualified students to be used for educational expenses. Southern University's Office of Financial Aid determines the actual amount of each student's award and establishes the number of recipients selected. The schedule of students requesting SSIG grants is prepared and sent to the Louisiana Office of Student Financial Assistance (OSFA) for approval. While Ms. Davis was SSIG coordinator, grant checks made payable to the students were prepared by OSFA and sent to the University's Office of Financial Aid.

CASH PAID TO MR. LEE AND MS. DAVIS

Six students stated that they gave cash to Mr. Lee in exchange for SSIG grant awards. One student stated that she gave cash to Ms. Davis but did not say it was in exchange for SSIG grant proceeds.

Mr. Lee - Six students stated that they had an agreement with Mr. Lee to give him (Mr. Lee) approximately half of the grant proceeds in exchange for his help in getting the grant awards. This amounted to approximately \$3,750. Information supplied by these six students is as follows:

<u>SSIG Checks Received by the Six Students</u>	<u>Total of Checks</u>	<u>Cash Proceeds Returned to Mr. Lee</u>
1. Student received six checks: two in 1992, two in 1993, and two in 1994.	\$2,800	\$1,400
2. Student received three checks: two in 1996 and one in 1997.	1,700	850
3. Student received one check in 1998.	800	400
4. Student received one check in 1998.	800	300
5. Student received one check in 1998.	800	400
6. Student received one check in 1998.	800	400
Total	<u>\$7,700</u>	<u>\$3,750</u>

Mr. Lee disagrees with the students and stated that he received approximately \$2,250 from 11 students in exchange for helping them receive \$13,400 in grants during the period September 1992 to June 1998.

Ms. Davis - One student stated that she gave Ms. Davis \$200 from the cash proceeds of her two 1996 SSIG checks which totaled \$1,200. Ms. Davis confirmed that the student had given her the cash. However, Ms. Davis was unable to recall the names of the other 10 to 50 students who gave her cash nor was she able to recall the amounts they paid her.

Several of the students interviewed stated they did not prepare or sign the SSIG application/worksheet. Mr. Lee admitted that, in many of these cases, he completed the documents. Mr. Lee also stated that Ms. Davis was aware of the application/worksheets which he had created because she saw him preparing them for several students.

These actions indicate that one or more of the following laws may have been violated:

- R.S. 14:67, "Theft"
- R.S. 14:134, "Malfeasance in Office"
- 18 U.S.C. §641, "Embezzlement and Theft"

Though the actions of the individuals listed in this report appear to substantiate the elements of the laws listed above, the actual determination as to whether individuals are subject to formal charge is at the discretion and determination of the District Attorney and the United States Attorney.

We recommend that management implement policies and procedures to ensure that employees do not solicit or accept funds from students for doing that which they are being paid to do. Second, management should review this information to determine whether additional instances have occurred. Management should ensure that grants are awarded only in accordance with grant award regulations. Finally, we recommend that the District Attorney for the Nineteenth

Judicial District of Louisiana and the United States Attorney for the Middle District of Louisiana review this matter and take appropriate legal action regarding these possible violations of state and federal laws, to include seeking restitution.

Attachment I

Management's Response



SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM

BATON ROUGE, LOUISIANA 70813
(225) 771-2011

Baton Rouge, New Orleans,
Shreveport/Bossier City
LOUISIANA

Office of the President
(225) 771-4680

Fax Number
(225) 771-5522

December 12, 2000

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

I am writing in reply to your investigative audit report on Southern University at Baton Rouge. The Southern University System appreciates the professional manner in which your office conducted the audit that was referred to you by our Internal Audit Section. Dr. Leon Tarver, System President, has recused himself from reviewing this matter because his wife, Mrs. Cynthia Tarver, is referenced in one of your findings.

We have interviewed the employees of the Financial Aid office as well as other employees of the University. The Southern University System concurs with audit finding No. 1, "Employees and Non-working students received work study funds intended for needy students". We also concur with your recommendation that the District Attorney for the Nineteenth Judicial District of Louisiana and the United States Attorney for the Middle District review this case and take appropriate legal action regarding possible violations in the use of state and federal funds.

In addition, we have advised the employees associated with the theft of these funds to consult with their attorneys. We have also notified them that their employment with the University will be terminated.

The Southern University System concurs in part with audit finding No. 2, "Ms. Ellois Blount was paid \$44,772 in salary which she was not entitled to receive". Ms. Blount was primarily responsible for the initiation and completion of leave slip requests. It was also the responsibility of her supervisor, the Director of Financial Aid, to approve her leave and certify the monthly payroll.

Our review indicated that there were payroll periods during which Ms. Blount failed to submit leave requests to the Director of Financial Aid upon her return to work. There were also payroll periods in which the University's Human Resources Office did not post the leave requests that were submitted by the Office of Financial Aid.

We interviewed the three directors cited in your report for failing to perform their administrative duties in certifying Ms. Blount's payroll. Our review indicated that the directors should have taken a more direct and aggressive role in addressing Ms. Blount's excessive absenteeism. We did not find, however, that the three directors intentionally or knowingly certified incorrect payroll records. One of the directors, noting Ms. Blount's excessive absences, wrote her removing her from the position as Director of the Student Work Study program. A successor reassigned Ms. Blount to other duties upon her return to work. She also, on at least two instances, wrote pre-termination letters to Ms. Blount. The directors indicated they were not aware that Ms. Blount had been advanced sick leave in 1997 because the request for advance sick leave was approved directly by the Human Resources Office.

Further, the Southern University Human Resource Office, which is responsible for tracking employee leave balances, maintains a manual system of recording leave balances. Payroll and leave registers, consequently, have not been provided to departmental directors for the last few years. A new and automated Human Resources System is presently being implemented by the Southern University System to improve the efficiency of maintaining payroll and leave records of all University employees. This system will provide accumulated and used leave balances to the employees and supervisors each pay period.

We concur that the District Attorney for the Nineteenth Judicial District of Louisiana should seek restitution of the funds paid to Ms. Blount to which she was not entitled.

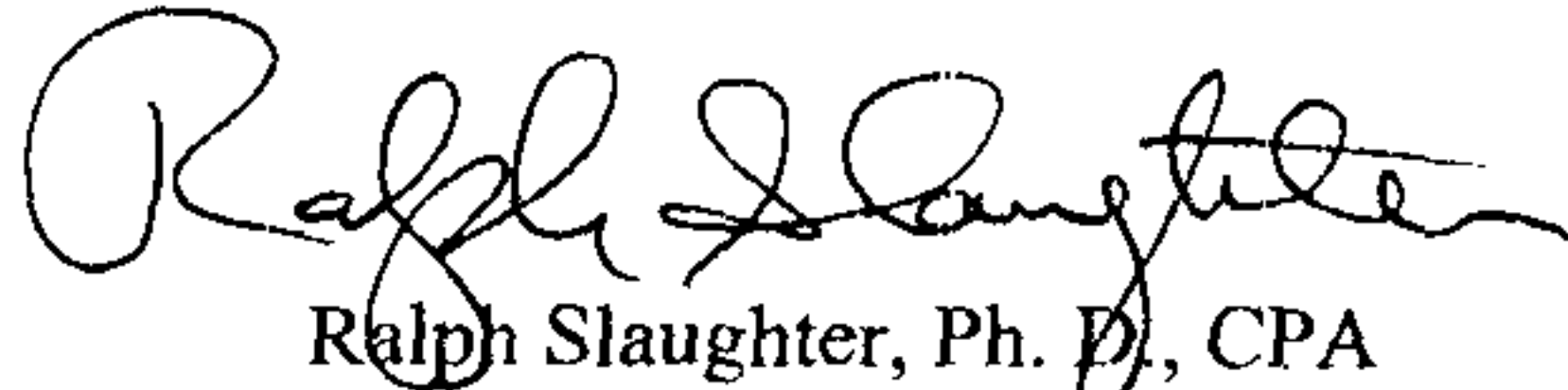
We concur with your audit finding No. 3, "Employees received cash from students." We also concur with your recommendation that the District Attorney for the Nineteenth Judicial District of Louisiana review this matter and take appropriate legal action regarding these possible violations of state law.

Dr. Daniel G. Kyle, CPA, CFE
December 12, 2000
Page 3

The University will also re-affirm and re-issue policies and procedures to ensure that employees do not solicit or accept funds from students for the performance of their work duties.

Our management review of the operations of the financial aid office is currently on going, as we anticipate making additional recommendations to enhance the administrative operations and efficiency of that office.

Sincerely,



Ralph Slaughter, Ph. D., CPA
Vice President

RS/rdc

Attachment II

Appendix

Appendix

SOUTHERN UNIVERSITY
FEDERAL WORK-STUDY PAYROLL CHECKS
 Examination Period - Spring Semester 1996
 Through Spring Semester 1999

	Column A	Column B	Column C	Column D
1. Aaron, Nikia Timone	\$3,757.85		1	1
2. Acey, Sabrina Dawn	1,091.80	1		
3. Andrus, Mia Angelle	2,765.55			1
4. Ballard, Nissan	262.65			
5. Beal, Karol	1,524.40	1		1
6. Bell, Shirley Alexis	777.65	1	1	
7. Blackburn, Cerrissa	4,480.50	1	1	1
8. Blount, Candice	12,090.65		1	1
9. Blount, Zenolia	13,601.35	1		1
10. Bowie, Teresa L.	6,499.25	1	1	1
11. Brister, Gregory	1,735.55			1
12. Brown, Kenneth D.	1,596.50	1		
13. Davis, Quida	5,559.00	1		1
14. Dorsey, Sylvester	674.65	1		
15. Fontenot, Emily	4,027.30	1	1	
16. Fontenot, Jeanette	4,027.30	1	1	1
17. Gatlin, Ruby	2,275.40	1	1	1
18. Hall, Maurice D.	826.50			
19. Hall, Myoa	1,745.50	1	1	1
20. Harden, Anya	712.50	1		
21. Hines, Christopher	798.00	1		
22. Hooper, Orlan	530.80			
23. Ivy, Nicolle	1,297.25			1
24. Jackson, Andra	3,049.05	1	1	1
25. Jackson, Jacquiel	2,605.90			1
26. Jackson, Tonika	535.60		1	1
27. Jacobs, Kelly	803.40	1		
28. Jenkins, Kyllie	2,043.45			1
29. Jenkins, Orante'	5,001.85	1	1	1
30. Jenkins, Sharhonda	714.00	1		
31. Johnson, April	896.10			
32. Johnson, Rama	262.65			
33. Jones, Robert	1,555.30			1
34. Kindrick, Robin N.	648.90			

	Column A	Column B	Column C	Column D
35. King, Coretta	\$896.10	1		
36. Lagarde, Jarrah	1,153.60			
37. Landry, Corey J.	2,768.55			1
38. Lawson, Raharold	3,615.30	1		1
39. Lewis, Donna	1,467.75			1
40. Lilly, Ransom	2,842.80		1	1
41. Manuel, Romney	1,699.50			1
42. Matthews, Crystal	262.65			
43. McKanstry, Ivory	262.65			
44. Merrett, Quintin	262.65			
45. Middlebrook, Janiese	406.85			
46. Molden, Henry	3,109.90			1
47. Oliver, Sherell	2,027.60	1	1	
48. Perkins, Gwendolyn	2,036.55	1		1
49. Perry, Anntionette	1,879.75			1
50. Perry, Sandra	3,996.40			1
51. Rice, DeRonda	3,867.65		1	1
52. Richardson, Ramon	2,631.65			1
53. Robertson, Cassandra	2,626.50	1	1	1
54. Saltus, Simone	412.00			
55. Smith, Leonard	257.50			
56. Taylor, Device	1,735.55			1
57. Taylor, Timinirra	803.40			
58. Trasher, Vickey	1,065.00			1
59. Ursin, Derrick	2,837.65			1
60. Walker, Curtis	6,633.20	1	1	
61. Walker, Kevin	9,697.45	1	1	1
62. Walker, Shedrick	1,009.40			
63. Webber, Cornell	1,545.00	1		1
64. Wells, Becky	4,430.30			1
65. White, Melisha	726.15			
66. Williams, Gracie	3,002.45		1	1
67. Wilson, Michelle	6,573.65	1	1	
Total	\$169,317.20	28	20	38

Column A = Total of paychecks made payable to students for hours not worked.

Column B = Number of students who did not qualify or who did not receive a Work-Study award for one of more semesters they received paychecks.

Column C = Number of students whose hours per their Work-Study payroll vouchers conflicted with hours they worked with outside employers.

Column D = Number of students who exceeded their Work-Study award for one or more semesters they received their checks.

1. Aaron, Nikia Timone - We did not interview Ms. Aaron and her name may have been used without her knowledge, thus making her a victim of the scheme. Twelve paychecks totaling \$3,757.85 were charged to two departments. Both supervisors stated that Ms. Aaron did not work. Former Financial Aid Office employee, Mr. Darrel Lee, stated that he recruited Ms. Aaron and collected \$650.00 in cash from the proceeds of her paychecks. Furthermore, our investigation disclosed that there are hours claimed as worked on the student payroll vouchers that are in conflict with payroll records of an outside employer.
2. Acey, Sabrina Dawn - Ms. Acey stated that she was recruited by Mr. Robert Jones, former Work-Study student. Furthermore, she stated that she received three paychecks totaling \$1,091.80 for which she did not work. Ms. Acey also stated that Mr. Jones and an unidentified female rode with her to a bank where she (Acey) endorsed and cashed the three paychecks at the instructions of the unidentified female. Ms. Acey stated that she and Mr. Jones were given \$100 each and the unidentified female kept the remaining proceeds of the paychecks (\$891.80).
3. Andrus, Mia Angelle - Ms. Andrus stated that Mr. Robert Jones recruited her and that eight paychecks were made payable to her totaling \$2,765.55. She stated that she did not work. She stated that Mr. Jones presented her with two of these paychecks totaling \$777.65. She said that she rode to the bank with Mr. Jones where she endorsed and cashed the two paychecks at his instructions and received between \$50 and \$100. According to Ms. Andrus, Mr. Jones kept the remaining proceeds. On a later date, Mr. Jones took her to pick up a paycheck from Mr. Richard Wilson, Department of Intramural employee. She stated she endorsed and cashed this paycheck and Mr. Jones kept the proceeds. However, occasionally, Mr. Jones gave her \$10 to \$25. She stated she was unaware of the remaining five paychecks totaling \$1,987.90 that were made payable to her.
4. Ballard, Nissan - We did not interview Ms. Ballard and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. The supervisor of the department from which her paycheck was generated stated she did not work.
5. Beal, Karol - Ms. Beal stated she applied for the Federal Work-Study Program. She stated she received a call from Ms. Sandra Perry, former Work-Study student, who informed her (Beal) that she had a paycheck for her. Ms. Beal stated she did not work for the paycheck. She informed us that she had never met Ms. Perry before this date. Ms. Beal stated she accompanied Ms. Perry to a bank where she (Beal) endorsed and cashed the paycheck. Ms. Perry gave her \$100 and Ms. Perry kept the remaining proceeds from the \$437.75 paycheck. Ms. Beal stated she was unaware of the three other paychecks made payable to her totaling \$1,086.65.
6. Bell, Shirley Alexis - Our investigation revealed that Ms. Bell, former Financial Aid Office employee, added herself to a student payroll, which was previously described on page 13 of this report.

7. Blackburn, Cerissa - Ms. Blackburn stated she received 10 paychecks totaling \$4,480.50 for which she did not work. She stated that she kept half of the proceeds (\$2,240.25) and gave Mr. Darrel Lee the remainder. She confirmed that she worked for an outside employer during some of the hours claimed as worked on her student payroll vouchers.
8. Blount, Candice - We did not interview Ms. Blount and her name may have been used without her knowledge, thus making her a victim of the scheme. Ms. Candice Blount is the daughter of Ms. Ellois Blount, former Federal Work-Study Program Coordinator. From March 1997 through March 1999, Ms. Candice Blount received 33 paychecks totaling \$12,090.65 charged to four departments. Three department supervisors stated that Ms. Candice Blount did not work and we have no evidence to indicate that she worked in the fourth department. Ms. Ellois Blount stated that Ms. Candice Blount prepared the payroll vouchers from which these paychecks were issued and then took them to Ms. Moses Dupre, Department of Athletics employee, to sign. In addition, Ms. Candice Blount's outside employment records from June 1997 through March 1999, indicated there were 620 hours worked that were in direct conflict with hours claimed as worked on her student payrolls.
9. Blount, Zenolia - We did not interview Ms. Blount, sister-in-law of Ms. Ellois Blount, and her name may have been used without her knowledge, thus making her a victim of the scheme. From January 1997 through August 1998, she received 24 paychecks totaling \$13,601.35 charged to two departments. Both department supervisors stated she did not work. Ten of the 24 paychecks totaling \$8,342.80 were included on the Community Service student payroll that Ms. Ellois Blount stated she prepared. Ms. Ellois Blount stated that Ms. Zenolia Blount gave her half or \$4,171.40 from the proceeds of the 10 paychecks.
10. Bowie, Teresa L. - Ms. Bowie stated she was on academic probation and that she approached Ms. Ellois Blount asking for help to return to school. Ms. Bowie stated that Ms. Blount provided help and she returned to school. Ms. Bowie received a Pell grant, Work-Study, and UWORK--a chancellor awarded program. Ms. Bowie received 12 Work-Study paychecks from June 1996 through April 1997, for which she did not work. Ms. Bowie stated that she gave Ms. Blount the \$6,499.25 from the paychecks. Furthermore, she agreed that she worked with an outside employer during the time she received her student paychecks.
11. Brister, Gregory - Mr. Brister stated he received four paychecks totaling \$1,735.55 for which he did not work. He endorsed and cashed these paychecks and gave half of the proceeds to an unidentified male in the Financial Aid Office. Mr. Darrel Lee identified himself as the person who recruited Mr. Brister and that he collected approximately \$850.00 from the proceeds of Mr. Brister's paychecks.
12. Brown, Kenneth D. - We did not interview Mr. Brown and his name may have been used without his knowledge, thus making him a victim of the scheme. From September 1997 through November 1998, seven paychecks totaling \$1,596.50 were made payable to Mr. Brown and charged to the Department of Intramural student payroll. Mr. Richard

Wilson stated that Mr. Brown was a non-working student that he added to his payroll at the request of Ms. Ellois Blount.

13. Davis, Quida - We did not interview Ms. Davis and her name may have been used without her knowledge, thus making her a victim of the scheme. There are 11 paychecks made payable to Ms. Davis that were charged to one department. The supervisor of the department stated that Ms. Davis did not work. Mr. Darrel Lee stated that Ms. Davis was one of the students recruited by Ms. Ellois Blount and that Ms. Davis gave an undetermined amount of cash to Ms. Blount.
14. Dorsey, Sylvester - We did not interview Mr. Dorsey and his name may have been used without his knowledge, thus making him a victim of the scheme. Mr. Darrel Lee stated that he recruited Mr. Dorsey and that Mr. Dorsey did not work. Mr. Lee stated that he collected approximately \$335.00 from the proceeds of Mr. Dorsey's \$674.65 paycheck.
15. Fontenot, Emily - Ms. Fontenot stated that Mr. Darrel Lee recruited her and that she received six paychecks totaling \$4,027.30 for which she did not work. She stated she gave Mr. Lee half (\$2,013.65) of the proceeds from her paychecks. Ms. Fontenot confirmed that there were hours claimed as worked on her student payroll vouchers that are in conflict with her hours of work with an outside employer.
16. Fontenot, Jeanette - Ms. Fontenot stated that Mr. Darrel Lee recruited her and that she received six paychecks totaling \$4,027.30 for which she did not work. She stated that Mr. Lee was given half (\$2,013.65) of the proceeds from her paychecks. Ms. Fontenot confirmed that some of the hours claimed as worked on her student payroll vouchers are in conflict with hours of work for an outside employer.
17. Gatlin, Ruby - Ms. Gatlin stated she did not work for the seven paychecks she received totaling \$2,275.40. She stated Mr. Darrel Lee placed her on Mr. Dupre's student payroll. Mr. Lee agreed that Ms. Gatlin kept the proceeds from the seven paychecks.
18. Hall, Maurice D. - We did not interview Mr. Hall and his name may have been used without his knowledge, thus making him a victim of the scheme. Mr. Darrel Lee stated that Mr. Hall was his cousin and that he caused him to receive two paychecks totaling \$826.50 for which he (Hall) did not work. Mr. Lee stated that Mr. Hall gave him approximately \$250.00 from the proceeds of Mr. Hall's paychecks.
19. Hall, Myoa - We did not interview Ms. Hall and her name may have been used without her knowledge, thus making her a victim of the scheme. Mr. Darrel Lee stated that Ms. Myoa Hall is the wife of Mr. Maurice Hall. Mr. Lee further stated that he caused Ms. Hall to receive four paychecks totaling \$1,745.50 for which she did not work. Mr. Lee also stated that he collected approximately \$250.00 from the proceeds of her paychecks. In addition, there are hours claimed as worked on her student payroll vouchers that are in conflict with payroll records of an outside employer.
20. Harden, Anya - We did not interview Ms. Harden and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. There are

- two paychecks made payable to her that were generated from the Department of Athletics' student payroll. Mr. Moses Dupre stated that either Mr. Lee or Ms. Sharon Davis, former Financial Aid Office employee, requested that he add this non-working student to his student payroll.
21. Hines, Christopher - We did not interview Mr. Hines and his name may have been used without his knowledge, thus making him a victim of the scheme. We have no documentation to support that he did or did not receive a financial benefit. There were two paychecks made payable to Mr. Hines that were generated from the Department of Athletics' student payroll. Mr. Moses Dupre stated that Mr. Darrel Lee requested that he add this non-working student to his student payroll.
 22. Hooper, Orlan - We did not interview Mr. Hooper and his name may have been used without his knowledge, thus making him a victim of the scheme. We have no documentation to support that he did or did not receive a financial benefit. There are three paychecks made payable to Mr. Hooper that were generated from the Department of Intramural student payroll.
 23. Ivy, Nicolle - We did not interview Ms. Ivy and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. There are two paychecks made payable to Ms. Ivy that are charged to the Department of Intramural student payroll. Mr. Wilson stated that Ms. Ivy did not work.
 24. Jackson, Andra - Ms. Jackson stated that she was recruited by Mr. Darrel Lee and that she received seven paychecks totaling \$3,049.05 for which she did not work. She gave Mr. Lee half (\$1,524.53) from the proceeds of her paychecks. In addition, there are hours worked for an outside employer that are in direct conflict with hours claimed on her student payroll vouchers.
 25. Jackson, Jacquell - Ms. Jackson stated that during the fall 1998 semester she received a call from Ms. Sandra Perry who informed her (Jackson) that she had a paycheck for her. She stated that she had never met Ms. Perry before she received the call. Ms. Jackson stated she did not work for the paycheck. Accordingly, she accompanied Ms. Perry to a bank where she endorsed and cashed the paycheck. Ms. Perry gave her \$100 and Ms. Perry kept the remaining proceeds of the \$437.75 paycheck. Ms. Jackson stated she was unaware that six other paychecks were made payable to her totaling \$2,168.15.
 26. Jackson, Tonika - Ms. Jackson stated she did not work for the \$535.60 paycheck but kept approximately \$335.60. She stated that Ms. Ellois Blount and Ms. Candice Blount received the benefit of the remaining \$200.00. In addition, there are hours claimed as worked on Ms. Jackson's payroll vouchers that are in conflict with payroll records of an outside employer.
 27. Jacobs, Kelly - We did not interview Ms. Kelly and her name may have been used without her knowledge, thus making her a victim of the scheme. There are three paychecks made payable to Ms. Kelly totaling \$803.40. Mr. Darrel Lee stated that he

- recruited Ms. Kelly, that she did not work, and that she gave him approximately \$300.00 from the proceeds of her paychecks.
28. Jenkins, Kyllie - Ms. Jenkins stated she was recruited by Ms. Ellois Blount and that she did not work. Ms. Jenkins stated that she received seven paychecks totaling \$2,043.45 and that she gave Ms. Blount half (\$1,021.72).
 29. Jenkins, Orante' - We did not interview Mr. Jenkins and his name may have been used without his knowledge, thus making him a victim of the scheme. From June 1996 through July 1998, there were 14 paychecks made payable to Mr. Jenkins totaling \$5,001.85. Outside employment records for Mr. Jenkins during this period indicate there are 571 hours worked that are in direct conflict with hours claimed as worked on student payrolls. Ms. Sharon Davis stated she was related to Mr. Jenkins and that she requested Mr. Richard Wilson to add this non-working student to his student payroll. Mr. Wilson confirmed this statement. Ms. Davis did not state who shared in the proceeds of the paychecks.
 30. Jenkins, Sharhonda - Ms. Jenkins stated that Ms. Ellois Blount explained to her that she was in a financial bind and asked if she (Jenkins) would help her in exchange for \$150.00. Accordingly, a \$714.00 paycheck was issued in Ms. Jenkins' name. Ms. Jenkins stated that she did not work for the paycheck. Ms. Jenkins stated Ms. Blount gave her \$150.00 and that she followed Ms. Blount's instructions and deposited the \$714.00 paycheck in Ms. Blount's personal bank account.
 31. Johnson, April - We did not interview Ms. Johnson and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. There are three paychecks made payable to Ms. Johnson charged to the Department of Intramural student payroll. Mr. Richard Wilson stated she did not work and that she (Johnson) was added to his payroll at the request of Ms. Ellois Blount.
 32. Johnson, Rama - We did not interview Ms. Johnson and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. The supervisor of the department to which the paycheck was issued stated Ms. Johnson did not work in his department.
 33. Jones, Robert - Our investigation revealed (previously described on page 13 of this report) that Mr. Jones was a participant in this scheme.
 34. Kindrick, Robin N. - We did not interview Ms. Kindrick and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. The supervisor of the department to which the paychecks are charged stated that Ms. Kindrick did not work.

35. King, Coretta - We did not interview Ms. King and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation that she did or did not receive a financial benefit. There were three paychecks made payable to Ms. King charged to the Department of Intramural student payroll. Mr. Richard Wilson stated that Ms. King did not work in his department and that Ms. King was added to his payroll at the request of Ms. Ellois Blount.
36. Lagarde, Jarrah - We did not interview Ms. Lagarde and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. There are four paychecks made payable to Ms. Lagarde that were charged to two departments. Both department supervisors stated she (Lagarde) did not work.
37. Landry, Corey J. - We did not interview Mr. Landry and his name may have been used without his knowledge, thus making him a victim of the scheme. We have no documentation to support that he did or did not receive a financial benefit. There are seven paychecks totaling \$2,768.55 made payable to Mr. Landry and charged to the Department of Athletics' student payroll. Mr. Moses Dupre stated Mr. Landry did not work and that he (Landry) was added to his payroll at the request of either Mr. Darrel Lee or Ms. Sharon Davis.
38. Lawson, Raharold - We did not interview Mr. Lawson and his name may have been used without his knowledge, thus making him a victim of the scheme. There are nine paychecks totaling \$3,615.30 payable to him and charged as follows: one paycheck charged to Computer Science, seven charged to Intramural, and one charged to Community Service. All three department's supervisors stated Mr. Lawson did not work. Ms. Ellois Blount stated that Mr. Lawson gave her half (\$422.30) from the \$844.60 paycheck that was charged to the Computer Science student payroll. Mr. Richard Wilson stated that he (Wilson) added Mr. Lawson to his student payroll at the request of Ms. Ellois Blount.
39. Lewis, Donna - Ms. Lewis stated that Mr. Darrel Lee tried to recruit her, but she refused to become part of this scheme. Ms. Lewis stated she was unaware of four paychecks totaling \$1,467.75 payable to her. Our investigation revealed that the four checks were deposited in the personal bank account of Mr. Lee's parents.
40. Lilly, Ransom - We did not interview Mr. Lilly and his name may have been used without his knowledge, thus making him a victim of the scheme. Mr. Darrel Lee stated that he recruited Mr. Lilly and that he did not work. There were six paychecks made payable to Mr. Lilly totaling \$2,842.80. Mr. Lee stated that Mr. Lilly gave him approximately \$1,420.00 from the proceeds of his paychecks.
41. Manuel, Romney - Mr. Manuel stated that Mr. Robert Jones recruited him and that he did not work for the five paychecks made payable to him. Mr. Manuel stated that Mr. Jones gave him two paychecks totaling \$777.65. Furthermore, Mr. Manuel stated that he used approximately \$200.00 to \$300.00 for the benefit of Mr. Jones and that he (Manuel) kept

the remainder. Mr. Manuel stated he was unaware of the other three paychecks totaling \$921.85 made payable to him.

42. Matthews, Crystal - We did not interview Ms. Matthews and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. However, the supervisor of the department to which her paycheck was charged stated Ms. Matthews did not work.
43. McKanstry, Ivory - We did not interview Ms. Ivory and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. The supervisor of the department to which the paycheck was charged stated Ms. McKanstry did not work in that department.
44. Merrett, Quintin - We did not interview Ms. Merrett and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. The supervisor of the department to which the paycheck was charged stated Ms. Merrett did not work in that department.
45. Middlebrook, Janiese - We did not interview Ms. Middlebrook and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. The supervisor of the department to which her paycheck was charged stated that Ms. Middlebrook did not work in that department.
46. Molden, Henry - We did not interview Mr. Molden and his name may have been used without his knowledge, thus making him a victim of the scheme. There are nine paychecks payable to Mr. Molden totaling \$3,109.90. Mr. Darrel Lee stated that he recruited Mr. Molden and that he (Molden) did not work. Mr. Lee stated that Mr. Molden gave him approximately \$500.00 from the proceeds of Mr. Molden's paychecks.
47. Oliver, Sherell - Ms. Oliver stated that Mr. Darrel Lee was a cousin to her husband, Mr. Herman Oliver. Mr. Lee recruited her and she did not work for the four paychecks totaling \$2,027.60 that were made payable to her. She stated that Mr. Lee brought her three paychecks totaling \$1,080.00 and she kept the proceeds of those paychecks. There was another paycheck made payable to her that totaled \$947.60 that she was unaware of until she talked to her husband. Mr. Herman Oliver stated his wife did not know that Mr. Lee had brought him the \$947.60 paycheck, which he (Oliver) cashed. In addition, Ms. Sherell Oliver's outside employment records indicated there were hours worked that were in direct conflict with the hours per her student payroll vouchers.

48. Perkins, Gwendolyn - We did not interview Ms. Perkins and her name may have been used without her knowledge, thus making her a victim of the scheme. Mr. Darrel Lee stated he recruited Ms. Perkins and she did not work. From her seven paychecks totaling \$2,036.55, Mr. Lee stated that she gave him a small amount of the proceeds.
49. Perry, Anntionette - Ms. Anntionette Perry, daughter of Ms. Sandra Perry, stated she worked and that she received three paychecks which she gave to her mother. These three paychecks were charged to two departments. However, the supervisors of the departments stated that she did not work in either of their departments. The description on two of her payroll vouchers and indicated that Ms. Perry had worked identical hours on the same dates in the two departments.
50. Perry, Sandra - Our investigation determined that Ms. Perry participated in the scheme as described on page 12 of this report.
51. Rice, DeRonda - We did not interview Ms. Rice and her name may have been used without her knowledge, thus making her a victim of the scheme. From October 1996 through March 1999, thirty paychecks totaling \$11,670.30 were made payable to her and were charged to two departments: the Financial Aid Office and the Department of Intramural. Seven of those 30 paychecks totaling \$3,867.65 were charged to the Department of Intramural. Mr. Richard Wilson stated he placed Ms. Rice on the payroll at the request of Ms. Ellois Blount. Mr. Wilson further stated that Ms. Rice had no assigned duties and that she did not work. He also stated that he personally gave Ms. Rice her paychecks. In addition, our investigation disclosed that there were hours claimed as worked on Ms. Rice's payroll vouchers that were in conflict with the payroll records of her outside employment.
52. Richardson, Ramon - We did not interview Mr. Richardson and his name may have been used without his knowledge, thus making him a victim of the scheme. We have no documentation to support that he did or did not receive a financial benefit. From October 1998 through March 1999, six paychecks totaling \$2,631.65 were made payable to him and charged to two departments. The supervisors of those two departments stated that Mr. Richardson did not work.
53. Robertson, Cassandra - Ms. Robertson stated she was recruited by Mr. Darrel Lee. She stated that she did not work and that the eight paychecks she received totaling \$2,626.50 were shared equally with Mr. Lee. She confirmed that she could not have worked the hours claimed on the payroll vouchers for the first quarter of 1999 because she was working for an outside employer.
54. Saltus, Simone - We did not interview Mr. Saltus and his name may have been used without his knowledge, thus making him a victim of the scheme. We have no documentation to support that he did or did not receive a financial benefit. However, the supervisor of the department to which his paycheck was charged stated that he did not work.

55. Smith, Leonard - Mr. Smith stated that he was not eligible for the Work-Study Program and did no work for the paycheck he received. Mr. Smith also stated that he does not remember who gave him the Work-Study paycheck amounting to \$257.50.
56. Taylor, Device - We did not interview Mr. Taylor and his name may have been used without his knowledge, thus making him a victim of the scheme. Mr. Darrel Lee stated that he recruited Mr. Taylor and that Mr. Taylor did not work for the four paychecks totaling \$1,735.55 made payable to him. Mr. Lee stated that Mr. Taylor gave him approximately \$850.00 from the proceeds of the four paychecks.
57. Taylor, Timinirra - We did not interview Ms. Taylor and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. There were three paychecks made payable to Ms. Taylor that were charged to the Department of Intramural. Mr. Richard Wilson stated he added the non-working student to his payroll at the request of Ms. Ellois Blount.
58. Trasher, Vickey - We did not interview Ms. Trasher and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. Her three paychecks were charged to one department and the supervisor of that department stated that Ms. Trasher did not work.
59. Ursin, Derrick - We did not interview Mr. Ursin and his name may have been used without his knowledge, thus making him a victim of the scheme. We have no documentation to support that he did or did not receive a financial benefit. There are six paychecks totaling \$2,837.65 payable to him charged to two departments. The supervisors of the two departments stated he did not work.
60. Walker, Curtis - Ms. Ellois Blount stated she recruited Mr. Walker, falsified his sign-in sheets and payroll vouchers, and shared equally in the proceeds of his nine paychecks totaling \$6,633.20. Mr. Walker agreed that Ms. Blount made it possible for him to receive the paychecks and that he gave cash to Ms. Blount. In addition, Mr. Walker's hours with an outside employer conflict with hours claimed as worked on his student payrolls.
61. Walker, Kevin - Ms. Ellois Blount stated that she falsified Mr. Walker's sign-in sheets and payroll vouchers and that they shared equally in the proceeds of his 13 paychecks totaling \$9,697.45. Mr. Walker confirmed that Ms. Blount put him on the student payroll to receive the paychecks and that he gave cash to Ms. Blount from the proceeds of his paychecks. According to Mr. Walker, at the time he was being paid through the student payroll, he also had a full-time job with an outside employer and said it would have been impossible for him to have worked the eight hours per day described on his student payroll vouchers.

62. Walker, Shedrick - We did not interview Mr. Walker and his name may have been used without his knowledge, thus making him a victim of the scheme. We have no documentation to support that he did or did not receive a financial benefit. There were four paychecks totaling \$1,009.40 payable to Mr. Walker and charged to the Community Service student payroll. The supervisor of the department stated he did not work.
63. Webber, Cornell - We did not interview Mr. Webber and his name may have been used without his knowledge, thus making him a victim of the scheme. We have no documentation to support that he did or did not receive a financial benefit. There were five paychecks totaling \$1,545.00 charged to two departments. Both department supervisors stated that Mr. Webber did not work.
64. Wells, Becky - Ms. Wells stated that Ms. Sharon Davis set her up to receive 14 paychecks totaling \$4,430.30. Ms. Wells stated she did not work. Ms. Wells stated she gave Ms. Davis between \$20 and \$50 from each paycheck, although she may not have given money to Ms. Davis from every paycheck.
65. White, Melisha - We did not interview Ms. White and her name may have been used without her knowledge, thus making her a victim of the scheme. We have no documentation to support that she did or did not receive a financial benefit. There were two paychecks totaling \$726.15 charged to one department. The supervisor stated Ms. White did not work.
66. Williams, Gracie - Ms. Williams stated that she was recruited by Mr. Darrel Lee and that she received nine paychecks totaling \$3,002.45 for which she did not work. She gave Mr. Lee half (\$1,501.22) of the proceeds from her paychecks. Our investigation disclosed that hours worked with outside employers were in direct conflict with hours worked on Ms. Williams' payroll vouchers.
67. Wilson, Michelle - We did not interview Ms. Wilson and her name may have been used without her knowledge, thus making her a victim of the scheme. Mr. Richard Wilson stated that he placed his niece, Ms. Michelle Wilson, on his student payroll and that she did not work. He stated he received no money for this. From September 1996 through April 1999, Ms. Wilson received 21 paychecks totaling \$6,573.65. In addition, there are hours worked for outside employers that are in direct conflict with hours worked on Ms. Wilson's payroll vouchers.

Attachment III
Legal Provisions

Legal Provisions

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

R.S. 14:67 provides, in part, 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. 14:72 provides, in part, that forgery is the false making or altering, with intent to defraud, of any signature to, or any part of, any writing purporting to have legal efficacy.

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.

Article 7, Section 14 of the Louisiana Constitution provides, in part, 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. §641 provides, in part, that embezzlement and theft is committed when whoever embezzles, steals, purloins, or knowingly converts to his or the use of another, or without authority, sells, conveys or disposes of any record, voucher, money, or thing of value of the United States or any property made or being made under contract for the United States or any department or agency thereof; or whoever receives, conceals, or retains the same with intent to convert it to use or gain, knowing it to have been embezzled, stolen, purloined or converted.

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.