
Finding and Recommendation

GRANT FUNDS OBTAINED THROUGH FALSE INVOICE

Ms. Linda Dupree, a teacher employed by the Winn Parish School Board, and Mr. Ronnie Halls, owner of Halls' Audio-Visual Supply, prepared and submitted a false invoice to the Winn Parish Police Jury causing the police jury to spend \$2,950 of grant funds received from the City of Alexandria's Arts and Humanities Office in direct violation of the grant guidelines and possibly Louisiana law.

During 1995, the Winn Parish Police Jury received a \$7,350 grant from the Louisiana Decentralized Arts Funding Program (Program), which is administered by the City of Alexandria's Arts and Humanities Office. The purpose of the grant was to introduce the students and residents of Winn Parish to their own cultural heritage by identifying and celebrating traditional arts of Winn Parish. Ms. Linda Dupree was named as the project director for the grant and received a total of \$3,000 in compensation. The terms of the grant specified that all funds should be used for the proposed project and spent within the grant period of April 1, 1995, to September 30, 1995. The project exhibit, "Passing on the Traditions of Winn Parish," was held on September 9, 1995, and involved 14 local artists and their crafts.

On October 23, 1995, Ms. Dupree submitted a final project report to the City of Alexandria, indicating that the entire \$7,350 grant was used in accordance with the terms and conditions of the grant agreement. Supporting documentation submitted by Ms. Dupree included a \$2,950 invoice, dated September 18, 1995, for a video projector supposedly purchased from Halls' Audio-Visual Supply. This invoice was paid by the police jury on November 21, 1995. The invoice indicates that the projector was drop-shipped by Halls' Audio-Visual to the Winn Parish Arts Program, Attention: Linda Dupree; however, this equipment was not purchased by Mr. Halls or delivered until February 1997, which is approximately 17 months after the grant period expired. In addition, it was delivered to the Winn Parish School Board rather than the police jury.

According to Mr. Halls, Ms. Dupree contacted him in September 1995, and told him that she had \$3,000 remaining in the grant and wanted to purchase certain video equipment. He said that he explained to her he could not give her the video equipment she wanted at that price. Mr. Halls added that Ms. Dupree requested that he provide her an invoice for about \$3,000 for the equipment at that time, and he could send the equipment when the museum was able to pay additional money. Although he did not provide any equipment, Mr. Halls submitted an invoice to the police jury indicating that a Telen video projector had been drop-shipped to Ms. Dupree on September 11, 1995. According to Mr. Halls, Ms. Dupree never called him back to pick out any video equipment nor did she send any additional money.

Background and Methodology

On November 21, 1995, the Winn Parish Police Jury paid Hiale's Audio-Visual Supply \$2,850 for a video projector which was to be delivered to the Winn Parish Museum. According to Ms. Carolyn Phillips, Winn Parish Museum Director, and Mr. Johnny Lutes, chairman of the board for the museum, the video projector was not delivered as promised. Both Ms. Phillips and Mr. Lutes stated that, in January 1997, they asked District Attorney Terry Reeves to help obtain the missing equipment. On February 21, 1997, shortly after inquiries were made about the equipment, the video projector was delivered to the Winn Parish School Board.

Mr. Reeves requested the assistance of the Legislative Auditor. We conducted our investigation to obtain additional information regarding this purchase. Our procedures consisted of (1) interviewing employees and officials of the police jury; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the police jury; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable Louisiana laws.

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

Executive Summary

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

Grant Funds Obtained Through False Invoice

(Page 1)

Finding:	Ms. Linda Dupree, a teacher employed by the West Parish School Board, and Mr. Ronnie Haffa, owner of Haffa's Audio-Visual Supply, prepared and submitted a false invoice to the West Parish Police Jury causing the police jury to spend \$2,950 of grant funds received from the City of Alexandria's Art and Humanities Office in direct violation of the grant guidelines and possibly Louisiana law.
Recommendation:	We recommend that the West Parish Police Jury review the expenditures of the grant and take appropriate action to recover misapplied funds. The police jury should recover the equipment purchased with grant funds and determine whether to return this equipment for a refund or to maintain it for future use. In addition, we recommend that the District Attorney for the Eighth Judicial District of Louisiana and the District Attorney for the Ninth Judicial District of Louisiana review this information and take appropriate legal action.
Management's Response:	After reviewing the Investigative Audit report, we fully agree with your finding and recommendation. In addition, we have requested that Haffa's Audio and Visual Supply Company return the \$2,950 and pick up the equipment. We will then return the money to the City of Alexandria's Art and Humanities Office. We will also take necessary steps to avoid future errors.



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BAYOU BOULEVARD, LOUISIANA, 70004-5057

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DONALD KYRLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

May 29, 1997

**MR. LAMAR TARNER, PRESIDENT, AND
MEMBERS OF THE WINN PARISH
POLICE JURY**
Winfield, Louisiana

Transmitted herewith is our investigative report on the Winn Parish Police Jury, Louisiana Decentralized Arts Funding Program Grant. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain transactions of the Program.

This report presents our finding and recommendation, as well as your response. Copies of this report have been delivered to The Honorable Terry Roemer, District Attorney for the Eighth Judicial District of Louisiana; The Honorable Charles F. Wagner, District Attorney for the Ninth Judicial District of Louisiana; The Honorable Edward Randolph, Jr., Mayor, City of Alexandria; and others as required by state law.

Respectfully submitted,

Daniel G. Kyle, CPA, CFE
Legislative Auditor

ATB:ckc

Winn Parish Police Jury

May 28, 1997



Investigative Audit
Office of the Legislative Auditor
State of Louisiana

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

WINN PARISH POLICE JURY

P. O. Drawer 951 • Phone 338-628-5818 • Fax 318-628-7336
WINNFELD, LOUISIANA 71483-8951

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May 31, 1987

Mr. David S. Kyle, EPA
Post Office Box 94390
Baton Rouge, LA 70804-0397

RE: Box (1) Telex 08-481 Video Projector - Invoice #12273
Date 9/13/87

Dear Mr. Kyle:

After studying your findings relative to the above captioned subject, we fully agree with them, and have proceeded with your recommendations.

We are requesting funds be returned and equipment picked up. (Copy of letter of request enclosed) We will then return the money to the City of Alexandria's Joint and Donations Office.

We will also take necessary steps to make sure that this type of error is not made in the future.

If further information is needed, please advise.

Sincerely,

Larry Taylor, President
Winn Parish Police Jury

UD:s

Enclosure

cc: Honorable Terry S. Brown, District Attorney, Eighth District

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LEGISLATIVE AUDITOR

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

DIRECTOR OF INVESTIGATIVE AUDIT

Allen F. Brown, CPA, CFE

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Winn Parish Police Jury
Winfield, Louisiana

May 29, 1987

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LEGISLATIVE AUDITOR
STATE OF LOUISIANA



Investigative Audit

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

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Attachment I
Management's Response

WINN PARISH POLICE JURY

P. O. Drawer 958 - Phone 337-638-5824 - Fax 337-638-1234

WINNFIELD, LOUISIANA 70483-0958

LAMAR TAYLOR
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Edna Mae
LURE LAYTON

Charles Ed
LAWLER THAYER

Edna Mae
ALLEN RUBY



May 21, 1997

Mr. Bonnie Bailey, Owner
Kaile's Audio-Visual Supply
10 Canal Ridge Drive
Bossier, La. 71203

RE: One (1) Sanyo 08-081 Video Projector - Invoice #12273
dated 9/13/95

Dear Mr. Bailey:

Following an investigative report by The Legislative Auditor's office which was conducted in accordance with Title 66 of the Louisiana Revised Statutes, it was determined that the purchase of the above referenced equipment was in direct violation of the grant guidelines and possibly Louisiana law. On the recommendation of the Legislative Auditor, we are requesting the return of the \$1,850, paid by the Winn Parish Police Jury, with check #14113, dated 11/23/95, which will in turn be returned to the City of Alexandria's Arts and Humanities Office, who administers these funds.

Upon receipt of the \$1,850, you may pick up the equipment, which was delivered by you.

If you have any questions, please feel free to contact me.

Sincerely,

Lamar Taylor, President
Winn Parish Police Jury

LY/tj

cc: Donald G. Ryle, CPA, CFE, Legislative Auditor, State of Louisiana
Honorable Terry E. Newson, District Attorney, Eighth Judicial District

Ms. Dupree explained that at the end of the grant period about \$5,000 was remaining, so she decided to purchase a video projector. Ms. Dupree stated that Mr. Hiale could not provide a video projector for \$3,000, so she decided to give him the funds remaining in the grant and pay the balance when the maintainers received in next grant. Ms. Dupree further stated that the video equipment could be used in the future by the schools or whoever else may have a need.

It should be noted that, contrary to Mr. Hiale's and Ms. Dupree's statements that the equipment could not be purchased for \$3,000, the equipment provided on February 21, 1990, cost Hiale's Audio-Visual \$2,221, \$729 less than the amount paid by the police jury.

Ms. Thomas Ferrugin, Treasurer, and Ms. Karen Carlson, Accountant, both employees of the Winn Parish Police Jury, stated that Ms. Dupree, when submitting the final report and the Hiale's Audio-Visual invoice, told them that the video equipment would be delivered as soon as Mr. Hiale received the \$3,000 payment. They added that as soon as they received the remaining portion of the \$7,300 grant, they paid Hiale's Audio-Visual for the equipment. They also stated that they assumed the equipment had been received, just as the invoice indicated.

Ms. Jan Ballard, coordinator for the Arts and Humanities Office of the City of Alexandria, stated that the invoice Ms. Dupree submitted indicated that the equipment had already been received. She further stated that this purchase of video equipment is in direct violation of the grant guidelines, which provide that all purchases must be associated with the grant project and occur within the grant period.

Ms. Dupree, with the assistance of Mr. Hiale, released \$2,000 of grant funds from the City of Alexandria by submitting an invoice in her final grant report which misrepresented that a purchase of video equipment had been made when, in fact, no such purchase had occurred.

We recommend that the Winn Parish Police Jury review the expenditures of the grant and take appropriate action to recover unspent funds. The police jury should recover the equipment purchased with grant funds and determine whether to return this equipment for a refund or to maintain it for future use. In addition, we recommend that the District Attorney for the Eighth Judicial District of Louisiana and the District Attorney for the Ninth Judicial District of Louisiana review this information and take appropriate legal action.