

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Thibodaux Regional Medical Center  
Thibodaux, Louisiana

April 8, 1988



**Investigative Audit**

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

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

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

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this report, or any report of the Legislative Auditor, please contact Skip Lewis, Director of Administrative Services, at 504/374-1600.

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# Thibodaux Regional Medical Center

April 8, 1998



Investigative Audit  
Office of the Legislative Auditor  
State of Louisiana

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







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

April 8, 1998

**MR. JACOB GIARDINA, CHAIRMAN, AND  
MEMBERS OF THE BOARD OF COMMISSIONERS  
THIBODAUX REGIONAL MEDICAL CENTER  
Thibodaux, Louisiana**

Transmitted herewith is our investigative report on the Thibodaux Regional Medical Center. 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 finding and recommendation, as well as management's response. Copies of this report have been delivered to the Honorable Walter Nagin, Jr., District Attorney for the Seventh Judicial District of Louisiana, and others as required by state law.

Respectfully submitted,

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

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# Executive Summary

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## Investigative Audit Report Thibodaux Regional Medical Center

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 at Attachment 1.

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### Employee Received Payments From Vendors

(Page 1)

- Finding:** During October 1996, Mr. Todd P. Napien, systems analyst manager, received \$1,000 from Network Driven Communications, Inc., (Netdrive) and during December 1998, he received \$1,000 from C&E Consulting, Inc., (C&E). Both Netdrive and C&E were vendors of Thibodaux Regional Medical Center (hospital).
- Recommendation:** We recommend that the hospital ensure compliance with the policies and procedures that prohibit employees from accepting money, gifts, or anything of value from any individuals or companies conducting or attempting to conduct business with the hospital. Also, we recommend that the District Attorney for the Seventh Judicial District of Louisiana and the Louisiana Board of Ethics review this information and take appropriate action.
- Management's Response:** Thibodaux Regional Medical Center understands the importance of the Investigative Audit Report and will diligently work to enforce and strengthen existing policies and procedures. The Board, Administration and staff of the hospital will continue to cooperate fully with appropriate state and parish authorities.
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# Background and Methodology

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Thibodaux Regional Medical Center - Lafourche Parish Hospital District No. 3 is a political subdivision of the State of Louisiana created by the Lafourche Parish Police Jury to provide medical services to the Lafourche Parish citizenry. The Legislative Auditor received information indicating that an employee of the Thibodaux Regional Medical Center (hospital) received payments directly from two of its vendors. Our investigation was conducted to determine the propriety of these transactions.

Our procedures consisted of (1) interviewing employees and officials of the hospital; (2) examining selected documents and records of the hospital and other entities as necessary; (3) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (4) reviewing applicable Louisiana laws.

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





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# Finding and Recommendation

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## EMPLOYEE RECEIVED PAYMENTS FROM VENDORS

During October 1996, Mr. Todd P. Naguin, systems analyst manager, received \$1,000 from Network Driven Communications, Inc., (Netdrive) and during December 1996, he received \$1,000 from C&E Consulting, Inc., (C&E). Both Netdrive and C&E were vendors of Thibodaux Regional Medical Center (hospital).

From June 6, 1996, to September 20, 1996, the hospital purchased computer parts and services totaling \$51,998 from Netdrive. The hospital's purchase requisitions were signed by Mr. Naguin. On October 9, 1996, Netdrive issued a check for \$1,000 payable to Mr. Naguin. Notations on the check indicate that it was negotiated by Mr. Naguin on October 14, 1996.

When questioned about this payment, Mr. Naguin informed us that he did not recall receiving any money from Netdrive and would have to check his records. Though requests have been made of Mr. Naguin and his attorney, no further explanation as to the purpose of this payment has been received.

Mr. John Pocat, an owner of Netdrive, informed us that Netdrive provided services to I-Way Networks, Inc. According to Mr. Pocat, Netdrive's payment to Mr. Naguin was related to this work. Mr. John Praher and Mr. Mark Young, owners of I-Way, stated that Mr. Naguin never performed any work at I-Way either as an individual or as a representative of Netdrive.

During the period November 15, 1996, to August 18, 1997, the hospital purchased computer parts and services totaling \$24,200 from C&E. According to Mr. Naguin and Mr. Gerald Daigle, chief information officer, the only contact they had with C&E was also through Mr. Pocat. C&E paid Mr. Naguin \$1,000 by check dated December 14, 1996, and signed by Mr. James F. Everett, Jr., C&E's owner. The check appears to have been endorsed and negotiated by Mr. Naguin. Records provided by C&E indicate that this payment was for a "commission."

Mr. Naguin informed us that he remembers receiving the \$1,000 from C&E but is not certain whether it was for "UNIX" work or for "pulling cable." Mr. Naguin stated that the payment was not for work done at the hospital but may have been work performed for Mr. Pocat or the Louisiana Department of Agriculture (the former employer of Mr. Pocat).

Mr. Everett stated that he did not recall why C&E paid Mr. Naguin the \$1,000 in December 1996, and added that it must have been for business referred to C&E. A C&E invoice log provided by Mr. Everett indicates that, during the period October 1996 through May 1997, C&E conducted no business other than with the hospital and the Louisiana Department of Agriculture.

These actions indicate that Mr. Naguin may have violated one or more of the following provisions of Louisiana law:

- R.S. 14:141 provides that prohibited splitting of profits, fees, or commissions is the giving, offering to give, receiving or offering to receive, directly or indirectly, anything of apparent present or prospective value by or to a public officer or public employee, when such value is derived from any agreement or contract in which the state or any subdivisions thereof is a party.
- R.S. 42:1114(C)(2) provides that no public servant shall receive anything of economic value for or in consideration of services rendered from any person for whom such public servant would be prohibited from receiving a gift. R.S. 42:1115 prohibits public servants from receiving a gift from anyone who has a business relationship with their agency.

We recommend that the hospital ensure compliance with the policies and procedures that prohibit employees from accepting money, gifts, or anything of value from any individuals or companies conducting or attempting to conduct business with the hospital. Also, we recommend that the District Attorney for the Seventeenth Judicial District of Louisiana and the Louisiana Board of Ethics review this information and take appropriate action.

**Attachment I**  
**Management's Response**



March 28, 1998

Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

Dear Mr. Kyle:

Attached please find Management's Response to the Investigative Audit Report conducted at Thibodaux Regional Medical Center. Please include this statement as a part of the final released report.

Sincerely,

Karen A. Fickus  
Interim Chief Executive Officer

KAF:lr

Attachment

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## **Investigative Audit Report**

### **Management's Response**

*Thibodaux Regional Medical Center understands the importance of the Investigative Audit Report and will diligently work to enforce and strengthen existing policies and procedures.*

*The Board, Administration and staff of Thibodaux Regional Medical Center will continue to cooperate fully with appropriate state and parish authorities.*

Project Number

98607837

Agency Number

1508

Agency Name

LFC GRAY DRN. DIST. 12-SUBDIST. 3

Title

LFC GRAY DRN. DIST. 12-SUBDIST. 3

Division

12/31/1997

Form

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