

STATE OF LOUISIANA LEGISLATIVE AUDITOR

City of Crowley
Crowley, Louisiana

April 28, 1997

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Investigative Audit

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Legislative Auditor*

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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 in the office of the parish clerk of court.

City of Crowley

April 28, 1997



Investigative Audit
Office of the Legislative Auditor
State of Louisiana

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

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April 28, 1997

**THE HONORABLE ROBERT L. ISTER, MAYOR,
AND MEMBERS OF THE BOARD OF ALDERMEN
CITY OF CROWLEY**
Crowley, Louisiana

Transmitted herewith is our investigative report on the City of Crowley. 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 your responses. Copies of this report have been delivered to The Honorable Michael Hanson, District Attorney for the Fifteenth Judicial District of Louisiana, The Honorable Michael D. Sklarow, the United States Attorney for the Western District of Louisiana, and others as required by state law.

Respectfully submitted,

Daniel G. Kyle, CPA, CFE
Legislative Auditor

AFB/ta

(4/28/97)

Executive Summary

Investigative Audit Report City of Crowley

Mayor Used City Funds for Personal Use

(Page 1)

Findings: From July 1991 to February 1993, Mayor Robert L. Iatre used city credit cards and city funds to purchase items totaling \$2,955 for which we could not determine a public purpose. Mayor Iatre acknowledged that \$388 of these purchases, which included vitamins, cologne, and a sexual device called an "equalizer pump," were for his personal use.

Recommendation: Mayor Iatre should no longer use public funds to purchase items for his own personal use. Also, the city should establish policies and procedures to prevent the purchase of personal items with funds belonging to the city. Finally, the District Attorney for the Fifthth Judicial District of Louisiana and the United States Attorney for the Western District of the State of Louisiana should review this information and take appropriate legal action, to include seeking restitution.

Mayor Used City Funds to Purchase Culverts for Work on Private Property

(Page 2)

Findings: Mayor Iatre used \$3,325 of city funds to purchase culverts that were used on private property owned by either Mayor Iatre or his friends. An additional \$1,058 was billed to the city for culverts used on Mayor Iatre's private property; however, when the use of city employees to cover these culverts was reported in a local newspaper, Mayor Iatre paid the bill with his personal funds. The estimated cost of city labor, equipment, and dirt used in installing culverts on three of these occasions totaled \$4,213 of which the mayor has reimbursed the city \$1,568.

Recommendation: The City of Crowley should implement procedures to ensure that city funds are not used for the personal benefit of

individuals. In addition, the District Attorney for the Fifteenth Judicial District of Louisiana and the United States Attorney for the Western District of Louisiana should review this information and take appropriate legal action, to include seeking restitution.

Mayor Created Fictitious Invoice

(Page 7)

Finding: In April 1995, Mayor Iatre paid Mr. Dudley Broussard, a friend of Mayor Iatre, \$960 for culverts supposedly purchased by the city. Mr. Broussard informed us that, although he never sold culverts to the city, he endorsed the check for Mayor Iatre but did not receive any of the money.

Recommendation: The District Attorney for the Fifteenth Judicial District of Louisiana should review this information and take appropriate legal action, to include seeking restitution.

Mayor Used City Funds for Loan and Fictitious Purchase

(Page 9)

Finding: Mayor Iatre signed two city checks made payable to Mr. Carl Broussard for \$200 and \$498. While Mr. Broussard did receive the \$200, the city has no supporting documentation describing the purpose of this check. The second check is supported by an invoice documenting the city's purchase of pipe from Mr. Broussard. According to Mr. Broussard, he has never sold any pipe to the city and he did not receive the \$498.

Recommendation: The City of Crowley should properly document all expenditures. In addition, the city should assign an employee, who is independent of the purchasing and check preparation process, to receive and sign for goods and services. Also, the District Attorney for the Fifteenth Judicial District of Louisiana should review this information and take appropriate legal action, to include seeking restitution.

**City Employees Work on Concrete Pad
for the Mayor's Daughter**

(Page 10)

Finding: On August 24 and 25, 1994, two city employees, while on the City of Crowley's payroll, worked on a concrete pad for Mayor Iatre's daughter in Scott, Louisiana. In addition, Mr. Michael Freddie stated he and the other employee, Mr. Leroy Bates, traveled to and from the work site in an unmarked city truck.

Recommendation: The City of Crowley should compensate employees only for official services rendered. The District Attorney for the Fifteenth Judicial District of Louisiana should review this information and take appropriate legal action.

**City Paid Employee's Wife for Services
Not Actually Performed**

(Page 11)

Finding: Mayor Iatre authorized \$820 in payments to Ms. Lisa Moncaux, wife of Mr. Ricky Moncaux, the city's animal control officer. City records indicate the payments were for accounting, computer, and filing services. Mr. Moncaux stated that Ms. Moncaux did not perform accounting and computer services, but actually helped him apprehend animals and perform other services.

Recommendation: The City of Crowley should comply with state law by no longer allowing members of an employee's immediate family to contract with the city. The city should also establish policies and procedures to prevent the payment for services that are not properly supported by documentation describing the services performed and the date and hours worked. In addition, the District Attorney for the Fifteenth Judicial District of Louisiana should review this information and take appropriate legal action, to include seeking restitution.

Mayor Made Payments to Employee's Company**(Page 12)**

Finding: During February 1996, city auditors informed Mayor Iatre that city employees performing extra services should be paid through the city's payroll system. Shortly thereafter, Mayor Iatre paid his secretary, Ms. Monica Dupre, for extra services, but made the payment to Zappa Services, a company name under which Ms. Dupre was supposedly doing business.

Recommendation: The City of Crowley should pay city employees for extra services through its regular payroll system. Making these payments part of the city employees regular compensation will assist the city in complying with state and federal withholding, reporting, and other tax requirements. In addition, the District Attorney for the Fifth Judicial District of Louisiana should take appropriate legal action.

Mayor Purchased Night Vision Glasses**(Page 13)**

Finding: Mayor Iatre used \$1,417 of city funds to purchase night vision glasses. According to Mayor Iatre, he uses the night vision glasses to watch birds and identify poachers at the city's wastewater facility; however, Mr. Jean Simon, Wastewater Superintendent, stated that he has never seen any city employee or official use any type of night vision device nor was there any use for that type of device. According to Mayor Iatre, no one else knew that he used the night vision glasses for this purpose.

Recommendation: The public purpose and use of these night vision glasses is questionable. The City of Crowley should document the purpose of all purchases on the purchase requisition. In addition, if this purchase was truly associated with the wastewater facility, the cost should be charged to that department rather than the sales tax department.

City Paid Employee for Hours Not Worked**(Page 14)**

Finding: Ms. Marlene Kamke Deady, a city employee, was paid \$311 for seven days that she did not work and for which she had no accrued leave. In addition, Ms. Deady performed personal work for Mayor Ivers while being compensated by the city.

Recommendation: The City of Crowley should not pay employees for hours that they did not actually work unless the employees have accrued leave available. In addition, Mayor Ivers should ensure that employees are not performing work associated with his personal affairs while being compensated by the city.

Management's Responses**(Attachments I and II)****Board of Aldermen's
Response**

The Board of Aldermen for the City of Crowley stated rather than respond individually to each of the findings, a single response to all findings is believed appropriate. The Board of Aldermen has no information to refute these findings, does not condone these actions, and had no prior knowledge of items mentioned in the report. We will establish procedures to prevent recurrence of such actions in the future.

Mayor's Response:

Mr. C. Michael Hill, Attorney, responded on behalf of Mayor Iatre.

Because the Legislative Auditor refused to provide supporting documentation, it is impossible for the mayor to review and respond specifically to each purchase cited. Mayor Iatre, on occasion, used the city credit card to make personal purchases. It was Mayor Iatre's intent that he, personally, would pay for these items. From 1990 to 1998, Mayor Iatre reimbursed the city for \$660 of personal items charged to his city credit card and he also received reimbursement from the city for items purchased for city use on his personal credit card. Apparently, through oversight, some personal items charged to Mayor Iatre's city credit card were not paid for by the mayor, but were paid with city funds on his administrative account. During the investigation, Mayor Iatre identified \$398 of personal items that were paid for by the city. Mayor Iatre has now identified additional items that have increased that total to \$294.70. Mayor Iatre will reimburse the city \$694.70; the additional \$100 more that covers any interest which might be owed on these personal purchases.

To avoid any further appearance of impropriety, Mayor Iatre will discontinue the practice of charging any personal items on the city credit card.

Background and Methodology

The Legislative Auditor received allegations indicating that Mayor Robert L. Iatre used city funds for personal purposes. Specifically, the allegations indicated that Mayor Iatre used the city's credit cards to charge items that were for his personal use. In addition, we were informed that Mayor Iatre approved payments of expenditures by the city that were for the benefit of himself and his friends and not for official city business. The purpose of our investigation was to gather evidence to support or refute these allegations. To address these issues, we performed the following procedures:

1. Examined selected City of Crowley records
2. Interviewed current and prior city employees, aldermen, and other individuals as necessary
3. Reviewed Louisiana statutes, Attorney General opinions, ordinances, and other regulations of the City of Crowley
4. Made inquiries and observations to the extent we considered necessary to achieve our purpose

Findings and Recommendations

MAYOR USED CITY FUNDS FOR PERSONAL USE

From July 1991 to February 1996, Mayor Robert L. Istre used city credit cards and city funds to purchase items totaling \$2,955 for which we could not determine a public purpose. Mayor Istre acknowledged that \$398 of these purchases, which included vitamins, cologne, and a sexual device called an "equalizer pump," were for his personal use.

The City of Crowley has credit card accounts with BankCard Services and First BankCard Center. Ms. Judy L. Istre, City Clerk/Treasurer, stated that the city has three cards from the BankCard Services account and one card from the First BankCard Center account. According to Ms. Istre, Mayor Istre has one of the cards from BankCard Services and the only card for the First BankCard Center account. She added that Mayor Istre refers to the card from First BankCard Center as "his card." Ms. Istre further stated that Mayor Istre reviews and approves each credit card statement before payment. Charges to both of these accounts are paid with city funds.

We determined that from July 1991 to February 1996, purchases totaling \$2,955 were charged to the credit cards for items that appear to be for personal use. These charges are as follows:

Number	Amount	Credit Card Used	Description of Items
1. World Expeditions	105.00	Bank Services	Holloway Luggage - sent to mayor's home address
2. Adam Mail	25.00	First Bank	Sexual device
Adam Mail	113.00	First Bank	Merchandise of adult sex aids and/or devices
3. Best Men	93.07	First Bank	Shirt and shorts (shorts)
4. Blue Corporation	123.00	Bank Services	High heels all in one and one - sent to mayor's home address
5. Best Clothing (Gables, Inc., La.	66.30	First Bank	Merchandise of various wear and items
6. Cook Brothers	396.00	Bank Services	Men's travel grooming kit (10), ladies' treatment kit (2), men's kit (2), men's 2 piece full kit (2), and an 800/PM service number placed
7. Country Bar - Lory Gabel - Inc., La.	173.70	First Bank	Merchandise of clothing and accessories
8. Gillette	24.00	First Bank	Shampoo - men's cologne
9. DMB/CTV International	44.00	First Bank	Shampoo (shampoo, spray, wash, slingshot, dryer, and men's shorts)
10. Hanes	297.82	First Bank	Men's hats, shoes, shirt, and shorts that were all sent to the mayor's home address
11. Holloway B	31.30	First Bank	The World Bank of Sex - pornography
12. Hologram Research	25.00	Bank Services	Writer's equipment
13. Harcourt America	982.00	Bank Services	A bed frame and mattress
14. Home Supply	30.00	First Bank	Two Men Women (from Cooper Center)

Vendor	Amount	Credit-Card Type	Description of Goods
11. Amazon - gift items - Luggage Mail	138.65	Post Bank	Jeans, adult bags, and Nike hat
14. National Express	47.99	Post Bank	Jeans, hoodies and all clothes
17. DDU	24.95	Post Bank	Shower screen
18. Amazon Mail - Best Pre-Shop	95.89	Post Bank	Drop-in pop book, caps, t-shirt, down shoes, post beltcase, sneakers, and other
19. Foreign Exchange Center - Home - Iowa, Ia.	13.92	Post Bank	Merchandise of perfumes and cologne
20. Value Market - Dallas, Tex.	75.85	Post Bank	Merchandise of miscellaneous items
21. ValueMart - Fort Worth, Texas	242.83	Post Bank	Medical supplies from the Mail and DDU
24. H & H Home Club	125.85	Post Bank	Perfume
25. SunShower - Fantasy Outlet - Iowa, Ia.	91.94	Post Bank	Merchandise of miscellaneous apparel
26. Nancy Fay - Home - Iowa, Ia.	195.00	Bank America	Merchandise of miscellaneous apparel
28. The Value Works - Cedar - Iowa, Ia.	44.02	Post Bank	Merchandise of travel goods
Grand Total	\$2,053.14		

Some of these purchases (including the Hallmark luggage purchased from AMGI Sweeptstakes, the tool sets purchased from Blair Corporation, and the men's clothing and shoes purchased from Habitat) were delivered to the mayor's home address.

Mayor later identified \$298 of the purchases from U.S. Health Club, Dillard's, and Adam Mail (Adam & Eve) that were for personal use. Mayor later stated that the audio cassettes and the bed would not be for personal use because he had used them at his office. According to Mayor later, he has no knowledge of the purchases from AMGI Sweeptstakes, Habitat, or the Best Pre-Shop. Mayor later informed us that he could not determine whether the other items purchased were for his personal use, including the remaining items purchased from Adam Mail, a merchant of adult sex aids and/or devices.

By using funds belonging to the City of Crowley for his personal purposes, Mayor later may have violated one or more of the following state and federal laws:

- Article VII, Section 14 of the Louisiana Constitution
- R.S. 14:97, "Theft"
- R.S. 14:68, "Unauthorized Use of a Movable"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 42:1463(A), "Obligation Not to Misappropriate"
- 18 U.S.C. §686, "Theft Concerning Programs Receiving Federal Funds"
- 18 U.S.C. §1341, "Mail Fraud"

Mayer Istre should no longer use public funds to purchase items for his own personal use. Also, the city should establish policies and procedures to prevent the purchase of personal items with funds belonging to the city. Finally, the District Attorney for the Fifteenth Judicial District of Louisiana and the United States Attorney for the Western District of the State of Louisiana should review this information and take appropriate legal action, to include seeking restitution.

MAYOR USED CITY FUNDS TO PURCHASE CULVERTS FOR WORK ON PRIVATE PROPERTY

Mayor Istre used \$3,313 of city funds to purchase culverts that were used on private property owned by either Mayor Istre or his friends. An additional \$1,688 was billed to the city for culverts used on Mayor Istre's private property; however, when the use of city employees to cover these culverts was reported in a local newspaper, Mayor Istre paid the bill with his personal funds. The estimated cost of city labor, equipment, and dirt used in installing culverts on three of these occasions totaled \$4,215 of which the mayor has reimbursed the city \$1,588.

Below are four instances where culverts for personal use were billed to the city. In three of the four instances, city employees and equipment were used on private property. The culverts are located outside the city limits of Crowley and appear to serve no purpose other than the benefit of the private property owner.

Mayor Istre's Camp

The city paid \$1,522 for culverts that were installed at Mayor Istre's camp.

Mr. Mitchell Istre, Street Commissioner, stated that he and Mayor Istre decided to purchase 20 feet of plastic culverts for a repair on Avenue L. Mr. Mitchell Istre also stated that Mayor Istre sent Mr. Lacey Bates, city employee, to pick up the culvert. According to Mr. Mitchell Istre, Mr. Bates returned from Coastal Culvert & Supply, Inc., with a trailer load of 34-inch plastic culverts. City records indicate that on November 6, 1993, the city purchased 8 joints (160 feet) of 34-inch plastic culverts totaling \$1,740 from Coastal Culvert. Mr. Mitchell Istre stated that he used one 20-foot joint of the culverts for the repair, but does not know what happened to the remaining 7 joints of culverts. Mr. Mitchell Istre added that these culverts were not delivered to the city's public works facility. Mr. Nancy Nam, Public Works Director, also stated that the remaining 140 feet of culverts were not delivered to the city's public works facility.

On December 4, 1993, Mayor Iatre wrote a letter to the Sixth Ward and Crowley Drainage District requesting assistance in installing 140 feet of drainage pipe at 7520 Homer Adam Road. The culverts installed at 7520 Homer Adam Road appear to be the same type, size, and quantity as the culverts remaining from that purchased by the city on November 6, 1993. The property at 7520 Homer Adam Road is Mayor Iatre's camp.

Mayor Iatre stated that he purchased the 140 feet of culverts for his camp from an individual whose name he could not recall. Mayor Iatre stated that he would provide us with a copy of the invoice; however, we have yet to receive any documentation to support Mayor Iatre's claims. The city's total cost of the 140 feet of culverts was \$1,322.

Ms. Monica King Dupre's Property

The city paid \$1,881 for culverts delivered to Ms. Monica King Dupre's home and incurred cost of approximately \$625 for labor and equipment used in their installation.

Approximately 140 feet of 18-inch culverts were installed on Ms. Dupre's property. Ms. Dupre is currently Mayor Iatre's secretary. Ms. Dupre stated that she purchased some of these culverts from Coastal Culvert and the remaining culverts were purchased from Mr. Paul Marinino (former employee who is now deceased). We obtained a receipt from Coastal Culvert dated August 19, 1994, which indicates that Ms. Dupre purchased 100 feet of 18-inch culverts. Ms. Dupre does not have a receipt for the culverts she claims to have purchased from Mr. Marinino.

On June 30, 1994, the City of Crowley purchased 120 feet of 18-inch culverts and 120 feet of 12-inch culverts totaling \$1,080 from Coastal Culvert. Mr. Ricky Monson, a city employee, stated that he was instructed by Mayor Iatre to pick these culverts up from Coastal Culvert and deliver them to Ms. Dupre's property. Mr. Monson stated that while on city time and using city equipment, he and Mr. Leroy Bates, another city employee, picked up and delivered the culverts to Ms. Dupre's property.

Mr. Gerard Frey, former mayor of the Town of Iota, stated that Mayor Iatre called him and asked him to install the culverts for Ms. Dupre. Mr. Frey stated he would not approve sending town employees to perform work outside the boundaries of the Town of Iota.

According to Mr. Mitchell Iatre, Street Commissioner, Mayor Iatre gave him a copy of a letter from the Acadia Parish Police Jury to the Town of Iota requesting that the town install the culverts. Mr. Mitchell Iatre stated that he explained to the mayor that the letter was between the Town of Iota and the police jury and that the City of Crowley did not have the authority to install the culverts. Mr. Mitchell Iatre stated Mayor Iatre

instructed him to cover the city emblems on the city equipment and to send a crew to install the culverts.

Mr. Doug Kiddler, a city employee, stated he and then city employee, Mr. Johnny Souler, installed the culverts on one side of Ms. Dupre's driveway. Mr. Kiddler stated he covered the emblems on the city's equipment per instructions from Mr. Mitchell later. The approximate cost of the city labor and equipment used was \$625.

As noted previously, the 18-inch culverts were installed at Ms. Dupre's property. The city was unable to provide the location of the 12-inch culverts.

Mayor Iatre stated that the work was done under an intergovernmental agreement with the Town of Iona and that he did not tell anyone to deliver the culverts to Ms. Dupre's home nor did he instruct anyone to cover the city emblems on the City of Crowley's equipment.

Ms. Janet Broussard's Property

The city paid \$720 for culverts and incurred cost of approximately \$1,080 to install the culverts on Ms. Janet Broussard's property.

On March 1, 1996, the City of Crowley purchased 100 feet of 18-inch concrete culverts totaling \$720 from Acadia Lumber Yard. Mr. Keith Lavoie, employee of Acadia Lumber Yard, stated that Mr. Leroy Bates, a city employee, signed the invoice charging these culverts to the city and directed him to deliver the culverts to Mr. Ray Smith's house. Mr. Smith is a part-time city employee. On March 20, 1996, the Acadia Parish Police Jury asked for Mayor Iatre's assistance in installing culverts per a request by Mr. Smith.

Mr. Smith stated that he asked Mayor Iatre several times if he had any extra culverts and Mayor Iatre told him that he was going to check around. Mr. Smith told us that the culverts were delivered to his house, and then he and Mr. Tony Broussard, Ms. Janet Broussard's brother, carried the culverts to Ms. Broussard's property. According to Mr. Smith, Ms. Broussard was a long-time friend. Mr. Smith added that employees from the city installed these culverts using city equipment.

Mr. Doug Kiddler, Mr. Darrall Freeman, and Mr. Raymond Touchet, all city employees, confirmed that they installed these culverts. Mr. Mitchell Iatre, Street Commissioner, stated that Mayor Iatre personally instructed him to install the culverts and that is why he sent a crew to perform the work. The cost incurred by the city for labor and equipment to install these culverts was approximately \$1,080.

Mayor Iatre stated that he did not instruct city employees to bill the culverts to the city nor did he instruct city employees to install these culverts.

Mayor Iatre's Property

Mayor Iatre charged \$1,088 of culverts to the city and had the culverts delivered to his personal property. In addition, the city incurred labor, equipment, and material cost of approximately \$2,500 in the installation of these culverts.

Ms. Sharon Fontaine, a Coastal Culvert employee, stated that on May 8, 1996, Mr. Bates made two trips to Coastal Culvert to purchase culverts for the city. Ms. Fontaine stated that on Mr. Bates' first trip she told him that he could not purchase the culverts unless he had a purchase order from the city. According to Ms. Fontaine, Mr. Bates returned later that day with a purchase order from the city for 100 feet of 30-inch metal culverts. These culverts were then added to an invoice for \$1,088 in the name of the City of Crowley. Mr. Marlon Revere, a Coastal Culvert employee, stated that he delivered these culverts to property on Highway 13 five miles south of Crowley.

On May 14, 1996, the Acadia Parish Police Jury sent a letter to Mayor Iatre asking for the city's assistance to install culverts at 4389 Highway 13 per the request of Mr. Edward Doug Fuchs. According to Ms. Peggy Romera, a police jury employee, Mayor Iatre requested that this letter be sent. Ms. Romera stated that Mayor Iatre told her that Mr. Fuchs was requesting the assistance.

On May 17, 1996, *The Crowley Post Signal* reported that city employees were installing culverts on Mayor Iatre's property located on Highway 13. According to Ms. Fontaine, on that same day, Mayor Iatre called to say that there was a mistake and those culverts billed to the city should have been billed to him personally. Mayor Iatre then personally paid for the culverts.

On June 7, 1996, the City of Crowley's Public Works Committee asked Mayor Iatre to explain the allegations of work performed on the mayor's property on Highway 13. Mayor Iatre explained that there was a mistake made with Coastal Culvert. At this time, Mayor Iatre reimbursed the city \$1,500 for the labor and equipment that he claims was required to cover the culverts on his property. The committee also asked Mayor Iatre if a state permit was obtained since this work was performed in the right-of-way of a state highway. Mayor Iatre attached to his response to the committee a copy of a state permit dated April 8, 1996. However, we obtained the official state permit from the Department of Transportation and Development, which was dated June 17, 1996, indicating that Mayor Iatre did not obtain this official permit until after he responded to the committee.

Mayor Iatre's camp, Ms. Dupre's property, and Ms. Broussard's property are located outside the City of Crowley. The total cost of public funds used to purchase three culverts was \$3,323. Another \$1,088 of culverts installed on Mayor Iatre's property, also outside city limits, was paid by Mayor Iatre personally when it became public

knowledge that these culverts were billed to the city. In addition, Mayor Istre instructed city employees to install or cover the culverts with dirt using city equipment at an estimated cost to the city of \$4,215. The mayor has repaid the city \$1,590 of this cost.

City employees stated their normal procedure is to mail city checks when they pay vendors. According to Ms. Foreman of Coastal Culvert, they received by mail the city checks paying the invoices dated November 6, 1995, and June 30, 1996, in the amounts of \$1,740 and \$1,081, respectively.

These actions may be violations of one or more of the following:

- R.S. 14:67, "Theft"
- R.S. 14:68, "Unauthorized Use of a Movable"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 42:1461(A), "Obligation Not to Misappropriate"
- 18 U.S.C. §604, "Theft Concerning Programs Receiving Federal Funds"
- 18 U.S.C. §1341, "Mail Fraud"

The City of Crowley should implement procedures to ensure that city funds are not used for the personal benefit of individuals. In addition, the District Attorney for the Fifteenth Judicial District of Louisiana and the United States Attorney for the Western District of Louisiana should review this information and take appropriate legal action, to include seeking restitution.

MAYOR CREATED FICTITIOUS INVOICE

In April 1995, Mayor Istre paid Mr. Dudley Broussard, a friend of Mayor Istre, \$960 for culverts supposedly purchased by the city. Mr. Broussard informed us that, although he never sold culverts to the city, he endorsed the check for Mayor Istre but did not receive any of the money.

On April 11, 1995, Mayor Istre paid Mr. Broussard \$960. The check was signed by Mayor Istre and City Clerk/Treasurer Judy L. Istre and endorsed by Mr. Broussard and Mr. Richard Moncreux, a city employee. The corresponding invoice, which was approved by Mayor Istre, indicates that Mr. Broussard sold 902 four-foot culverts to the city for \$960.

Ms. Ronie Vitor, a former city employee, informed us that Mayor Iatre instructed her to prepare the invoice indicating that Mr. Broussard sold culverts to the city. Ms. Vitor told us that Mayor Iatre stood by her desk and dictated the information to type on the invoice. According to Ms. Vitor, upon completion of the document, she observed Mayor Iatre initial the invoice. Ms. Maxwell Trahan, a former city employee whose duties included preparing manual checks, stated that Mayor Iatre personally instructed her to prepare the check in payment of the Broussard invoice.

According to Mr. Broussard, he did not sell culverts to the city. He stated that the mayor just prepared a check for \$960 with his name on it and asked him to endorse it. In addition, Mr. Broussard said that he did not receive any of the money from the check. Mr. Broussard informed us that in September 1996, a year and a half after the check was written, Mayor Iatre told him to expect the auditors to question him about the check. According to Mr. Broussard, Mayor Iatre told him to tell the auditors that he purchased culverts for \$1,000 from an unknown man from Houston, Texas, kept some of the culverts for himself and sold the remaining culverts to the city and had them delivered to Mr. Paul Marcinco (former city employee who is now deceased) at the old disposal (sewer) plant.

The city check was also endorsed by Mr. Mincoean. According to Mr. Mincoean, he was called to city hall where Mr. Broussard asked him to cash the \$960 check. After cashing the check, he returned to city hall and gave the cash to Mr. Broussard.

On December 6, 1996, we discussed the \$960 check with Mayor Iatre. Mayor Iatre informed us that Mr. Marcinco found a good deal that he (the mayor) could not pass up and the culverts were delivered to the old disposal plant.

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

- R.S. 14:57, "Theft"
- R.S. 14:72, "Forgery"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 42:1463(A), "Obligation Not to Misappropriate"

The District Attorney for the Fifteenth Judicial District of Louisiana should review this information and take appropriate legal action, to include seeking restitution.

**MAYOR USED CITY FUNDS FOR LOAN
AND FRUITFUL PURCHASE**

Mayor Iatre signed two city checks made payable to Mr. Carl Brossard for \$300 and \$498. While Mr. Brossard did receive the \$300, the city has no supporting documentation describing the purpose of this check. The second check is supported by an invoice documenting the city's purchase of pipe from Mr. Brossard. According to Mr. Brossard, he has never sold any pipe to the city and he did not receive the \$498.

Mr. Brossard stated that on January 5, 1995, he met with the mayor in the mayor's office and asked for a \$200 loan. According to Mr. Brossard, Mayor Iatre said that he would prepare a city check for \$200 and that he would record the check as a purchase of pipe. Mr. Brossard stated that the mayor prepared the check while he waited in the mayor's office and that he (Brossard) personally cashed the \$200 check. Mr. Brossard added that he intended to repay the \$200 but was unable to do so. Ms. Judy L. Iatre, City Clerk/Treasurer, stated there are no supporting documents in the city files for the \$200 disbursement to Mr. Brossard.

The second city check made payable to Mr. Carl Brossard for \$498, dated January 13, 1995, was supported by an invoice, purchase order, and a purchase request that indicated it was for the purchase of 19 joints of 18-inch pipe. Mr. Ricky Monson, animal control officer, and Ms. Ronie Vitor, former employee, identified the initials on the invoice and purchase request as those of Mayor Iatre. Mr. Monson stated he signed the purchase order because the mayor had signed it. Mr. Monson added that he did not know whether the pipe was received by the city.

Mr. Brossard stated that he never sold the city anything and that he had no knowledge of the \$498 city check. He added that the only check he endorsed and had knowledge of was the \$200 check.

On October 2, 1996, we presented the mayor with the payment documents for the \$498 transaction. We explained that we had been unable to locate the pipe. Mayor Iatre informed us that he would try to locate the pipe. As of the date of this report, the mayor has provided no information on the location of the pipe.

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

- R.S. 14-87, "Theft"
- R.S. 14-88, "Unauthorized Use of a Movable"
- R.S. 14-134, "Malfeasance in Office"
- R.S. 42-1461(A), "Obligation Not to Misappropriate"

The City of Crowley should properly document all expenditures. In addition, the city should assign an employee, who is independent of the purchasing and check preparation processes, to receive and sign for goods and services. Also, the District Attorney for the Fifteenth Judicial District of Louisiana should review this information and take appropriate legal action, to include seeking restitution.

CITY EMPLOYEES WORK ON CONCRETE PATIO FOR THE MAYOR'S DAUGHTER

On August 24 and 25, 1994, two city employees, while on the City of Crowley's payroll, worked on a concrete patio for Mayor Istre's daughter in Scott, Louisiana. In addition, Mr. Michael Freddie stated he and the other employee, Mr. Leroy Bates, traveled to and from the work site in an unmarked city truck.

Mr. Michael Freddie stated that he and Mr. Leroy Bates, both city employees, met in the mayor's office where Mayor Istre gave them instructions to complete a concrete patio for his daughter. The home of the mayor's daughter is located in Scott, Louisiana. Mr. Freddie stated when he and Mr. Bates arrived the first day, August 24, 1994, they leveled the form, dug a 12-inch footing around the edge of the form, and installed plastic sheeting (triangular) and concrete wire. On the next day, he and Mr. Bates carried the ready mix concrete by wheel barrow from the concrete truck to the concrete form. Mr. Freddie further stated that the mayor's son-in-law, Mr. Peter Nelson Primusaux, was present during the two days they worked on the project.

Mr. Primusaux stated that he contracted with Mr. Bates to perform the concrete work and paid Mr. Bates \$150 in cash. Mr. Primusaux stated that he obtained Mr. Bates' services when he and Mayor Istre were discussing the patio in the mayor's office. In addition, Mr. Primusaux stated that he did not contract with nor pay Mr. Freddie.

Payroll records indicate that both Mr. Bates and Mr. Freddie were paid with public funds for 8 hours on August 24 and 8 hours on August 25. Neither took leave on the two days in question. Total wages for both men for the two days were \$142. Mr. Freddie agrees that he was on the city payroll when this work was performed. Because Mr. Bates has refused to meet with us, we have been unable to obtain his statement.

Mayor Istre denied he had given the two city employees instructions to perform work on his daughter's patio. The mayor further claimed that he did not know the patio was poured and finished until Mr. Primusaux brought it to his attention after the work had been completed.

These actions indicate possible violations of the following:

- Article VII, Section 14 of the Louisiana Constitution
- R.S. 14:134, "Malfeasance in Office"
- R.S. 14:138, "Public Payroll Fraud"
- R.S. 41:1465(A), "Obligation Not to Misappropriate"

The City of Crowley should compensate employees only for official services rendered. The District Attorney for the Fifteenth Judicial District of Louisiana should review this information and take appropriate legal action.

CITY PAID EMPLOYEE'S WIFE FOR SERVICES NOT ACTUALLY PERFORMED

Mayor Iatre authorized \$858 in payments to Ms. Lisa Monceaux, wife of Mr. Ricky Monceaux, the city's animal control officer. City records indicate the payments were for accounting, computer, and filing services. Mr. Monceaux stated that Ms. Monceaux did not perform accounting and computer services, but actually helped him apprehend animals and perform other services.

From February 1994 to January 1996, Ms. Monceaux received six checks from the City of Crowley totaling \$858. Each of these payments were supported by a note or invoice indicating that Ms. Monceaux provided accounting, computer, or filing services. Only one of the checks was supported by a note which included an actual description of the dates and hours worked by Ms. Monceaux. This note indicated that Ms. Monceaux worked 19 hours performing accounting services and assisting with purchasing. According to Ms. Roxie Visior, former employer, she was instructed by Mayor Iatre to write this note. All six of these payments were approved by Mayor Iatre.

Mr. Monceaux would not allow us to interview his wife. However, he stated that his wife did not perform any accounting or computer services, but that she was actually helping him apprehend animals at night. According to Mr. Monceaux, he prepared the invoices detailing the work performed by his wife as accounting and computer services because he did not think that the city's board of aldermen would approve payments to her for helping apprehend animals. Mr. Monceaux stated he also brought city purchase orders home and his wife would sort the purchase orders by department. Mr. Monceaux stated that he did not have any documentation to support the dates and hours worked by his wife, but he kept all of this information in his mind and that he arrived at a figure he thought was fair and reasonable.

According to Mr. Moncaux, Mayor Istre was aware that Ms. Moncaux was not performing accounting and computer services.

These actions indicate possible violations of one or more of the following laws:

- R.S. 14:67, "Theft"
- R.S. 14:73, "Forgery"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 42:1113, "Prohibited Contractual Arrangements"
- R.S. 42:1461(A), "Obligation Not to Misappropriate"

The City of Crowley should comply with state law by no longer allowing members of an employee's immediate family to contract with the city. The city should also establish policies and procedures to prevent the payment for services that are not properly supported by documentation describing the services performed and the dates and hours worked. In addition, the District Attorney for the Fifthth Judicial District of Louisiana should review this information and take appropriate legal action, to include seeking restitution.

MAYOR MADE PAYMENTS TO EMPLOYEE'S COMPANY

During February 1996, city auditors informed Mayor Istre that city employees performing extra services should be paid through the city's payroll system. Shortly thereafter, Mayor Istre paid his secretary, Ms. Monica Dupre, for extra services, but made the payment to Zappa Services, a company name under which Ms. Dupre was supposedly doing business.

From April 1993 to November 1995, Ms. Dupre received payments, in addition to her normal salary, for performing computer services for the city. These payments were not processed through the city's payroll system. In the audit report of the City of Crowley dated February 1, 1996, the Certified Public Accounting firm Broussard, Poche', Lewis, & Broussard stated that the city made payments to several employees that did not go through the payroll system. The audit report recommended that all future payments to city employees be made through the payroll system.

On July 19, 1996, the city paid Zappa Services \$401 for installing and backing up software on the city's computers. The purchase orders and check for this work were signed by Mayor Istre. The address typed on the city's check for Zappa Services is the same as Ms. Dupre's home address. Ms. Dupre stated that she and her husband established Zappa Services in the

spring of 1996 to account for her computer consulting business and her husband's auto repair business. She agreed that she was aware that city employees could not contract with the city. In addition, Ms. Dupre stated she had not obtained an occupational license for Zappa Services. Based on sequential invoice numbers 500 and 501, only two invoices were issued by Zappa Services from April 5 through July 17, 1996, and both invoices were billings to the City of Crowley. According to Ms. Dupre, Zappa Services had performed work for others consisting of designing a few party invitations for cash.

When questioned about this payment to Zappa Services, Mayor Iatre stated that, whether or not it was her company, he knew Ms. Dupre could get the job done.

These actions indicate possible violations of the following:

- R.S. 14:134, "Malfeasance in Office"
- R.S. 43:1113, "Prohibited Contractual Arrangements"

The City of Crowley should pay city employees for extra services through its regular payroll system. Making these payments part of the city employees regular compensation will assist the city in complying with state and federal withholding, reporting, and other tax requirements. In addition, the District Attorney for the Fifth Judicial District of Louisiana should take appropriate legal action.

MAYOR PURCHASED NIGHT VISION GLASSES

Mayor Iatre used \$1,417 of city funds to purchase night vision glasses. According to Mayor Iatre, he uses the night vision glasses to watch birds and identify poachers at the city's wastewater facility; however, Mr. Jean Simon, Wastewater Superintendent, stated that he has never seen any city employee or official use any type of night vision device nor was there any use for that type of device. According to Mayor Iatre, no one else knew that he used the night vision glasses for this purpose.

On March 9, 1995, Mayor Iatre issued a purchase requisition for a Night Ranger 150 night vision monocular (night vision glasses) from Gull's, Inc., of Lexington, Kentucky. Mayor Iatre charged the purchase to the city's sales tax department. On April 13, 1995, the city issued a check in the amount of \$1,417 to Gull's, Inc., for the purchase of these glasses.

Mayor Iatre informed us that the city has a problem at the wastewater facility with poachers hunting birds at night. According to Mayor Iatre, he uses the night vision glasses to identify the bird poachers at the wastewater facility.

Mr. Juan Simon, Wastewater Superintendent, stated that he has never seen anyone using night vision glasses at the wastewater facility nor was there any need to monitor birds at night. According to Mr. Simon, the wastewater facility has an over population of ducks (Poule D'eau), and as a result, the city has obtained special permits to destroy birds each year.

We asked Mayor Iatre if there were others who were aware that he had these night vision glasses. The mayor responded that there were four or five people who were aware, but he was unable to provide names except for former city employee, Mr. Raxie Viano, whose name is on the purchase order. Mayor Iatre denied he purchased the night vision glasses for personal use and stated he has no personal need for them because he does not hunt.

The public purpose and use of these night vision glasses is questionable. The City of Crowley should document the purpose of all purchases on the purchase requisition. In addition, if this purchase was truly associated with the wastewater facility, the cost should be charged to that department rather than the sales tax department.

CITY PAID EMPLOYEE FOR HOURS NOT WORKED

Ms. Marlene Hamka Denby, a city employee, was paid \$311 for seven days that she did not work and for which she had no accrued leave. In addition, Ms. Denby performed personal work for Mayor Iatre while being compensated by the city.

Ms. Denby worked part-time for the City of Crowley until becoming a full-time employee on July 18, 1996. Though Ms. Denby's time cards indicate that she was at work during the seven work days between July 18 and July 26, 1996, she informed us that she took off these days for a trip to Texas. City employees are not entitled to paid vacation leave during their first year of full-time employment and, therefore, Ms. Denby was not entitled to receive her full salary for this period. Ms. Denby was paid her full salary and, as a result, received \$311 for seven days that she did not work.

Ms. Denby stated she was not aware that she was paid for the time she did not work and she is willing to reimburse the city. According to Ms. Denby, she does not know who punched her timecards during this period.

In addition, Ms. Denby stated that she volunteered to work on Mayor Iatre's genealogy. Ms. Denby informed us that she worked six to ten hours every pay period from October 1995 through December 1999 on Mayor Iatre's genealogy. Ms. Denby stated that Mayor Iatre was aware that she was working on his genealogy during her idle time. Mayor Iatre stated that Ms. Denby may have worked on his genealogy for half an hour to an hour, but he was not aware she spent more than that amount of time.

By paying an employee for hours not worked, the City of Crowley has donated public funds in violation of Article VIII, Section 14 of the Louisiana Constitution.

The City of Crowley should not pay employees for hours that they did not actually work unless the employees have accrued leave available. In addition, Mayor Lane should ensure that employees are not performing work associated with his personal affairs while being compensated by the city.

Attachment I

Board of Aldermen's Response



City of Crowley

"The Rose Capital of America"

Post Office Box 1400
CROWLEY, LOUISIANA 70027-1400

April 16, 1997

APR 18 1997

1005-C

CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

Hon. Dan Kyle
Legislative Auditor
P.O. Box 94797
Baton Rouge, LA 70804-9397

Re: City of Crowley
Management Response on Behalf
of the Board of Aldermen

Dear Dr. Kyle:

The Board of Aldermen of the City of Crowley, by unanimous vote, have authorized me to author an official management response on behalf of the Board of Aldermen.

We, the Members of the Board of Aldermen of the City of Crowley, have reviewed the preliminary draft of the investigative report on the City of Crowley. We would like to express our thanks to your office for the thorough investigation which was conducted. The Board has no information or knowledge to refute any of the information presented in this report. The Board of Aldermen of the City of Crowley does not condone any of the alleged illegal actions found in your report nor did we, as a body, have prior knowledge of such activities.

Rather than respond individually to each of the allegations, a single response to all allegations is believed appropriate. Currently the Board of Aldermen, City Attorney and City Auditor are reviewing the policies and internal control procedures of the City to eliminate any

recurrence of the type of activities mentioned in the investigation report. The Board of Aldermen of the City of Crowley is committed to taking any and all steps necessary, including enacting and changing provisions and disciplining personnel to prevent these activities in the future.

If any further information is needed, please contact this body and you may expect our full and complete cooperation.

BOARD OF ALDERMEN OF THE
CITY OF CROWLEY

BY: 
Greg Allen, Alderman
Ward 1, Division B

APPROVED:

Kristin Fuchs, Alderman
at-Large


Russell Zangbrücher, Alderman
Ward 1, Division A


Harry Pasolun, Alderman
Ward 3, Division B


Willie Clement, Alderman
Alderman, Ward 3, Division A


James M. Hunt, Mayor Pro Tem
& Alderman, Ward 2, Division A


Ira Thomas, Alderman
Ward 2, Division B


J. Elliot Doss, Alderman
Ward 4, Division A


Mary T. Johnson, Alderwoman
Ward 4, Division B

cc: Steve Lamboury, City Auditor
Thomas K. Beggs, City Attorney

Attachment II
Mayor's Response

LA 001 0010000
LAFORDE & NEUNER
ONE COMMERCIAL CENTER
SUITE 100
ONE W. MONROE STREET
LAFAYETTE, LOUISIANA 70501
(504)231-1000

CLYDE A. LAFORDE, CPA
DANIEL S. NEUNER, CPA
CRAIG T. TATE
LEAH GARDNER
DEAN ROBERTSON, CPA
BRIAN L. WATSON
KAREN L. BARNETT
KIMBERLY A. HARRIS

JENNIFER WELLS
MELISSA W. LINDSEY
KIMBERLY M. HARRIS
KIMBERLY M. HARRIS
KIMBERLY M. HARRIS
KIMBERLY M. HARRIS
KIMBERLY M. HARRIS

*MEMBERSHIP LIST CONTINUED
LIST CONTINUED IN OTHER

C. MICHAEL WELLS
DANIEL S. NEUNER
OF COURSE

D. S. LAFORDE, CPA
1981-1982

1981-1982 (CRAIG TATE)
LAFAYETTE, LOUISIANA
70501-1000

1981-1982 (BRIAN L. WATSON)

April 24, 1987

VIA FACSIMILE
12043-522-1078

Dr. Daniel G. Kyle,
Legislative Auditor
1609 North Third Street
P.O. Box 14291
Baton Rouge, LA 70804-1429

RE: Draft Audit Report, City of Crowley
Our File: 13037

Dear Dr. Kyle:

This letter is in partial response to the Preliminary Draft Audit Report on the City of Crowley transmitted by your letter of April 10.

For those reasons set out below, this response must, of a necessity, be only a partial response.

Apparently, your office has undertaken an extensive audit of the City of Crowley. It is my understanding, from my discussions with members of your staff, that they reviewed many large boxes of documents furnished by the city for the audit. Additionally, information was obtained directly from certain vendors which, apparently, were not a part of the city records.

On behalf of Mayor Istre, I requested a short extension of time, not to exceed seven (7) days, within which to make a more complete response. This delay was necessitated by the large number of documents to be reviewed, and also by the fact that these documents are not currently in the custody of the city. Additionally, I was told that the documents which your office had obtained directly from the vendors would not be furnished to me for my review and response. It is apparently the position of your office that such documents constitute "work papers" and therefore will not be disclosed. Again, it was not my desire to review any "work papers" or notes made by your staff; it was simply my request to see copies of the invoices, sales tickets, etc. obtained from the vendors so that a more complete response could be made.

Clearly, without access to the same information that your staff had, it is impossible to make a meaningful and complete response to the audit. Your staff has acknowledged this to me by conceding that I, on behalf of Mayor Istre, was in a real "bind" because of the short time available for a response and the lack of access to source material.

It seems to me that this is unfair in the extreme.

Although, we have not been given the opportunity to review the materials relied upon by your office, Mayor Istre responds, insofar as he can given the limited information provided in your draft report, as follows.

Mayor Istre, on occasion, used the city credit card issued to him to make purchases for personal items. It was Mayor Istre's intent that he, personally, would pay for these items, and in fact Mayor Istre, with his personal funds, did pay for over \$400 of personal items charged to his city credit card for the period 1990-92. This fact is not reflected in your preliminary draft audit report.

Furthermore, as I am sure you are aware, Mayor Istre purchased some items (goods and services) for the city, on his personal credit card. Mayor Istre was reimbursed by the city for at least some of these purchases. This fact is also omitted from your draft report.

Apparently, through oversight, some personal items which were charged to Mayor Istre's city credit card were not paid for by Mayor Istre with his personal funds and were, rather, paid for with city funds, on his administrative account.

Because you have refused to provide Mayor Istre with the supporting documentation, it is impossible for him to review each purchase cited in your audit report and respond specifically thereto.

As is acknowledged in your draft report, Mayor Istre was able at the time of your meeting with him, to identify \$398 in purchases of personal items which were apparently paid for by the city.

Mayor Istre has now identified a total of \$594.78 in personal items that were apparently paid for with city funds. This includes those items numbered 1, 8 (partial), 9, 11 and 22. Mayor Istre is unsure of the following charges:

Best City Outlet
County Seat
Hollywood
Outdoor World
Vanity Fair

To the best of his knowledge, the remaining items listed in your draft audit report were used for City of Crowley purposes.

Remember, however, that this response must be considered an initial one, and subject to revision and change, only since you have not seen fit to disclose the underlying audit source documents.

Mayor Istre will reimburse the city of Crowley \$884.78; the additional \$100 more than covers any interest which might be owed on these personal purchases.

To the extent that Mayor Istre can identify other personal items which were paid for with city funds, he will immediately reimburse the city for each and every such amount, with interest.

Your refusal to provide Mayor Istre with the supporting documentation, however, makes that review very burdensome and actually may have the effect of delaying the city's reimbursement for additional items should any be identified.

At no time was it Mayor Istre's intent to engage in any illegal or improper act. It is ludicrous to believe that anyone would use a credit card in an attempt to steal or misappropriate public funds.

The failure of Mayor Istre to allocate, at all times accurately, purchases on the city credit card between items for his personal use, and items for the use of his office or the city was simply inadvertence. The relatively small number of items misallocated, under the circumstances, is indicative of that fact.

Nevertheless, and to avoid any further appearance of impropriety, Mayor Istre will discontinue the practice of charging any personal items on the city credit card.

I regret that sufficient time and access to source documents were not given to Mayor Istre so that a complete response could be made at this time.

Very truly yours,



C. Michael Hill

CHM/tcm

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 that theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the owner to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations.

R.S. 14:68 provides that unauthorized use of a movable is the intentional taking or use of a movable which belongs to another, either without the other's consent, or by means of fraudulent conduct, practices, or representations, but without any intention to deprive the other of the movable permanently.

R.S. 14:71 provides 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.

R.S. 40:1113 provides that no public servant, excluding any legislator and any appointed member of any board or commission and any member of a governing authority of a parish with a population of ten thousand or less, or member of such a public servant's immediate family, or legal entity in which he has a controlling interest shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant.

R.S. 48:1461(A), Fiduciary Duty, provides that officials, whether elected or appointed, by the act of accepting such office assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property or other thing of value belonging to the public entity in which they hold office.

Article VII, Section 14 of the Louisiana Constitution provides 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. §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.

18 U.S.C. §1341, "Mail Fraud," provides, in part, that mail fraud is having devised or intended to devise any scheme to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises for the purpose of executing such scheme or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or takes or receives therefrom, any such matter or thing, or knowingly causes to be delivered by mail according to the direction thereon.