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# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Department of Transportation and Development -  
Crescent City Connection Division  
Baton Rouge, Louisiana

June 27, 1996



*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.

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**Department of Transportation and Development -  
Crescent City Connection Division**

**June 27, 1996**



**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

OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (504) 339-3800  
FACSIMILE: (504) 339-3870

June 27, 1996

**MR. FRANK DENTON, SECRETARY**  
**DEPARTMENT OF TRANSPORTATION**  
**AND DEVELOPMENT**  
Baton Rouge, Louisiana

Transmitted herewith is our investigative report on the Department of Transportation and Development - Crescent City Connection Division (CCCD). 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 the responses of the department's management. Copies of this report have been delivered to the Honorable Harry F. Connick, District Attorney of Orleans Parish, 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

DGK:AFB:ka

[CCCRPT]

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# Executive Summary

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## Investigative Audit Report Department of Transportation and Development - Crescent City Connection Division

The following summarizes the findings and recommendations that resulted from this investigation. Detailed information relating to the findings and recommendations may be found at the page number indicated.

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### Toll Fees Taken for Personal Use

(Page 1)

- Finding:** Three toll collectors for the Crescent City Connection Division (CCCD) admitted to intentionally recording toll passages as free passages and keeping the cash they collected for their personal use. Each of the three collectors, as well as others at CCCD, informed us that the practice of misclassifying toll passages as free passages and keeping cash collected for personal use is widespread among toll collectors. Free passages during the six-month period after the start of our work decreased by a total of \$103,375 from the preceding six-month period. Over a twelve-month period, this reduction in free passages could amount to more than \$200,000 in increased cash deposits for CCCD.
- Recommendation:** We recommend that management for CCCD take appropriate steps to further identify those toll collectors who are diverting public funds for their personal use. We further recommend that the Orleans Parish District Attorney review this information and take appropriate action to include seeking restitution.
- Management's Response:** The Department of Transportation and Development has made great efforts to establish controls to protect state funds intrusted to it and to instill public confidence in our toll collections system.

Free passage has decreased since the start of the audit. However, we can attribute this decrease to the following:

1. Increased emphasis by management on enforcement of non-revenue transactions, particularly law enforcement personnel.
2. Increased issuance of toll tags to persons qualifying for non-revenue passage, especially law enforcement personnel.
3. Issuance of more than 100 toll tags to the Regional Transit Authority for use by their buses.

---

**Controls Over Cash Are Not Adequate****(Page 4)****Finding:**

Management for CCCD has not established adequate controls for its cash collections. An important objective of internal accounting controls is the safeguarding of assets. Certain assets, such as cash, are highly susceptible to loss and thus must be adequately protected. The internal accounting controls should ensure that cash received is properly recorded in CCCD's books and deposited in the bank. We found that CCCD's controls were not adequate to perform this function as follows:

1. Internal controls over the classifying and recording of free passages are not adequate.
2. The toll collector's cash counts are not independently verified or monitored.
3. Access to money stored in the vault is not restricted.
4. Security in the vault count room is not adequate.
5. Security when transporting cash to the bank is not adequate.
6. Procedures do not ensure that actual collections are deposited.
7. Management has not established a procedures manual or fraud policy.

**Recommendation:**

We recommend that management for CCCD establish controls sufficient to ensure that tolls are properly collected, recorded, and deposited and that adequate security is provided throughout this process. In addition, we recommend that management establish a policy regarding employee fraud.



**Management's Response:** All of the recommendations contained in the audit report were at one time or another considered for implementation and were rejected as either logistically or fiscally unfeasible. However, we will revisit those recommendations.

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# Background and Methodology

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The Crescent City Connection Division (CCCD), formerly the Mississippi River Bridge Authority, operates as a division within the Louisiana Department of Transportation and Development. Management of CCCD is responsible for the daily operation of the Crescent City Connection.

The Crescent City Connection spans the Mississippi River, connecting the westbank of Greater New Orleans to the eastbank. Currently, tolls are charged for the westbank to eastbank crossing at a rate of \$.50 per vehicle axle. Collections from tolls totaled \$21,922,475 for the calendar year 1994 and \$23,287,466 for 1995. State law allows for toll exemptions for certain vehicles operated by law enforcement, firefighters, students, and others. The exemptions for law enforcement and firefighters apply whether or not the person is on duty at the time of crossing.

Total traffic volume, including exempt or free passages, on the westbank to eastbank side of the bridge totaled 24,294,738 crossings for 1995. Free passages made up 4 percent of these crossings. Law enforcement personnel, the exempt category that receives the most free crossings, accounted for 484,440, or 48 percent, of the free crossings made during that period.

Free passage on the bridge was addressed in a 1994 report issued by the Office of the State Inspector General titled "Toll Exemptions - Crescent City Connection." The report indicates that of the 21,385,069 vehicles, which crossed the westbank to eastbank side of the bridge in 1993, 829,791 were free passages. According to the report, free passage for 497,823 vehicles carrying law enforcement officers was recorded during 1993. For that many crossings to take place in one year, one law enforcement vehicle would have had to cross the bridge, from the westbank to the eastbank, every minute of every hour of every day during 1993.

This report presented information that would lead the reader to believe that the risk that fraud was occurring was unacceptably high. In spite of this, management of CCCD took no effective action to reduce the loss of these public funds.

In March 1995, the Legislative Auditor received an allegation that toll collectors were misclassifying tolls as free passages and keeping the money collected. We conducted our investigation to determine whether this allegation was true and to address other issues that came to our attention during our investigation.

Our procedures consisted of (1) interviewing certain current and prior officials and employees of CCCD, (2) examining selected CCCD documentation, (3) making inquiries and performing tests to the extent we considered necessary to achieve our purpose, and (4) reviewing applicable Louisiana laws.

The results of our investigation are the findings and recommendations presented herein.

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# Findings and Recommendations

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## **TOLL FEES TAKEN FOR PERSONAL USE**

Three toll collectors for the Crescent City Connection Division (CCCD) admitted to intentionally recording toll passages as free passages and keeping the cash they collected for their personal use. Each of the three collectors, as well as others at CCCD, informed us that the practice of misclassifying toll passages as free passages and keeping cash collected for personal use is widespread among toll collectors. Free passages during the six-month period after the start of our work decreased by a total of \$103,375 from the preceding six-month period. Over a twelve-month period, this reduction in free passages could amount to more than \$200,000 in increased cash deposits for CCCD.

The Crescent City Connection spans the Mississippi River, connecting the westbank of Greater New Orleans to the eastbank. Currently, tolls are charged for the westbank to eastbank crossing at a rate of \$.50 per vehicle axle (normally, \$1 for a passenger vehicle). However, Louisiana law affords free, unhampered passage to certain vehicles crossing the bridge.

Louisiana Revised Statutes (LSA-R.S.) 40:1392 and 33:1975 provide for free passage across the bridge to all law enforcement officers and firefighters, respectively. In addition, LSA-R.S. 48:972 provides for free passage to vehicles providing public mass transit. Furthermore, the trust indenture for the 1954 bond issue required that the bridge allow higher education students and emergency vehicles free passage. The laws providing for the free passages of law enforcement personnel and firefighters apply whether or not they are on duty at the time of crossing.

Management of CCCD requires that toll collectors record the passage of law enforcement officers, public mass transit vehicles, and fire fighting personnel as non-revenue or free passages in the CCCD computer system. Police and firefighters are also required to sign a register at the toll booth before being granted free passage. In reviewing these registers, we found numerous signatures that were not legible and other signatures that were obviously fictitious.

Our investigation revealed that toll collectors were abusing the free passage provision for their personal benefit. On several occasions, we witnessed toll collectors receiving the one-dollar toll for passage and then improperly classifying the passage as a free passage on the CCCD computer system. The toll collectors then signed the non-revenue register themselves and kept the toll for their personal use. The amount of cash lost in this manner by CCCD appears to be substantial.



On July 21, 1995, we observed Ms. Lori Price, a former toll collector, collecting cash from the drivers of several vehicles that were using her toll lane and then misclassifying the toll passages as free passages on the CCCD computer system. When questioned, Ms. Price informed us that she frequently misclassified transactions and scribbled illegible names on the non-revenue registers to conceal that she had taken cash tolls for her personal use. Ms. Price told us that she either placed the money on the side of her cash drawer or commingled it with her daily change and removed it later. She said that she learned how to take the tolls through conversations with other collectors who were also taking cash toll receipts for personal use. Ms. Price admitted to taking at least \$30 a week in toll collections for her personal use during the period January 1994 through November 1995. This amounts to at least \$3,000 in misappropriated funds.

Ms. Paula Hammond, a former toll collector, stated that she had taken as much as \$50 in tolls during a single eight-hour shift. According to Ms. Hammond, she frequently misclassified transactions, recorded fictitious names on the non-revenue registers, and then kept the toll fees she collected for her personal use. She stated that she has taken money for her personal use while in the toll booth and while in the toll collector's count room. She said she believed she would not be caught since other collectors in the count room were occupied with their own counting duties. Ms. Hammond offered to make restitution to CCCD for \$2,000 for the money she took between August 1994 and June 1995.

Ms. Sidney LaCour, a former toll collector, admitted taking as much as \$20 per shift in cash tolls; this could amount to \$4,800 in a one-year period. During a two and one-half hour period, we observed Ms. LaCour misclassify 14 paid passages as free passages. When confronted, Ms. LaCour informed us that she signed fictitious signatures on the non-revenue register to support the misclassifications she entered into the computer. She stated that she was not the only collector to take money and that collectors who took money usually hid it in their socks, shoes, pants pockets, or under clothing.

Ms. Price, Ms. Hammond, and Ms. LaCour each informed us that the practice of misclassifying toll passages as free passages and taking cash from the toll booth is widespread among toll collectors. To substantiate these assertions, we compared free passages to total passages for the period of December 1994 to October 1995. This comparison indicated that certain toll collectors consistently had a higher ratio of free passages to total passages than other toll collectors. This was true even though shifts are rotated equally among all collectors and lanes are assigned randomly by computer. In some months, certain collectors' ratio of free passages to total passages were nearly twice as high as the group average.

As a group, collectors averaged 5.61 percent in free passages as a percentage of total passages. This average is skewed upward by those collectors who are above the norm due to intentional misclassifications. Of the 47 toll collectors, 19 averaged greater than 5.61 percent of free passages; 28 averaged less than this rate. Ms. LaCour ranked among the top recorders of free passages averaging 8.94 percent of total passages during the 11-month period December 1994 through October 1995. In some months, she averaged more than 10 percent, almost doubling the group's average.

After the beginning of our investigation, the number of free passages has steadily declined. Total non-revenue crossings, or free passages, averaged 68,996 per month in the first six months of 1995. We began our on-site work at the Crescent City Connection in July 1995. Free passages during June 1995 equaled 70,392. Once we began monitoring toll collection activities, free passages began to decrease. Free passages decreased to 44,721 during the month of December--a reduction of 25,671 passages.

1995 FREE PASSAGES					
MONTH	LAW ENFORCEMENT	FIRE-FIGHTERS	AMBULANCE	MASS TRANSIT	TOTAL NON-REV
JANUARY	46,068	2,806	6,744	12,878	68,496
FEBRUARY	41,926	2,598	6,022	13,292	63,838
MARCH	46,489	3,052	6,543	14,162	70,246
APRIL	45,115	2,808	6,472	13,545	67,940
MAY	47,131	3,199	7,242	15,312	72,884
JUNE	47,182	3,143	6,678	13,389	70,392
JULY	40,970	2,619	7,428	9,374	60,391
AUGUST	37,784	2,618	5,997	7,889	54,288
SEPTEMBER	35,721	2,434	5,385	8,550	52,090
OCTOBER	34,077	2,415	5,167	9,142	50,801
NOVEMBER	32,400	2,222	4,954	8,554	48,130
DECEMBER	29,577	2,224	5,357	7,563	44,721
<b>Total</b>	<b>484,440</b>	<b>32,138</b>	<b>73,989</b>	<b>133,650</b>	<b>724,217</b>

Shaded area represents time period of Legislative Auditor's field work.

After the start of our investigation, free passages for the classifications noted above decreased by a total of \$103,375 from that of the preceding six-month period. Over a twelve-month period, this reduction in free passages could amount to more than \$200,000 in increased cash collections for CCCD.

The actions described above indicate possible violations of the following:

- LSA-R.S. 14:67, "Theft"
- LSA-R.S. 14:68, "Unauthorized Use of a Movable"
- LSA-R.S. 14:134, "Malfeasance in Office"
- LSA-R.S. 42:1461(A), "Obligation Not to Misappropriate"
- LSA-R.S. 14:72, "Forgery"

We recommend that management for CCCD take appropriate steps to further identify those toll collectors who are diverting public funds for their personal use. We further recommend that



the Orleans Parish District Attorney review this information and take appropriate action to include seeking restitution.

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### **CONTROLS OVER CASH ARE NOT ADEQUATE**

Management for CCCD has not established adequate controls for its cash collections. An important objective of internal accounting controls is the safeguarding of assets. Certain assets, such as cash, are highly susceptible to loss and thus must be adequately protected. The internal accounting controls should ensure that cash received is properly recorded in CCCD's books and deposited in the bank. We found that CCCD's controls were not adequate to perform this function.

#### **Internal Controls Over the Classifying and Recording of Free Passages Are Not Adequate**

As described in the preceding finding, the current system has allowed toll collectors to classify paid passages as free passages within the CCCD computer system, sign the register intended to provide support for the free passage, and keep the cash tolls collected for their personal use.

We recommend that management for CCCD implement a system that prevents toll collectors from misclassifying passages and taking public money for their personal use. Management should consider the following suggestions:

1. Install indicators that display the toll charged or the word "FREE" for all passages. These indicators, such as an electronic sign, should be clearly visible to the driver of each vehicle passing through the toll booths.
2. Extend the tag system in place for students and certain other users to all users who are not required to pay for their passage.
3. Restrict the number of lanes designated for use by those motorist who receive free passage to as few as possible.
4. Require law enforcement officers to indicate their badge number with their signatures.
5. Install surveillance cameras in each toll booth to facilitate monitoring of booth activities.
6. Prohibit toll collectors from carrying personal money into the toll booths.
7. Require toll collectors to wear uniforms that do not have pockets or other means of holding cash.
8. Prohibit toll collectors from carrying toll collections to the restrooms.

### **Controls Over Cash Counts Are Not Adequate**

CCCD has two rooms where cash is counted: (1) the collectors' count room and (2) the vault count room. After the completion of each shift, the toll collectors count the day's receipts in the collectors' count room. The collectors record the amount of coins and currency on a "blue count sheet." The money and the count sheet are placed in a numbered and locked money bag. The money bag is then deposited through a chute into the vault. There is no independent verification of the amount the collectors list as coins and currency on the count sheet before the bag is dropped into the vault. In addition, the collectors' count is not monitored by a supervisor or recorded on tape by video camera.

Each morning the previous day's toll receipts are counted in the vault count room by accounting employees. There are cameras in the vault count room which display the count activities on a monitor in an observation room. The count is also recorded on video tape. We were informed by management that no routine review of the tape is performed unless there is a question with respect to a count. We further noted that the positioning of the cameras in the vault count room does not give full coverage of the entire counting area. We were also informed that there is a rule which requires that two persons be present during the count; however, on several occasions, we observed only one individual in the count room during the counting process.

We recommend that management consider the following procedures to strengthen the controls in the collectors' and vault count rooms:

1. Have a supervisor verify the collectors' count and record this verification on a multi-part count sheet. Send one copy of the count sheet to DOTD, place a copy in the money bag with the cash, and have the collectors maintain a third copy.
2. Enhance the video surveillance system in the vault count room to ensure video coverage of the entire counting area.
3. Install clear counter tops in the vault count room.
4. Establish in writing the rule prohibiting one counter from being in the vault count room alone during the counting process as part of a policy and procedures manual.

### **Access to Money Stored in the Vault Is Not Adequately Restricted**

Currently, three employees can enter the vault count room, open the vault, and gain access to the locked money bags and the money bag keys. In addition, one of these three employees also has access to the video monitoring equipment and the computer controlling the card key system. This would allow this employee to remove all evidence of entry into the vault area.

We recommend that management prohibit an employee who has access to the vault from also having access to the video monitoring equipment and the computer controlling the card key system. In addition, we recommend that management implement a system that requires two people to open the vault.



**Management Has Not Established a Procedures  
Manual or Fraud Policy**

All procedures designed for the adequate control of cash should be included in a written procedures manual. All employees should be adequately trained in the procedures contained in the manual and appropriate disciplinary measures should be included for not following the procedures.

As stated in the background section of this report, during 1994 management should have been alerted that the risk of fraudulent activity was high. Management, during our entrance conference, stated that toll collectors were taking cash, "the equivalent of a six-pack a day," for their personal use. However, management did not take appropriate steps to prevent or deter fraudulent activity. We recommend that management adopt a policy specifying that employee fraud will be fully investigated and submitted to the appropriate authorities for prosecution. This policy should be established in writing, communicated to all employees, and strictly enforced.

# Attachment I

## Management's Responses



STATE OF LOUISIANA  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
P. O. Box 94245  
Baton Rouge, Louisiana 70804-9245



M. J. "MIKE" FOSTER, JR.  
GOVERNOR

June 12, 1996

FRANK M. DENTON  
SECRETARY

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Enclosed is our response to the audit report on the  
Crescent City Connection Division.

If I can of further assistance, please advise.

Sincerely,

Frank M. Denton  
Secretary

Enclosure

## TOLL FEES TAKEN FOR PERSONAL USE:

The Department of Transportation and Development has made great efforts to establish controls to protect state funds intrusted to it and to instill public confidence in our toll collection system.

The management for CCCD has always been very proactive in establishing toll operating standards and has continuously taken steps to identify toll collectors who do not meet daily performance standards. Since January 1989, we have dismissed fifty-three toll collectors for not meeting those standards. We review the standards continuously.

The CCCD management participated fully in the audit by providing information it developed during the audit to the auditors. This information resulted in the audit team obtaining the confessions of two former toll collectors that they were misclassifying revenue vehicles as non-revenue vehicles. CCCD management also participated in gathering evidence that led to the confession of a third toll collector.

A written report concerning this matter, prepared by the Department of Transportation and Development's Legal Investigator has been forwarded to the Office of the Orleans Parish District Attorney.

Insufficient evidence exists to support the finding that the practice of toll collectors misclassifying toll passages as free passages and keeping the cash collected for personal use is "widespread." Since actual revenue collected has not materially changed from before the audit until the present, we conclude that the amount of misclassification is not near the amount of that speculated by the auditors.

Free passage has decreased since the start of the audit. However, we can attribute this decrease to the following:

- increased emphasis by management on enforcement of non-revenue transactions, particularly law enforcement personnel
- increased issuance of toll tags to persons qualifying for non-revenue passage, especially law enforcement personnel

- issuance of more than 100 toll tags to the Regional Transit Authority for use by their buses

#### CONTROLS OVER CASH ARE NOT ADEQUATE:

Our consultant, Gulf Systems, Inc., originally prepared the cash handling procedures and controls in use at CCCD. They reviewed and changed these procedures at the recommendation of our independent CPA's and the internal staff of the Department of Transportation and Development's Financial Services Section. Once in use we have modified these procedures and controls to meet changing requirements. During the past seven years two separate independent CPA firms selected and approved by the Office of the Legislative Auditor have audited us annually. Internal auditors from DOTD have also conducted annual audits during this period. Never during this period have our controls been found inadequate nor have there been any significant findings regarding deficiencies in our operations.

We have distributed written procedures covering toll collection and cash handling to all appropriate personnel. The procedures described have been in place for the past seven years and have been modified to meet changing requirements. Additionally, this department has adopted a policy concerning employee conduct including theft and fraud. This policy is contained in the Secretary's Policy and Procedure Memorandum No. 29. We provided copies of our procedures to the audit team during the audit.

All of the recommendations contained in the audit report were at one time or another considered for implementation and were rejected as either logistically or fiscally unfeasible. However, we will revisit those recommendations.

In an effort too further tighten and remove the opportunity for abuse. This department has worked with all of the local legislators to get them to support and sponsor legislation that would have severely restricted non-revenue passage unfortunately, that proposal was judged not germane to the 1996 fiscal session. (See Attached) Consequently, the department's legal section is studying the possibilities of adopting an administrative rule to restrict non-revenue passage within the bounds of the current law.



HOUSE BILL NO.

BY REPRESENTATIVE

AN ACT

To amend and re-enact Title 48 of the Louisiana Revised Statutes of 1950, by amending and restating Part IV, relative to free passage on the Sunshine Bridge, Crescent City Connection and The Greater New Orleans Expressway (the Causeway), and all toll-ferries, and otherwise to provide with respect thereto.

Be it enacted by the Legislature of Louisiana:

Part IV of Title 48 of the Louisiana Revised Statutes is hereby amended and re-enacted as follows:

Part IV. Free Passage.

Section 980. The following vehicles shall have free and unhindered passage on and over the Sunshine Bridge, the Crescent City Connection, The Greater New Orleans Expressway (the Causeway) and all toll-ferries in this state.

1. All law enforcement vehicles which have permanently affixed insignias indicating they are the property of a law enforcement agency.
2. All fire fighting vehicles, which have permanently affixed insignias indicating they are the property of a fire department.
3. All vehicles belonging to the State Militia
4. All school buses which have insignia indicating they are official school buses.
5. Employees of the authority operating the bridges and ferries whom the administration of said authorities deems necessary and appropriate.

which are owned and operated by any person, firm or corporation engaged in a publicly subsidized transit business or which is owned by a public body and such vehicles carry seven (7) or more passengers and have been authorized and licensed by the Crescent City Connection Division to travel on the exclusive HOV/Transit Lanes.

7. 157. Ferries and toll bridges, etc.; free passage to students.

A. The free right of passage over all public ferries, bridges, and roads which are leased out or controlled by the state, parish, or municipality, including the Crescent City Connection and excluding the Greater New Orleans Expressway, for which license is paid or toll exacted shall provide for free passage of all students in their passage to and from school between the hours to six o'clock a.m. and nine thirty o'clock a.m., and between two thirty o'clock p.m. and nine thirty o'clock p.m., provided that rules are adopted in accordance with the provisions of Subsection B of this Section.

B. The Department of Transportation and Development shall, in accordance with the Administrative Procedure Act, adopt rules and regulations for the efficient implementation and enforcement of the provisions of this Section.

Section 2. No other free passage shall be allowed on bridges or ferries except as outlined above. R.S. 48:971 and 972, R.S. 29:27, R.S. 33:1975, R.S. 17:157 and R.S. 40:1392 are hereby repealed in their entirety.



Section 3. The Department of Transportation and Development shall, in accordance with the Administrative Procedures Act adopt rules and regulations for the efficient implementation and enforcement of the provisions of this Section.

**Attachment II**

**Legal Provisions**

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# Legal Provisions

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

**LSA-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 other to the misappropriation or taking, or by means of fraudulent conduct, practices or representations.

**LSA-R.S. 14:68** provides, in part, 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.

**LSA-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.

**LSA-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.

**LSA-R.S. 33:1975** provides that all firemen shall have free and unhampered passage on and over toll bridges and ferries, regardless of whether the firemen are in uniform or in civilian clothes. Procedures currently in effect for Louisiana state police to sign a register when granted an exemption from tolls shall also apply to personnel granted an exemption pursuant to the provisions of this section.

**LSA-R.S. 40:1392** provides that all law enforcement personnel, with law enforcement agency equipment, who are employed within this state shall have free and unhampered passage at all times on and over toll-bridges and ferries in this state, regardless of whether the personnel are in uniform or in civilian clothes. Procedures currently in effect for Louisiana state police to sign a register when granted an exemption from tolls, shall also apply to all other law enforcement personnel in the state.

**LSA-R.S. 42:1461(A)** provides that officials, whether elected or appointed and whether compensated or not, and employees of any "public entity," which, for purposes of this Section shall mean and include any department, division, office, board, agency, commission, or other organizational unit of any of the three branches of state government or of any parish,

municipality, school board or district, court of limited jurisdiction, or other political subdivision or district, or the office of any sheriff, district attorney, coroner, or clerk of court, by the act of accepting such office or employment assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they hold office or are employed. The breach of an obligation established under this Section gives rise to an action in favor of the public entity for the recovery of any such funds, property, or other things of value and for any other damages resulting from the breach.

**LSA-R.S. 48:972** provides exemption from bridge tolls to any publicly owned vehicles and any vehicle used in connection with or in furtherance of the mass transportation of the general public which is owned and operated by any person, firm, or corporation engaged in a publicly subsidized transit business or which is owned by a public body, shall have free and unhampered passage at all times over toll bridges that cross any river or stream in this state.

# Attachment III

## Appendix

# APPENDIX

## CRESCENT CITY CONNECTION DIVISION Summary of Free Passages by Month

1994					
MONTH	LAW ENFORCEMENT	FIRE- FIGHTERS	AMBULANCE	MASS TRANSIT	TOTAL NON-REV
JAN	46,720	1,972	6,438	12,409	67,539
FEB	44,790	1,869	5,772	12,281	64,712
MAR	52,403	2,098	6,723	13,863	75,087
APR	48,754	1,952	5,979	12,082	68,767
MAY	49,584	2,231	6,483	11,562	69,860
JUN	48,692	2,112	6,438	10,311	67,553
JUL	49,250	2,078	6,477	10,597	68,402
AUG	49,163	2,267	6,392	10,269	68,091
SEP	44,896	2,267	6,089	11,613	64,865
OCT	45,369	2,519	6,107	13,293	67,288
NOV	42,820	2,412	6,104	13,251	64,587
DEC	46,420	2,706	6,506	12,577	68,209
Total	568,861	26,483	75,508	144,108	814,960

1995					
MONTH	LAW ENFORCEMENT	FIRE- FIGHTERS	AMBULANCE	MASS TRANSIT	TOTAL NON-REV
JAN	46,068	2,806	6,744	12,878	68,496
FEB	41,926	2,598	6,022	13,292	63,838
MAR	46,489	3,052	6,543	14,162	70,246
APR	45,115	2,808	6,472	13,545	67,940
MAY	47,131	3,199	7,242	15,312	72,884
JUN	47,182	3,143	6,678	13,389	70,392
JUL	40,970	2,619	7,428	9,374	60,391
AUG	37,784	2,618	5,997	7,889	54,288
SEP	35,721	2,434	5,385	8,550	52,090
OCT	34,077	2,415	5,167	9,142	50,801
NOV	32,400	2,222	4,954	8,554	48,130
DEC	29,577	2,224	5,357	7,563	44,721
Total	484,440	32,138	73,989	133,650	724,217

1996					
MONTH	LAW ENFORCEMENT	FIRE- FIGHTERS	AMBULANCE	MASS TRANSIT	TOTAL NON-REV
JAN	30,286	2,209	5,834	8,132	46,461
FEB	27,408	2,204	5,200	8,282	43,094

Shaded area represents time period during which field work was performed by Legislative Auditor



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# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Department of Transportation and Development -  
Crescent City Connection Division  
Baton Rouge, Louisiana

June 27, 1996



*Investigative Audit*

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



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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.

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**Department of Transportation and Development -  
Crescent City Connection Division**

**June 27, 1996**



**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

OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
TELEPHONE: (504) 339-3800  
FACSIMILE: (504) 339-3870

June 27, 1996

**MR. FRANK DENTON, SECRETARY**  
**DEPARTMENT OF TRANSPORTATION**  
**AND DEVELOPMENT**  
Baton Rouge, Louisiana

Transmitted herewith is our investigative report on the Department of Transportation and Development - Crescent City Connection Division (CCCD). 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 the responses of the department's management. Copies of this report have been delivered to the Honorable Harry F. Connick, District Attorney of Orleans Parish, 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

DGK:AFB:ka

[CCCRPT]

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# Executive Summary

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## Investigative Audit Report Department of Transportation and Development - Crescent City Connection Division

The following summarizes the findings and recommendations that resulted from this investigation. Detailed information relating to the findings and recommendations may be found at the page number indicated.

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### Toll Fees Taken for Personal Use

(Page 1)

- Finding:** Three toll collectors for the Crescent City Connection Division (CCCD) admitted to intentionally recording toll passages as free passages and keeping the cash they collected for their personal use. Each of the three collectors, as well as others at CCCD, informed us that the practice of misclassifying toll passages as free passages and keeping cash collected for personal use is widespread among toll collectors. Free passages during the six-month period after the start of our work decreased by a total of \$103,375 from the preceding six-month period. Over a twelve-month period, this reduction in free passages could amount to more than \$200,000 in increased cash deposits for CCCD.
- Recommendation:** We recommend that management for CCCD take appropriate steps to further identify those toll collectors who are diverting public funds for their personal use. We further recommend that the Orleans Parish District Attorney review this information and take appropriate action to include seeking restitution.
- Management's Response:** The Department of Transportation and Development has made great efforts to establish controls to protect state funds intrusted to it and to instill public confidence in our toll collections system.

Free passage has decreased since the start of the audit. However, we can attribute this decrease to the following:

1. Increased emphasis by management on enforcement of non-revenue transactions, particularly law enforcement personnel.
2. Increased issuance of toll tags to persons qualifying for non-revenue passage, especially law enforcement personnel.
3. Issuance of more than 100 toll tags to the Regional Transit Authority for use by their buses.

---

**Controls Over Cash Are Not Adequate****(Page 4)****Finding:**

Management for CCCD has not established adequate controls for its cash collections. An important objective of internal accounting controls is the safeguarding of assets. Certain assets, such as cash, are highly susceptible to loss and thus must be adequately protected. The internal accounting controls should ensure that cash received is properly recorded in CCCD's books and deposited in the bank. We found that CCCD's controls were not adequate to perform this function as follows:

1. Internal controls over the classifying and recording of free passages are not adequate.
2. The toll collector's cash counts are not independently verified or monitored.
3. Access to money stored in the vault is not restricted.
4. Security in the vault count room is not adequate.
5. Security when transporting cash to the bank is not adequate.
6. Procedures do not ensure that actual collections are deposited.
7. Management has not established a procedures manual or fraud policy.

**Recommendation:**

We recommend that management for CCCD establish controls sufficient to ensure that tolls are properly collected, recorded, and deposited and that adequate security is provided throughout this process. In addition, we recommend that management establish a policy regarding employee fraud.

**Management's Response:** All of the recommendations contained in the audit report were at one time or another considered for implementation and were rejected as either logistically or fiscally unfeasible. However, we will revisit those recommendations.

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# Background and Methodology

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The Crescent City Connection Division (CCCD), formerly the Mississippi River Bridge Authority, operates as a division within the Louisiana Department of Transportation and Development. Management of CCCD is responsible for the daily operation of the Crescent City Connection.

The Crescent City Connection spans the Mississippi River, connecting the westbank of Greater New Orleans to the eastbank. Currently, tolls are charged for the westbank to eastbank crossing at a rate of \$.50 per vehicle axle. Collections from tolls totaled \$21,922,475 for the calendar year 1994 and \$23,287,466 for 1995. State law allows for toll exemptions for certain vehicles operated by law enforcement, firefighters, students, and others. The exemptions for law enforcement and firefighters apply whether or not the person is on duty at the time of crossing.

Total traffic volume, including exempt or free passages, on the westbank to eastbank side of the bridge totaled 24,294,738 crossings for 1995. Free passages made up 4 percent of these crossings. Law enforcement personnel, the exempt category that receives the most free crossings, accounted for 484,440, or 48 percent, of the free crossings made during that period.

Free passage on the bridge was addressed in a 1994 report issued by the Office of the State Inspector General titled "Toll Exemptions - Crescent City Connection." The report indicates that of the 21,385,069 vehicles, which crossed the westbank to eastbank side of the bridge in 1993, 829,791 were free passages. According to the report, free passage for 497,823 vehicles carrying law enforcement officers was recorded during 1993. For that many crossings to take place in one year, one law enforcement vehicle would have had to cross the bridge, from the westbank to the eastbank, every minute of every hour of every day during 1993.

This report presented information that would lead the reader to believe that the risk that fraud was occurring was unacceptably high. In spite of this, management of CCCD took no effective action to reduce the loss of these public funds.

In March 1995, the Legislative Auditor received an allegation that toll collectors were misclassifying tolls as free passages and keeping the money collected. We conducted our investigation to determine whether this allegation was true and to address other issues that came to our attention during our investigation.

Our procedures consisted of (1) interviewing certain current and prior officials and employees of CCCD, (2) examining selected CCCD documentation, (3) making inquiries and performing tests to the extent we considered necessary to achieve our purpose, and (4) reviewing applicable Louisiana laws.

The results of our investigation are the findings and recommendations presented herein.

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# Findings and Recommendations

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## **TOLL FEES TAKEN FOR PERSONAL USE**

Three toll collectors for the Crescent City Connection Division (CCCD) admitted to intentionally recording toll passages as free passages and keeping the cash they collected for their personal use. Each of the three collectors, as well as others at CCCD, informed us that the practice of misclassifying toll passages as free passages and keeping cash collected for personal use is widespread among toll collectors. Free passages during the six-month period after the start of our work decreased by a total of \$103,375 from the preceding six-month period. Over a twelve-month period, this reduction in free passages could amount to more than \$200,000 in increased cash deposits for CCCD.

The Crescent City Connection spans the Mississippi River, connecting the westbank of Greater New Orleans to the eastbank. Currently, tolls are charged for the westbank to eastbank crossing at a rate of \$.50 per vehicle axle (normally, \$1 for a passenger vehicle). However, Louisiana law affords free, unhampered passage to certain vehicles crossing the bridge.

Louisiana Revised Statutes (LSA-R.S.) 40:1392 and 33:1975 provide for free passage across the bridge to all law enforcement officers and firefighters, respectively. In addition, LSA-R.S. 48:972 provides for free passage to vehicles providing public mass transit. Furthermore, the trust indenture for the 1954 bond issue required that the bridge allow higher education students and emergency vehicles free passage. The laws providing for the free passages of law enforcement personnel and firefighters apply whether or not they are on duty at the time of crossing.

Management of CCCD requires that toll collectors record the passage of law enforcement officers, public mass transit vehicles, and fire fighting personnel as non-revenue or free passages in the CCCD computer system. Police and firefighters are also required to sign a register at the toll booth before being granted free passage. In reviewing these registers, we found numerous signatures that were not legible and other signatures that were obviously fictitious.

Our investigation revealed that toll collectors were abusing the free passage provision for their personal benefit. On several occasions, we witnessed toll collectors receiving the one-dollar toll for passage and then improperly classifying the passage as a free passage on the CCCD computer system. The toll collectors then signed the non-revenue register themselves and kept the toll for their personal use. The amount of cash lost in this manner by CCCD appears to be substantial.



On July 21, 1995, we observed Ms. Lori Price, a former toll collector, collecting cash from the drivers of several vehicles that were using her toll lane and then misclassifying the toll passages as free passages on the CCCD computer system. When questioned, Ms. Price informed us that she frequently misclassified transactions and scribbled illegible names on the non-revenue registers to conceal that she had taken cash tolls for her personal use. Ms. Price told us that she either placed the money on the side of her cash drawer or commingled it with her daily change and removed it later. She said that she learned how to take the tolls through conversations with other collectors who were also taking cash toll receipts for personal use. Ms. Price admitted to taking at least \$30 a week in toll collections for her personal use during the period January 1994 through November 1995. This amounts to at least \$3,000 in misappropriated funds.

Ms. Paula Hammond, a former toll collector, stated that she had taken as much as \$50 in tolls during a single eight-hour shift. According to Ms. Hammond, she frequently misclassified transactions, recorded fictitious names on the non-revenue registers, and then kept the toll fees she collected for her personal use. She stated that she has taken money for her personal use while in the toll booth and while in the toll collector's count room. She said she believed she would not be caught since other collectors in the count room were occupied with their own counting duties. Ms. Hammond offered to make restitution to CCCD for \$2,000 for the money she took between August 1994 and June 1995.

Ms. Sidney LaCour, a former toll collector, admitted taking as much as \$20 per shift in cash tolls; this could amount to \$4,800 in a one-year period. During a two and one-half hour period, we observed Ms. LaCour misclassify 14 paid passages as free passages. When confronted, Ms. LaCour informed us that she signed fictitious signatures on the non-revenue register to support the misclassifications she entered into the computer. She stated that she was not the only collector to take money and that collectors who took money usually hid it in their socks, shoes, pants pockets, or under clothing.

Ms. Price, Ms. Hammond, and Ms. LaCour each informed us that the practice of misclassifying toll passages as free passages and taking cash from the toll booth is widespread among toll collectors. To substantiate these assertions, we compared free passages to total passages for the period of December 1994 to October 1995. This comparison indicated that certain toll collectors consistently had a higher ratio of free passages to total passages than other toll collectors. This was true even though shifts are rotated equally among all collectors and lanes are assigned randomly by computer. In some months, certain collectors' ratio of free passages to total passages were nearly twice as high as the group average.

As a group, collectors averaged 5.61 percent in free passages as a percentage of total passages. This average is skewed upward by those collectors who are above the norm due to intentional misclassifications. Of the 47 toll collectors, 19 averaged greater than 5.61 percent of free passages; 28 averaged less than this rate. Ms. LaCour ranked among the top recorders of free passages averaging 8.94 percent of total passages during the 11-month period December 1994 through October 1995. In some months, she averaged more than 10 percent, almost doubling the group's average.

After the beginning of our investigation, the number of free passages has steadily declined. Total non-revenue crossings, or free passages, averaged 68,996 per month in the first six months of 1995. We began our on-site work at the Crescent City Connection in July 1995. Free passages during June 1995 equaled 70,392. Once we began monitoring toll collection activities, free passages began to decrease. Free passages decreased to 44,721 during the month of December--a reduction of 25,671 passages.

1995 FREE PASSAGES					
MONTH	LAW ENFORCEMENT	FIRE-FIGHTERS	AMBULANCE	MASS TRANSIT	TOTAL NON-REV
JANUARY	46,068	2,806	6,744	12,878	68,496
FEBRUARY	41,926	2,598	6,022	13,292	63,838
MARCH	46,489	3,052	6,543	14,162	70,246
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MAY	47,131	3,199	7,242	15,312	72,884
JUNE	47,182	3,143	6,678	13,389	70,392
JULY	40,970	2,619	7,428	9,374	60,391
AUGUST	37,784	2,618	5,997	7,889	54,288
SEPTEMBER	35,721	2,434	5,385	8,550	52,090
OCTOBER	34,077	2,415	5,167	9,142	50,801
NOVEMBER	32,400	2,222	4,954	8,554	48,130
DECEMBER	29,577	2,224	5,357	7,563	44,721
<b>Total</b>	<b>484,440</b>	<b>32,138</b>	<b>73,989</b>	<b>133,650</b>	<b>724,217</b>

Shaded area represents time period of Legislative Auditor's field work.

After the start of our investigation, free passages for the classifications noted above decreased by a total of \$103,375 from that of the preceding six-month period. Over a twelve-month period, this reduction in free passages could amount to more than \$200,000 in increased cash collections for CCCD.

The actions described above indicate possible violations of the following:

- LSA-R.S. 14:67, "Theft"
- LSA-R.S. 14:68, "Unauthorized Use of a Movable"
- LSA-R.S. 14:134, "Malfeasance in Office"
- LSA-R.S. 42:1461(A), "Obligation Not to Misappropriate"
- LSA-R.S. 14:72, "Forgery"

We recommend that management for CCCD take appropriate steps to further identify those toll collectors who are diverting public funds for their personal use. We further recommend that



the Orleans Parish District Attorney review this information and take appropriate action to include seeking restitution.

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### **CONTROLS OVER CASH ARE NOT ADEQUATE**

Management for CCCD has not established adequate controls for its cash collections. An important objective of internal accounting controls is the safeguarding of assets. Certain assets, such as cash, are highly susceptible to loss and thus must be adequately protected. The internal accounting controls should ensure that cash received is properly recorded in CCCD's books and deposited in the bank. We found that CCCD's controls were not adequate to perform this function.

#### **Internal Controls Over the Classifying and Recording of Free Passages Are Not Adequate**

As described in the preceding finding, the current system has allowed toll collectors to classify paid passages as free passages within the CCCD computer system, sign the register intended to provide support for the free passage, and keep the cash tolls collected for their personal use.

We recommend that management for CCCD implement a system that prevents toll collectors from misclassifying passages and taking public money for their personal use. Management should consider the following suggestions:

1. Install indicators that display the toll charged or the word "FREE" for all passages. These indicators, such as an electronic sign, should be clearly visible to the driver of each vehicle passing through the toll booths.
2. Extend the tag system in place for students and certain other users to all users who are not required to pay for their passage.
3. Restrict the number of lanes designated for use by those motorist who receive free passage to as few as possible.
4. Require law enforcement officers to indicate their badge number with their signatures.
5. Install surveillance cameras in each toll booth to facilitate monitoring of booth activities.
6. Prohibit toll collectors from carrying personal money into the toll booths.
7. Require toll collectors to wear uniforms that do not have pockets or other means of holding cash.
8. Prohibit toll collectors from carrying toll collections to the restrooms.

### **Controls Over Cash Counts Are Not Adequate**

CCCD has two rooms where cash is counted: (1) the collectors' count room and (2) the vault count room. After the completion of each shift, the toll collectors count the day's receipts in the collectors' count room. The collectors record the amount of coins and currency on a "blue count sheet." The money and the count sheet are placed in a numbered and locked money bag. The money bag is then deposited through a chute into the vault. There is no independent verification of the amount the collectors list as coins and currency on the count sheet before the bag is dropped into the vault. In addition, the collectors' count is not monitored by a supervisor or recorded on tape by video camera.

Each morning the previous day's toll receipts are counted in the vault count room by accounting employees. There are cameras in the vault count room which display the count activities on a monitor in an observation room. The count is also recorded on video tape. We were informed by management that no routine review of the tape is performed unless there is a question with respect to a count. We further noted that the positioning of the cameras in the vault count room does not give full coverage of the entire counting area. We were also informed that there is a rule which requires that two persons be present during the count; however, on several occasions, we observed only one individual in the count room during the counting process.

We recommend that management consider the following procedures to strengthen the controls in the collectors' and vault count rooms:

1. Have a supervisor verify the collectors' count and record this verification on a multi-part count sheet. Send one copy of the count sheet to DOTD, place a copy in the money bag with the cash, and have the collectors maintain a third copy.
2. Enhance the video surveillance system in the vault count room to ensure video coverage of the entire counting area.
3. Install clear counter tops in the vault count room.
4. Establish in writing the rule prohibiting one counter from being in the vault count room alone during the counting process as part of a policy and procedures manual.

### **Access to Money Stored in the Vault Is Not Adequately Restricted**

Currently, three employees can enter the vault count room, open the vault, and gain access to the locked money bags and the money bag keys. In addition, one of these three employees also has access to the video monitoring equipment and the computer controlling the card key system. This would allow this employee to remove all evidence of entry into the vault area.

We recommend that management prohibit an employee who has access to the vault from also having access to the video monitoring equipment and the computer controlling the card key system. In addition, we recommend that management implement a system that requires two people to open the vault.

### **Management Has Not Established a Procedures Manual or Fraud Policy**

All procedures designed for the adequate control of cash should be included in a written procedures manual. All employees should be adequately trained in the procedures contained in the manual and appropriate disciplinary measures should be included for not following the procedures.

As stated in the background section of this report, during 1994 management should have been alerted that the risk of fraudulent activity was high. Management, during our entrance conference, stated that toll collectors were taking cash, "the equivalent of a six-pack a day," for their personal use. However, management did not take appropriate steps to prevent or deter fraudulent activity. We recommend that management adopt a policy specifying that employee fraud will be fully investigated and submitted to the appropriate authorities for prosecution. This policy should be established in writing, communicated to all employees, and strictly enforced.



STATE OF LOUISIANA  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
P. O. Box 94245  
Baton Rouge, Louisiana 70804-9245



M. J. "MIKE" FOSTER, JR.  
GOVERNOR

June 12, 1996

FRANK M. DENTON  
SECRETARY

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Enclosed is our response to the audit report on the  
Crescent City Connection Division.

If I can of further assistance, please advise.

Sincerely,

Frank M. Denton  
Secretary

Enclosure



## TOLL FEES TAKEN FOR PERSONAL USE:

The Department of Transportation and Development has made great efforts to establish controls to protect state funds intrusted to it and to instill public confidence in our toll collection system.

The management for CCCD has always been very proactive in establishing toll operating standards and has continuously taken steps to identify toll collectors who do not meet daily performance standards. Since January 1989, we have dismissed fifty-three toll collectors for not meeting those standards. We review the standards continuously.

The CCCD management participated fully in the audit by providing information it developed during the audit to the auditors. This information resulted in the audit team obtaining the confessions of two former toll collectors that they were misclassifying revenue vehicles as non-revenue vehicles. CCCD management also participated in gathering evidence that led to the confession of a third toll collector.

A written report concerning this matter, prepared by the Department of Transportation and Development's Legal Investigator has been forwarded to the Office of the Orleans Parish District Attorney.

Insufficient evidence exists to support the finding that the practice of toll collectors misclassifying toll passages as free passages and keeping the cash collected for personal use is "widespread." Since actual revenue collected has not materially changed from before the audit until the present, we conclude that the amount of misclassification is not near the amount of that speculated by the auditors.

Free passage has decreased since the start of the audit. However, we can attribute this decrease to the following:

- increased emphasis by management on enforcement of non-revenue transactions, particularly law enforcement personnel
- increased issuance of toll tags to persons qualifying for non-revenue passage, especially law enforcement personnel



- issuance of more than 100 toll tags to the Regional Transit Authority for use by their buses

#### CONTROLS OVER CASH ARE NOT ADEQUATE:

Our consultant, Gulf Systems, Inc., originally prepared the cash handling procedures and controls in use at CCCD. They reviewed and changed these procedures at the recommendation of our independent CPA's and the internal staff of the Department of Transportation and Development's Financial Services Section. Once in use we have modified these procedures and controls to meet changing requirements. During the past seven years two separate independent CPA firms selected and approved by the Office of the Legislative Auditor have audited us annually. Internal auditors from DOTD have also conducted annual audits during this period. Never during this period have our controls been found inadequate nor have there been any significant findings regarding deficiencies in our operations.

We have distributed written procedures covering toll collection and cash handling to all appropriate personnel. The procedures described have been in place for the past seven years and have been modified to meet changing requirements. Additionally, this department has adopted a policy concerning employee conduct including theft and fraud. This policy is contained in the Secretary's Policy and Procedure Memorandum No. 29. We provided copies of our procedures to the audit team during the audit.

All of the recommendations contained in the audit report were at one time or another considered for implementation and were rejected as either logistically or fiscally unfeasible. However, we will revisit those recommendations.

In an effort too further tighten and remove the opportunity for abuse. This department has worked with all of the local legislators to get them to support and sponsor legislation that would have severely restricted non-revenue passage unfortunately, that proposal was judged not germane to the 1996 fiscal session. (See Attached) Consequently, the department's legal section is studying the possibilities of adopting an administrative rule to restrict non-revenue passage within the bounds of the current law.

HOUSE BILL NO.

BY REPRESENTATIVE

AN ACT

To amend and re-enact Title 48 of the Louisiana Revised Statutes of 1950, by amending and restating Part IV, relative to free passage on the Sunshine Bridge, Crescent City Connection and The Greater New Orleans Expressway (the Causeway), and all toll-ferries, and otherwise to provide with respect thereto.

Be it enacted by the Legislature of Louisiana:

Part IV of Title 48 of the Louisiana Revised Statutes is hereby amended and re-enacted as follows:

Part IV. Free Passage.

Section 980. The following vehicles shall have free and unhindered passage on and over the Sunshine Bridge, the Crescent City Connection, The Greater New Orleans Expressway (the Causeway) and all toll-ferries in this state.

1. All law enforcement vehicles which have permanently affixed insignias indicating they are the property of a law enforcement agency.
2. All fire fighting vehicles, which have permanently affixed insignias indicating they are the property of a fire department.
3. All vehicles belonging to the State Militia
4. All school buses which have insignia indicating they are official school buses.
5. Employees of the authority operating the bridges and ferries whom the administration of said authorities deems necessary and appropriate.

which are owned and operated by any person, firm or corporation engaged in a publicly subsidized transit business or which is owned by a public body and such vehicles carry seven (7) or more passengers and have been authorized and licensed by the Crescent City Connection Division to travel on the exclusive HOV/Transit Lanes.

7. 157. Ferries and toll bridges, etc.; free passage to students.

A. The free right of passage over all public ferries, bridges, and roads which are leased out or controlled by the state, parish, or municipality, including the Crescent City Connection and excluding the Greater New Orleans Expressway, for which license is paid or toll exacted shall provide for free passage of all students in their passage to and from school between the hours to six o'clock a.m. and nine thirty o'clock a.m., and between two thirty o'clock p.m. and nine thirty o'clock p.m., provided that rules are adopted in accordance with the provisions of Subsection B of this Section.

B. The Department of Transportation and Development shall, in accordance with the Administrative Procedure Act, adopt rules and regulations for the efficient implementation and enforcement of the provisions of this Section.

Section 2. No other free passage shall be allowed on bridges or ferries except as outlined above. R.S. 48:971 and 972, R.S. 29:27, R.S. 33:1975, R.S. 17:157 and R.S. 40:1392 are hereby repealed in their entirety.



Section 3. The Department of Transportation and Development shall, in accordance with the Administrative Procedures Act adopt rules and regulations for the efficient implementation and enforcement of the provisions of this Section.

**Attachment II**

**Legal Provisions**



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# Legal Provisions

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

**LSA-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 other to the misappropriation or taking, or by means of fraudulent conduct, practices or representations.

**LSA-R.S. 14:68** provides, in part, 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.

**LSA-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.

**LSA-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.

**LSA-R.S. 33:1975** provides that all firemen shall have free and unhampered passage on and over toll bridges and ferries, regardless of whether the firemen are in uniform or in civilian clothes. Procedures currently in effect for Louisiana state police to sign a register when granted an exemption from tolls shall also apply to personnel granted an exemption pursuant to the provisions of this section.

**LSA-R.S. 40:1392** provides that all law enforcement personnel, with law enforcement agency equipment, who are employed within this state shall have free and unhampered passage at all times on and over toll-bridges and ferries in this state, regardless of whether the personnel are in uniform or in civilian clothes. Procedures currently in effect for Louisiana state police to sign a register when granted an exemption from tolls, shall also apply to all other law enforcement personnel in the state.

**LSA-R.S. 42:1461(A)** provides that officials, whether elected or appointed and whether compensated or not, and employees of any "public entity," which, for purposes of this Section shall mean and include any department, division, office, board, agency, commission, or other organizational unit of any of the three branches of state government or of any parish,

municipality, school board or district, court of limited jurisdiction, or other political subdivision or district, or the office of any sheriff, district attorney, coroner, or clerk of court, by the act of accepting such office or employment assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they hold office or are employed. The breach of an obligation established under this Section gives rise to an action in favor of the public entity for the recovery of any such funds, property, or other things of value and for any other damages resulting from the breach.

**LSA-R.S. 48:972** provides exemption from bridge tolls to any publicly owned vehicles and any vehicle used in connection with or in furtherance of the mass transportation of the general public which is owned and operated by any person, firm, or corporation engaged in a publicly subsidized transit business or which is owned by a public body, shall have free and unhampered passage at all times over toll bridges that cross any river or stream in this state.

# Attachment III

## Appendix

# APPENDIX

## CRESCENT CITY CONNECTION DIVISION Summary of Free Passages by Month

1994					
MONTH	LAW ENFORCEMENT	FIRE- FIGHTERS	AMBULANCE	MASS TRANSIT	TOTAL NON-REV
JAN	46,720	1,972	6,438	12,409	67,539
FEB	44,790	1,869	5,772	12,281	64,712
MAR	52,403	2,098	6,723	13,863	75,087
APR	48,754	1,952	5,979	12,082	68,767
MAY	49,584	2,231	6,483	11,562	69,860
JUN	48,692	2,112	6,438	10,311	67,553
JUL	49,250	2,078	6,477	10,597	68,402
AUG	49,163	2,267	6,392	10,269	68,091
SEP	44,896	2,267	6,089	11,613	64,865
OCT	45,369	2,519	6,107	13,293	67,288
NOV	42,820	2,412	6,104	13,251	64,587
DEC	46,420	2,706	6,506	12,577	68,209
Total	568,861	26,483	75,508	144,108	814,960

1995					
MONTH	LAW ENFORCEMENT	FIRE- FIGHTERS	AMBULANCE	MASS TRANSIT	TOTAL NON-REV
JAN	46,068	2,806	6,744	12,878	68,496
FEB	41,926	2,598	6,022	13,292	63,838
MAR	46,489	3,052	6,543	14,162	70,246
APR	45,115	2,808	6,472	13,545	67,940
MAY	47,131	3,199	7,242	15,312	72,884
JUN	47,182	3,143	6,678	13,389	70,392
JUL	40,970	2,619	7,428	9,374	60,391
AUG	37,784	2,618	5,997	7,889	54,288
SEP	35,721	2,434	5,385	8,550	52,090
OCT	34,077	2,415	5,167	9,142	50,801
NOV	32,400	2,222	4,954	8,554	48,130
DEC	29,577	2,224	5,357	7,563	44,721
Total	484,440	32,138	73,989	133,650	724,217

1996					
MONTH	LAW ENFORCEMENT	FIRE- FIGHTERS	AMBULANCE	MASS TRANSIT	TOTAL NON-REV
JAN	30,286	2,209	5,834	8,132	46,461
FEB	27,408	2,204	5,200	8,282	43,094

Shaded area represents time period during which field work was performed by Legislative Auditor