

Office of the Chancellor  
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October 11, 1996

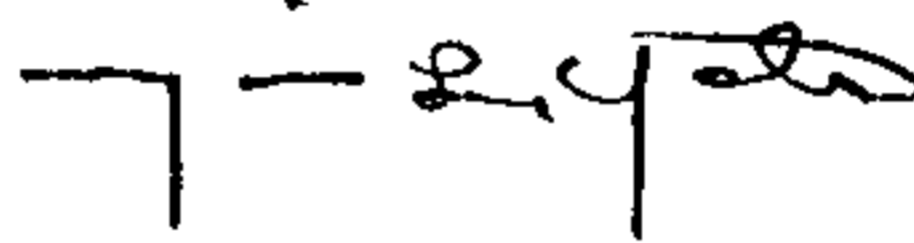
Mr. Calvin Moore  
Investigative Auditor  
Office of the Legislative Auditor  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Moore:

Transmitted herewith is the University's response to the Investigative Audit finding entitled, "**Ticket Sales Revenue.**"

If additional information is needed, please let me know.

Sincerely,



Marvin L. Yates  
Chancellor

/brs

Enclosures

# APPENDIX

## SOUTHERN UNIVERSITY--ATHLETIC DEPARTMENT Summary of Ticket Sales During Fiscal Year 1993-1994

Comparison of Ticketmaster's sales to the university's record of deposits

Events	Ticketmaster's Ticket Sales	Southern's Deposits of Ticket Sales	Differences
<b>Football:</b>			
Alabama	\$13,056.00	\$13,056.00	
Alcorn	138,461.00	138,143.00	(\$318.00)
Atlanta Classic	88,220.00	88,060.00	(160.00)
Bayou Classic	329,715.00	324,303.00	(5,412.00)
Florida	12,600.00	12,600.00	
Heritage Bowl	65,812.00	62,852.00	(2,960.00)
Jackson	97,808.00	97,618.00	(190.00)
Mississippi	4,100.00	4,100.00	
Nicholls	143,760.00	142,087.00	(1,673.00)
Northwestern	109,967.00	109,911.00	(56.00)
Prairie View	75,518.00	75,576.03	58.03
Season Books	263,188.00	256,058.00	(7,133.00)
TSU	38,074.00	38,074.00	
<b>Basketball:</b>			
Alabama	3,060.00	3,067.00	7.00
Alcorn	9,142.00	9,530.00	388.00
Dillard	3,616.00	3,616.00	
Grambling	11,946.00	11,918.00	(28.00)
Jackson	12,716.00	12,730.00	14.00
Middle Tennessee	2,353.00	2,353.00	
Mississippi Valley	6,388.00	6,381.00	(7.00)
Paul Quinn	950.00	899.00	(51.00)
Prairie View	4,213.00	4,227.00	14.00
Season Books	5,817.00	5,799.00	(18.00)
Southeastern	2,784.00	2,791.00	7.00
SWAC	110.00	110.00	
Texas Southern	3,761.00	3,777.00	16.00
<b>Baseball:</b>			
Alcorn	180.00	180.00	
Loyola	147.00	147.00	
Nicholls	210.00	210.00	
<b>Other Events:</b>			
Battle of Bands	4,298.00	4,382.00	84.00
Comedy Shop	2,644.00	2,454.00	(190.00)
Greek Extravaganza	6,321.00	6,279.80	(41.20)
Talent Show	2,785.65	2,785.65	
Wild Video Dance	1,199.00	1,199.00	

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# APPENDIX

## SOUTHERN UNIVERSITY--ATHLETIC DEPARTMENT Summary of Ticket Sales During Fiscal Year 1993-1994

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Comparison of Ticketmaster's sales to the university's record of deposits  
(Cont.)

<b>Events</b>	<b>Ticketmaster's Ticket Sales</b>	<b>Southern's Deposits of Ticket Sales</b>	<b>Differences</b>
<b>Adjustments:</b>			
Handling	\$4,077.50	\$3,896.53	(\$180.97)
Parking	16,772.00	16,183.06	588.94
Cash/Short	(75.23)	(75.23)	
Bank		217.00	217.00
<b>Total</b>	<b>\$1,485,693.92</b>	<b>\$1,467,491.84</b>	<b>(\$18,202.08)</b>

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**Source:** Prepared by the legislative auditor's staff using data supplied by Southern University.  
Assistance provided by the university's internal auditor.

**Note:** Shaded areas represent abnormal cash shortages.

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**Southern University--Athletic Department**

**October 23, 1996**



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

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



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

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October 23, 1996

**DR. DOLORES R. SPIKES, PRESIDENT  
OF THE SOUTHERN UNIVERSITY SYSTEM,  
AND MEMBERS OF THE SOUTHERN  
UNIVERSITY BOARD OF SUPERVISORS**  
Baton Rouge, Louisiana

Transmitted herewith is our investigative report on the Southern University System, Baton Rouge campus, Ticket Office. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our finding and recommendation, as well as management's response. Copies of this report have been delivered to the Honorable Doug Moreau, District Attorney for the Nineteenth Judicial District of Louisiana, and others as required by state law.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

AFB:ka

[SURPT]

# Attachment I

## Management's Response

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# Background and Methodology

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We received allegations of improper transactions concerning the sale of tickets to athletic events at the Southern University, Baton Rouge campus. The purpose of this examination was to determine the propriety of these allegations.

Our procedures consisted of (1) examining selected university records, (2) interviewing university employees, (3) reviewing laws and regulation applicable to our investigation, and (4) making inquiries and observations to the extent we considered necessary to achieve our purpose.

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



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# Executive Summary

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## Investigative Audit Report Southern University--Athletic Department

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

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### Ticket Sales Revenue

(Page 1)

**Finding:**

Mr. Harlan Robinson, former ticket manager of the Athletic Department, Southern University Baton Rouge campus, appears to have prepared a false \$20,280 deposit of 1993-94 ticket sales revenue to offset a shortage in the preceding fiscal year 1992-93. Southern University records also indicate that an additional \$18,202 shortage occurred during the 1993-94 fiscal year.

**Recommendation:**

Management of Southern University should implement an internal control structure that provides for proper control over ticket sales and ensures that all collections are properly recorded and deposited in a timely manner. In addition, the District Attorney for the Nineteenth Judicial District of Louisiana should review this information and take appropriate action, to include seeking restitution.

**Management's Response:**

The control procedures for ticket sales revenue have been strengthened. The internal control structure provides for segregation of duties, monitoring of ticket sales, accountability for revenues, review and approval of all sales reports and journals generated by the Ticketmaster system.

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# Finding and Recommendation

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## TICKET SALES REVENUE

Mr. Harlan Robinson, former ticket manager of the Athletic Department, Southern University Baton Rouge campus, appears to have prepared a false \$20,280 deposit of 1993-94 ticket sales revenue to offset a shortage in the preceding fiscal year 1992-93. Southern University records also indicate that an additional \$18,202 shortage occurred during the 1993-94 fiscal year.

The auxiliary enterprises' manager (ticket manager) is responsible for the distribution and sales of tickets to athletic events at the university, making daily deposits, and reconciling ticket sales at fiscal year-end. From July 1988 until September 1993, Mr. Harlan Robinson served as ticket manager.

The university sells tickets through its athletic department ticket office and through Ticketmaster of New Orleans, Inc. Mr. Robinson used reports generated by Ticketmaster to reconcile sales to deposits and provided his reconciliation to the comptroller's office. During 1993, Mr. Benjamin Pugh, a former employee of the comptroller's office, inadvertently received the Ticketmaster report of ticket sales for the 1992-93 fiscal year. According to Mr. Pugh, while attempting to reconcile athletic revenues for the 1992-93 fiscal year, he discovered a shortage of Bayou Classic ticket revenues between \$20,000 and \$25,000.

According to Mr. Pugh, he contacted Mr. Robinson and requested additional information to reconcile the shortage. Subsequently, on August 10, 1993, a \$20,280 deposit was made into the Southern University account. According to Mr. Pugh, Mr. Robinson provided the deposit ticket which indicated that the deposit was comprised of 1992-93 Bayou Classic Ticket revenues. The preparer line on the \$20,280 deposit ticket contained the name "H.S. Robinson." In addition, the ticket listed currency of \$1,779 and five checks totaling \$19,501. However, according to bank records, the deposit was actually composed entirely of currency. In addition, the bank processing dates on four of the five checks listed on the deposit ticket revealed that they had been included in previous deposits--two cleared the bank in 1992.

Ms. Aretha LeDet, a ticket office employee, stated that during busy days, it was not unusual for Mr. Robinson to take possession of a large portion of cash receipts, prepare the deposit, and take the deposit to the bank. According to Ms. LeDet, Mr. Robinson took \$20,280 in currency from her collections on July 28, 1993. Ms. LeDet stated that July 28 was a very busy day because it was the last day to accept payments for season books for 1993-94. Noted on Ms. LeDet's internal balancing sheet for July 28, 1993, was an explanation indicating that \$20,280 in currency had been taken to the bank. According to Ms. LeDet, this explanation was written by Mr. Robinson. The balancing sheet also indicated the specific denominations

## Attachment II

### Appendix

of currency taken. These were the same denominations indicated on the bank's teller tape that corresponded to the deposit made on August 10, 1993.

These actions taken by Mr. Robinson indicate that he falsified a deposit by recording 1993-94 season book ticket sales as 1992-93 Bayou Classic ticket sales as well as indicating that the deposit was made up of currency and checks when in fact the deposit was made up entirely of currency.

### **1993-94 Shortage**

Southern University records also indicate that an additional \$18,202 shortage occurred during the 1993-94 fiscal year. Ticket sales from football, basketball, baseball, and other related activities indicate sales of \$1,485,693 for the 1993-94 fiscal year. In contrast, the ticket office deposited only \$1,467,491 as ticket revenue. The remaining \$18,202 is not accounted for. (See Appendix.)

Mr. Robinson resigned from the university on September 3, 1993. The university forwarded information regarding these shortages to the Honorable Doug Moreau, District Attorney for the Nineteenth Judicial District. On September 1, 1995, an arrest warrant was issued, charging Mr. Robinson with felony theft, forgery, and unauthorized use of a movable.

During April 1994, Southern University's Internal Audit Department issued a report addressing this matter. Southern University has implemented controls to improve the system of collecting, recording, and depositing ticket sales revenue as the result of this report. Management should further improve its system by having the comptroller's office reconcile ticket sales revenue to the actual deposits thereby separating the functions of collection and deposit from the reconciliation function. In addition, the Nineteenth Judicial District of Louisiana is currently reviewing this information and taking appropriate legal action.