

The cancelled checks noted in step #2 and #3 contained personal endorsements matching the payee. We noted no non-payroll checks with the bank endorsements revealing the personal bank account of the employees noted in step #2.

6. We identified and scheduled all operating and ESG cancelled checks with endorsements consistent with the endorsements of employees noted in 5 above.

We noted no cancelled checks other than those scheduled per step #4.

7. We have examined other cash disbursements as recorded on bank statements.

We noted no disbursement other than bank fees.

8. We have traced each transaction identified in step #4 to the respective general ledger and ascertained the respective funding sources potentially affected.

See Attachment #4

9. We examined check requests and vendor invoices supporting the cancelled checks scheduled per step #4.

We noted the following:

- Of the 92 checks recorded in steps #4, 71 related check requests or supporting invoices were provided.
- 0 check requests contained an approval signature.
- The payee recorded on 12 check requests matched the payee noted on the related cancelled check.
- The amount recorded on 11 check requests matched the amount recorded on the related cancelled check.

**MULTI SERVICE CENTER
SUMMARY OF FINDINGS BY BANK ACCOUNT**

The following is a list of checks made payable to and endorsed by, or paid on behalf of, BSCM employees.

Checking Account # 988-8408

(Operating Account)

Check #	Date	Payee	Amount	Check #	Date	Payee	Amount
2471	8/25/95	B. Darvazat	215.00	2488	8/24/95	B. Darvazat	191.00
2472	8/24/95	B. Darvazat	230.00	2489	8/24/95	B. Darvazat	165.11
2473	8/21/95	B. Darvazat	350.00	2490	8/25/95	B. Darvazat	202.70
2474	8/22/95	B. Darvazat	238.00	2491	8/25/95	B. Darvazat	185.33
2475	8/15/95	B. Darvazat	327.00	2492	8/25/95	B. Darvazat	258.70
2476	8/24/95	B. Darvazat	280.00	2493	8/25/95	B. Darvazat	158.83
2477	8/27/95	B. Darvazat	208.00	2494	8/25/95	B. Darvazat	278.81
2481	8/25/95	B. Darvazat	303.00	2495	8/25/95	B. Darvazat	211.47
2471	8/28/95	B. Darvazat	275.00	2496	8/27/95	B. Darvazat	69.12
2473	8/28/95	B. Darvazat	175.00	2497	8/27/95	B. Darvazat	327.84
2474	8/28/95	B. Darvazat	128.00	2498	8/28/95	B. Darvazat	89.00
2476	8/11/95	B. Darvazat	305.00	2499	8/21/95	B. Darvazat	251.00
2480	8/11/95	B. Darvazat	165.00	2501	10/30/95	B. Darvazat	328.00
2482	8/29/95	B. Darvazat	408.00	2502	10/30/95	B. Darvazat	202.70
2488	8/29/95	B. Darvazat	148.00	2503	10/30/95	B. Darvazat	202.70
2490	8/25/95	B. Darvazat	188.00	2504	10/30/95	B. Darvazat	202.70
2492	8/24/95	B. Darvazat	210.00	2505	10/30/95	B. Darvazat	202.70
2495	8/25/95	B. Darvazat	230.00	2507	10/31/95	B. Darvazat	200.00
2496	8/24/95	B. Darvazat	194.00	2508	10/30/95	B. Darvazat	425.00
2497	8/25/95	B. Darvazat	60.00	2509	10/30/95	B. Darvazat	228.00
2498	8/28/95	B. Darvazat	217.00	2510	10/30	Flag Premium	111.52
2499	8/28/95	B. Darvazat	85.00	2511	10/31/95	B. Darvazat	928.45
2500	8/27/95	B. Darvazat	444.00	2500	8/28/95	B. Darvazat	328.00
2501	8/25/95	SCB	38.12	2504	10/27/95	B. Darvazat	1,640.87
2504	8/21/95	B. Darvazat	76.00	2505	10/28/95	Real South	540.18
2505	8/21/95	B. Darvazat	217.62	2505	10/28/95	B. Darvazat	1,640.84
2507	8/21/95	B. Darvazat	387.48	2506	10/29/95	B. Darvazat	231.78
2508	8/24/95	B. Darvazat	298.81	2507	10/29/95	B. Darvazat	420.00
2509	8/29/95	B. Darvazat	161.71	2507	10/29/95	B. Darvazat	141.28
2509	8/29/95	B. Darvazat	602.88	2509	10/31/95	B. Darvazat	1,083.68
2507	8/29/95	B. Darvazat	277.18	2508	10/31/95	B. Darvazat	1,281.04
2508	8/29/95	B. Darvazat	148.88	2508	10/30/95	B. Darvazat	228.00
2506	8/29/95	B. Darvazat	350.00	2507	10/28/95	B. Darvazat	228.00
2505	8/25/95	B. Darvazat	450.00	2502	8/28/95	B. Darvazat	128.00
2504	7/28/95	B. Darvazat	177.98	2508	8/28/95	SCB/SA	268.00
2504	7/28/95	B. Darvazat	330.00	2507	8/28/95	B. Darvazat	278.45
2504	7/28/95	B. Darvazat	620.00	2508	8/28/95	To Cash	128.00
2505	7/28/95	B. Darvazat	263.74	2508	8/27/95	To Cash	378.00
2498	10/29/95	B. Darvazat	184.38	2498	8/27/95	To Cash	273.00
2498	10/28/95	B. Darvazat	121.00	2498	8/27/95	To Cash	478.00
2476	10/28/95	B. Darvazat	28.00	2498	8/27/95	To Cash	480.18
2471	10/28/95	B. Darvazat	288.41	2497	8/27/95	To Cash	448.81
2472	10/28/95	B. Darvazat	275.00	2498	8/27/95	To Cash	415.00
2473	8/25/95	B. Darvazat	38.00	2498	8/27/95	B. Darvazat	263.76

TOTAL

\$ 76,440.00

**MULTI SERVICE CENTER FOR THE HOMELESS
SUMMARY OF FINDINGS BY BANK ACCOUNT
(cont.)**

The following is a list of checks made payable to and endorsed by MSCH employees.

Payroll Account # 0101-42028

<u>Check #</u>	<u>Date</u>	<u>Payee</u>	<u>Amount</u>
818	12/01/95	S. Darvazlet	\$ 40.00
828	12/09/95	S. Darvazlet	295.75
831	12/09/95	S. Darvazlet	176.80
832	12/03/95	S. Darvazlet	<u>281.83</u>
TOTAL			\$ <u>794.48</u>

ESD Account #0100-12000

We found no irregularities related to this account.

We found no canceled checks made payable to employees from this account. Also, we did not find signatures or endorsements consistently consistent with those referred to in steps #3 and #5 of the agreed upon procedures.

ESD funds were initially transferred to the operating account. The funds were subsequently withdrawn with checks also found in steps #2, #3, and #5.

See Attachment #4.

BACKGROUND

We have interviewed MSCH management personnel and have reviewed the procedures and controls in place to ascertain how the apparent misappropriations occurred.

Based upon our preliminary interviews and procedures performed the irregularities noted appear to result solely from forgeries. We found no evidence of collusion or other factors contributing to the irregularities.

The payee related to each disbursement was a single employee who had authorized access to the checkbook, but was not an authorized signer on checks.

During the period under examination, MSCH experienced budget shortfalls and functioned with an office staff of one or two people, thus, sufficient segregation of duties was not possible.

Factors that apparently contributed to the irregularities were:

- The MSCH functioned without an Executive Director for a substantial part of this examination period.
- The bank statements and canceled checks apparently were not opened and examined by a responsible supervisory personnel from the MSCH.

The newly appointed Executive Director identified the irregularities based upon his review and examination of the canceled checks and bank statements of MSCH.

MULTI SERVICE CENTER
Summary of Findings by Grant

Based upon the procedures performed, funds were misappropriated from the MSCH grants as follows:

Federal Grants:	
City Council Grant	\$ 16,400.58
Emergency Shelter Grant 509-95/96	7,374.18
Emergency Shelter Grant 819-95/96	<u>2,082.00</u>
Total Federal Grants:	<u>25,856.76</u>
Non Federal Grants:	
Client Needs (Contributions)	<u>1,733.28</u>
Total Non Federal Grants	1,733.28
Total Funds Misappropriated	\$ <u>27,590.04</u>

1000 Lakes Forest Blvd., Suite 604
New Orleans, LA 70002
August 13, 1996



**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To The Board of Directors of
The Multi Service Center for the Homeless,

We have performed the procedures enumerated in Attachment 1, which were agreed to by the management of the Multi Service Center for the Homeless, solely to assist you in identifying and quantifying potentially misappropriated checks and other bank withdrawals from the operating, payroll and 529 accounts of the Multi Service Center for the Homeless for the year ended December 31, 1995, and the six months ended June 30, 1996. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment 1, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are detailed in the Attachments to the report.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Luffen C. Speight & Co.
New Orleans, LA
September 17, 1996

LA 16 1996

AGREED-UPON PROCEDURES

To the Multi Service Center for the Homeless,

At your request we have performed the agreed-upon procedures enumerated below with respect to cash disbursements for the year ended December 31, 1995, and the six months ended June 30, 1996. Our procedures have been performed solely to assist you in identifying and quantifying checks and other bank withdrawals potentially misappropriated from the operating, payroll and ESG accounts of the MSHCH. The procedures listed below were performed on the aforementioned accounts:

1. We have inspected all bank statements, and canceled checks related to the operating, payroll and ESG bank accounts of the Multi Service Center for the Homeless for the year ended December 31, 1995, and the six months ended June 30, 1996.

We found it necessary to request from the bank, replacement copies for missing bank statements and canceled checks. All withdrawals of funds, except bank fees, from the operating, payroll and ESG bank accounts were made by canceled checks.

2. We started all canceled checks made payable to employees for purposes other than payroll.

We found checks made payable to Sonya Duranlot totaling \$28,533.87
See Attachment 2.

3. We compared the signatures on each canceled check gathered in step #2 above to signatures on a canceled check provided to us by MSHCH management and deemed to be forged by MSHCH management. Since we do not hold ourselves out as handwriting experts, we were limited to identifying signatures which appeared obviously consistent with that of the example presented by management.

We found disbursements from the operating account totaling \$29,410.30 and amounts from the payroll account totaling \$782.05.
See Attachment 2.

4. We prepared a schedule disclosing the check number, date, payee and amount of each canceled check with a signature which appeared to be consistent with the signature of the check deemed forged by MSHCH.

See Attachment 2.

5. For employees noted in steps #2 and #3, we inspected their personal and bank endorsements by reference to the endorsement of their respective payroll checks.

The canceled checks noted in step 62 and 63 contained personal endorsements matching the payee. We noted no non-payroll checks with the bank endorsements revealing the personal bank account of the employees noted in step 62.

6. We identified and scheduled all operating and ESG canceled checks with endorsements consistent with the endorsements of employees noted in 5 above.

We noted no canceled checks other than those scheduled per step 64.

7. We have examined other cash disbursements as recorded on bank statements.

We noted no disbursement other than bank fees.

8. We have traced each transaction identified in step 64 to the respective general ledger and ascertained the respective funding sources (potentially affected).

See Attachment #4

9. We examined check requests and vendor invoices supporting the canceled checks scheduled per step 64.

We noted the following:

- Of the 69 checks recorded in steps 64, 71 related check requests or supporting invoices were provided.
- 0 check requests contained an approval signature.
- The payee recorded on 12 check requests matched the payee noted on the related canceled check.
- The amount recorded on 71 check requests matched the amount recorded on the related canceled check.

**MULTI SERVICE CENTER
SUMMARY OF FINDINGS BY BANK ACCOUNT**

The following is a list of checks made payable to and endorsed by, or paid on behalf of, BSCM employees.

(Operating Account # 1782-0422)

(Operating Account)

Check #	Date	Payee	Amount	Check #	Date	Payee	Amount
2270	02/05	B. Darnstadt	275.00	2580	07/14/95	B. Darnstadt	871.00
2420	02/10/95	B. Darnstadt	250.00	2582	07/14/95	B. Darnstadt	895.11
2430	02/14/95	B. Darnstadt	250.00	2583	07/14/95	B. Darnstadt	202.50
2442	02/05	B. Darnstadt	275.00	2584	07/14/95	B. Darnstadt	185.27
2445	02/05/95	B. Darnstadt	207.50	2585	07/14/95	B. Darnstadt	251.50
2449	02/14/95	B. Darnstadt	200.00	2588	07/14/95	B. Darnstadt	188.00
2457	02/05/95	B. Darnstadt	250.00	2589	02/09/95	B. Darnstadt	278.81
2463	02/09/95	B. Darnstadt	222.00	2591	02/09/95	B. Darnstadt	271.47
2471	02/09	B. Darnstadt	275.00	2600	02/07/95	B. Darnstadt	69.82
2473	02/09	B. Darnstadt	275.00	2608	12/03/95	B. Darnstadt	207.84
2474	02/09	B. Darnstadt	126.00	2609	12/03/95	B. Darnstadt	89.85
2476	02/10/95	B. Darnstadt	288.00	2608	12/03/95	B. Darnstadt	252.88
2482	02/10/95	B. Darnstadt	185.00	2611	12/03/95	B. Darnstadt	226.00
2485	02/09/95	B. Darnstadt	488.00	2612	12/03/95	B. Darnstadt	201.76
2488	02/09/95	B. Darnstadt	188.83	2614	12/03/95	B. Darnstadt	245.76
2492	02/09	B. Darnstadt	188.00	2615	12/10/95	B. Darnstadt	247.20
2494	02/09	B. Darnstadt	248.00	2616	12/10/95	B. Darnstadt	267.00
2500	02/09	B. Darnstadt	208.00	2617	12/10/95	B. Darnstadt	200.00
2505	02/09	B. Darnstadt	184.82	2619	12/09/95	B. Darnstadt	425.00
2508	02/09	B. Darnstadt	92.88	2620	12/09/95	B. Darnstadt	228.00
2509	02/09	B. Darnstadt	217.82	2623	08/05	First Premium	111.00
2510	02/09	B. Darnstadt	92.23	2647	12/21/95	B. Darnstadt	626.45
2512	02/10/95	B. Darnstadt	144.88	2658	11/05/95	B. Darnstadt	288.80
2512	02/10/95	BSCM	38.12	2651	10/21/95	B. Darnstadt	1,848.87
2514	02/10/95	B. Darnstadt	70.28	2652	10/20/95	Paul Smith	288.46
2515	02/10/95	B. Darnstadt	211.00	2655	10/20/95	B. Darnstadt	1,882.84
2517	02/10/95	B. Darnstadt	287.48	2656	10/20	B. Darnstadt	252.70
2518	02/09/95	B. Darnstadt	270.00	2661	10/20	B. Darnstadt	488.00
2519	02/09/95	B. Darnstadt	211.71	2662	10/20	B. Darnstadt	187.28
2520	02/09/95	B. Darnstadt	882.00	2661	10/20/95	B. Darnstadt	1,242.84
2527	02/09/95	B. Darnstadt	277.58	2662	10/20/95	B. Darnstadt	1,588.84
2529	02/09/95	B. Darnstadt	184.00	2665	10/20/95	B. Darnstadt	228.20
2530	02/09/95	B. Darnstadt	200.00	2667	10/20/95	B. Darnstadt	258.58
2532	02/10/95	B. Darnstadt	428.00	2668	10/20	B. Darnstadt	128.80
2533	10/20	B. Darnstadt	277.96	2669	02/10/95	MORRIS	200.00
2544	10/20	B. Darnstadt	208.00	2687	02/10	B. Darnstadt	275.00
2545	10/20	B. Darnstadt	682.00	2688	02/10	To Cash	128.00
2550	10/20	B. Darnstadt	262.50	2690	02/10/95	To Cash	270.00
2554	10/20/95	B. Darnstadt	124.28	2691	02/10/95	To Cash	270.00
2558	10/20/95	B. Darnstadt	121.88	2700	02/10/95	To Cash	478.80
2570	10/20/95	B. Darnstadt	28.88	2708	02/10/95	To Cash	482.50
2571	10/20/95	B. Darnstadt	288.41	2707	02/10/95	To Cash	449.00
2572	10/20/95	B. Darnstadt	245.88	2708	02/10/95	To Cash	478.00
2575	02/10	B. Darnstadt	58.88	2718	02/10/95	B. Darnstadt	202.50

TOTAL

\$ 26,218.20

**MULTI SERVICE CENTER FOR THE HOMELESS
SUMMARY OF FINDINGS BY BANK ACCOUNT
(cont.)**

The following is a list of checks made payable to and endorsed by MSCH employees.

Payroll Account # 1404-82828

<u>Check #</u>	<u>Date</u>	<u>Payee</u>	<u>Amount</u>
818	120595	S. Duroniel	\$ 40.00
820	120695	S. Duroniel	293.76
821	120695	S. Duroniel	176.80
822	120795	S. Duroniel	<u>281.83</u>
TOTAL			\$ <u>792.49</u>

ESG Account #1108-11888

We found no irregularities related to this account.

We found no canceled checks made payable to employees from this account. Also, we did not find signatures or endorsements obviously consistent with those outlined in steps #3 and #5 of the agreed-upon procedures.

ESG funds were initially transferred to the operating account. The funds were subsequently withdrawn with checks also found in steps #3, #4, and #5.

See Attachment #4

BACKGROUND

We have interviewed MSCH management personnel and have reviewed the procedures and controls in place to ascertain how the apparent misappropriations occurred.

Based upon our preliminary interviews and procedures performed the irregularities noted appear to result solely from forgery. We found no evidence of collusion or other factors contributing to the irregularities.

The payee related to each disbursement was a single employee who had authorized access to the checkbook, but was not an authorized signer on checks.

During the period under examination, MSCH experienced budget shortfalls and functioned with an office staff of one or two people; thus, sufficient segregation of duties was not possible.

Factors that apparently contributed to the irregularities were:

- The MSCH functioned without an Executive Director for a substantial part of this examination period.
- The bank statements and canceled checks apparently were not opened and examined by a responsible supervisory personnel from the MSCH.

The newly appointed Executive Director identified the irregularities based upon his review and examination of the canceled checks and bank statements of MSCH.

ADULT SERVICE CENTER
Summary of Findings by Grant

Based upon the procedures performed, funds were misappropriated from the MSOII grants as follows:

Federal Grants:	
City Council Grant	\$ 16,460.58
Emergency Shelter Grant 809-05/86	7,874.10
Emergency Shelter Grant 010-05/86	<u>2,087.85</u>
Total Federal Grants	<u>26,422.53</u>
Non Federal Grants:	
Client Needs (Contributions)	<u>1,722.28</u>
Total Non Federal Grants	1,722.28
Total Funds Misappropriated	<u>\$ 28,144.81</u>

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DEC-9 AT 5:53

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

RECEIVED
DEC 10 1999
THE HONOLULU OFFICE
1001 KALANIANA'OHU BLVD
SUITE 1000
HONOLULU, HAWAII 96813
PHONE (808) 531-1100
FAX (808) 531-1101

To The Board of Directors of
The Multi Service Center for the Honolulua,

We have performed the procedures enumerated in Attachment 1, which were agreed to by the management of the Multi Service Center for the Honolulua, solely to assist you in identifying and quantifying potentially misappropriated checks and other bank withdrawals from the operating, payroll and ESG accounts of the Multi Service Center for the Honolulua for the year ended December 31, 1999, and the six months ended June 30, 1998. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment 1, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are detailed in the Attachments to the reports.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified, elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Luther C. Speight & Co.
New Orleans, LA
September 27, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, entity and other local public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

DEC 14 1999

Reference Date: _____