

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Northwestern State University  
Natchitoches, Louisiana

July 29, 1997



*Investigative Audit*

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*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 Baker House office of the Legislative Auditor and at the office of the parish clerk of court.

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# Northwestern State University

July 28, 1997



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

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

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

July 29, 1997

MR. RANDALL J. WERR, PRESIDENT  
NORTHWESTERN STATE UNIVERSITY  
Natchitoches, Louisiana

Transmitted herewith is our investigative report on Northwestern State University. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our findings and recommendations, as well as your responses. Copies of this report have been delivered to The Honorable Van H. Kyrus, District Attorney for the Tenth Judicial District of Louisiana, and others as required by state law.

Respectfully submitted,

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

APB:bls

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# Executive Summary

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## Investigative Audit Report Northwestern State University

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. Management's responses may be found at Attachment I.

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### **Falsified Time Sheets** (Page 1)

**Finding:** Based on information provided by students, it appears that Ms. Jancy Barnes, the coordinator for the Academic Advising Center at Northwestern State University (NSU), was paid at least \$1,146 as a result of falsified student time sheets.

**Recommendation:** We recommend that the District Attorney for the Third Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

**Management's Response:** Management for the university concurs with the finding, and will seek restitution of the amounts determined as a result of the finding.

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### **Employee Keeps \$3,118 for Services Not Rendered** (Page 4)

**Finding:** Ms. Jancy Barnes, the coordinator for the Academic Advising Center at NSU, was paid \$3,488 for classes she did not teach, and at least \$408 for mileage she did not drive. Of this amount, Ms. Barnes paid \$770 to other individuals to teach these classes for her, thereby retaining \$3,118 to which she was not entitled.

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<b>Recommendation:</b>	We recommend that NSU seek restitution of amounts paid to Mr. Barnes in excess of those actually earned by him. We recommend that the District Attorney for the Tenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.
<b>Management's Response:</b>	Management for the university concurs with the finding, and will seek restitution of the amounts determined as a result of the finding.

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# Background and Methodology

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The Legislative Auditor received a request from Dr. James A. Callier, President of University of Louisiana System, for an investigative audit. Dr. Callier had received allegations indicating an employee of Northeastern State University had altered student time sheets to reflect more time than the students actually worked. We conducted our investigation to determine the propriety of this allegation.

Our procedure consisted of (1) interviewing employees and faculty members of the university; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the university; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable Louisiana laws.

The result of our investigation is the findings and recommendations presented herein.



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# Findings and Recommendations

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## FALSIFIED TIME SHEETS

Based on information provided by students, it appears that Ms. Janey Barnes, the coordinator for the Academic Advising Center at Northwestern State University (NSU), was paid at least \$1,146 as a result of falsified student time sheets.

In the fall of 1994, NSU established the Academic Advising Center and Services for Students with Disabilities (Center). By the fall of 1995, Ms. Janey Barnes, the coordinator of the Center, had at least 25 students working under her supervision.

To be paid, each student had to complete and sign a time sheet for each pay period. Ms. Barnes also signed the time sheets certifying that the students worked the times as recorded on the time sheets. Until the fall of 1996, each student worker was allowed to work a maximum of 30 hours per month.

We talked with four students who stated that they were paid for time they did not work. They stated that they returned a portion of their pay to Ms. Barnes. Based on information provided by students, it appears that Ms. Barnes received at least \$1,146 as a result of falsified time sheets. Students who were interviewed stated that Ms. Barnes told them she used the excess money to purchase supplies or pay additional tutors for the Center.

### **Ms. Heather Dillon**

In November 1996, Ms. Heather Dillon, a former student worker under Ms. Barnes' supervision, informed the Student Affairs Department at NSU that Ms. Barnes was requesting money from her. Ms. Dillon further stated that Ms. Barnes requested that student workers record up to the maximum number of hours (30) on their time sheets even if they did not work the hours. Ms. Dillon said that the student workers were then instructed by Ms. Barnes to return the payment for the hours not worked to her. Ms. Dillon stated she increased hours on her time sheets and paid the difference to Ms. Barnes on two occasions. However, Ms. Dillon was unable to recall the exact pay periods affected or the amounts she gave to Ms. Barnes.

Ms. Dillon also stated that she received a check for \$112 for the pay period ending August 28, 1996. Ms. Dillon informed us that she did not work this pay period nor did she complete or sign a time sheet for this period. On December 3, 1996, Ms. Dillon repaid the university \$112.

**Ms. Jennifer Aky**

Ms. Jennifer Aky, one of Ms. Barnes' former student workers, stated she informed Ms. Barnes that she would not be able to work all of her hours during the 1995 fall semester. She added that she only worked at the Center two hours each Monday for the last two pay periods in that semester. This would have been 8 hours for each of the pay periods or a total of 16 hours. However, Ms. Aky's time sheets for those two pay periods reported 30 hours worked for a total of 60 hours. Ms. Aky stated she cashed these checks, kept the amount she earned, and then gave the unearned portion to Ms. Barnes.

Ms. Aky stated that she did not work at the Center in the spring of 1996. However, four time sheets indicating that she worked during this semester were submitted in Ms. Aky's name. Ms. Aky informed us that she did not prepare or sign any of the four time sheets submitted for her during the 1996 spring semester nor did she work any of the hours reported on these time sheets. Ms. Aky stated that she received the four payroll checks associated with these time sheets, cashed the checks, and gave all the money to Ms. Barnes. Based on the information provided, it appears that Ms. Aky paid a total of \$663 to Ms. Barnes because of these falsified time sheets.

**Ms. Pam Nimmo**

Ms. Pam Nimmo, former student worker, stated she received six paychecks which included pay for hours which she did not work. She also stated that she neither signed nor completed the related time sheets. Ms. Nimmo stated that she told Ms. Barnes early in the 1995 fall semester that she would not be able to work all of the hours assigned because of her class schedule and outside jobs. Ms. Nimmo stated she worked approximately 10 of the 30 hours reported on the time sheet for the pay period ended November 11, 1995. She stated she cashed the paycheck, kept the amount she earned, and gave the unearned amount to Ms. Barnes. Ms. Nimmo stated she did not complete, sign, or work the hours listed on the three time sheets for the pay periods ended December 9, 1995, February 3, 1996, and March 2, 1996. Ms. Nimmo stated that she gave the money received for these three pay periods to Ms. Barnes. Calculations based on Ms. Nimmo's statements indicate that Ms. Barnes received a total of \$383 as a result of falsified time sheets. Regarding the pay for the time periods ending March 23, 1996, and May 4, 1996, Ms. Nimmo stated that she kept the money herself. On February 11, 1997, Ms. Nimmo reimbursed the university \$208 for those two pay periods.

**Ms. Jennifer Merrill**

Ms. Jennifer Merrill stated that she gave Ms. Barnes \$100 which she received as a result of hours in excess of what she actually worked for the pay period ended August 25, 1996. Ms. Merrill stated that she worked approximately 5 of the 36 hours claimed on the time sheet for that pay period. Ms. Merrill stated that Ms. Barnes told her that either

she (Ms. Barnes) or someone else added additional hours to her time sheet. Ms. Merrill stated that she did not complete or sign this time sheet.

During an interview on February 14, 1993, Ms. Barnes admitted she signed falsified time sheets. She also admitted she had accepted monies resulting from these falsified time sheets. She stated she instructed students to add hours to time sheets to arrive at the 30-hour maximum. She also stated that time sheets were submitted even when student workers did not work during a pay period so as not to lose the student worker positions. She added that student worker, Mr. Olyan Guyton, had given her monies from several of his paychecks. Mr. Guyton told us in an earlier interview he purchased supplies for the Center from amounts resulting from one falsified time sheet.

Ms. Barnes stated that she needed the money to purchase office supplies because she had no funds budgeted. She stated she purchased supplies such as surge protectors, extension cords, computer books and supplies, notebooks, pens, sticky notepads, phone message books, Scotch tape, and staples. She stated that she also paid approximately \$250 to various taxes or other student workers who were not authorized to work at the Center. She kept no receipts for any purchases nor did she keep any records of funds given to her by the students.

We determined that Ms. Barnes obtained office supplies and other items totaling \$5,257 from three different funding sources within the university in 1995 and 1996. Supplies purchased included computer ribbons, computer diskettes, paper, printing charges, Scotch tape, sticky notes, pencils, phone message books, sheet protectors, and toner cartridges. She also expended budgeted funds for professional publications, an amplifier, published handbooks, a briefcase, a hopper cleaner, and a trip to attend a conference in New Orleans. Therefore, Ms. Barnes was able to purchase supplies with budgeted university funds.

By instructing subordinates to falsify time sheets and then receiving the proceeds, Ms. Barnes may have violated the following Louisiana laws:

- R.S. 14:68, "Unauthorized Use of a Movable"
- R.S. 14:72, "Forgery"
- R. S. 14:134, "Malfeasance in Office"
- R. S. 14:138, "Public Payroll Fraud"

We recommend that the District Attorney for the Third Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

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## EMPLOYEE KEEPS \$3,118 FOR SERVICES NOT RENDERED

Ms. Janey Barnes, the coordinator for the Academic Advising Center at NSU, was paid \$3,488 for classes she did not teach, and at least \$408 for mileage she did not drive. Of this amount, Ms. Barnes paid \$778 to other individuals to teach those classes for her, thereby retaining \$3,118 to which she was not entitled.

NSU and Wine Correctional Center (Wine) entered into an agreement whereby NSU furnished instructors to teach a series of pre-employment classes at Wine from 1992 through 1995. To comply with this agreement, NSU hired instructors, including certain NSU employees, to teach these classes. NSU employees hired to give instruction at Wine signed extra-services contracts. These contracts, which allow full-time NSU employees to earn additional compensation, contain provisions that the employee shall not assign or transfer any interest in the contract to any other person. NSU policy provides that NSU employees may earn no more than 25 percent of their gross annual salary per fiscal year as a result of extra-services contracts.

Ms. Janey Barnes was a full-time NSU employee who signed eight extra-services contracts in 1995 to teach classes at Wine. Each contract provided that Ms. Barnes was to furnish 27 hours of employee training to Wine. Also contained in each contract was the provision that she could not assign nor transfer any interest in the contract. Despite this contractual prohibition, we determined that during 1995 Ms. Barnes did not teach 17 of the 22 classes for which she was paid, but instead paid other individuals to teach for her. The records show that one of Ms. Barnes' prior graduate assistants, Ms. Holly Morgan, taught the class 13 times. Ms. Jan Starks, a local teacher, taught three of the classes, and another former graduate assistant, Ms. Denise Papp, taught one class. According to the information provided by these individuals, Ms. Barnes paid them a total of \$778. Ms. Barnes was compensated \$3,488 for those classes which she did not teach.

Also, Ms. Barnes submitted mileage reimbursement requests amounting to \$408 for mileage related to these 17 classes. Obviously, since Ms. Barnes did not teach these classes, she did not drive the associated mileage to these classes.

On February 14, 1997, Ms. Barnes confirmed that on these 17 occasions individuals taught the classes for her. According to Ms. Barnes, she paid these individuals the amount she received, less any applicable taxes. Further, she stated that NSU officials knew that her graduate assistants were teaching for her. Ms. Barnes also explained that the requests she submitted for teaching in July were actually for classes she taught in June. Ms. Barnes stated that if she had submitted these requests for classes taught in June, she would have exceeded the 25 percent threshold of her gross salary for fiscal year 1995. With respect to the mileage reimbursements she received, Ms. Barnes stated that "if I didn't go, I shouldn't have received the mileage. I didn't think that through."

Dr. Harold Ledford, prior NSU Director of Continuing Education, stated that Ms. Barnes never told him that she was allowing her graduate assistants to teach her classes. Dr. Ledford could not remember if he told Ms. Barnes to date her contract to show she taught at Wren in July 1995 and not June 1995.

In addition to violating university policy, the actions described previously indicate that Ms. Barnes may have violated one or more of the following Louisiana laws:

- R.S. 14:63, "Theft"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 14:71, "Forgery"
- R.S. 40:1461, "Obligation Not to Misappropriate"

Ms. Barnes resigned her position effective May 1, 1997, and is no longer employed with NSU.

We recommend that NSU seek restitution of amounts paid to Ms. Barnes in excess of those actually earned by her. We recommend that the District Attorney for the Fourth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

**Attachment I**  
**Management's Responses**



July 14, 1997

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
P.O. Box 84387  
Baton Rouge, Louisiana 70804-9387

Re: Preliminary Draft of Investigative Audit Report

Dear Dr. Kyle:

In response to the investigative audit conducted by your office, the University concurs with the findings and is pursuing the following actions:

1. Will cooperate with The Honorable Van B. Kyrie, District Attorney for the Fourth Judicial District of Louisiana, concerning these findings and recommendations.
2. Will notify the Office of Risk Management of these findings and recommendations to establish a claim under the University's fidelity bond coverage.
3. Will notify Dr. James A. Culliver, President for University of Louisiana System, and the System Office Attorney, for any additional action they deem necessary.

The University's administration will make every reasonable effort to seek restitution of amounts determined as a result of these findings.

Sincerely,

Randall J. Webb  
President

RJW/lna

**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:

**R.S. 14:67** provides that theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the owner or the misappropriation or taking, or by means of fraudulent conduct, practices or representations.

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

**R.S. 14:72** provides that forgery is the false making or altering, with intent to defraud, of any signature or, or any part of, any writing purporting to have legal efficacy.

**R.S. 14:124** provides, in part, that malfeasance in office is committed when any public officer or public employee shall (1) intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; (2) intentionally perform any such duty in an unlawful manner; or (3) knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him or to perform any such duty in an unlawful manner.

**R.S. 14:128** provides, in part, that public payroll fraud is committed when any public officer or public employee shall carry, cause to be carried, or permit to be carried, directly or indirectly, upon the employment list or payroll of his office, the name of any person as employee, or shall pay any employee, with knowledge that such employee is receiving payment or compensation for services not actually rendered by said employee or for services grossly inadequate for such payment or compensation.

**R.S. 42:1461(A)** provides that officials, whether elected or appointed, by the act of accepting such office assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to the public entity in which they hold office.