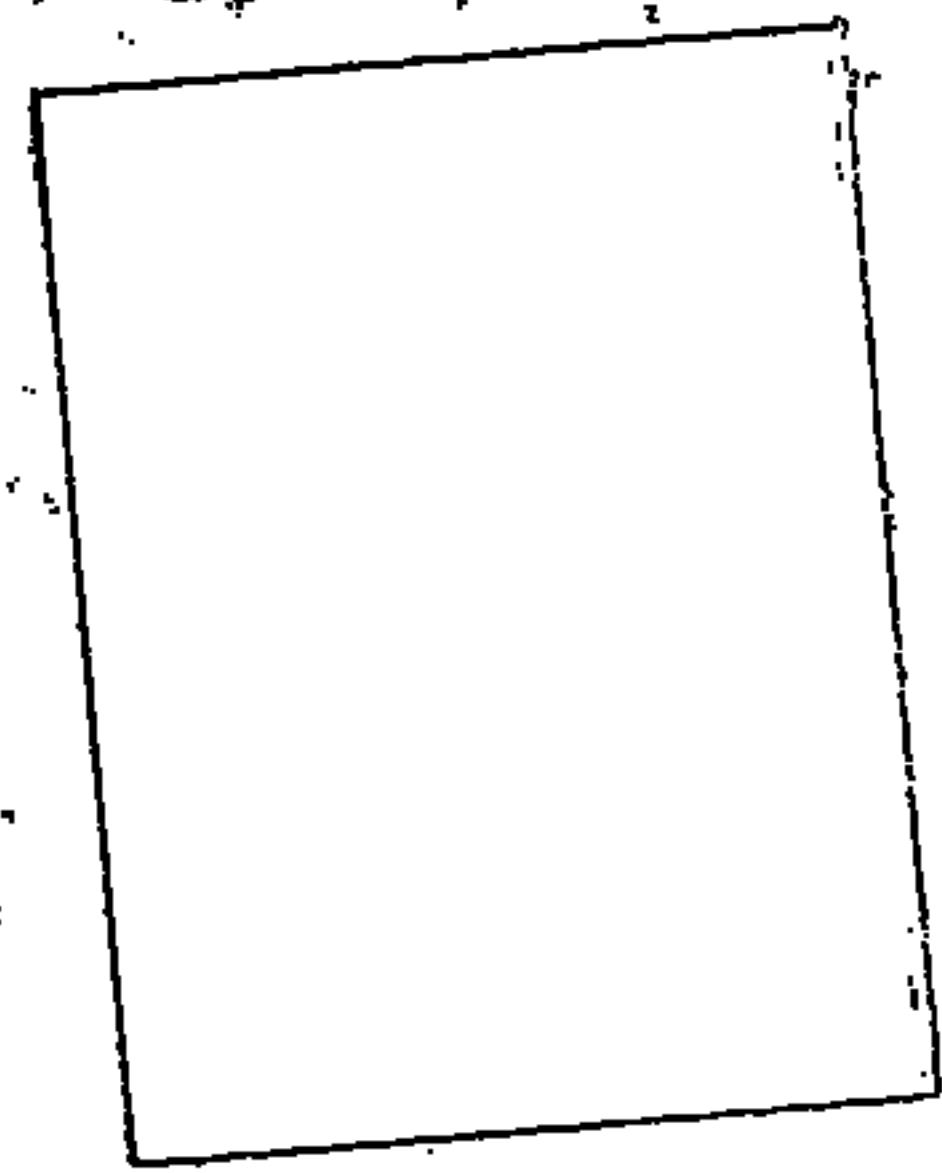


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**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**DECEMBER 31, 2003 AND 2002**

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate 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.

Release Date: 9/1/04

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CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

DECEMBER 31, 2003 AND 2002

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

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# PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants  
Management Consultants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Capital Post-Conviction Project of Louisiana

We have audited the accompanying statements of financial position of Capital Post-Conviction Project of Louisiana (a non-profit organization) as of December 31, 2003 and 2002, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Post-Conviction Project of Louisiana as of December 31, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2004, on our consideration of Capital Post-Conviction Project of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Pailet Meunier and LeBlanc, L.L.P.*

Metairie, Louisiana  
June 23, 2004

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**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**STATEMENTS OF FINANCIAL POSITION**

**December 31,**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 470,430	\$ 359,292
Grants Receivable	390,000	402,500
Employee Advances	0	1,500
Prepaid Expenses	5,049	4,292
<b>Total Current Assets</b>	<u>865,479</u>	<u>767,584</u>
<b>Property and Equipment</b>		
Equipment and Furniture	130,951	130,951
Less: Accumulated Depreciation	(55,890)	(35,677)
<b>Total Property and Equipment</b>	<u>75,061</u>	<u>95,274</u>
<b>Other Assets</b>		
Consent Judgment Receivable	46,940	44,325
Security Deposits	1,852	1,852
<b>Total Other Assets</b>	<u>48,792</u>	<u>46,177</u>
<b>Total Assets</b>	<u>\$ 989,332</u>	<u>\$ 909,035</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Grants Payable	\$ 47,500	\$ 47,988
Accrued Liabilities	977	977
Payroll Taxes Payable	841	0
<b>Total Current Liabilities</b>	<u>47,364</u>	<u>47,011</u>
<b>Contingencies</b>		
<b>Net Assets</b>		
Unrestricted	<u>941,968</u>	<u>862,024</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 989,332</u>	<u>\$ 909,035</u>

See accountant's report and notes to financial statements

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**STATEMENTS OF ACTIVITIES**

**For the years ended December 31,**

	<u>2003</u>	<u>2002</u>
<b>UNRESTRICTED NET ASSETS</b>		
Unrestricted Revenues		
Government Grants	\$ 1,080,000	\$ 950,000
Non-Government Grants	0	2,130
Total Unrestricted Revenues	<u>1,080,000</u>	<u>952,130</u>
Expenses		
Program Services	804,779	656,081
Supporting Services	198,024	219,005
Total Expenses	<u>1,002,803</u>	<u>875,086</u>
Increase in Unrestricted Net Assets Before Other Income	<u>77,197</u>	<u>77,044</u>
Other Income		
Interest Income	2,747	10
Other Income - Consent Judgment	0	44,325
Total Other Income	<u>2,747</u>	<u>44,335</u>
Increase in Unrestricted Net Assets	<u>79,944</u>	<u>121,379</u>
Increase in Net Assets	79,944	121,379
Net Assets at Beginning of Year	862,024	740,645
Net Assets at End of Year	<u>\$ 941,968</u>	<u>\$ 862,024</u>

See accountant's report and notes to financial statements

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the year ended December 31, 2003**

	<u>Total</u>	<u>Program Services</u>	<u>Supporting Services</u>
Salaries and Wages	\$ 424,673	\$ 339,739	\$ 84,934
Grants to Others	190,951	190,951	0
Expert Witness Fees	89,674	89,174	500
Investigation Expenses	45,627	45,627	0
Case Expenses - General	3,707	3,707	0
Fringe Benefits	46,681	37,345	9,336
Payroll Taxes	35,525	28,420	7,105
Accounting Fees	9,000	0	9,000
Computer Consultant Fees	18,000	0	18,000
Occupancy	54,669	43,735	10,934
Telephone	14,616	11,693	2,923
Depreciation	20,213	0	20,213
Computer Expenses	8,202	0	8,202
Office Expenses	17,871	14,382	3,489
Publications	4,074	6	4,068
Conferences and Meetings	2,907	0	2,907
Continuing Education and Dues	10,477	0	10,477
Insurance	5,936	0	5,936
Total Expenses	<u>\$ 1,002,803</u>	<u>\$ 804,779</u>	<u>\$ 198,024</u>

See accountant's report and notes to financial statements

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the year ended December 31, 2002**

	<u>Total</u>	<u>Programs Services</u>	<u>Supporting Services</u>
Salaries and Wages	\$ 374,734	\$ 299,787	\$ 74,947
Grants to Others	131,336	131,336	0
Reimbursements of Expenses	0	0	0
Expert Witness Fees	49,592	49,592	0
Investigation Expenses	52,495	52,495	0
Paralegal Fees	8,216	8,216	0
Case Expenses - General	3,093	3,093	0
Travel	0	0	0
Fringe Benefits	37,280	29,824	7,456
Payroll Taxes	29,680	23,744	5,936
Accounting Fees	25,704	0	25,704
Computer Consultant Fees	18,042	0	18,042
Professional Fees	717	0	717
Occupancy	43,906	35,125	8,781
Telephone	15,988	12,790	3,198
Depreciation	20,189	0	20,189
Computer Expenses	7,131	0	7,131
Office Expenses	22,916	1,411	21,505
Publications	15,419	8,668	6,751
Conferences and Meetings	4,393	0	4,393
Continuing Education and Dues	8,206	0	8,206
Insurance	6,049	0	6,049
<b>Total Expenses</b>	<b>\$ 875,086</b>	<b>\$ 656,081</b>	<b>\$ 219,005</b>

See accountant's report and notes to financial statements



# CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

## STATEMENTS OF CASH FLOWS

For the years ended December 31,

	<u>2003</u>	<u>2002</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 79,944	\$ 121,379
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	20,213	20,189
(Increase) decrease in operating assets:		
Grants Receivable	12,500	(12,500)
Prepaid Expenses	(757)	3,022
Security Deposits	0	0
Increase (decrease) in operating liabilities:		
Grants Payable	(488)	7,988
Accrued Liabilities Payable	841	(30,342)
Employee Advances	1,500	(1,500)
Consent Judgment Receivable	(2,615)	(44,325)
Total adjustments	<u>31,194</u>	<u>(57,468)</u>
Net cash provided (used) by operating activities	<u>111,138</u>	<u>63,911</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash payments for the purchase of property	0	(2,879)
Net cash provided (used) by investing activities	<u>0</u>	<u>(2,879)</u>
Net increase (decrease) in cash and equivalents	111,138	61,032
Cash and equivalents, beginning of year	359,292	298,260
Cash and equivalents, end of year	<u>\$ 470,430</u>	<u>\$ 359,292</u>

See accountant's report and notes to financial statements

## **CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

### **NOTES TO FINANCIAL STATEMENTS**

**For the year ended December 31, 2003**

#### **NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

##### Nature of Activities

Capital Post-Conviction Project of Louisiana (the Organization) is a non-profit corporation organized exclusively for charitable, scientific and educational purposes, including, but not limited to, providing legal representation to indigent persons in Louisiana under the sentence of death, and to providing consultation services, educational materials, and seminars to lawyers who represent indigent persons facing or under a sentence of death.

The Organization is supported primarily through government contracts and private grants and does not engage in fundraising activities.

##### Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Any other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. At December 31, 2003, the Organization has no temporarily or permanently restricted net assets.

##### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Property and Equipment

It is the Organization's policy to capitalize property and equipment with an expected life of three or more years and a cost of \$500 or more. Property and equipment are depreciated using the straight-line method over a five to ten year depreciable life.

## CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2003

#### NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Organization does not use fund accounting.

##### Contributions

The Organization has adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

##### Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

##### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

##### Concentration of Credit Risk

The Organization occasionally maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions. In 2003 the Organization entered into a security agreement with Hibernia National Bank for the collateralization of public funds in excess of federally insured limits.

# CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2003

### NOTE B - FINANCIAL ASSISTANCE

#### State of Louisiana Contracts

The Organization has been awarded grants from the Louisiana Indigent Defense Assistance Board (LIDAB) to be used exclusively to defray the expenses of establishing and maintaining a capital post-conviction office, including contract amounts for attorneys, staff, office expenses, overhead and out-of-pocket expenses. The Funds from these grants are not intended to defray, in whole or in part, the expenses associated with any trial or appeal as of right filed by or on behalf of a defendant sentenced to death. The scope of the contracts does not include litigation or proceedings arising out of or involving tort or worker's compensation.

For the year ended December 31, 2003, the following LIDAB agreements are reflected in the financial statements:

#### Contract Period July 1, 2002 through June 30, 2003

Capital Post-Conviction Project of Louisiana received a grant in the amount of \$800,000. The entire contract amount was recorded as income in 2002. Monthly installments were received from July through December, 2002, and the remaining contract amount, or \$390,000, was recorded on the Statement of Financial Position as Grants Receivable. The balance of \$390,000 was received in monthly installments from January through June, 2003.

#### Contract Period July 1, 2003 through June 30, 2004

Capital Post-Conviction Project of Louisiana received a grant in the amount of \$780,000. During the year ended December 31, 2003, the entire contract amount was recorded as income. The grant was paid in monthly installments from July through December, 2003, and the remaining contract amount, or \$390,000, is shown on the Statement of Financial Position as Grants Receivable.

#### Contract Period December 1, 2002 through June 30, 2004

Capital Post-Conviction Project of Louisiana received a grant in the amount of \$300,000 for post-conviction services on behalf of indigents in Louisiana. Payment was made in one lump sum payment during 2003.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended December 31, 2003**

**NOTE B - FINANCIAL ASSISTANCE (CONTINUED)**

State of Louisiana Contracts (Continued)

The grant funds shall be used exclusively by the CPCPL to:

- a) Provide training, consultation services, legal resource support, expert and investigative assistance, as well as miscellaneous litigation costs, for the representation of indigents in capital post-conviction proceedings related to legal issues raised in *Atkins v. Virginia*.
- b) Make funds available to resource attorneys providing capital post-conviction services to indigents and provide training and support to attorneys representing indigents in capital post-conviction proceedings on a *pro bono* basis.
- c) Acquisitions of additional office equipment, provide upgrades to software and telecommunications, supplement employee salaries and offset the cost of establishing an employee benefit program.
- d) The scope of this grant does not include litigation or proceedings arising out of or involving tort or worker's compensation.

Contract Period July 1, 2002 through June 30, 2003

An additional grant in the amount of \$25,000 was received in 2002 to provide case specific assistance in post-conviction capital defense to the lead counsel of record for the representation of the same individuals specified in the original contract. The entire contract amount of \$25,000 was recorded as income in 2002. The remaining contract balance of \$12,500 was paid in 2003.

**NOTE C - GRANTS TO OTHERS**

For the year ended December 31, 2003, the following agreements are reflected in the financial statements:

Center for Equal Justice - General Contract

Capital Post-Conviction Project of Louisiana entered into a contract agreement with the Center for Equal Justice to provide \$95,000 for legal representation in state post-conviction proceedings for indigent death-sentenced individuals in Louisiana. This contract is for the period July 1, 2003 through June 30, 2004.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended December 31, 2003**

**NOTE C - GRANTS TO OTHERS (CONTINUED)**

The entire contract amount has been recorded in 2003, and the unpaid balance of \$47,500 is reflected on the Statements of Financial Position as Grants Payable.

**NOTE D - CONTINGENCIES**

During the year ended December 31, 2003, the organization was a party to the following agreements for legal representation payable as invoiced:

Center for Equal Justice - Case Specific Contract

Capital Post-Conviction Project of Louisiana entered into an additional agreement with the Center for Equal Justice in 2002 to provide \$15,000 for legal representation of a specific Louisiana state post-conviction case at a rate of \$75 per attorney hour and reimbursement for case expenses. The amount remaining under the agreement was paid in 2003.

Danalynn Recer

During 2002, Capital Post-Conviction Project of Louisiana entered into an agreement with Danalynn Recer to provide resource assistance to appointed counsel in the Louisiana state post-conviction proceedings of two specified individuals at a rate of \$75 per attorney hour and reimbursement for case expenses, up to a maximum of \$15,000 per case, or a total of \$30,000. As of December 31, 2003, a balance of \$16,380 remains on this agreement.

Jimmy Lohman

During 2002, Capital Post-Conviction Project of Louisiana entered into an agreement with Jimmy Lohman to provide resource assistance to appointed counsel in the Louisiana state post-conviction proceedings of a specified individual at a rate of \$75 per attorney hour and reimbursement for case expenses, up to a maximum of \$15,000. As of December 31, 2003, a balance of \$9,209 remains on this agreement.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended December 31, 2003**

**NOTE D - CONTINGENCIES (CONTINUED)**

Gary Eldredge & Associates

Under this agreement between Capital Post-Conviction Project of Louisiana and Gary Eldredge & Associates, CPCPL will pay for investigative fees and expenses of the case investigation or mitigation of a specified individual. The maximum amount payable under the agreement is \$15,000. As of December 31, 2003, no funds remained under this agreement.

Neal Walker

During 2003, Capital Post-Conviction Project of Louisiana entered into an agreement with Neal Walker to provide expert and investigative services on a specified Louisiana state post-conviction case, up to a maximum amount of \$20,000. As of December 31, 2003, a balance of \$13,347 remains under this agreement.

**NOTE E - DESCRIPTION OF LEASING ARRANGEMENTS**

The Organization entered into an agreement with Elk Place Professional Plaza in 2001 for the rental of office space. The lease term expires in February, 2007. Minimum rental payments due under the lease are as follows:

2004	\$ 36,888
2005	38,065
2006	39,360
2007	<u>3,289</u>
Total	<u>\$117,602</u>

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended December 31, 2003**

**NOTE F - CONSENT JUDGMENT**

During the year ended December 31, 2002, it was discovered by CPCPL that an individual employed by their organization as Chief Financial Officer had misappropriated funds. The individual was terminated in July, 2002, admitted wrongdoing, and agreed to make restitution to CPCPL in the amount of \$44,325. Consent Judgments in this amount were secured in both Orleans Parish and Jefferson Parish against the individual and in favor of CPCPL.

As a result of the above, a Consent Judgment Receivable was booked as an Other Asset, and Income was recognized in 2002 in the amount of \$44,325. During 2003, interest in the amount of \$2,615 was added to the receivable and recorded as interest income.

**NOTE G - 401(K) PLAN**

The Organization became a participant in the ABA Members Retirement Program with an effective date of January 1, 2003. Eligible employees were allowed to make deferred compensation contributions to the plan beginning in 2003, and there were no employer contributions made during the year. All employees who have attained the age of 21 are allowed to participate.

The ABA conducted discrimination testing on the plan, and reported full compliance for the year ended December 31, 2003.



# PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants  
Management Consultants

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of  
Capital Post-Conviction Project of Louisiana

We have audited the financial statements of Capital Post-Conviction Project of Louisiana (a non-profit organization) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 23, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Capital Post-Conviction Project of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered Capital Post-Conviction Project of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our

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To the Board of Directors of  
Capital Post-Conviction Project of Louisiana

consideration on the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Except as reported in Note F, we noted no matters involving the internal control over financial reporting and its operation that we considered to be weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and grant awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Poitet, Meunier and Le Blanc, L.L.P.*

Metairie, Louisiana  
June 23, 2004

ATTACHMENT I

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**  
**AUDITOR'S COMMENTS ON AUDIT RESOLUTION MATTERS**

**For the year ended December 31, 2003**

**MISAPPROPRIATION OF FUNDS**

Observation

In July, 2002, the management of Capital Post-Conviction Project of Louisiana discovered that their Chief Financial Officer had misappropriated funds. In more than one instance, the individual had taken blank checks, with one required signature, for the purpose of paying payroll taxes, but had instead written checks to himself. The individual was the second signature on the dual signature checks. Payroll taxes were paid at a later date, incurring penalties and interest.

These instances indicate that several areas of weakness in the internal control system existed at the time of the discovery:

- Blank checks were signed by one party and were allowed to leave the premises.
- Checks were signed without supporting documentation.
- The check signing policy in existence at the time allowed checks to be signed without review of the supporting documentation.

Recommendations

- To reduce the possibility of the unauthorized use of cash, signing blank checks should be prohibited.
- The organization's check signing procedures should require that no check be signed without examination of the supporting documentation.
- Written policies should be established regarding check signing.

Management's Response

As a result of the discovery of misappropriation of funds by CPCPL management, several new controls were established in July, 2002. The organization has established new policies relating to check signing.

- All checks are now written by the project coordinator and presented with full documentation to management for signature.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**  
**AUDITOR'S COMMENTS ON AUDIT RESOLUTION MATTERS**

**For the year ended December 31, 2003**

**MISAPPROPRIATION OF FUNDS (CONTINUED)**

Management's Response (Continued)

- No check is signed by either party unless it is completely written and presented with supporting documentation.
- Bank statements are presented, unopened, to a management individual who examines the contents, including endorsements of each check. The bank statement is initialed after review, and forwarded to the project coordinator for reconciliation.
- The individual was terminated in July, 2002, admitted wrongdoing, and agreed to make restitution to CPCPL. A Consent Judgment in the amount of \$44,325 has been secured in both Orleans Parish and Jefferson Parish against the individual and in favor of CPCPL.

Conclusion

We feel that the organization has established sufficient controls over cash to prevent any future misappropriation of funds.

Current Year Status

As of December 31, 2003, restitution had not yet been made. The Consent Judgments obtained in both Orleans Parish and Jefferson Parish remain in effect. The Organization is continuing to monitor the situation, and is confident that the matter will be resolved to their satisfaction.