

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Livingston Parish Sheriff's Office  
Livingston, Louisiana

October 23, 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 Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

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# Livingston Parish Sheriff's Office

October 22, 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, CPA, CFE  
 LEGISLATIVE AUDITOR

October 22, 1997

**THE HONORABLE WILLIAM GRAVES, SHERIFF**  
**LIVINGSTON PARISH SHERIFF'S OFFICE**  
 Livingston, Louisiana

Transmitted herewith is our investigative report on the Livingston Parish Sheriff's 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 findings and recommendations, as well as your responses. Copies of this report have been delivered to the Honorable Scott M. Ferrilous, District Attorney for the Twenty-Fifth Judicial District of Louisiana, the United States Attorney for the Middle District of the State of Louisiana, and others as required by state law.

Respectfully submitted,

Daniel G. Kyle, CPA, CFE  
 Legislative Auditor

AFF/ka

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# Executive Summary

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## Investigative Audit Report Livingston Parish Sheriff's Office

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, and additional information may be found at Attachment II.

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### Former Sheriff Paid Employee for Services Not Rendered

(Page 1)

<b>Findings:</b>	Between 1984 and 1984, former Livingston Parish Sheriff Odem Graves paid Ms. Shirley Perkins approximately \$168,774 in the form of wages, insurance premiums, and pension contributions. Ms. Perkins said the payments were considered to the sheriff's office, in that she was not required to work for this money. Ms. Perkins and her former husband, Mr. Hiram Ray Perkins, stated that Sheriff Odem Graves placed Ms. Perkins on the sheriff's office payroll in exchange for Mr. Perkins assuming the sheriff's personal debt on a piece of property.
<b>Recommendations:</b>	We recommend that the District Attorney for the Twenty-First Judicial District of Louisiana and the United States Attorney for the Middle District of the State of Louisiana review this information and take appropriate legal action, to include seeking restitution.
<b>Management's Responses:</b>	Management disagrees with the finding. Management states that the property was purchased by a Louisiana Corporation, JCU, Inc. Further, management says that the finding relies on information provided by a single bank memo.
<b>Additional Information:</b>	Management's response ignores the fact that Sheriff Odem Graves, Mr. Jerry Hovess, and Ms. Susan Scott signed as buyers for JCU, Inc. Further, management's response states that the finding relies on a single bank memo. This is untrue and ignores the fact that the finding is corroborated by the statements of the principals of the finding.

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**Sufficient Documentation for Work Performed  
by Band Members Was Not Maintained****(Page 3)**

**Finding:** From 1984 to 1997, Livingston Parish Sheriff's Band members Brad Barlette, Kerry Conrad, James "Jimmy" White, and James Wright were paid \$487,669 in salary and related benefits as employees of the Livingston Parish Sheriff's Office. The sheriff's office has not provided adequate documentation supporting work performed for the payments made to these deputies.

**Recommendation:** We recommend that management establish procedures to provide adequate documentation of hours worked for all employees. Further, we recommend that the District Attorney for the Twenty-First Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

**Management's Response:** Management disagrees with this finding. Management states that although documentation for work performed may not exist, this does not prove that work was not performed.

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**Livingston Parish Sheriff's Office Used \$73,468  
of Public Funds to Purchase and Renovate  
Vehicles Used by the Livingston Parish Sheriff's Band****(Page 6)**

**Finding:** The Livingston Parish Sheriff's Office used \$33,468 in public funds to purchase and renovate a 1987 GMC moving van and a 1975 Eagle tour bus used by the Livingston Parish Sheriff's Band.

**Recommendation:** We recommend that the Livingston Parish Sheriff's Office implement appropriate policies and procedures that will ensure the safeguarding of assets of the sheriff's office. We further recommend that the District Attorney for the Twenty-First Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

**Management's Response:** Management disagrees with this finding. Management states that the vehicles referred to in the finding are not used exclusively by the bond, but serve public purposes in keeping with the sheriff's obligation to foster a positive public image.

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**Former Warden Received \$53,536 in Telephone Commission Checks Belonging to the Sheriff's Office**

(Page 7)

**Findings:** Former Warden Abo Ross of the Livingston Parish Prison received \$53,536 in telephone commissions belonging to the Livingston Parish Sheriff's Office without the consent or knowledge of management. These funds were neither recorded nor accounted for properly. Furthermore, Mr. Ross provided no documentation supporting the expenditure of \$33,577 of these funds.

**Recommendation:** We recommend that the Livingston Parish Sheriff's Office implement appropriate controls that will ensure safeguarding of the assets of the sheriff's office. We also recommend that the United States Attorney for the Middle District and the District Attorney for the Twenty-First Judicial District of Louisiana review this case and take appropriate legal action regarding these possible violations of state and federal laws, to include seeking restitution.

**Management's Response:** Management questions the inclusion of this matter in the report and states that the Livingston Parish Sheriff's Office discovered this matter and reported it to their auditors prior to the Legislative Auditor becoming involved.

**Additional Information:** It is customary that this office report all material matters that come to our attention during an audit. Although this matter had been reported to the District Attorney for the Twenty-First Judicial District in or about March 1996, no legal action has been taken as of the date of this report.

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**Former Assistant Warden Took  
Funds for Her Personal Use****(Page 8)**

<b>Findings:</b>	Ms. Nelda Glascock, former Assistant Warden of the Livingston Parish Prison, admitted taking for her personal use at least \$6,875 in funds under the custody of or belonging to the sheriff's office. Of the \$6,875 she took for her personal use, \$6,700 belonged to inmates, which had been provided to them by their families. The remaining \$175 was public funds belonging to the commissary account. Ms. Glascock stated that she borrowed money for her personal use from the inmate account, without management's knowledge, and could not determine the total amount of those funds.
<b>Recommendation:</b>	We recommend that the Livingston Parish Sheriff's Office implement appropriate policies and procedures that will ensure the safeguarding of assets both belonging to or within the control of the sheriff's office. We further recommend that the District Attorney for the Twenty-First Judicial District review this information and take appropriate legal action, to include seeking restitution.
<b>Management's Response:</b>	Management questions the inclusion of this matter in the report and states that the Livingston Parish Sheriff's Office discovered this matter and reported it to their auditors prior to the Legislative Auditors becoming involved.
<b>Additional Information:</b>	It is customary that this office report all material matters that come to our attention during an audit. Although this matter had been reported to the District Attorney for the Twenty-First Judicial District in or about March 1996, no legal action has been taken as of the date of this report.

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# Background and Methodology

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On October 27, 1995, the Office of the Legislative Auditor received allegations of possible payroll fraud on behalf of the Livingston Parish Sheriff's Office. In addition, on December 8, 1995, the Office of the Legislative Auditor received a management letter from Dean and Dean, Certified Public Accountants, concerning their audit of the Livingston Parish Sheriff's Office for the year ended June 30, 1995. The letter detailed that the warden received telephone revenues, without the knowledge of the sheriff's office, and did not deposit these revenues in the general fund. Furthermore, the warden was unable to account for approximately 330,000 of the phone revenues.

We conducted our investigation to obtain additional information regarding these allegations. Our procedures consisted of (1) interviewing employees and officials at the sheriff's office; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the sheriff's office; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable Louisiana and federal laws.

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

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# Findings and Recommendations

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## FORMER SHERIFF PAID EMPLOYEE FOR SERVICES NOT RENDERED

Between 1984 and 1994, former Livingston Parish Sheriff Odem Graves paid Ms. Shirley Perkins approximately \$385,774 in the form of wages, insurance premiums, and pension contributions. Ms. Perkins said the payments were unrelated to the sheriff's office, in that she was not required to work for this money. Ms. Perkins, and her former husband, Mr. Hines Ray Perkins, stated that Sheriff Odem Graves placed Ms. Perkins on the sheriff's office payroll in exchange for Mr. Perkins assuming the sheriff's personal debt on a piece of property.

Records examined indicate that on June 5, 1983, former Sheriff Odem Graves, Mr. Jerry Bowen, and Ms. Susan Smith purchased a tract of undeveloped property and obtained a construction loan to develop it into a trailer park. According to Mr. Hines Ray Perkins, in or about 1983, former Sheriff Odem Graves asked Mr. Perkins to relieve him (Graves) of his liability on the note on the undeveloped property and to assume his (Graves) ownership interest in the property. Mr. Perkins stated that in exchange, Sheriff Graves promised to provide approximately \$700 per month plus health insurance coverage for Ms. and Mr. Perkins for the rest of their lives.

By a memorandum to the Livingston Parish Sheriff's Office (LPSO) payroll department dated December 15, 1983, Sheriff Odem Graves and Chief Civil Deputy Ronald Moore authorized Ms. Perkins to receive \$750 per month from LPSO. Sheriff Graves' monthly liability under the note on the trailer park property was \$750.

A loan memorandum dated April 24, 1984, prepared by Mr. Robert Hesterly, former president of First National Bank of Denham Springs, revealed that former Sheriff Graves wanted to be relieved of his responsibility under the note, and that Ms. Perkins was assuming liability for Graves' share of ownership and assumed financial responsibility for the note.

In a signed statement, Ms. Perkins stated that she was not required to work for the \$750 monthly salary she received. She explained that these LPSO paychecks were actually payments for the business deal between Sheriff Odem Graves and Mr. Perkins. Ms. Perkins received checks from December 15, 1983, to February 28, 1992, a period of more than eight years. She also received checks from September 1, 1993, through April 15, 1994. Further, the LPSO continued to pay Ms. Perkins' insurance premiums until November 1994, seven months after her April 1994, resignation.

Ms. Perkins explained that on a couple of occasions, deputies brought the paychecks to her; however, the majority of the checks were mailed. In addition, Chief Civil Deputy Mena stated that payroll checks were mailed before January 1995. Ms. Perkins also explained that in the first eight years she was receiving a payroll check, she worked approximately thirty days. In the last eight-month period she received a payroll check, she worked every Friday, which amounted to 33 days.

Mr. Perkins stated that Ms. Perkins was not required to work for these payments. In addition, he explained that the payments were interrupted because Sheriff Odem Graves told Mr. Perkins that it was not right. Mr. Perkins stated that he approached Sheriff Odem Graves and discussed the future payments and Sheriff Graves agreed that the payments would continue, but Ms. Perkins needed to work each Friday.

Mr. Perkins further explained that after he assumed Sheriff Odem Graves' liability under the note, he realized that he was under the mistaken impression that the construction mortgages that he assumed were used to pay for the electrical equipment, server systems, and the paved driveway. Mr. Perkins stated that he learned that none of these had been paid for. Mr. Perkins further explained that he lost over \$28,000 on the trailer park.

Ms. Nellie Glascock, Former Assistant Warden of the Livingston Parish Prison, stated that Ms. Perkins worked approximately thirty days at the prison and never showed up for work again. She explained that at first, she informed the LPSO every time Ms. Perkins did not show up for work. Ms. Glascock further stated that Deputy Wayne Sanders told her that this was "the sheriff's baby" and "that is his problem." She said that after this, Ms. Perkins continued to miss work, and Deputy Sanders told her to leave it alone. Deputy Sanders told us that he was not aware of Ms. Perkins not working and does not remember anyone informing him of this.

Former Warden Abe Ross told us that he also informed officials at the sheriff's office on at least two or three occasions that Ms. Perkins was not working. He said nothing was done about it so he contacted Ms. Perkins and had her sign a resignation letter dated May 6, 1994.

The actions described above indicate possible violations of the following state and federal laws:

- R.S. 14:28, "Criminal Conspiracy"
- R.S. 14:63, "Theft"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 14:138, "Payroll Fraud"
- R.S. 42:1461(A), "Obligation Not to Misappropriate"

- 18 U.S.C. §1341, "Conspiracy"
- 18 U.S.C. §666, "Theft"
- 18 U.S.C. §1341, "Mail Fraud"

We recommend that the District Attorney for the Twenty-Fourth Judicial District of Louisiana and the United States Attorney for the Middle District of the State of Louisiana review this information and take appropriate legal action, to include seeking restitution.

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#### **SUFFICIENT DOCUMENTATION FOR WORK PERFORMED BY BAND MEMBERS WAS NOT MAINTAINED**

From 1984 to 1997, Livingston Parish Sheriff's Band members Brad Bardette, Kerry Conrad, James "Jimmy" White, and James Wright were paid \$487,468 in salary and related benefits as employees of the Livingston Parish Sheriff's Office. The sheriff's office has not provided adequate documentation supporting work performed for the payments made to these deputies.

Sheriff William Graves legally incorporated the Livingston Parish Sheriff's Band on June 20, 1990; however, the band has existed since 1977. According to Sheriff Graves, the band is a separate entity from the sheriff's office and maintains its own set of records. A review of the corporate records maintained by the Secretary of State indicated that all corporate officers are employees of the sheriff's office. Sheriff Graves is listed as president, Chief Civil Deputy Ronald Mense is the secretary, and Deputy Sherry Palmer is the treasurer. The members of the band are Sheriff William Graves and deputies Danny Harrell, Steve Spencer, Brad Bardette, Doug Owens, Jimmy White, Kerry Conrad, and James Wright.

Sheriff William Graves explained to us that deputies who were also band members did not receive extra compensation, benefits, or privileges for playing in the band. However, we spoke with Mr. Kenny Cobb, a former band member, who explained that he was paid extra for playing in the band. In addition, he stated that he was given a day off during the week if he had to play on weekends.

We interviewed former band members Brad Bardette, Kerry Conrad, Jimmy White, and James Wright. All four former band members are part-time deputies with other full-time jobs. These part-time employees are paid full-time benefits including health insurance and pension benefits. These employees prepared no time sheets or attendance log sheets to document the hours they worked. Sheriff William Graves said the only documentation showing these individuals worked for the sheriff's office is the books of served papers and the dispatch logs.

We interviewed radio dispatchers who informed us that these part-time band members were not assigned dispatch numbers until April 1997 (the month our investigation began). In addition, the radio dispatchers did not remember dispatching deputies Kerry Conrad, Brad Burdette, or Jimmy White. The dispatchers stated that if any of the above individuals worked, their names would appear in the dispatch logs every time they were dispatched. Furthermore, Civil Deputy Supervisor Danny Barrell stated that the deputies were not assigned civil routes before April 1997.

#### Mr. Jimmy White

On April 18, 1997, Mr. Jimmy White explained to us that he worked 2 to 3 days per week at the sheriff's office. Each shift lasted 4 to 5 hours. However, between January 1984 and March 1993, we found documentation indicating that he served papers on approximately 49 days. During this time, he was paid approximately \$246,024 in salary and related benefits. In the period after our investigation began, we noted documentation evidencing a dramatic increase in the number of days worked by Mr. White—approximately 50 days in a four-month period.

On August 21, 1997, Mr. White told us that he worked about 5 to 6 days per month at the sheriff's office. In addition, he played in the band. He stated that his office hours are acceptable to management because the band takes up a lot of time.

#### Mr. James Wright

On July 30, 1997, Mr. James Wright told us that he worked an 80-hour month at the sheriff's office in addition to playing in the band. However, between January 1985 and April 1997, we were able to document that Mr. Wright's name appeared in the dispatch logs on 13 days. During this time, he was paid approximately \$99,260 in salary and related benefits (excluding pension). After our investigation began, we noted that Mr. Wright worked approximately 7 days in a four-month period.

On August 21, 1997, Mr. Wright told us that he did not work that often at the sheriff's office. He stated that he normally worked approximately 3 to 5 days per month at the sheriff's office, in addition to playing in the band. Each shift lasted approximately 2 hours. He said that Sheriff Graves was not too hard on him about office hours because he knew the band took up so much time. Mr. Wright has been employed since September 1988, and through April 1997 was paid \$832,746.

Mr. Wright told us that at first when he played in the band Sheriff William Graves paid him \$20 to \$30 per performance. Later, Sheriff Graves hired him as a part-time deputy, and he no longer received cash payments.

**Mr. Kerry Conrad**

On August 21, 1997, Mr. Kerry Conrad told us that he works approximately 20 to 25 hours per month in the sheriff's office. This includes the time he spends playing in the band. Mr. Conrad said that the band took up a lot of his time. Mr. Conrad stated, "I've got kids. I don't have a lot of time to put in up there."

We found documentation that Mr. Conrad transported prisoners on 2 days during the period May 1993 through April 1997. During this time, Mr. Conrad was paid \$72,358 in salary and related benefits.

**Mr. Brad Burdette**

On July 7, 1997, Mr. Brad Burdette told us that he was required to work an 80-hour month, and this did not include his time spent playing in the band. He also told us that he works during the week and does not get home until 10:30 p.m. or 11:00 p.m.

According to the books of served papers and the dispatch logs, we found evidence that Mr. Burdette served papers or was dispatched on approximately 10 days between March 1995 and April 1997. During this time, it appears he was paid \$36,543 in salary and related benefits. However, since we began our investigation, we found documentation that Mr. Burdette worked approximately 46 days in a four-month period. On August 21, 1997, Mr. Burdette explained to us that in addition to playing in the band, he works at the sheriff's office on an as-needed basis. He stated that he does not know how often he works at the sheriff's office.

We compared the hourly pay of part-time band members to other full-time office employees with comparable duties. Full-time employees work more than 160 hours per month. These full-time employees are paid \$9.86 to \$10.71 per hour, excluding benefits. Two part-time band members, based on the hours they stated they worked, are paid \$40 and \$100 per hour, excluding benefits. Further, we have not found documentary evidence to support the hours these individuals stated they work.

On May 27, 1997, approximately one month after we began our investigation, Sheriff William Graves announced the dissolution of the band citing band members' desire to spend more time with their families.

The above actions indicate possible violations of R.S. 42:146(1A), "Obligation Not to Misappropriate" and Article 7, Section 14 of the Constitution of the State of Louisiana, "Donation of Public Assets."

We recommend that management establish procedures to provide adequate documentation of hours worked for all employees. Further, we recommend that the District Attorney for the Twenty-First Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

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**LIVINGSTON PARISH SHERIFF'S OFFICE USED  
\$73,468 OF PUBLIC FUNDS TO PURCHASE  
AND RENOVATE VEHICLES USED BY THE  
LIVINGSTON PARISH SHERIFF'S BAND**

The Livingston Parish Sheriff's Office used \$53,468 in public funds to purchase and renovate a 1987 GMC moving van and a 1975 Eagle tour bus used by the Livingston Parish Sheriff's Band.

On June 17, 1993, the sheriff's office purchased a 1975 Eagle tour bus from Christ Chapel Church for \$7,500. The sheriff's office rebuilt the engine, renovated, and repainted the bus for an additional \$53,704.

On June 30, 1993, the sheriff's office purchased a 1987 GMC moving van from Ryder Truck Rental, Inc., for \$7,824. The moving van was repaired, sanded, and painted at Salem Ridge Iron Converters. Salem Ridge was unable to provide us with documentation for the amount spent on the moving van; however, they were able to provide us with an estimate in the range of \$3,500 to \$3,900. On January 26, 1994, the sheriff's office paid Kabel Design \$640 to print "Livingston Parish Sheriff's Band" on the sides and back of the van.

Former band member Mr. Steve Spencer stated that the Livingston Parish Sheriff's Band traveled in the tour bus and the moving van. In addition, he stated that he usually drove the moving van to the band's performances. Mr. Spencer stated that the band used the moving van to transport its equipment to and from performances. Deputy Ronnie Stewart and Steve Spencer stated that the tour bus was used to transport individuals to and from church services and other activities.

The Livingston Parish Sheriff's Band is a private nonprofit organization that was incorporated on June 20, 1990. Sheriff William Graves and former band members, Mr. Danny Harrell and Mr. Steve Spencer, told us that the band is a separate entity and not a division of the sheriff's office.

The above actions indicate possible violations of the following Louisiana laws:

- R.S. 14:114, "Malfeasance in Office"
- R.S. 42:1461(A), "Obligation Not to Misappropriate"
- Article 7, Section 14 of the Louisiana Constitution, "Donation of Public Assets"

We recommend that the Livingston Parish Sheriff's Office implement appropriate policies and procedures that will ensure the safeguarding of assets of the sheriff's office. We further



recommended that the District Attorney for the Twenty-First Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

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### **FORMER WARDEN RECEIVED \$53,536 IN TELEPHONE COMMISSION CHECKS BELONGING TO THE SHERIFF'S OFFICE**

Former Warden Abe Ross of the Livingston Parish Prison received \$53,536 in telephone commissions belonging to the Livingston Parish Sheriff's Office without the consent or knowledge of management. These funds were neither recorded nor accounted for properly. Furthermore, Mr. Ross provided no documentation supporting the expenditures of \$32,577 of these funds.

From August 1986 through December 1994, Mr. Abe Ross received and kept approximately \$53,536 of sheriff's office funds without the consent or knowledge of management. Mr. Ross received these funds as a result of telephone contracts he negotiated on behalf of the parish prison with AT&T, Bell South, and LAFA-Communications (Telecommunications), Inc. According to former Sheriff Odson Graves and Chief Civil Deputy Ronald Morse, Mr. Ross was never authorized to enter into these contracts, nor did the sheriff's office have any knowledge of the contracts until January or February 1995.

The contracts entered into by Mr. Ross provided for the installation of inmate pay phones at the prison. The parish prison was to receive a commission based on total revenue to the phone companies. It was not until January or February 1995 that the sheriff's office became aware of these contracts. According to former Sheriff Graves and Chief Civil Deputy Morse, telephone companies began soliciting the sheriff's office for business and offering them financial incentives. At this time, the sheriff's office began an internal investigation regarding this matter and found that Mr. Ross was receiving funds and was neither recording nor properly depositing the money into the sheriff's office accounts.

Former Assistant Warden Nella Glascock informed us that Mr. Ross told her not to tell anyone he was receiving telephone commissions. Deposits also told us that no one other than Mr. Ross was allowed to handle the telephone money. The checks were received in the mail and, according to current and former employees, were cashed from the inmate commissary funds. The cash was given to Mr. Ross. According to Mr. Ross, he kept the cash in his desk drawer and used some of it to replace shortages in the prison accounts. Although Mr. Ross collected \$53,536 in telephone commissions on behalf of the sheriff's office, he did not establish a bank account in which to deposit and safeguard these funds or to track the expenditures of these funds.

Dean and Dean, Certified Public Accountants, performed an audit of the telephone revenues for the year ended June 30, 1995. Mr. Ross provided the auditors with \$19,959 of receipts

supporting the expenditure of the phone commissions. According to Chief Civil Deputy Ronald Morse, \$1,236 of these receipts had previously been reimbursed through the general fund and thus did not support expenditures of telephone revenues. Furthermore, Mr. Morse told us that \$1,824 of these receipts were on the same type of blank receipts that were found in Mr. Ross's desk.

Based on records from AT&T, Bell South, and Telecommunications, as well as documents gathered from the sheriff's office, Mr. Ross received approximately \$33,535. These funds were never deposited into the sheriff's office account, nor was Mr. Ross authorized to keep or receive these funds. Relying on the receipts supplied by Mr. Ross (despite the points of contention brought out by Mr. Morse), \$33,577 in expenditures is unsupported. By Mr. Ross receiving and keeping these funds without authorization, and then not being able to account for their expenditures, he may have violated one or more of the following provisions of state and federal laws:

- R.S. 14:67, "Theft"
- R.S. 14:68, "Unauthorized Use of a Movable"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 42:1481(A), "Obligation Not to Misappropriate"
- Article 7, Section 14 of the Louisiana Constitution, "Disposition of Public Assets"
- 18 U.S.C. 1341, "Mail Fraud"

We recommend that the Livingston Parish Sheriff's Office implement appropriate controls that will ensure safeguarding of the assets of the sheriff's office. We also recommend that the United States Attorney for the Middle District and the District Attorney for the Twenty-First Judicial District of Louisiana review this case and take appropriate legal action regarding these possible violations of state and federal laws, to include seeking restitution.

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#### **FORMER ASSISTANT WARDEN TOOK FUNDS FOR HER PERSONAL USE**

Ms. Nikki Glascock, former Assistant Warden of the Livingston Parish Prison, admitted taking for her personal use at least \$6,875 in funds under the custody of or belonging to the sheriff's office. Of the \$6,875 she took for her personal use, \$4,700 belonged to inmates, which had been provided to them by their families. The remaining \$175 was public funds belonging to the commissary account. Ms. Glascock stated that she borrowed money for her personal use from the inmate account, without management's knowledge, and could not determine the total amount of those funds.

Ms. Glascock was employed at the sheriff's office from November 1983 through February 1985. She explained that the families of inmates would visit the inmates and bring them money usually in the form of cash to use at the inmate commissary. The inmates were only allowed to keep \$30 to \$40 cash on them, so they would give Ms. Glascock the cash to deposit for them. Ms. Glascock said she was supposed to record the cash on the inmate's card, and then deposit it; however, she did not always record the cash on the inmate's card, or deposit it into the bank. Ms. Glascock said that by not recording all of the cash she received, she was able to take cash without anyone's knowledge. For example, if the inmate gave her \$500 to deposit, she would make a deposit for \$400 and keep \$100 for her personal use. She said that when an inmate wanted to withdraw cash, she would give him another inmate's cash that she had not deposited.

Ms. Glascock stated that she could not determine how much money she took from the inmate account; however, she remembered the following four occasions:

- On one occasion, Ms. Glascock said that she took \$1,500 from the inmate account and gave it to a houseguest. Ms. Glascock said she repaid this money.
- Ms. Faye Williams, former employee of the sheriff's office, reconciled the inmate account. The account was approximately \$1,800 short. Ms. Glascock informed us that Ms. Williams withdrew money from her children's savings accounts to replace this money. Ms. Williams told us that Warden Abe Ross approached her and told her that he would lose his job if anyone found out about the shortage. Ms. Williams confirmed that she took money from her children's savings accounts to correct this shortage. She stated that Warden Ross later reimbursed her from the telephone roomans. Ms. Glascock told us that she (Glascock) probably took this money and had not had a chance to pay it back.
- On another occasion, Ms. Glascock took approximately \$5,200 from the inmate account. While the sheriff's office was conducting its investigation in early February 1985, the sheriff's office attempted to reconcile the inmate account and found it was \$1,200 short. Ms. Glascock said that she took this money over a period of time and had not paid it back. She resigned and told the sheriff's office she would repay this money upon its request. She stated that she repaid this money on June 28, 1986.
- Finally, Ms. Glascock said she recalled taking \$175 from the commissary account. Ms. Glascock said that she paid this money back.

The above actions by Ms. Glascock indicate possible violations of the following Louisiana laws:

- R.S. 14:67, "Theft"
- R.S. 14:68, "Unauthorized Use of a Movable"
- R.S. 14:134, "Malfeasance in Office"

- R.S. 42:1461(A), "Obligation Not to Misappropriate"
- Article 7, Section 14 of the Louisiana Constitution, "Donation of Public Assets"

We recommend that the Livingston Parish Sheriff's Office implement appropriate policies and procedures that will ensure the safeguarding of assets both belonging to or within the control of the sheriff's office. We further recommend that the District Attorney for the Twenty-First Judicial District review this information and take appropriate legal action, to include seeking restitution.

Management's responses to these findings and recommendations may be found at Attachment I. See Attachment II for further information provided by this office.

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

**EASTERLY E. PITTMAN**  
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**HAND DELIVERED**

Dr. Daniel G. Kyle  
Legislative Auditor  
1880 North Third Street  
Baton Rouge, Louisiana

Dear Dr. Kyle:

On behalf of Odom Graves and Willie Graves, I submit their formal response as requested by your letter of October 1, 1997.

Sincerely yours,



Eric L. Pittman

ELPitt

Enclosure

PRELIMINARY TO RESPONSE BY FORMER SHERIFF ODOM GRAVES  
AND SHERIFF WILLIE GRAVES TO LEGISLATIVE  
AUDITOR'S AUDIT REPORT

The findings of this audit are inaccurate and untrue. They represent the preconceived opinions of an investigator in the office of the legislative auditor. That investigator had formed his opinions, twisted the facts to support those opinions, and evidenced a complete disregard of objectivity and a lack of interest in other information that could more accurately and objectively lead to appropriate findings. We were told by the investigator that the complaint was an anonymous letter received on October 27, 1993. This was six (6) days after Sheriff Willie Graves' election to the office of Sheriff of Livingston Parish. Former Sheriff Odom Graves was never contacted by anyone from the auditor's office.

We never questioned the auditor's right to investigate, merely the methods and the tactics that were employed by this investigator. Our concerns about the conduct of this audit were expressed in May to members of the legislature. We continued to express our concerns to senior management in the office of the legislative auditor and individual legislators during the course of this investigation. This investigator never intended to be objective as evidenced by his statement on May 19, 1993, "There's something rotten there. I told Tracy that the first day we were here." This statement, along with other conduct of this investigator, shows his lack of objectivity. Answers to questions that did not comport to the conclusions already drawn by this

Investigator were ignored and twisted. The persons interviewed were often intimidated and told untruths by the investigator. This investigator's tactics were, at best, unprofessional and, at worst, violative of state laws.

We did not think then, nor do we think now, that the Investigator ever fully intended to conduct a fair and impartial examination of this office. We did not believe then, nor do we believe now, that the investigator ever fully understood (or, more likely, never wanted to understand) the organizational structure of this office's operation, the public benefit, purpose, and good will generated by years of honest and honorable public service.

This investigator continued to make conclusory statements that were in error and, when corrected, those corrections were ignored. We hope that the Legislative Auditor will give consideration to all of the information given to his investigator before issuing his final report.



RESPONSE TO THE LEGISLATIVE AUDITOR'S FIRST FINDING

Former Sheriff Paid Employee For Services Not Rendered

This finding is simply untrue. Ms. Perkins was terminated on February 29, 1992 for her failure to perform her job duties, her failure to show up for work, and her continual absenteeism.

This information was documented in Ms. Perkins' personnel file and the investigator has chosen to either ignore that information or disregard that information.

Ms. Perkins was hired in December, 1983, as a licensed practical nurse for the Livingston Parish Jail. This facility had opened in March of 1983 and the Sheriff's office had need of an on-site licensed practical nurse in the Livingston Parish Jail. Her hiring was unrelated to any business dealings between her then husband, Hines Ray Perkins, and former Sheriff Odon Graves.

Following her termination, she was rehired in September, 1993, on her assurance that she would perform her duties as assigned to her. Again, Ms. Perkins failed in that regard and was asked to resign in May, 1994.

The investigator chose to assemble incomplete data or chose to ignore the data, if he discovered it, that would have reflected the following:

1. The transaction reported by the investigator was properly purchased by a Louisiana corporation, JOJ, Inc., on June 10, 1981. This transaction was recorded on December 29, 1981 at Conveyance Book 363, Page 224 of the official conveyance records for the Parish of Livingston.
2. JOJ, Inc. obtained a line of credit secured by a collateral mortgage dated September 30, 1982 in the

amount of \$180,000.00. This collateral mortgage is recorded at map 107, Page 588 of the official mortgage records for the Parish of Livingston.

3. JCI, Inc. sold the property to Hines Ray Perkins and Shirley West Perkins by an act of cash sale dated November 8, 1984. The consideration was \$155,659.79 cash. This transaction is recorded at Conveyance Book 428, page 488 of the official conveyance records for the Parish of Livingston.
4. Mr. and Mrs. Perkins financed this purchase by obtaining a loan with Commercial Federal Savings & Loan Association in the amount of \$177,500.00. This loan was secured by an act of mortgage dated November 8, 1984 and recorded at Amortization Book 74, page 122 of the official mortgage records for the Parish of Livingston.
5. By an act of sale with assumption of mortgage, Mr. and Mrs. Perkins sold this property to William Jack Moore, Jr. and Violet Carr Moore. This instrument is dated February 28, 1986 and is recorded at Conveyance Book 467, Page 87 and Mortgage Book 361, page 409 of the official records of the Clerk and Recorder for the Parish of Livingston. This instrument reflects that the balance that was assumed was \$151,223.66.

Mrs. Perkins was employed for almost one year prior to the purchase of the property. It was sold by the Perkins' some six years prior to her first termination.

An amortization calculation of the Commercial Federal loan to the Perkins' does not support the conclusion reached by the investigator relying upon a single bank memo, the acquisition of which may have violated state and federal law.

This investigator chose to ignore this information because it did not fit his preconceived opinion.

RESPONSE TO THE LEGISLATIVE AUDITOR'S SECOND FINDING

Deficient Documentation For Work Performed  
By Paid Members Was Not Maintained

This finding is binary and misleading. It is suggestive of some wrong because of the absence of or the failure to adequately document work performed by salaried employees. Then, based on the documentation that was found, incredible assumptions and calculations are submitted by the audit report.

The emphasis on the absence of documents unfairly concludes that the work did not happen. An objective finding could just as readily contrast this as an imperfect system and suggest better document procedures as opposed to the leap made by the report to conclude or suggest criminal wrongdoing.

The Livingston Parish Sheriff's office has operated on the premise that the full and part-time salaried employees were and are hired to perform certain jobs and tasks. This is in keeping with the obligation to serve, protect, and defend the people of Livingston Parish. These employees were and are categorized as full-time or part-time. No time cards or sign-in sheets were required for any employee. All deputies were essentially on 24-hour per day call. There was a general, unwritten policy, that employees get in the time required to perform the duties and functions required to "get the job" done. Annual leave, sick leave, personal leave were all matters governed by the honor system of "do not abuse". The limitation on this policy was extreme abuse that were dealt with when and as occasionally arose. This

avoided budget restraints that could arise from excessive overtime. The authority to fix salaries and assign duties is within the Sheriff's legal authority.

This policy, more recently, has been tightened because of an hour and wage dispute with the United States Department of Labor. Still, the policy was not and is not perfect in documenting time worked by all employees, part-time or full-time, salaried or hourly. This organizational structure was recounted to the investigator and no weight was given to it.

The investigator chose to ignore the commitment of Livingston Parish Sheriff Deputies to their full and part-time duties who also played with the Livingston Parish Sheriff's Band. This group of men (law enforcement and peace-keeping officers with musical talent) have generated good will, positive public relations, civic pride and public economic benefits within their parish, the state and the region while at the same time performing their duties as deputy sheriffs. Each member of the band performed the full and part-time duties for which they were hired. The investigator chose to take something good and imply that it is bad. He refused to consider all information that was pointed out to him that could have completed the broader picture that he was disinclined to accept.

The termination of the band as well as the organizational changes for civil process serving were all changes contemplated when Sheriff Willie Graves took office in July of 1994. These were just two of many changes that have been and are being phased in under the new sheriff.

Discussions of the civil process section changes had occurred during the latter part of the administration of Sheriff Odon Graves. The implementation was planned and discussed, as reflected by staff meeting minutes, prior to the implementation of this change on April 2, 1997.

The Band had played for almost twenty years. In fact, the 20th anniversary would have been October of 1993 (The Livingston Parish Fair). Discussions about cessation of the band had occurred right after Sheriff Millie Graves' election. Timing, however, had to consider future bookings. Some discussion occurred about the last performance being the Livingston Parish Fair (the site of the first performance). However, since no bookings were in place for June or July, the decision was made to make the last performance the May 17, 1997 Immaculate Conception Catholic Church Fair.

The investigator, despite this information, chose to gratuitously suggest some sinister conclusion because these changes, planned many months ahead, took place after the alleged start of this audit. That conclusion is simply untrue.

RESPONSE TO THE LEGISLATIVE AUDITOR'S THIRD FINDING

Livingston Parish Sheriff's Office Used \$73,466  
of Public Funds to Purchase and Renovate Vehicles  
Used by the Livingston Parish Sheriff's Band

This finding is incomplete and inaccurate. It is indicative of the conclusory statements made by investigators in this matter and suggest non-public purpose. The vehicles were used for public purposes, including use by the band. When those statements were corrected, they were ignored. The investigator failed to look to available information that could have led them to the appropriate conclusion.

The statement suggests use only by the band. That conclusion is untrue. These vehicles were used for public purposes for the public benefit in keeping with the Sheriff's office's obligation to foster a positive image and a harmonious relationship with the public. These vehicles have always been used for public purposes and for public benefit.

This finding further implies that the Livingston Parish Sheriff's Band did not serve a public benefit or a public purpose. Had the investigator chosen to go to many of the retired persons associations, nursing homes, church groups, schools, civic organizations, other non-profit organizations, and individuals in this parish, they would have learned that these vehicles, as well as the band, served a public purpose, benefitted the economy of this parish, the civic interest of this parish, and had a

beneficial social impact on all of the people and communities of this parish.

The impression given by this finding that the vehicles were used exclusively by the Livingston Parish Sheriff's Band and did not serve a public purpose is quite simply untrue.

**RESPONSE TO THE LEGISLATIVE AUDITOR'S**

**FOURTH AND FIFTH FINDINGS**

Former Warden She Hess received \$13,534 in telephone commission checks belonging to the Sheriff's office

Former Assistant Warden Jack Farris for Her Personal Use

Both of these matters were discovered by the Livingston Parish Sheriff's office in February, 1995. The Livingston Parish Sheriff's office reported these matters to their internal auditors, Dean & Dean, CPA's. An audit was conducted and the findings reported to the Legislative Auditor. We question the inclusion of these findings in this report.

An investigation and an audit of the accounts was conducted internally by the Livingston Parish Sheriff's office and the Sheriff's office CPA's during February and March, 1995. All of this information was delivered to the office of Mr. Duncan Kemp, then the District Attorney for the Twenty-First Judicial District Court, Parish of Livingston. The information was also delivered to the Legislative Auditor. This delivery has been verified and documented by correspondence.

Internal controls have been in place to better oversee and manage telephone communications since the discovery of this problem over two years ago.



**Attachment II**  
**Additional Information**

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# Additional Information

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Management's response is indicative of the attitude and obstacles this office encountered during the performance of our investigative audit. There were no less than two investigative auditors working on this audit at all relevant times, not one as management's response would lead the reader to believe.

## **Former Sheriff Paid Employee for Services Not Performed**

The response to the first finding states that a "Louisiana Corporation, JDI, Inc.," purchased the property on June 10, 1981, and cites the Conveyance Book entry. The response ignores the fact that Conveyance Book 347, page 107, clearly shows that the property was initially purchased on June 5, 1981, by former Sheriff Odion Grimes, Mr. Jerry Howson, and Mr. Susan Scott. On June 10, 1981, these individuals purportedly sold the property to JDI, Inc. The response fails to point out that former Sheriff Odion Grimes, Mr. Jerry Howson, and Ms. Susan Scott, the same three individuals, signed as buyers for JDI, Inc. In addition, the response fails to address the fact that the Louisiana Secretary of State has no record of a corporation named JDI, Inc.

The response also fails to acknowledge statements made by Ms. Perkins, Mr. Perkins, the former warden, and the former assistant warden and other documentation that appears to corroborate these individuals' statements.

## **Former Warden Received \$53,536 in Telephone Commission Checks Belonging to the Sheriff's Office**

and

## **Former Assistant Warden Took Funds for Her Personal Use**

It is customary that this office report all material matters that come to our attention during an audit. Although these matters were referred to the District Attorney for the Twenty-First Judicial District on or about March 1990, no legal action has been taken as of the date of this report.

**Attachment III**  
**Legal Provisions**

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# Legal Provisions

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

**R.S. 14:26** provides that criminal conspiracy is the agreement or combination of two or more persons for the specific purpose of committing any crime; provided that an agreement or combination to commit a crime shall not amount to a criminal conspiracy unless, in addition to such agreement or combination, one or more of such parties does an act in furtherance of the object of the agreement or combination.

**R.S. 14:57** 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.

**R.S. 14:68** provides 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.

**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. 14:138** provides, in part, that 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 employer's 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. 42:146(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 things of value belonging to the public entity in which they hold office.

Article 7, Section 14 of the Louisiana Constitution provides that except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

18 U.S.C. §371, "Conspiracy" states that if two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined under this title or imprisoned not more than five years, or both.

18 U.S.C. §666 provides, in part, that "Theft" concerning programs receiving federal funds occurs when an agent of an organization, state, local, or Indian tribal government or any agency thereof embezzles, steals, obtains by fraud, or otherwise intentionally misapplies property that is valued at \$5,000 or more and is owned by or under control of such organization, state, or agency when the organization, state, or agency receives in any one year period, benefits in excess of \$10,000 under a federal program involving a grant contract, or other form of federal assistance.

18 U.S.C. §1342, "Mail Fraud" provides, in part, that mail fraud is having devised or intended to devise any scheme to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises for the purpose of executing such scheme or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or takes or received therefrom, any such matter or thing, or knowingly causes to be delivered by mail according to the direction thereon.