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STAN J. WAGUESPACK

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INDEPENDENT AUDITOR'S REPORT ON MISAPPROPRIATION OF FUNDS

Honorable Thomas P. Mabile
Assumption Parish Sheriff
Napoleonville, Louisiana

As you know, I have been investigating an apparent misappropriation of funds at the Assumption Parish Sheriff's Office, at your request, and as an extension of my audit of the Assumption Parish Sheriff's General-Purpose Financial Statements for the year ended June 30, 1997. I was informed, just prior to the start of the investigation the Police Jury was complaining that the expected funds or receipts from the Bond Fund which are disbursed to the Criminal Court Fund were apparently less than anticipated. As a result, questions arose as to why the disbursements received from the Bond Fund for the criminal court fund was less than anticipated. Many reasons were given for why the disbursements were less than expected. At this time it appears the reason for the apparent lack of funds being disbursed is due to not settling the Bond Fund on a current basis. It also appears that the Bond Fund received all monies due the fund and that all monies received are in the process of being settled or have been settled.

The investigation began when the finance officer, Mr. Pat Jeffries was reviewing certain deposits and receipts in the Bond Fund, and found, what he thought was a misappropriation of funds by the individual who was making the deposits for this fund. I was informed that the finance officer, apparently thought that the secretary had taken certain checks or money orders received in the mail etc. and placed them in the Bond Fund for cash and then pocketed the monies and that the reason why the Criminal Court Fund was not receiving the expected monies from the Bond Fund. This allegation centered around a \$1000.00 check with apparently no receipt for a \$1000.00. Upon further investigation it was found that the check covered various receipts and was in order.

After discussions with the Sheriff, Mr. Pat Jeffries, finance officer of the Assumption Parish Sheriff, Sheila Landry, employee of the Sheriff's Office, and Lonny Cavalier, Chief Detective of the Sheriff's Office, I suggested that we go to the bank and request the bank to furnish us with copies of money orders and checks which were included in certain selected deposits of the Bond Fund. This was done for the purpose of determining specifically what checks and money orders were included in the deposits. Upon investigation of the copies of checks and money orders furnished by the bank, it was found certain checks and money orders,

apparently not applicable to the Bond Fund had been included in the Bond Fund deposits and apparently cash taken for the substituted items. The checks and money orders which were substituted for cash in the Bond Fund were not recorded on the books of the Sheriff's Office.

All office employees at the main office in Napoleonville were questioned by myself and Thomas P. Mable, Sheriff of Assumption Parish concerning the composition of the deposits in question, and other matters related to the check swapping. They were asked if they were aware of any substituting of cash received for the Bond Fund for miscellaneous income from coke monies, brady bills, accident reports and other items. Two employees stated that it was their understanding through discussions with Pat Joffrin that this was the way to handle these types of deposits. Another employee stated that she was told by another employee that this is the way Pat Joffrin said to make the deposits. Upon questioning Pat Joffrin, he stated he never instructed anyone to make deposits in this manner.

Based on my review, it appears that cash received for the Bond account was substituted for miscellaneous revenues from coke monies, brady bills, accident reports and other items, but the exact amount in dollars has not yet been determined. Mr. Pat Joffrin, the finance officer of the Assumption Parish Sheriff stated to myself and Mr. Michael Irwin, CPA who is assisting in this investigation, that the total dollar amount of substituted funds for the year ended June 30, 1977 is expected to be \$5000.00 or less. Thus the expected amount is immaterial to the financial statements of the Assumption Parish Sheriff. Mr. Joffrin also stated to us that he is not aware of any other funds missing from the Assumption Parish Sheriff's Office. Employees of the Sheriff's department stated that the cash was used to buy certain office supplies, meals for group sheriff's meetings, seminars, and other expenditures which for the most part would appear to be acceptable expenditures. In addition, \$820.00 of the substituted cash was deposited into the general fund after the check substituting was discovered. At this time, it is not possible to determine the exact amount of monies which were substituted, although the total amount is not considered to be material to the financial statements of the Assumption Parish Sheriff. Furthermore, at this time it is not possible to say that any specific employee or any employees of the Sheriff's Office personally took any monies as a result of the check swapping.

What appears certain is that deposits were not made on a timely basis and were not reviewed on a timely basis, and in particular, there was careless bookkeeping and lack of attention or review in regards to miscellaneous revenues such as brady bills, accident reports, coke monies, etc.

The Assumption Parish Sheriff's Office has already taken steps to prevent the substituting of checks from happening again. All areas of the office are being reviewed for proper internal controls and/or strengthening of controls such as requiring that all deposits be made on a daily basis, changing the combination of the vault and limiting access to the vault, buying a safe to be placed in the vault, defining job descriptions and duties so that there should be no question as to the responsibilities of each employee, setting time schedules when certain tasks must be done and reviewing to see that all funds are maintained on a current basis. All changes in the internal controls in the office will be predicated on arriving

at the maximum amount of segregation of duties which can be accomplished in a small office. Employees will also have to attend computer classes in areas that are pertinent to their job duties, and employees will be cross trained in other employees job duties. In addition, the Assumption Parish Sheriff's Office is now in the process of upgrading computers and computer software in order to accomplish the various job duties in an efficient and proper manner. The Sheriff is also in the process of requiring all employees at the main office of the Assumption Parish Sheriff to submit to a PSE test to be administered by the Louisiana State Police in an attempt to determine if any employee has taken cash from the Assumption Parish Sheriff's Office.

Due to the nature of the check swapping, and the total expected amount of funds involved, it does not appear at this time that it would be cost beneficial to extend the review of this matter. Furthermore, it appears that the Sheriff has done or is in the process of doing all we would be reasonably expected to do to resolve the matter. Although many transactions remain untested, I would never be in a position to insure that any or all irregularities have or will be discovered.

This report is intended solely for the use of management of the Assumption Parish Sheriff, and interested state and federal agencies. However, this report is a matter of public record and its distribution is not limited.



Eric J. Wagoner
November 13, 1997

copy: Honorable Anthony C. "Tony" Falterman
2nd Judicial District District Attorney

Grover Austin, CPA, Assistant Legislative Auditor

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 002 10 05