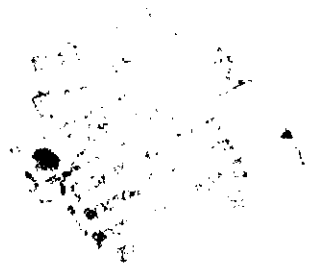


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# STATE OF LOUISIANA LEGISLATIVE AUDITOR

**Good Shepherd Head Start**  
Lake Providence, Louisiana

January 14, 1998



*Investigative Audit*

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

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

### **DIRECTOR OF INVESTIGATIVE AUDIT**

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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, New Orleans, and Shreveport offices of the Legislative Auditor and at the office of the parish clerk of court.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this report, or any reports of the Legislative Auditor, please contact Skip Irwin, Director of Administrative Services, at 504/339-3800.

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# **Good Shepherd Head Start**

**January 14, 1998**



**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

January 14, 1998

**MS. VICKEY HICKS, EXECUTIVE DIRECTOR**  
**GOOD SHEPHERD HEAD START**  
Lake Providence, Louisiana

Transmitted herewith is our investigative report on the Good Shepherd Head Start Program. 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 East Carroll Parish Police Jury, the Good Shepherd Head Start Policy Council, the Honorable James D. "Buddy" Caldwell, District Attorney for the Sixth Judicial District of Louisiana, the United States Attorney for the Western District of the State of Louisiana, and others as required by state law.

Respectfully submitted,

A handwritten signature in cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

AFB/ka

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# Executive Summary

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## Investigative Audit Report Good Shepherd Head Start

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 IV.

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### Executive Director Authorized Two Paychecks for the Same Hours Worked

(Page 1)

**Finding:** Executive Director Vickey Hicks and eight 12-month employees received improper salaries totaling \$49,140. These salaries were funded from the Summer Childcare Program.

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

**Management's Response:** Management states that Good Shepherd employees performed their regular summer duties as well as operating the summer program. Management has revised its policy changing those 12-month employees involved in the summer program into 9-month employees.

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### Documents Provided to the Legislative Auditor That Appear to Be Altered or Forged

(Page 3)

**Finding:** On October 30, 1997, Dr. Daniel G. Kyle, Legislative Auditor, received a fax transmission from Good Shepherd that appeared to contain altered or forged documents. Ms. Hicks stated she sent the fax, but did not read the documents contained within the fax.

**Recommendation:** We recommend that the District Attorney for the Sixth Judicial District of Louisiana review this information and take appropriate legal action.

**Management's Response:** Management states that Ms. Hicks did not knowingly send information or documentation that was altered or forged.

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**Executive Director Paid Contractor for  
Services Not Rendered**

**(Page 5)**

**Finding:** The Executive Director of the Good Shepherd Head Start, Ms. Vickey Hicks, paid a contractor, Mr. Doug Stewart, \$2,150 in advance for services that he did not complete. Mr. Stewart and Ms. Hicks acknowledged that Mr. Stewart did not fulfill his contractual obligations.

**Recommendation:** We recommend that management for Good Shepherd ensure that all contractual obligations have been fulfilled before payment. We further recommend that management for Good Shepherd seek a refund for all funds paid for any services or materials not received.

**Management's Response:** Management disagrees that the payments to Mr. Stewart amount to a misappropriation or a donation. However, management is currently seeking restitution from Mr. Stewart.

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**Executive Director and Dance Instructor Received  
Payments for Private Seminars While on Good  
Shepherd's Payroll**

**(Page 6)**

**Finding:** Ms. Vickey Hicks, Executive Director of Good Shepherd Head Start, and Mr. Thomas Tullos, part-time dance instructor for Good Shepherd, while on the Good Shepherd payroll contracted and received \$1,262 for providing motivational workshops through their private business, Motivation in Action. Further, we were informed that Ms. Hicks and Mr. Tullos used Good Shepherd's resources to prepare for these workshops.



**Recommendation:** We recommend that management for Good Shepherd establish policies and procedures to ensure that the resources of Good Shepherd are not used for the personal benefit of its employees. We further recommend that the District Attorney for the Sixth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

**Management's Response:** Management states that Ms. Hicks and Mr. Tullos will be charged with leave for the dates of the two seminars. In the future, management has instructed Ms. Hicks to record all leave taken. Further, Ms. Hicks and Mr. Tullos have been instructed not to use Good Shepherd facilities, personnel or equipment without making advance arrangements for compensation therefor.

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**Executive Director Expenditures Over \$3,000 for  
Nine People to Travel to Conference; Only Two  
Staff Members Attended One Day of the  
Three-Day Conference**

(Page 8)

**Finding:** Executive Director Vickey Hicks spent over \$3,000 for travel and substitute teacher wages to take nine people to the Mid-Winter Administrator's Team Management Conference in Dallas, Texas. Only two of the nine individuals whose travel expenses were authorized by Ms. Hicks were actually registered for the conference and those two attended only the first day of the three-day conference. The other seven whose travel was paid by Good Shepherd did not attend the conference, but only performed a three to five minute dance as part of the Multicultural Dance Troupe to which Ms. Hicks belongs. The dance was performed the night before the conference started.

**Recommendation:** We recommend that management for Good Shepherd monitor its expenditures and develop adequate controls to ensure appropriate use of public funds. In addition, management should request reimbursement of any funds that were spent in violation of the Louisiana Constitution.

**Management's Response:** Management states that the caption for this finding is incorrect in that the travel expenses were incurred for nine persons and not merely two.

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**Failure to Obtain State Bond Commission  
Approval for Loan**

**(Page 9)**

**Finding:** The Good Shepherd Policy Council may have violated R.S. 39:1410.60(A) when it authorized Ms. Vickey Hicks, Executive Director, to secure a bank loan for \$20,555 without obtaining prior approval from the State Bond Commission.

**Recommendation:** We recommend that management for Good Shepherd comply with Louisiana law by getting the approval of the State Bond Commission before obtaining a loan.

**Management's Response:** Management states that it was unaware of the requirement that all loans be approved by the Bond Commission.

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**Executive Director Violated Article 7, Section 14  
of the Louisiana Constitution**

**(Page 10)**

**Finding:** Executive Director Vickey Hicks violated Article 7, Section 14 of the Louisiana Constitution by granting employees leave with pay from August 11 through August 24, 1997, at a cost of \$5,408 in wages and related benefits.

**Recommendation:** We recommend that Ms. Hicks comply with the Louisiana Constitution and not donate public assets. In addition, she should comply with the regulations contained in the Good Shepherd policy manual.

**Management's Response:** Management disagrees with this finding. Management states that putting employees on paid leave did not constitute a donation of public funds since the leave was granted so that the school could be closed for cleaning before the beginning of the new school year.

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# Background and Methodology

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On June 18, 1997, the Office of the Legislative Auditor received information that employees of the Good Shepherd Head Start Program (Good Shepherd) were receiving two paychecks for the same hours worked. These payments were being made from the federal Head Start program and a state block grant for a summer childcare program.

Good Shepherd is a component unit of the East Carroll Parish Police Jury. The police jury is the sponsoring agency for the Head Start program and contracts with the U.S. Department of Health and Human Services. Head Start funds are received by the police jury and provided to Good Shepherd.

We conducted our investigation to obtain additional information regarding these allegations. Our procedures consisted of (1) interviewing employees and officials at Good Shepherd; (2) interviewing other persons as appropriate; (3) examining selected documents and records of Good Shepherd; (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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## **EXECUTIVE DIRECTOR AUTHORIZED TWO PAYCHECKS FOR THE SAME HOURS WORKED**

**Executive Director Vickey Hicks and eight 12-month employees received improper salaries totaling \$49,140. These salaries were funded from the Summer Childcare Program.**

The Good Shepherd Head Start Program's (Good Shepherd) primary function is to provide services for preschool children, ages three to five. Good Shepherd teachers and other nine-month employees work during the school year, September through May. Coordinators, administrators, office staff, and the custodian are 12-month employees. All salaries are funded entirely from the Head Start Program.

Summer Childcare grants, awarded for the first time in 1997, are federal Head Start funds, which flow through the Louisiana Department of Social Services - Office of Family Support (OFS). The purpose of these grants was to allow Head Start programs to hire appropriate staff to provide childcare through the summer when normally teachers and other 9-month employees would not be employed. Upon receiving such a grant, Ms. Hicks authorized additional salaries totaling \$49,140 for her and eight other 12-month employees. Ms. Hicks and these employees are full-time workers whose salaries are established by contract and paid fully from the Head Start Program. Further, the contracts provide that these employees are to work those hours necessary to complete their duties.

Personnel from OFS, Ms. Vera Blakes, Assistant Secretary, and Ms. Shirley Williams, State Head Start Collaborative Director, stated that they organized a meeting with grant applicants. Also attending was Mr. George Campbell with the U.S. Department of Health and Human Services (federal grantor agency). Mr. Campbell informed us that he explained to grant applicants that 12-month employees who receive salaries entirely funded from the Head Start Program could not also receive additional salaries from the Summer Childcare Program because this is "double dipping." According to Ms. Barbara J. Pickney, President of the Louisiana Head Start Association, all Head Start agencies were notified by letter of this meeting. However, no one from Good Shepherd attended the meeting.

Ms. Shirley Williams stated that she discussed cost allocation of salaries with Ms. Hicks at least twice. She said Good Shepherd stood out in her mind because she got the impression that Ms. Hicks was trying to bend the rules. Ms. Williams recalled specifically advising Ms. Hicks on June 17, 1997, that "double dipping" would not be allowed and employees were not to be paid twice for the same hours. Ms. Hicks informed us that she talked to Ms. Blakes and Ms. Williams many times but never discussed salaries.

One 12-month employee, Ms. Barbara Duty, Bookkeeper, informed us that she refused to accept the extra paychecks because she believed it constituted fraud.

We received two memorandums relating to this issue as follows:

**First Memorandum Dated June 6, 1997**

On September 18, 1997, Ms. Hicks gave us a memorandum dated June 6, 1997, that was signed by the President of the Good Shepherd Policy Council, Mr. Emanuel Jones. The memo stated that 12-month employees were placed on leave of absence with full pay from the Head Start Program so they could work on the Summer Childcare Program. Ms. Debra Clement, Computer Operator, and Ms. Katherine Sullivan, Secretary and Summer Childcare Payroll Clerk, stated that they had not seen this memo until we showed it to them; therefore, they were not aware that they had been placed on leave of absence with full pay. Ms. Barbara Duty, Bookkeeper, whose duties included recording leave for all employees, informed us that she had not seen this memo and was unaware that a leave of absence existed. Further, a review of time and attendance records indicated that several of the employees, who, according to Ms. Hicks, were placed on paid leave, were charged for either annual or sick leave during this same period. This is inconsistent with Ms. Hicks' statement that these employees were already on leave. Ms. Hicks also informed us that on June 6, 1997, she discussed this memo with Mr. George Campbell and that he gave his verbal approval. Mr. Campbell stated he did not discuss this memo with anyone and, thus, could not have given verbal approval.

**Second Memorandum Dated June 6, 1997**

On September 5, 1997, Ms. Hicks told us that she takes very little leave and had not taken a vacation in six years. She also explained that she was absolutely sure all leave she had taken was recorded on her leave summaries. Our examination of leave summaries disclosed that she took no leave from January through August 1997. Ms. Hicks provided us with a memorandum on September 17, 1997, which contradicted her oral statement and the agency's leave records. This memo indicated that Ms. Hicks was on annual leave from the Head Start Program starting June 16 and ending August 8, 1997, so that she could serve as project director for the Summer Childcare Program. Ms. Duty, the custodian of Ms. Hicks' leave summaries, stated she was never informed about the memo or the leave.

On October 6, 1997, we received, by mail, a second version of this memo indicating that Ms. Hicks' annual leave began on June 6 instead of June 16.

Mr. Campbell, Ms. Blakes, and Ms. Williams informed us that full-time employees whose salaries are paid 100% with Head Start funds could not also be paid with Summer Grant Funds, which are also Head Start funds. As stated previously, Ms. Williams said that she discussed this matter with Ms. Hicks and informed her that she could not pay 12-month employees with Summer Grant funds. Ms. Hicks' statements that the employees were on paid leave is not consistent with statements made by the affected employees, or with the leave records indicating that several of these employees used annual or sick leave.

Based on these actions, Ms. Hicks may be in violation of one or more of the following laws:

- R.S. 14:67, "Theft"
- R.S. 14:72, "Forgery"
- 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. §666, "Federal Program Fraud"

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

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### **DOCUMENTS PROVIDED TO THE LEGISLATIVE AUDITOR THAT APPEAR TO BE ALTERED OR FORGED**

**On October 30, 1997, Dr. Daniel G. Kyle, Legislative Auditor, received a fax transmission from Good Shepherd that appeared to contain altered or forged documents. Ms. Hicks stated she sent the fax, but did not read the documents contained within the fax.**

#### **Altered Audit Letter Dated October 23, 1997**

On October 30, 1997, Dr. Daniel G. Kyle, Legislative Auditor, received a fax transmission from Good Shepherd. According to the fax coversheet, Mr. James C. Crigler, Head Start Legal Advisor, was the sender. Included in the fax transmission was an audit letter dated October 23, 1997, which was directed to Good Shepherd from the U.S. Department of Health and Human Services (HHS). The letter was signed by Ms. Janice A. Pruitt, Grants Officer for the Administration for Children and Families (Exhibit 1). Ms. Pruitt stated she has no knowledge of this letter. She added that the letter did not originate with her office and that her signature appeared to have been traced.

Mr. Crigler stated he did not send the fax to Dr. Kyle and he was not familiar with the audit letter contained within the faxed transmission. Mr. Crigler said that it is possible that he discussed the faxed documents with Ms. Hicks; however, he does not remember doing so.

Ms. Debra Clement, Computer Operator, stated the entry on the agency's fax log for October 30, 1997, indicates Ms. Hicks sent the fax. Ms. Clement said the entry and Ms. Hicks' initials appear to be Ms. Hicks' handwriting. Ms. Hicks stated she was the sender of the fax, but that she did not read the documents that she sent. Further, Ms. Hicks told us that she did not know who would have created the altered documents.

HHS provided us with a letter (Exhibit 2) dated October 23, 1997, addressed to Good Shepherd. This letter was a desk review of a finding that Ms. Darla S. Turner, CPA, reported during her audit of Good Shepherd for the one-year period ending June 30, 1996. It appears the letter faxed to Dr. Kyle on October 30 is an altered version of this letter. Apparently, the period covered by the letter was altered to include the two years ended June 30, 1997. Further, it appears that the scope of the letter was altered to encompass areas not covered in the original letter.

#### **Letter From Attorney Dated October 26, 1997**

Included in the above-mentioned fax transmission sent to Dr. Kyle on October 30, 1997, was another letter (Exhibit 3) that purports to be from Mr. Orlando Hamilton, Jr., Attorney, to Ms. Hicks' husband, Dr. Rush M. Hicks. Mr. Hamilton informed us that this letter did not originate with his office and the signature is not his. This letter makes reference to the altered letter described above and praises Ms. Hicks for her work.

Based on the actions described above, Ms. Hicks may be in violation of one or more of the following laws:

- R.S. 14:72, "Forgery"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 24:518, "Impeding the Legislative Auditor"

We recommend that the District Attorney for the Sixth Judicial District of Louisiana review this information and take appropriate legal action.



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## **EXECUTIVE DIRECTOR PAID CONTRACTOR FOR SERVICES NOT RENDERED**

The Executive Director of the Good Shepherd Head Start, Ms. Vickey Hicks, paid a contractor, Mr. Doug Stewart, \$2,150 in advance for services that he did not complete. Mr. Stewart and Ms. Hicks acknowledged that Mr. Stewart did not fulfill his contractual obligations.

Mr. Doug Stewart signed two separate contracts with Good Shepherd. The terms of the first contract provided that Mr. Stewart was to perform five motivational workshops for Good Shepherd children and staff; the second contract provided that Mr. Stewart would train Ms. Hicks in motivational speaking.

The first contract dated March 30, 1994, required Executive Director Vickey Hicks to pay Mr. Stewart \$1,500 for five workshops. Ms. Barbara Duty, Bookkeeper, and Ms. Debra Clement, Computer Operator, informed us that Mr. Stewart performed two of the five workshops described in this contract. Ms. Hicks stated that Mr. Stewart failed to perform only one or two workshops. Mr. Stewart confirmed Ms. Duty's and Ms. Clement's statements, adding that he was willing to reimburse \$900 to Good Shepherd for the three workshops he did not perform.

Ms. Hicks explained that she authorized payment for the total \$1,500 contract amount because the contract required the total sum to be paid in advance. However, the contract only required 25% or \$375 to be paid in advance. In compliance with the terms of the contract, Ms. Duty stated that she completed the first check for \$375. Ms. Hicks then instructed Ms. Duty, by memorandum, to pay the remaining \$1,125 to Mr. Stewart. The payment was then sent to Mr. Stewart by overnight mail. Ms. Duty said she explained to Ms. Hicks that it was not right to pay for services not performed. Ms. Hicks informed us that Mr. Stewart's policy was that he be paid in advance. Ms. Hicks told us that this was bad judgment on her part and that she should have made additional efforts to get the money back.

The second contract dated May 27, 1994, provided that Ms. Hicks was to become a member of the Doug Stewart Motivational Speaking Academy for a period of one year. The contract provided that Mr. Stewart was to receive \$650 for the initial sign-up fee for the first year and 25% of any speaker's fees earned by Ms. Hicks. Under this contract, Good Shepherd paid one \$450 invoice for training and one \$200 invoice for speaking supplies. Ms. Hicks stated that the purpose of this contract was for her to become a more effective and dynamic motivator with her staff; however, Mr. Stewart never completed the contract. Ms. Hicks stated she never received any speaking supplies and that the invoices were for training only. Mr. Stewart said that the \$200 payment was either for training materials or a microphone.

The actions described above, in addition to appearing to be breach of contract, may be violations of the following state laws:

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

We recommend that management for Good Shepherd ensure that all contractual obligations have been fulfilled before payment. We further recommend that management for Good Shepherd seek a refund for all funds paid for any services or materials not received.

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### **EXECUTIVE DIRECTOR AND DANCE INSTRUCTOR RECEIVED PAYMENTS FOR PRIVATE SEMINARS WHILE ON GOOD SHEPHERD'S PAYROLL**

Ms. Vickey Hicks, Executive Director of Good Shepherd Head Start, and Mr. Thomas Tullos, part-time dance instructor for Good Shepherd, while on the Good Shepherd payroll contracted and received \$1,262 for providing motivational workshops through their private business, Motivation in Action. Further, we were informed that Ms. Hicks and Mr. Tullos used Good Shepherd's resources to prepare for these workshops.

Ms. Hicks and Mr. Tullos contracted with the Detroit, Texas Head Start Program and the Tensas Head Start Program to provide motivational workshops through their private business. However, during the time these workshops were being presented, both Ms. Hicks and Mr. Tullos received a total of \$467 from Good Shepherd for meals and/or wages.

#### **Detroit, Texas Head Start Program**

In August of 1996, Ms. Hicks contracted with the Detroit, Texas Head Start Program, through Motivation in Action, to perform a motivational workshop. Ms. Hicks and Mr. Tullos were paid a total of \$831 in fees and expenses, which included meals for the two days and mileage reimbursement for the trip to and from the workshop site. Ms. Hicks and Mr. Tullos traveled to Detroit on August 12 and performed the workshop on August 13. According to Mr. Tullos, the workshop ended on August 13 at approximately 5 p.m.

Payroll records indicated that Ms. Hicks received her usual pay from Good Shepherd for August 12 and August 13, and that she did not use leave on those dates.

## Tensas Head Start Program

Ms. Hicks contracted with the Tensas Head Start Program, through Motivation in Action, to perform a three-hour private workshop in St. Joseph, Louisiana, on April 14, 1997. For these services, the Tensas Head Start Program paid Ms. Hicks and Mr. Tullos a total of \$431 personally. The payment included a workshop fee and mileage reimbursement for the round trip that began at 10 a.m.

Ms. Hicks, Mr. Tullos, Ms. Jo Ann Young (Good Shepherd employee), and ten members of the Multicultural Dance Troupe departed Lake Providence at approximately 10 a.m. on April 14 to perform a workshop that began at approximately 1 p.m. The dance troupe members returned to Lake Providence after their one-hour dance performance while Ms. Jo Ann Young remained in St. Joseph to film the conclusion of the workshop by Ms. Hicks and Mr. Tullos. Payroll records indicated Ms. Hicks and Mr. Tullos were paid their usual pay by Good Shepherd on April 14, and that neither employee used leave on that date. In addition, travel expenses submitted by Ms. Hicks and Mr. Tullos indicated they each received a \$9 meal allowance for April 14.

We questioned Ms. Hicks on September 17, 1997, concerning information relating to the two private workshops. Ms. Hicks stated she had taken leave on these dates. She further explained this was personal leave and would not be recorded. She explained that her staff members, Ms. Georjean Jackson and Ms. Vernie Hawkins, were aware that she was on leave. We asked both Ms. Jackson and Ms. Hawkins, and both responded that they were unaware that Ms. Hicks was on leave the days of the workshops. We asked Ms. Hicks if she currently had a balance of unrecorded leave. Ms. Hicks answered, "Yes, plenty." She explained that this balance might be as much as 30 days, but is not recorded anywhere. She further added that she keeps the balance only in her head. However, a review of Good Shepherd's policy revealed that all leave must be recorded. Mr. Emanuel Jones, President of the policy council, said that he was not aware of unrecorded leave. Ms. Hicks' leave summaries indicated that she did not take leave on August 12 and 13, 1996, or on April 14, 1997.

Ms. Debra Clement, Computer Operator, informed us that she was required by both Ms. Hicks and Mr. Tullos to make copies, type letters, and send fax documents in soliciting business for Motivation in Action. She further stated that she worked a total of four hours typing, faxing, and making calls to set up the Detroit and Tensas workshops. Ms. Hicks said that she has never instructed anyone at Good Shepherd to type or to prepare documents for Motivation in Action.

Ms. Hicks stated that she generally uses the telephone and fax machine for school purposes only; however, she did use these machines to correspond with Detroit and Tensas. She informed us that she and Mr. Tullos used the copy machine, but always replaced the paper that they used.

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

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

We recommend that management for Good Shepherd establish policies and procedures to ensure that the resources of Good Shepherd are not used for the personal benefit of its employees. We further recommend that the District Attorney for the Sixth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

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**EXECUTIVE DIRECTOR EXPENDS OVER \$3,000  
FOR NINE PEOPLE TO TRAVEL TO  
CONFERENCE; ONLY TWO STAFF  
MEMBERS ATTENDED ONE DAY  
OF THE THREE-DAY CONFERENCE**

Executive Director Vickey Hicks spent over \$3,000 for travel and substitute teacher wages to take nine people to the Mid-Winter Administrator's Team Management Conference in Dallas, Texas. Only two of the nine individuals whose travel expenses were authorized by Ms. Hicks were actually registered for the conference and those two attended only the first day of the three-day conference. The other seven whose travel was paid by Good Shepherd did not attend the conference, but only performed a three to five minute dance as part of the Multicultural Dance Troupe to which Ms. Hicks belongs. The dance was performed the night before the conference started.

Executive Director Vickey Hicks authorized payment of expenditures for the three-day conference held January 21-23, 1997, as follows:

Conference Registration	Hotels	Per Diem (meals)	Mileage	Banquet Fees (donation)	Substitute Teachers	Total
\$250	\$1,011	\$889	\$548	\$225	\$151	\$3,074

Only two employees were registered for the conference and they only attended one day of the three-day conference. We were also informed that there were two non-staff members who did not perform at the dance. One was an alternate dancer and the other individual filmed the three to five minute dance performance and helped Mr. Thomas Tullos, part-time dance instructor, coordinate the event.

Ms. Hicks stated the purpose of the trip was to attend the conference and represent the State of Louisiana with a performance by the Multicultural Dance Troupe at a banquet on the night of January 20, 1997. She stated they were required to attend the banquet by the U.S. Department

of Health and Human Services (HHS). Mr. George Campbell, an employee of HHS, stated that the banquet was an after-hour event that was separate from the conference. Ms. Hicks stated that the dance troupe was invited to attend the banquet. However, we obtained documentation indicating that Ms. Hicks solicited the invitation for the dance troupe.

Based on these actions, Ms. Hicks may have violated R.S. 42:1461(A), "Obligation Not to Misappropriate, and Article 7, Section 14 of the Louisiana Constitution.

We recommend that management for Good Shepherd monitor its expenditures and develop adequate controls to ensure appropriate use of public funds. In addition, management should request reimbursement of any funds that were spent in violation of the Louisiana Constitution.

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### **FAILURE TO OBTAIN STATE BOND COMMISSION APPROVAL FOR LOAN**

**The Good Shepherd Policy Council may have violated R.S. 39:1410.60(A) when it authorized Ms. Vickey Hicks, Executive Director, to secure a bank loan for \$20,555 without obtaining prior approval from the State Bond Commission.**

R.S. 39:1410.60(A) provides, in part, that no parish, municipality, public board, political or public corporation, subdivision, or taxing district created under or by the constitution and laws of the state shall have authority to borrow money, incur debt, or issue bonds, or other evidences of debt without the consent and approval of the State Bond Commission.

Good Shepherd Head Start, a component unit of the East Carroll Parish Police Jury, receives its funding directly from the U.S. Department of Health and Human Services Administration for Children and Families (HHS). The money is transferred by wire directly to the bank account in the name of the grantee, the East Carroll Parish Police Jury. The police jury is the sponsoring agency for Good Shepherd.

Executive Director Vickey Hicks expended approximately \$19,788 more than her budget for the fiscal year ended June 30, 1997. To remedy this over expenditure, the Good Shepherd Policy Council adopted a resolution authorizing Ms. Hicks to secure a loan to pay vendors. To repay this loan, Good Shepherd has requested additional funding from HHS. Mr. George Campbell, Senior Team Leader for the State of Louisiana for HHS, stated that his office does not intend to fund this deficit.

We recommend that management for Good Shepherd comply with Louisiana law by getting the approval of the State Bond Commission before obtaining a loan.

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**EXECUTIVE DIRECTOR VIOLATED ARTICLE 7,  
SECTION 14, OF THE LOUISIANA CONSTITUTION**

**Executive Director Vickey Hicks violated Article 7, Section 14 of the Louisiana Constitution by granting employees leave with pay from August 11 through August 24, 1997, at a cost of \$5,408 in wages and related benefits.**

Article 7, Section 14 of the Louisiana Constitution provides that the funds, credit, property, or things of value of a political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

A memorandum sent to all staff members dated August 8, 1997, was signed by both Ms. Hicks and the President of the Good Shepherd Policy Council, Mr. Emanuel Jones. This document stated that because of a mandatory Louisiana Head Start Training Conference in Lafayette, Louisiana, and a scheduled summer break for teachers and staff, Good Shepherd would be closed August 11 through August 24, 1997. The only personnel permitted on the premises during this time would be two employees to clean the building.

The president of the Louisiana Head Start Association, Ms. Barbara Pickney, stated that Head Start associations are encouraged to send their staff to training conferences, but they are not mandatory. In addition, the conference was for only four days, August 11-14. Ms. Barbara Duty, Bookkeeper, stated that Ms. Hicks informed her that no one would be using leave for this two-week period because this was her gift to the staff for working hard this summer. No one was charged leave for this period.

Good Shepherd's Policy Manual states 12-month employees earn four hours of annual leave per pay period. Employees accumulate annual leave and on their departure will be paid for a maximum of 70 hours. In addition, the policy manual provides for unpaid leave, one week at Thanksgiving, two weeks at Christmas, and one week for spring break.

As noted in our first finding, Ms. Hicks stated that from June 6 until August 8, employees were on paid leave from Good Shepherd Head Start. On August 11, those same employees were placed on paid leave through August 24.

We recommend that Ms. Hicks comply with the Louisiana Constitution and not donate public assets. In addition, she should comply with the regulations contained in the Good Shepherd policy manual.

Attachment I

Exhibit I



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES  
Regional Office VI  
1200 Main Tower Building  
Dallas, Texas 75202-4348

GOOD SHEPHERD HEAD START  
P.O. BOX 442-300 2ND ST  
LAKE PROVIDENCE, LA 71254

October 23, 1997

Board of Directors  
Good Shepherd Early Childhood Development Center  
300 Second Street  
P.O. Box 442  
Lake Providence, Louisiana 71254

Grant No. : 06CH0020

Dear Board Members:

We have completed our review of the organization-wide audit report on Good Shepherd Early Childhood Development Center, for the period of July 1, 1995 through June 30, 1997. The audit recommendations assigned to this agency for resolution are stated below for your reference.

We have reviewed your response dated July 13, 1997, which reported the corrective actions taken by your agency to address the auditor's findings. The corrective actions accomplished and are acceptable to resolve the issues reported. However, we do not agree with the auditor's strict interpretation of the Federal regulation at OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments," # 13, subsection b, regarding contributions, donations, and funding. We believe that gifts and donations given to parent volunteers are allowable costs because parent volunteers are considered to be partners and collaborate with Head Start agency in providing quality program services. We also believe that funding used to provide outreach programs and special events to the Head Start community are allowable costs because they promote racial harmony, teamwork, and public relations that benefit all Head Start programs, staffs, communities and all their citizens. Therefore, the cost of such donations and funding is allowable under #17, "Employee, morale, health and welfare costs," OMB Circular A-87, subsection b of the Federal regulations.

Grantees are requested to acknowledge receipt of decisions by the granting office.

Please sign and return a copy of this letter within ten (10) days of receipt to this office, Mail Stop ACF-2, Attention: Dorothy Ferguson.

You are requested to make this correspondence plus all grant documents and budget information available to the auditor for subsequent audits. Additionally, please ensure that your Executive Director and other Officers of the Board, Head Start Director, and Policy Council Chairperson each receive a copy of this letter.

If you have any questions, please contact Laurie Hagedorn, Financial Operations Specialist, at 214-767-1769.

Sincerely,

Justice A. Pruitt



Attachment II

Exhibit II

ADMINISTRATION FOR CHILDREN AND FAMILIES  
Regional Office VI  
1200 Main Tower Building  
Dallas, Texas 75202-4348

October 23, 1997

Board of Directors  
Good Shepherd Early Childhood Development Center  
300 Second Street  
P.O. Box 442  
Lake Providence, Louisiana 71254

Grant No. : 06CH0020  
CIN : A-06-97-48783  
PY : "21"  
PYE : 06/30/96

Dear Board Members:

We have completed our desk review of the organization-wide audit report on Good Shepherd Early Childhood Development Center, for the period of July 1, 1995 through June 30, 1996, as prepared by DARLA S. TURNER, Certified Public Accountant. The audit recommendations assigned to this agency for resolution have been restated below for your reference.

Unallowable Costs. We recommend procedures be strengthened to ensure unallowable finance charges are not charged to Federal programs. (\$12)

Unallowable Costs. We recommend procedures be strengthened to ensure unallowable gift purchases are not charged to Federal programs. (\$30)

We have reviewed your response dated June 13, 1997, which reported the corrective actions taken by your agency to address the auditor's findings. The corrective actions accomplished or proposed appear acceptable to resolve the issues reported. Since the unallowable costs for the above findings are less than \$1,500, no collection action will be taken. However, we do not agree with the auditor's strict interpretation of the Federal regulation at OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments," #13, subsection b, regarding contributions and donations. We believe that the gifts totalling \$29.58 given to parent volunteers are allowable costs because parent volunteers are considered to be partners and collaborate with the Head Start agency in providing quality program services. Therefore, the cost of such gifts would be considered allowable under #17, "Employee, morale, health and welfare costs," OMB Circular A-87, subsection b of the Federal regulations.

Page two - Board Members

Grantees are requested to acknowledge receipt of decisions by the granting office. Please sign and return a copy of this letter within ten (10) days of receipt to this office, Mail Stop ACF-2, Attention: Dorothy Ferguson.

You are requested to make this correspondence plus all grant documents and budget information available to the auditor for subsequent audits. Additionally, please ensure that your Executive Director and other Officers of the Board, Head Start Director, and Policy Council Chairperson each receive a copy of this letter.

If you have any questions, please contact Laurie Hagedorn, Financial Operations Specialist, at 214-767-1769.

Sincerely,



Janice A. Pruitt  
ACF Grants Officer

Acknowledgement:

---

Signature

Date

cc: OCP/ARA/RF  
Division of Audit Resolution & Grant Oversight

**Attachment III**

**Exhibit III**

GOOD SHEPHERD HEAD START  
P.O. BOX 442-300 2ND ST.  
LAKE PROVIDENCE, LA 71254

LAW OFFICES

**HAMILTON & CARROLL**

P. O. DRAWER 340  
303 MARIETTA STREET

OAK GROVE, LOUISIANA 71263-0340

ORLANDO N. HAMILTON, JR.  
DONALD K. CARROLL  
JOHN CLAY HAMILTON

AREA CODE 504  
TELEPHONE 628-2383  
FAX 628-4121

October 26, 1997

Dr. Rush M. Ricks  
P.O. Box 5  
Lake Providence, Louisiana 71254

Dear Rush:

I hope the auditors are now satisfied with the situation involving Good Shepherd, and will leave your wife Vickey alone to do her job. I know that the Good Shepherd Head Start has not violated any Federal or State law, and I am confident the audit of the program by Mr. Delea and Dr. Kyle will reach the same conclusion. The letter from the Department of Health and Human Services, dated October 23, 1997, states that the Good Shepherd is in compliance with Federal regulations.

Congratulations to Vickey for receiving the 1997 Louisiana Angel Award. After serving the children of East Carroll Parish for 28 years, and succeeding against the overwhelming odds of racism, poverty and political corruption, she deserves to be recognized by the people of Louisiana.

With kindest regards, we remain

Very truly yours,

  
Orlando N. Hamilton, Jr.

ONHjr/mc

# Attachment IV

## Management's Responses

In addition to responses to specific findings, management submitted copies of newspaper articles, testimonial letters, and other documents. Because of the volume of the documents provided, we were unable to include them in our report. However, copies of these documents are available for inspection at the Baton Rouge office of the Legislative Auditor.

*Good Shepherd Head Start*

300 SECOND STREET • P. O. BOX 442  
LAKE PROVIDENCE, LOUISIANA 71254  
318-559-2450 • FAX 318-559-5039

RECEIVED  
LEGISLATIVE AUDITOR  
98 JAN 14 10 09 27

January 7, 1998

Dr. Daniel G. Kyle  
Office of Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle and Legislative Audit Advisory Council Members:

Attached IV - Management's Written Response is the Good Shepherd Head Start's response to the findings and recommendations addressed in the preliminary draft report of the investigative report received on December 23, 1997. We are aware this is a confidential document and exempt from the Public Records Act pursuant to Louisiana Revised Statute 44.4(6).

Sincerely,

*Vickey H. Hicks*

Vickey H. Hicks  
Executive Director

*Reverend Emmanuel Jones*

Reverend Emmanuel Jones  
President of Good Shepherd Policy Council

klb

ATTACHMENT IV

MANAGEMENT'S RESPONSES TO PRELIMINARY DRAFT OF INVESTIGATIVE  
REPORT OF THE LOUISIANA LEGISLATIVE AUDITOR REGARDING  
GOOD SHEPHERD SCHOOL

FINDING (PAGE 1)

Executive Director Authorized two paychecks for the same time worked.

Management's Response: See Exhibit I IN Addendum

Attachments: Staff Pay Leave Absence, Hicks (Vacation Leave), Letters of Documentation.

Good Shepherd employees were placed on paid leave and Mrs. Hicks took annual and vacation leave so that they might be employed in the summer program. This action was take by the Personnel Committee of Policy Council before summer program commenced.

The Good Shepherd Head Start employees performed their summer duties as well as operating the summer program.

Attachments: Notification Letter - Summer Program Guidelines. Program Guidelines were not made available until after the 1996 summer program had ended. When it appeared that these guidelines might prohibit the type of arrangement approved by the Policy Council, it revised the employment policy to designate those affected as nine month employees with their salaries pro-rated over twelve months. This designation was made immediately after the Policy Council was made aware of the program guidelines.

The summer program offered opportunities to provide a significant benefit to the community by making child care available and to supplement the income of those Good Shepherd employees who were willing to do the extra work.

The Head Start employee's work schedule is roughly equivalent to that of school teachers, nine months of concentrated work while students are present and a more relaxed summer period to organize, plan and recuperate. The employees provided services that were at least equivalent to their total compensation. The Policy Council, the Director and the employees have attempted to comply with applicable regulations and laws.

The Good Shepherd Head Start Summer Child Care Program was sponsored by the Office of Social Services and Child Care during the months of June 6, 1997 to August 8, 1997 and offered to Good Shepherd Head Start in the form of a Block Grant, a three year contract to serve 178 children between the ages of three to thirteen to off-set Welfare Reform. This Summer Child Care Program is a partnership attempt to help welfare families by providing day care for children, employment to Welfare Moms and Dads and a place to allow adult recipients to volunteer 20 hours per week to keep them eligible for EPSDT, Food Stamps and all other welfare benefits.



The Good Shepherd Head Start is a program traditionally designed to provide Preschool to 158 poverty-at-risk children between the ages of 3 to 5 years of age. Good Shepherd is in full operation between the months of September 1 and May 31 of each year. One hundred fifty-eight preschool at-risk children attend and forty-two staff members are employed. The Child Care Summer Program was made available very quickly without written guidance or ample time to plan the program as detailed as we would liked to have planned the Summer Child Care Experience. The only written Guidelines-Procedures were received by Mrs. Hicks sometime after September 4, 1997. We were instructed to follow Head Start Guidelines when applicable while in operation of the Summer Child Care Program.

The Good Shepherd Head Start Program regularly is in full operation during September 1 through May 31 with 158 children 3-5 years old and 42 staff members. During the past Head Start summer months (June, July and August) only a select number of staff are in the Head Start offices. The Summer months for Head Start Personnel are much more relaxed, due to the Head Start children not attending and staff members not being employed, so the duties and responsibilities of the office personnel are a great deal less complicated, eventful or stressful. Our Head Start summers usually consists of short days, Monday through Thursday and on Friday the center is usually closed if work is caught up for all staff. The Regular Head Start Program year is busy, stressful and time consuming. The staff is usually very tired, stressed out and looking forward to the end of Head Start activities. It takes all of that and more to "Do All Things In The Best Interest of Children". Head Start salaries are nowhere comparable to other jobs equivalent to our job duties and responsibilities.

The Child Care Summer Program Planning, Organizing and Implementation was a major effort by Head Start personnel to present a Program that would enrich the Summer Child Care experience for 178 children. The Good Shepherd Head Start Staff worked diligently long hours to insure that the Summer Child Care Program was successful for all involved. The office personnel rolled up their sleeves and worked at a minimum of 55 hours weekly to trouble shoot, problem solve, train, monitor and support new staff, families and children.

We in no way intentionally did anything wrong, unjust or unprofessional. The Summer Program was so stressful and problematic with unskilled, untrained new staff and the responsibility of having older children. New Staff had to be trained, supervised in positive behavior management of all children.

Mrs. Jackson, Mrs. Hawkins and Mrs. Hicks spent a major portion of the summer both physically and emotionally managing children's behavior. The additional pay was earned and then some.

It is acknowledged that we should have made it clear that no one was receiving two checks for doing one job. We failed to make appropriate changes to our pay arrangements and record keeping. We have revised our policy to make those involved in the summer program nine month employees so that there is no question that they are being paid twice.

for the same work.

We strongly contend that everyone who was paid deserved the additional pay for the additional work.

Mrs. Hicks was entitled to take all the leave she has taken and more, but it is acknowledged that we should record her leave.

Mrs. Hicks categorically denies that Ms. Williams informed her that she could not pay twelve month employees with summer grant funds.

FINDING (Page 3)

Documents Provided to the Legislative Auditor that Appear to be Altered or Forged

Management's Response:

Mrs. Hicks did not knowingly send information or documentation that was altered or forged.

FINDING (Page 5)

Executive Director Paid Contractor for Services Not Rendered

Management's Response: See Exhibit II In Addendum

It is admitted that Mr. Stewart was paid in advance rather than as provided in the contract. Mr. Stewart requested advance payment and Mrs. Hicks complied. In hindsight, it was a mistake. The suggestion that this amounted to misappropriation or a donation is totally without merit. Mrs. Hicks repeatedly contacted Mr. Stewart about fulfilling his contract. Mrs. Hicks has sought restitution for Mr. Stewart's debt. (See attached certified letter, 1-6-98 after phone conversation 1-5-98 - discussion of contract obligation.

FINDING (Page 6)

Executive Director and Dance Instructor received payments for private seminar while on Good Shepherd's payroll.

Management's Response: See Exhibit III In Addendum

Mrs. Hicks had sufficient accumulated leave time to receive all her pay including the two days in which she conducted the Detroit, Texas workshop. We have instructed Mrs. Hicks to record leave that she takes in the future.

Mrs. Hicks and Mr. Tullos will be charged with leave for the date of the two seminars. Attachment explains Mr. Tullos was not on clock for time of workshop.

Mrs. Hicks and Mr. Tullos have been instructed not to use Good Shepherd facilities, personnel or equipment without making advance arrangements for compensation therefor.

FINDINGS (Page 8)

Executive Director Expends Over \$3,000.00 for two staff members to attend one day of three day conference.

Management's Response: See Exhibit IV In Addendum

Attachments: Letter of Support, copy of Transition Regulations, Letter inviting Troupe to perform in Dallas. The caption for this finding is incorrect. The travel expenses were incurred for nine members of the Multicultural Dance Troupe. (See attachment stating who members are, what they do, and why they went.)

FINDING (Page 9)

FAILURE TO OBTAIN STATE BOND COMMISSION APPROVAL FOR LOAN

Management's Response: See Exhibit V In Addendum

The Policy Council and Mrs. Hicks were unaware of a requirement of Bond Commission approval. No further loans will be secured without determining whether Bond Commission approval is required and if required, by obtaining such approval. Although irrelevant to this issue the finding mentioned that the loan was necessitated by expenditure in excess of the budget, implying poor management practices. In fact, the over-expenditure was made, in large part, because of the following costs. Important Information Attachment: Supplemental Grant, Page 1 & Narrative explaining expenditures.

FINDING (Page 10)

Executive Director violated Article 7, Section 14 of the Louisiana Constitution

Management's Response:

The closing of the school, part of which time coincided with Head Start training, was necessitated by the need for having the building vacated for cleaning. The Policy Council and the Executive Director had the right to close the school during that period without charging the employees with leave. This did not constitute a donation of public funds. Traditionally in the past the Good Shepherd buildings have been without children attending during the summer. There must be ample time set aside for cleaning and sanitation of facility to prepare for beginning the Head Start school year.

**Attachment V**  
**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 other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations.

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

**R.S. 14:134** 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 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. 24:518** provides, in part, impeding the Legislative Auditor occurs when any auditee, local auditee, or public officer, employee, or other person of said auditee obstructs or impedes the legislative auditor in making the examination authorized by law.

**R.S. 39:1410.60(A)** provides, in part, that no parish, municipality, public board, political corporation, subdivision, or taxing district created under or by the constitution and laws of the state shall have the authority to borrow money, incur debt, or issue bonds, or other evidences of debt without the consent and approval of the State Bond Commission.

**R.S. 42:1461(A)**, obligation not to misappropriate, 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. §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.