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Report Highlights

District Attorney for the 14th Judicial District

Audit Control # 50190028

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Why We Conducted This Audit

In October and November 2019, a series of local and national newspaper articles questioned District Attorney John DeRosier's practice of allowing pre-trial diversion participants and defendants on misdemeanor probation to buyout their required community service hours by donating funds to the District Attorney's Community Assistance Foundation. We initiated this audit after receiving complaints that the district's attorney's office improperly donated funds it received from the buyout of community service hours to a nonprofit corporation.

What We Found

District Attorney Transferred Funds Received by His Office to a Nonprofit Corporation

Records show the District Attorney for the 14th Judicial District (district attorney) transferred \$556,598 to the District Attorney's Community Assistance Foundation (Foundation) between October 2015 and November 2019. The Foundation is a Louisiana nonprofit corporation formed by District Attorney John DeRosier for charitable and other exempt purposes that was administered by district attorney employees. During the roughly four-year period, the district attorney allowed pretrial diversion (PTD) participants and defendants on court-ordered misdemeanor probation to buyout community service hours by purchasing gift cards or money orders and delivering them to the district attorney's office. The district attorney then transferred the gift cards and money orders to the Foundation. The Foundation used the funds for annual toy drives, to make donations to other charitable organizations chosen by Mr. DeRosier, and to provide assistance to persons affected by natural disasters. By transferring funds received by his office to a nonprofit corporation, Mr. DeRosier may have violated the Louisiana Constitution and state law.

Certain District Attorney Employees Performed Foundation and Campaign Activities During Work Hours

From October 2015 to December 2019, some district attorney employees performed Foundation activities during work hours. In addition, one employee told us she performed campaign activities for Mr. DeRosier during work hours. By using public funds and resources to perform activities for the Foundation and Mr. DeRosier's campaign during work hours, district attorney staff may have violated the Louisiana Constitution and state law.

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District Attorney for the 14th Judicial District

What We Found (Cont.)

Funds Used for Personal Benefit

On October 5, 2016, the Foundation issued two checks, totaling \$2,815, to The Hobo Hotel, Inc. (Hobo Hotel) to pay for items Mr. DeRosier won at auction during a Hobo Hotel fundraiser, including a security camera system that was installed at Mr. DeRosier's home. Because the Foundation used funds received from the district attorney's office, Mr. DeRosier may have used public funds for his personal benefit. If he used public funds for his personal benefit, Mr. DeRosier may have violated state law.

District Attorney Improperly Modified Court-Ordered Conditions of Misdemeanor Probation by Allowing Defendants to Buyout Community Service Hours

Mr. DeRosier allowed participants on court-ordered misdemeanor probation to buyout court-ordered community service hours. According to the Louisiana Code of Criminal Procedure, only the court may modify, change, or discharge the conditions of probation. As such, the district attorney does not appear to have the authority to unilaterally modify, change, or discharge any conditions of probation. By allowing defendants to buyout a portion, or all, of their court-ordered community service, Mr. DeRosier appears to have improperly modified, changed, or discharged their conditions of probation in possible violation of the state law.

District Attorney Failed to Disclose Relationship with the Foundation

Mr. DeRosier failed to disclose his position as a Foundation officer and board member on his 2015, 2016, and 2017 annual financial disclosure statements. State ethics laws require certain elected officials to file annual financial statements and disclose their association with any nonprofit organization for which they are a director or officer. By failing to do so, Mr. DeRosier may have violated state law.

Failure to Properly Account for Community Service Buyouts May Have Resulted in Materially Misstated Financial Statements

The district attorney's office operated PTD and misdemeanor probation programs that generated funds through the buyout of community service hours. Since community service obligations were either mandated by the 14th Judicial District Court or imposed by the district attorney's office as a condition of its PTD program, we believe funds generated from the buyout of community service hours were public funds. However, by not recording those funds as revenues on the financial statements, the district attorney's financial statements for the years ended December 31, 2015; December 31, 2016; December 31, 2017; and December 31, 2018; may have been materially misstated.