

TOWN OF INDEPENDENCE



INVESTIGATIVE AUDIT  
AUGUST 26, 2015

**LOUISIANA LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
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**LEGISLATIVE AUDITOR**  
DARYL G. PURPERA, CPA, CFE

**DIRECTOR OF INVESTIGATIVE AUDIT**  
ROGER W. HARRIS, J.D., CCEP

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

August 26, 2015

**THE HONORABLE MICHAEL RAGUSA, MAYOR  
AND MEMBERS OF THE BOARD OF ALDERMEN  
TOWN OF INDEPENDENCE**  
Independence, Louisiana

We have audited certain transactions of the Town of Independence. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the validity of allegations we received.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required by *Government Auditing Standards*.

The accompanying report presents our findings and recommendations as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the 21<sup>st</sup> Judicial District of Louisiana, the Louisiana Board of Ethics, and others as required by law.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/aa

INDEPENDENCEJUNE2015



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## EXECUTIVE SUMMARY

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### **Utility Payments Not Deposited**

Town of Independence (Town) records indicate that from June 1, 2014 through December 31, 2014, utility payments totaling \$4,242 were received and/or recorded as received, but not deposited into the Town's bank account. Both clerks responsible for handling utility collections denied taking any of the missing funds. By failing to properly document, record, and deposit all monies collected, these employees may have violated state law.

### **Town Failed to Enroll Eligible Employees in Retirement Systems**

The Town has consistently failed to enroll eligible employees in the Municipal Employees Retirement System (MERS) and the Municipal Police Employees Retirement System (MPERS). From January 2013 to December 2014, we identified 45 eligible employees who were not enrolled in these retirement systems. Had these employees been properly enrolled in MERS and MPERS during this time period, the Town would have been required to remit retirement contributions totaling \$298,402 to these retirement systems. By failing to enroll and remit retirement contributions to MERS and MPERS for eligible employees, Town management may have violated state law.

### **Town Billed Reduced Utility Rates to Mayor's Son**

Records indicate that the Town improperly billed reduced utility rates for Tim Ragusa, Mayor Michael Ragusa's son, from June 2013 to December 2014. The reduced rates decreased the amount that Tim Ragusa owed the Town by \$1,155. Former Town employees responsible for utility billing stated that Mayor Ragusa instructed them to reduce Tim Ragusa's utility rates. By failing to charge the appropriate rates, Town management may have violated the Louisiana Constitution which prohibits the donation of public funds.

### **Town Failed to Report Mayor's Vehicle Allowance as Income**

The Town did not report Mayor Ragusa's vehicle allowance as income as required by the Internal Revenue Service.



## BACKGROUND AND METHODOLOGY

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The Town of Independence (Town) is located in Tangipahoa Parish and has a population of 1,665 (2010 Census). The Town was incorporated under the provisions of the Lawrason Act and has a mayor-board of aldermen form of government. The Town provides utility, public safety (police), streets, sanitation, and general administrative services.

In November 2014, the Town's contract accountant discovered that utility payments made to the Town were not deposited in the Town's bank account. On November 24, 2014, Mayor Michael Ragusa notified the Louisiana Legislative Auditor (LLA) of a possible misappropriation of utility collections. LLA was asked to review available records to determine the amount of cash and checks collected by the Town but not deposited in the Town's account. The Town's external auditor reported the amount of cash and checks determined to be missing in the Town's financial audit report. During our audit, other matters and transactions came to our attention, and we expanded our scope to address them.

The procedures performed during this audit included:

- (1) interviewing Town employees;
- (2) interviewing other persons as appropriate;
- (3) examining selected Town documents and records;
- (4) gathering and examining external parties' documents and records; and
- (5) reviewing applicable state laws and regulations.



## FINDINGS AND RECOMMENDATIONS

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### Utility Payments Not Deposited

**Town of Independence (Town) records indicate that from June 1, 2014 through December 31, 2014, utility payments totaling \$4,242 were received and/or recorded as received, but not deposited into the Town's bank account. Both clerks responsible for handling utility collections denied taking any of the missing funds. By failing to properly document, record, and deposit all monies collected, these employees may have violated state law.<sup>1, 2, 3</sup>**

The Town did not have written policies and procedures relating to utility collections. During the period covered by our audit, Melanie Boykin, utility clerk, was primarily responsible for collecting utility payments, issuing receipts, and recording payments in the Town's computerized utility system. Rhonda Crocker, former Town clerk, performed the same duties in Ms. Boykin's absence. Utility payments received by the two clerks were kept in the same cash drawer and payments were posted into the computerized utility system by both clerks using the same computer login password. Funds collected were placed in an unlocked vault until they were prepared for deposit anywhere from one to five days later. During the period covered by our audit, no reconciliation procedures were performed to ensure that all funds collected were documented, recorded in the Town's utility system, and deposited in the Town's bank accounts.

#### Payments Not Deposited

We examined the Town's utility collection records between June 1, 2014 and December 31, 2014, and compared the amounts recorded in the utility system to the amounts deposited in the Town's bank accounts. These records indicate that utility payments totaling \$4,242 were received, but not deposited in the Town's bank accounts. This amount included payments totaling \$3,807 that were recorded to the utility system, but not deposited, and payments totaling \$435 for which receipts were issued, but the payments were neither recorded in the utility system nor deposited.

According to Town records, the majority of payments received and recorded to the utility system, but not deposited, were collected on Friday, October 3, 2014 (\$2,674), and Friday, October 31, 2014 (\$738). We were informed that on each of those days, utility collections were placed in a bank deposit bag by Ms. Boykin and given to Ms. Crocker, who placed the bags inside the Town's vault. Access records from the Town's security system indicate that Town hall was accessed by several employees each weekend that the missing deposits were left in the vault. However, because Ms. Crocker and Ms. Boykin each had access to the same security codes, we could not determine if they entered the building on these occasions. In addition, we were informed that the Town had video surveillance, but because it only covered the area near the payment window we were unable to determine what happened to the missing funds after they had been placed inside the vault.

In addition, our audit revealed the following:

- Cash payments totaling \$435 were received from September 12, 2014 to October 7, 2014, but were neither recorded in the utility system nor deposited into the Town's bank account, and,
- Payments totaling \$395 were posted to customer utility accounts from October 28, 2014 to December 5, 2014, for which there were no corresponding bank deposits.

Town records indicate that the cash payments totaling \$435 were received by Ms. Boykin; however, it does not appear that receipts were issued for the payments totaling \$395 that were posted to customer accounts. Since both clerks responsible for posting transactions to the utility system used the same password to login, we could not determine who entered these payments into the utility system.

Ms. Boykin stated that at the end of each day, she generated a daily collections report and attached her receipts and the cash and checks collected to the report. Ms. Boykin stated that she did not reconcile her collections (cash and checks) to the daily collection report prior to placing the daily collection report and the cash and checks into a bank deposit bag. Ms. Boykin stated that she gave the bank deposit bag to Ms. Crocker who would then place it in the Town's vault. Ms. Crocker stated that she did not reconcile Ms. Boykin's work at the end of the day and that she placed the bank deposit bags inside the vault without verifying the contents. Ms. Crocker stated that she would later count the funds and prepare bank deposits; however, she did not reconcile the amounts prepared for deposit to the amounts collected and recorded to the utility system. Ms. Boykin and Ms. Crocker both denied taking any of the missing funds.

By failing to properly document, record, and deposit all monies collected, Town employees may have violated state law.<sup>1,2</sup> In addition, state law<sup>3</sup> requires all public officers to maintain full and accurate records of all funds received. It appears that Ms. Boykin and Ms. Crocker failed to maintain accurate records of funds collected by the Town and failed to deposit those funds on a daily basis. By failing to safeguard public funds and maintain adequate documentation required by state law, Ms. Boykin and Ms. Crocker may have violated state law.<sup>1,2,3</sup>

### **Recommendations**

We recommend Town management develop and implement policies and procedures to ensure that payments collected by the Town are accounted for and deposited daily. Town management should:

- (1) require that all funds collected be adequately documented, accurately recorded, and deposited daily in accordance with state law;
- (2) review and compare the daily total deposits to the total receipts on a regular basis and immediately investigate any differences;
- (3) ensure that employees are properly trained on cash handling policies and procedures;

- (4) Require a monthly reconciliation of customer accounts receivable balances. Each month, the total of customer accounts balances in the utility system (subsidiary ledger) should be reconciled with the corresponding accounts receivable balance in the general ledger. Any differences should be immediately investigated and resolved. The monthly reconciliation of these two independent records is essential for a proper system of controls over customer accounts;
- (5) require management to approve (in writing) all adjustments to customer accounts;
- (6) require receipts to be issued for all payments received;
- (7) require all receipts be placed into locked cash registers;
- (8) require receipts from utility customers to be entered into the utility billing system immediately;
- (9) require that each clerk establish and maintain a separate user account in the utility system;
- (10) require each employee to have a separate access code to Town hall; and
- (11) require each clerk maintain and be responsible for reconciling their own cash drawer.

#### **Town Failed to Enroll Eligible Employees in Retirement Systems**

**The Town has consistently failed to enroll eligible employees in the Municipal Employees Retirement System (MERS) and the Municipal Police Employees Retirement System (MPERS). From January 2013 to December 2014, we identified 45 eligible employees who were not enrolled in these retirement systems. Had these employees been properly enrolled in MERS and MPERS during this time period, the Town would have been required to remit retirement contributions totaling \$298,402 to these retirement systems. By failing to enroll and remit retirement contributions to MERS and MPERS for eligible employees, Town management may have violated state law.<sup>4,5</sup>**

Louisiana Revised Statute (La. R.S.) 11:1751(A) states that membership in MERS shall be composed of all municipal employees not specifically excluded. La. R.S. 11:1732(13) defines “employee” as a person, including an elected official, actively employed by a participating employer on a permanent, regularly scheduled basis of at least an average of thirty-five hours per week. In addition, MPERS law<sup>5</sup> requires that all full-time municipal police department employees<sup>6</sup> engaged in law enforcement participate in MPERS. Each retirement system sets the contribution rates to be paid by the employer and the employee. Each month, the Town is required to report all participating employees and their wages, as well as amounts that are being contributed by the employer and the employee for each retirement system. During our audit, we were informed that the Town has not enrolled all eligible employees in MERS and MPERS for several years.

### Employees Not Enrolled in a Retirement System

We identified 34 Town employees, including Mayor Michael Ragusa, who appear to have met the definition of “employee” as defined by MERS law, but were not enrolled in MERS from January 2013 to December 2014. In addition, we identified 11 police officers who appear to have met the eligibility requirements for participation under MPERS law, but were not enrolled in MPERS. Had these employees been properly enrolled in MERS and MPERS, the Town would have been required to remit retirement contributions totaling approximately \$298,402 to these retirement systems from January 2013 to December 2014. We calculated this amount based on the total reported earnings/wages for these employees for the period January 2013 to December 2014 using the contribution rates in effect during the period for both the employer (Town) and employees. Of the total, the Town’s share was \$213,402 and the employees’ share was calculated to be \$85,000.

The following table provides the number of Town employees (by retirement system) who were eligible, but not enrolled in MERS or MPERS, and the retirement contributions that should have been paid to MERS or MPERS on their behalf from January 2013 to December 2014.

**Retirement Contributions Not Paid to MERS or MPERS  
January 2013 to December 2014**

<b>Retirement System</b>	<b>Number of Employees</b>	<b>Employer Required Contributions (17% - 31.5%)</b>	<b>Employee Required Contributions (9.25% to 10%)</b>	<b>Total Contributions that Should Have Been Paid to Respective Retirement System</b>
MERS	34	\$94,376	\$46,753	\$141,129
MPERS	11	119,026	38,247	157,273
<b>Totals</b>	<b>45</b>	<b>\$213,402</b>	<b>\$85,000</b>	<b>\$298,402</b>

During our audit, we noted that two Town employees participated in these retirement systems. According to Town records, the Town’s police chief is currently participating in MPERS, and the former Town clerk participated in MERS during her employment with the Town. All other Town employees contributed to Social Security during this period. According to the police chief, he completed all applicable human resource documents when he was appointed and an MPERS enrollment form was included. The former Town clerk stated that her predecessor informed her that she was required to participate in MERS and trained her to process payroll, which included submitting reports and payments to MERS, MPERS, and the Social Security Administration. The police chief and former Town clerk both stated that they were not aware that all full-time employees were required to participate in MERS/MPERS.

According to Town records, MERS has requested that the Town provide information regarding retirement contributions for eligible employees as far back as March 2013. In addition, an MPERS representative indicated that he had met with Mayor Ragusa several months ago and informed him that the Town was required to enroll all full-time police officers in MPERS. According to MPERS, the Town has still not provided any information regarding the

salaries of the Town's full-time police officers. Mayor Ragusa stated that that he was unaware of the Town's legal requirement to enroll employees in MERS or MPERS. He stated that he knew that Town employees were not contributing to MERS/MPERS and that they were contributing to Social Security. Mayor Ragusa stated that he did not know where the Town would find the money to fund retirement contributions.

By failing to enroll and remit retirement contributions to MERS and MPERS for eligible employees, Town management may have violated state law.<sup>4,5</sup>

### **Recommendation**

We recommend that Town management adopt and implement detailed written policies and procedures to ensure that all eligible employees are properly enrolled in the appropriate retirement system. In addition, management should consult with legal counsel about making the appropriate payments to MERS and MPERS to fund contributions for eligible employees who were not enrolled in those retirement systems and to determine if amounts paid in to Social Security for those employees can be recovered.

### **Town Billed Reduced Utility Rates to Mayor's Son**

**Records indicate that the Town improperly billed reduced utility rates for Tim Ragusa, Mayor Michael Ragusa's son, from June 2013 to December 2014. The reduced rates decreased the amount that Tim Ragusa owed the Town by \$1,155. Former Town employees responsible for utility billing stated that Mayor Ragusa instructed them to reduce Tim Ragusa's utility rates. By failing to charge the appropriate rates, Town management may have violated the Louisiana Constitution which prohibits the donation of public funds.<sup>7</sup>**

The Town's water and sewer system has 744 total customers. This amount includes 709 customers located within the Town's incorporated limits and 35 customers located outside the Town's incorporated limits. During the period of our audit, the Town did not have water meters and charged flat rates to customers for water and sewer services. In addition, the Town charged higher water and sewer rates to customers located outside of Town's incorporated limits. According to the Town's utility rate schedule, customers located outside the Town's incorporated limits were charged an additional \$55 per month for water and sewer service. According to management, the Town is in the process of installing water meters and will charge all customers based on usage.

### **Mayor's Son Billed at Reduced Rates**

According to Town records, prior to June 2013, the Town billed Tim Ragusa, Mayor Ragusa's son, for water and sewer services using the rates charged to customers located outside of the Town's incorporated limits. These rates appear to have been appropriate as property tax records indicate that Tim Ragusa's residence is located outside of the Town's incorporated limits. However, beginning in June 2013, Tim Ragusa's utility account was adjusted to be billed the rate for customers living within the Town's incorporated limits. As a

result, the Town failed to bill Tim Ragusa a total of \$55 each month from July 2013 to December 2014. In addition, an adjustment was made to Tim Ragusa's utility account on July 23, 2013, which reduced the amount Tim Ragusa owed to the Town by \$110. Based on the reduced rates and the adjustment made on July 23, 2013, the Town failed to bill charges totaling \$1,155 to Tim Ragusa's utility account from June 2013 to December 2014.

The former Town utility clerk and former Town clerk both stated that Mayor Ragusa instructed them to change Tim Ragusa's utility rate to the "in Town" rate. Jeanette Patanella, former utility clerk, stated that Mayor Ragusa instructed her to change Tim Ragusa's utility rates to the "in Town" rate in April 2013. Ms. Patanella stated that she did not have authorization to change the rate so she brought the request to former Town Clerk Arlene Hall. Ms. Hall stated that Mayor Ragusa instructed her to change Tim Ragusa's utility rates to the "in Town" rate. She stated that it took a couple of months to change the rate and that Ms. Patanella adjusted Tim Ragusa's utility account by \$110 to reverse the "outside" rate charges for the previous two months (April and May 2013). Ms. Patanella stated that she could not recall making the \$110 adjustment.

Mayor Ragusa stated that he did not instruct anyone at the Town to change his son's utility rates. He stated that the former utility clerk changed Tim Ragusa's utility rate to make him look bad before the next election. Mayor Ragusa stated that he found out that the rate had been changed during the course of our audit, but has not taken any action because water meters are being installed by the Town.

As part of his response to this finding, Mayor Ragusa provided us with a letter from the Louisiana Board of Ethics.

### Conclusion

Based on the reduced rates and the adjustment made on July 23, 2013, the Town failed to bill charges totaling \$1,155 to Tim Ragusa's utility account from June 2013 to December 2014. By failing to charge the appropriate rates, Town management may have violated the Louisiana Constitution which prohibits the donation of public funds.<sup>7</sup>

### **Recommendation**

We recommend that management consult with legal counsel to discuss the recovery of \$1,155 that the Town failed to bill to Tim Ragusa's utility account. We also recommend that the Town develop and implement written policies and procedures to ensure that all utility customers are appropriately billed in accordance with the Town's rate schedule and that any adjustments to utility accounts are properly approved and documented by management.

## **Town Failed to Report Mayor's Vehicle Allowance as Income**

**The Town did not report Mayor Michael Ragusa's vehicle allowance as income as required by the Internal Revenue Service (IRS).<sup>8</sup>**

Mayor Ragusa stated that he has been provided with a vehicle allowance for the past five years in lieu of being provided a Town vehicle. According to Town records, Mayor Ragusa received vehicle allowance payments totaling \$4,400 from July 2013 to June 2014. These payments were not processed as payroll disbursements, and therefore, taxes (and other required withholdings) were not deducted. The Town did not report these payments as income on Mayor Ragusa's IRS Form W-2 *Wage and Tax Statement*.

In Mayor Ragusa's response to this finding, he contends that his vehicle allowance was paid under an "accountable plan" and should not have been treated as income. Mayor Ragusa's response further indicated that he did not maintain a detailed log of his vehicle usage and that he turned in his vehicle expenses on an annual basis. However, IRS Publication 463 *Travel, Entertainment, Gift and Car Expenses*, Chapter 6, states, in part, "To be an accountable plan, your employer's reimbursement or allowance arrangement must include all of the following rules:

- (1) Your expenses must have a business connection — that is, you must have paid or incurred deductible expenses while performing services as an employee of your employer.
- (2) You must adequately account to your employer for these expenses within a reasonable period of time.
- (3) You must return any excess reimbursement or allowance within a reasonable period of time."

IRS Publication 463 further provides that employees must adequately account to their employer for expenses by giving the employer a statement of expense, an account book, a diary, or a similar record in which each expense is entered at or near the time it was incurred, along with documentary evidence (such as receipts) of travel, mileage, and other employee business expenses. Because Mayor Ragusa did not provide the documentation required by IRS Publication 463, his vehicle allowance does not appear to qualify under an accountable plan. As such, Mayor Ragusa's vehicle allowance should have been considered a non-accountable plan and reported as income on his W-2 *Wage and Tax Statement*.

### **Recommendation**

We recommend that the Town implement written policies and procedures to ensure that all employee compensation is properly processed and reported to the IRS. We further recommend that the Town amend Mayor Ragusa's earnings previously reported to the IRS to properly include amounts not reported.



## LEGAL PROVISIONS

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<sup>1</sup> **Louisiana Revised Statute (La. R.S.) 14:134 (A)** states, “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; or (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.”

<sup>2</sup> **La. R.S. 39:1212** states, in part, that “After the expiration of existing contracts, all funds of local depositing authorities shall be deposited daily whenever practicable, in the fiscal agency provided for, upon the terms and conditions, and in the manner set forth in this chapter.”

<sup>3</sup> **La. R.S. 42:282** states, in part, that “All public officers except notaries public, shall keep a full and complete record of all monies received by them for account of the state or its subdivisions or as fees for services rendered.”

<sup>4</sup> **La. R.S. 11:1751(A)** provides, in part, that “The membership of this system shall be composed of all employees not specifically excluded...”

<sup>5</sup> **La. R.S. 11:2214(A)(2)(a)** provides that “Except as provided further in this Paragraph, any person who becomes an employee as defined in R.S. 11:2213 on and after September 9, 1977, shall become a member as a condition of his employment, provided he is under fifty years at the date of employment.”

<sup>6</sup> **La. R.S. 11:2213(11)** provides that “Employee shall mean any of the following classifications: (a)(i) Any full-time police officer, empowered to make arrests. (ii) Any full-time police officer, decommissioned due to illness or injury, employed by a municipality of the state of Louisiana, and engaged in law enforcement. (iii) Any person in a position as defined in the municipal fire and police civil service system who is employed on a full-time basis by a police department of any municipality of this state, who is under the direction of a chief of police, and who is paid from the budget of the applicable police department. (iv) Any person listed in this Subparagraph shall only be defined as an employee if he is earning at least three hundred seventy-five dollars per month excluding state supplemental pay. (b) Any elected chief of police whose salary is at least one hundred dollars per month. (c) Any academy recruit, who shall be defined as a full-time municipal employee, who is participating in, or who is awaiting participation in, a formal training program as required by Peace Officer Standards and Training Certification, previous to commission as a municipal police officer, with complete law enforcement officer authority. (d) Any full-time secretary to an appointed chief or elected chief of police. (e) Any full-time employee of this system. (f) Any legal investigator employed by the city of Baton Rouge and parish of East Baton Rouge in the parish attorney’s office who receives state supplemental pay and who transferred into the Municipal Police Employees’ Retirement System on the date of February 26, 2000, as a result of the merger agreement between the system and the city-parish of that date. Such a legal investigator with a break in service after February 26, 2000, shall retain membership or retiree status only to the extent of his deferred vested benefit attributable to service credit earned prior to the break in service. (g) Employee shall not mean a city or ward marshal or deputy marshal, nor shall this term be construed to include any elected councilman or mayor of any city.

<sup>7</sup> **Louisiana Constitution Article VII, Section 14(A)** states, in part, “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.”

<sup>8</sup> **IRS Publication 463 Chapter 6** states, in part, “Reporting your expenses under a nonaccountable plan. Your employer will combine the amount of any reimbursement or other expense allowance paid to you under a nonaccountable plan with your wages, salary, or other pay. Your employer will report the total in box 1 of your Form W-2.”



## APPENDIX A

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### Management's Response





## Town of Independence

### **Aldermen**

Calvin Batiste  
Larry Cardaronella  
Jimmy Gregory, Jr.  
Mike Muscarello  
Angelo Mannino

**Mayor Michael A. Ragusa**  
**Post Office Box 35**  
**Independence, LA 70443**

**Frank Edwards, III**  
Chief of Police  
**John Polito, Jr.**  
Fire Chief  
**Carla Dawsey**  
Town Clerk

August 4, 2015

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Investigative Audit

Mr. Purpera,

Please find enclosed the response to your investigative audit conducted by your staff.

Since the discovery of the missing funds, the Town has upgraded the video surveillance system. All areas, except for the restroom, have video and audio surveillance. The Town has hired a third office employee so as to prevent any employee being left alone in the office. Office workers have been instructed to adhere to the daily deposit rule. Each day beginning at 3:00 pm, the utility clerk cuts off the day and begins the deposit. The Town Clerk reviews the prepared deposit to the daily cash receipts report generated in the utility software for correctness. Either the Town Clerk or I take the deposit to the bank at the close of business.

The Town is taking all steps necessary to insure that this situation (missing funds) does not happen again.

Sincerely,

Michael Ragusa  
Mayor, Town of Independence

**Mayor's Office: (985) 878-2930**

**Fax Number: (985) 878-4568**

**City Hall Number: (985) 878-4145**



**Michael A. Ragusa - Mayor**  
**Carla Dawsey - Town Clerk**  
**Melanie Boykin - Utility Clerk**  
**Shalanda Hart - Citation Clerk**

## **Town of Independence**

**Post Office Box 35**  
**373 W. Railroad Ave.**  
**Independence, LA 70443**

June 29, 2015

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Investigative Audit

Mr. Purpera,

Please find enclosed the responses to your investigative audit conducted by your staff.

1) Town failed to enroll eligible employees in retirement systems

The Town acknowledges the failure to enroll its employees in MERS and MPERS. The decision to not enroll the employees into these two systems was based on the lack of financial ability to make the payments and knowledge of the requirements. It only cost the Town 7.65% for the employer match into the Social Security system compared to roughly 18% for MERS and 31% for MPERS.

The Town has been in contact with MERS and MPERS. All current employees will be enrolled in their respective retirement systems for July 1, 2015. The Town is currently working to create a document needed to determine the back retirement contributions due to the systems. The Town does not agree with the amounts listing in the investigative audit report. At some future date, the Town will meet with each retirement system to discuss a settlement.

2) Town billed reduced utility rates to the Mayor's son

The Mayor disagrees with the allegation that he directed City Hall employees to reduce his son's utility rates. There is no written documentation to confirm the Louisiana Legislative Auditor's allegation. The allegation is based off of correspondence from two former disgruntled employees, Arlene Hall and Jeanette Pattanella.

Mrs. Pattanella work at City Hall from February 1, 2013 thru September 16, 2013, as the utility clerk. During her employment, the Mayor had numerous discussions with her regarding staying after hours without any supervision. At that time, the City Hall did not have security cameras. The report states that the Mayor's son's rate was changed in June 2013 to the lower inside rate. The change occurs during Mrs. Pattanella term of employment. Mrs. Pattanella could have easily changed the information in the utility billing software. The software does not have any



**Michael A. Ragusa - Mayor**  
**Carla Dawsey - Town Clerk**  
**Melanie Boykin - Utility Clerk**  
**Shaianda Hart - Citation Clerk**

## **Town of Independence**

**Post Office Box 35**  
**373 W. Railroad Ave.**  
**Independence, LA 70443**

Town of Independence  
Responses-Investigative Audit

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safeguards to prevent anyone from changing an individual's rate. Mrs. Pattanella has a personal vendetta against the Mayor. This is evident by the numerous emails she has sent the Mayor under the false identify of Leona Brown. In one email, she states, "I assure you, you may think you know me but you will for sure remember me."

Ms. Arlene Hall was the Town Clerk from January 19, 2013 to May 13, 2014. This was during the time that the Mayor's son's utility billing rate was changed. Ms. Hall had opportunity to change the rate. Ms. Hall resigned on May 13, 2014. Ms. Hall became disgruntled with the Mayor when he squashed the motion by a Town Councilman to give Ms. Hall a \$1,000 per month raise. The Mayor wanted to do some research on what other Town Clerks were being paid by similar sized municipalities. After the completion of the audit for FYE June 30, 2013, the auditor encouraged the Town to try to segregate more duties. Ms. Hall never liked this. The Mayor constantly had to remind her of the duties she was not supposed to be doing.

As the Town Clerk, Ms. Hall had access to the city hall on a twenty four basis. During Ms. Hall's employment there were no security cameras. Ms. Hall could have just as easily as Mrs. Pattanella changed the billing rate.

Both women are friends and have taken documents out of city hall during their employment in an attempt to discredit the Mayor.

In addition to their being no evidence to support this claim, the Louisiana Board of Ethics has investigated this matter and the Board has declined to pursue any enforcement against the Mayor and has closed the file. I have attached a copy of this letter for your referral.

### **3) Town Failed to Report Mayor's Vehicle Allowance as Income**

The investigative report states that the Town did not report Mayor Ragusa's vehicle allowance as income as required by the Internal Revenue Service (IRS).

The Mayor takes the position that the vehicle allowance is paid under an accountable plan. If the reimbursements are made under an accountable plan, they are not treated as income. Instead of turning in receipts monthly, the Mayor turned in his vehicle expense for the entire year. The total expenses for the year were in excess of \$19,000. The \$4,400 paid to the Mayor as reimbursement for 2014 represents approximately 23% of the total spent. In turn 23% of 40 hours in a work week is 9.2 hours. The Mayor works more than 9.2 hours per week conducting business for the Town. The Mayor acknowledged to the auditors that he did not maintain a detailed log of his everyday activity for the Town but argued he did work every day which required the use of his vehicle. The Town Clerk



**Michael A. Ragusa - Mayor**  
**Carla Dawsey - Town Clerk**  
**Melanie Boykin - Utility Clerk**  
**Shalanda Hart - Citation Clerk**

## **Town of Independence**

**Post Office Box 35**  
**373 W. Railroad Ave.**  
**Independence, LA 70443**

Town of Independence  
Responses-Investigative Audit

page 3 of 3

maintains the Mayor's meeting calendar. The Town Clerk during this period, failed to ask the Mayor for the log or back up. The Mayor and the former Clerk had agreed with the auditors to begin keeping up with the logs and expense receipts monthly.

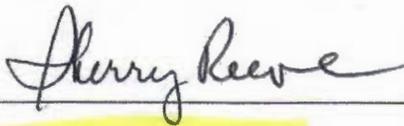
In addition, the Mayor on his tax return reported the \$4,400 up as income.

Thank you.

Mayor Michael Ragusa  
Town of Independence

May 13, 2014

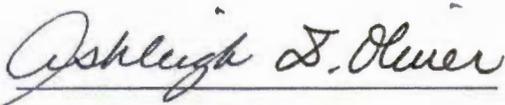
Today, Tuesday, May 13, 2014, I was working in my office at Brunt Construction between 11:00 and 11:30a.m. I saw Arlene (who works at Town Hall) pull up in her car. She came into the building and began yelling at Mr. Mike Ragusa (my boss). My office is in the opposite end of the building and I wasn't able to hear the entire conversation. I could hear her yelling about Mr. Mike not being able to tell her who she could and could not talk to. She continued yelling and then I hear her yell "I quit, segregate this" and she yelled "segregate this" and "I quit" again as she walked out the door of the office building.

A handwritten signature in cursive script that reads "Sherry Reeve". The signature is written in black ink and is positioned above a horizontal line.

Sherry Reeve

May 13, 2014

Today, Tuesday, May 13, 2014, I was working in my office at Brunt Construction between 11:00 and 11:30 a.m. I heard a lady come into the building and begin yelling at Mr. Mike Ragusa (my boss). My office is in the middle of the building and I was not able to hear the entire conversation and I did not see who it was that came into the office, as I was on the phone. I did hear yelling about Mr. Mike not being able to tell her who she could and could not talk to and it was not his business. She continued yelling and then I heard her yell "I quit, segregate this" and she walked out of the office building and yelled "segregate this" again as she was walking out the door.

A handwritten signature in cursive script that reads "Ashleigh D. Oliver". The signature is written in black ink and is positioned above a horizontal line.

Ashleigh D. Oliver

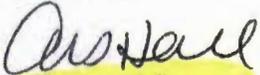
May 14, 2014

Mayor Michael A. Ragusa and  
Board of Aldermen  
Town of Independence  
P.O. Box 35  
Independence, LA 70443

Gentlemen,

Please be advised that I am resigning my appointment effective May 21, 2014, which includes my 40 hours of unused vacation time. It has been a pleasure assisting you all. Please do not hesitate to contact me if further information or assistance is needed. Thank you in advance for your support.

Sincerely,



Arlene S. Hall  
Notary Public

CC: Mayor Pro-Tem Larry Cardaronella, Michael Muscarello, Calvin Batiste, Jimmy Gregory, Angelo Mannino

2

May 19, 2014

Mayor Michael Ragusa &  
The Board of Aldermen  
Town of Independence

RE: Rescinding Resignation

Please use this letter as notification that I, Arlene S. Hall, am hereby rescinding the resignation of my appointed position as Town Clerk for the Town Of Independence. I look forward to working with and assisting you all.

Sincerely,



Arlene S. Hall  
Town Clerk

*Disregard per phone call  
with Arlene at 3pm on 5/21/14*

**Michael Ragusa**

---

**From:** "Michael Ragusa" <michael@bruntinc.com>

**To:** <leonabrown459@yahoo.com>

**Sent:** Tuesday, February 03, 2015 11:58 AM

**Subject:** Complaint

I have not received any letter from you, if you would please email me at [mavorragusa@att.net](mailto:mavorragusa@att.net)

Thanks  
Mayor Ragusa

**Michael Ragusa**

---

**From:** "Michael Ragusa" <michael@bruntinc.com>  
**To:** <leonabrown459@yahoo.com>  
**Sent:** Tuesday, February 03, 2015 12:07 PM  
**Subject:** Complaint  
Ms Brown

Like for you to have my cell # 985-507-4265 if anything come up call me

Thanks  
Mayor Ragusa

**Michael Ragusa**

---

**From:** "Mayor Ragusa" <mayorragusa@att.net>  
**To:** "LEONA BROWN" <leonabrown459@yahoo.com>  
**Sent:** Thursday, February 05, 2015 12:07 PM  
**Subject:** Re: Reply  
Jeanette you need to grow up

----- Original Message -----

**From:** LEONA BROWN  
**To:** Mayor Ragusa  
**Sent:** Wednesday, February 04, 2015 10:40 PM  
**Subject:** Reply

Mr. Ragusa:

Your retort is the exact reply that I expected!

You have answered in the manner that proves the disrespect that you not only give to those that elected you to this position but also proves the manner in which you allow your employees to speak to us as well.

I am an intelligent black woman with a college education, family, home and an established life. I will not stand for this type of conduct in any manner now and not in the future.

I assure you, you may think you know me but you will for sure remember me!

Ms. B

---

**From:** Mayor Ragusa <mayorragusa@att.net>;  
**To:** leonabrown459@yahoo.com <leonabrown459@yahoo.com>;  
**Sent:** Wed, Feb 4, 2015 2:22:54 PM

I know who you are

Sent from my iPhone

*Ymse*

**Michael Ragusa**

---

**From:** "Mayor Ragusa" <mayorragusa@att.net>  
**To:** <mayorragusa@att.net>  
**Sent:** Monday, February 09, 2015 2:35 PM  
**Subject:** Fwd: Reply

Sent from my iPhone

Begin forwarded message:

*Response* →

**From:** Mayor Ragusa <mayorragusa@att.net>  
**Date:** February 5, 2015 at 8:24:07 AM CST  
**To:** LEONA BROWN <leonabrown459@yahoo.com>  
**Subject:** Re: Reply

By the way the register voters does not show a Leona Brown on their registration as a voter

Sent from my iPhone

On Feb 4, 2015, at 10:40 PM, LEONA BROWN <leonabrown459@yahoo.com> wrote:

Mr. Ragusa:

Your retort is the exact reply that I expected!

You have answered in the manner that proves the disrespect that you not only give to those that elected you to this position but also proves the manner in which you allow your employees to speak to us as well.

I am an intelligent black woman with a college education, family, home and an established life. I will not stand for this type of conduct in any manner now and not in the future.

I assure you, you may think you know me but you will for sure remember me!

Ms. B

---

**From:** Mayor Ragusa <mayorragusa@att.net>;  
**To:** leonabrown459@yahoo.com <leonabrown459@yahoo.com>;  
**Sent:** Wed, Feb 4, 2015 2:22:54 PM

I know who you are

Sent from my iPhone

**Michael Ragusa**

---

**From:** "Mayor Ragusa" <mayorragusa@att.net>  
**To:** <mayorragusa@att.net>  
**Sent:** Monday, February 09, 2015 2:39 PM  
**Subject:** Fwd: Employee Complaint

Sent from my iPhone

Begin forwarded message:

**From:** Town of Independence <townofindependence@ymail.com>  
**Date:** February 3, 2015 at 7:36:27 AM CST  
**To:** mayorragusa@att.net  
**Subject:** Fw: Employee Complaint

Rhonda Crocker  
Town Clerk

Independence City Hall  
473 W. Railroad Ave ~PO Box 35  
Independence, La. 70443  
(985) 878-4145  
(985) 878-4568 Fax

-- On Mon, 2/2/15, LEONA BROWN <leonabrown459@yahoo.com> wrote:

**From:** LEONA BROWN <leonabrown459@yahoo.com>

**Subject:** Employee Complaint

**To:** townofindependence@ymail.com

**Date:** Monday, February 2, 2015, 3:23 PM

Dear

Mayor and Clerk:

I dropped a letter in the red drop box Thursday morning,

January 29th. The letter was addressed to the you the Mayor

and Town Clerk. I am just confirming that you did receive

it. This letter was a complaint about one of your employees.

I have a feeling that my letter I dropped off is not going

to make it to your hands thanks to the employee I'm

complaining about. In case you did not receive it, a copy  
has been mailed to you, the Aldermen and the newspaper as  
well!

You should have already have the letter mailed!

Ms. B

**Michael Ragusa**

---

**From:** "Mayor Ragusa" <mayorragusa@att.net>  
**To:** <mayorragusa@att.net>  
**Sent:** Monday, February 09, 2015 2:35 PM  
**Subject:** Fwd: Reply

Sent from my iPhone

Begin forwarded message:

**From:** Mayor Ragusa <mayorragusa@att.net>  
**Date:** February 5, 2015 at 7:43:33 AM CST  
**To:** LEONA BROWN <leonabrown459@yahoo.com>  
**Subject:** Re: Reply

I went back to 2007 an try to find a ticket In your name, nothing there, we also have cameras an microphone in all of our offices include front door, do not see anything of you or what you talking about m, at leas I gave you my phone # but you want even do that, I stand behind my girls in the office

MAYOR RAGUSA

Sent from my iPhone

On Feb 4, 2015, at 10:40 PM, LEONA BROWN <leonabrown459@yahoo.com> wrote:

Mr. Ragusa:

Your retort is the exact reply that I expected!

You have answered in the manner that proves the disrespect that you not only give to those that elected you to this position but also proves the manner in which you allow your employees to speak to us as well.

I am an intelligent black woman with a college education, family, home and an established life. I will not stand for this type of conduct in any manner now and not in the future.

I assure you, you may think you know me but you will for sure remember me!

Ms. B

---

**From:** Mayor Ragusa <mayorragusa@att.net>;  
**To:** leonabrown459@yahoo.com <leonabrown459@yahoo.com>;  
**Sent:** Wed, Feb 4, 2015 2:22:54 PM

I know who you are

Sent from my iPhone

RECEIVED  
FEB 02 2015  
BY: \_\_\_\_\_

TO WHOM IT MAY CONCER:

I wish to file a complaint with Town Hall concerning the unprofessional behavior of one of your office employees, Ms. Boykin.

I came to Town Hall to pay my ticket around 3:30 today but the door was locked. I called and Ms. Boykin answered and said that they close early to count their cash. I told her that I wanted to pay my ticket and she said that I could leave it in a drop box or come back Monday. I told her the sign on the door says that Town Hall closes at 4, she interrupted me while I was speaking by talking over me in a very condescending and loud voice. Ms. Boykin she said that she had been instructed by the Mayor thru an Ordinance to close daily to count their cash.

I informed her I refuse to leave cash in a box outside over the weekend and asked how long will it take them to count their cash and open up and in a very arrogant and demeaning tone she told me that as long as she sits on the phone with me that she will never get her work done so I will have to wait till Monday. I informed her that her attitude was not necessary and the line went dead!

I know for a fact that I am not the only person that has been treated in the manner as I have been treated today. I will make it a point that those that I know that has been subjected to Ms. Boykin's rudeness and nasty attitude files complaints to this office.

I expect you as the Mayor and Aldermen to take the steps to discipline and insure that she is retaught the etiquette of a proper customer service person that should represent the Town of Independence.

If, however, you taught her to behave this way then I would like a public documented apology from you and your Aldermen and an assurance that none of your employees will act in such a rude and inconsiderate way again.

As you will notice, I did not sign my name because I know that you as a Mayor is the judge for traffic court and I know that there would be repercussions for my reporting a complaint.

As Aldermen, I sure hope that you see that your citizens are not subjected to such a vial and nasty person.

Thank you for your time.

## TO WHOM IT MAY CONCERN:

I wish to file a complaint with Independence Town Hall concerning the unprofessional behavior of one of your office employees, Ms. Boykin.

I came to Town Hall to pay my ticket around 3:30 on January 23, 2015, but the door was locked. I called and Ms. Boykin answered and said that they close early to count their cash. I told her that I wanted to pay my ticket and she said that I could leave it in a drop box or come back Monday. I told her the sign on the door says that Town Hall closes at 4; she interrupted me while I was speaking by talking over me in a very condescending and loud voice. Ms. Boykin she said that she had been instructed by the Mayor thru an Ordinance to close daily to count their cash.

I informed her I refuse to leave cash in a box outside over the weekend and asked how long will it take them to count their cash and open up and in a very arrogant and demeaning tone she told me that as long as she sits on the phone with me that she will never get her work done so I will have to wait till Monday. I informed her that her attitude was not necessary and the line went dead!

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As you will notice, I did not sign my name because I know that you as a Mayor are the judge for traffic court and I know that there would be repercussions for my reporting a complaint.

As Aldermen, I sure hope that you see that your citizens are not subjected to such a vial and nasty person.

Thank you for your time.

I came in to city hall to pay my water bill on January 27, 2015. Your lady that sits at the desk nearest the window has a bad ass attitude and should not help paying customers! I patiently waited for awhile; while she was on the phone. She didn't even turn around and acknowledge the fact that I was standing in the window. I timed her call and it was 7 minutes. It was obvious that the call was personal and not business. I tapped on the counter and when she turned to look at me she rolled her eyes. She finally got off the phone, asked my name, sarcastically told me my balance, took my money and no thank you or nothing, I was humiliated and incredibly angered by this behavior. Someone with such poor people skills and a lack of common courtesy should not work in customer service.

Sincerely,

A very upset resident!

**Michael Ragusa**

---

**From:** "Mayor Ragusa" <mayorragusa@att.net>  
**To:** "LEONA BROWN" <leonabrown459@yahoo.com>  
**Sent:** Thursday, February 05, 2015 12:07 PM  
**Subject:** Re: Reply  
Jeanette you need to grow up

----- Original Message -----

**From:** LEONA BROWN  
**To:** Mayor Ragusa  
**Sent:** Wednesday, February 04, 2015 10:40 PM  
**Subject:** Reply

Mr. Ragusa:

Your retort is the exact reply that I expected!

You have answered in the manner that proves the disrespect that you not only give to those that elected you to this position but also proves the manner in which you allow your employees to speak to us as well.

I am an intelligent black woman with a college education, family, home and an established life. I will not stand for this type of conduct in any manner now and not in the future.

I assure you, you may think you know me but you will for sure remember me!

Ms. B

---

**From:** Mayor Ragusa <mayorragusa@att.net>;  
**To:** leonabrown459@yahoo.com <leonabrown459@yahoo.com>;  
**Sent:** Wed, Feb 4, 2015 2:22:54 PM

I know who you are

Sent from my iPhone

**Michael Ragusa**

---

**From:** "LEONA BROWN" <leonabrown459@yahoo.com>  
**To:** "Mayor Ragusa" <mayorragusa@att.net>  
**Sent:** Wednesday, February 04, 2015 11:40 PM  
**Subject:** Reply  
Mr. Ragusa:

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Ms. B

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**To:** leonabrown459@yahoo.com <leonabrown459@yahoo.com>;  
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I know who you are

Sent from my iPhone

**Michael Ragusa**

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**Sent:** Wednesday, February 04, 2015 10:40 PM  
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Ms. B

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**From:** Mayor Ragusa <mayorragusa@att.net>;  
**To:** leonabrown459@yahoo.com <leonabrown459@yahoo.com>;  
**Sent:** Wed, Feb 4, 2015 2:22:54 PM

I know who you are

Sent from my iPhone

**Michael Ragusa**

---

**From:** "LEONA BROWN" <leonabrown459@yahoo.com>  
**To:** "Mayor Ragusa" <mayorragusa@att.net>  
**Sent:** Monday, February 16, 2015 4:30 PM  
**Subject:** Re: Reply  
Mr. Ragusa,

Sir, you are ridiculous!

---

**From:** Mayor Ragusa <mayorragusa@att.net>;  
**To:** LEONA BROWN <leonabrown459@yahoo.com>;  
**Subject:** Re: Reply  
**Sent:** Thu, Feb 5, 2015 5:07:26 PM

Jeanette you need to grow up

----- Original Message -----

**From:** LEONA BROWN  
**To:** Mayor Ragusa  
**Sent:** Wednesday, February 04, 2015 10:40 PM  
**Subject:** Reply

Mr. Ragusa:

Your retort is the exact reply that I expected!

You have answered in the manner that proves the disrespect that you not only give to those that elected you to this position but also proves the manner in which you allow your employees to speak to us as well.

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Ms. B

---

**From:** Mayor Ragusa <mayorragusa@att.net>;  
**To:** leonabrown459@yahoo.com <leonabrown459@yahoo.com>;  
**Sent:** Wed, Feb 4, 2015 2:22:54 PM

I know who you are

Sent from my iPhone

**Michael Ragusa**

---

**From:** "Mayor Ragusa" <mayorragusa@att.net>  
**To:** <mayorragusa@att.net>  
**Sent:** Monday, February 09, 2015 2:39 PM  
**Subject:** Fwd: Employee Complaint

Sent from my iPhone

Begin forwarded message:

**From:** Town of Independence <[townofindependence@ymail.com](mailto:townofindependence@ymail.com)>  
**Date:** February 3, 2015 at 7:36:27 AM CST  
**To:** [mayorragusa@att.net](mailto:mayorragusa@att.net)  
**Subject:** Fw: Employee Complaint

Rhonda Crocker  
Town Clerk

Independence City Hall  
473 W. Railroad Ave ~PO Box 35  
Independence, La. 70443  
(985) 878-4145  
(985) 878-4568 Fax

--- On Mon, 2/2/15, LEONA BROWN <[leonabrown459@yahoo.com](mailto:leonabrown459@yahoo.com)> wrote:

From: LEONA BROWN <[leonabrown459@yahoo.com](mailto:leonabrown459@yahoo.com)>

Subject: Employee Complaint

To: [townofindependence@ymail.com](mailto:townofindependence@ymail.com)

Date: Monday, February 2, 2015, 3:23 PM

Dear

Mayor and Clerk:

I dropped a letter in the red drop box Thursday morning,  
January 29th. The letter was addressed to the you the Mayor  
and Town Clerk. I am just confirming that you did receive  
it. This letter was a complaint about one of your employees.

I have a feeling that my letter I dropped off is not going  
to make it to your hands thanks to the employee I'm

2/9/2015

complaining about. In case you did not receive it, a copy  
has been mailed to you, the Aldermen and the newspaper as  
well!

You should have already have the letter mailed!

Ms. B

(Inquiry) Customer File Inquiry

Customer: Property: Service: Control: Disabled: On: Summary: On: Detail: Reading: Rate: Date: Rate

### View Master Record

ACTIVE

Account No: 632-3298-42    New Acct. No: 68940967    Acct. Status:  Public     Medical  
Last Name: RAGUSA    First Name: TIM

Addr. Line 1: 63298 RAGUSA RD    Alt. Name:     
Alt. Line 2:     Alt. Acct:

City: MONTEBELLE    Service Addr: 63298 RAGUSA RD

State: LA    Zip Code: 70403    Zip Plus 4:    Delivery Pt:    Carrier Route:

Tel. No. 1: /    Ss No. 1: --    Driver's Lic. No. 1:

Tel. No. 2: /    Ss No. 2: --    Driver's Lic. No. 2:

Misc. Field 1:      Local

Misc. Field 2:

Part Due Count: 88    Date: 12/25/2014    Alerts: 11/29/11

W/ Count: 8    Date: 11

Buttons: [Go] [Del] [Hold] [Print] [End] [F5] [F6] [F7]

changed rate \$8-26-11 per mather ragusa  
CHANGED RATE BACK TO OUTSIDE PER MAYER  
11-29-11



STATE OF LOUISIANA  
DEPARTMENT OF STATE CIVIL SERVICE  
**LOUISIANA BOARD OF ETHICS**  
P. O. BOX 4868  
BATON ROUGE, LA 70821  
(225) 219-5600  
FAX: (225) 381-7271  
1-800-842-6630  
www.ethics.state.la.us

June 26, 2015

Mayor Michael Ragusa  
Town of Independence  
P.O. Box 1204  
Independence, Louisiana 70443

**Re: Ethics Board Docket No.2014-046**

Dear Mayor Ragusa:

The Louisiana Board of Ethics, at its June 18, 2015 meeting, considered confidential investigation report regarding whether you violated La. R.S. 42:1112 by participating in the reduction of your son, Tim Ragusa's, water rate.

The complaint alleged in April of 2013, you had the water department change your son's water bill from an "outside the city" rate to an "inside the city rate," once he paid \$589.00 on the bill. The investigation results reflect that Tim Ragusa's property is located on Ragusa Lane and you stated that after review of a plat map with the tax assessor it was decided that since the city limits cut across Ragusa Lane the property would be considered inside the city limits.

Tim Ragusa had accumulated a bill of 808.00 by June of 2013. Tim Ragusa had been billed the out of city rate from November 2011 to May of 2013. The outside rate was \$38.00 while the inside rate was \$15.00 per month. Tim Ragusa paid \$589 in June of 2013 and his rate was changed to inside the city limits.

It appears that there is not a direct correlation from the \$589.00 paid by Tim Ragusa to the higher rate he paid for water for 18 months, from November 2011 to June of 2013. Had Tim Ragusa been billed the inside the city rate for the 18 months his bill would have been reduced by \$414.00 and he would have owed only a total of \$394. Therefore, the investigation results reveal that while you did participate in having the water rate changed on your sons property it was not to Tim Ragusa's economic benefit.

La. R.S. 42:1112 prohibits a public servant from participating in a transaction, involving his governmental entity, in which a member of his immediate family has an economic interest.

While the Board is still of the belief that a violation may have occurred, the Board has decline to pursue any enforcement action against you, based upon the totality of the circumstances, in particular the fact that, Tim Ragusa still paid more for his water than he would have if the rate had been determined to be an in city rate the entire time. Therefore, the Board instructed me to caution you and close the file.

If you have any questions, please do not hesitate to contact me at (225)219-5600 or 1(800)842-6630.

Sincerely,

**LOUISIANA BOARD OF ETHICS**

Suzanne Quinlan Mooney

For the Board

AN EQUAL OPPORTUNITY EMPLOYER

## APPENDIX B

---

### Other Responses



# Melanie Boykin

10227 Hwy 40 West  
Independence, Louisiana 70443

Email: melboykin77@aol.com

---

August 5, 2015

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-94397

Dear Mr. Purpera,

I have received a draft of your investigative audit report on the Town of Independence indicating that from June 1, 2014 through December 31, 2014 Utility Payments were received and/or recorded as received, but not deposited into the Town's bank account for an amount totaling \$4,242.

My response is as follows

I was hired on June 30, 2014 to work for the Town of Independence as a utility clerk. I was one of three clerks who shared one password and full access to the utility system where utility payments were entered. The utility system was accessible from any computer in the office and changes could be made by anyone with access to the system without the other clerk's knowledge.

There were very minimal low security policy and procedures taught to me by both the former utility clerk who resigned in August 2014 and the former town clerk who resigned in February 2015. When the former utility clerk resigned in August 2014, I was left to maintain an extremely high volume front office after only having a few weeks of subpar training on the policies governing the structure of the office, policies, and what minimal procedures were in place.

For the record, my role exceeded, but was never limited to water payments. I was also collecting occupational license applications and fees, new account application and fees, sign permit fees, event permit fees, building permit fees, yard sale fees, property tax payments, and traffic court payments; again, with minimal guidance from my immediate former supervisor (town clerk). Simultaneously, I spent many hours of my time on event planning, grant preparation/writing, and other administrative duties as requested by the Mayor.

There were several times that payments would be taken at the window by other clerks when I was away from the window (either out of the office or away from my desk) without being entered into the utility system or a hand written receipt being issued. I would come back to a stick note with a name on it attached to a check or cash left on my desk. Luckily for me my desk was monitored by video surveillance. **(My desk was the only desk in the entire office governed by video surveillance during this time)** There were many other times when payments were taken by the former clerk and either not entered in the utility system or not written in the receipt book. I would have to then go back and try to match up which piece of the

process had not taken place and rectify it. Other times, checks with no account numbers would be left with no details leaving me to try to figure out what account to apply the payment to.

Despite these issues and many, many others I worked as efficiently as I could under the circumstances. Each day without fail, I prepared a daily excel spreadsheet of the payments I collected for the day, printed an end of day utility report from the system, attached the cash receipts collected for the day, and reconciled the two reports to confirm what I had collected matched what was on my utility report. I would then make a copy of both reports and attach all cash and checks to the former clerk's copy and turn it over to her to prepare the day end deposit. I was under the impression that deposits were made daily by the former clerk except in the event that there was an overly extremely busy day where on those days she would say to give her everything to lock in the safe and that we would reconcile it the next morning.

Regarding specifically the "missing deposits"; the report references that you were informed that I collected and entered payments into the utility system on both October 3 and October 31, 2014 and later on both dates placed those payments in bank bags for the former clerk who in turn placed those bags in the Town's safe. I am not sure of who the source of reference is, but I can assure you that no one from this staff nor from your staff has ever sat with me to have an in depth conversation with me regarding either of those dates. My role in this office presently and in the past is to collect payments, record those payments, provide a daily report, a monthly report, and assist the Mayor which I continue to do with great pride and as much efficiency as humanly possible. I make every effort to govern myself responsibly and accordingly at all times. It is not nor has it ever been my responsibility to ensure that the person who is sworn in to govern the practices of this office is doing their job in accordance with the statutes you've attached to your report.

Firstly, I should have never been made to share a password to the utility system with anyone else in this office especially since the system itself was already ridiculously flawed.

Secondly, I should have never been made to share an alarm code with anyone else in this office.

Thirdly, if in fact I placed payments and reports in those bags on those days for depositing then why were they placed in the safe instead of brought to the bank for daily depositing? There is no legitimate reason for deposits to remain in the building overnight unless there was some extreme circumstance preventing the former town clerk from walking across the street to the town's bank to place the deposit in the night drop box. Let's assume the payments were not ready for depositing because it was an overly extremely busy day on both occasions and the former town clerk decided that the staff should turn everything over to her and reconcile it the following morning, the bank deposit bags have keys and locks. The only person who had keys to those bags was the former town clerk, therefore (whether the payments had been correct or incorrect) if the former town clerk had done her due diligence to lock the bank bags before placing them in the safe, whatever was placed in those bags would have been there the following day.

Lastly, the Town of Independence owns a locked vault which is housed in the rear of the building that can only be accessed by combination entry. No one in the office had the combination to the vault except for the former town clerk. In my opinion, if you make the executive decision (which only the former town clerk had the authority to make) to place over \$3000.00 in an unlocked bag in the safe which is absolutely lockable, why wouldn't you lock it? I was not made aware of the fact that the safe had been left unlocked until after this issue arose,

in fact I don't believe anyone here had knowledge of the fact that the town's funds were going into an unlocked safe.

In closing, I walked into an office setting on June 30, 2014 where the former town clerk had minimal policies and procedures in place. The structure of this office was in shambles and the turnover rate was very high. I kept records to the very best of my ability and provided documentation to the former town clerk on a daily basis along with everything that I personally collected on a daily basis. That was the limit to what I was responsible for. I want to be clear that my job title, job description, and segregated duties, now or in the past, do not involve the depositing of payments from this office. To do so, would be unethical. I cannot accept, record payments, and bring them to the bank. Further, that was not my job that was her job. The former town clerk had the sole responsibility of depositing funds on a daily basis and checking my back up for errors, if any. Why those particular deposits did not make it to the bank I cannot say, but I can say assuredly, the fact that they never made it there has absolutely nothing to do with me.

Sincerely,

Melanie Boykin