

PINECREST SUPPORTS AND SERVICES CENTER

OFFICE FOR CITIZENS WITH
DEVELOPMENTAL DISABILITIES –
LOUISIANA DEPARTMENT OF HEALTH
STATE OF LOUISIANA

INVESTIGATIVE AUDIT SERVICES

Issued October 26, 2022

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

ASSISTANT LEGISLATIVE AUDITOR FOR INVESTIGATIONS
ROGER W. HARRIS, J.D., CCEP, CFI

INVESTIGATIVE AUDIT SENIOR MANAGER
GREGORY CLAPINSKI, CPA, CFE

INVESTIGATIVE AUDIT TEAM
KUNTA OSBERRY, MBA
LEWIS "BREN" BRENDLE, MBA, CFE

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 is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3543 or Report ID No. 50220007 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Four copies of this public document were produced at an approximate cost of \$1.40. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Jenifer Schaye, General Counsel, at 225-339-3800.

October 26, 2022

**SHANNON THORN, REGIONAL ADMINISTRATOR
PINECREST SUPPORTS AND SERVICES CENTER
OFFICE FOR CITIZENS WITH
DEVELOPMENTAL DISABILITIES
LOUISIANA DEPARTMENT OF HEALTH**
Pineville, Louisiana

We are providing this report for your information and use. This investigative audit was performed in accordance with Louisiana Revised Statutes 24:513, et seq. to determine the validity of complaints we received.

The procedures we performed primarily consisted of making inquiries and examining selected financial records and other documents and do not constitute an examination or review in accordance with generally accepted auditing or attestation standards. Consequently, we provide no opinion, attestation, or other form of assurance with respect to the information upon which our work was based.

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 9th Judicial District of Louisiana and others, as required by law.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW:ch

PINECREST



TABLE OF CONTENTS

	Page
Executive Summary	2
Background and Methodology	3
Finding and Recommendations:	
Former Police Captain May Have Been Paid for Overtime Hours Not Worked	4
Legal Provisions	8
Management’s Response	Appendix A
David Patterson’s Response	Appendix B

EXECUTIVE SUMMARY

Former Police Captain May Have Been Paid for Overtime Hours Not Worked

From July 2020 to December 2021, former Pinecrest Supports and Services Center (PSSC) Police Captain David Patterson recorded and was paid \$15,099 for 391 hours of COVID-19 overtime on weekend days that he either did not work or failed to go through PSSC's mandatory COVID-19 screening process. During this period, PSSC required all employees and visitors to be screened for COVID-19 and have their names recorded on a screening log sheet. PSSC records show that Mr. Patterson's name was not recorded on the screening log sheets on 62 of the 67 weekend days he allegedly worked overtime. In addition, 15 officers whose time overlapped with Mr. Patterson's weekend overtime told us they did not recall Mr. Patterson working overtime on the weekends. By failing to go through PSSC's screening process, Mr. Patterson appears to have violated PSSC policy. Further, if Mr. Patterson recorded and was paid for overtime hours not worked, Mr. Patterson may have violated state laws.

BACKGROUND AND METHODOLOGY

Pinecrest Supports and Services Center (PSSC) is a part of the Office for Citizens with Developmental Disabilities, Louisiana Department of Health, which is a component unit of the state of Louisiana. PSSC's primary focus is to serve as the state's safety net facility and provider of last resort for individuals with intellectual and/or developmental disabilities with significant behavioral and psychiatric challenges and/or high-need medical support needs whose community-based placements have failed and for who alternate community-based living options are not available. The focus on each admission is to develop skills and abilities with the individual to promote independence through education via a broad range of programmatic resources. PSSC's treatment services include a wide range of services to the clients of the facility. The facility utilizes 34 distinct residential settings, 14 programmatic settings, a variety of on-and-off campus vocational settings, two Intensive Treatment Units, and a Medical Observation Unit. PSSC's goal is stabilize behavioral, psychiatric, and medical challenges and teach transportable skills that will allow individuals to successfully move back into a community setting of their choice.

On February 8, 2022, PSSC Regional Administrator Shannon Thorn notified the Louisiana Legislative Auditor (LLA), in writing, of a possible misappropriation of public funds by then PSSC Police Captain David Patterson. According to Mr. Thorn's letter, Mr. Patterson recorded and was paid for 77.5 hours of overtime, totaling \$3,142, that he did not work from October 23, 2021 to December 25, 2021. PSSC management subsequently presented their findings to Mr. Patterson and he resigned his position on February 16, 2022. The following week, LLA received an anonymous complaint stating that the amount of funds improperly paid to Mr. Patterson were significantly higher than the amount reported to LLA (\$3,142) by PSSC.

LLA initiated this investigative audit to determine the extent to which Mr. Patterson recorded overtime hours he did not work.

The procedures performed during this audit included:

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

During our audit, we received assistance from representatives of PSSC administration and staff. Their participation was instrumental to the completion of this audit.

FINDING AND RECOMMENDATIONS

Former Police Captain May Have Been Paid for Overtime Hours Not Worked

From July 2020 to December 2021, former Pinecrest Supports and Services Center (PSSC) Police Captain David Patterson recorded and was paid \$15,099 for 391 hours of COVID-19 overtime on weekend days that he either did not work or failed to go through PSSC's mandatory COVID-19 screening process. During this period, PSSC required all employees and visitors to be screened for COVID-19 and have their names recorded on a screening log sheet. PSSC records show that Mr. Patterson's name was not recorded on the screening log sheets on 62 of the 67 weekend days he allegedly worked overtime. In addition, 15 officers whose time overlapped with Mr. Patterson's weekend overtime told us they did not recall Mr. Patterson working overtime on the weekends. By failing to go through PSSC's screening process, Mr. Patterson appears to have violated PSSC policy. Further, if Mr. Patterson recorded and was paid for overtime hours not worked, Mr. Patterson may have violated state laws.^{1,2,3,4,5}

In March 2020, PSSC implemented a screening process for all visitors and employees to prevent/limit the spread of the COVID-19 on PSSC grounds. The screening process included three phases; the security guard gate, which verified the purpose of the visit to the campus; the check point station, which directed vehicles to the final screening stage; and, the screening area where a staff member checked an individual's temperature, asked health-related questions, provided color coded stickers and, if necessary, administered a COVID test. PSSC staff at the screening area were required to record the name of each individual that was screened on a screening log sheet. The PSSC administrator sent an email to all department heads, including Mr. Patterson, informing them that all staff will be screened prior to reporting to their respective work area, and that once cleared, members will receive colored stickers on their badges indicating they have been screened and cleared.

Personnel records show that PSSC hired Mr. Patterson as a police officer in August 2013, and promoted him to Captain in November 2015. Mr. Patterson's regular work hours were Monday through Friday from 7:00 a.m. to 3:30 p.m. At the rank of Captain, Mr. Patterson was exempt from overtime paid at the rate of time and one-half, but was eligible to earn compensatory time or paid overtime at his regular rate. Mr. Patterson recorded his hours worked (both regular and overtime) on a weekly PSSC Sign-In Sheet (time sheet) and also recorded his overtime hours on a PSSC Report of Overtime (overtime report). In April 2020, the Louisiana Department of Health (LDH) issued a policy based on authorization from the Division of Administration, which allowed exempt employees who worked overtime in direct response to the COVID-19 emergency to receive paid overtime at the rate of time and one-half. LDH policy required employees to record their COVID-19 overtime hours on Form HR-48B LDH – Disaster Operation Individual

Time Sheet (COVID-19 time sheets). According to Mr. Patterson's direct supervisor, Mr. Patterson was authorized to work Covid-19 overtime hours at the security gate or the checkpoint portion of the screening process.

On February 8, 2022, PSSC's Regional Administrator notified LLA, in writing, of a possible misappropriation of public funds by Mr. Patterson. According to the letter, Mr. Patterson recorded and was paid for 77.5 hours of overtime on weekends totaling \$3,142 that he did not work from October 23, 2021 to December 25, 2021. PSSC management presented their findings to Mr. Patterson and he resigned his position on February 16, 2022. The following week, LLA received an anonymous complaint stating that the amount of funds improperly paid to Mr. Patterson were significantly higher than the amount reported to LLA by PSSC. Based on PSSC's findings and the complaint provided to LLA, we reviewed the COVID-19 overtime hours Mr. Patterson recorded on weekends from July 2020 to December 2021, to screening log sheets for the same period. During our audit, we found that Mr. Patterson claimed COVID-19 overtime hours on 67 weekend days; however, Mr. Patterson's name was not included on the corresponding screening log sheets for 62 of those days. In addition, we spoke with ten PSSC police officers and five other officers^A whose time overlapped with the weekend overtime hours Mr. Patterson claimed he worked and none of them recalled seeing Mr. Patterson working overtime hours on weekend days.

Overtime Hours Recorded by Mr. Patterson

PSSC records show that Mr. Patterson recorded 1,486 hours of overtime from July 1, 2020 to December 31, 2021, which averaged just over 37 hours per two-week pay period or 18.5 hours per week. The overtime hours recorded during this period included: 826 COVID-19 overtime hours paid at 1.5 times the regular rate; 241 overtime hours paid at the regular rate; and, 419 hours of compensatory time. We found that Mr. Patterson typically recorded overtime hours on weekdays in the hours immediately before and after his regular hours (7:00 a.m. to 3:30 p.m.) and that he regularly went through PSSC's COVID-19 screening process on weekdays as his name was recorded on the screening log sheets.

According to PSSC records, Mr. Patterson began recording COVID-19 overtime hours on weekends beginning in July 2020. From July 18, 2020 to December 26, 2021, Mr. Patterson recorded 424.5 overtime hours on 67 weekend days for which PSSC paid Mr. Patterson \$15,979.^B We reviewed the screening log sheets for these days and found that Mr. Patterson's name was recorded on only five of the 67 days which accounted for a total of 33.5 hours of overtime. As such, it appears that Mr. Patterson recorded and was paid a total \$15,099 for 391 hours of overtime on 62 weekend days that he did not work or failed to go through PSSC's mandatory COVID-19 screening process.

^A In addition to PSSC officers, local sheriff's deputies and police officers also work for PSSC when not on their regularly scheduled jobs.

^B This amount included 362 overtime hours paid at one and one-half of Mr. Patterson's regular hourly rate and 62.5 overtime hours paid at Mr. Patterson's regular hourly rate.

In addition, we interviewed ten PSSC police officers whose time overlapped with the weekend overtime hours recorded on Mr. Patterson's time records. These officers work 12-hour shifts from 7:00 a.m. to 7:00 p.m. and 7:00 p.m. to 7:00 a.m. Each of the ten officers stated they routinely saw Mr. Patterson working on campus during the week (Monday-Friday), but never saw him on campus working the weekends. In addition, the officers informed us they typically do not leave their COVID-19 workstation until they are relieved by another officer or a supervisor. All officers we spoke with stated that Mr. Patterson never relieved them from the checkpoint station or security gate at the end of their shift. One officer recalled an occasion when a client eloped from campus over the weekend and Mr. Patterson was called in to help with the search. The officer stated that he met Mr. Patterson off campus to search for the client. Once they found the client, he and Mr. Patterson brought the client back to campus and stayed for about 30 minutes before leaving for the day. The officer further stated that other than this one instance, he never saw Mr. Patterson work weekends. Other PSSC officers informed us there were times they worked the security gate over the weekend and Mr. Patterson would drive up and talk fantasy football with them and that Mr. Patterson typically stayed in his vehicle during these conversations.

PSSC personnel informed us that off-duty officers from either the Pineville Police Department or the Rapides Parish Sheriff's Office guard the security gate each day from 7:00 a.m. to 7:00 p.m. and that PSSC police officers working the night shift cover the security gate from 7:00 p.m. to 7:00 a.m. We compared the off-duty officers' timesheets to the overtime hours that Mr. Patterson recorded on weekends and found that he recorded 154 hours of overtime at the security gate which overlapped with off-duty officers' regular work hours at the gate. For example, Mr. Patterson recorded seven hours of COVID-19 overtime from 9:30 a.m. to 4:30 p.m. on Saturday, January 2, 2021; however, PSSC records show two different off-duty officers covered the security gate from 7:00 a.m. to 1:00 p.m. and 1:00 p.m. to 4:30 p.m. We spoke with five of the off-duty officers whose work hours at the security gate overlapped with Mr. Patterson's hours. All of these off-duty officers stated either they never worked with Mr. Patterson at the security guard gate, or could not recall Mr. Patterson working at the security guard gate.

We spoke with the PSSC employee that supervises all PSSC department heads, which included Mr. Patterson. Mr. Patterson's former supervisor told us he was responsible for approving Mr. Patterson's time sheets, overtime sheets, and COVID-19 overtime sheets (HR-48B's). He stated that he did not question Mr. Patterson's overtime initially because two of PSSC's police officers were out and he routinely saw Mr. Patterson working overtime during week days. We attempted to speak with Mr. Patterson but he declined our request.

Recommendations

We recommend that PSSC consult with legal counsel to determine the appropriate course of action, including recovery of funds paid to Mr. Patterson for hours not worked. We further recommend that PSSC:

- (1) Enforce the current policy requiring all employees to be screened prior to reporting to their respective work area;
- (2) Implement a license plate reader to capture the license plate of every vehicle that enters the PSSC security gate;
- (3) Require COVID-19 overtime shifts at the security gate, checkpoint and screening stations to be scheduled and authorized in writing and in advance; and
- (4) Develop and implement policies and procedures to ensure that amounts paid to employees are appropriately earned and approved.

LEGAL PROVISIONS

¹**Louisiana Revised Statute (La. R.S.) 14:67(A)** states, "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. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential."

² **La. R.S. 14:133(A)** states, "Filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, of any of the following: (1) Any forged document. (2) Any wrongfully altered document. (3) Any document containing a false statement or false representation of a material fact."

³ **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."

⁴ **La. R.S. 14:138(A)(1)** states, "Public payroll fraud is committed when: Any person shall knowingly receive any payment or compensation, or knowingly permit his name to be carried on any employment list or payroll for any payment or compensation from the state, for services not actually rendered by himself, or for services grossly inadequate for the payment or compensation received or to be received according to such employment list or payroll."

⁵ **La. R.S. 42:1461(A)** states, "Officials, whether elected or appointed and whether compensated or not, and employees of any "public entity", which, for purposes of this Section shall mean and include any department, division, office, board, agency, commission, or other organizational unit of any of the three branches of state government or of any parish, municipality, school board or district, court of limited jurisdiction, or other political subdivision or district, or the office of any sheriff, district attorney, coroner, or clerk of court, by the act of accepting such office or employment assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they hold office or are employed."

APPENDIX A

Management's Response



State of Louisiana
Louisiana Department of Health
Office for Citizens with Developmental Disabilities
Pinecrest Supports and Services Center

September 30, 2022

Michael J. "Mike" Waguesapck, CPA
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

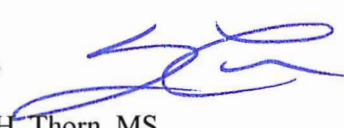
Dear Mr. Waguesapck:

I want to thank you and your staff at the Louisiana Legislative Auditor's office for assisting Pinecrest in investigating the payroll fraud of former Pinecrest employee David Patterson. I am pleased that your investigators were able to explore the matter in great depth, beyond what Pinecrest was able to discover within the facility's resources, and garner additional details into this matter. Pinecrest became aware in early January 2022 of former Police Captain David Patterson potentially having misrepresented overtime hours worked. After becoming aware of this information a full investigation into the potential payroll fraud was initiated by the facility and Mr. Patterson was placed on administrative leave. The facility investigation concluded in early February 2022 with a confirmation of payroll fraud and Pinecrest Human Resources acted quickly to begin the recoupment process enabling Pinecrest to recover the money that was identified in the facility's investigation as having been fraudulently received by Mr. Patterson. Upon conclusion of the investigation I notified the Louisiana Legislative Auditor of the payroll fraud findings against Mr. Patterson, including information from the facility's investigation, so that your office could review and investigate further. I was pleased when investigators from the Louisiana Legislative Auditor's office contacted the facility requesting additional information to pursue a further investigation of this matter. During the course of the investigation I worked to ensure facility staff were fully cooperative and provided everything investigators needed and requested during the course of their investigation to assure the investigators could conduct a thorough investigation into this matter.

Based on your investigation and recommendations to help prevent recurrence of similar issues in the future we have already implemented the recommendations related to enforcing current policy, ensuring that overtime is pre-authorized and scheduled, and ensuring that procedures related to payroll are current and appropriately implemented. We have researched options and completed the process to order license plate readers to capture license plates of all vehicles entering and exiting the facility to enhance the facility's ability to monitor accuracy of time documentation for all employees moving forward. Upon receipt of the final investigative report, Human Resources staff will take appropriate measures to recover the additional funds identified in your office's investigation as fraudulently received by Mr. Patterson.

Again I want to thank you and your staff for the assistance in this matter, the thorough investigation, the comprehensive report, and the helpful recommendations.

Sincerely,


Shannon H. Thorn, MS
MR/DD Regional Administrator—Pinecrest

APPENDIX B

David Patterson's Response

LAW OFFICES OF HESSER & FLYNN, L.L.P.³

¹ BOARD CERTIFIED FAMILY LAW
SPECIALIST (LOUISIANA BOARD OF LEGAL
SPECIALIZATION)
² MASTER OF LAWS IN ADMINISTRATION
³ LIMITED LIABILITY PARTNERSHIP
⁴ PARTNER
⁵ ALSO ADMITTED IN TEXAS
⁶ A PROFESSIONAL LAW CORPORATION
⁷ OR DEPENDENT CONTRACTOR

MAILING ADDRESS
215 ANSLEY BLVD.
ALEXANDRIA, LOUISIANA 71303
TELEPHONE: (318) 542-4102
FACSIMILE: (318) 442-4105
E-mails: david@hesserlaw.com
trey@hesserlaw.com
derrick@hesserlaw.com
kathryn@hesserlaw.com
Website: www.hesserlaw.com

DAVID C. HESSER ^{1,2,4,5,6}

LEDA "TREY" FLYNN ^{1,2,4,5}

DERRICK J. JOHNSON⁴

KATHRYN W. COOPER

October 10, 2022

CONFIDENTIAL NUMBER
9314 7679 0428 0100 3731 79
SENDER'S RECORD

(Via mail and facsimile 225-339-3870)

Michael J. "Mike" Waguespack, CPA

Louisiana Legislative Auditor

Post Office Box 94397

Baton Rouge, LA 70804-9397

RE: Legislative Audit of David Patterson

Dear Mr. Waguespack,

I write today concerning the above captioned matter. I have been retained by Mr. Patterson to review your findings and respond on his behalf. We deny any wrongdoing on Mr. Patterson's part. We deny any allegations made by the anonymous informant reporting directly to your office or anonymous statements made by fellow employees. We deny all wrongdoing on Mr. Patterson's part while he was employed as a police captain a Pinecrest Supports and Services Center. It is for the following reasons we deny:

Mr. Patterson cooperated with the internal investigation conducted by Pinecrest. He provided statements and evidence during his interview in January 2022. In February 2022, he resigned from his position, and he satisfied the debt related to their internal investigation, all while maintaining his innocence. Their investigation was closed, and he was no longer employed by Pinecrest Supports and Services.

An internal and anonymous tip was not made to your office until after the internal investigation was completed. The investigation completed by your office was based on this tip and statements from unnamed coworkers regarding a schedule that took place as long as 27 months ago. Any alleged wrongdoing should be considered satisfied with his resignation and satisfaction of funds from the internal investigation.

Mr. Michael J. "Mike" Waguespack, CPA

October 10, 2022

Page 2

Should you choose to continue with your investigation, I request a copy of your investigation, including the names and statements of parties, and copies of all work logs from July 2020 to December 2021. I am happy to discuss this with you further, please do not hesitate to reach out, 318-542-4102 or via email, Kathryn@besserlaw.com. With warm regard, I remain.

Sincerely,

**HESSER & FLYNN,
A LIMITED LIABILITY PARTNERSHIP**

By: 
Kathryn W. Cooper

KWC

cc: David Patterson (*Via email*)