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Report Highlights

Louisiana Tax Commission

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Investigative Audit Services • April 2019

Why We Conducted This Audit

In February 2018, Louisiana Tax Commission (LTC) commissioners and the Louisiana Division of Administration notified the Louisiana Legislative Auditor (LLA) that they had received complaints of LTC Administrator Charles Abels being paid for hours not worked and using a state rental vehicle for his personal use. We initiated this audit to determine the validity of these complaints. During our audit, we received assistance from the Louisiana State Police. Their participation was instrumental to the completion of this audit.

What We Found

Administrator Appears to Have Claimed and Been Paid for Hours He Did Not Work and Used a State Rental Vehicle for Personal Purposes

We observed LTC Administrator Charles Abels' activities the week of July 30, 2018 through August 3, 2018, and compared our observations to LTC records. Based on those observations and our analysis of LTC records for that five-day period, it appears Mr. Abels was paid \$1,542 for 30.25 hours that he did not work, used a state rental vehicle for personal activities, and was reimbursed \$44 in fuel charges unrelated to his employment. We also reviewed third-party records and compared them to LTC records and concluded that Mr. Abels may have been paid \$14,841 for 321 additional hours when he was engaged in personal activities, such as playing golf and traveling out-of-state, between February 23, 2017 and September 5, 2018. It further appears that Mr. Abels was reimbursed \$1,248 for fuel purchased on weekends, holidays, and days Mr. Abels was not working from February 11, 2017 to August 1, 2018. If Mr. Abels submitted false time sheets, received compensation for hours he did not work, used a state rental vehicle for personal purposes, and claimed reimbursement for fuel expenses unrelated to his employment, Mr. Abels may have violated state law.

Improper Travel

LTC employees, including Mr. Abels, incurred improper and unnecessary travel expenses totaling \$2,560 between October 19, 2017 and July 18, 2018. These expenses include conference-related travel expenses for LTC employees who were not registered for the conference or were registered, but did not attend the conference. If LTC employees incurred and received reimbursements for improper and unnecessary travel expenses, they may have violated state law.

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What We Found (Cont.)

Administrator Failed to Disclose Outside Business

Mr. Abels failed to disclose services he provided and compensation he received through a private business, Ecogreen Consultants, LLC (Ecogreen). State law requires LTC employees to have approval from the board to provide services to anyone other than LTC. Additionally, Mr. Abels completed a disclosure statement to LTC indicating that he was not providing services or receiving payments. During our audit, we found that Mr. Abels used his state email account to conduct business for Ecogreen during work hours. If Mr. Abels failed to disclose that he was providing services and receiving compensation through a private business, falsified his annual disclosure statement, and used his state email account to conduct personal business, Mr. Abels may have violated state law.

Lack of Oversight over Timekeeping

LTC did not exercise adequate oversight over Mr. Abels' time. As a result, LTC failed to deduct at least 73.5 hours of annual and sick leave from Mr. Abels' leave balances from April 23, 2018 to August 3, 2018.