

VILLAGE OF PINE PRAIRIE



INVESTIGATIVE AUDIT
ISSUED NOVEMBER 1, 2017

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 1, 2017

**THE HONORABLE QUINT WEST, MAYOR
AND MEMBERS OF THE BOARD OF ALDERMEN
VILLAGE OF PINE PRAIRIE**
Pine Prairie, Louisiana

We have audited certain transactions of the Village of Pine Prairie. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the validity of complaints 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 13th Judicial District of Louisiana and others as required by law.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/aa

VILLAGEOFpineprairie

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EXECUTIVE SUMMARY

Traffic Citation Payments Not Deposited

Records indicate that the Village of Pine Prairie (Village) received at least \$950 in traffic fines that were not deposited into the Village's bank account between March 3, 2017 and May 10, 2017. Village Police Clerk Mona Norton was responsible for receiving, recording, processing, and depositing traffic fines during this time. Our comparison of Village records to records obtained from individuals who paid traffic fines in person at the Village hall indicate that Ms. Norton failed to record and deposit all cash received and altered public records to conceal cash amounts collected but not deposited.

Improper Handling of Traffic Citations and Fines

Village records indicate that Ms. Norton improperly reduced or altered traffic citations without proper authority and/or authorization between January 1, 2016 and June 26, 2017. During this period, Ms. Norton regularly reduced moving violations to nonmoving violations and improperly adjusted the amounts owed by persons receiving citations in possible violation of state law.

Improper Handling of Suspended License Citations

The Village issued 58 citations for driving under suspension but failed to follow the state law in handling these individuals.

Municipality Improperly Classified as a Village

The Village appears to be improperly classified as a village under the provisions of the Lawrason Act. Because the Village has 1,610 inhabitants, state law requires the Board to adopt a resolution requesting the governor to change its classification to the appropriate classification based on the Village's current population.

BACKGROUND AND METHODOLOGY

The Village of Pine Prairie (Village) is located in Evangeline Parish and has a population of 1,610 residents (2010 Census). The Village was incorporated in 1959 under the provisions of the Lawrason Act and has a mayor-board of aldermen form of government. The Village provides public works, utility services, public safety, and general administrative services.

We received complaints concerning the Village's handling of traffic citations. This audit was initiated to determine the validity of those complaints. The procedures performed during this audit included:

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

FINDINGS AND RECOMMENDATIONS

Traffic Citation Payments Not Deposited

Records indicate that the Village of Pine Prairie (Village) received at least \$950 in traffic fines that were not deposited into the Village's bank account between March 3, 2017 and May 10, 2017. Village Police Clerk Mona Norton was responsible for receiving, recording, processing, and depositing traffic fines during this time. Our comparison of Village records to records obtained from individuals who paid traffic fines in person at the Village hall indicate that Ms. Norton failed to record and deposit all cash received and altered public records to conceal cash amounts collected but not deposited. By failing to properly record and deposit all cash receipts and altering public records to conceal cash payments not deposited, Ms. Norton may have violated state law.^{1,2,3,4,5,6,7,8,9}

The Village does not have written policies and procedures relating to traffic fine collections. Payments for traffic citations issued by the police department can be paid with cash, money order, or credit card. Credit card payments are collected through an online third-party collection agency and deposited directly into the Village's bank account. Cash and money order payments can be made in person at the Village hall. During the period covered by our audit, Ms. Norton was responsible for recording issued citations into the Quick-m Court Program, the Village's citation accounting system (citation system). Ms. Norton was also responsible for filing citations, adjusting fine amounts, adjusting cited offenses, receiving payments, recording the payments in the citation system, and preparing the collections for deposit. Although the Village did not issue receipts for payments made at Village Hall, Ms. Norton stamped "Paid" and the date on the Village's copy and the offender's copy of the citation. Collections were kept in the office until Ms. Norton and the Village Clerk prepared the deposits and transported the deposits to the bank. The Village's CPA then reconciled these deposits to the amounts recorded in the citation system.

Cash Payments Not Deposited

We examined the Village's traffic fine collections from January 1, 2017 through June 30, 2017. Because the Village did not issue receipts, we could not determine if all amounts collected were properly recorded and deposited into the Village's bank account. However, using the citation system, we generated a list of offenders who made cash payments during this period and spoke with 10 of these individuals. Six of the 10 (60%) individuals stated that they paid Ms. Norton in cash and provided us with documentation and/or statements about amounts paid for the citations which conflict with the amounts Ms. Norton recorded and deposited. Based on the information provided by these six individuals, it appears that Ms. Norton received at least \$950 in cash payments that were not recorded in the citation system and not deposited into the Village's bank account. For example, the Village Police Department issued one citation on November 21, 2016, that included the following violations:

- Speeding
- No proof of liability insurance
- No registration in vehicle
- No driver's license in possession

We spoke with the person who received this citation. He said he called the Village hall and spoke to Ms. Norton. He also told us that Ms. Norton agreed to reduce his fines from \$1,190 to \$620, but he would have to pay in cash at Village hall. He provided us with a copy of his citation, which indicates that he paid Ms. Norton \$620 on April 28, 2017. However, the Village's copy of the citation reflects that the fines were reduced to \$420 and that Ms. Norton received \$420 in cash from him on April 28, 2017. Village records indicate that Ms. Norton recorded the receipt of \$420 in the citation system and included the same amount in the next bank deposit.

We interviewed Ms. Norton and provided her with the Village's copy of the citation, as well as a copy of the citation obtained from the person who received it. Ms. Norton could not explain the discrepancy between the two copies of the citation and acknowledged that she had written "Total \$620" and stamped "Paid April 28, 2017" on the person's copy of the citation. Ms. Norton indicated that she had collected \$420 in cash from this person based on the notes she had written on the Village's copy of the citation. She stated that she believes the person who received the citation made an error and that she should have kept better notes regarding this transaction. We provided Ms. Norton with additional examples in which persons receiving citations provided documentation and/or statements that contradicted the amounts she recorded and deposited. Ms. Norton could not explain the discrepancies.

Conclusion

Records indicate that portions of six traffic citation payments, totaling at least \$950, were received but not deposited into the Village's bank account between March 3, 2017 and May 10, 2017. Village records and records obtained from persons who paid traffic fines to the Village indicate that Ms. Norton failed to record and deposit all cash payments and altered public records to conceal cash amounts collected but not deposited. By failing to properly record and deposit all cash payments and falsifying public records to conceal cash payments not deposited, Ms. Norton may have violated state law.^{1,2,3,4,5,6,7,8,9}

Improper Handling of Traffic Citations and Fines

Village records indicate that Ms. Norton improperly reduced or altered traffic citations without proper authority and/or authorization between January 1, 2016 and June 26, 2017. During this period, Ms. Norton regularly reduced moving violations to nonmoving violations and improperly adjusted the amounts owed by persons receiving citations in possible violation of state law.^{5,10,11}

Louisiana *Attorney General Opinion 11-0129* states, in part, "...the authority to reduce a moving violation to a nonmoving violation rests with the town attorney...who serves as prosecutor in mayor's court. The prosecuting attorney is the only person who may amend a criminal charge." *Opinion 11-0129* further states, "...there is no authority for the mayor's court to impose a fine other than that assessed by ordinance for the charge to which an individual pleads guilty. In other words...the fine assessed for the original moving violation must be reduced to the fine assessed for the nonmoving violation, in the event the town attorney elects to reduce the moving violation to a nonmoving violation."

We reviewed Village records and found that between January 1, 2016 and June 26, 2017, the Village reduced, dismissed, voided, or altered 2,784 out of 3,679 traffic violations (76%). Despite the clear language of *Attorney General Opinion 11-0129*, we found that Ms. Norton regularly reduced moving violations to nonmoving violations and adjusted amounts owed. The Village could not provide adequate documentation to show that she was authorized to make these changes.

Ms. Norton indicated that people who receive citations can review and pay their fines at the Village hall or online. She stated that she would try to "work with" people who received citations and reduce the amount of the fines owed before they made payments. Ms. Norton said she typically called Mayor Quint West before making the adjustments and then documented the Mayor's authorization on the citation. Ms. Norton also said that when people paid their citations online, she frequently reduced the charges to nonmoving violations, such as "No Registration," so the moving violations would not appear on their driving records. However, it appears that when a person's citation was reduced to a nonmoving violation, the fine was not reduced to the amount of the nonmoving violation as contemplated by *Attorney General Opinion 11-0129*.

Based on Village records and Ms. Norton's statements, it appears that Ms. Norton routinely reduced moving violations to nonmoving violations and adjusted amounts owed without authority and/or documentation of the mayor's authorization. Moreover, even if Ms. Norton had authority, the fines assessed for the original moving violations should have been reduced to the fine assessed for the nonmoving violation. By reducing moving violations to nonmoving violations and improperly adjusting the amounts owed by offenders, Ms. Norton may have violated state law.^{5,10,11}

Improper Handling of Suspended License Citations

During our audit, we found that the Village issued 58 citations for driving under suspension but failed to follow the state law in handling these individuals.

State law¹² requires that when officers discover an individual is driving with a suspended license, the officers must immediately revoke the offender's driving privileges, issue a citation with a mandated court appearance, and – if the vehicle is registered to the individual with the suspended license – the officer must remove the vehicle's license plate. Based on interviews conducted with Village employees, it does not appear the Village police officers are adhering to these requirements.

During our audit, we found that Village police officers issued 58 citations for driving under suspension from January 2016 to June 2017. According to Village personnel, when an individual is stopped and found to be driving under a suspended license, that person is allowed to drive his/her vehicle to the Village hall for processing. Upon arriving at the Village hall, the person cited for the infraction is required to pay the Village an appearance bond fee of \$100 per offense. If the person does not have the required money, he or she is permitted to contact someone to bring the required cash to pay the appearance bond.

The procedures described by Village personnel indicate that Village police officers are not following state law when handling individuals found to be driving under a suspended license. In addition, the Village had no documentation to indicate that a person's driving privileges were revoked, license plates were removed, or that they were required to appear before the court. To determine if Village police officers were removing license plates as required by law, we sampled five citations issued for driving under a suspended license and used Office of Motor Vehicles records to determine if the vehicles were registered to the individuals cited. We found that two (40%) of the vehicles were registered to the individuals cited. Based on this information, it appears that the Village failed to follow state law in handling individuals driving under a suspended license.

Municipality Improperly Classified as a Village

The Village appears to be improperly classified as a village under the provisions of the Lawrason Act. Because the Village has 1,610 inhabitants, state law requires the Board to adopt a resolution requesting the governor to change its classification to the appropriate classification based on the Village's current population.

The Village is a Lawrason Act [Louisiana Revised Statute (La. R.S.) 33:321-463] municipality. As such, municipal classification and the number of aldermen are established by state law. La. R.S. 33:341 sets forth three classes of municipal corporations: cities, towns, and villages. Those having 5,000 inhabitants or more are cities; those having less than 5,000 but more than 1,000 inhabitants are towns; and those having 1,000 or fewer inhabitants are villages. In addition, La. R.S. 33:382(A) provides that the number of aldermen in a city shall be not less than five nor more than nine; the number of aldermen in a town shall be five; and the number of aldermen in a village shall be three.

Although Pine Prairie currently operates as a village with three elected aldermen, the 2010 U.S. census indicates that Pine Prairie has 1,610 inhabitants. As such, Pine Prairie should be classified as a town and have five elected aldermen. La. R.S. 33:342 (A)(1) requires the Board of Aldermen of a municipality whose population has increased beyond its present municipal class to adopt a resolution requesting the governor to change the municipality's classification. Because the Village has 1,610 inhabitants and did not adopt a resolution requesting the governor to change its classification to a town, the Village may be in violation of the Lawrason Act.

Recommendations

We recommend that the Village consult with legal counsel to determine the appropriate legal actions to be taken, including recovery of the missing funds. We also recommend that Village management develop and implement policies and procedures to ensure that payments collected by the Village are accounted for and deposited daily in accordance with state law.

Village management also should:

- (1) require that all funds collected be adequately documented, accurately recorded, and deposited daily in accordance with state law;
- (2) require the issuance of a receipt for all funds collected;
- (3) review and compare the daily total deposits to the total receipts on a regular basis and immediately investigate any differences;
- (4) ensure that employees are properly trained on cash handling policies and procedures;
- (5) adequately segregate the duties of collecting, recording, and depositing cash collections;
- (6) require that each clerk establish and use a separate user account within the computer system;
- (7) develop and implement detailed written policies and procedures to ensure that traffic citations are properly disposed of in accordance with state law;
- (8) require management to approve, in writing, all adjustments to traffic citations;
- (9) record and maintain a log documenting proper authorization for all traffic citations that have been dismissed, reduced, or altered, showing the date of authorization and the date of the final adjustment;
- (10) develop and implement detailed written policies and procedures to ensure compliance with state law regarding citations issued to individuals cited for driving with a suspended license; and
- (11) adopt a Board resolution requesting the governor to change the Village's municipal classification based on the Village's current population.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 14:67(A)** states, in part, that “theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential.”

² **La. R.S. 14:73.5 (A)** states that “Computer fraud is the accessing or causing to be accessed of any computer, computer system, computer network, or any part thereof with the intent to: (1) Defraud; or (2) Obtain money, property, or services by means of false or fraudulent conduct, practices, or representations, or through the fraudulent alteration, deletion, or insertion of programs or data.”

³ **La. R.S. 14:132(A) and (B)** provides that “First degree injuring public records is the intentional removal, mutilation, destruction, alteration, falsification, or concealment of any record, document, or other thing, filed or deposited, by authority of law, in any public office or with any public officer. Second-degree injuring public records is the intentional removal, mutilation, destruction, alteration, falsification, or concealment of any record, document, or other thing, defined as a public record pursuant to R.S. 44:1 et seq. and required to be preserved in any public office or by any person or public officer pursuant to R.S. 44:36.”

⁴ **La. R.S. 14:133** provides, in part, that “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, any forged document, any wrongfully altered document, or any document containing a false statement or false representation of a material fact.”

⁵ **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.”

⁶ **La. R.S. 42:1461(A)** provides that “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.”

⁷ **Article 7, Section 14 of the Louisiana Constitution** provides, in part, that “Prohibited Uses. 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.”

⁸ **La. R.S. 44:36** provides, in part, “All persons and public bodies having custody or control of any public record...shall exercise diligence and care in preserving the public record for the period or periods of time specified for such public record in formal records retention schedules...However, in all instances in which a formal retention schedule has not been executed, such public records shall be preserved and maintained for a period of at least three years from the date on which the public record was made.”

⁹ **La. R.S. 33:422** provides, in part, “The clerk shall be the auditor of the municipality. He shall keep a book in which he shall enter and preserve accounts of each particular fund, and the accounts of each municipal officer. The treasurer shall not receive money from any source until the same has been reported to the clerk and audited, and a

receipt warrant issued therefor. All fines and forfeitures shall be reported by the officer collecting the same, immediately after such collection, and be paid into the treasury.”

¹⁰ **La. R.S. 32:398.2(B)** provides, in part, “Upon the deposit of the original citation or a copy of the traffic citation with a court having jurisdiction over the alleged offense or with the traffic violations bureau as set forth herein, the original citation or copy of such traffic citation shall be disposed of only by trial in the court of proper jurisdiction or any other official action by a judge of the court, including forfeiture of the bail, or by the deposit of sufficient bail with the traffic violations bureau or payment of a fine to said bureau by the person to whom such traffic citation has been issued.”

¹¹ **La. R.S. 33:441(A)(1)** provides, in part, “Except as provided in Chapter 7 of Title 13 of the Louisiana Revised Statutes of 1950, there shall be a mayor's court in the municipality, with jurisdiction over all violations of municipal ordinances. The mayor may try all breaches of the ordinances and impose fines or imprisonment, or both, provided for the infraction thereof.”

La. R.S. 33:441(A)(3) provides, in part, “The mayor may suspend the execution in whole or in part of a fine or imprisonment, or both, imposed for violation of a municipal ordinance and place the defendant on unsupervised or supervised probation with such conditions as the mayor may fix and, at any time during the probation, modify, add, or discharge. The probation shall be for a period as the mayor shall specify up to one year. The mayor may terminate or revoke the probation at any time. At the termination of the probation, the mayor may set the conviction aside and dismiss the prosecution.”

La. R.S. 33:441(B)(1) provides, in part, “Notwithstanding any other provision of law to the contrary, the board of aldermen in its discretion may, upon request of the mayor, appoint one or more attorneys who shall be designated as court magistrate and who shall serve at the pleasure of the mayor and may from time to time be designated by the mayor to serve in his stead as the presiding official over the mayor's court. Whenever a magistrate is so designated by the mayor to preside over the mayor's court, he shall exercise the powers and authority of the mayor over said court.”

La. R.S. 33:441(C)(1) provides, “The mayor shall have the power of a committing magistrate.”

¹² **La. R.S. 32:415.2(A)(1)** provides, in part, “When a law enforcement officer stops a motor vehicle at an administrative violations checkpoint, or in connection with an alleged violation of the law, or when a law enforcement officer investigates an accident, or for any other reason, the law enforcement officer shall determine if the driver's license of the operator of a motor vehicle registered in this state is suspended or revoked. The law enforcement officer shall further determine if the operator is the registered owner of the motor vehicle stopped, involved in the accident, or otherwise subject to any investigation for any other reason as contemplated by this Section.”

La. R.S. 32:415.2(A)(2)(a) provides, “If the law enforcement officer determines the driver's license of the operator of a motor vehicle registered in this state is suspended or revoked at the time of the stop, pursuant to any provision of this Title or any court order, and such motor vehicle registered in this state is registered in the name of the operator in the department's vehicle registration records, the law enforcement officer shall remove the license plate from the motor vehicle, and the operator of the motor vehicle shall be issued a notice of suspension or revocation of his driving privileges on a form to be promulgated by the department.”

APPENDIX A

Management's Response

October 17, 2017

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

Re: Investigative Audit Letter Report

Dear Mr. Purpera:

We would like to take this opportunity to thank you and your audit staff for their time and efforts in bringing to our attention some items of concern in our village. It has been a pleasure working with your auditors on these matters and we would like to express our sincere appreciation for their diligence, professionalism, and courteousness throughout the process.

We are consulting with our legal counsel and the District Attorney's office to determine the appropriate legal actions to be taken concerning the missing funds and recovery of such funds. We are also developing policies and procedures to ensure that payments collected by the Village are accounted for and deposited daily in accordance with state law.

We are implementing policies and procedures requiring that all funds collected by the Village be adequately documented, accurately recorded and deposited daily in accordance with state law. A receipt will now be required to be issued for all funds collected, and a reconciliation done comparing total deposits to total receipts on at least a weekly basis, with any discrepancies investigated immediately.

We will also ensure that our employees are properly trained on our cash handling policies and procedures.

We are in the process of redesigning our internal control policies and procedures with the help of our consulting C.P.A. to adequately separate the duties of collecting, recording and depositing cash collections. We are also consulting with our software vendor to require that each clerk establish and use a separate user account within our computer system to ensure accountability.

In accordance with your recommendations, we are also developing and will implement detailed written policies and procedures to ensure that all traffic citations are properly disposed of according to state law, and also requiring that management give written approval for all adjustments to traffic citations.

You recommend, and we will implement policies and procedures to maintain a log documenting proper authorization for all traffic citations disposed of, including dismissals, reductions, and/or alterations, showing the date of authorization and the date of final adjustment.

We are also developing, with our police chief, detailed policies and procedures to ensure compliance with state law regarding citations issued to individuals cited for driving with a suspended license.

In accordance with your recommendation we have contacted our attorney to assist us in researching information within the "Lawrason Act" requiring the governing body of the Village of Pine Prairie to, by resolution, request the governor to change its current classification from a village to a town.

We would like to again thank your office for bringing these items of concern to our attention so that we may adequately account for all monies collected by the Village.

If you should have any questions or comments, please contact us.

Sincerely

Quint West, Mayor



Tammy Hammond, Mayor Pro Tem

