



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

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DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS, PUBLIC SAFETY SERVICES

The Public Safety Services division of the Department of Public Safety and Corrections lacked adequate controls on handling cash, which enabled three employees to steal more than \$69,500 from three Office of Motor Vehicles (OMV) field offices, according to a report released Monday by Legislative Auditor Daryl Purpera's office.

The Financial Audit Services report also found that the agency "did not maintain adequate controls" over its information technology system, which processed more than \$700 million in riverboat casino and state motor vehicle revenues during the fiscal year that ended June 30, 2014.

In the first finding, the three OMV field office employees allegedly took \$69,544 in payments made mainly in the 2013 and 2014 fiscal years that were paid for more than 400 insurance violations. The former OMV employees were arrested in 2014 on charges of malfeasance in office and felony theft.

"Customers with insurance violations made payments at OMV offices to have their drivers' licenses reinstated and clear the violations from their driving records," the report said. "The OMV employees provided receipts to the customers for their payments but either did not post the transactions or modified the transactions in the computer system."

When customers learned the violations had not been cleared from their records after paying the reinstatement fee, they contacted the motor vehicles headquarters in Baton Rouge, and the agency launched an investigation, the report said. The investigation found that the three field office employees "diverted public funds for personal use and violated state laws."

The report from the state auditor said the OMV "lacked adequate controls, including proper cash handling procedures and management oversight in field offices, to prevent or timely detect the misappropriations of public funds." Auditors recommended that besides working to improve cash handling procedures, the agency should "increase management oversight in field offices" and seek restitution from the terminated workers.

Department officials said OMV will seek "complete restitution by whatever means are necessary to recoup these funds." They also said they have implemented a computer anti-fraud program that "will monitor transactions daily and help identify and prevent future fraudulent acts."



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On the second finding, the report said the department did not have adequate controls over sensitive data access or changes to data or systems, but the auditors found “no instances of improper transaction processing, unauthorized data disclosure, or unapproved changes.”

The report also said the department did not conduct regular disaster recovery testing of the systems or “identify important (system) recovery milestones,” lessening the department’s ability to quickly restore critical operations.

The agency concurred with the findings and said it is working on improvements to the systems. The report said the agency cited “reductions in IT staff and funding” as reasons for the systems’ control weaknesses.

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On Twitter: Three OMV employees stole more than \$69,000 from field offices, according to LLA report.