



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

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## ST. TAMMANY PARISH RECREATION DISTRICT NO. 4

The St. Tammany Parish Recreation District No. 4 paid its insurance agency almost \$10,000 for a year of commercial and general liability coverage it did not get, according to an audit of the district's operations issued Monday by Legislative Auditor Daryl Purpera.

The audit said the district, which oversees recreational facilities in the Lacombe area, paid the Mike Neely Insurance Agency of Slidell \$9,824 for the policy for the period between Aug. 11, 2011, and Aug. 11, 2012, but the "coverage was not provided."

The report said the district and its facilities were "uninsured during this period." Neely Insurance refunded the premium last week, 358 days after the recreation district filed a formal complaint with the state Department of Insurance.

The district paid the premium on Oct. 19, 2011, for the renewal of the policy; five days later, officials of the agency deposited the check into the agency's bank account. Stacy Henry, the recreation district's administrative assistant, said the payment to Neely was late because the insurance agency did not send a bill until Oct. 6, 2011.

The report said although it is reasonable district officials should have questioned whether their property was insured since the payment was made three months after the application date, auditors could not find any evidence that the district took action to confirm whether their facilities were properly insured.

Auditors said Neely told them the district was uninsured for a year. However, he said his office sent the insurance application and the check to TAPCO, his managing general agent. The audit said Neely could not provide documentation that either the check or insurance application was submitted to TAPCO to begin processing the policy. He said he was unaware TAPCO did not receive the application or payment.

According to the audit, Neely said when he contacted TAPCO he was told the recreation district's policy was voided because the application and payment were not received.

Henry said the district ended all insurance policies with Neely as they came up for renewal.

**For more information, contact:**

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