



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

May 5, 2014

## TOWN OF DELCAMBRE

The Vermilion Parish town of Delcambre lost more than \$62,000 in utility bill and property tax revenues through misappropriation of the funds by a former town employee, according to an audit report released Monday by Legislative Auditor Daryl Purpera's office.

The findings are contained in a report prepared for the state auditor by the accounting firm of Kolder, Champagne, Slaven and Co., LLC of Abbeville. The report covers the fiscal year ending April 30, 2013.

In its report, the accounting firm said that up to \$44,800 in collections may have been misappropriated during the fiscal year that ended April 30, 2013. Additionally, approximately \$18,000 may have been taken between April 30 and November of 2013.

Auditors said that the mayor of Delcambre was informed of the misappropriation in September, and the suspected worker "was permitted to continue performing normal collection duties until resigning in November 2013." However, the town's board of aldermen was not informed of the misappropriation until November, and Purpera's office was not told until January 2014.

In their response to the audit report, town officials said that "a possible misappropriation" was reported to the mayor first in September but there "was no solid evidence" of it at the time. Delcambre officials said in their response they were unaware they were violating any laws "regarding the matter and tried to resolve the issue as quickly as possible."

The Vermilion Parish Sheriff's Office is investigating the case. The audit report did not indicate how much of the estimated \$62,000 taken was in property taxes and how much was in utility collections. The state auditor's office forwarded the report to the district attorney's office.

"The cause of the condition (of misappropriation) is a lack of internal control policies which require proper supervision of accounting staff and adequate segregation of accounting functions," the report said. "This lack of policies contributed to an employee's ability to misappropriate funds."

The town's utility fund incurred an operating loss of almost \$215,000 in the last fiscal year. The town also had \$38,371 in outstanding customer accounts receivable, \$6,819 of which were bills owed for more than three months. Auditors found similar conditions in 2011 and 2012.



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The report said the town did not cut off utility accounts for customers who owed money, and Delcambre “should take the necessary steps to generate a profit from its utility service. This could include raising utility rates and cutting operating expenditures. Additionally, the town should take steps to collect all long outstanding customer accounts, including cutting off service until the account is current and paid in full and using a collection agency for customers who no longer live in the town.”

The report said the town is “developing a plan to reduce current operating expenditures and increase operating revenues. Without significant changes to operations, there may be uncertainty as to whether the town can continue as a going concern.”

**For more information, contact:**

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**On Twitter:** Delcambre lost more than \$62,000 through misappropriation of funds.