



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

June 9, 2014

TOWN OF FRANKLINTON

Former clerks employed by the Washington Parish Town of Franklinton may have taken more than \$50,200 in utility and property tax receipts, according to a report released Monday by Legislative Auditor Daryl Purpera's office.

The town's 2013 audit, conducted for the state auditor by certified public accountant Minda B. Raybourn of Franklinton, said that a discrepancy in property tax collections was discovered by the auditor, who noticed during her work that property taxes were deposited in the town's bank account up to two months after receipt. "The amount involved is \$2,781," the report said.

A separate finding in the report stated that receipts totaling \$47,431 may have been taken by two clerks who processed utility payments. "Both clerks admitted borrowing from the utility collections," the report said.

The clerks involved in the alleged thefts have been relieved of their duties. The town has notified the 22nd Judicial District Attorney's office of the alleged thefts.

The report said when property tax bills are paid the clerk receives the payment, stamps the date paid on the invoice and forwards the money and tax notice for deposit. The report said some of the payments that were made on December 30, 2013, "were deposited weeks and in some cases over a month to two months later." The report said that on some of the property tax bills, "the date that was stamped on the tax notice was covered with white correction fluid," the amount to be paid was marked through with ink, and handwritten penalties were added to the bill.

The report said the clerk did not know why property taxes that were paid on time had penalties assessed or why the cash was deposited late and the receipts altered. "Timely-paid property tax collections were deposited late," the report said. "The receipt dates altered indicate there may be kiting occurring."

The auditor noticed that customer utility accounts that had been written off as bad debts in 2012 were also written off as bad debts in 2013, and customers who paid by cash had disagreements over what had been paid and what was owed.

A sampling of customers who paid primarily by cash was conducted by the auditor. "The customers were mailed a six-month printout of their account history, including the current balance due," the report said. "All of the responses from these customers stated they did not



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agree with the balance reflected.” Some of the customers produced handwritten receipts or bills that had been marked paid when they brought cash to the office.

“These payments were researched and some were not posted to the customer’s account,” the report said. “In addition there were some payments that were posted days or weeks later.”

Under questioning, both clerks admitted to “borrowing from the utility collections. . . . The total amount of collections in question is \$47,431.” The accountant said that some of the paid bills were charged \$5 to \$10 more than they should have been.

In their response to the findings, Franklinton officials said they are working to address the problems by having a greater separation of duties among employees in the money-collecting functions of the office, including possibly hiring an additional clerk to better segregate duties. The report also recommended that adjustments to utility accounts be reviewed and approved by the mayor, the list of delinquent utility users to be cut off should be approved by the town clerk or the mayor, and that accounts should be reviewed for accuracy.

A third finding in the report said that during tests of expenses, “it was discovered that the payroll time cards for the police department were missing” from Jan.1, 2013 through Sept. 13, 2013, and work hours paid could not be substantiated. Town officials said in their response that they are taking steps to have the police department submit time cards with the payroll report to the payroll clerk for record-keeping as the report recommended.

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On Twitter: Former Franklinton clerks may have taken more than \$50,200 in utility and property tax receipts.