



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

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LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

The former executive director of the Louisiana Local Government Environmental Facilities and Community Development Authority may have improperly charged almost \$29,000 in personal car repairs, meals and gifts to the authority's credit card, according to a report issued Monday by Legislative Auditor Daryl Purpera.

However, the report states that the purpose of the charges could not be determined because the supporting documentation could not be found.

The report for the state auditor was done by the Lake Charles accounting firm of McElroy, Quirk and Burch. The authority issues bonds for various political subdivisions around the state.

The report centered on credit card charges incurred by former Executive Director Stephen Dicharry and his executive assistant, Linda Martin, between 2007 and 2013. Of the charges in that period, the accounting firm said \$28,972.10 appear to be for Dicharry's personal charges, but many other charges lacked receipts and were questioned.

The accounting firm said between 2007 and 2013 Dicharry charged more than \$36,500 for gasoline, car washes, new tires, oil changes and vehicle repairs to an authority-owned vehicle. The report said \$1,500 of the charges appeared "personal in nature," but without "relevant information regarding auto usage, such as mileage logs and maintenance records, we were not able to determine the appropriateness of the automobile charges."

More than \$8,500 in meals in excess of \$25 each was charged to the authority's credit card, the report said. "These charges did not have a business purpose documented on the receipt" if one was found, the accounting firm said. "We categorized \$1,986.01 of the charges for fast food meals, meals under \$25 and other meals appearing personal in nature as personal charges."

Another \$12,196.85 for meals claimed as business meal charges incurred between 2007 and 2013 lacked itemized receipts, which "limited the level of scrutiny we were able to apply" to some of the charges, the accounting firm wrote. The report said based on documentation on some receipts, the authority's board of directors "was treated to a meal at Sullivan's (a Baton Rouge steak restaurant) for Christmas in years 2009-2012," costing \$8,813 of the almost \$12,200 spent on "business meals" between 2007 and 2013.

"We noted large amounts of alcohol on several receipts, including one receipt in September 2012" from a Baton Rouge bar and grill, according to the report. "This receipt included 18 alcoholic drinks totaling approximately \$60 on a Saturday night for Stephen Dicharry and two business associates."



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The largest portion of the personal charges the accounting firm could find was \$9,333 for telephone charges. The report also said the accounting firm found “charges for flowers, gift baskets, plaques and gift cards given to employees for birthdays as gifts,” as well as \$3,826 for Christmas hams given to the authority’s board members from 2007 to 2012.

Between 2007 and 2013, the authority incurred more than \$46,550 in expenses for travel around the state, to and from New York City and Washington, D.C., and an “annual trip to Sandestin, Fla.

“Receipts for charges during the trips to Sandestin often included groceries, alcohol, restaurant meals, and charges for a room that slept up to eight people,” the report said. “We were not able to ascertain the business purpose of the annual Sandestin trip nor were we able to determine the business necessity of accommodations for eight people.”

More than \$5,145 of the travel-related expenses in the period appeared to be “personal in nature.”

The report pointed out that the authority had records of two credit cards issued by FIA Card Services for use by its staff. “The existence of two additional cards was brought to our attention during our procedures,” the accounting firm wrote. “These cards, issued by Chase and Regions (banks) were held by Stephen Dicharry in the name of the authority. We noted no record of the Chase and Regions credit cards in the accounting record maintained at the office of the authority, and the Executive Committee had no knowledge of the existence of these cards.”

The report said it does not appear the authority made any payments on these two credit cards, although the agency “would have been responsible” for them if the payments had not been made.

Martin said she used an authority credit card for a \$112.56 “business meal” at Ruth’s Chris Steak House in April 2013 because Dicharry asked her to take another staffer to lunch for “administrative assistant’s week.” She also used the credit card to charge \$71 of flowers in May 2012, and \$705 for travel arrangements to L’Auberge du Lac Hotel in Lakes Charles in 2012.

The state auditor has forwarded the report to the East Baton Rouge Parish District Attorney for review.

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On Twitter: Former authority director may have charged almost \$29,000 in public funds for personal purposes.