



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 10, 2014

TERREBONNE ECONOMIC DEVELOPMENT AUTHORITY

The Terrebonne Economic Development Authority incurred more than \$23,000 in potentially questionable expenses for meals, a limousine service, a cell phone purchase, gifts and flowers between January 1, 2012 and December 31, 2013, according to a report released Monday by Legislative Auditor Daryl Purpera.

The Houma accounting firm of Martin and Pellegrin, APC found that \$23,388 may have been improperly spent or were not properly documented by the authority based on examinations of credit card records and other records dealing with meals, travel and other expenditures in the two-year period.

Officials of the Terrebonne Parish government asked for the review of expenses to determine if the authority “complied with its policies and applicable state laws as related to credit card transactions, meal reimbursements, travel expenditures and operating supplies expenditures.”

The largest segment of the questionable expenses dealt with 254 transactions for meals that cost \$16,538. The report said that 35 meal transactions for \$2,521 did not have receipts to support the expenditures; 106 meal transactions for \$5,795 lacked itemized receipts; 108 other transactions for \$7,790 lacked information on who attended the meals and the purpose of the meals; and four meal transactions for \$250 were for authority employees, but did not detail the purpose of the meals.

Another \$182 was spent on a “Christmas luncheon for TEDA’s employees,” the report said. “The use of public funds for such an expenditure is not allowed by state statute.”

The report said that there were eight instances of questionable travel expenses totaling \$2,986. Four of the transactions for travel – once by the then-chief executive officer and three times by TEDA staff members – did not have receipts to support the \$1,009 total bill. “As such, there was no approval by the proper supervisor as required,” the report said. Four other transactions for staff travel, totaling \$1,977, had receipts but lacked evidence of approval by the CEO, the report for the state auditor said.

A total of 41 transactions for supplies and other items amounting to \$3,864 lacked receipts, explanations of the business purpose of the expense or were for disallowed items. Thirty-four of the transactions for \$2,312 did not have receipts; four others totaling \$1,185 – including a \$650 limousine service and a \$352 cell phone purchase – had receipts “but had no explanation as to the business purpose or identified the recipient or user of these goods/services,” auditors said.



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Three other transactions included a \$150 charitable donation, \$67 for flowers for a TEDA employee who had a baby, and a \$150 floral arrangement for a TEDA board member's funeral. The report said the purchases were supported by receipts, but state law bars the use of public funds for those purposes.

Although the agency's policy requires credit card statements to be stamped when received with a verification that the expenditures are within TEDA's guidelines and then signed, the report said the documents were stamped, but there were "no instances where the stamp was signed and dated by a supervisor, indicating approval" of the purchases.

Auditors also said of 11 expense reimbursement forms tested, 10 were not signed or dated by a supervisor.

In response to the report, authority officials said they "immediately" will be tightening controls and policies requiring greater documentation of meals, travel and other expenses.

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On Twitter: TEDA incurred more than \$23,000 in potentially questionable expenses between January 1, 2012 and December 31, 2013.