



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

February 16, 2015

PINE HILL WATER WORKS DISTRICT NO. 8

Records of the Pine Hill Water Works District No. 8 of Caddo Parish indicate that utility payments totaling more than \$80,500 were recorded in the utility system between Jan. 1, 2012, and June 9, 2014, but not deposited in the agency's bank account, according to a report released Monday by Legislative Auditor Daryl Purpera.

The investigative audit said the two employees responsible for handling utility collections, Sharon Morin, the former office manager; and Candus Brooks, the assistant office manager, "denied taking any of the missing funds." However, Morin "appeared to have altered and destroyed district records to conceal amounts not deposited," a possible violation of state law, according to the report. Morin denied the allegation.

Auditors said that in June of 2014, district officials "noted discrepancies between utility collections and utility deposits. After reviewing documentation supporting the receipt and deposit of utility funds," district management placed Morin on leave and asked the Legislative Auditor's office to review available records to determine the amount of funds collected but not deposited.

The report said Morin resigned from the district on July 16, 2014, the same day the state auditor began auditing utility collections.

The two employees collected utility payments from customers, and, at the end of each day, Brooks printed the daily collection report and reconciled the total of cash and checks received to the report. Morin would deposit the receipts into the district's bank account and was responsible for recording the collections to the district's accounting system.

In the 30-month period examined, \$80,513 were recorded to customer accounts but not deposited in the district's bank accounts, the report said. For the period from January 1, 2012 through June 9, 2014, auditors reported 153 instances in which "the daily collection reports included receipts that were not deposited," totaling \$56,404.

"The total receipts on these daily collection reports were reduced to match the amount of funds deposited," the report said. There were also 329 customer receipts that were voided from the collection report that totaled \$24,109.



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Although there were no bank deposits to reflect the voided totals, the payments were recorded to the customers' accounts, the audit said, because that would prevent a customer who has paid, but not had the payment deposited, from having service shut off.

According to the report, Greg Wilson, the district superintendent, stated that he questioned Morin about the discrepancies, but she "could not provide any reasonable explanations for the differences between utility collections and utility deposits."

Wilson said Brooks contacted him later on June 11, 2014, and told him that deposit books "were missing and that Ms. Morin had shredded documents in the office," the report added.

Investigators from the Legislative Auditor's office examined pieces of shredded documents "and found that district deposit slips were destroyed." Partial reconstruction of several deposit slips showed the shredded documents "matched the amounts recorded on daily collection reports before they were altered."

In one case, auditors found a piece of a shredded document that included the figure "789.73." A comparison to the original daily collection report showed that the district "recorded utility receipts totaling \$789.73 on June 11, 2013. However, cash receipts totaling \$212.15 were removed (manually scratched out) from the daily collection report and funds totaling \$577.58 . . . were deposited," according to the report.

"It appears that Ms. Morin altered the daily collection report and prepared a new deposit slip in the amount of \$577.58 to match the amount she deposited," the audit said.

The district provides water service to 1,570 customers in an area north of Shreveport in Caddo Parish. The audit has been turned over to the district attorney for the 1st Judicial District in Shreveport and other agencies.

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On Twitter: More than \$80,500 in water utility payments recorded but not deposited into district's account.