

ACT 461 REPORT ON FISCAL
DEFICIENCIES, INEFFICIENCIES,
FRAUD, OR OTHER SIGNIFICANT ISSUES
DISCLOSED IN GOVERNMENTAL AUDITS

FOURTH QUARTER, FISCAL YEAR 2019



REPORT TO THE JOINT LEGISLATIVE
COMMITTEE ON THE BUDGET
ISSUED JULY 2019

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

July 22, 2019

Chairman Cameron Henry and Members of the
Joint Legislative Committee on the Budget

Dear Chairman Henry and Members of the Joint Legislative Committee on the Budget:

Act 461 of the 2014 Regular Session requires the Legislative Auditor to make quarterly and annual reportings to the Joint Legislative Committee on the Budget of certain audits which have findings with a dollar impact of \$150,000 or more relative to waste or inefficiencies, missed revenue collections, erroneous or improper payments or overpayments by the state, theft of money, failure to meet funding obligations such as pension or health benefits, failure to comply with federal fund or grant requirements, failure to comply with state funding requirements, misappropriation of funds, errors in or insufficient support for disaster expenditures, accountability of public money associated with various disasters such as the Deepwater Horizon event, and repeat findings.

Attached is our report to meet the requirements of Act 461 for the fourth quarter of Fiscal Year 2019. That report is linked and referenced to the full reports which contain the applicable findings of interest, as well as management's responses.

We are available to present the information that is of interest to your committee. We hope that this report assists you in your legislative decision-making process.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch

ACT 461 REPORTING – JULY 2019

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STATE AGENCIES

Capital Area Ground Water Conservation Commission

- Although the Commission raised the water withdrawal fee in 2016 from \$5.00 to \$10.00 for every million gallons of water withdrawn, the current fee is still lower than five other districts in other states that regulate groundwater. Raising the fee to be consistent with other districts may help the Commission improve its regulatory activities. The Commission agreed with this finding and, during its March 2019 meeting, voted to increase its fee to \$20 per million gallons of water withdrawn. The Commission's annual revenue, which is made up of primarily pumpage income, is approximately \$600,000. Therefore, the \$10.00 increase would double its annual revenue. (*Amount: \$600,000*) (p.17)

Central Louisiana Technical Community College

- **(Repeat)** The college did not transfer \$168,950 in delinquent student accounts to the Louisiana Office of Debt Recovery or write-off delinquent accounts from the annual fiscal report, totaling \$1,055,474, that were more than two years old. (*Amount: \$1,224,424*) (p.2)

Louisiana Department of Health

- In response to LLA's recommendation from its November 2018 report, LDH has established a process to conduct quarterly matches of Medicaid recipients to LWC wage data, which resulted in 30,051 recipients being removed from Medicaid. The per-member per-month fees (PMPMs) paid for the recipients were \$14.7 million during the month of January 2019, which indicates the potential monthly savings for LDH. (*Amount: \$14,700,000*) (p.2)

Louisiana Department of Health

- Medicaid behavioral health claims paid by MCOs and submitted to LDH for psychosocial rehabilitation (PSR) and community psychiatric support and treatment (CPST) services provided from January 1, 2019, through March 31, 2019, did not include the National Provided Identification (NPI) number of the individual who provided the service, as required by state law. These claims represent \$10,504,923(40.4%) of the \$26,023,323 paid by the MCOs over that time period. (*Amount: \$10,504,923*) (p.2)

LOCAL GOVERNMENT AGENCIES

Union Parish School Board

- A theft of fuel and other related maintenance shop items was allegedly perpetrated by a former bus mechanic who was terminated in January 2018. The alleged theft occurred by the mechanic meeting log truck drivers at a gas pump and using the School Board's fuel card to fill up the trucks. The loss was approximately \$200,000. The School Board was reimbursed \$161,850 by insurance. *(Amount: \$200,000) (p.96)*