

LOUISIANA DEPARTMENT OF WILDLIFE AND FISHERIES –
OFFICE OF FISHERIES



INVESTIGATIVE AUDIT
ISSUED JUNE 7, 2017

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

June 7, 2017

JACK MONTUCET, SECRETARY
DEPARTMENT OF WILDLIFE AND FISHERIES
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited certain transactions of the Louisiana Department of Wildlife and Fisheries. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the validity of complaints we received.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required by *Government Auditing Standards*.

The accompanying report presents our findings and recommendations as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the 19th Judicial District of Louisiana, the Louisiana Board of Ethics, and others as required by law.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/aa

LDWF 2017

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EXECUTIVE SUMMARY

Missing State Equipment

We were unable to locate \$54,957 of fishing and other sporting equipment that the Louisiana Department of Wildlife and Fisheries (LDWF) purchased for the nearshore segment of the British Petroleum (BP) Tissue Sampling Program, as that equipment is no longer in LDWF's possession. LDWF records and employee statements indicate that two of its former employees, Eric Newman and Monique Savoy, used LDWF credit cards (also referred to as state purchasing cards) to purchase a majority of the equipment; maintained that equipment at LDWF's Venice camp, where Mr. Newman and Ms. Savoy lodged; and failed to record and safeguard the equipment. The missing equipment could not be located by LDWF staff after Mr. Newman and Ms. Savoy resigned from their positions in January 2014. During our audit, we identified items totaling \$19,762 (nearly 36% of the \$54,957) that matched the descriptions of LDWF's missing items that were either in Mr. Newman's and Ms. Savoy's possession or previously had been offered for sale online by Ms. Savoy. If Mr. Newman and Ms. Savoy retained LDWF equipment for their personal use after their employment with LDWF ended, Mr. Newman and Ms. Savoy may have violated state law. In addition, by failing to safeguard state equipment for which they were responsible, Mr. Newman and Ms. Savoy may have violated state law.

Improper Relationships with LDWF Vendors

LDWF records, social media postings, and statements from LDWF employees indicate that former LDWF Marine Operators Eric Newman and Monique Savoy may have had improper relationships with LDWF vendors. LDWF records indicate that Mr. Newman and Ms. Savoy received and/or solicited items of economic value from vendors who had or were seeking a financial relationship with LDWF. Louisiana Revised Statute 42:1115 prohibits public servants from soliciting or receiving anything of economic value as a gift or gratuity from any person or employee of any person who has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency. By receiving and/or soliciting items of economic value from LDWF vendors, Mr. Newman and Ms. Savoy may have violated state law.

BACKGROUND AND METHODOLOGY

The Louisiana Department of Wildlife and Fisheries (LDWF) is responsible for the management of the state's renewable natural resources, including all wildlife and aquatic life. The control and supervision of these resources are assigned to LDWF in Louisiana Constitution Article IX, Section 7, and in Titles 36 and 56 of the Louisiana Revised Statutes. LDWF's mission is to manage, conserve, and promote wise utilization of the state's renewable fish and wildlife resources and their supporting habitats through replenishment, protection, enhancement, research, development, and education for the social and economic benefit of current and future generations; to provide opportunities for knowledge of and use and enjoyment of these resources; and to promote a safe and healthy environment for the users of the resources.

On November 9, 2016, the Louisiana Legislative Auditor (LLA) issued a Financial Audit Services procedural report on LDWF's Management Oversight of Funds and Operations. That report included a finding on the lack of financial and operational oversight over the nearshore segment of the British Petroleum Tissue Sampling Program. During that audit, LLA discovered missing state equipment and initiated this follow-up investigative audit.

The procedures performed during the audit included:

- (1) interviewing LDWF employees;
- (2) interviewing other persons as appropriate;
- (3) examining selected LDWF documents and records;
- (4) gathering and examining external parties' documents and records; and
- (5) reviewing applicable state laws and regulations.

During our audit, we received assistance from representatives from the Louisiana Department of Justice's Bureau of Investigation. Their participation was instrumental to the completion of this audit.

FINDINGS AND RECOMMENDATIONS

Missing State Equipment

We were unable to locate \$54,957 of fishing and other sporting equipment that the Louisiana Department of Wildlife and Fisheries (LDWF) purchased for the nearshore segment of the British Petroleum (BP) Tissue Sampling Program, as that equipment is no longer in LDWF's possession. LDWF records and employee statements indicate that two of its former employees, Eric Newman and Monique Savoy, used LDWF credit cards (also referred to as state purchasing cards) to purchase a majority of the equipment; maintained that equipment at LDWF's Venice camp, where Mr. Newman and Ms. Savoy lodged; and failed to record and safeguard the equipment. The missing equipment could not be located by LDWF staff after Mr. Newman and Ms. Savoy resigned from their positions in January 2014. During our audit, we identified items totaling \$19,762 (nearly 36% of the \$54,957) that matched the descriptions of LDWF's missing items that were either in Mr. Newman's and Ms. Savoy's possession or previously had been offered for sale online by Ms. Savoy. If Mr. Newman and Ms. Savoy retained LDWF equipment for their personal use after their employment with LDWF ended, Mr. Newman and Ms. Savoy may have violated state law.^{1,2,3,4} In addition, by failing to safeguard state equipment for which they were responsible, Mr. Newman and Ms. Savoy may have violated state law.^{3,4}

Eric Newman was hired as an LDWF Coordinator on August 30, 2010, and served as an LDWF Marine Operator from May 2, 2011, until he resigned on January 5, 2014. According to his official job description, Mr. Newman primarily was responsible for operating and maintaining vessels. Statements from LDWF employees indicate that Mr. Newman was in charge of the BP Tissue Sampling Program^A operations in Venice, Louisiana (Venice team). The Venice team was comprised of several LDWF employees, including Monique Savoy, who later became Mr. Newman's wife.^B Mr. Newman and the individuals on the Venice team made purchases on state credit cards totaling \$677,585 (Mr. Newman and Ms. Savoy made 70%, or \$475,945, of these purchases) for boating equipment, fishing and water sports equipment, vehicle equipment, household supplies and groceries, clothing, cameras, and other items. LDWF records and employees indicate that the majority of the items purchased with LDWF credit cards were not included in LDWF inventory records, and a separate accounting was not maintained by the Venice team in order to track or safeguard equipment.

During our audit, several LDWF employees indicated that fishing gear and other equipment were discovered missing from the Venice camp storage room (where fishing

^AThe State of Louisiana (including LDWF) entered into a signed agreement (Memorandum of Understanding or MOU) with BP Exploration & Production Inc. (BP) on November 18, 2010, following the Deepwater Horizon Oil Spill in the Gulf of Mexico (from April 20, 2010 through July 15, 2010). The MOU established that BP would pay LDWF \$18,000,000 to develop and administer a Seafood Testing Program (program) intended to address seafood markets and supporting market industries that may have been negatively affected by the spill.

^B Ms. Savoy was hired as an LDWF Coordinator on January 23, 2012, and served as a Marine Operator from September 3, 2012, until she resigned on January 5, 2014.

equipment and tackle were kept) near the time Mr. Newman and Ms. Savoy resigned from LDWF. According to the Fisheries Program Manager (then Biologist Manager), Mr. Newman, Ms. Savoy, and two other Venice team members were the only persons issued keys to the Venice camp storage room. One of those two other employees stated that the doors and locks never appeared to have been tampered with, but he noticed some expensive reels missing from the storage room and notified the Biologist Manager. The Biologist Manager stated that he communicated these concerns to LDWF management; however, the locks to the camp storage room were not changed, and no inventory was taken of the items before Mr. Newman and Ms. Savoy left LDWF employment. Email correspondence between the Biologist Manager and Director of Fisheries Management from January 6, 2014 to January 7, 2014, confirms that the Biologist Manager voiced concerns about items disappearing as Mr. Newman and Ms. Savoy began moving from the camp.

As a result of these concerns, we compiled a list of select high-risk, non-inventoried items purchased by Venice team members with LDWF funds. We compared this list to the list LDWF employees compiled after Mr. Newman and Ms. Savoy left LDWF employment. We found that LDWF equipment totaling at least \$54,957, which was purchased by the Venice team from September 2010 through October 2013, is no longer in LDWF's possession. The following table illustrates the findings of our selective review.

Item Type	Minimum Number Purchased	Minimum ^c Number Missing	Percentage Missing	Estimated Cost of Missing
Reels (Shimano, Kristal, Okuma, etc.)	114	74	65%	\$23,335
Rods (Shimano, Falcon, Black Bart, etc.)	111	72	65%	17,144
Yeti Coolers	25	23	92%	7,392
Binoculars	2	2	100%	5,890
Spear guns	3	3	100%	701
Paddle board (Yolo)	1	1	100%	495
Total	256	175	68%	\$54,957

Social media posts, items found during a search of the Newmans' (referring collectively to Mr. Newman and Ms. Savoy) personal residence and camp, and subsequent business tax filings indicate that Mr. Newman and Ms. Savoy may have taken LDWF equipment upon their resignation for their personal benefit.

Items Offered for Sale on Social Media

During our audit, we identified several reels offered for sale on Ms. Savoy's personal Facebook page that matched the description and quantity of missing LDWF equipment. In addition to the items noted by auditors, several LDWF employees indicated that Ms. Savoy began selling what appeared to be LDWF equipment on her personal Facebook page shortly after leaving LDWF (in early 2014). Our review of LDWF records and Ms. Savoy's personal Facebook page revealed the following:

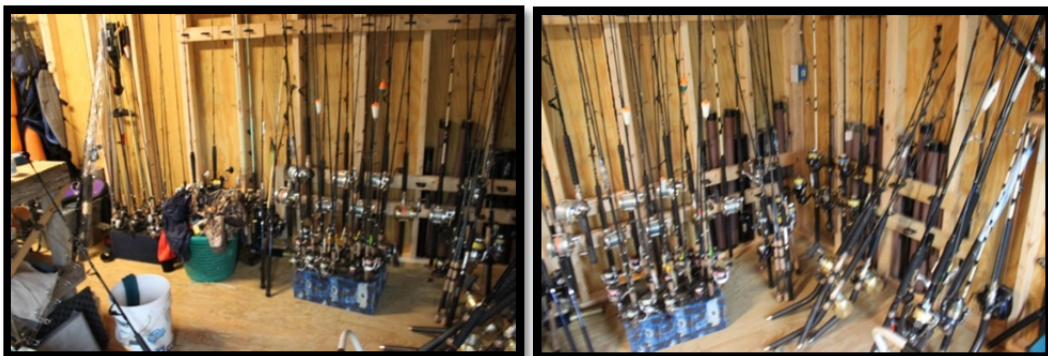
^c Actual amount of missing items may be higher because our analysis was based upon a selective, not complete, listing of purchases and because it did not include items given to LDWF by vendors.

- On October 18, 2010, Mr. Newman purchased four Okuma Makaira 50WII reels for \$1,260 (\$315 per reel) using his LDWF credit card. Records and statements from LDWF employees indicate that LDWF no longer has these four reels. On March 21, 2016, Ms. Savoy offered four Okuma Makaira 50WII “never have been used” reels for sale on her personal Facebook page for \$500 per reel.
- On September 10, 2011, Mr. Newman purchased a Kristal 640 Kite Reel for \$650 using his LDWF credit card. Records and statements from LDWF employees indicate that LDWF is not in possession of this reel. On February 4, 2016, and again on March 21, 2016, Ms. Savoy offered to sell a “never used” Kristal 640 Kite reel on her personal Facebook page for \$500.
- On February 2, 2011, LDWF purchased two Kristal XL621 12 Volt reels for \$2,598 (\$1,299 per reel). Records and statements from LDWF employees indicate that LDWF is not in possession of these reels. On February 4, 2016, and again on March 21, 2016, Ms. Savoy offered to sell two Kristal XL621 12 Volt reels on her personal Facebook page for \$1,100 each.

Items Found During Personal Property Search

To assist in our investigation of the missing LDWF equipment, the Louisiana Department of Justice’s Bureau of Investigation (LBI) executed a search warrant (which LLA auditors observed and then inventoried items seized pursuant to the search warrant) at the Newman’s residence in Covington, Louisiana and camp in Venice, Louisiana on August 11, 2016. As a result, approximately \$14,338 of equipment matching the description of items missing from LDWF’s Venice camp was found, including the following:

- **Rods and Reels:** LBI seized 50 rods and reels with an approximate value of \$12,222 that appear to match the make and model of rods and reels we previously identified as missing. Most of these rods and reels were found in a storage building at the Newman’s camp in Venice, Louisiana, which contained hundreds of rods and reels.



- **Blue Mako Oceanic Pro spear gun:** A blue Mako Oceanic Pro spear gun was found at the Newmans' home on August 11, 2016. On October 5, 2010, Mr. Newman used his LDWF credit card to purchase a blue Mako Oceanic Pro spear gun for \$311. One of the Venice camp team members told us that he saw Mr. Newman remove spear guns from the storage room at the Venice camp and take them to Mr. Newman's personal vehicle early one morning in December 2013 (the month before Mr. Newman resigned).
- **External Storage Devices:** LBI discovered seven external hard drives at the Newmans' residence, including three that match the descriptions of external hard drives purchased with LDWF funds totaling \$284. One such hard drive was labeled "LDWF Videos." According to an LDWF Biologist, former Office of Fisheries Assistant Secretary Randy Pausina wanted Mr. Newman and Ms. Savoy to take pictures and videos while fishing for future LDWF promotions. The Biologist stated that Ms. Savoy kept these pictures and videos on an external hard drive that could not be located after Ms. Savoy left LDWF. The drive labeled "LDWF Videos" the LBI seized from the Newmans' residence contained eight folders (named Artificial Reef, Artificial Reef HD, Hatchery, Hatchery HD, Marine Lab, Saltwater Series, Saltwater Series HD, and Satellite Tagging). These folders contained 55 multimedia files created while the Newmans were employed by LDWF.
- **Yeti Coolers:** LBI found four Yeti coolers at the Newmans' residence and camp that matched the color and model of four missing Yeti coolers that were purchased with LDWF funds totaling \$1,521. During the BP Tissue Sampling Program, the Venice team used \$8,016 in LDWF funds to purchase 25 Yeti coolers. The Biologist Manager emailed the Director of Fisheries Management on January 7, 2014 (two days after Mr. Newman and Ms. Savoy left LDWF), that all of the Yeti coolers were gone from the Venice camp. Two of those coolers were subsequently located, leaving the whereabouts of the remaining 23 unknown.

Business Tax Filings

Mr. Newman and Ms. Savoy began a charter fishing business upon leaving LDWF's employ. As such, it is expected that they would personally possess the types of items noted as missing. However, it should be noted that a 2014 tax return for their charter fishing business (found during the LBI search of the Newman residence) indicates that the business had \$30,800 of fishing equipment placed in service on January 31, 2014, less than one month after Mr. Newman and Ms. Savoy's separation from LDWF. We were unable to determine if Mr. Newman and Ms. Savoy purchased those items with their own funds.

Improper Relationships with LDWF Vendors

LDWF records, social media postings, and statements from LDWF employees indicate that former LDWF Marine Operators Eric Newman and Monique Savoy may have had improper relationships with LDWF vendors. LDWF records indicate that Mr. Newman and Ms. Savoy received and/or solicited items of economic value from vendors who had or were seeking a financial relationship with LDWF. Louisiana Revised Statute (La. R.S.) 42:1115 prohibits public servants from soliciting or receiving anything of economic value as a gift or gratuity from any person or employee of any person who has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency. By receiving and/or soliciting items of economic value from LDWF vendors, Mr. Newman and Ms. Savoy may have violated state law.^{3,4,5}

Receiving Items of Economic Value – Oorah

On September 13, 2011, LDWF signed a lease with Oorah Sporting Club, LLC (Oorah) to lease a camp for BP Tissue Sampling Program operations for \$8,750 per month for 30 months (resulting in \$272,226 being paid to Oorah over the lease term). LDWF emails indicate that Mr. Newman initiated contact between LDWF officials (to prepare the lease agreement) and Oorah representatives. Bank records indicate that after this lease was executed, Oorah issued a check in the amount of \$1,350 to Mr. Newman on December 28, 2011, which was deposited into his personal bank account. This check appears to have been signed by D.J. DeBlanc. According to the Louisiana Secretary of State's website, Daniel DeBlanc is Oorah's manager. When questioned about this check Mr. DeBlanc responded via email "...my bank records go back to 2012. I don't remember what it was for. At that time we were making improvements to the camp at the request of WLF such as adding a tack room, deck, pressure washer etc. Could possibly be related."

Receiving Items of Economic Value – Bloodydecks

LDWF emails indicate that Mr. Newman was involved with the selection of a contractor who, while trying to obtain LDWF business, gave items of economic value to Mr. Newman and Ms. Savoy. From September 2012 through July 2014, LDWF paid Bloodydecks, LLC^D (Bloodydecks) \$131,000 for promotional materials design and website IT services. LDWF email records indicate that from October 20, 2011 to May 31, 2012, Mr. Newman and Ms. Savoy received a gift and a trip from Brant Crenshaw, a Bloodydecks representative, while Mr. Newman assisted Bloodydecks in obtaining business from LDWF. Emails obtained from the LDWF email server showed a series of communications between Mr. Newman and Bloodydecks representatives. These emails revealed the following:

^D Bloodydecks, LLC is an online magazine devoted to saltwater fishing (www.bdoutdoors.com).

- ▪ October 20, 2011 – Bloodydecks Representative Brant Crenshaw emailed Mr. Newman: “Sign up for this...I pick the winners ...aftco-guy-harvey-giveaway”
- ▪ October 31, 2011 – Mr. Newman emailed Mr. Crenshaw: “Did I win the AFTCO contest!!!”
 – Mr. Crenshaw replied to Mr. Newman: “not yet...lol...i think Mo should win instead :)”
 – Mr. Newman replied to Mr. Crenshaw: “That works!”
 – Mr. Crenshaw replied to Mr. Newman: “figured.”
- ▪ November 1, 2011 – Mr. Crenshaw emailed Mr. Newman a proposal for Bloodydecks to provide advertising services for LDWF: “Hey Man: Let me know if you have any questions regarding the proposal. There are a lot of moving parts and we need to create a bunch of content as well as web developmental issues. This will help us when we talk about doing your site and will not only give us a jump start, but also a taste of what we can do for you guys. Trust me, we want to work with you and will not disappoint. That's not our program....we go above and beyond, to a fault...you have my word on that. Fun aside, I take business very personal and stand behind everything I say or do. If there is ever a problem, I'm the guy that'll get it handled. I really think we can start something great.....and that's not just sales BS. I consider you a friend, and like you, I tell it like it is. Let me know what you need and we'll make it happen.”
- ▪ November 3, 2011 – Mr. Crenshaw emailed Mr. Newman: “What do you know....Mo won. :) Have you had a chance to look at the proposal?”
 – Mr. Crenshaw posted on the Bloodydecks website: – Week Three Winner is: Monique Savoy
 Congrats you've just won \$100 worth of AFTCO gear. Nice work and thanks for entering.
- ▪ January 19, 2012 – Mr. Crenshaw emailed Mr. Newman regarding a trip to Puerto Vallarta, Mexico: “I hope you can make the trip. It's a great group of guys...all you have to do is get there. We will all be arriving about 2 pm on Feb 26th. Boarding the boat that afternoon...fish all day the 27th and 28th. Most guys are departing on the 29th. I'm leaving the morning of the 1st, so if you stayed that night I can show you around PV. Your choice. Here's the latest report from the boat we are fishing.. Get ur a** there.”
 – Mr. Crenshaw emailed LDWF Undersecretary Randy Pausina and copied Mr. Newman: “Hey Guys: Hope the holidays treated you well. When you get the opportunity, I'd like to revisit the program we discussed before the new year and get something going in 2012. I've attached the proposal for your review. With this program we can reach hundreds of thousands active outdoorsmen, as well as develop incredible media promoting Louisiana sportfishing. Let me know if you have any questions or concerns. We'd love to get started. We'll make this really simple on you guys...once we get the "go ahead" we'll take the ball and roll. WE are results oriented and stand behind our work. This proposal outlines a starting point for us and will easily transition into future web development projects that should be handled by a team with outdoor experience. We have a history of creating products that appeal to fishermen and outdoorsmen. We will provide a product that you can be proud of.”
- ▪ February 3, 2012 – Mr. Newman purchased his airline tickets to Puerto Vallarta, Mexico with his personal credit card.
- ▪ February 6, 2012 – Mr. Crenshaw included Mr. Newman on an email indicating the fishing supplies that would be needed for the trip.
- ▪ February 13, 2012 thru February 24, 2012 – Mr. Newman purchased \$5,246 of fishing supplies (which included some of the items Mr. Crenshaw noted) on his state purchasing card. *It should be noted that LDWF only obtained tissue samples for testing on two days in February 2012, both of which were prior to Mr. Newman's purchases. Records indicate that the trip to Puerto Vallarta, Mexico was from February 26, 2012 to March 1, 2012.*
- ▪ May 31, 2012 – Bloodydecks President Ali Hussainy emailed Mr. Newman: “Media Kit Purposal – See Attached! Let me know if you need any changes. Thanks for all the help buddy.” This email included a proposal in which Bloodydecks would create a design template for LDWF marketing materials (logo, full-color presentation folder with business card and DVD holder, and literature about LDWF) for \$18,500.
- ▪ June 5, 2012 – Mr. Newman forwarded Mr. Hussainy's May 31, 2012 email to Mr. Pausina who forwarded the email to another other LDWF administrative staff member.

On July 15, 2012, LDWF paid Bloodydecks \$18,500 for marketing materials. We spoke with Mr. Hussainy regarding Bloodydecks' relationship with Mr. Newman and the trip to Puerto Vallarta, Mexico. Mr. Hussainy indicated that the trip was to celebrate Mr. Crenshaw's birthday, and the attendees paid cash for their share of the expenses. Mr. Hussainy further indicated that Ms. Savoy likely won the online contest on her own merit.

Soliciting Items of Economic Value – Shimano

LDWF records and statements from LDWF employees indicate that Mr. Newman and Ms. Savoy had improper relationships with Shimano representatives from which both parties benefitted. LDWF purchasing records indicate that the Venice team purchased at least 225 rods and reels for the BP Tissue Sampling Program. This included 155 (69%) Shimano rods and reels purchased for a total of \$43,724. Some of these purchases were made directly from Shimano, while others were made through other vendors. We previously discovered that 92 of the 155 Shimano rods and reels purchased (59%) are no longer in LDWF's possession. This does not take into account any equipment that may have been donated to LDWF by Shimano. Mr. Newman and Ms. Savoy also purchased \$21,201 of other equipment and clothing from Shimano on their state purchasing cards from June 22, 2012 to December 9, 2013.

Email records obtained from the LDWF email server indicated that Mr. Newman used his LDWF email account to solicit Shimano representatives for product testing, frequently expressing that he only fished with Shimano gear. On April 25, 2012, Mr. Newman sent an email to a Shimano representative indicating that the Shimano "guys" have an open invite to go offshore with him to put satellite tags on fish. This representative indicated that he would be in the Venice area from May 8-16, 2012, for an event and would like to speak with Mr. Newman regarding field testing. Mr. Newman's LDWF emails indicate that he and Ms. Savoy hosted Shimano representatives at LDWF's Venice camp. On May 24, 2012, Mr. Newman sent an email to a Shimano representative offering to test Shimano's clothing. The Shimano representative replied the same day and indicated that she would send Mr. Newman and Ms. Savoy new clothing "as soon as they hit the warehouse." In a follow-up email on May 31, 2012, Mr. Newman provided the Shimano representative with shoe and clothing sizes for himself and Ms. Savoy.

From June 7, 2012 to July 18, 2013, Mr. Newman and Ms. Savoy appeared in 23 photos featured on Shimano's Facebook page. These posts showcase Mr. Newman and Ms. Savoy fishing with Shimano products and displaying the fish they caught. Shimano also featured Mr. Newman and Ms. Savoy in an online video fishing with Shimano gear. According to an LDWF Biologist, this video was taken from an LDWF vessel.

While we were unable to determine if Mr. Newman and Ms. Savoy received monetary compensation from Shimano while employed with LDWF, social media postings indicate that they received publicity from Shimano. We believe this publicity to have been invaluable to Mr. Newman and Ms. Savoy, as they are now owners of a charter fishing business. It should be noted that Ms. Savoy listed Shimano as an employer on her Facebook page but did not indicate the dates of employment. We attempted, by phone and email, to speak with Shimano representatives to discuss this relationship, but our attempts went unanswered.

We attempted to speak with Mr. Newman and Ms. Savoy regarding our findings, but their attorney initially denied our requests.^E

Recommendations

LDWF should:

- (1) consult with legal counsel to determine the appropriate legal actions that should be taken, including recovery of the missing equipment and/or restitution;
- (2) evaluate its fixed asset policy for high risk items and ensure that all high risk items are properly tagged and inventoried;
- (3) restrict the number of state purchasing card holders to only team supervisors or leaders and properly train all state credit card holders on policies and procedures;
and
- (4) ensure that all employees are properly trained regarding state ethics and governmental laws.

^E On September 27, 2016, less than one week after the media released a copy of LLA's draft financial audit report on LDWF, Mr. Newman, Former LDWF Secretary Robert Barham, and their respective attorneys met with LLA representatives. During that meeting, Mr. Newman provided comments on certain issues contained in the draft financial audit report. Those comments are not included in this investigative audit report, as this report was not discussed in that meeting.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 14:67 (A)** provides that, “Theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential.”

² **La. R.S. 14:68 (A)** provides, in part, that, “Unauthorized use of a movable is the intentional taking or use of a movable which belongs to another, either without the other’s consent, or by means of fraudulent conduct, practices or representations, but without any intention to deprive the other of the movable permanently.”

³ **La. R.S. 14:134(A)** provides that, “Malfeasance in office is committed when any public officer or public employee shall: (1) Intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; or (2) Intentionally perform any such duty in an unlawful manner; or (3) Knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him, or to perform any such duty in an unlawful manner.”

⁴ **La. R.S. 42:1461 (A)** provides that, “Officials, whether elected or appointed and whether compensated or not, and employees of any ‘public entity,’ which, for purposes of this Section shall mean and include any department, division, office, board, agency, commission, or other organizational unit of any of the three branches of state government or of any parish, municipality, school board or district, court of limited jurisdiction, or other political subdivision or district, or the office of any sheriff, district attorney, coroner, or clerk of court, by the act of accepting such office or employment assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they hold office or are employed.”

⁵ **La. R.S. 42:1115 (A)** provides, in part, that, “No public servant shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or from any officer, director, agent, or employee of such person, if such public servant knows or reasonably should know that such person: (1) Has or is seeking to obtain contractual or other business or financial relationships with the public servant’s agency.”

APPENDIX A

Management's Response



JOHN BEL EDWARDS
GOVERNOR

State of Louisiana
DEPARTMENT OF WILDLIFE AND FISHERIES

JACK MONToucET
SECRETARY

May 19, 2017

Daryl G. Purpera, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Mr. Purpera,

We have reviewed the Investigative Audit Report conducted by your office. Please find our responses to your recommendations below.

LDWF should consult with legal counsel to determine the appropriate legal actions that should be taken, including recovery of the missing property and / or restitution.

We agree with this recommendation and will evaluate all legal options.

LDWF should evaluate its fixed asset policy for high risk items and ensure that all high risk items are properly tagged and inventoried.

As part of our corrective action for the concurrent audit conducted by your office, LDWF is in the process of updating the Department's fixed asset policy to include high risk assets that are valued under \$1,000 (those not required to be included in inventory per State policy). The new policy will require each agency within the Department to create procedures to identify high risk property under their supervision. A database is being created to track these items to individuals and locations.

LDWF should restrict the number of state purchasing card holders to only team supervisors or leaders and properly train all state credit card holders on policies and procedures.

The actions described in this report occurred in 2010 and 2011. In 2013, the State and LDWF implemented a new procurement system to manage State purchasing cards. Each card holder and approver is required to take an annual online training and sign an annual agreement form; initialing that they understand each rule that pertains to the purchasing card policy. All purchases are tracked in this system and are no longer using individual paper documents. The system allows for thorough oversight and auditing of purchasing card purchases. LDWF has also updated, and received DOA approval for, the Department's P-Card policy which now includes an additional preapproval of all purchases over \$500.00. Each agency within the Department has evaluated all cardholders to ensure that a legitimate business need exists. In addition, LDWF has increased the size of the Audit Department which will allow continuous and robust auditing of purchasing card transactions.

LDWF should ensure that all employees are properly trained regarding State ethics and governmental laws.

All LDWF employees are required to complete ethics training annually. LDWF tracks and ensures that all employees meet this mandate.

Sincerely,


Jack Montoucet
Secretary

cc: Roger Harris

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