

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS –
AVOYELLES CORRECTIONAL FACILITY



INVESTIGATIVE AUDIT
AUGUST 10, 2016

**LOUISIANA LEGISLATIVE AUDITOR
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ROGER W. HARRIS, J.D., CCEP

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

August 10, 2016

MR. JAMES LEBLANC, SECRETARY
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
Baton Rouge, Louisiana

MR. WILMOT MCCAIN, WARDEN
AVOYELLES CORRECTIONAL FACILITY
Cottonport, Louisiana

We have audited certain transactions of the Avoyelles Correctional Facility (AVC) within the Department of Public Safety and Corrections – Corrections Services. 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 12th District of Louisiana and others as required by law.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/aa

AVC 2016

TABLE OF CONTENTS

	Page
Executive Summary	2
Background and Methodology.....	3
Findings and Recommendations:	
Cash Deposit Shortage	4
Recommendations	8
Legal Provisions.....	9
Management’s Response	Appendix A
Other Response	Appendix B

EXECUTIVE SUMMARY

Cash Deposit Shortage

Avoyelles Correctional Facility (AVC) records indicate that concession sales exceeded amounts deposited into the corresponding AVC bank account by \$31,170 from August 9, 2014 to February 21, 2016. AVC employees told us that former Administrative Program Director Tonia Cain was the only employee to regularly obtain and/or count cash concession collections alone. We were also told that Ms. Cain directed others to alter and destroy public records related to concession sales. By using her position to direct others to alter and destroy public records to conceal discrepancies between recorded concession sales and concession deposits, Ms. Cain may have violated state law.

BACKGROUND AND METHODOLOGY

The Avoyelles Correctional Facility (AVC) is a medium-security adult correctional center located in Cottonport, Louisiana, that has an operational capacity of 1,808 offenders. It is one of nine state correctional facilities operated by the Louisiana Department of Public Safety and Corrections – Corrections Services (DOC). Nathan B. Cain II began serving as the AVC Warden on June 13, 2012. Warden Cain was responsible for managing, planning, directing, supervising, and coordinating all areas of operation for the care and custody, training, rehabilitation, and welfare of offenders. He had final authority on the hiring, termination, reallocation, promotion, and discipline of staff at the agency level. Warden Cain was placed on paid leave on March 11, 2016, pending a DOC investigation and resigned on May 24, 2016.

On October 1, 2012, Tonia Rachal (who later became Tonia Cain upon marrying Warden Cain) was promoted from records management to administrative program director (director). As director, Ms. Cain was responsible for directing business management and support activities for the AVC. Records indicate the AVC advertised the director position from November 27, 2012 to December 2, 2012. However, according to AVC employees who were qualified for the position, Ms. Cain was already detailed into the position at this time and they were given the impression by Warden Cain that the position was no longer available. According to Louisiana State Civil Service, Ms. Cain was the only AVC employee who applied for the position. On February 22, 2016, Ms. Cain was voluntarily demoted to records management, and on April 14, 2016, Ms. Cain was placed on paid leave pending an investigation due to allegations of malfeasance. Ms. Cain retired on May 21, 2016.

In April 2016, the Office of the Louisiana Inspector General requested assistance from the Louisiana Legislative Auditor's (LLA) office with its investigation into AVC. LLA agreed to assist and performed an investigation on the concession sales misappropriation.

The procedures performed during this audit included:

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

FINDINGS AND RECOMMENDATIONS

Cash Deposit Shortage

Avoyelles Correctional Facility (AVC) records indicate that concession sales exceeded amounts deposited into the corresponding AVC bank account by \$31,170 from August 9, 2014 to February 21, 2016. AVC employees told us that former Administrative Program Director Tonia Cain was the only employee to regularly obtain and/or count cash concession collections alone. We were also told that Ms. Cain directed others to alter and destroy public records related to concession sales. By using her position to direct others to alter and destroy public records to conceal discrepancies between recorded concession sales and concession deposits, Ms. Cain may have violated state law.¹

In August 2014, AVC inmates (offenders) were allowed to open a concession stand to raise funds for AVC's five offender organizations.^A The concession stand, which sells hot food items and photos^B to AVC visitors and employees,^C accepts only tickets and tokens,^D not cash. Visitors and employees wanting to purchase items or photos from the concession stand are required to purchase tickets and/or tokens for cash from automated ticket/token machines (T/T machines) in the AVC visitor shed.

During our audit period, the key to the T/T machines was kept in an unlocked filing cabinet in Procurement Specialist Jodie Bordelon's office. Although several AVC administrative employees removed cash from the T/T machines, Ms. Bordelon and Ms. Cain, who supervised all business office personnel, were primarily responsible for removing and counting the cash from the T/T machines.

Approximately once a week, Ms. Bordelon and/or Ms. Cain unlocked and opened the T/T machines and removed and counted the cash. After Ms. Bordelon and/or Ms. Cain counted the cash, Ms. Bordelon wrote the amount collected on a blank sheet of paper (called a "coversheet"), along with the initials of the employee who collected the cash from the machines. Ms. Bordelon forwarded the coversheet, a copy of the daily concession sales prepared by the concession manager, and the cash to Accounting Specialist Ashley Lemoine. Ms. Lemoine counted the

^A The offender organizations are rehabilitative in nature and aid in the treatment process of the offenders. Only those offenders with honor status are allowed to join and/or remain an active member of the organization. These organizations allow the offenders to make donations to charities and purchase items for the facility such as exercise equipment and educational materials. These organizations receive funds from member dues, donations, and fundraisers. According to *DOC Regulation No. B-08-006*, the accounting for the offender organizations shall be in strict compliance with state accounting procedures. The regulation further states that sales from concession operations are a fundraising event for offender organizations and shall follow the same financial guidelines outlined in *DOC Regulation No. A-03-009 "Special Funds,"* which requires that sale proceeds be counted, recorded, and immediately deposited in the bank.

^B Photo sales began in October 2014.

^C Items were also available to offenders, but all offenders paid with banking withdrawal slips and did not involve cash.

^D Prior to November 2015, AVC used only tickets. In November 2015, AVC started using both tickets and tokens.

cash, verified that the amount matched the amount on the coversheet, and prepared the deposit slip. The cash and the deposit slip were placed in a locked safe in Ms. Lemoine's office until an AVC employee could deposit it in the bank. After the deposit was made, Ms. Lemoine recorded the deposit to AVC's QuickBooks accounting system, verified the deposit receipt agreed to the coversheet, and stored the records in her files.

AVC did not have written policies and procedures specifically related to concession fund collections. It was not possible to validate that all cash collected was deposited because the AVC did not track or record the amount of tickets/tokens dispensed from the machines. In addition, although the concessions manager provided Ms. Bordelon and Assistant Warden Myrna Cooper with a daily concession sales sheet summarizing all sales for each day, there was no reconciliation conducted relating to these sales figures and the funds deposited.

Shortage of \$31,170

AVC employees did not record how many tickets/tokens were in the T/T machines when AVC employees removed the cash. Nor did AVC reconcile the cash paid to purchase tickets/tokens to the amount of tickets/tokens actually dispensed. As a result, it was not possible to determine how much cash AVC employees actually collected from the T/T machines. After purchasing tickets/tokens, visitors and employees could use the tickets/tokens at the concession stand but were not required to do so. Although AVC had no records to demonstrate the amount of cash its employees actually collected from the T/T machines, AVC's concession sales records showed daily concession stand sales totaled \$292,204 from August 9, 2014 (the day concession stand began operations) through February 21, 2016. Our review of bank records and coversheets revealed that only \$261,034 was deposited in the AVC bank account, representing a \$31,170 shortage.

The total amount Ms. Bordelon recorded on the coversheets (\$261,034) matched the total deposits Ms. Lemoine recorded in QuickBooks (\$261,034) but was \$31,170 short of AVC's concession sales records (\$292,204). As a result, it appears that cash collected from the T/T machines was neither recorded on the coversheet nor given to Ms. Lemoine for deposit. This suggests that the cash may have been taken by one or both of the employees primarily responsible for removing funds from the T/T machines, namely, Ms. Cain and/or Ms. Bordelon. According to AVC employees, Ms. Cain frequently emptied the machines and counted the funds alone. Ms. Bordelon stated that sometimes after she and Ms. Cain removed the cash from the T/T machines, Ms. Cain would instruct her (Ms. Bordelon) to return to her office while Ms. Cain counted the cash. Two other AVC employees, in separate conversations with us, corroborated Ms. Bordelon's statement. However, in her written response, Ms. Cain's attorney stated that this did not occur. Ms. Bordelon also stated that she (Ms. Bordelon) would return to Ms. Cain's office later and write the total amount of cash that Ms. Cain said she counted and the initials of the person(s) who removed the cash from the machines on the coversheet. However, Ms. Bordelon said no one documented who actually participated in counting the cash.

Ms. Bordelon denied taking any of the missing funds. We asked Ms. Cain's attorney if we could meet with Ms. Cain to discuss the matters contained in this report. Ms. Cain's attorney did not give us permission to speak with Ms. Cain. However, Ms. Cain's attorney stated in her

response to our draft report, “Tonia Cain is absolutely innocent of any and all allegations made against her in the draft audit.”

We reviewed AVC records after Ms. Cain was removed from the administrative program director position (and was no longer involved in concession collections) and observed no cash shortages occurring after Ms. Cain transferred out of the business office. Ms. Bordelon is still employed at the prison in the same position.

Alterations to Public Records

AVC (via DOC) received public records requests relating to concession sales in February and April 2016. Ms. Bordelon told us that, after the requests were received:

- Ms. Cain directed her (Ms. Bordelon) to rewrite the coversheets to omit Ms. Cain’s initials.
- Shortly after this incident, she (Ms. Bordelon) arrived at work one morning and found Ms. Cain looking through her (Ms. Bordelon’s) most recent binder of daily concession sales and coversheets.
- Ms. Cain told her (Ms. Bordelon) that the concession sales did not match the deposits and directed her (Ms. Bordelon) to have Concession Manager Cory Shepherd change his daily sales figures.
- She did not want to tell Mr. Shepherd to change his records because she (Ms. Bordelon) knew that Ms. Cain was not in a position to know whether his records were right or wrong.
- Instead of instructing Mr. Shepherd to change the daily concession sales sheets, she (Ms. Bordelon) had Mr. Shepherd go to Ms. Cain’s office.
- At Ms. Cain’s direction, she (Ms. Bordelon) began replacing the original concession sale sheets in her records with the altered records she received from Mr. Shepherd.
- As she (Ms. Bordelon) replaced the daily sales sheets, Ms. Cain shredded the original records; she (Ms. Bordelon) also shredded some original documents as well to help Ms. Cain.
- She (Ms. Bordelon) knew that at least two additional copies of the original records existed in Assistant Warden Cooper’s and Ms. Lemoine’s files and believes that Ms. Cain was unaware of these copies.

Mr. Shepherd confirmed that during the time referenced above, Ms. Cain instructed him to change concession sales records and gave him a piece of paper indicating which dates to change, some as far back as May or June of 2015. Mr. Shepherd also told us that Ms. Cain had no way of knowing if his sales figures were right or wrong but changed them as Ms. Cain instructed. Our review of the altered records and the copies of the original records indicate that

80 daily sales sheets were altered to decrease concession sales by a total of \$10,414 between August 10, 2015 and February 6, 2016.

Conclusion

AVC records indicate that concession sales exceeded amounts deposited into the corresponding AVC bank account by \$31,170 from August 9, 2014 to February 21, 2016. AVC employees told us that former Administrative Program Director Tonia Cain was the only employee to regularly obtain and/or count cash concession collections alone. We were also told that Ms. Cain directed others to alter and destroy public records related to concession sales. By using her position to direct others to alter and destroy public records to conceal discrepancies between recorded concession sales and concession deposits, Ms. Cain may have violated state law.¹

Recommendations

We recommend that DOC/AVC consult with legal counsel to determine the appropriate legal actions to be taken, including recovery of the missing funds and/or restitution on behalf of the offender organizations. In addition, AVC should develop and implement policies and procedures to ensure that all funds collected from concession sales are accounted for and deposited daily. AVC management should:

- (1) develop and enforce internal controls, including cash handling and key security policies and procedures;
- (2) ensure that employees are properly trained on internal controls, including cash handling and key security policies and procedures;
- (3) ensure that all funds are collected timely, documented adequately, recorded accurately, and deposited daily;
- (4) review and compare the daily total deposits to the tickets/tokens dispensed on regular basis and immediately investigate any differences;
- (5) review and compare concession sales in relation to concession inventory records, concession funds deposited, and documented spoilage;
- (6) reconcile the number of tickets/tokens dispensed from machines to the amount used at the concession stand and immediately investigate any differences; and
- (7) require two employees be present when cash is removed from the ticket/token machines through conclusion of the counting process.

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.”

La. R.S. 14:73.5 (A) provides that, “Computer fraud is the accessing or causing to be accessed of any computer, computer system, computer network, or any part thereof with the intent to: (1) Defraud; or (2) Obtain money, property, or services by means of false or fraudulent conduct, practices, or representations, or through the fraudulent alteration, deletion, or insertion of programs or data.”

La. R.S. 14:132 (B) provides that, “Second-degree injuring public records is the intentional removal, mutilation, destruction, alteration, falsification, or concealment of any record, document, or other thing, defined as a public record pursuant to R.S. 44:1 et seq. and required to be preserved in any public office or by any person or public officer pursuant to R.S. 44:36.”

La. R.S. 14:133 (A) provides that, “Filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, of any of the following: (1) Any forged document. (2) Any wrongfully altered document. (3) Any document containing a false statement or false representation of a material fact.”

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.”

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.”

APPENDIX A

Management's Response

Department of Public Safety & Corrections
State of Louisiana
Office of the Secretary

JOHN BEL EDWARDS
Governor



JAMES M. LE BLANC
Secretary

July 18, 2016

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

Dear Mr. Purpera:

Please accept this as the Department of Public Safety and Corrections—Corrections Services' (DPS&C-CS) response to the recent investigative audit of the Avoyelles Correctional Center (AVC).

DPS&C-CS concurs with the conclusion of your audit, which in part states, "By failing to deposit all funds collected and by altering and destroying public records, Ms. Cain may have violated state law."

With regards to the recommendations contained in the report, the Department has the following responses:

Recommendation 1A:

DPS&C-CS should consult with legal counsel to determine the appropriate legal actions to be taken, including the recovery of the missing funds and/or restitution on behalf of the offender organizations.

Management's Response:

The Department agrees with this recommendation. We have met with legal counsel and have determined that the conversion of funds owned by offender organizations by former employee Tonia Cain has resulted in a breach of fiduciary duty by the Department of Public Safety & Corrections. As such, the Department, through the Department's Centralized Offender Welfare Fund, will restore the misappropriated funds totaling approximately \$31,170.00 to the five affected offender organizations. As the damage to each offender organization cannot be determined in exactitude, the restored funds will be returned to each organization based upon the past percentage of annual prior sales. Further,

notice of the breach and subsequent restoration of the funds will be given to representatives of the offender organization once the Legislative Auditor's report becomes public. The Department will seek reimbursement to the Centralized Offender Welfare Fund via two mechanisms:

1. Restitution imposed pursuant to criminal proceedings brought against Ms. Tonia Cain and,
2. Civil Suit for damages brought by the Department against Ms. Cain.

Recommendation 1B:

AVC (and DPS&C-CS) should develop and implement policies and procedures to ensure that all funds collected from concession sales are accounted for and deposited daily. AVC (and DPS&C-CS) management should:

- 1) Develop and enforce internal controls, including cash handling and key security policies and procedures;
- 2) Ensure that employees are properly trained on internal controls, including cash handling and key security policies and procedures;
- 3) Ensure that all funds are collected timely, documented accurately, recorded accurately, and deposited daily;
- 4) Review and compare the daily total deposits to the tickets/tokens dispensed on a regular basis and immediately investigate any differences
- 5) Review and compare concession sales in relation to concession inventory records, concession funds deposited, and documented spoilage;
- 6) Reconcile the number of tickets and tokens dispensed from machines to the amount used at the concession stand and immediately investigate any differences; and,
- 7) Require two employees to be present when cash is removed from the ticket/token machines through conclusion of the counting process

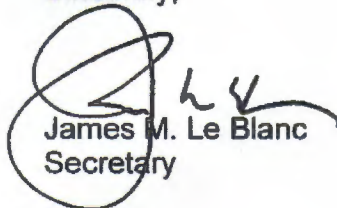
Management's Response

The Department agrees with this recommendation. AVC, under the direction of Acting Warden Troy Poret, has taken several steps since the beginning of this audit to implement the recommendations noted above. Those steps are contained in the attached "Louisiana Legislative Audit Report Response" and are arranged per the numbered recommendations.

Furthermore, although the Department does currently have regulations governing offender organizations' concessions operations (B-08-006, "Offender Organizations") and special funds (A-03-009, "Special Funds"), there is a lack of direction specific to cash management and control. As such, DPS&C-CS has consulted with our internal auditors are formulating a regulation governing cash management to include the recommendations noted above and current best practices to mitigate related risk to which all other affected department regulations will be referenced. Furthermore, regulation B-08-006 is being strengthened in response to Recommendation 1B.5 above by adding requirements regarding reconciliation of sales, inventory, deposited funds, and spoilage.

In closing, the Department appreciates the efforts of you and your staff to bring these issues to light. I would like to thank you for the professionalism demonstrated by your staff and the thoroughness of their audit.

Sincerely,



James M. Le Blanc
Secretary

JML/tcb

C: Roger Harris

Department of Public Safety & Corrections
State of Louisiana

JOHN BEL EDWARDS
Governor



JAMES M. LE BLANC
Secretary

DATE: July 14, 2016

TO: Thomas Bickham
Undersecretary

FROM: Troy Poret
Deputy Warden

RE: LOUISIANA LEGISLATIVE AUDIT REPORT RESPONSE

Over the last six months the concession funding at Avoyelles Correctional Center was questioned by the Department of Public Safety and Corrections and the Louisiana Legislative Auditors. In the process of questioning and observing accountability, AVC took the following steps to improve cash handling of the concession.

Attached are the updated guidelines and recommendations by AVC in response to the evaluation of the program prior to March 1, 2016. The Legislative Auditors have reviewed and approved these guidelines and recommendations.

If further information is needed, please advise.

TP/dg

C: Warden McCain

Attachment

Department Of Public Safety and Corrections

Avoyelles Correctional Center

1630 Prison Road

Cottonport, Louisiana 71327

Louisiana Legislative Audit Report Response

Recommendation # 1

Develop and Enforce internal controls, including cash handling and key policies and procedures.

The following is updated guidelines to the AVC Concessions Area. These guidelines were formulated in response to an evaluation of the program prior to March 1, 2016.

- A. The concession machines will be reconciled on Friday and Monday of each week. Friday collection will account for concession activity of Monday through Friday of the current week. Monday collections will account for the preceding Friday PM, Saturday, and Sunday activity. The two selected staff members will proceed to the concession area to collect funds from the ticket and/or coin machines on the assigned day. At that time, the machines are restocked with tickets/coins for the following weeks' activities. Ticket and coin counts from each machine are recorded on the Concession Collection Sheet.
- B. Funds are placed in a secured container and transported to the business office area by the same two staff members. Any repairs or corrections needed to be done to the machines are done at this time.
- C. Funds are placed in a secured container and then brought back to the business office. Both staff members must witness fund placement into the secure container. Control Center is contacted to verify if any money was collected manually by security staff due to machine malfunction or other cause. Funds related to this process must be secured in a designated secure container for collection by business office staff. Verification of Money Form AVC 02-08-005 Form E must be completed and inserted into the secure container with the appropriate seal. Business office staff will collect and transport funds to the business office area. Transactions of this nature will be noted on the Concession Collection Form.

- D. Funds collected are counted by the same two staff members and checked for accuracy. The same two staff members sign the Concession Collection Sheet acknowledging the accuracy and completion of collection and counting procedures. The same two staff members will transport the funds to be placed in a secure safe in the accounting office.
- E. Soft drink sales will be deducted and deposited into the Employee Activity Committee Fund. The remaining funds from sales are distributed between concession sales and photo sales for the purpose of properly allocating funds to club organizations. A deposit slip is created and a cover sheet is completed. The cover sheet breaks down the amount collected less soft drink proceeds as well as the breakdown between concession and photo sales.
- F. Any funds in AVC Concession Club over \$14,000 are evenly distributed to each participating club as follows: AVC Funeral Fund, Juvenile Awareness Club, Inmate Recreation & Officials Club, Incarcerated Veterans and Human Relations Civic Organization.
- G. If at any time a machine must be open for any reason two staff members must be present. Also, any unscheduled collection of funds must be noted and the reason from removal must be indicated on a separate Concession Collection Form.

Recommendation #2

Ensure that employees are properly trained on internal controls, including cash handling and key security policies and procedures.

Staff members will regularly review the Concession Area guidelines during regularly scheduled monthly meetings and on an as needed basis for additional program evaluations. The process is in constant evaluation for identification of areas of concern and/or process for improvement.

Staff members will also review the following AVC Policies and DPS&C regulations in staff meetings and trainings:

Accounting Procedures A-03-008

Accounting Procedures 01-03-007

Special Funds A-03-009

Code of Ethics A-01-002

Code of Ethics 01-01-002

Offender Related Services Offender Organizations B-08-006

Offender Organizations 02-08-005

Recommendation #3

Ensure that all funds are collected timely, documented adequately, recorded accurately, and deposited daily.

All funds are regularly collected on Fridays and Mondays of each week unless a holiday or extenuating circumstances dictate a altering of the collection schedule. Funds are counted and prepared in cooperation between the two collection staff members and a business office accountant for deposit on the day of collection.

An updated Concession Collections Sheet was generated to increase security and accountability in the collection of concession funds process. In the past the collection form only required the initials of the individuals collecting the funds. There were inconsistencies in the number of staff members collecting funds and the documentation of the collection process. This concern has been addressed through the updated form that requires signatures of two staff members at every point of collection, accounting of both ticket and token counts related to fund intake, and additional required staff signatures throughout the form process. Each of the four collection machines are accounted for both individually and collectively to provide another measure of collection accuracy.

The updated form is also given the accountant as another measure of accuracy and accountability.

Recommendation #4

Review and compare the daily total deposits to the tickets /tokens dispensed on regular basis and immediately investigate any differences.

The updated Concessions Collections Sheet includes starting and ending ticket/token counts for each collection period. These numbers are coordinated with the newly aligned ticket allotments and newly installed mechanical token counters installed in the various machines in response to concerns related to previous collection processes.

All machine repairs are completed by two staff members in an effort to increase security and accountability at each instance/need for repair. The process is followed by a Concession Collection-Machine Repair Sheet that documents the date of the repair, reason for the repair, tickets lost, and the staff members documenting their participation in the repair process.

Recommendation #5

Review and compare concession sales in relation to concession inventory records, concession funds deposited, and documented spoilage.

Daily sales sheets are turned into the AVC Business Office. These sheets will be reviewed and compared to sales and collections for additional accountability and security measures during the specific collection period.

Daily sales sheets and collected inventory sheets will be reviewed and compared to monitor inventory as it relates to:

Maintenance

Usage

Ordering Practices

Spoilage

Recommendation #6

Reconcile the number of tickets and tokens dispensed from machines to the amount used at the concession stand and immediately investigate and differences.

The Concession Collections Sheet and daily sales sheets will be compared to evaluate the sales/funds collected relationship in terms of daily activity in the concession area. Consideration must be taken into account for customer ticket/token retention in relation to those customers that take the tickets out of the concession area without spending them on the date of purchase.

Recommendation #7

Require two employees to be present when cash is removed from the ticket/token machines through conclusion of the counting process.

Two staff members are required to be present and document their participation in both the funds collection and counting processes. This process is evident in both the Concession Collections Sheet and the Concession Collection Machine repair Sheet.

All machine repairs are completed by two staff members in an effort to increase security and accountability at each instance/need of repair. The process is followed by a Concession Collection-Machine Repair Sheet. To increase transparency two staff members are required present to open a machine for any purpose.

CONCESSION COLLECTIONS SHEET

Page 1 of 2

Dates: _____

Friday Collection: _____ Date: _____

Monday Collection: _____ Date: _____

Manual Funds Collection: _____ Date: _____

Total Collection: _____

Employee Signatures: 1. _____ 2. _____

Coke Sales: _____

TOTAL DEPOSIT: _____

Photo Sales: _____

Total: _____

CONCESSION COLLECTIONS SHEET

Page 2 of 2

Ticket/Coin Machine Breakdown

Dates: _____

Friday Collection: _____ Date: _____

Starting Ticket Machine Number: _____ Starting Ticket Machine Number: _____

Ending Ticket Machine Number: _____ Ending Ticket Machine Number: _____

Starting Ticket Machine Number: _____ Starting Coin Machine Number: _____

Ending Ticket Machine Number: _____ Ending Coin Machine Number: _____

Monday Collection: _____ Date: _____

Starting Ticket Machine Number: _____ Starting Ticket Machine Number: _____

Ending Ticket Machine Number: _____ Ending Ticket Machine Number: _____

Starting Ticket Machine Number: _____ Starting Coin Machine Number: _____

Ending Ticket Machine Number: _____ Ending Coin Machine Number: _____

Manual Funds Collection: _____ Date: _____

Total Collection: _____

Employee Signatures: 1. _____ 2. _____

Avoyelles Correctional Center

Concession Collection Sheet

Machine Repair Sheet

Date: _____

Machine Repaired: _____

Reason for Repair: _____

Tickets Lost: _____

Signature: _____

Signature: _____

APPENDIX B

Other Response

JILL L. CRAFT
ATTORNEY AT LAW, LLC

JILL CRAFT
CRYSTAL BOUNDS

509 ST LOUIS STREET
BATON ROUGE, LA 70802
PHONE: (225) 663-2612
FACSIMILE: (225) 663-2613

July 18, 2016
VIA U.S. MAIL & FAX

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

Re: Tonia Cain

Dear Mr. Purpera:

Please allow the below comments in response to the "draft of our investigative audit report on the Avoyelles Correctional Center".

Ms. Tonia Cain is absolutely innocent of any and all allegations made against her in the draft audit. Furthermore, the draft audit contains numerous factual inconsistencies and outright falsehoods. I will address as many such inconsistencies and falsehoods as space and time permit.

Allegation: "We contacted Ms. Cain's attorney and requested a meeting. . . , but Ms. Cain's attorney did not call us back and we did not speak with Ms. Cain."

On, June 3, 2016 Ms Tonia Cain received a voice mail from Ms. Amy Dees and Ms. Cain returned her phone call on June 3, 2016 at 1:25pm leaving her a voice mail to contact her attorney Mrs. Jill Craft.

False: On June 6, 2016, my office retrieved a voice mail from Ms. Amy Dees purporting to be a representative of your office requesting a call back from my office but also stating that she would be "out of the office" until Tuesday, June 7, 2016. On Tuesday, June 7, 2016, I called Ms. Dees. She asked to speak with BOTH Mr. and Mrs. Cain. She further advised her office is "enforcement" and that she is thus conducting an audit in the nature of a criminal investigation. She stated "their portion" was only inmate concessions. I told her that Mr. Cain would not have had anything to do with inmate concessions and she confirmed she was "aware he was not involved." She then advised that she understood only Mrs. Tonia Cain and one other employee were involved with the concessions. I told her that understanding was FALSE. Mrs. Cain reported to a Deputy Warden who oversaw all of her work and, further, that there were several employees, including at DPSC Headquarters who handled inmate concessions. I further reiterated

Daryl G. Purpera
July 18, 2016
Page 2 of 8

my objection and concern that Mr. and Mrs. Cain's house had already been searched without a warrant and that I believed items had been seized and searched without a warrant or consent. She then asked if "they" could send a draft of the report to me for response. I specifically told her that Mrs. Cain has a right not to talk with people especially where, as in this case, there has been constant talk about criminal charges.

On June 27, 2016, at 12:10 p.m. over the lunch hour, Ms. Dees sent an email advising: "[W]e are concluding our audit and exiting with Avoyelles Correctional Center on Friday. Since I never heard back from you after our conversation on June 7, 2016, I ASSUME Mr. and Mrs. Cain will not be speaking with us regarding our audit. Please advise where you would like me to send the draft copy of our audit report."

On June 27, 2016, at 12:13 p.m., I immediately responded directing her to attorney John McLindon who is representing Mr. Cain. I further stated: "[W]hat ever documents or questions you may have for Mrs. Cain, please let me know."

On June 27, 2016, at 12:44 p.m., Ms. Dees responded she only had two questions: "Can we speak with Ms. Cain? Where do I send the draft report? I need a mailing address."

In other words, in spite of our request that she and this office afford Mrs. Cain an opportunity to review whatever documents you had or respond in writing to whatever questions you had, we fully understood the email to indicate the report was complete, i.e., where do we send it, and your office was not interested in obtaining the entire picture of events or Mrs. Cain's fully informed response. I will also note that in separate correspondence I had requested from DPSC copies of any and all documents which had been provided to your office in order to discuss fully with Mrs. Cain before she communicated with anyone. That request to DPSC was denied illegitimately citing some sort of "privilege" and further stating your office and others were in possession of the documents.

As I believe I have made clear, if Mrs. Cain was to speak with anyone, fairness and equity surely dictate that she be able to review whatever documents you have first. That has been flatly denied.

Allegation: Mrs. Cain was "responsible for. . . support activities for the AVC."

False: Assistant Warden Myrna Cooper was responsible for and supervised all inmate concessions and inmate clubs. Mrs. Jodie Bordelon was, at all times, the Offender Concession Club Sponsor. At all times, Mrs. Cain reported to Deputy Warden Gaspard. He, in turn, reported to Headquarters. It is our understanding your office has not spoken with Mr. Gaspard.

Allegation: Other employees "who were qualified for the position, . . . were given the 'impression' by Warden Cain that the position [Administrative Program Director] was no longer

Daryl G. Purpera
July 18, 2016
Page 3 of 8

available. . . Ms. (sic) Cain was the only AVC employee that applied for the position." "On February 22, 2016, Ms. (sic) Cain was voluntarily demoted to records management, and on April 14, 2016, Ms. (sic) Cain was placed on paid leave pending an investigation due to allegations of malfeasance. Ms. (sic) Cain later retired on May 21, 2016."

False: Mrs. Cain worked for AVC for 23 ½ years and has never been disciplined, written up, or had any issues in connection with her employment. A review of her personnel file throughout the two plus decades she has been employed by this State at AVC would have revealed her work performance was stellar and she was praised for her diligence, work ethic, and integrity in each and every performance evaluation she had under countless supervisors, including her last several years of employment. Mrs. Cain is the recipient of several work commendations, including from Headquarters. Mrs. Cain married Mr. Nathan Cain on February 3, 2014 – years after she was originally detailed into the position in the business office. At the time she was originally detailed and later awarded the permanent promotion to the position, she and Mr. Cain were not dating nor did they have any kind of relationship with one another except as a business relationship. In fact, Mr. and Mrs. Cain did not even start dating each other until the year 2013. Mrs. Cain was fully recommended for the position by Mrs. Cheryl Dees, then Human Resource Director at DPSC Headquarters in Baton Rouge.

Mrs. Cain removed herself, by requesting her own voluntary demotion, on February 15, 2016, to records. She was not employed in the Business Office from February 15, 2016 – February 22, 2016 – which is part of the period your office contends money went missing. She simply wasn't there. Ms. Cain also did not work in the Business Office from the middle of July 2015 - August 2015. Ms. Cain held a position in Security.

In fact, immediately following the marriage of Mr. and Mrs. Cain on February 3, 2014, Mrs. Cain voluntarily turned in her LaCarte Purchase Card (otherwise referred to as a "P Card") which was locked and secured in a locked box and never had such card thereafter throughout the entire remaining term of her employment. Further notable is the fact that Mr. Cain never had a LaCarte Purchase Card (otherwise referred to as a "P Card") throughout his employment at AVC as Warden.

Although Mrs. Cain was placed on paid administrative leave on April 13, 2016, she was not issued a written notice of administrative leave until April 14, 2016. In that notice, DPSC advised her leave was imposed because of the allegation that she was "deleting emails off of Warden Nate Cain's computer." She was later found innocent by Mr. Joel Odom. Odom further advised that Ms. Cain would continue on leave until the investigation was over. No written notice of this was given.

Allegation: AVC records indicate that cash generated from concession sales totaling at least \$31,170 was collected, but not deposited into the corresponding AVC bank account from

Daryl G. Purpera
July 18, 2016
Page 4 of 8

August 9, 2014 to February 21, 2016. AVC employees indicated that former Administrative Program Director Tonia Cain was the only employee to regularly obtain and/or count cash concession collections alone. Ms. (sic) Cain appears to have also directed others to alter and destroy public records related to concession sales. By failing to deposit all funds collected and by using her position to direct others to alter and destroy public records, Ms. (sic) Cain may have violated state law.

False: By way of history, the AVC offender club purchased two (2) ticket machines for visitors and employees to purchase tickets to buy items sold in the concession stand and the photograph stand. Inmates are not allowed to have cash. Typically, visitors to the AVC buy "tickets" in order to buy food sold by the inmates and/or to purchase photographs of their incarcerated associates. Employees at the AVC likewise purchased tickets in order to buy food and snacks from inmate concession stand. In fact, offenders even delivered food on a "Meals on Wheels" bicycle to various employees throughout the AVC at their various job sites.

The tickets were used as money to make the purchases.

However, once the tickets were "negotiated" with the inmates manning the concession stand and photograph booth, the tickets were not marked to reflect they had been used. On several occasions, it was discovered that inmates were actually bartering the tickets.

Additionally, the ticket machines (two) often jammed and had no mechanism to account for the quantity of tickets actually sold. When the machines jammed, which occurred on a regular basis, they would be out of order and had to be reset. In that process, often times a paper clip was used and manually inserted into the machine in order to un-jam the tickets which, in turn, were damaged and destroyed.

I understand there are cameras in the visiting area where the ticket machines are located that will verify the information contained herein.

When the jamming of the existing two machines became routine, a third machine was purchased but this machine used tokens instead of tickets. There are documents evidencing that Mrs. Cain recommended a token counter be purchased in order to better account for the tokens. That recommendation(s) occurred in October/November, 2015.

In the process of un-jamming the machines, security was always present as a witness. On the weekends, the ticket machine keys were given to the Major in order that he would open the machine when it jammed and remove the damaged tickets and disregard them.

The money placed in the ticket machines was collected by two (2) employees at all times and then counted by two (2) employees at all times. On the weekends, the money was collected

Daryl G. Purpera
July 18, 2016
Page 5 of 8

by security and put in a money box. Additionally, the Business Office has a mail box in the hallway and AVC employees often "deposited" envelopes of cash through the mail slot for items they had purchased from concessions. Mrs. Cain, in response to the mail slot issue by the AVC employees, notified the Control Center Supervisor to post a notice that all money collected must be kept in the Control Center until Monday during business hours to be retrieved thereafter by an employee with the Business Office. This occurred frequently and most often because the ticket machine had once again jammed. In fact, on one occasion when an envelope of money had been left, Mrs. Cain brought it to Mrs. Lemoine to add to the concession money count. Mrs. Lemoine stated to Mrs. Cain that no one would have known the money was missing and that she could take the money and nobody would even know. Mrs. Cain responded: "well, it won't be me taking any money."

Once the money was collected from the ticket machines by the two (2) employees, two (2) employees would then count the money, separate it, and turn it into Mrs. Lemoine. Mrs. Lemoine would again count the money alone, place it into money straps, and she was responsible for having it deposited at the Cottonport Bank into the Offender Club Account.

At no time did Mrs. Cain ever tell Mrs. Bordelon to leave her office in order for her to count the money. The money was always counted by and in the presence of two (2) people and all of the employees of the business office and Mrs. Lemoine rotated in the collection of and counting of the money from the ticket machines.

The ticket process worked as follows: a person would purchase tickets/tokens from the machine. He would present the tickets/tokens to the inmate (who was never monitored) in the concession area. The food item would be prepared or the purchased item negotiated. The inmate would then have the tickets/token which were not turned in until the end of the day/all shifts.

The concession stands were supervised and run by the Concession Stand Manager - who is an INMATE. The concession stand managers over time were: Offender Patrick Deville, Offender Corey Sheppard (after Deville transferred away from AVC).

Under Offender Sheppard's watch, he allowed people to order food and "pay later." There was no way to verify the orders were ever paid for "later". Sheppard approached Mrs. Cain in her office upset that he was having problems with his girlfriend and advising he did not know if he could concentrate on working in the concession stand and that he was distraught. Mrs. Cain reported this to her supervisor, Deputy Warden Gaspard. They told her to have Sheppard take a few days off in order to get himself together. Yet, after they had listened to Sheppard's recorded phone calls, it was found that Sheppard had lied because he was actually talking with two (2) different women at the time. Apparently on the recordings, it was discovered that one of the women with whom Sheppard was involved, told Sheppard that she needed money and was leaving her boyfriend. On the recording, apparently Sheppard told the woman he would get her the money she needed. It was discovered that Sheppard was selling food and items out of the visitor's shed

Daryl G. Purpera
July 18, 2016
Page 6 of 8

to offender visitors to make money to send to the woman. When confronted, Sheppard became indignant. Sheppard also had other inmates sending money to the woman and the offenders apparently reported they were "getting tired" of working and dealing with him. Offender Sheppard's girlfriend's name will appear on record in the inmate banking (IBANK) to verify that other offenders were sending her money.

Sheppard was fired from the Concession Stand because the above information and drugs. It is our understanding that if you compare the records/deposits from the time Deville was in charge as opposed to Sheppard, you will determine there were not issues under Deville's watch as opposed to Sheppard. The time period examined by your office was while Inmate Sheppard was the Concession Stand Manager.

After these problems and as a result of Mrs. Cain's recommendations, the tickets used have numbers and the ticket numbers are consecutively accounted for, a counter for the token machine was finally ordered.

Regarding the "coversheets": Mrs. Bordelon had created an informal "coversheet" on which the amount collected out of the machines was written. The Concession Stand Manager also had a handmade sheet on which he would supposedly try and keep track of concession orders. When Mrs. Cain asked Mrs. Bordelon how she was verifying the money collected from the machines versus what the inmates had written on their handmade sheets, Mrs. Bordelon responded she did not know that she had to do that. Mrs. Bordelon then told Mrs. Cain that Mrs. Lemoine received the same sheets as the inmates would give her and Mrs. Lemoine a copy of their handmade sheets. Mrs. Bordelon then advised she would not create her "coversheet" until AFTER Mrs. Lemoine brought her the final totals from the offenders.

When questioned by Mrs. Cain, Mrs. Bordelon also pulled out a binder to purportedly show Mrs. Cain how she was completing her coversheets after Mrs. Lemoine would bring her the final totals from the offenders. There were initials on the top right hand corner of each "coversheet" and when Mrs. Cain asked whose initials, Mrs. Bordelon confirmed they were sometimes hers and sometimes Mrs. Lemoine's. When Mrs. Cain asked what the initials were for, Mrs. Bordelon said it was as to who went and got the money out of the machine. Mrs. Cain noted that on some of the "coversheets", there was one initial which Mrs. Bordelon told Mrs. Cain that Mrs. Lemoine "did those" and on some there were two (2) initials which Mrs. Bordelon told Mrs. Cain she was the one that put those initials. Apparently, the initials were added after the fact by either Mrs. Bordelon or Mrs. Lemoine. Yet, at no time did or was only one person to retrieve the money from the machines.

On her review, Mrs. Cain noted the documents were very messy and she instructed Mrs. Lemoine that they were to create a more detailed form and neither she nor Mrs. Bordelon were to put other employee's initials on the forms. Rather, Mrs. Cain instructed that each employee who

Daryl G. Purpera
July 18, 2016
Page 7 of 8

had gone to retrieve the money from the machine (two of them) were to each place their own initials on the forms confirming they had retrieved the money. Mrs. Cain also told Mrs. Lemoine that by she and Mrs. Bordelon writing in other employee's initials to the forms, that could be forgery.

Mrs. Cain also instructed that the money was not to be deposited until all sheets, including those from the inmates, were received and verified against one another.

However, under the system, there is no legitimate manner by which the inmate created sheets could actually be reconciled against the money collected from the ticket machines at any given time. Tickets purchased are not always used that day and are often kept for future visits and/or are purchased in bulk for a month's worth of ensuing visits, employees have ordered food and not had tickets telling the inmates they will buy tickets later and "turn them in".

After Mrs. Cain's instructions above, Mrs. Bordelon began checking the previous coversheets against the sheets turned in by Inmate Sheppard. Mrs. Cain assisted Mrs. Bordelon in that process and both discovered numerous mistakes by Sheppard in his listing of items sold. For example, on one sale, Sheppard had reported he sold over 7,000 hamburgers in one night. Mrs. Cain told Sheppard to go and get her the sale slips and/or tickets to verify. Inmate Sheppard told Mrs. Cain he did not keep them and that he destroys them every two (2) weeks because it is too much to keep.

Notably, the offenders had the key to the black cabinet in the concession area and the key to the box where the inmates kept the tickets/tokens turned in with purchases. The Concession stand, as noted above, was staffed only with offenders.

In addition to the situation set forth above and for which there is documentation in the possession of AVC and DPSC regarding Sheppard, there were several other instances involving inmates taking/attempting to take/keep tickets and tokens to use as bartering money and/or to make purchases. On one such occasion, there was an offender who worked in the visiting shed on the weekends. Apparently, when he brought food to the visitors, he was not turning in the tickets and was pocketing them instead. He was eventually caught when he went to an employee and asked the employee to order food for him and then pulled out tickets from his pocket for the employee to use to buy the inmate the food. The employee reported the matter to Mrs. Cain who immediately reported it to her superiors. After investigating the matter, it was determined the inmate was taking the visitors' tickets and instead of putting them into the box, he was pocketing them for later use and/or to barter with among the other inmates. This inmate was fired from his job and not allowed to work concessions again. It was unable to be determined how long this had been occurring.

In closing, I would urge you to exercise due diligence and pull the video footage which will show two (2) employees retrieving the money from the machines. The footage will also show

Daryl G. Purpera
July 18, 2016
Page 8 of 8

who accessed the machines, especially on the weekends, and will also show the number of times the machines had to be reset and/or un-jammed and by whom with witnesses present.

I will also note that during the period of August 9, 2014, to February 21, 2016, Mrs. Cain generally did not work on the weekends. Others, including the Major and security, collected the money during these period. Furthermore, your audit does not appear to have dealt with the photograph purchases which use the same tickets/token as do concessions. Mrs. Cain was not even employed in the business office after February 15, 2016. She attended an ACA conference in January, 2016, in New Orleans, and also took holiday and vacation time with her family. Hence, it is entirely inaccurate to state and then base your conclusions on the false notion that Mrs. Cain was essentially the only person who could have been or was responsible for any allegedly missing funds.

Not only is Mrs. Cain innocent, but the bulk of the audit apparently relies on the admittedly false records of convicted criminals (they do not ever sell 7,000 hamburgers in one night and several inmates were fired for stealing tickets and/or attempting to use them for barter in the prison). Mrs. Cain would also respectfully suggest that this office look into the financial problems which Mrs. Bordelon repeatedly complained about in the workplace. Mrs. Bordelon has repeatedly stated how she was behind on her house note, etc. Also look into how the offenders are handling the tickets from the photo concession, offenders are placing tickets in there pant pockets and turning them in at the end of the day. They are placing the tickets on the counter and not counting them when they turn them in to verify how many photos they sold against how many tickets they collected.

I trust the entirety of this response will be included in the report. You do not have my permission to edit or otherwise exclude any portion of this response.

Thank you for your consideration. I remain,

Very truly yours,

Jill L. Craft

