

TOWN OF HAYNESVILLE



INVESTIGATIVE AUDIT
ISSUED JANUARY 18, 2017

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

January 18, 2017

THE HONORABLE BEVERLEE KILLGORE, MAYOR
THE HONORABLE ANTHONY SMITH,
CHIEF OF POLICE
AND THE BOARD OF ALDERMEN
TOWN OF HAYNESVILLE
Haynesville, Louisiana

We have audited certain transactions of the Town of Haynesville. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the validity of allegations 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 2nd Judicial District Court of Louisiana and others as required by law.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

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EXECUTIVE SUMMARY

Traffic Citation Fines Not Deposited

Town of Haynesville records indicate that \$50,048 in traffic citation revenue was not deposited into the Town's bank account from September 5, 2007 through September 16, 2015. Former Haynesville Police Dispatcher Heather Allen was responsible for accepting traffic citation fines but stated she did not take the missing funds. However, there were 137 cash deposits totaling \$40,615 made into her bank accounts during the same period. If Ms. Allen deposited the traffic citation revenue into her bank account, she may have violated state law.

Improper Changes to Public Records

Former police dispatcher Heather Allen appears to have altered public records at the police department that resulted in (1) an improperly reduced fine and reinstated driver's license and (2) an uncollected fine for speeding by changing a bench warrant to a warning. Ms. Allen could not provide documentation to show she was authorized to make these changes and may have violated state law.

Lack of Controls Over Traffic Citations/Fines/Dockets

Traffic citations, receipts for fines collected, and court dockets were not complete, accurate, or reconciled.

BACKGROUND AND METHODOLOGY

The Town of Haynesville (Town) is located in Claiborne Parish and has a population of 2,327 (2010 Census). The Town was incorporated in 1901 under the provisions of the Lawrason Act and has a mayor-board of aldermen form of government. The Town provides utility (water and sewer), police protection, street maintenance, recreation, and general administration services.

The Louisiana Legislative Auditor received notification from Mayor Beverlee Killgore of a possible misappropriation of public funds in the police department. This audit was initiated to determine the validity and scope of any such misappropriation. The procedures performed during this audit included:

- (1) interviewing certain Town employees and others as appropriate;
- (2) examining selected Town documents and records;
- (3) gathering and examining external parties' documents and records; and
- (4) reviewing applicable laws and regulations.

FINDINGS AND RECOMMENDATIONS

Traffic Citation Fines Not Deposited

Town of Haynesville (Town) records indicate that \$50,048 in traffic citation revenue was not deposited into the Town's bank account from September 5, 2007 through September 16, 2015. Former Haynesville Police Dispatcher Heather Allen^A was responsible for accepting traffic citation fines but stated she did not take the missing funds. However, there were 137 cash deposits totaling \$40,615 made into her bank accounts during the same period. If Ms. Allen deposited the traffic citation revenue into her bank account, she may have violated state law.^{1,2}

In September 2007, Police Chief Anthony Smith assigned the responsibilities for traffic citation collections to former police dispatcher Heather Allen. Ms. Allen's responsibility for the traffic citation collections continued until her employment terminated on September 17, 2015. Chief Smith and Assistant Police Chief Jason Branch further stated that traffic citation fines collected were placed in a safe located in the police department, and Ms. Allen had the only key. Ms. Allen was responsible for receiving, storing, recording, and processing all traffic citation revenue and remitting it to the Town Clerk for deposit.

According to Town records, Ms. Allen accepted cash, check, or money order as payment for traffic citation fines. According to the current dispatcher, Police Chief Smith, and Assistant Police Chief Branch, when Ms. Allen was not available to accept payments, customers were instructed to use the locked drop box installed in the wall. According to statements by Chief Smith and other police officers, Ms. Allen had the only key to the drop box.

Town records and bank statements show that \$50,048 of traffic citation fines collected were not deposited to the Town's bank account from September 5, 2007 through September 16, 2015. Ms. Allen stated that she did not take funds from the Town and could not explain why payments she received and processed were not deposited. However, 137 cash deposits made to Ms. Allen's personal bank accounts from September 6, 2007 to September 17, 2015 totaled \$40,615. Ms. Allen stated that she received the cash that she deposited in her personal bank accounts from former boyfriends and various other sources and the deposits were not related to the missing traffic fines, but did not produce any evidence to support her claim despite our request. If Ms. Allen deposited traffic citations collections into her personal bank accounts for her personal use, she may have violated state law.^{1,2}

^A Heather Allen's name while working for the Haynesville Police Department was Heather Evans. She married since she left her employment with the Town and will be referred to as Ms. Allen.

Improper Changes to Public Records

Former police dispatcher Heather Allen appears to have altered public records at the police department that resulted in (1) an improperly reduced fine and reinstated driver's license and (2) an uncollected fine for speeding by changing a bench warrant to a warning. Ms. Allen could not provide documentation to show she was authorized to make these changes and may have violated state law.^{2,3,4}

In addition to her duties of collecting traffic citation fines, Ms. Allen was also responsible for filing citations, submitting requests for license suspensions to the Department of Public Safety (DPS), and maintaining the citation disposition book. We reviewed the police department's records and compared the disposition of the citations to the court docket and police department receipts and found the two discrepancies explained below.

Example 1

Traffic citation #7794690 was issued for "No Passing Zone," "Reckless Operation," and "Improper Lane Usage" on October 19, 2010. Court docket notations indicate the offender failed to show for the November 19, 2010, court date and was placed on the court docket for December 17, 2010. The December court docket notations indicate that the offender's citation for the three violations would be sent to DPS requesting suspension of the offender's driver's license and an unpaid fine in the amount of \$653. Ms. Allen wrote a \$150 cash receipt to the offender for a "*Non-Moving Vol*" two years later on December 17, 2012, and sent a form to DPS to reinstate the offender's driver's license. "Paid in Full" was written on the reinstatement document and in the police department's citation disposition book indicating the \$653 fine was paid.

Ms. Allen stated that it was possible that she wrote that the ticket was paid in full when only collecting \$150 of the \$653 fine at the direction of the police chief. Ms. Allen also stated that she did not know the offender. However, the police chief stated that he did not direct Ms. Allen to reduce charges or fines. He further stated that Ms. Allen knew the offender, and that the offender had multiple citations over the years that Ms. Allen worked at the police department.

Example 2

Traffic citation #7795496 was issued for driving 49 miles per hour (mph) in a 35 mph speed zone on May 13, 2015. The court docket from the Mayor and Assistant Police Chief indicates that a bench warrant for \$250 bond be issued to the offender. However, the court docket copy kept by Ms. Allen had the bench warrant ruling struck through in blue ink and the words "*Warning*" written next to the offender's name. The citation disposition book maintained by Ms. Allen also indicates "*Warning*" as the final disposition of the citation.

Ms. Allen stated that it was her handwriting on the documents, but she did not remember why she downgraded the citation to a warning when the docket stated the offender was

given a bench warrant by the magistrate. She also stated that she never altered documents unless directed to do so by either the police chief or the magistrate, but did not keep records when she was directed to alter documents.

Since the modifications made by Ms. Allen do not appear to be authorized and are not consistent with other records at the Police Department, it appears Ms. Allen violated state law.^{2,3,4}

Lack of Controls Over Traffic Citations/Fines/Dockets

Traffic citations, receipts for fines collected, and court dockets were not complete, accurate, or reconciled.

Although there are five sets of records for traffic citations, (i.e., the citation itself, the citation disposition book, the court docket, the police department receipts, and the Town Hall receipts), there was no reconciliation of these records or oversight by the police chief for the police department records. In addition, the Town Clerk did not reconcile police department receipts to deposits to ensure that all traffic citation revenues collected by the former dispatcher were submitted to Town Hall for deposit. State law⁵ requires quarterly audits should be performed on traffic citations by the fiscal officer.

Recommendations

We recommend that the Town consult with legal counsel to determine the appropriate legal actions to be taken, including recovery of missing funds and/or restitution. In addition, the Town should develop and implement policies and procedures to ensure that all traffic citations are accounted for and all traffic fines collected are deposited daily. Town management should:

- (1) develop and enforce internal controls over fine collections, 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) require the police department to enter the ticket numbers and the police officer name in the computerized system when a ticket book is issued to a police officer;
- (5) require the police chief to account for the numerical sequence of all citations issued and the final disposition of those citations monthly;
- (6) audit the traffic citations quarterly as required by state law;

- (7) review and compare the daily total deposits to the fines collected on regular basis and immediately investigate any differences; and
- (8) require two employees be present when cash is removed from the safe for deposit.

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. 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.”

² **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.”

³ **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.”

⁴ **La. R.S. 32:398.2(C)** provides that, “It shall be unlawful for any traffic enforcement officer or any other officer or public employee to dispose of a traffic citation or copies thereof or of the record of the issuance of the citation in a manner other than as required herein.”

⁵ **La. R.S. 32:398.3(B)** provides that, “Each record of traffic citations required in this Part shall be audited quarterly by the appropriate fiscal officer of the governmental agency to which the traffic enforcement agency is responsible.”

APPENDIX A

Management's Response



TOWN OF HAYNESVILLE

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January 5, 2017

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RE: Investigative Audit Report - Heather Evans Allan

Dear Mr. Purpera:

I am writing in response to the report we received from your office regarding Heather Evans. At this time, The Town of Haynesville Mayors Office, The Town council and Haynesville Police Department have reviewed this report and are in agreement with your report and wishes to follow the recommendations of your office.

If there is any additional information that comes forward after this time, we will forward it to you immediately.

Sincerely,

Beverlee Killgore, Mayor
Town of Haynesville

Anthony Smith, Chief of Police
Town of Haynesville