

ORLEANS PARISH CLERK OF COURT
CRIMINAL DISTRICT COURT



INVESTIGATIVE AUDIT
ISSUED MARCH 23, 2016

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

March 23, 2016

THE HONORABLE ARTHUR A. MORRELL
ORLEANS PARISH CLERK OF COURT –
CRIMINAL DISTRICT COURT
New Orleans, Louisiana

We have audited certain transactions of the Orleans Parish Clerk of Court – Criminal District Court. 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 Orleans Parish District Attorney, the Louisiana Board of Ethics, and others as required by law.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/aa

ORLEANSCLERKOF COURT CRIMINALDISTRICTCT2016

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EXECUTIVE SUMMARY

Clerk of Court Did Not Follow Proper Procedures for Election Reimbursements from the Louisiana Secretary of State

From February 2010 through March 2014, the Orleans Parish Clerk of Criminal District Court (Clerk of Court) submitted reimbursement requests to the Louisiana Secretary of State (Secretary of State) for election-related expenses totaling \$1,698,224. Of this amount, we determined that the Clerk of Court received: (1) \$120,168 for wages paid to employees at rates higher than their regular rates of pay without an election pay policy on file; (2) \$213,146 for temporary workers that were not pre-authorized by the Secretary of State; and (3) \$53,269 for non-payroll election expenses that did not receive prior authorization from the Secretary of State. By not following the proper procedures, Clerk of Court management did not comply with state law and the Secretary of State's rules and regulations for election reimbursements.

Improper Credit Card Usage

From January 2012 through January 2015, Clerk of Court Arthur Morrell and his employees used Clerk of Court's office-issued credit cards to incur charges totaling \$83,424. Of this amount, auditors found 98 charges totaling \$6,406 that lacked the appropriate documentation to demonstrate the public purpose of the charges. In addition, from July 2009 to December 2014 auditors found 34 instances totaling \$7,184 where Clerk of Court funds were used to pay for personal charges incurred by Mr. Morrell. Purchases with no business purpose that are not necessary to the operations of the Clerk of Court's office may be a violation of the Louisiana Constitution and state law. In addition, because the Clerk of Court's office failed to maintain documentation supporting the expenditure of public funds, it may have violated state law.

Donation of Public Funds

From December 2006 to February 2015, records indicate that the Clerk of Court's office used public funds totaling at least \$78,000 for: (1) celebratory functions and meals; (2) donations to non-profit organizations; and (3) gifts to employees and others. By spending funds in this manner, Clerk of Court management may have violated the Louisiana Constitution, which prohibits the donation of public funds, and state law.

Elections Coordinator Received Improper Per Diem Payments

From January 2010 to March 2014, Elections Coordinator Elizabeth Stoner improperly received per diem payments totaling \$3,250 from the Secretary of State for attending meetings of the Orleans Parish Board of Election Supervisors (Board). Records indicate that a majority of the Board meetings for which Ms. Stoner received per diem payments took place during her regular Clerk of Court's office business hours. By receiving per diem payments for attending Board meetings during her regular working hours, Ms. Stoner may have been paid twice for the same hours in possible violation of state law.

BACKGROUND AND METHODOLOGY

Article 137 of the Louisiana Constitution of 1879 established the position of Clerk of the Criminal District Court for the Parish of Orleans (Clerk of Court). Pursuant to Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public of Orleans Parish's Criminal District Court and has additional duties and powers provided by law, which include serving as the chief election officer of Orleans Parish and as the ex-officio custodian of voting machines. In addition, the Clerk is a member of the Orleans Parish Board of Election Supervisors (Board), which was created to supervise and conduct all elections held in the parish pursuant to Louisiana Revised Statute (La. R.S.) 18:423. The Clerk of Court is elected for a four-year term.

The Clerk of Court is an independently-elected official; however, the Clerk of Court's office is fiscally dependent on the City of New Orleans (City). The City maintains and operates the district courthouse in which the Clerk of Court's office is located and provides funds for equipment and furniture for the Clerk of Court's office. Because the Clerk of Court is fiscally dependent on the City, the Clerk of Court has been determined to be a component unit of the City for financial reporting purposes.

La. R.S. 18:1400.3 provides that clerks of court shall be reimbursed by the Louisiana Secretary of State (Secretary of State) for costs incurred to perform or fulfill election duties imposed by state law. La. R.S. 18:1400.3(E) defines which expenses are reimbursable and provides that the Secretary of State shall establish the rules and regulations governing reimbursement for these expenses. The Louisiana Legislative Auditor received a request from the Secretary of State's office to review certain reimbursement requests submitted to the Secretary of State by the Clerk of Court. The purpose of our audit was to determine whether the Clerk of Court received the appropriate reimbursements from the Secretary of State for election related expenses. The procedures performed during this audit included:

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

FINDINGS AND RECOMMENDATIONS

Clerk of Court Did Not Follow Proper Procedures for Election Reimbursements from the Louisiana Secretary of State

From February 2010 through March 2014, the Orleans Parish Clerk of Criminal District Court (Clerk of Court) submitted reimbursement requests to the Louisiana Secretary of State (Secretary of State) for election-related expenses totaling \$1,698,224. Of this amount, we determined that the Clerk of Court received: (1) \$120,168 for wages paid to employees at rates higher than their regular rates of pay without an election pay policy on file; (2) \$213,146 for temporary workers that were not pre-authorized by the Secretary of State; and (3) \$53,269 for non-payroll election expenses that did not receive prior authorization from the Secretary of State. By not following the proper procedures, Clerk of Court management did not comply with state law¹ and the Secretary of State's rules and regulations for election reimbursements.

Louisiana Revised Statute (La. R.S.) 18:1400.3(A) provides that all Louisiana clerks of court shall be reimbursed by the Louisiana Secretary of State (Secretary of State) for costs incurred to perform or fulfill election duties imposed by state law. La. R.S. 18:1400.3(E)^{1,2} provides which election-related expenses are reimbursable and gives the Secretary of State the authority to establish rules and regulations governing the reimbursement of these expenses. According to the Secretary of State's election expense manual for the Clerks of Court and Parish Boards of Election Supervisors (election expense manual), "the Department of State has adopted this election expense manual to provide guidance to Clerks of Court...as to the allowable election expenses and other related expenses that are allowable for reimbursement by law and by the department."

Salary expenses of clerk of court employees who work on election matters outside of normal work hours are reimbursable by the Secretary of State. According to the election expense manual, all personnel expenses must be reimbursed at each employee's hourly rate of pay or at a rate of pay set by the clerk's election pay policy. The Secretary of State requires each clerk of court to submit a copy of their election pay policy so that rates of pay can be verified. Employees are required to complete the Secretary of State's approved time and expense forms and indicate the work performed, actual hours worked, rate of hourly pay from the clerk's office, and total hours requested for reimbursement. For reimbursement of non-payroll election expenses, the election expense manual provides the rates of reimbursement for certain expenses and requires prior written authorization for extraordinary expenses not specifically provided for in La. R.S. 18:1400.3(E). In addition, there are no provisions for reimbursement of temporary workers hired to perform election-related functions. As such, these expenses are considered extraordinary expenses and require prior authorization from the Secretary of State.

Clerk of Court Received Reimbursements for Wages Paid to Employees at Rates Higher than their Regular Rates of Pay without an Appropriate Pay Policy

During our audit, we compared the hourly rates regularly paid to Clerk of Court employees to the hourly rates that the Clerk of Court's office requested and received reimbursement for the same employees to perform election matters outside of their normal employment hours. These records indicate that, from February 2010 to March 2014, the Clerk of Court's office requested reimbursements from the Secretary of State for these employees at rates up to \$15.27 higher than their regular hourly rates.^A Based on the hourly rates paid to employees during their normal working hours, the Clerk of Court's office appears to have received reimbursements totaling \$120,168 for wages paid at rates higher than these employees' regular rates of pay. Records further indicate that the Clerk of Court's office did not adopt and submit an election pay policy to the Secretary of State until March 2015. Because the Clerk of Court's office did not adopt and submit an election pay policy to the Secretary of State's office prior to March 2015, the Clerk should not have requested reimbursement for wages paid at rates higher than these employees' regular rates of pay.

According to Clerk of Court Arthur Morrell and the Clerk of Court's Election Director, the Clerk of Court's office has historically paid employees at an hourly rate of \$22, \$30, \$35, or \$40 per hour for election work performed outside of normal work hours, regardless of the employee's regular hourly rate of pay. Mr. Morrell and his Chief Deputy, Mr. Larry Cager, told auditors that this practice was in place at the Clerk's office before Mr. Morrell took office in 2006.

For example, records indicate that a Docket Clerk/Courier worked a total of 68 hours performing election-related duties (preparing machines, moving signs, and delivering and retrieving tables and chairs) from October 1, 2011 to October 23, 2011. This employee's normal duties include clerical work and collecting and delivering mail from different locations at the regular hourly rate of \$13.67. However, the Clerk of Court's office requested and received reimbursement for this employee at an hourly rate of \$22. Using this employee's regular rate of pay, the Clerk of Court's office should have been reimbursed a total of \$1,018 in salary and related benefits (Social Security, Medicare, and State Unemployment) for this employee. However, as a result of requesting reimbursement at an hourly rate of \$22, the Clerk of Court's office was reimbursed \$1,638 for salary and related benefits, \$620 more than the amount that would have been paid using the employee's regular rate of pay.

In addition, we found that the election-related hours worked by Clerk of Court's office employees were not submitted on the Secretary of State's approved time sheets. Further, payroll records indicate that the Clerk of Court's office did not pay employees for election-related hours until after reimbursements were received from the Secretary of State's office. Mr. Morrell confirmed that the payments received from the Secretary of State's office were not

^A It should be noted that possible overtime payments of time and one-half were not taken into consideration when performing our calculations due to statements made by Clerk of Court employees that election work was voluntary and that the election expense manual states that the Secretary of State will reimburse Clerks of Court for their employees' regular rate of pay.

reimbursements because his office has never paid his employees before receiving reimbursements from the Secretary of State. Mr. Morrell added that his office does not have enough funds to operate elections on a reimbursement basis.

No Prior Approval to Hire Temporary Election Workers

Clerk of Court and Secretary of State records indicate that, from February 2010 to March 2014, the Clerk of Court's office requested and received reimbursements from the Secretary of State for payroll expenses totaling \$213,146 for individuals who were not employees of the Clerk of Court's office. State law does not specifically provide for reimbursement of payments to temporary election workers, and the election expense manual requires prior written approval of the Secretary of State or his designee for reimbursement of extraordinary expenses. According to the Commissioner of Elections for the Secretary of State, the hiring of temporary election workers is deemed by the Secretary of State to be an extraordinary expense and that, prior to October 2014, the Clerk of Court's office had never requested prior authorization for temporary election workers.

We noted that election-related hours worked by Clerk of Court employees and temporary workers were not submitted on the Secretary of State's approved time sheets. It should be noted that the approved time sheets require additional employment information, such as the employee's title, employment status (full or part-time) and if they are a member of the Clerks' of Court Retirement and Relief Fund. The time sheets submitted to the Secretary of State by the Clerk of Court's office did not include this information and did not distinguish Clerk of Court employees from temporary employees. According to Mr. Morrell, these temporary election workers were not Clerk of Court employees, did not have employee files with the Clerk of Court's office, and were simply temporary contract workers hired to work individual elections. Clerk of Court Director of Elections Jeanine Aubrey stated that the Clerk of Court's office requires additional election workers and, rather than forcing employees to work the election, it is the practice of the Clerk of Court's office to ask employees if their friends or family members would like to work elections. She stated that these individuals are paid between \$22 and \$35 per hour to perform services, such as delivering and setting up signs and tables, calling custodians, and picking up voting machines and signs during elections. However, because the Clerk of Court's office failed to obtain prior authorization to hire and pay temporary election workers, there was no authority to receive reimbursement for their wages.

No Prior Approval for Other Election Expenses

For reimbursement of non-payroll election expenses, the election expense manual provides the rates of reimbursement for certain expenses and requires prior written authorization from the Secretary of State for extraordinary expenses not specifically provided for in La. R.S. 18:1400.3(E). Our audit revealed that the Clerk of Court's office requested and received reimbursements for extraordinary expenses totaling \$53,269 without prior written authorization from February 2010 to March 2014. These expenses included cell phones and vehicle and equipment rentals. The Clerk of Court's failure to obtain pre-authorization for these expenses may have violated state law and the Secretary of State's rules and regulations regarding election reimbursements.

Conclusion

From February 2010 through March 2014, the Clerk of Court's office appears to have received reimbursements without following proper procedures, from the Secretary of State totaling \$386,583. These reimbursements included: \$120,168 for wages and benefits paid to employees at rates higher than their regular rates of pay without an election pay policy on file; \$213,146 for temporary workers that were not pre-authorized; and \$53,269 for non-payroll election expenses that were not pre-authorized. By not following the proper procedures, Clerk of Court management did not comply with state law¹ and the Secretary of State's rules and regulations for election reimbursements.

Recommendations

We recommend that the Clerk of Court's office adopt detailed policies and procedures to ensure compliance with state law and the Secretary of State's rules and regulations regarding reimbursement for election related expenses. These policies and procedures should require:

- (1) submission of an annual election pay policy to the Secretary of State for approval prior to incurring election payroll expenses;
- (2) the Clerk of Court's office to pay employees for election related duties based on either their regular hourly rate or an election pay policy authorized by the Secretary of State;
- (3) the Clerk of Court's office to pay employees for election related duties prior to receiving payment from the Secretary of State, as required by the election expense manual;
- (4) that requests for reimbursement submitted to the Secretary of State be for approved expenses after the expenses have been incurred;
- (5) the Clerk of Court's office to use timesheets approved by the Secretary of State to document hours worked by employees on election-related duties; and
- (6) the Clerk of Court's office to obtain prior written authorization from the Secretary of State's office for all expenses not provided for in state law or the election expense manual.

Improper Credit Card Usage

From January 2012 through January 2015, Clerk of Court Arthur Morrell and his employees used Clerk of Court's office-issued credit cards to incur charges totaling \$83,424. Of this amount, auditors found 98 charges totaling \$6,406 that lacked the appropriate documentation to demonstrate the public purpose of the charges. In addition, from July 2009 to December 2014 auditors found 34 instances totaling \$7,184 where Clerk of Court funds were used to pay for personal charges incurred by Mr. Morrell. Purchases with no business purpose that are not necessary to the operations of the Clerk of Court's office may be a violation of the Louisiana Constitution³ and state law.^{4,5} In addition, because the Clerk of Court's office failed to maintain documentation supporting the expenditure of public funds, it may have violated state law.⁶

Personal Purchases

From July 1, 2009 to December 11, 2014, records indicate that Mr. Morrell incurred at least 34 personal charges totaling \$7,184. These charges included airfare and miscellaneous hotel charges for his spouse, lodging charges for another family member, and repairs for his personal vehicle. Clerk of Court office records indicate that prior to meeting with auditors, Mr. Morrell reimbursed a total of \$3,730 of these charges, leaving an unpaid balance of \$3,454. These records further indicate that Mr. Morrell made these reimbursements to the Clerk of Court's office between four and 203 days from the day each charge was incurred. However, after meeting with auditors on December 11, 2015, Mr. Morrell reimbursed the Clerk of Court's office the remaining balance of \$3,454.

The Louisiana Attorney General has opined (Opinion 92-597) that the use of a public credit card for personal expenses is only permissible if the official or employee is in extraordinary circumstances, is given authority by the public entity, and reimburses the public entity as soon as possible after the charges are made and before the receipt of the bill. Routine use of the public entity's credit card for personal purposes is not permissible. Mr. Morrell stated that there were cases in which he has used the office credit card to make personal purchases but he always reimbursed the office for these expenses. Mr. Morrell stated that he was unaware that using the Clerk of Court's office credit card for personal purchases and reimbursing the Clerk of Court's office was improper.

Inadequate Documentation of Credit Card Charges

In addition to the personal charges described above, we noted that the Clerk of Court's office failed to maintain adequate documentation for credit card purchases. Records indicate that, from January 2012 through January 2015, Mr. Morrell and his employees used credit cards issued to them by the Clerk of Court's office to incur charges totaling \$83,424. However, during our audit we found that the Clerk of Court's office did not have adequate documentation, such as detailed receipts, to support 98 charges totaling \$6,406. Since the Clerk of Court's office failed to maintain adequate documentation for credit card purchases incurred between January 2012 and January 2015, we could not always determine the business purpose, necessity, or reasonableness of the purchases, or if all the purchases benefitted the Clerk of Court's office.

Although state law only requires public records to be maintained for a minimum of three years, we also reviewed credit card records for the time period January 2009 through December 2011. During this time period, the Clerk of Court's office incurred credit card charges totaling \$117,806. Of this amount, auditors found 149 transactions totaling \$23,625 that lacked the appropriate supporting documentation to demonstrate the public purpose of the charges. During the course of our audit, Clerk of Court management indicated that they were not aware of the three year retention requirement and that they had not disposed of the credit card records for prior years.

We also found that the Clerk of Court's office did not properly account for individual credit card transactions in the accounting system. Clerk of Court Financial Administrator Alisha Brumfield stated that she only makes a single entry in the accounting system to document payment of the monthly credit card bill. As a result, the individual expenses incurred were not properly classified into their appropriate expense categories. When asked about this practice, Ms. Brumfield said that she was not aware that she should be entering the individual credit card transactions into the Clerk of Court's accounting system. By failing to properly account for credit card transactions, the Clerk of Court's financial statements may be inaccurate and unreliable.

Conclusion

From January 2012 through January 2015, Mr. Morrell and his employees used credit cards issued to them by the Clerk of Court's office to incur charges totaling \$83,424. Of this amount, auditors found 98 charges totaling \$6,406 that lacked the appropriate documentation to demonstrate the public purpose of the charges. In addition, the Clerk of Court's office paid for 34 personal charges totaling \$7,184 incurred by Mr. Morrell. By failing to maintain adequate documentation to support the expenditure of public funds, Clerk of Court management may have violated state law.⁶ Further, by using public funds for personal purchases, Mr. Morrell may have violated the Louisiana Constitution³ and state law.^{4,5}

Recommendations

We recommend that the Clerk of Court's office adopt detailed policies and purchasing procedures for the use of credit cards. These policies should provide guidance for the business use of credit cards and the supporting documentation expected to be maintained and should require:

- (1) documentation of the business purpose for the expenditure;
- (2) itemized receipts for meals, as well as a list of people attending the meals;
- (3) timely submission and proper retention of original receipts. Receipts should be submitted before the monthly statement arrives and in time to adequately review the propriety of the expenditure;

- (4) disciplinary action for noncompliance of the policy; and
- (5) that individual credit card charges are properly entered into the accounting system.

Donation of Public Funds

From December 2006 to February 2015, records indicate that the Clerk of Court’s office used public funds totaling at least \$78,000 for: (1) celebratory functions and meals; (2) donations to non-profit organizations; and (3) gifts to employees and others. By spending funds in this manner, Clerk of Court management may have violated the Louisiana Constitution,³ which prohibits the donation of public funds, and state law.⁷

To determine if an expenditure of public funds is in accordance with Article VII, Section 14 of the Louisiana Constitution, the Attorney General indicated in Opinion 10-0171 that “the public entity must have the legal authority to make the expenditure” and must show the following:

- (1) A public purpose for the expenditure or transfer that comports with the governmental purpose the public entity has the legal authority to pursue.
- (2) The expenditure or transfer, taken as a whole, does not appear to be gratuitous.
- (3) Evidence demonstrating that the public entity has a reasonable expectation of receiving a benefit or value at least equivalent to the amount expended or transferred.

Our audit revealed the following expenditures that appear to have violated the Louisiana Constitution:

Celebratory Functions and Meals

During the period of our audit, we noted that the Clerk of Court’s office incurred expenses totaling \$59,103 for office celebrations and meals. The majority of these expenses (\$52,850) were incurred for the Clerk of Court’s annual Christmas party. The average cost for these Christmas parties was \$5,872 and generally included expenses for catering services, entertainment, security, invitations, and photography. The remaining expenses (\$6,253) were incurred to provide picnics for election commissioners. In Opinion 03-0387, the Attorney General opined that, in general, the payment of or reimbursement for food, drink, or other expenses associated with luncheons, banquets, parties or other similar functions, from public funds is improper under state law.

Mr. Morrell stated that the Clerk of Court’s office Christmas party is a tradition that began before he took office in 2006. He stated that the purpose of the party is to show appreciation to employees and vendors of the Clerk of Court’s office, and that he was not aware that spending funds on Christmas parties was improper.

Donations and Gifts

We noted the following improper charges/purchases totaling \$18,897 that appear to be gratuitous:

- **Payments totaling \$13,039 to non-profit organizations for sponsorships, scholarships, and/or donations.** These organizations included local schools, school clubs, and civic and religious organizations. It does not appear that the Clerk of Court's office had the legal authority to incur these expenses. In addition, there was no documentation to demonstrate that the Clerk of Court's office received equivalent value for these expenditures.
- **Purchases totaling \$5,858 appear to have been gifts and/or flower arrangements for employees and others.** Gifts included fruitcakes given to employees at Christmas (\$1,367) and flower arrangements provided to employees and board members (\$4,491).

From December 2006 to February 2015, records indicate that the Clerk of Court's office used public funds totaling at least \$78,000 for celebratory functions and meals, donations to non-profit organizations, and gifts to employees and others. Expenditures, which appear to be gratuitous and for which the Clerk of Court's office could not demonstrate receipt of equivalent value for the amounts expended, may violate the Louisiana Constitution³ and state law.⁷

Recommendations

We recommend that Clerk of Court's office management implement policies and procedures prohibiting the donation of public funds and requiring documentation of the public purpose of all expenditures.

Elections Coordinator Received Improper Per Diem Payments

From January 2010 to March 2014, Elections Coordinator Elizabeth Stoner improperly received per diem payments totaling \$3,250 from the Secretary of State for attending meetings of the Orleans Parish Board of Election Supervisors (Board). Records indicate that a majority of the board meetings for which Ms. Stoner received per diem payments took place during her regular Clerk of Court's office business hours. By receiving per diem payments for attending Board meetings during her regular working hours, Ms. Stoner may have been paid twice for the same hours in possible violation of state law.^{7, 8}

The Orleans Parish Board of Election Supervisors (Board) was created pursuant to La. R.S. 18:423 to supervise and conduct all elections held in the parish. The Board is composed of the Registrar of Voters, the Clerk of Court, the chairman of the parish executive committee of each recognized political party (or his designee), and one member appointed by the governor. Each member of the Board shall be paid fifty dollars per day, not to exceed six days, actually spent in the performance of his duties preparing for and supervising each election held in the parish. La. R.S. 18:423(H) provides that the Clerk of Court and the Registrar of Voters may

each appoint a designee to serve in their place and that for each day of such service, the designee of the Clerk of Court or the Registrar of Voters shall be paid the same compensation as a board member. Requests for per diem payments are submitted to the Secretary of State's office by completing time sheets indicating the days worked, number of hours, and election activities performed. Once approved, checks are issued directly to the board member (or designee).

Improper Per Diem Payments

Prior to May 2010, Ms. Stoner served as the Executive Administrator of the Board. This position was funded by the Secretary of State. In June 2010, the Secretary of State discontinued funding for Ms. Stoner's position after which she was hired by the Clerk of Court's office as the Elections Management Services Supervisor. Ms. Stoner's duties as the Elections Management Services Supervisor include attending Board meetings in the capacity of the Board's Executive Administrator and preparing Board minutes. In addition to her duties as the Board's Executive Administrator and the Clerk of Court's Elections Management Services Supervisor, Ms. Stoner also served on the Board as the designee of the chairman of the parish Republican Party from January 2010 to March 2014. During this period, Ms. Stoner requested and received per diem payments totaling \$3,250 from the Secretary of State for these services.

Because Ms. Stoner served as a designee on the Board while attending Board meetings as part of her duties for the Clerk of Court's office, we compared Ms. Stoner's time sheets from the Clerk of Court's office to the dates and times for which she received per diem payments from the Secretary of State's office. These records indicate that Ms. Stoner received per diem payments for 31 days during which she was on the clock for the Clerk of Court's office. Based on these records, it appears that Ms. Stoner may have been paid twice for the same hours worked. Ms. Stoner stated that she attended Board meetings as part of her job duties as the Executive Administrator of the Board (prior to June 2010) and for the Clerk of Court's office (June 2010 through March 2014). Ms. Stoner stated that she did not take leave to attend Board meetings and that on the days when she received a per diem for serving as a designee she did not perform any duties related to her position with the Clerk of Court's office. However, Ms. Stoner confirmed that she was paid her regular Clerk of Court's office salary while attending these Board meetings.

By receiving per diem payments for attending Board meetings during her regular working hours, Ms. Stoner may have been paid twice for the same hours in possible violation of state law.^{7,8}

Recommendations

We recommend that the Clerk of Court's office implement policies and procedures to ensure that employees properly account for their hours worked. These policies should also require employees to document time worked for other entities, such as boards or commissions, to ensure that employees are not compensated twice for the same hours.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 18:1400.3(E)** provides, that, “For the purposes of this Section, ‘election expenses incurred by clerks of court’ is defined and limited to the following: (1) Actual expenses incurred by a clerk of court to publish notices required by law in the official journal of the parish...(2) Itemized expenses incurred by a clerk of court to conduct the general courses of instruction for commissioners as provided in R.S. 18:431(A) and the course of instruction for commissioners-in-charge as provided in R.S. 18:433(A). (3)(a) Documented expenses incurred by a clerk of court to perform or fulfill election duties imposed by law. For the purpose of this Paragraph, such expenses shall include the following: (i) Expenses for postage and office supplies used in connection with an election or used to fulfill an election duty imposed by law. (ii) Expenses for rental space and instructional paraphernalia to conduct schools of instruction for commissioners and commissioners-in-charge. (iii) Expenses for personnel used in connection with an election or used to fulfill an election duty imposed by law. Such expenses shall be itemized and reimbursement shall be authorized only for work not performed during regular office hours of the clerk of court. (iv) Incidental expenses incurred in conducting the general courses of instruction for commissioners and the course of instruction for commissioners-in-charge. Reimbursement for such expenses shall be limited to one hundred dollars per general commissioner school and one hundred dollars for the commissioner-in-charge school. Maximum reimbursement to a clerk of court for conducting such schools shall be limited to three hundred dollars per calendar year and all reimbursements shall be deposited in the general fund of the clerk of court. (b) The secretary of state shall establish rules and regulations governing reimbursement for expenses set forth herein and may establish rules and regulations to add other categories of reimbursable expenses. All reimbursements shall be deposited in the general fund of the clerk. (4) Expenses of an extraordinary nature incurred by a clerk of court for an election which have received prior approval of the secretary of state. (5) Expenses incurred by a clerk of court to pay for law enforcement officers in accordance with R.S. 18:1354(B)(5). (6) Expenses incurred by a clerk of court to pay for law enforcement officers to maintain order during tabulation and counting of votes at the office of the clerk of court.”

² **La. R.S. 18:1400.3(E)(3)(b)** states that, “The secretary of state shall establish rules and regulations governing reimbursement for expenses set forth herein and may establish rules and regulations to add other categories of reimbursable expenses. All reimbursements shall be deposited in the general fund of the clerk.”

³ **Louisiana Constitution Article VII, Section 14(A)** states, in part, “Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.”

⁴ **La. R.S. 14:68(A)** states that, “Unauthorized use of a moveable is the intentional taking or use of a moveable 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 moveable permanently. The fact that the moveable so taken or used may be classified as an immovable, according to law pertaining to civil matters, is immaterial.”

⁵ **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.”

⁶ **La. R.S. 44:36(A)** provides, in part, that, “All persons and public bodies having custody or control of any public record, other than conveyance, probate, mortgage, or other permanent records required by existing law to be kept for all time, shall exercise diligence and care in preserving the public record for the period or periods of time specified for such public records in formal records retention schedules developed and approved by the state archivist and director of the division of archives, records management, and history of the Department of State. However, in all

instances in which a formal retention schedule has not been executed, such public records shall be preserved and maintained for a period of at least three years from the date on which the public record was made....”

⁷ **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.”

⁸ **La. R.S. 42:1111(A)(1)** provides, in part, that, “No public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position...”

APPENDIX A

Management's Response



ARTHUR A. MORRELL
CLERK OF COURT



2700 Tulane Ave. #114
New Orleans, LA 70119

CLERK'S OFFICE
CRIMINAL DISTRICT COURT
CHIEF ELECTIONS OFFICER

OFFICE (504) 658-9000
FAX (504) 658-9183

February 17, 2016

Daryl G. Purpera, CPS, CFE
Louisiana Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Response to Audit Findings and Recommendations of the Louisiana State Auditor's Office

Dear Mr. Purpera:

I want to thank the Louisiana Legislative Auditor for bringing certain things to my attention and making recommendations on how to better implement and improve policies and functions of the Office of the Clerk of the Criminal District Court-Orleans Parish.

Before I give my response to the Findings and Recommendations of the Louisiana Auditor's Office, dated December 11, 2015, I feel a need to explain how the Office of the Clerk of the Criminal District Court-Orleans Parish (Clerk).

In the 1879 Constitutional Convention two separate systems of district courts were established; one Civil and one Criminal, along with a Civil Sheriff and a Criminal Sheriff and a Civil Clerk of Court and a Criminal Clerk of Court.

The Civil Clerk's annual budget is self-generated from filing fees, court costs and other fees. The Criminal Clerk's annual budget is funded 100% by the City of New Orleans. The Annual Budget submitted to the City Council covers the entire cost for the salaries of all personnel and operating expenses and this funding process is still followed today.

R.S. 18422 states "the clerk of court is the election officer of the parish and conducts all elections in their jurisdiction."

LA R.S. 13:1372 mandates that the City of New Orleans is to pay the annual budget of the Criminal Clerks Office including all salaries of the employees and operating expenses.

The Clerk's accounting office has three full-time positions. From August 2012 to February 2015 the accounting office had two full-time positions occupied and one of them was vacant for nearly

half the time because that employee was ill. So, I had only one full-time employee in the accounting office during that period. This put a great burden on my accounting office because the mayor refused to put funds in my budget to fill these positions even though there were many demands to fully fund my budget. This led to a mandamus filed in Civil District Court in October 2012, which is still active, to compel the Mayor of New Orleans to follow state law.

The following is in response to your findings and recommendations:

Clerk of Court Received Improper Election Reimbursements

Your report states that our submissions to the Louisiana Secretary of State for election-related expenses were

1. Excessive
2. Temporary workers were not preauthorized, and
3. Non-payroll related expenses did not receive proper authorization

1. Response to Clerk of Court Received Reimbursements for Excessive Wages Paid to Employees

The Clerk of Court has never received reimbursements for excessive wages paid to employees.

The audit findings state that the Clerk of Court employees received rates of pay in excess of \$21.00 over their regular hourly rate of pay. Each employee's hourly pay rate was compared to their rate of pay received for performing election related duties. No employee received \$21.00 more than their hourly rate.

Additionally, the findings state that this office did not use the state approved time sheet. This office was unaware of the form. In August 2014 it was brought to our attention, at which time we complied with the request to use this form. Prior to the knowledge of the form, this office submitted an Excel timesheet created by the IT department of the Clerk of Court's office. Please note this Excel form had been submitted to the Secretary of State since 2006 when this administration took office with no indication that there was a problem with the form. Also, the previous administration used a form that was quite similar.

The Secretary of State has never informed us that the amount we paid our employees was excessive.

Those "excessive wages" paid to the clerk's employees who work during elections have been the same amount paid to those employees since before the current clerk took office in June 2006. There has been no change in this process and the payment amounts on the timesheets submitted to be paid by the Secretary of State's office has always been accepted and paid and never questioned regarding those election workers' pay.

The Clerk of Court has never received reimbursements for paying election workers. We have never had a source of self-generated funds to be able to pay the workers, even though state law states the Clerks of Court shall be reimbursed for expenses paid for election activity.

A week before an election is held we submit a list of all election workers who plan to work on Election Day. The next day after the election, individual timesheets are sent to the Secretary of State showing who did work the election. The Secretary of State sends us a check to cover all workers.

When we receive the check from the Secretary of State, we deposit it into our elections expense account. A company we contract with then issues checks from that account to the workers after mandatory deductions are taken out of their pay.

This office does not have a budget (pool) of funds to pay their workers for election matters so no reimbursement from the Secretary of State's office has ever been requested. Our workers usually get their primary Election Day check near the day the general election is held. This Clerk's office has paid the same hourly rate to the workers that was established prior to 2006 when this administration took over.

2. Response to No Prior Approval to Hire Temporary Election Workers

We have every reason to feel that we received tacit approval to hire temporary election workers and were complying with all guidelines because as previously stated, the names and amounts were sent to the Secretary of State. On March 20, 2015 we received the following email from the Secretary of State's Office:

"Our Accounting Division has been conducting an internal audit and it has come to our attention that the fee schedule and payroll policy of each Clerk of Court's office needs to be submitted annually."

We have been following that payroll policy since we received this notice. I inquired about this payroll policy to nine (9) other clerks and seven (7) of them did not know this policy existed, one (1), does send in the annual pay plan and two (2), send in the pay plan before each election.

3. No Prior Approval to Hire Temporary Election Workers

The Clerk of Court has hired persons that were not employees only after Clerk of Court staff were assigned and additional personnel were still needed to fulfill necessary responsibilities. This office was not aware prior approval was needed. Since this office has been made aware that prior approval is required, this office has complied.

With the implementation of the use of the state approved time sheet it will also assist in identifying Clerk of Court employees and non-employees.

4. No Prior Approval for Other Election Expenses

Findings state that the Clerk of Court did not receive prior approval for extraordinary expenses such as cell phones, vehicle and equipment rental. The Clerk's office did not perceive these to be extraordinary expenses. The rental of tables and chairs had been in practice when this

administration took office, specifically for fire stations and mega sites that were established by the City Council and approved by the Secretary of State. This office simply continues this practice. Concerning the rental of cell phones, this office received several requests from Election Day commissioners for cell phones to assist voters. The Clerk of Court's cell phone provider was Altel. Altel offered this office free cell phones for Election Day. When this office changed cell phone providers this service was no longer available to us. This office contacted the Secretary of State for approval to rent phones. This office was unaware that approval was needed for each election. Since this has been brought to our attention, we have complied.

5. Response to Non-payroll related expenses did not receive proper authorization

We have every reason to feel that we received tacit approval for all non-payroll related expenses and that we were complying with all guidelines because as previously stated, on occasions when a non-traditional expense was needed we would telephone the Secretary of State for approval of that expense, and these expenses were paid. However, in the future we will submit the request in writing.

We are in the process of implementing your office's 6 recommendations regarding election-day policies and procedures.

Improper Credit Card Usage

There are only two credit cards assigned to the Clerk's office. One is for the Clerk's usage and one is for the accounting office and both cards are kept in the accounting office.

- Personal Purchases
- Inadequate Documentation of Credit Card Charges

You provided our office with a listing of these charges, and we provided you documentation for the vast majority of these expenses. However, there were 10 items totaling \$1,554.04 that were purchased or expenses that were paid but could not be proven as business expenses or personal expenses. Some charges did not have proper documentation, i.e., receipts were not complete. A request for copies of charges and receipts were made but the reply was that they did not keep receipts six or seven years old so that amount that could not be identified as business expense was reimbursed to the Clerk's office.

Personal Expenses

Some of these miscellaneous charges for my spouse who was on the city budget committee were not allowed, such as a business lunch meeting with some of my staff and the city budget committee. For example, if my spouse attended the business lunch meeting where our budget was discussed, my spouse would have to pay for her own meal even if she was on the city's budget committee. Concerning the lodging charges for another family member; I made reservations for a number of rooms at a hotel and when my family member checked out and paid the bill, the hotel did not include the room charge, but, when that error was discovered, the family member reimbursed the funds. Concerning the repairs to my personal vehicle, we tried to

get information on the repairs and which vehicle the repair was done on but the repairs were over five years old, but those funds were reimbursed.

After all the charges were looked at and those that could not be deemed for business purposes, the Clerk's office was reimbursed.

These expenses have been reimbursed to the Clerk's office.

In the six (6) years that this present audit covers, these findings were never brought to my attention.

Moving forward, this office will follow the recommendations of the State Auditor's office and implement new policies to further safeguard and prevent these kinds of findings from happening in the future.

Donation of Public Funds

Your report states that from December 2006 to February 2015 the Clerk's Office spent funds for the following:

- Celebratory Functions and Meals
- Donations and Gifts

Celebratory Functions and Meals

We feel that our office's expenditure of these funds meets the following criteria:

1. A public purpose for the expenditure or transfer that comports with the governmental purpose the public entity has the legal authority to pursue

One purpose of these activities was to build the spirits and camaraderie of our employees. This office went from five (5) vacancies in late 2012 to twenty-five (25) in early 2015. Keeping our experienced employees was a very trying ordeal. During this period the city refused to put funds in my budget to fill vacancies or give raises.

Since these functions were open to the public, we achieved another purpose which was to give us a chance to inform the public and elected officials of the dilemma the Clerk's office was experiencing. I hoped that the information shared with those attendees would help influence the City's CAO to release more funds to my budget.

In February 2015 there were twenty-five vacancies in my office, but, the city of New Orleans's CAO did put some funds back in my budget but only enough to fill ten (10) of those twenty-five (25) vacancies.

Because other city employees attended these functions, both the city employees and our staff will be better able to deal with other governmental matters.

Because these functions were open to the public, it allowed the public to meet our staff, to ask questions and to obtain information that they may not normally be inclined to ask. In this manner, the public was introduced to our staff and therefore more likely to interact with them going forward.

2. The expenditure or transfer, taken as a whole, does not appear to be gratuitous

These Christmas parties were attended by approximately 300 people, which included approximately 200 individuals from the general public in addition to other city employees. Given the number of attendees, we feel that the amount of funds spent over the nine years was reasonable.

3. Evidence demonstrating that the public entity has a reasonable expectation of receiving a benefit or value at least equivalent to the amount expended or transferred

We believe that the following benefits would be obtained from these functions:

- Better Office morale
- Fostering better relations with other city employees
- Fostering better relations with the public
- Ability to educate the public about our office
- Assisting in obtaining additional funds (which did happen)

This office will implement new policies and procedures as recommended by the State Auditor's office to ensure usage of public funds is properly documented and adhered to.

Election Coordinator Received Improper Per Diem Payment

Note: In the 2016: Parish Board of Elections Supervisor's Manual: Part 1: General Provisions 1:02 B. La R.S. 18:423 allows the clerk of court or registrar of voters to appoint a designee to serve in their place when they are absent from meetings of the board. In accordance with Louisiana Attorney General Opinion AG-OP 05-0123, the chairman of the Democratic or Republican Parish Executive committee may also appoint a designee

and : Part 4: Public Meetings and Public Records

4:01: Meetings- General Information

F. Time and Expense Report Forms **MUST** be filed for every meeting with the secretary of state's Accounting Division in order for the board member or designee to be paid.

I will have to research and see if this means that the Elections Coordinator who is a designee can also get paid.

Since you have brought this incident to my attention, this office has begun a study of this particular situation and I will notify the State Auditor's office when a resolution has been reached.

I will draft new policies and procedures where an employee will have to follow mandatory guidelines to be able to participate in non-related activities during regular work hours.

I further plan to create a new position (Compliance Officer) in this office when my budget is fully funded to insure that all policies and procedures are correctly followed.

We have always endeavored to abide by all laws and regulations as well as good government practices.

Respectfully submitted,



Arthur A. Morrell
Clerk of Criminal District Court-Orleans Parish

Enclosures

Deputy

This form
WAS used since
Sept. 2006

Date	Job Description	Time In	Time Out	Rate of Pay	Number of Hours	Total Due
11/6/2012	Election Day	5:00 AM	10:00 PM	\$35.00	17.00	595.00

Totals Gross Pay

595.00

I understand that my gross pay is:

\$595.00

Employee Signature

Clerk of Criminal Distric Court
Orleans Parish

GROSS INCLUDING EMPLOYERS TAXES COLLECTED FROM SOS

Social Security	6.20%	36.89
Medicare	1.45%	8.63
State Unemployment	1.90%	11.31
Total		651.83

We created This form



ELECTION TIME AND EXPENSE REPORT

FOR USE BY CLERK OF COURT, REGISTRAR OF VOTERS, AND PARISH BOARD OF ELECTIONS SUPERVISORS

Started
using this
form 12/14

Date: _____

Payee's Name:		Payee's Parish:		Orleans	
Payee's Title:		Deputy		Payee's SSN #:	
Payee's Address:		City:		State:	Zip Code:
Payee Start Date:		Was Payee Employed After March 31, 1986?		Is Payee a Member of the COC Retirement System?	
Payee Type:		Law Enforcement		Parish Board of Election Supervisor Type:	
Employer's Name:		Orleans Parish Sheriff's Office		Employer's Phone #:	
Employer's Address:		2800 Gravier St.		New Orleans	LA 70119

Time Ledger						
Date	Time In	Time Out	Total Hours	Hours		Duties Performed
				Regular	Overtime	
12/05/14	5:00 pm	9:00 pm	4.00	4.00		Delivery of Absentee/ Supplemental List
12/06/14	6:00 am	10:00 pm	16.00	16.00		Security assigned to Machine Techs
Total:			20.00	20.00		

Flat Rate Pay Ledger				
Rate per Day/Event	# of Days/Locations	Dates	Total	Duties Performed
			\$ 0.00	

Travel Ledger						
DATE	HOUR		ODOMETER READING		MILES TRAVELED	TERRITORY TRAVELED (SHOW ALL POINTS VISITED)
	DEP.	ARR.	DEP.	ARR.		
					0	
					0	
TOTAL MILES TRAVEL					0	

By my Signature below, I certify that the information on this form is accurate and true.

X _____
Payee Signature* PRINTED NAME*

X _____
Approving Authority* PRINTED NAME*

ACCOUNTING USE										
EMPLOYEE'S RATE OF PAY			\$ 35.00			EMPLOYEE'S OVERTIME RATE OF PAY				
\$ 35.00			REGULAR HOURS @		20.00		PER HOUR		\$ 700.00	
			OVERTIME HOURS @				PER HOUR		\$ 0.00	
0		TOTAL MILES TRAVELED @		\$ 0.51	TOTAL MI:		\$ 0.00	FLAT RATE PAY		\$ 0.00
									SUBTOTAL	\$ 700.00
PAY AMOUNT SUBJECT TO FICA			\$ 700.00			PAY AMOUNT SUBJECT TO MEDICARE			\$ 700.00	
6.20%		FICA		\$ 43.40			1.45%		MEDICARE	\$ 10.15
(Grand Total = Subtotal + FICA + Medicare + Total Amount for Travel Miles)					GRAND TOTAL:			\$ 753.55		

APPENDIX B

Other Responses



TOM SCHEDLER
SECRETARY OF STATE

Secretary of State
State of Louisiana

P.O. Box 94125
BATON ROUGE, LA 70804-9125
www.sos.louisiana.gov

February 18, 2016

Mr. Daryl Purpera, CPA, CFE
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

This letter serves as the response by the Louisiana Department of State to the Legislative Auditor's preliminary draft of findings and recommendations related to the Orleans Parish Clerk of Criminal District Court. You'll recall my office sought your assistance on August 14, 2014, as a result of an internal audit that revealed questionable expenditures related to the Orleans Parish Board of Elections Supervisors and the Orleans Parish Clerk of Criminal District Court. From the beginning, my concern has been the conflict between my statutorily required duty to pay for properly incurred election expenses, and the duty of an independently elected clerk of court to attest by affidavit to the validity of those reimbursable costs.

It is my contention that the Secretary of State's Office has properly sought prior approval for certain election expenses in an effort to limit unnecessary charges. This practice includes two levels of scrutiny in order to both meet our legal obligation to reimburse legitimate election expenses AND provide oversight to combat excessive spending. The first level includes detailed policies and procedures in the Election Expense Manual which clearly requires prior approval for specific spending. The second level of scrutiny allows our office flexibility to thoroughly review valid expenses if the clerk of court fails to properly follow our written guidelines in gaining prior approval. This process allows for individuals who honestly work during Louisiana's elections to receive their earned compensation.

Below are our responses to your report to the Orleans Parish Clerk of Criminal District Court on findings and corresponding recommendations pertaining to the following three areas:

1) **Clerk of Court Received Reimbursements for Wages Paid to Employees at Rates Higher than their Regular Rates of Pay**

In regards to your recommendation that the Orleans Parish Clerk of Criminal District Court submit an annual election pay policy to our office, please note that the Election Expense Manual requires all Clerks of Courts offices to submit a copy of their payroll

policy or fee schedule for election employees annually. An email will be sent each year reminding the Clerks of this requirement.

In regards to the rate of pay for Clerk's election employees, please note that we do not establish the pay rates nor approve them. Clerks have the discretion to set the pay rates for those employees who work elections and our responsibility is to pay according to the pay policy or fee schedule on file with our office.

In regards to Mr. Morrell's statement that his office does not have enough funds to operate elections on a reimbursement basis and payments received were not reimbursements, we follow state law by requiring Mr. Morrell to submit the election worker payroll as a reimbursable expense and we make reimbursement payments timely based on timesheets that he authorizes.

Our Accounting Division's policies and procedures have ensured that the Orleans Parish Clerk of Criminal District Court's pay policies are on file and that we are paying election workers according to those pay policies.

2) No Prior Approval to Hire Temporary Election Workers

The hiring of temporary election workers is deemed by the Election Expense Manual to be an extraordinary expense requiring prior authorization. Because the Orleans Parish Clerk of Criminal District Court failed to properly identify temporary employees or failed to use the State's approved timesheet for reimbursement, temporary election workers were paid without prior approval. However, secondary level procedures are in place to require justification and identification of proper election expenses prior to payment. Additionally, Orleans Parish Clerk of Criminal District Court is now required to use the State's approved timesheet just like all other Clerks of Court, which identifies full or part time employees.

3) No Prior Approval for Other Election Expenses

Although certain election expenses were submitted by the Orleans Parish Clerk of Criminal District Court for reimbursement without prior approval, such as expenditures for cell phones, vehicle and equipment rentals, procedures are in place to require justification and identification of proper election expenses prior to payment. Although those expenses were not pre-authorized, they were deemed appropriate election expenditures and approved by the Commissioner of Elections for payment. Please note there have been other expenditures that were denied as not being appropriate election expenses.

Mr. Daryl Purpera, CPA, CFE

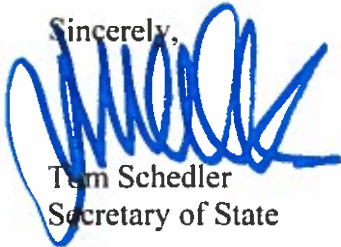
February 18, 2016

Orleans Parish Board of Election Supervisors and Clerk of Court Expenditures

Clerk offices may fail to submit prior authorization for extraordinary expenditures from time to time; however, if the expenditures are deemed appropriate election expenditures by the Commissioner of Elections, the expenditures will be approved by our office after incurred but prior to payment. The Commissioner of Elections sends out a reminder to all Clerks of Court offices regarding their responsibilities under the Election Expense Manual, as revised annually, to attempt to prevent these occurrences.

Thanks again for the opportunity to respond to these findings and recommendations. I am appreciative of being able to share with you the results of our own internal audit concerning questionable election expenses along with additional information on our guidelines for gaining prior approval and seeking appropriate reimbursement of valid costs. If you need any additional information please do not hesitate to contact me directly.

Sincerely,



Tim Schedler
Secretary of State

Elizabeth H. Stoner
8 Charlotte Drive
New Orleans, LA 70122
504-908-0242

January 6, 2016

Roger W. Harris
Assistant Legislative Auditor and
Director of Investigative Audit
1600 North Third Street
Baton Rouge, Louisiana 70804

Dear Mr. Harris:

I am in receipt of the draft investigative audit report on the Orleans Parish Clerk of Court for Criminal District Court as it relates in my position as Elections Coordinator. I would like to take this opportunity to provide my research and response to your findings.

As you are aware, Title 18:423 C (1) allows for the chairman of each recognized political party a designee who shall be a member of the parish executive committee of the same recognized political party as a part of the composition for each parish board. Each member/designee is compensated for each day, which is actually spent in the performance of his duties in preparing for and supervising each election held in the parish as found in Title 18:423 E. I have been elected to the Orleans Parish Republican Executive Committee (OPREC) for four consecutive terms, and continue to serve as a member of the committee. In the past, I have served as the OPREC chair's designee as allowed, for meetings in which he was unable to attend.

You have stated that I may have been paid twice for the same hours worked, which I consider questionable. I believe I was not paid twice for the performance of my duties as either a board designee or as administrator to the board. My job description as board administrator has little or no overlap as to when I served as board designee. In fact, when I served as a designee, it would take me away from my physical office and the required work as elections coordinator and board administrator. As a designee, I would be asked to vote on motions, make decisions, and carry out certain election duties as required of a board member, none of which had no commonality to my day to day duties as principal assistant to the board or deputy clerk. The board meetings in which I served as a designee would last several hours, to where any work that should have been completed during normal office hours, was then completed after hours, weekends, and even holidays. I made certain that my hours signed in for were made up or achieved.

Perhaps I should have handled the necessary timesheets or paperwork differently. Going forward I will keep better record of time worked as both a deputy clerk and principal assistant to the parish board of supervisors of elections. If necessary, I will also make better note of time spent as a designee for OPREC to identify the different duties and time spent to avoid any confusion. Any time spent after hours in the completion of my parish board supervisor and elections work will be submitted to the Clerk for his approval. I am open to any recommendations by your office to make this procedure more acceptable.

I call your attention to La. R.S. 42:1461 (A) and 42:1111 (A)(1), where by definition, each member/designee should be considered a public servant. This includes the registrar voters (or her designee) and clerk of court (or his designee) who were supposedly paid for their election meetings while working as either a city or state employee, as well as the chairman and their designees for both of the political parties (elected by the voters of Orleans Parish). As board members/designees, they are allowed "compensation for the performance of the duties and responsibilities of his office or position".

It should also be noted, that as administrator, I have submitted the time and expense reports for the members/designees for each election cycle to the Secretary of State office since 1998 to present, which were approved and processed accordingly. This led me to believe that the compensation practice was allowed to continue.

I hope I have effectively offered the necessary information to conclude my portion of the audit favorably. If you should have any questions, you may reach me at 504-658-8370.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Betsy Stoner', with a long, sweeping horizontal line extending to the right.

Betsy Stoner