



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

October 13, 2014

TOWN OF FRANKLINTON

Records from the Town of Franklinton indicate that utility payments totaling almost \$23,000 were received by two clerks and were not deposited in the town's bank account or were not recorded in the utility system during a 13-month period, according to a report issued Monday by Legislative Auditor Daryl Purpera.

The investigative audit said the town's former utility clerks, Carmen Freeman and Caprice Dawson, were responsible for "collecting, recording and remitting utility payments for deposit," but failing to do so may have resulted in violations of state law. The report said that the office received at least \$22,929 that went unrecorded or un-deposited between January 1, 2013 and February 14, 2014.

Freeman and Dawson told town officials on March 18 that they "borrowed cash receipts collected from town utility customers" during the period, according to the state auditor's report. Both were "terminated immediately."

Freeman estimated "that she borrowed \$15,000" but repaid \$9,000 of it, according to the report. "Ms. Dawson stated that she did not take cash receipts and did not borrow money" from utility customers, but felt that she had to admit to borrowing the money because she had been "backed into a corner" when confronted by town officials.

Purpera's report has been delivered to the 22nd Judicial District Attorney's office. The auditor's office began the investigation in March after receiving information from the Washington Parish town's auditor of a possible misappropriation of town utility collections.

Records from the town and its utility customers indicated that Franklinton "collected at least 232 utility payments totaling \$22,929" that were not deposited into town bank accounts from January 2013 to mid-February 2014. "Customers provided the town with documentation that indicated the town received these payments," although a review by auditors indicated that these payments "were either not recorded to customer accounts or were recorded to customer accounts but later voided."

Of the receipts given to customers for some of the un-deposited payments, 62 totaled \$6,842 and were initialed by Dawson, and four receipts totaling \$535 were initialed by Freeman, the report said.



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Of the 62 payments, 12 of them totaling \$1,644 were recorded by Dawson in the utility system as cash payments but later voided. “It appears that Ms. Dawson received and recorded these cash payments, but later voided the transactions and failed to remit the cash for deposit,” the state auditor’s report said. “Records from the utility system indicate that Ms. Freeman and Ms. Dawson voided cash payments totaling \$29,388 and \$8,846, respectively, during out audit period.

“Because there was no documentation to support voided transactions, it could not be determined if these amounts were voided to correct errors or to conceal payments that were not deposited.”

The report said auditors reviewed the histories of 60 customers whose payments were not recorded or not deposited and found that these customers’ average account balances were \$579 as of October 30, 2013. Auditors said they spoke to 31 of these customers who said they regularly paid their bills in cash to Dawson or Freeman. Some of the bills indicated customers were “charged more, anywhere from \$5 to \$60 a month (more) than the amounts billed by the utility system,” indicating their bills were altered after the billing cycle was over.

Freeman said that she “borrowed cash payments from the town by removing cash from her drawer and tearing up the corresponding receipts,” according to the report. It said Dawson claimed she “did not take cash receipts and did not borrow any money from customers.”

The report said she told town officials she borrowed money from customers because “she was shown receipts with her initials” for amounts not recorded to the customers’ accounts. “Ms. Dawson stated that she felt like she had been ‘backed into a corner’ and had to admit to borrowing money from customers.”

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On Twitter: Former Franklinton clerks did not deposit almost \$23,000 in utility payments.