

# TOWN OF RIDGECREST



INVESTIGATIVE AUDIT  
DECEMBER 4, 2013

**LOUISIANA LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

**LEGISLATIVE AUDITOR**  
DARYL G. PURPERA, CPA, CFE

**DIRECTOR OF INVESTIGATIVE AUDIT  
AND ADVISORY SERVICES**  
ROGER W. HARRIS, J.D., CCEP

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and at the office of the parish clerk of court.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Six copies of this public document were produced at an approximate cost of \$25.02. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's website at [www.la.la.gov](http://www.la.la.gov). When contacting the office, you may refer to Agency ID No. 2312 or Report ID No. 50130029 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Elizabeth Coxe, Chief Administrative Officer, at 225-339-3800.



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

December 4, 2013

**THE HONORABLE DWAYNE T. SIKES, MAYOR,  
AND BOARD OF ALDERMEN  
TOWN OF RIDGECREST**  
Ridgecrest, Louisiana

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

Respectfully submitted,

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/ch

RIDGECREST 2013

# TABLE OF CONTENTS

---

	Page
Background and Methodology.....	2
Finding and Recommendations:	
Former Town Clerk Took Town Utility Collections for Personal Use .....	3
Legal Provisions.....	4
Management’s Response .....	Appendix A

## BACKGROUND AND METHODOLOGY

---

The Town of Ridgecrest (Town) is located in Concordia Parish, has a population of 694 (Year 2010 Census), was incorporated in 1962 under the provisions of the Lawrason Act, and has a mayor-board of aldermen form of government. The Town provides utility, public safety (police and fire), streets, sanitation, and general administrative services.

On August 30, 2013, the Louisiana Legislative Auditor (LLA) received correspondence from Mayor Dwayne Sikes stating that a misappropriation of funds may have occurred. The LLA was asked to review Town records to determine whether a misappropriation of funds occurred and, if so, the amount of missing funds. The procedures performed during this audit included:

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

## FINDING AND RECOMMENDATIONS

---

### **Former Town Clerk Took Town Utility Collections for Personal Use**

**Town of Ridgecrest (Town) records indicate that from January 4, 2013, through August 30, 2013, utility collections totaling \$22,484 were not deposited into the Town's checking account. Former Town Clerk Shannon Beatty admitted to taking cash from utility deposits, destroying the original deposit slips prepared by another Town employee, and replacing them with false deposit slips she prepared to conceal the cash she took. By taking cash from utility deposits, destroying deposit slips, and preparing false deposit slips, it appears that Ms. Beatty violated state law.<sup>1</sup>**

Town records show that from January 4, 2013, to August 30, 2013, the Town collected utility payments totaling \$121,957; however, only \$99,473 of these collections was deposited into the Town's checking account. The \$22,484 collected but not deposited (\$121,957 - \$99,473) is comprised of \$21,240 in cash and \$1,244 in checks or other noncash forms of payment.

Shannon Beatty,<sup>A</sup> former town clerk for the Town of Ridgecrest, acknowledged that she took cash from the Town's utility deposits for her personal use. Ms. Beatty further acknowledged that when she took cash from a deposit, she destroyed the original deposit slip prepared by the part-time water clerk, Dorothy Gatlin<sup>B</sup> and replaced it with one she prepared to conceal the missing cash. The Town's records support Ms. Beatty's written statement and show that she prepared 26 deposits<sup>C</sup> between January 4, 2013, and August 30, 2013, that do not match daily collection amounts.

By taking \$22,484 of cash/checks from Town utility deposits, destroying deposit slips, and creating another deposit slip, it appears that Ms. Beatty violated state law.<sup>1</sup>

### **Recommendations**

The Town of Ridgecrest should:

- (1) seek recovery of \$22,484 of missing utility collections from Ms. Beatty;
- (2) ensure that all funds collected are accurately recorded and deposited on the same day collected; and
- (3) require monthly reconciliations between the general ledger and the electronic payments register.

---

<sup>A</sup> Shannon Beatty was town clerk from August 2, 2012, until August 29, 2013, when she was terminated for workplace misconduct including, but not limited to, job abandonment.

<sup>B</sup> Dorothy Gatlin was employed as the part-time water clerk by the Town from January 14, 2013, until August 29, 2013. Since August 29, 2013, she has been the full-time acting town clerk.

<sup>C</sup> Ms. Gatlin reviewed deposit slips for the utility account from January 2013 through August 2013 and identified those she prepared. Since only Ms. Beatty and Ms. Gatlin prepared deposit slips, the remainder appears to be deposit slips prepared by Ms. Beatty.

## LEGAL PROVISIONS

---

<sup>1</sup> **Louisiana Revised Statute (La. R.S.) 14:67(A)** provides, in part, 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...”

**La. R.S. 42:1461(A)** provides, in part, 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.”

**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.

## APPENDIX A

---

### Management's Response





## TOWN OF RIDGECREST

---

116 Foster Drive  
Ridgecrest, LA 71334

Phone: 318-757-4497 Fax: 318-757-8240  
Asst. Town Clerk: Dorothy Gatlin-Brikey

**Honorable Mayor Dwayne T. Sikes**

**Town Council**

Alderman Sheppard  
Alderman Maples  
Alderwoman Smith  
Alderwoman Harrison  
Alderwoman Bolyer

---

November 13, 2013


Daryl G. Purpera, CPA, CFE  
Louisiana State Auditor  
Post Office Box 94397  
Baton Rouge, La. 70804-9397

Mr. Purpera,

I would like to personally thank you and your staff for all your assistance as well as your prompt response for an investigative audit for the Town of Ridgecrest.

I concur with the findings of the audit, and have nothing more to add.

Respectfully,

  
Dwayne T. Sikes, Mayor  
Town of Ridgecrest



## TOWN OF RIDGECREST

---

116 Foster Drive  
Ridgecrest, LA 71334

Phone: 318-757-4497 Fax: 318-757-8240  
Asst. Town Clerk: Dorothy Gatlin-Brixey

**Honorable Mayor Dwayne T. Sikes**

**Town Council**

Alderman Sheppard  
Alderman Maples  
Alderwoman Smith  
Alderwoman Harrison  
Alderwoman Bolyer

---

November 13, 2013

Daryl G. Purpera, CPA, CFE  
Louisiana State Auditor  
Post Office Box 94397  
Baton Rouge, La. 70804-9397

Mr. Purpera,

I would like to personally thank you and your staff for all your assistance as well as your prompt response for an investigative audit for the Town of Ridgecrest.

I, also, concur with the findings of the audit, and have nothing more to add.

Respectfully,

*Robert D. Maples*

Robert D. Maples, Mayor Pro-Tem  
Town of Ridgecrest