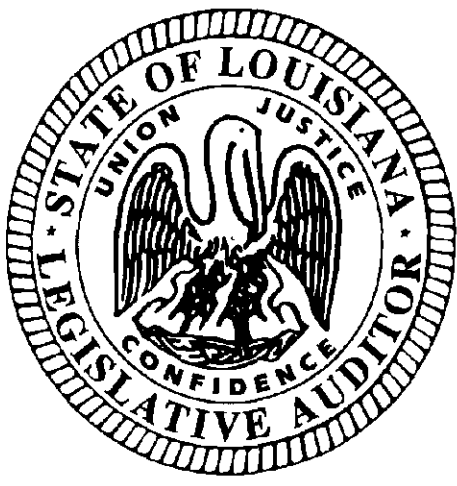


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STATE OF LOUISIANA LEGISLATIVE AUDITOR

Town of Jonesville
Jonesville, Louisiana

January 23, 1997



Investigative Audit



*Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor*

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LEGISLATIVE AUDITOR

Daniel G. Kyle, Ph.D., CPA, CFE

DIRECTOR OF INVESTIGATIVE AUDIT

Allen F. Brown, CPA, CFE

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 has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

Town of Jonesville

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January 23, 1997



**Investigative Audit
Office of the Legislative Auditor
State of Louisiana**

**Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor**

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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
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January 23, 1997

**THE HONORABLE WILLIAM EDWARDS, MAYOR,
AND MEMBERS OF THE BOARD OF ALDERMEN
TOWN OF JONESVILLE**
Jonesville, Louisiana

Transmitted herewith is our investigative report on the Town of Jonesville. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our findings and recommendations, as well as your responses. Copies of this report have been delivered to the Honorable John Johnson, District Attorney for the Seventh Judicial District of Louisiana, and others as required by state law.

Respectfully submitted,

A handwritten signature in cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

AFB/ka

[JVRPT]

Executive Summary

Investigative Audit Report Town of Jonesville

The following summarizes the findings and recommendations that resulted from this investigation. Detailed information relating to the findings and recommendations may be found at the page number indicated. Mayor William Edwards' response to these findings may be found at Attachment I. Three members of the board of aldermen provided a separate response which may be found at Attachment II.

Mayor Used Town Funds to Purchase Fuel for His Personal Automobile While Also Receiving a Monthly Automobile Allowance

(Page 1)

- Finding:** Between November 1991 and May 1996, Mayor William "Billy" Edwards directly charged or received reimbursement for fuel and other automobile expenses totaling \$5,185 while, at the same time, he received a \$500 monthly automobile allowance, totaling \$28,286, for the same expenses.
- Recommendation:** The board of aldermen should review this information and seek reimbursement for any town funds improperly paid to Mayor Edwards. In addition, the District Attorney for the Seventh Judicial District of Louisiana should review this information for possible violations of state law and take appropriate legal action, to include seeking restitution.
-

**Mayor Increased His Automobile Allowance Above
the Amount Approved by the Board of Aldermen****(Page 3)**

Finding: Mayor Edwards improperly received \$1,786 by increasing his automobile allowance above the amount approved by the board of aldermen.

Recommendation: Procedures should be implemented that ensure that Mayor Edwards submits receipts to support his business expenses. In addition, the town should consult legal counsel to determine whether action should be taken to recover any funds Mayor Edwards received through the increase or other allowance payments made during the period January 1995 through May 1996.

Mayor Improperly Reduced Utility Charges**(Page 4)**

Finding: From July 1993 through March 1996, Mayor Edwards improperly reduced his personal utility accounts by \$324 and Tiger Food's account by \$1,131.

Recommendation: The Town of Jonesville should establish and implement policies regarding charging of late fees, circumstances for which adjustments may be made to utility accounts, and the level of authorization necessary for such adjustments. In addition, adjustments to accounts of the mayor should require the approval of the board of aldermen. Furthermore, the District Attorney of the Seventh Judicial District of Louisiana should review this information regarding possible violations of state laws and take appropriate legal action.

Police Chief Improperly Used Public Funds**(Page 5)**

Finding: Police Chief Clyde Walker violated Article 7, Section 14 of the Louisiana Constitution by using public funds collected by the police department to purchase meals, flowers, candy, canned drinks for the drink machine, and food for cookouts and crawfish boils for police department employees. In addition, the collection of these funds was not reported to the town clerk as required by state law.

Recommendation: Police Chief Walker should comply with the provisions of Article 7, Section 14 of the Louisiana Constitution by no longer using public funds to purchase meals, candy, flowers, canned drinks, or food for cookouts and crawfish boils. Also, all fees should be collected in a central location by the town clerk. The revenue generated from these fees should be included in the town budget and the town clerk should maintain an accounting of the fees collected, the deposit into town bank accounts, and the eventual disbursement.

**Mayor Has Not Established Adequate Controls
Over Travel and Meal Expenditures****(Page 6)**

Finding: The Town of Jonesville does not have written travel policies. While the mayor and other employees of the town regularly use town funds for travel purposes, the town has no policy providing guidance nor restrictions as to when town funds may be used for travel or the amount of town funds that may be used for meals, lodging, and other travel expenses.

Recommendation: The Town of Jonesville should establish written policies providing guidance for the use of town funds for travel and meals expenditures. These policies should be specific as to when and how town funds may be used for such expenditures.

**Fire Chief Held Dual Offices in
Violation of Louisiana Law**

(Page 7)

Finding:

Fire Chief Ben Adams violated Louisiana law by holding full-time employment as the Town of Jonesville fire chief and full-time employment as a fireman/emergency medical technician (EMT) for the City of Vidalia. In addition, Mayor Edwards reduced Fire Chief Adams' compensation in violation of Louisiana law.

Recommendation:

Mayor Edwards should review the employment situations of town employees and ensure that none are holding dual employment in violation of Louisiana law. In addition, Mayor Edwards and the members of the board of aldermen should follow Louisiana law by establishing, by ordinance, the salary of town officers.

Background and Methodology

The Legislative Auditor received allegations indicating that Mayor William Edwards used town funds for personal purposes. Specifically, the allegations indicated that Mayor Edwards had submitted receipts and had been reimbursed for expenses that were of a personal nature rather than for official town business. In addition, we were informed that Mayor Edwards had charged fuel for his personal automobile on town credit cards while also receiving a monthly allowance for the same purpose. The purpose of our investigation was to gather evidence to support or refute these allegations and other allegations received during our investigation. To address these issues, we performed the following procedures:

1. Examined selected Town of Jonesville records
2. Interviewed current and prior town employees and aldermen and other individuals as necessary
3. Reviewed Louisiana statutes, Attorney General opinions, and ordinances and other regulations of the Town of Jonesville
4. Made inquiries and observations to the extent we considered necessary to achieve our purpose.

Findings and Recommendations

MAYOR USED TOWN FUNDS TO PURCHASE FUEL FOR HIS PERSONAL AUTOMOBILE WHILE ALSO RECEIVING A MONTHLY AUTOMOBILE ALLOWANCE

Between November 1991 and May 1996, Mayor William "Billy" Edwards directly charged or received reimbursement for fuel and other automobile expenses totaling \$5,185 while, at the same time, he received a \$500 monthly automobile allowance, totaling \$28,286, for the same expenses.

On November 12, 1991, the board of aldermen passed a resolution providing Mayor Edwards a \$500 monthly allowance. The resolution provided that:

Whereas, Mayor Edwards owns and operates his automobile at his personal expense for town business,

And whereas the board of aldermen wishes the Town to help bear the burden of these expenses for mileage placed on the mayor's personal vehicle and expenses for which the mayor was not reimbursed while out of town on official town matters,

Be it resolved that Mayor Edwards be given a monthly allowance of five hundred dollars (\$500) to help defray automobile and miscellaneous expenses for the duration of his current term of office as Mayor of the Town of Jonesville, Louisiana.

When introducing this resolution, Alderman Ernest J. White, Jr., explained that Mayor Edwards was using his personal automobile for town business and had not received one penny of reimbursement. However, according to town records, Mayor Edwards had been submitting receipts and was being reimbursed for his fuel purchases before this time. In fact, between July 5, 1990, and November 12, 1991, Mayor Edwards received \$2,243 in fuel reimbursements. Though Mayor Edwards was present at the November 12, 1991, meeting, he failed to inform the board that the town was already covering the cost of his fuel. At the end of Mr. White's comments, Mayor Edwards simply responded, "thank you." By not disclosing that he was already being reimbursed, Mayor Edwards allowed Mr. White and other board members to believe that he had personally paid all costs of operating his vehicle.

Subsequent to the resolution, while receiving the allowance, Mayor Edwards continued to charge fuel to the town or be reimbursed by the town for fuel purchases. During the period November 13, 1991, through May 1996, Mayor Edwards received allowance payments of \$28,286. At the same time, Mayor Edwards submitted receipts and was reimbursed \$662 for fuel and charged \$3,573 for fuel on town credit cards. In addition, Mayor Edwards submitted receipts and received reimbursement for other personal automobile expenses, including \$732 for tires, \$130 for a trailer hitch, \$40 for an auto security system, and \$48 for a truck bed mat.

Mayor Edwards confirmed that he has been either directly charging or receiving reimbursements from the town for his gasoline and auto parts. He stated that he believed that this allowance was salary and not an expense reimbursement. He also stated that the board was aware of his expenditures. According to Mayor Edwards, the board informed him during an executive session that the expense allowance was to be considered salary. However, the board minutes do not reflect that the board entered into an executive session during the meeting of November 12, 1991, nor do the minutes mention that the board considered this allowance to be salary. In addition, regardless of what the monthly payments are called, the minutes clearly specify that the allowance is to pay the cost of operating the mayor's personal automobile.

Two of the aldermen present at the November 12, 1991, meeting informed us that they were not aware that the town was furnishing Mayor Edwards' fuel. Mr. David Barber, former alderman, and Mr. Gary Odom, former and current alderman, both stated that they were not aware that Mayor Edwards had been charging fuel and vehicle expenses before passing the resolution. Mr. Richard Ganey, also an alderman in 1991, informed us that it was his understanding that the \$500 was to pay all of the mayor's automobile expenses, including insurance and any car notes. He thought that the intent of the board was to pay all expenses for the mayor.

In a letter dated October 17, 1996, Mr. Russell Purvis, the town's attorney, gave guidance to the acting town clerk regarding this \$500 monthly allowance. All references in the letter refer to this monthly allowance as reimbursement for expenses, not additional salary.

Because Mayor Edwards received town funds that he was not entitled to receive, he may have violated the following Louisiana law:

- R.S. 42:1461(A), "Obligation Not to Misappropriate"

The board of aldermen should review this information and seek reimbursement for any town funds improperly paid to Mayor Edwards. In addition, the District Attorney for the Seventh Judicial District of Louisiana should review this information for possible violations of state law and take appropriate legal action, to include seeking restitution.

MAYOR INCREASED HIS AUTOMOBILE ALLOWANCE ABOVE THE AMOUNT APPROVED BY THE BOARD OF ALDERMEN

Mayor Edwards improperly received \$1,786 by increasing his automobile allowance above the amount approved by the board of aldermen.

As detailed previously, on November 12, 1991, the board of aldermen passed a resolution providing the mayor a monthly automobile allowance. This resolution provided for a monthly allowance of \$500 for the duration of the mayor's current term which ended December 1994. However, Mayor Edwards increased his allowance above the amount specified in the resolution.

Between November 1991 and September 1993, Mayor Edwards received the allowance of \$500 per month. In September 1993, the prior town clerk, Ms. Yolanda McClure, began withholding taxes from Mayor Edwards' allowance causing his net check to decrease. To compensate for the reduction, beginning in October 1993, Ms. McClure increased the allowance to \$556 per month. The mayor received an additional \$1,786 because of the \$56 increase. Ms. McClure was directly supervised by Mayor Edwards. Ms. McClure stated that she was instructed by the board to increase the allowance to cover the taxes withheld; however, there is no mention of this in the board minutes.

Mayor Edwards also continued to receive the allowance beyond the date allowed by the board resolution. The November 1991 resolution provided for the allowance for the duration of Mayor Edwards' current term in office which ended December 1994. However, the board did not pass another resolution and Mayor Edwards continued to receive the monthly allowance during his subsequent term in office. During the period January 1995 through May 1996, Mayor Edwards received allowance payments totaling \$8,896.

Mayor Edwards told us that the board authorized the increase in his monthly allowance because the board wanted the allowance to be net of taxes. In addition, he told us that he was not aware that the allowance was to be discontinued at the end of his prior term. He further stated that it was not the intention of the board to discontinue the allowance. However, the board minutes do not mention that the board authorized this increase or intended that the allowance continue beyond December 1994.

The board passed a resolution on June 25, 1996, that officially allowed Mayor Edwards to receive a monthly allowance of \$500 to help defray automobile and miscellaneous related expenses associated with the mayor's use of his personal vehicle. It should be noted that the new resolution provides for a \$500 monthly allowance, not \$556. The new resolution requires that Mayor Edwards submit receipts to support his business related expenses. The current board would not ratify the allowance payments made between January 1995 and June 1996. In

spite of the new resolutions requirements, Mayor Edwards has not been submitting receipts as required per the resolution.

Procedures should be implemented that ensure that Mayor Edwards submits receipts to support his business expenses. In addition, the town should consult legal counsel to determine whether action should be taken to recover any funds Mayor Edwards received through the increase or other allowance payments made during the period January 1995 through May 1996.

MAYOR IMPROPERLY REDUCED UTILITY CHARGES

From July 1993 through March 1996, Mayor Edwards improperly reduced his personal utility accounts by \$324 and Tiger Food's account by \$1,131.

The Town of Jonesville provides utilities to customers within its corporate boundaries and bills for these services on a monthly basis. The town also charges late fees for those amounts not paid by their due dates. Accounts are properly adjusted for incorrectly read meters, to reverse erroneous entries, or for employee discounts. However, between July 1993 and March 1996, there were 19 adjustments made to customer accounts discharging late fees without a documented explanation.

Twelve of these 19 adjustments were made to the account of the Edwards Motel and Restaurant, a business owned and operated by Mayor Edwards' spouse. According to town employees, these adjustments, which totaled \$324, were for late fees and were authorized by Mayor Edwards. Mayor Edwards, in a letter dated November 19, 1996, stated that late fees on the Edwards Motel and Restaurant were removed by the clerks because of miscommunication. He further stated that late fees on the restaurant were charged because of his failure to submit timely payments and that it was his intention that the fees were to be added to the next month's billing. Included with the letter was a copy of a check in the amount of \$338 written from the account of the Edwards Motel and Restaurant to the Town of Jonesville.

Ms. Leigh Ann Collins, the town's utility clerk, stated that Mayor Edwards directly authorized the removal of late fees for the Edwards Motel and Restaurant. Ms. McClure, former town clerk, also stated that Mayor Edwards authorized these adjustments.

Town records also indicate that Mayor Edwards also authorized an adjustment reducing late fees for Tiger Food, Inc., by \$1,131. Mayor Edwards stated in his letter that he authorized the removal of \$1,131 in late fees from the Tiger Food account in March 1996 because of a faulty meter. He stated that the store did not receive the bill until after a penalty charge was calculated by the computer and added to the account. However, we found that the store's meter had been replaced in January 1996. We were informed that the town billed the store for January based on an estimated average over an 18 month period. We also noted that the \$1,131 was for late fees for two months--January and February 1996. In addition,

Ms. Collins stated that Tiger Food's bills for January and February 1996 were prepared and mailed at the same time as the town's other utility customers.

Because of these actions, the following Louisiana laws may have been violated:

- Article 7, Section 14 of the Louisiana Constitution
- R.S. 14:134, "Malfeasance in Office"
- R.S. 42:1461, "Obligation of Public Officials Not to Misappropriate"

The Town of Jonesville should establish and implement policies regarding charging of late fees, circumstances for which adjustments may be made to utility accounts, and the level of authorization necessary for such adjustments. In addition, adjustments to accounts of the mayor should require the approval of the board of aldermen. Furthermore, the District Attorney of the Seventh Judicial District of Louisiana should review this information regarding possible violations of state laws and take appropriate legal action.

POLICE CHIEF IMPROPERLY USED PUBLIC FUNDS

Police Chief Clyde Walker violated Article 7, Section 14 of the Louisiana Constitution by using public funds collected by the police department to purchase meals, flowers, candy, canned drinks for the drink machine, and food for cookouts and crawfish boils for police department employees. In addition, the collection of these funds was not reported to the town clerk as required by state law.

The Jonesville Police Department collects fees when providing copies of accident reports to the public. These fees have been deposited into two bank accounts, a checking account and a savings account, that are maintained by Police Chief Walker. During the period October 1994 through August 1996, Police Chief Walker used \$2,589 from the checking account to purchase meals, flowers, candy, canned drinks, and food for cookouts and crawfish boils for police department employees. These purchases are considered donations of public funds. Article 7, Section 14 of the Louisiana Constitution provides that funds of any political subdivision should not be donated to or for any person, association, or corporation. Therefore, these purchases are violations of the Louisiana Constitution.

In addition, these bank accounts are not maintained nor accounted for by the town clerk. Police Chief Walker has not provided the town clerk information regarding the fees collected and deposited into these two accounts. R.S. 33:422 provides that the clerk of each municipality shall maintain a record of each account used by that municipality.

Police Chief Walker should comply with the provisions of Article 7, Section 14 of the Louisiana Constitution by no longer using public funds to purchase meals, candy, flowers, canned drinks, or food for cookouts and crawfish boils. Also, all fees should be collected in a central location by the town clerk. The revenue generated from these fees should be included in the town budget and the town clerk should maintain an accounting of the fees collected, the deposit into town bank accounts, and the eventual disbursement.

MAYOR HAS NOT ESTABLISHED ADEQUATE CONTROLS OVER TRAVEL AND MEAL EXPENDITURES

The Town of Jonesville does not have written travel policies. While the mayor and other employees of the town regularly use town funds for travel purposes, the town has no policy providing guidance nor restrictions as to when town funds may be used for travel or the amount of town funds that may be used for meals, lodging, and other travel expenses.

For example, during the period July 1990 through May 1996, Mayor Edwards used \$16,320 of town funds for travel expenses of which \$7,635 of these expenses were for meals and \$8,685 were for lodging. These costs were either charged directly to town credit cards or were reimbursements made to Mayor Edwards. Some of these expenditures have little or no supporting documentation or contain no identification as to their business purpose. We noted that meal charges ranged from \$2 to \$192. In instances where it was apparent that the meal was for more than one person, no notice of those attending the meal was attached.

In addition, \$342 of the meals occurred at Edwards Motel and Restaurant, which is owned and operated by Mayor Edwards' spouse. This may be a violation of R.S. 42:1112, which prohibits the mayor from doing town business with a company owned by a member of his immediate family.

Many of Mayor Edwards' trips were to Baton Rouge to attend Louisiana Municipal Association - Gas Authority (LMAGA) meetings. In addition to using town funds for his travel expense, we were informed by LMAGA that, during the period October 1991 through March 1993, Mayor Edwards received a \$50 per diem for each meeting. Payments from LMAGA totaled \$1,000.

One charge made by Mayor Edwards on the town American Express card was for \$100 at RT's Club and Pub in Baton Rouge. According to Mayor Edwards, this charge was for his purchase of alcoholic beverages for him and other mayors after a Louisiana Municipal Association meeting. This charge had no documentation other than the American Express charge slip.

Mayor Edwards stated that his spouse occasionally has accompanied him during his travels for the town. He further stated that town funds were used to purchase meals for his spouse.

The Town of Jonesville should establish written policies providing guidance for the use of town funds for travel and meals expenditures. These policies should be specific as to when and how town funds may be used for such expenditures.

FIRE CHIEF HELD DUAL OFFICES IN VIOLATION OF LOUISIANA LAW

Fire Chief Ben Adams violated Louisiana law by holding full-time employment as the Town of Jonesville fire chief and full-time employment as a fireman/emergency medical technician (EMT) for the City of Vidalia. In addition, Mayor Edwards reduced Fire Chief Adams' compensation in violation of Louisiana law.

On June 17, 1996, Fire Chief Ben Adams, the full-time fire chief of the Town of Jonesville, became employed as a full-time fireman/emergency medical technician (EMT) for the City of Vidalia. Fire Chief Adams informed us that he was able to work both jobs because he alternated working days at the different municipalities. In addition, he stated that he received approval from Mayor William Edwards before accepting the full-time position with the Vidalia Fire Department.

Louisiana law prohibits a full-time employee of a municipality from holding another full-time position with another municipality. Specifically, R.S. 42:63(E) provides, in part, that no person holding a full-time appointive office or full-time employment in the government of this state or of a political subdivision shall at the same time hold another appointive office or full-time employment in the government of the state of Louisiana, in the government of a political subdivision, or in a combination of these.

In addition, Fire Chief Adams' compensation was reduced and the assistant fire chief's compensation was increased without knowledge or approval of the board of aldermen. Fire Chief Adams' compensation from the Town of Jonesville was reduced by \$200 per month in September because he was no longer able to be on 24-hour call. In addition, Mr. Donnie Littleton, the assistant fire chief, received an increase of \$200 per month in July to compensate him for the additional responsibilities assumed during Fire Chief Adams' absence. According to Fire Chief Adams, he and Mr. Littleton met with Mayor Edwards in June 1996 and discussed the situation. During the discussion, Mayor Edwards offered to pay Mr. Littleton the extra \$200 per month. According to Chief Adams, when he asked Mayor Edwards whether he should discuss this arrangement with the board of aldermen, Mayor Edwards told him to just keep it between them, that he would take care of it.

Louisiana law requires that the board of aldermen set the salary of its officers. R.S. 33:404.1 provides, in part, that the board of aldermen shall by ordinance fix compensation of all municipal officers and shall also by ordinance have the authority to increase or decrease the compensation of any non-elected municipal officer. There was no ordinance or resolution passed by the board of aldermen that decreased Fire Chief Adams' pay.

Fire Chief Adams resigned his full-time position as the Jonesville Fire Chief in December 1996.

Mayor Edwards should review the employment situations of town employees and ensure that none are holding dual employment in violation of Louisiana law. In addition, Mayor Edwards and the members of the board of aldermen should follow Louisiana law by establishing, by ordinance, the salary of town officers.

Attachment I
Mayor's Response

January 22, 1997

TO: OFFICE OF THE LEGISLATIVE AUDITOR
INVESTIGATIVE AUDIT DIVISION

FROM: MAYOR W.F. "Billy" EDWARDS
TOWN OF JONESVILLE

RE: Management's Response to the
Investigative Audit Report - Executive Summary

att: Mr. Kyle

**Mayor Used Town Funds to Purchase Fuel for His Personal Automobile While
Also Receiving a Monthly Automobile Allowance (Page 1)**

Management's Response:

A formal statement has been issued by Town Attorney, V. Russell Purvis, concerning the reimbursement of the expenses and the payment of the automobile allowance to Mayor. The allowance was to help with the automobile expenses for monthly note payments, insurance and other non-reimbursed expenses incurred by the Mayor. The gas expenses were to be reimbursed in addition to the monthly allowance and check registers were being furnished to the Council supporting the payment of expenses. During an executive session the Council re-approved the allowance and an addition for taxes.

It is my feeling that no reimbursement should be sought as the expenses and monthly allowance were in order and proper for payment.

**Mayor Increased His Automobile Allowance Above the Amount Approved by the
Board of Aldermen. (Page 3.)**

Management's Response:

The increase of the automobile allowance a total of \$1,786 was approved by the Board of Aldermen during an executive session, but no motion or vote was taken during the open meeting of the Council. The monthly increase was to help cover tax deductions for the monthly allowance of \$500. I have never personally instructed anyone to increase my pay.

Documentation of all action will be assured during succeeding executive sessions. The Mayor will be required to furnish documents for all reimbursed expenses for travel and meetings.

Page 2.
Legislative Auditors
January 22, 1997

It is felt that no action should be taken to recover the \$1,786 for the period January, 1995 through May, 1996. The allowance for monthly automobile and other expenses is being paid by a monthly check in the amount of \$500.

Mayor Improperly Reduced Utility Charges

(Page 4)

Management's Reponse:

Through a breakdown in communications, the adjustment for the late fee deducted from the utilities account of Edwards Motel has been reimbursed to the Town of Jonesville in the amount of \$324. A policy is being established that all adjustments to accounts of the Mayor will be approved by the Town Council before being made. Also, all significant adjustments to other customers' utilities accounts due to error or mechanical malfunctions will require authorization by the Mayor and the Alderman of the customer before the adjustment is made to their account.

The adjustment to the account of Tiger Foods account was necessary due to the problems with the electrical metering and wiring to the facility causing a late billing. No action is being taken to recover the adjustment for the late fee to Tiger Foods in the amount of \$1,131. Reduction of the utility charges is a matter of record and nothing was intended to be hidden.

Police Chief Improperly Used Public Funds

(Page 5)

Management's Reponse:

All funds being collected by the Police Department will cease and the funds will be received at Town Hall. During closed hours of Town Hall, necessary collections will be made by the Police Department and accounted for at the next day of operations of Town Hall. The funds for accident reports, property bond fees and other incidental collected will be collected by Town Hall. The Town Clerk will audit and account for these funds by bank account and included in the annual budget.

The coke machine will maintained by the employees with no funds of the Town of Jonesville Police Department or other departments used to purchase drinks for the machine. All payments and collections will be done strictly by the employees and the Coca Cola Bottling Company with no reference to the Town of Jonesville. It is understood that the profits will be used by the employees for flowers, meals, etc.

Page 3.
Legislative Auditors
January 22, 1997

The Town Has Not Established Adequate Controls Over Travel And Meal Expenditures (Page 6)

Management's Response:

I have begun the formulating of a written travel policy manual for all travel, meal expenses and reimbursements while on Town business. The State of Louisiana's travel policy is being used as a guideline for composing the Town's written travel policy. As soon as the policy is completed and adopted by the Town Council in a regular meeting, a copy will be forwarded to you.

Fire Chief Held Dual Offices in Violation of Louisiana Law (Page 7)

Management's Response:

Mr. Ben Adams has become a part-time employee of the Town of Jonesville, still serving the Town of Jonesville's Volunteer Fire Department. Only on certain days of the week is Mr. Adams present in Jonesville. His salary was reduced due to the part-time classification.

An ordinance will be drawn-up for adoption on all Town officers' salaries and employment requirements for their positions. A copy of the ordinance will be forwarded as soon as the ordinance is adopted.

Billy [Signature]
1-22-97

**RESPONSE TO FINDINGS AND RECOMMENDATIONS
IN PRELIMINARY DRAFT OF AN INVESTIGATIVE AUDIT
REPORT OF THE TOWN OF JONESVILLE BY
THE OFFICE OF THE LEGISLATIVE AUDITOR**

The following constitutes the response of Mayor William Edwards, Mayor, Town of Jonesville, to the findings and recommendations contained in the preliminary draft of the investigative report on the Town of Jonesville by the Office of the Legislative Auditor.

I. PRELIMINARY FINDING NUMBER 1

The preliminary draft of the investigative report by the legislative auditor made the following preliminary finding:

"Between November 1991 and May 1996, Mayor William "Billy" Edwards directly charged or received reimbursement for fuel and other automobile expenses totaling \$5,185 while, at the same time, he received a \$500 monthly automobile allowance, totaling \$28,286, for the same expenses."

RESPONSE:

On November 12, 1991, the Board of Aldermen of the Town of Jonesville passed a Resolution which provided as follows:

"Whereas, Mayor Edwards owns and operates his automobile at his personal expense for town business,

And whereas, the Board of Aldermen wishes the Town to help bear the burden of these expenses for mileage placed on the Mayor's personal vehicle and expenses for which the Mayor was not reimbursed while out of town on official town matters,

Be it resolved that Mayor Edwards be given a monthly allowance of five hundred dollars (\$500) to help defray automobile and miscellaneous expenses for the duration of his current term of office as Mayor of the Town of Jonesville, Louisiana."

The preliminary finding above implies that the Mayor acted improperly in charging or receiving reimbursement for fuel and other automobile expenses while receiving the monthly allowance provided for in the Resolution quoted above. The issue, therefore, is whether the Board of Aldermen, in passing the Resolution, intended that the Mayor was to receive the monthly allowance instead of being reimbursed for certain expenses, or in addition to expenses for which he was being reimbursed. In order to determine the intent of the Board of Aldermen in passing the above Resolution, it is necessary to examine both the language of the Resolution and the substantive treatment of the allowance.

A. Language of the Resolution

The Resolution includes language stating that its purpose was to "help bear the burden" of and "help defray" expenses of the Mayor. Use of the word "help" repeatedly in the Resolution implies that the Resolution was not intended as the sole and only payment of all the Mayor's expenses. If the monthly allowance provided in the Resolution were intended to cover all of the Mayor's expenses, it is likely that the Resolution would have employed language indicating that intent, for example "to cover" or "to pay" or "to defray". The language stating that the allowance is to "help defray" implies that the allowance is only intended to cover part of the Mayor's expenses. It is, therefore, unlikely that the board intended for the monthly allowance to constitute full payment of all the Mayor's expenses.

The second paragraph of the Resolution states that the Town was to help bear the burden of expenses for "mileage placed on the Mayor's personal vehicle". Expenses for mileage placed on a vehicle would seem to refer to general wear and tear or use of the vehicle. This is an expense that would normally not be identifiable by receipts, but is, instead, a more general loss or expense in addition to fuel costs and other costs which are identifiable by receipts.

The Board specifically acknowledged, and intended for the Town to help bear the burden of, "expenses for which the Mayor was not reimbursed". It is apparent that this reference to expenses for which the Mayor is not reimbursed implies that there are expenses for which he is reimbursed. It is apparent, therefore, that the intent of the Resolution was that the monthly allowance be paid in addition to those expenses for which the Mayor is reimbursed, to help defray expenses for which he is not reimbursed.

The Resolution states that the allowance is to help defray "automobile and miscellaneous expenses" of the Mayor. This language suggests that the Board took into consideration the fact that the Mayor incurred expenses other than automobile expenses for which the Board intended the Mayor to be additionally compensated. Therefore, it seems even more likely that the monthly allowance was not intended as payment of all of the Mayor's expenses, but only as a supplement to those for which the Mayor was reimbursed.

B. Substantive Treatment of Allowance

Beginning in September, 1993, taxes were withheld from the allowance paid to the Mayor. This indicates that the allowance was not intended to be an exact reimbursement of expenses actually incurred, but, rather, a supplement to the Mayor's salary. The language of the Resolution

indicates that the Board decided to provide this supplement to the Mayor's salary after taking into consideration that the Mayor incurred "automobile and miscellaneous expenses" for which he was not reimbursed. If the allowance had been intended as an exact reimbursement for expenses, then it is unlikely that taxes would have been withheld.

Further evidence of the Board's intent was the regular approval by the Board of Aldermen of the payment of expenses. Because the Board regularly approved payment of the Town's expenses, and because the charged or reimbursed expenses of the Mayor were included in those expenses, it is apparent that the Board of Aldermen intended for the charged or reimbursed expenses of the Mayor to be paid by the Town, in addition to the monthly allowance. Town expenses cannot be paid without the approval of the Board of Aldermen. This requirement, of course, imposes a duty on the Board of Aldermen to make itself aware of the nature of the expenses to be paid and to withhold approval of the payment of expenses which are not authorized by the Board. The approval of the Board of Aldermen, in fact, itself constitutes authorization to pay expenses. Claims by Aldermen that payment of these expenses was not authorized are cast in doubt by the fact that the Board of Aldermen approved and authorized payment of these and all other Town expenses on a regular basis.

C. Conclusion

In light of the above, it is apparent from both the language of the Resolution providing the allowance and the subsequent substantive treatment of the allowance that the monthly allowance was intended to be paid to the Mayor in addition to the various automobile and miscellaneous expenses for which he was reimbursed. Repeated references to an intent to "help" bear the burden of and defray expenses indicate that the allowance was only intended to partially cover the Mayor's expenses. Recognition of expenses for mileage on the Mayor's vehicle indicates that the allowance was intended to cover more general expenses which are not identifiable by receipts. Reference to expenses for which the Mayor was not reimbursed implies that the allowance was intended to cover those expenses, in addition to the expenses for which the Mayor was reimbursed. The intent to help defray automobile and miscellaneous expenses connotes a recognition that the Mayor incurred expenses other than for his automobile and evidenced an intent that the allowance constitute additional compensation in consideration of such expenses.

By withholding taxes from the allowance, the Town clearly evidenced an intent that the allowance be treated as a supplement to the Mayor's salary in consideration of the expenses

incurred by him which were not reimbursed.

The Board of Aldermen, pursuant to its duty, knew or should have known the nature of the expenses it authorized, and did in fact authorize the payment of these and all other Town expenses on a regular basis.

II. PRELIMINARY FINDING NUMBER 2

PRELIMINARY FINDING:

"Mayor Edwards improperly received \$1,786 by increasing his automobile allowance above the amount approved by the Board of Aldermen."

The preliminary finding above refers to an increase in the Mayor's monthly allowance from \$500 to \$556 and the payment of the allowance from January, 1995 to May, 1996.

A. Increase from \$500 to \$556

In its original Resolution, the Board of Aldermen approved an allowance of \$500 per month for the Mayor. From November 12, 1991 until September, 1993, no taxes were withheld from the allowance, and the Mayor received a check in the amount of \$500. In September, 1993, however, the Town began withholding taxes from the allowance, resulting in the Mayor's receiving a check in a lesser amount. At that time, the Board of Aldermen, all of whom were present, instructed the Town Clerk to increase the allowance to compensate for the taxes withheld, resulting in a net \$500 still being paid to the Mayor, as evidenced by the affidavit of Yolanda McClure, who was Town Clerk at that time. It is, therefore, apparent that the Board of Aldermen at all times intended for the Mayor actually receive \$500 per month. Further evidencing this intent, the Board of Aldermen regularly approved payment of this and all other Town expenses.

B. Receiving Allowance beyond December, 1994

From January, 1995 to May, 1996, the Board of Aldermen continued to regularly approve payment of the allowance to the Mayor. In June, 1996, when the issue was brought up that the allowance had only been authorized through December, 1994 by the previous Resolution, a new Resolution was immediately passed by the Board to authorize the continuation of the allowance. That the Board, in the new Resolution, did not expressly ratify payments from January, 1995 to May, 1996 is of no significance, as the Board had regularly and continuously ratified those payments during that time by approving payment of expenses. Additional ratification was, therefore, unnecessary.

C. Conclusion

It is apparent that, from November 12, 1991 through and including June, 1996, the

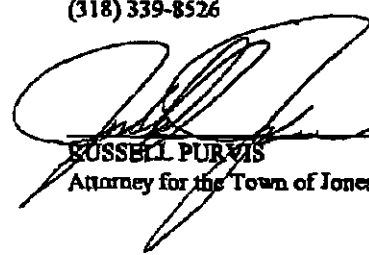
Board of Aldermen intended that the Mayor actually receive \$500 per month for the allowance.

When it originally set the amount, no taxes were being withheld. As soon as taxes began being withheld, the Board immediately instructed the Town Clerk to increase the allowance by an amount necessary to result in a net \$500 being paid to the Mayor. The Board further signified its approval of this increase by regularly approving the payment of the increased amount.

The Board of Aldermen clearly expressed its intent that the Mayor continue to receive the allowance beyond December 1994 by its continuing regular approval of the payment of the allowance and its immediate action in passing a new Resolution authorizing the continuation of the allowance when the issue was raised regarding the time limitations on the allowance. The payments made in the interim between the expiration of the old Resolution and the passing of the new Resolution were continuously and regularly ratified by the Board through its approval of the payment of expenses.

Respectfully submitted:

SMITH, TALIAFERRO & PURVIS
P. O. Box 277
Jonesville, LA 71343
(318) 339-8526


RUSSELL PURVIS
Attorney for the Town of Jonesville

Mayor
William F. "Billy" Edwards

January 21, 1997

P. O. BOX 816
 JONESVILLE, LOUISIANA 71344
 PHONE (318) 339-8596
 HOME (318) 339-7639

TO WHOM IT MAY CONCERN:

RE: MATERIALS AND EQUIPMENT DONATIONS

I wish to document the following donations to the Town of Jonesville, Louisiana, for the their use and the Town's ownership:

1. Two (2) 36 inch Snapper Riding Lawn Mowers.....	\$ 1,300.00
2. One (1) Pipe Trailer (30' 7" long by 6' 6" wide).....	1,250.00
3. One (1) Utility Trailer (23' long by 6' 9.5" wide).....	350.00
4. One (1) Barbuce Pit - Self contained (except roof).....	1,000.00
5. Materials for a fish scaler (except labor & motor).....	75.00
6. Forty (40) joints of Structural Pipe (\$14.00 per joint).....	560.00

Total Value of Donated Items.....\$ 4,535.00

These items were donated by me personally in the last few years while serving as Mayor of the Town of Jonesville.

Billy Edwards

W. F. "BILLY" EDWARDS, MAYOR
 TOWN OF JONESVILLE

Attachment II
Board of Aldermen's Response

Harrisonburg, LA

Jonesville, LA

Page 2 of 2

SMITH, TALIAFERRO & PURVIS

ATTORNEYS AT LAW

WEDON T. SMITH

Retired 1990

H. A. TALIAFERRO, SR.

Retired 1990

RUSSELL PURVIS

PATRICK L. BOOTHIE

-Founded 1820-

Post Office Box 277

Jonesville, Louisiana 71343

Phone: (318) 339-8526

Fax: (318) 339-8528

JAMES G. TALIAFERRO

1798-1876

HENRY B. TALIAFERRO

1842-1921

ROBERT M. TALIAFERRO

1882-1951

October 17, 1996

Mrs Julie Colclasure
Acting Clerk, Town of Jonesville
P. O. BOX 428
Jonesville, LA 71343

RE: Reimbursement of Mayor's expenses

Dear Mrs. Colclasure:

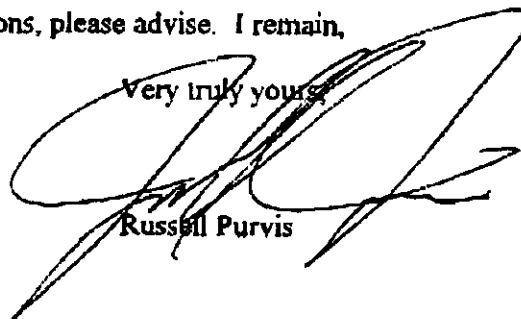
As requested by you, I have reviewed the resolution concerning the re-payment of the Mayor's expenses passed by the Town Council on June 25, 1996. The language of the resolution provides as follows:

"BE IT RESOLVED that Mayor Edwards be given a monthly allowance in the amount of Five Hundred and no/100 (\$500) Dollars to help defray automobile and miscellaneous related expenses associated with the Mayor's use of his personal vehicle on Town related matters, and reimbursed for expenses above the \$500.00 with Council approval."

Under these provisions, the Mayor should receive \$500 per month whether the receipts for his expenses total this amount or not. All expenses over \$500 a month must be approved by the Town Council. In such a case, if the Mayor's expenses ran over \$500 in any one month, the Mayor would receive \$500 and any re-payment for amounts over \$500 should be approved by the Council before payment. The Mayor should not receive the \$500 plus re-payment of all expenses. The \$500 payment should be subtracted from the total of the receipts submitted by the Mayor.

If you have any further questions, please advise. I remain,

Very truly yours,



Russell Purvis

RP/rlm

Page 1 of 2

January 21, 1997

Response from members of the Town Council, Jonesville, La.

Pg 1. We do not recall being shown any auto expense register of the Mayor. The only reference in our accounts payable each month about the fuel was noted as fleet fuel and was approved as town expenses. We recently passed in June, 1996, a resolution as noted by Town Attorney Russell Purvis (attached copy) that specifically noted any expense above \$500.00 had to be approved by the Council. Since no expense sheet (indicating expenses going over \$500.00) has been submitted to the Council, no payment for expenses above \$500.00 should have been paid. In our meeting January 20, 1997, the Council asked the Mayor and Assistant Clerk to separate the vehicles and drivers so that we would be able to determine the proper expenses. Nothing had been eartagged as gas expense of the Mayor.

Pg 3 This happened before our term except for Mr. Odom. Mr. Odom does not remember any discussion or vote concerning adding to \$500.00 expense.

Pg 4 We do not know anything about Mayor Edwards personal utility accounts. Tiger Foods was discussed and agreed to average utility bill because of failed meter.

Pg 5 We are working on this and expect to develop an ordinance to prevent this happening again.

Pg 6 We are working on this and looking at the state booklet concerning travel policies in order to develop an ordinance.

Pg 7 We are currently trying to correct this problem.

Signed:

Gay Don Humphreys
Steve R. M...
Guldon

Attachment III
Legal Provisions

Legal Provisions

The following legal provisions are referred to in the Findings and Recommendations section of this report:

LSA-R.S. 14:134 provides, in part, 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; (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.

LSA-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. The breach of an obligation established under this Section gives rise to an action in favor of the public entity for the recovery of any such funds, property, or other things of value and for any other damages resulting from the breach.

Article 7, Section 14 of the Louisiana Constitution provides that funds of any political subdivision should not be donated to or for any person, association, or corporation. Therefore, these purchases are violations of the Louisiana Constitution.