

MADISON PARISH CLERK OF COURT



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COMPLIANCE AUDIT

ISSUED OCTOBER 5, 2005

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BATON ROUGE, LOUISIANA 70804-9397**

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STEVE J. THERIOT, CPA  
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October 5, 2005

**HONORABLE CAROLYN CALDWELL**  
**MADISON PARISH CLERK OF COURT**  
Tallulah, Louisiana

We have audited certain transactions of the Madison Parish Clerk of Court's Office. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes. The purpose of our audit was to determine whether the clerk of court used public funds only for valid business purposes and not for personal purposes.

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*; therefore, we are not offering an opinion on the Madison Parish Clerk of Court's financial statements nor system of internal control, nor assurance as to compliance with laws and regulations. Also, as part of our audit, we applied our *Checklist of Best Practices in Government* to the procedures and practices of the Clerk's Office.

The accompanying report presents our findings and recommendations as well as management's response. Copies of this report have been delivered to the United States Attorney for the Western District of Louisiana, the Honorable James D. Caldwell, District Attorney for the Sixth Judicial District of Louisiana, and others as required by law.

Respectfully submitted,

Steve J. Theriot, CPA  
Legislative Auditor

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During the period January 2000 through October 2004, Ms. Carolyn Caldwell, Madison Parish Clerk of Court (Clerk), used \$30,155 of public funds for expenditures that do not appear to have a valid business purpose. Also, Ms. Caldwell awarded her sister contracts, rental agreements, and other business totaling \$10,388; improperly used \$862 of public funds; and spent \$24,249 for which the business purpose, necessity, and reasonableness are not documented and/or unclear.

**Expenditures That Do Not Appear to Have a Valid Business Purpose**

During the period January 2000 through October 2004, Ms. Caldwell used \$30,155 of public funds for expenditures that do not appear to have a valid business purpose to include:

- \$17,101 for travel expenses for herself, family members, and friends;
- \$5,568 for clothing purchases;
- \$5,488 for miscellaneous purchases;
- \$1,038 for America Online services; and
- \$960 for personal long-distance telephone calls.

Travel

**Nuts and Bolts Conferences - Destin, Florida**

For the years 2000 through 2004, Ms. Caldwell used \$23,190 in public funds to attend the Clerk of Court Institute's (the Institute) three-day Nuts and Bolts conferences in Destin, Florida. Of that amount, Ms. Caldwell used \$12,320 for additional nights of lodging, lodging for family members and friends, excess per diem, and meal expenses in excess of per diem received.

<b>Year</b>	<b>Expenditure Type</b>	<b>Cost</b>
2000	Extra Nights	\$1,092
	Meals in Excess of Per Diem	58
2001	Extra Nights	1,147
	Meals in Excess of Per Diem	66
	Excess Per Diem	75
2002	Extra Condo	2,530
	Extra Nights	1,465
	Excess Per Diem	100
2003	Extra Nights	2,242
	Meals in Excess of Per Diem	343
	Excess Per Diem	50
2004	Extra Condo	1,760
	Extra Nights	1,250
	Meals in Excess of Per Diem	92
	Excess Per Diem	50
	<b>Overall Total</b>	<b>\$12,320</b>

In 2000, Ms. Caldwell was the only Clerk's Office employee who attended the conference. Ms. Caldwell stated that she traveled with seven other family members and friends.<sup>1</sup> To accommodate the group, Ms. Caldwell rented a two-bedroom condominium. The conference dates were June 7, 2000, through June 9, 2000, but Ms. Caldwell arrived on June 3, 2000, and checked out on June 11, 2000--an additional four nights.

The Clerk's Office credit card was charged \$220 for the condominium deposit and a Clerk's Office check for \$1,964 was used to pay for the rest of the lodging expenses. This payment included \$1,092 for the four additional nights.

In 2001, Ms. Caldwell; Mr. James White, deputy clerk/Ms. Caldwell's brother-in-law; and Mr. James Cooper attended the conference. The conference was from June 6, 2001, through June 8, 2001. Ms. Caldwell stated that in addition to Mr. White and Mr. Cooper, six other family members and friends traveled with her.<sup>2</sup> To accommodate the group, Ms. Caldwell rented a two-bedroom and a one-bedroom condominium. Ms. Caldwell stated that Mr. White, Mr. Cooper, and their guests stayed in the one-bedroom condominium that was rented for four nights (June 5, 2001, through June 8, 2001). Ms. Caldwell and her group arrived on June 2, 2001, and checked out of the two-bedroom condominium on June 10, 2001--an additional four nights.

The Clerk's Office credit card was charged \$330 for the deposits on the condominiums. Clerk's Office checks for \$2,063 and \$874, respectively, were used to pay for the rest of the lodging expenses. The \$2,063 check included \$1,147 for the additional four nights.

In 2002, Ms. Caldwell and Ms. Candice Sharp, deputy clerk, attended the conference. The conference was from June 26, 2002, through June 28, 2002. Ms. Caldwell stated that in addition to Ms. Sharp, 11 other family members and friends traveled with her.<sup>3</sup> To accommodate the group, Ms. Caldwell rented two three-bedroom condominiums. One of the condominiums was rented for seven nights and the other for eight nights. The group arrived on June 22, 2002. Part of the group checked out on June 29, 2002, (seven nights) and the others checked out on June 30, 2002, (eight nights). Ms. Caldwell stated that she stayed for eight nights.

The Clerk's Office credit card was charged \$560 for deposits on the condominiums. A Clerk's Office check for \$4,899 was used to pay for the rest of the lodging expenses. Since only one condominium was needed and the conference only required a four-night stay, this payment included \$3,994 for four additional nights and an unneeded condominium.

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<sup>1</sup> Ms. Caldwell stated that the following people accompanied her to Destin: Mr. Ray Caldwell (husband), her granddaughter, Mr. James White (brother-in-law), Ms. Vickie White (sister), Ms. Kay Adams (sister), Ms. Eva Truelove (deputy clerk's daughter), and Ms. Truelove's friend.

<sup>2</sup> Ms. Caldwell stated that the following people accompanied her to Destin: Mr. Ray Caldwell (husband), her granddaughter, Mr. James White (deputy clerk), Mr. White's friend, Mr. Cooper (deputy clerk), Mr. Cooper's friend, Ms. Eva Truelove (deputy clerk's daughter), and Ms. Truelove's friend.

<sup>3</sup> Ms. Caldwell stated that the following people accompanied her to Destin: Mr. Ray Caldwell (husband), her granddaughter, Ms. Candice Sharp (deputy clerk), Mr. Jay White (employee), Ms. Kay Adams (sister), Ms. Laura Adams (niece), Mr. Hulon Martin, Mr. Martin's two sons and one of their friends, Ms. Eva Truelove (deputy clerk's daughter), and Ms. Truelove's friend.



In 2003, Ms. Caldwell, Ms. Laura Adams, and Mr. Hulon Martin attended the conference. The conference was from June 11, 2002, through June 13, 2003. Ms. Caldwell stated that in addition to Ms. Adams and Mr. Martin, nine other family members and friends traveled with her.<sup>4</sup> To accommodate the group, Ms. Caldwell rented a four-bedroom condominium. Ms. Caldwell and her group arrived on June 7, 2000, and checked out on June 15, 2000--an additional four nights.

The Clerk's Office credit card was charged \$250 for the deposit on the condominium. Another charge for \$1,300 to the Clerk's Office credit card and a Clerk's Office check for \$2,935 were used to pay for the rest of the lodging expenses. These payments included \$2,242 for the additional four nights.

In 2004, Ms. Caldwell and Ms. Laura Martin, formerly Adams, attended the conference. The conference was from June 9, 2004, through June 11, 2004. Ms. Caldwell stated that in addition to Ms. Martin, nine other friends and family members traveled with her.<sup>5</sup> To accommodate the group, Ms. Caldwell rented a two-bedroom and a 1.5-bedroom condominium. Ms. Caldwell and her group arrived on June 5, 2004, and checked out on June 13, 2004--an additional four nights.

The Clerk's Office credit card was charged \$581 for deposits on the condominiums. Clerk's Office checks for \$2,161 and \$1,519 were used to pay for the rest of the lodging expenses. Since only one condominium was needed and the conference only required a four-night stay, these payments included \$3,010 for four additional nights and an unneeded condominium. Ms. Caldwell also used the Clerk's Office credit card to pay a \$241 deposit on a third condominium. This condominium was for her son. Ms. Caldwell reimbursed the Clerk's Office for this \$241 deposit.

During the five-year period, Ms. Caldwell rented single and multiple condominiums with multiple rooms to accommodate Clerk's Office employees, family members, and friends. Attorney General Opinion 03-157<sup>6</sup> provides that renting luxurious accommodations when other reasonably priced accommodations are available is unreasonable. Ms. Caldwell could have rented other more reasonable priced accommodations for each of the five conferences mentioned. Therefore, it is unreasonable to rent single and multiple condominiums with multiple rooms to attend these conferences when less expensive accommodations were available.

Ms. Caldwell stated the reason she and the other attendees stayed additional nights was to attend the Judges Convention that was held the three days prior to the Clerks Conference. However, Ms. Billie Bennett with the LSU Judicial College, host of the Judges Convention, stated that district and city clerks of court are not allowed to attend the Judges Convention.

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<sup>4</sup> Ms. Caldwell stated that the following people accompanied her to Destin: Mr. Ray Caldwell (husband), her granddaughter, Ms. Candice Sharp, Ms. Laura Martin (deputy clerk), Mr. Hulon Martin (office employee), Mr. Martin's two sons and one of their friends, Ms. Kay Adams (sister), Ms. Eva Truelove, and Ms. Truelove's friend.

<sup>5</sup> Ms. Caldwell stated that the following people accompanied her to Destin: Mr. Ray Caldwell (husband), her granddaughter, Ms. Laura Martin (deputy clerk), Mr. Hulon Martin, the Martin's three sons and one of their friends, Ms. Eva Truelove, and Ms. Truelove's friend.

<sup>6</sup> Louisiana Attorney General Opinion 03-0157 provides, in part, that providing exclusive or luxurious accommodations for attendance at a conference, when safe, reasonably priced accommodations could instead be provided is unreasonable.

Ms. Martin stated that when she attended the Nuts and Bolts conference with Ms. Caldwell, they attended the conference for four days and vacationed with their families the rest of the time. Ms. Martin also stated that she married Mr. Hulon Martin on the beach in front of the condominium on June 11, 2003, the day the 2003 Nuts and Bolts conference began.

In addition, Ms. Caldwell listed Ms. Sharp as an attendee of the 2002 and 2003 conferences. Ms. Sharp stated that she only attended one conference but cannot remember in which year. Ms. Caldwell also listed Ms. Eva Truelove as an attendee each year. Eva is the minor daughter of Ms. Shirley Truelove, deputy clerk. Ms. Truelove stated that Eva went with Ms. Caldwell in 2003 and 2004 but does not recall her (Eva) going any other time. Ms. Truelove also stated that Eva went on the trips to vacation and to baby-sit Ms. Caldwell's granddaughter.

Though there is no formal written policy, Ms. Caldwell stated that she allowed \$50 per day for meals while traveling. For the five conferences, Ms. Caldwell received a total of \$1,525 for meal per diem. Applying a \$50 per day rate, Ms. Caldwell should have only received \$1,250 for meal per diem. Therefore, Ms. Caldwell received \$275 over the per diem allowance. In addition, Ms. Caldwell charged \$559 to the Clerk's Office credit card for meals even though she had already received per diem.

In addition to the Destin trips, Ms. Caldwell traveled with her family members and friends to Boston, Massachusetts, and Charlottesville, Virginia. The Clerk's Office paid \$2,088 and \$1,209, respectively, for personal travel expenses incurred on these trips.

### **Theodore Roosevelt Pigskin Library - Boston, Massachusetts**

Ms. Marilyn Bedgood, a Madison Parish Historical Society member, received invitations to attend the unveiling of the Theodore Roosevelt Pigskin Library from Mr. Wallace Daily, Theodore Roosevelt Pigskin Library curator. In September 2003, Ms. Caldwell, five representatives of the Madison Parish Historical Society, one representative of the Tallulah Chamber of Commerce, and one representative of the Hermione Museum traveled to Boston, Massachusetts.<sup>7</sup> Two of the Historical Society members that went on the trip were Ms. Eva Taylor, Historical Society president, and Ms. Vickie White, Historical Society secretary. Ms. Caldwell is the Historical Society vice president. Ms. Taylor is also an employee of the Clerk's Office and Ms. White is Ms. Caldwell's sister.

Ms. Caldwell used her personal credit card to pay for two airline tickets. A Clerk's Office check for \$590 was used to reimburse Ms. Caldwell for the tickets. Ms. Codie Ray, Historical Society member, used her personal credit card to pay for the hotel rooms. A Clerk's Office check for \$1,118 was used to reimburse Ms. Ray for two of the hotel rooms. Ms. Caldwell also used the Clerk's Office credit card to pay for other miscellaneous expenses totaling \$380. Clerk's Office funds totaling \$2,088 were used for expenses incurred on this trip.

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<sup>7</sup> **Attendees included:** Ms. Caldwell, Ms. Eva Taylor (Clerk employee), Ms. Vickie White (Ms. Caldwell's sister), Ms. Maryland Bedgood (Madison Parish Historical Society member), Ms. Codie Ray (Madison Parish Historical Society member), Ms. Geneva Williams (Hermione Museum representative), and Ms. Mary Tracheal (Chamber of Commerce representative).

Ms. Caldwell stated that the purpose of the trip was to discuss, with Mr. Dailey, the preservation of slave records and the possibility of receiving a grant. Ms. Bedgood and Mr. Daily stated that the purpose of the trip was to attend the unveiling of the Theodore Roosevelt Pigskin Library in hopes of obtaining exhibits for the Hermione Museum in Madison Parish. Ms. Bedgood also stated that the unveiling was a social event and that no meetings were held to discuss preservation of slave records. Mr. Daily also stated that no meetings were held to discuss the preservation of slave records.

Ms. Ray stated that she, Ms. Caldwell, Ms. Taylor, and Ms. White arrived two days early to tour the city before the unveiling of the library. Ms. Ray also stated that Ms. Caldwell reimbursed her credit card company for the cost of hotel rooms for Ms. White, Ms. Taylor, and her. Ms. Ray was correct in that the credit card company was reimbursed for hotel room charges to her credit card, but Ms. Caldwell did not provide the reimbursement; it was paid by the Clerk's Office. A Clerk's Office check for \$1,118 was made payable directly to Ms. Ray's credit card company.

Ms. Taylor stated that she went on this trip as a representative of the Historical Society not as an employee of the Clerk's Office. Ms. Taylor also stated that she reimbursed Ms. Caldwell with cash for her (Taylor's) airline ticket, hotel bill, and meals. These funds were not deposited into a Clerk's Office account.

It appears that this trip was personal in nature and did not have a public purpose commensurate with the public funds expended. Therefore, Ms. Caldwell may have used \$2,088 of public funds to pay for personal travel expenses for herself, her family member, and her friends.

### **Thomas Jefferson Monticello Museum - Charlottesville, Virginia**

Ms. Bedgood stated that she received an invitation to tour the Thomas Jefferson Monticello Museum. Ms. Bedgood also stated that she announced the trip and extended invitations to the entire Madison Parish Historical Society. In May 2004, Ms. Caldwell traveled to Charlottesville, Virginia, with Ms. Taylor, Ms. White, Ms. Bedgood, and Ms. Kay Adams (Ms. Caldwell's sister) to tour the museum.

Ms. Caldwell stated that the purpose of the trip was to meet with Mr. Andrew O'Shaughnessy, Director of Jefferson Studies, to discuss the preservation of slave records. Ms. Caldwell also stated that she met with Mr. William Peterson, Louisiana State University professor, who was interested in Madison Parish's slave records. Mr. O'Shaughnessy stated that Ms. Caldwell viewed the Monticello Jefferson Museum's archive system for comparative purposes and Mr. Peterson stated that he briefly spoke to Ms. Caldwell about slave records.

Ms. Caldwell spent public funds totaling \$3,467 for this trip. Although the meetings with Mr. O'Shaughnessy and Mr. Peterson pertained to the Clerk's Office business, it appears this trip did not have public benefit commensurate with the amount of public funds expended. Although Ms. Caldwell reimbursed the Clerk's Office \$1,168, the Clerk's Office still incurred \$1,090 of travel expenses for Ms. Caldwell. The remaining \$1,209 was for travel expenses for

Ms. Caldwell's family members and friends. Of the \$1,209, \$394 was used for an airline ticket, \$391 for a hotel room, and \$424 for meal expenses.

Clerk's Office funds totaling \$1,972 were used to purchase five airline tickets. Ms. Caldwell reimbursed the Clerk's Office \$1,168 for three of the tickets. The other two tickets were for her and Ms. Taylor. Clerk's Office funds totaling \$782 were also used to rent two hotel rooms, one for Ms. Caldwell and one for Ms. Taylor. Ms. Taylor stated that she went on this trip as a representative of the Historical Society not as an employee of the Clerk's Office. Therefore, the \$394 for one airline ticket and \$391 for one of the hotel rooms should have been reimbursed to the Clerk's Office.

Ms. Caldwell also charged two meals that cost a total of \$445 to her room. One of the meals was a buffet for five people. Each buffet cost \$21. For this meal, Ms. Caldwell should have reimbursed the Clerk's Office \$84, the cost of four of the buffets. The other meal cost \$340 and was personal in nature.<sup>8</sup> Therefore, Ms. Caldwell should have reimbursed the Clerk's Office \$424 for meal expenses for her friends and family members.

### **Vicksburg, Mississippi**

During the period January 2000 through October 2004, Ms. Caldwell used \$1,484 of public funds on five overnight trips to Vicksburg, Mississippi. Vicksburg is 21 miles from Ms. Caldwell's home in Tallulah, Louisiana. Though Ms. Caldwell may have attended to Clerk's Office business in Vicksburg, she could not provide documentation or the business purpose for staying overnight instead of driving home. On one occasion, Ms. Caldwell incurred \$690 in lodging and meal expenses during a Clerk's convention that was hosted by the Clerk's Office. According to Louisiana Attorney General Opinion 03-157,<sup>9</sup> providing any lodging when attendance at a convention could reasonably be accomplished by travel back and forth to one's home would be unreasonable. Since Ms. Caldwell only lives 21 miles from Vicksburg and the convention is finished for the day at a reasonable hour, it is unreasonable to think that a public purpose was served by Ms. Caldwell spending the night in Vicksburg and incurring \$690 in hotel charges.

### Clothing

During the period January 2000 through October 2004, Ms. Caldwell used \$5,567 of public funds on clothing from department stores and \$3,111 from Land's End, a mail order retailer. The department store clothing purchases included items such as dresses, suits, and Tommy Hilfiger apparel. The Land's End purchases included items such as shirts and sweaters. Ms. Caldwell stated that all the purchases were uniforms for Clerk's Office employees.

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<sup>8</sup> Louisiana Attorney General Opinion 03-0157 provides, in part, that the use of public funds to pay or reimburse for food, drink, or the expenses associated with parties and other types of celebratory functions is prohibited.

<sup>9</sup> Louisiana Attorney General Opinion 03-157 provides, in part, that providing any lodging at all, when attendance at a conference or convention could reasonably be accomplished by travel back and forth to one's home, at reasonable hours of the day and evening, would be unreasonable.

Ms. Truelove, deputy clerk, stated that she received a shirt that was purchased at a department store and she wears it as a uniform shirt. Ms. Deb Gilbert, deputy clerk, stated that she received two shirts that were purchased from a department store and she wears them as uniform shirts. Ms. Truelove and Ms. Gilbert also stated that the rest of their uniforms were purchased from Lands End. Ms. Gilbert further stated that Ms. Caldwell purchased two Capri outfits from a department store for her as a get-well present. The outfits cost \$100.

Ms. Martin and Ms. Deborah Chase, deputy clerks, stated that they have not received uniforms from department stores and that their uniforms were purchased from Land's End. All four of these deputy clerks stated that they were never given dresses, suits, or Tommy Hilfiger apparel as uniforms.

Therefore, it appears the majority of the department store purchases were not for a business purpose and that Ms. Caldwell used public funds totaling \$5,567 to purchase clothing items for which no business purpose has been established.

#### Miscellaneous Purchases

During the period January 2000 through October 2004, Ms. Caldwell used \$5,488 of public funds to purchase items that are personal in nature and do not appear to have a public purpose. These purchases include meals, tickets, cosmetics, movies, electronics, furniture, golf fees, gifts, jewelry, and an X-Box game.

Ms. Caldwell used \$642 for jewelry that she purchased from Bayou Treasures. Ms. Caldwell stated that the purchase from Bayou Treasures included nine uniforms for one of her deputy clerks. As mentioned above, all of the deputy clerks stated that their uniforms were purchased from Land's End except for three shirts which were purchased at department stores.

Ms. Teri Henly, owner of Bayou Treasures, stated that Ms. Caldwell purchased jewelry for her employees to wear with their uniforms. Ms. Henley also stated that she does not sell clothing and that the invoice indicates nine uniforms because she (Caldwell) bought jewelry for nine uniforms.

Ms. Caldwell also used \$1,018 of the \$5,488 to purchase meals while traveling even though she had already received per diem to cover the cost of her meals.

The other items purchased included:

Beau Rivage Tickets	Hoyle Game Collection	Adventure Workshop
Crockpot	Great VHS Hits	Kart Racing-Mini Golf
Electric Skillet	Vietnam 2 Computer Game	Beyond Pearl Harbor
Mary Kay Cosmetics	Kart Racing Computer Game	Bar Master Promo
Ice Chests	Phonics for Kids	Mini Picture Frames
DVD/CD Player	1,000 Best Known Games	God is Love Journal
Bourne Identity DVD	Crayola Crayons	Wipe-off, Travel Fun Book
Passion of Christ DVD	Stainless Steel Thermos	Flash Cards
X-Box Budget Game	Serenity Sensual Saxophone CD	Crayola Carry All
Optical Charge	Serenity Meditation CD	Knife Set
Earrings and Shoes	Scrapbook	Magnetic Word Marbles
Golf Fees	Scrapbook Scraps and Stuff	Crossword Maker
Antique Armoire	Talking Math for Kids	Virtual Casino
Small Refrigerator	Las Vegas Super Casino	Thermos Sports Bottles
Toasters	F/A 18: Op. Iraqi Freedom	Thermos Can Insulator
Telephone	Elvis Presley CD	Fly With Tink
DVD/VCR Combo	Kenny G CD	Harry Potter MB
Video Wave III Software	Vince Gill CD	Barbie Birthday
Spanish Instructor Software	Christmas CD	NY Times Crossword Puzzles
Jumpstart Kindergarten	John Denver/Muppet CD	Lord of the Rings: Return of the King
Barbie Kelly Club	Magnetic Dart Boards	Digital Photography for Dummies
Playstation Games		

America Online Expenditures and Long-Distance Telephone Calls

The Clerk’s Office began receiving Internet service through Louisiana Internet on November 13, 1998, and terminated those services on August 15, 2004. The Clerk’s Office now receives Internet services provided by BellSouth. On July 8, 2000, Ms. Caldwell began using the Clerk’s Office credit card to pay for America Online (AOL) services. During the period July 8, 2000, through October 17, 2004, the Clerk’s office paid \$1,038 for AOL services.

Ms. Caldwell stated that she is not knowledgeable of computers or the Internet and thought that the Clerk’s Office needed AOL in addition to the Louisiana Internet service. For 19 months, the Clerk’s Office operated without AOL, then Ms. Caldwell decided that the Clerk’s Office needed AOL in addition to Louisiana Internet.

Mr. Spencer Sevier, with Louisiana Internet, stated that he set up two computers at the Clerk’s Office to access the Internet and two e-mail addresses, one for the Clerk and one for the deputy clerks. Mr. Sevier also stated that he does not remember providing Ms. Caldwell instructions on sending or retrieving e-mail, but recalled that he instructed a deputy clerk and an



office employee on how to send and retrieve e-mail. Mr. Sevier further stated that Ms. Caldwell used the Internet and that she did not need another Internet service provider.

During the same period, Ms. Caldwell also made numerous long-distance phone calls to relatives in Kentucky, Baton Rouge, and Vicksburg. These personal long-distance calls cost the Clerk's Office \$960. All phone bills were not available for review; therefore, additional long-distance phone calls could have been made and costs not reflected in this total.

### **Business With Family Members**

During the period November 2000 through April 2001, Ms. Caldwell paid Lightning Enterprises DBA Designs by Vickie Lynn a total of \$10,388. Designs by Vickie Lynn is owned and operated by Ms. Vickie White, Ms. Caldwell's sister. Of the total, \$523 was for supplies, \$900 was for storage space rental, \$1,475 was for stationery and envelopes, and \$7,150 was for temporary office services. The remaining \$340 was for unsupported expenses.

Payments totaling \$7,150 for temporary office services are not supported by lists of names or time sheets of temporary employees. Ms. White stated that she provided staffing to the Clerk's Office for about a year while she was trying to get her flower shop business established. Ms. White also stated that she would provide the Legislative Auditor's Office with the names and time sheets of the people she staffed out to the Clerk's Office. Neither Ms. Caldwell nor Ms. White has provided the Legislative Auditor's Office with a list of the temporary employees or copies of their time sheets.

In addition, Mr. Mike Delephase with the Louisiana Department of Labor stated that Ms. White did not report any employees to the Department of Labor and Ms. Vanessa Stubblefield with the Town of Tallulah stated that Lightning Enterprises is not and was not a temporary staffing agency. Ms. Stubblefield also stated that Ms. White has an occupational license for a flower shop, which indicates the business name as Lightning Enterprises DBA Designs by Vickie Lynn. Ms. Stubblefield further stated that her records indicate that Ms. White's business has always been a flower shop.

### **Improper Use of Public Funds**

During the period January 2000 through October 2004, the Clerk's Office incurred \$1,123 in finance charges, late fees, and over the limit fees on its credit card. Had Ms. Caldwell ensured that the credit card was paid in full each month, paid the bills in a timely manner, and not overspent the account, the Clerk's Office would not have incurred any of these fees. Also, during the period September 2000 through October 2004, Ms. Caldwell used public funds totaling \$862 to pay employees additional per diem while traveling, purchased Sam's Club memberships for employees, and paid inmates for services rendered. Of the \$862, Ms. Caldwell paid \$250 for additional travel per diem, \$362 for Sam's Club memberships, and \$250 to inmates who provided services to the Madison Parish Historical Society.

## Undocumented Expenditures

During the period January 2000 through 2004, Ms. Caldwell used public funds totaling \$24,249 to purchase items for which the business purpose, necessity, and reasonableness are not documented and/or unclear. Ms. Caldwell spent public funds totaling \$17,366 on meals, groceries, snacks, disposable plates, utensils, and bottled water. She spent an additional \$6,883 on decorations, party supplies, candle holders, and fabric.

Of the \$17,366, Ms. Caldwell used \$4,475 for meals for her staff. Ms. Caldwell stated that she bought meals for her staff when court was in session because they were very busy and could not leave for lunch. She also used \$5,600 to purchase meals for herself and guests at restaurants. However, documentation indicating the business purpose and necessity of these meals could not be located. Ms. Caldwell spent the remaining \$7,291 for groceries, snacks, disposable plates, utensils, and bottled water for which the business purpose is not documented.

Forty-eight percent (\$11,665) of the \$24,249 was used to purchase items that are not supported by receipts or invoices. All of these purchases were made at various retail and office supply stores. Ms. Caldwell could not provide supporting documentation for the business purpose, necessity, and reasonableness of these purchases. Therefore, it cannot be determined if these purchases were for the benefit of the Clerk's Office.

This information has been provided to the District Attorney for the Sixth Judicial District of Louisiana, the United States Attorney for the Western District of Louisiana, the Louisiana Board of Ethics, and others as required by law. The actual determination as to whether an individual is subject to a formal charge is at the discretion of the district attorney or the United States Attorney.<sup>10</sup>

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<sup>10</sup> **Louisiana Revised Statute 14:67** 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.

**Louisiana Revised Statute 14:68** provides, in part, that unauthorized use of a movable is the intentional taking or use of a movable 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 movable permanently.

**Louisiana Revised Statute 42:1113** provides, in part, that no public servant, excluding any legislator and any appointed member of any board or commission and any member of a governing authority of a parish with a population of ten thousand or less, or member of such a public servant's immediate family, or legal entity in which he has a controlling interest shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant.

**Article 7, Section 14 of the Louisiana Constitution** provides, in part, that 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.

**18 U.S.C. §1341** provides, in part, that mail fraud is having devised or intended to devise any scheme to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises for the purpose of executing such scheme or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or takes or received there from, any such matter or thing, or knowingly causes to be delivered by mail according to the direction thereon.

**18 U.S.C. §1343** provides, in part, that whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communications in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined not more than \$1,000 or imprisoned not more than five years, or both.



The Madison Parish Clerk of Court (Clerk) should implement policies and procedures that prevent employees and the Clerk from using public funds for personal purposes. These policies and procedures should require documentation of the business purpose and necessity of each expenditure. The Clerk should also ensure that:

- (1) employees sign for uniforms when issued;
- (2) all purchases benefit the Clerk's office; and
- (3) personal long-distance phone calls are reimbursed in a timely manner.

The Clerk should also develop and implement a travel policy. The policy should include:

- (1) definition of allowable travel;
- (2) provisions for employee reimbursement whether through the use of actual expenses or per diem;
- (3) per diem rates for meals and hotels in and out of state;
- (4) mileage reimbursement rates;
- (5) guidelines for overnight travel; and
- (6) documentation supporting the business purpose of the trip.

The Clerk should reimburse all expenditures of public funds that were not for valid business purposes commensurate with the public benefit received. Finally, the Clerk should cease entering into contractual and other arrangements that are prohibited by Louisiana law.



As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. The Madison Parish Clerk of Court is elected for a term of four years.

The Legislative Auditor's Office received an allegation that the Madison Parish Clerk of Court, Ms. Carolyn Caldwell, had misappropriated, misapplied, or otherwise misused public funds. The procedures performed during this audit consisted of:

- (1) interviewing employees of the Clerk's office;
- (2) examining selected records of the Clerk's office;
- (3) performing observations and analytical tests; and
- (4) reviewing applicable Louisiana and federal laws.



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## RESULTS OF BEST PRACTICES CHECKLIST

As part of our audit, we applied our *Checklist of Best Practices in Government* and noted certain matters we want to bring to the attention of the Clerk for consideration. We offer the following comments and suggestions regarding the Clerk's lack of written policies and procedures:

1. **Collections:** The Clerk's Office collects cash and checks at the front counter for a variety of services. Funds received at the front counter are stored in an unsecured cash drawer and all office employees have access to it. Checks are also received through the mail and then kept in an unlocked desk drawer. In addition, the duties of payment collection, deposit preparation, and deposit reconciliation are not segregated.

The Clerk should establish and implement written procedures to segregate the duties of payment collection, deposit preparation, and deposit reconciliation. The Clerk should also implement a system to log all payments that are received through the mail. The person that opens the mail and logs the payments should not be the same person that posts payments or prepares the deposit. Finally, the Clerk should also safeguard these assets by using locking cash drawers and bank bags.

2. **Purchasing:** The Clerk's office does not have written purchasing policies and procedures. The Clerk should develop, adopt, and implement written purchasing policies and procedures to include the use of purchase requisitions and purchase orders. These policies and procedures should also explain the following:

- How purchases are initiated
- Approval process
- Preparation and approval process for purchase orders and requisitions
- Bid process
- When it is acceptable to obtain quotes instead of written bids

Finally, these policies and procedures should require the maintenance of documentation to support all bids, quotes, and purchases.

3. **Budgeting:** The Clerk's Office does not have written budgeting policies and procedures. Written policies and procedures should be established that will provide guidelines necessary in managing the budget. A written budget policy containing detailed procedures for preparing, adopting, monitoring, and amending the budget will help provide compliance with Louisiana Revised Statutes 39:1301-1315.
4. **Disbursements:** The Clerk's Office does not have written disbursement policies and procedures. The Clerk should develop written policies and procedures to ensure that funds are disbursed in a manner consistent with expectations and to ensure that disbursements are for the benefit of the office. This policy should also

provide for adequate documentation to support each disbursement, including the business purpose.

5. **Credit Cards and Charge Accounts:** The Clerk's Office has one credit card and several charge accounts; however, the Clerk does not have written policies and procedures to ensure their proper use. Written policies and procedures that provide guidance for the business use of credit cards and charge accounts should be established. This policy should provide for the maintenance of supporting documentation. The credit card or charge account statement alone does not provide sufficient documentation of individual purchases. The Clerk should require detailed support of each purchase to include documentation of the business purpose and necessity of each purchase.
6. **Cellular Phones:** The Clerk's Office has one cell phone that is used by Ms. Caldwell. The cell phone is used for business and personal calls. Personal calls are not reimbursed to the office. The Clerk should implement written policies and procedures for the use of the office cellular phone. The policy should require reimbursement, at a specified rate, of all personal calls. This policy should also require periodic review of the plan to determine reasonableness and adequacy. In addition, the Clerk's Office should maintain detailed cellular phone bills.
7. **Payroll and Attendance Records:** The Clerk's Office does not have written policies and procedures regarding payroll and attendance records. Employee personnel files are not up-to-date and do not contain all required documents. In addition, the Clerk's office does not have a written vacation and sick leave policy. Vacation and sick leave are taken on an as needed basis. The Clerk should commit to writing the office's established policies and procedures to ensure adequate documentation of the payroll and attendance processes. This documentation should include time reports that indicate hours worked and management's approval. The Clerk should also develop and implement policies and procedures to accurately track and maintain vacation and sick time earned and taken.
8. **Investments:** The Clerk's Office does not have written policies and procedures covering investments. The Clerk should implement written policies and procedures that detail and clarify the office's investment objectives, defines acceptable investments, and states the procedures and constraints necessary to reach those objectives. This will ensure compliance with Louisiana Revised Statute 33:2955. In addition, the Clerk should establish written procedures for ensuring that bank balances and investments are adequately secured to comply with Louisiana Revised Statutes 39:1221 and 39:1225.
9. **Accounts Receivable:** The Clerk's Office does not have written policies or procedures for collecting delinquent accounts receivable. However, the Clerk's Office has a verbal 90-day cutoff policy. The Clerk should commit to writing the 90-day verbal policy.

10. **Capital Assets:** The Clerk's Office does not have written policies and procedures pertaining to capital assets. The Clerk's office does have a list of assets which are not tagged. The Clerk should establish a written capitalization policy for recording capital assets in compliance with Louisiana Revised Statute 24:515. Capital asset records should include a description of the asset, year of acquisition, method of acquisition, cost or estimated cost, salvage value, and estimated useful life. The Clerk should also ensure that these assets are properly tagged.
11. **Ethics:** The Clerk's Office does not have a written ethics policy. Louisiana law requires compliance with the Louisiana Code of Governmental Ethics, Title 42 of the Louisiana Revised Statutes. The Clerk should adopt and implement a written ethics policy. In addition to adopting a written ethics policy, the Clerk should require annual certification letters from employees attesting to their compliance with the policy.
12. **Information Systems:** The Clerk's Office does not have a written backup contingency and recovery plan in the event of a disaster. However, the office computer systems are backed up daily by the vendor. The Clerk should implement a written backup contingency and recovery plan in the event of a disaster and test the disaster recovery process at least annually.





## Management's Response

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*Carolyn C. Caldwell*

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100 North Cedar Street  
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Tallulah, La.*

*Madison Parish  
Louisiana*

August 16, 2005

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Mr. Steve J. Theriot, CPA  
Legislative Auditor  
Office of Legislative Auditor  
P.O. Box 94397  
160 North Third St.  
Baton Rouge, Louisiana 70804-9397

RE: Audit of Certain Transactions of the  
Madison Parish Clerk of Court's Office

Dear Mr. Theriot:

On behalf of the Madison Parish Clerk of Court's Office, I would like to make the following response to your limited audit for the period of January 2000 through October 2004.

**Personal Expenditures:**

**Travel Expenses.** In June every year between 2000 and 2004, I and members of my staff, on occasions, went to the "Clerks of City Court" annual convention in Destin, Florida, and we also attended the "Nuts and Bolts Convention" for the Clerks of Court of Louisiana. The "Clerks of City Court" annual convention was for three days immediately preceding the "Nuts and Bolts Convention," which was also for three days. The last day of the "Clerks of City Court" annual convention overlapped the first day of the "Nuts and Bolts Convention." I and my staff stayed in accommodations used by other Clerks of Court and their staff. These accommodations were conveniently located to the convention venues, and permitted us to network with other Clerks of Court and their staff. My office did pay the travel, lodging and meal expenses of myself and of the members of my staff attending the annual conventions.

The Madison Parish Clerk of Court is the custodian of original handwritten public records dating back to 1834. Some of these original records are slave deeds and have significant genealogical value. Preservation of these historical records is the responsibility of the Madison Parish Clerk of Court. In September of 2003, representatives of the Madison

Parish Historical Society, a representative of the Tallulah Chamber of Commerce, a representative of the Hermione Museum, one of my deputy clerks of court and I traveled to Boston, Massachusetts to the Theodore Roosevelt Pigskin Library. We received information as to the preservation of historical documents, such as the public records of Madison Parish intrusted to the Clerk of Court, and I viewed and studied the historical documents preserved there. The expenses incurred by me and my staff member were paid by the Clerk of Court's Office. In May of 2004, I and a member of my staff, together with representatives of the Madison Parish Historical Society, traveled to Charlottesville, Virginia to the Thomas Jefferson Monticello Museum. I met with the Director of Jefferson Studies and discussed the preservation of the slave records of Madison Parish, Louisiana. I also viewed, for comparative purposes, the archive system of the Monticello Jefferson Museum. The travel, lodging and meal expenses of me and my staff member were paid by the Clerk of Court's Office.

In March of 2002, the Louisiana Clerk of Courts convention was held in Vicksburg, Mississippi for one week. This convention was hosted by the Northeast Louisiana Clerks of Court, including myself. There were several convention planning committee meetings held in Vicksburg, Mississippi which I attended. During the convention, I stayed at the Vicksburg Inn, the convention venue, as I was one of the hosts for this convention.

**Clothing and Uniform Purchases.** I have on occasions purchased clothing items for my staff to be worn while performing their duties. All of these items were given to my staff with the understanding they would be worn during working hours. Some of these clothing items were the more conventional "uniform" in appearance, and others were business dresses and suits appropriate for my staff and our working environment.

**Miscellaneous Purchases.** At one time during the period of your partial audit, all of my staff were single mothers. On occasions they had to work over time, and the DVD's and CD's were purchased to entertain the children of my staff while my staff worked over time. Other games and materials were purchased for the entertainment of the children of my staff, while my staff worked over time. The "small refrigerator" was purchased and placed in the courthouse annex in the microfilming room. The antique armoire is used as a filing cabinet in the Clerk's Office. Thermos can insulators were purchased for each of my staff for their use to avoid damage to the desks and papers. All of these items, other than the perishable items, are still in the Clerk of Court's office, the courthouse or the annex.

As you are aware, each year my office is audited by an independent private auditor. Your office receives copies of these Annual Independent Auditor's Reports. None of these Independent Audit Reports prepared and filed during the period of your inquiry indicated any improper practices by me or by my office. Nevertheless, the independent auditor and I have reviewed your "Recommendations" and "Best Practices" and many of those have now been implemented in my office. The procedures we have adopted have been shared with you, and we have made revisions to our collections practice, purchasing procedure, disbursements procedure and other internal accounting procedures. The independent auditor for my office and I are also reviewing and revising other internal procedures to assure documentation for disbursements. All of the disbursements discussed in your

report were reasonable and for business purposes of my office. However, I acknowledge some improvement in our documentation of expenses and disbursements was needed and was appropriate. We are making those improvements, and I appreciate your bringing these suggestions to my attention.

I look forward to a continued working relationship with your office to improve the record keeping of my office.

Very truly yours,

A handwritten signature in cursive script, reading "Carolyn Caldwell". The signature is written in black ink and is positioned above the typed name.

CAROLYN C. CALDWELL  
Clerk of Court, Sixth Judicial District Court  
Madison Parish