DISTRICT ATTORNEY FOR THE 31ST JUDICIAL DISTRICT COURT

COMPLIANCE AUDIT
ISSUED MAY 7, 2008

LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

May 7, 2008

THE HONORABLE MICHAEL C. CASSIDY
DISTRICT ATTORNEY FOR THE
31ST JUDICIAL DISTRICT COURT
Jennings, Louisiana

We have audited certain transactions of the District Attorney for the 31st Judicial District Court. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the propriety of certain financial transactions.

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 District Attorney office's financial statements or system of internal control nor assurance as to compliance with laws and regulations.

The accompanying report presents our findings and recommendations as well as management's response. This correspondence is intended primarily for the information and use of management of the District Attorney for the 31st Judicial District Court. Copies of this report have been delivered to the Louisiana Attorney General and others as required by law.

Respectfully submitted,

Steve J. Theriot, CPA
Legislative Auditor

TAB:GD:DD:dl

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From December 2004 through August 2007, the District Attorney (DA) for the 31st Judicial District, Michael Cassidy, and other employees of the DA's office incurred approximately $119,855 in travel expenses that appear to be either excessive or have no business purpose. In addition:

1. **Approximately $93,722 in public funds was donated to nonprofit organizations and other governmental entities without supporting documentation indicating the public purpose for those donations.**

2. **Approximately $3,045 of alcoholic beverages was purchased by employees with public funds.**

3. **Approximately $3,770 in public funds was used to purchase food for office Christmas parties.**

4. **Mr. Cassidy used public funds for $1,116 to purchase eight knife gift sets for employees of the office.**

Background

We received allegations that travel expenses for the DA's office were excessive. We, therefore, began a forensic review based on these allegations. From December 2004 through August 2007, we identified 32 out-of-town trips with approximately $119,855 of travel expenses that appear to be either excessive or have no business purpose. The excessive and nonbusiness travel expenses are categorized as follows:

- Personal travel paid for with public funds
- Excessive hotel rates
- Extended hotel stays
- Unwarranted per diem expenses
- Undocumented expenditures
- Purchases of airline tickets for nonemployees

In addition, we noted a number of other improper expenses, including undocumented donations, alcohol purchases, expenditures for Christmas parties, and the purchase of knife sets as gifts to employees.

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Personal Travel by District Attorney

During our audit period, we noted that Mr. Cassidy charged $3,575 to his office credit card for portions of four out-of-state trips. There appears to be no public purpose or significant public benefit for these trips. Each trip is described below.

Atlanta, Georgia - December 29, 30, 31, 2005

Mr. Cassidy charged $910 to his office credit card for purchases that include two meals, a fuel purchase, and lodging. In a written response to the local auditor, Mr. Cassidy stated that the public purpose for this trip was to attend a White Collar Crime Conference sponsored by the National District Attorney's Association (NDAA). We spoke with a representative of the NDAA who informed us that the NDAA did not sponsor any event in Atlanta in December 2005.

During an interview, Mr. Cassidy contradicted his previous reason for the trip and stated that the public purpose of the Atlanta trip was a conference sponsored by the Louisiana District Attorney's Association (LDAA). We spoke to a representative of the LDAA who informed us that the LDAA has never sponsored a conference in Atlanta, Georgia. Mr. Cassidy explained further that while in Atlanta, he attended the Peach Bowl football game between LSU and the University of Miami.

Indianapolis, Indiana - March 31, 2006, through April 2, 2006

Mr. Cassidy charged $527 to his office credit card for purchases that include gas, meals, and lodging. According to Mr. Cassidy, the purpose of the trip was to see LSU play in the NCAA Final Four Basketball Tournament. When shown documentation of these expenses, Mr. Cassidy stated that the charges should have been made on his personal credit card and that he would check to see whether he had reimbursed the office for these expenses.

On July 27, 2007, Mr. Cassidy reimbursed the office $505 for expenses related to this trip. He did not, however, repay $22 for a meal in the RCA Dome on the day of LSU's game. According to Mr. Cassidy, while waiting in line for food at the game, he had a business-related conversation with Mr. Richard Arceneaux who is an assistant district attorney in his office.

Austin, Texas - April 15, 16, 17, 18, 19, 2005
and March 17, 18, 19, 2006

Mr. Cassidy charged $944 and $1,194 to his office credit card for the April 2005 and March 2006 trips to Austin, Texas, respectively. The expenses included hotel charges and meals. According to Mr. Cassidy, the trips were for his wife to participate in cycling events in Texas that raised money for charities. Documentation indicates that Mr. Cassidy used public funds to pay for two meals during the 2005 trip. Notations on receipts for these two meals indicate that during one meal, he met with the former director of the Texas District Attorney's Association and discussed diversion programs and youth events. During the other meal, he met with the organizers of the cycling event and discussed fundraising ideas for youth programs. During the 2006 cycling event, Mr. Cassidy stated that he discussed alternative activities for teens and fundraising programs with the mayor of Houston who was also participating in the cycling event.

Mr. Cassidy requested no per diem for these trips. He stated that he requests no per diem when the original purpose of travel is not business-related at the time of his departure. However, when a business purpose arises during the trip, he feels justified in paying for the entire trip with public funds. He stated that there may be a "question of reasonableness" for such a practice.

Based on documentation and his explanation for the expenditures, it appears that Mr. Cassidy spent $3,575 in public funds for his personal benefit and in violation of state law.[1]

Excessive and Nonbusiness Related Hotel Charges

During our review of out-of-state conference travel, we determined (1) employees were allowed to spend public funds on excessive hotel rates, (2) employees unreasonably extended their hotel stays outside of conference starting and ending dates, and (3) the DA office's written travel policy gave no guidance on allowable expenditures and expenditure limits.

Excessive Hotel Room Rates

To evaluate the reasonableness of hotel rates incurred during out-of-state conferences, we used the lowest available conference room rate offered to the DA's office by the conference hotel. We compared these conference room rates to the actual room rates incurred by Mr. Cassidy and his staff. In instances where no conference room rate was available, we used the average rate offered by comparable hotels in the vicinity. Using these two bases of comparison, we were able to evaluate the reasonableness of the hotel rates incurred by Mr. Cassidy and his staff.

Our comparison indicates that 10 DA employees participated in 27 out-of-state conferences where they incurred excessive hotel room rates of approximately $48,417. The excessive hotel rates can be illustrated through Mr. Cassidy's attendance at the 2006 LDAA 31st Annual Conference in Destin, Florida. Mr. Cassidy incurred four nights lodging to attend this conference. He stayed in a three-bedroom suite at the Tops'l Beach

[1] **R.S. 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.
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.

and Racquet Resort where his hotel rate for the first three nights, including tax, was $699.02 per night. His rate for the fourth night, including tax, was $626.78. Using the lowest available conference rate, including tax, which was $243.09 per night, the hotel expense for this trip would have cost $972.36 ($243.09 x four nights). The actual hotel expense for these four nights was $2,723.84 ($699.02 x three nights plus $626.78 for the fourth night). The difference of $1,751.48 ($2,723.84 - $972.36) appears to be an excessive hotel rate expense.

According to Mr. Cassidy, he sets no limit on the amount employees can spend for lodging. He added that employees stay in two and three-bedroom units because hotels in the area they choose do not have single room units. During conferences held in Destin, Florida, we noted that Mr. Cassidy and his employees stayed either at the Sandestin Golf and Beach Resort or the Tops'l Beach and Racquet Resort. Both resorts offer one-bedroom units that cost significantly less than the two and three-bedroom units acquired by Mr. Cassidy and his staff.

For example, the 2006 LSBA Summer School for Lawyers Conference in Destin offered conference hotel rates at the Sandestin Golf and Beach Resort that ranged from $139 a night for a single hotel room to $634 per night for a beachfront, three-bedroom suite. Mr. Cassidy, however, chose a three-bedroom suite for $746 per night, not including tax. It should be noted that conferences held in Destin accounted for 25 of the 27 out-of-state conferences where excessive hotel rates appear to have been incurred by Mr. Cassidy and his employees.

According to Attorney General Opinion 03-0157 ". . . Providing exclusive or luxurious accommodations for attendance at a conference, when safe, reasonably priced accommodations could instead be provided, would be unreasonable . . ." The use of public funds to pay hotel rates that appear unreasonable may be a violation of Article VII, Section 14 of the Louisiana Constitution which 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."

Extended Hotel Stays

We identified approximately $31,695 in extended hotel stays with no identifiable business purpose. This amount consists of the hotel lodging expenses of DA employees who either arrived unreasonably early before the start of the conference or extended their hotel stays past the conference ending dates. These trip extensions ranged from one to as many as three nights. Our review shows that during the period covered by our audit, 10 DA employees incurred hotel lodging expenses on days when there was no legitimate purpose for doing so.

Our determination of the proper arrival and departure times for out-of-state conference attendance is based on an assessment of the most prudent manner of travel. For example, if an employee attended a conference in Destin, Florida, that began at 3 p.m., we allowed travel and a night's lodging on the prior day since the travel time between Jennings, Louisiana, and Destin, Florida, is approximately eight hours. Conversely, we decided that an employee attending a conference in Destin, Florida, that ended at noon would travel home that day to avoid the expenses associated with an additional night's lodging.

Again, the hotel extensions can be illustrated with reference to Mr. Cassidy's attendance at the 2006 LDAA 31st Annual Conference in Destin, Florida. The conference ended at 3 p.m. on August 1, 2006. Mr. Cassidy's hotel invoice indicated that he stayed three additional nights at the Tops'l Beach and Racquet Resort - August 2 through August 4. These three nights of lodging were reserved through Mr. Cassidy's office-issued credit card and paid for with public funds. Based on the actual hotel expense of $658.48 per night (including tax and a reservation fee), this extension cost the DA's office $1,975.44 ($658.48 x three nights). The $1,975.44 appears to be an expenditure of public funds for personal purposes.

Mr. Cassidy stated that he approves conference lodging and per diems for employees who arrive before the conference or stay after the conference. He classifies the expenses associated with this practice as a "fringe benefit." According to Mr. Cassidy, his employees are underpaid and he puts together a "package" to hire them. Allowing them to stay at conference locations outside conference dates and receive per diems on these days is part of this package. The value of these "fringe benefits," however, is not recorded on the employee's earnings to the Internal Revenue Service. In addition, Mr. Cassidy does not require the employees to take leave for these days.

Based on conference agendas and Mr. Cassidy's stated travel policy, it appears that Mr. Cassidy approved $31,695 in hotel expenses unrelated to any legitimate public purpose. The use of public funds to pay for hotel rooms unrelated to any legitimate public purpose may be a violation of state law.[1]

Excessive Per Diem Expenses

The term "per diem" is typically understood to be a reimbursement to public employees for the cost of meals only. For example, the state travel regulations allow a maximum of $51 per day as reimbursement to public employees for the cost of meals; the cost of incidentals such as parking and tips are reimbursed on an actual cost basis to the employee. According to Mr. Cassidy, his office provides a $100 per diem to cover the costs of meals and travel incidentals of employees who are traveling. Also according to Mr. Cassidy, the per diem is spent at the discretion of the employees for meals and whatever they consider to be travel incidentals.

During our review of out-of-state conference travel, we noted (1) employees were paid $100 per diems but were also allowed to charge meals/beverages to public credit cards and hotel rooms, (2) per diem funds were spent on travel incidentals that appear personal in nature, and (3) employees received per diem funds unrelated to any legitimate business travel.

Per Diems for No Associated Expenses

We identified approximately $22,900 of per diem allowances given to DA employees for travel to and attendance at out-of-state conferences. During our review, we identified approximately $20,477 of additional meal/beverage purchases made on office-issued credit cards or charged to hotel rooms during these same conferences. Only four of these additional meal/beverage purchases appear to have had a documented public purpose. In these four instances, the documented public cost appears incommensurate with any potential public gain.

For example, in June 2007, Mr. Cassidy incurred a $2,678 expense for one meal during his attendance at the Nuts and Bolts Conference in Destin, Florida. The receipt for the meal indicates that six employees plus their families attended. Entrees for this meal were as high as $85. Alcohol purchases for this meal were $409. Although a handwritten memo on the receipt indicates that this meal was for "office policies, conf-classes, etc.," the meal expense appears to be disproportionate with any public benefit received, and there is no public purpose for purchasing food and alcohol for family members. Three of the six employees who attended this meal received a $100 meal per diem for the day. In addition, no documentation indicates that the other three employees were registered for this conference.

Per Diems for Personal Purchases

According to Mr. Cassidy, the per diem is money for the employees to spend on whatever they want. Mr. Cassidy added, however, that employees are required to submit receipts to the office supporting their per diem expenses.

The DA's office did not maintain supporting documentation for all per diem expenses. During our review of available documentation, we found instances where per diem funds were spent on items such as glassware, shoes, dresses, toys, a stroller, baby clothes, jewelry, a compact disc player, books, and ski packages. Based on our review, the per diem funds given to DA employees do not appear to have been used consistently for legitimate business travel incidentals.

Per Diem Expenses for Personal Travel

DA employees also received per diem expenses on days when no legitimate public purpose was served. As noted previously, DA employees routinely arrived one or more days either before conference starting dates or stayed one or more days after conference ending dates. During our review, we noted a total of $5,700 in per diem expenses that could not be justified by any legitimate public purpose such as conference attendance or travel to and from conference sites. The $5,700 appears to be an expenditure of public funds for personal purposes.

As previously mentioned, Mr. Cassidy characterizes these per diem expenses as a "fringe benefit" although they are not reported to the Internal Revenue Service as income. Based on our audit, it appears that Mr. Cassidy approved $5,700 in per diem expenses unrelated to any legitimate public purpose. The use of public funds to pay per diems unrelated to any legitimate public purpose may be a violation of state law.[1]

Other Undocumented and Personal Travel Expenses

During our audit, we identified approximately $5,587 in additional credit card or room charges incurred by DA employees that appear to have no documented public purpose. These expenses include golf expenses, beach chairs, towels, pool fees, spa charges, ski lift tickets, and gift shop purchases. These charges are not supported by any documentation showing the public purpose of the expenses. According to Mr. Cassidy, his independent certified public accountant told him that rentals of beach chairs and umbrellas were acceptable because these services are included as resort fees. These purchases may be a violation of Article VII, Section 14 of the Louisiana Constitution.

Airline Ticket Expenditures for Nonemployees

During our audit, we noted instances where airline tickets were purchased with public funds for nonemployees--specifically spouses, children, and friends of employees. During the time frame of our audit, the DA's office spent $4,406 in public funds on airline tickets for non-employees. Based on our review, we identified six instances where the DA's office paid for airline tickets for nonemployees. Mr. Cassidy stated that he approved the expenditures.

The use of public funds to pay for airline tickets of nonemployees as well as other personal expenses can be illustrated by reference to First Assistant Bennett Lapoint's February 2007 attendance at the 34th Annual Louisiana Association for Justice Winter Ski Seminar in Aspen, Colorado. Mr. Lapoint used public funds totaling $2,469 to purchase three roundtrip airline tickets for his family. These three tickets were purchased in January 2007 with Mr. Lapoint's office-issued credit card. In July 2007, Mr. Lapoint reimbursed the office for the cost of the two airline tickets totaling $1,646; he did not reimburse the office for the cost of the third airline ticket.

In addition, in December 2006, Mr. Lapoint purchased two other roundtrip airline tickets to this conference for $1,404. These two tickets were not used nor was the cost of these tickets credited back to Mr. Lapoint's office-issued credit card. According to Mr. Lapoint, he initially purchased the two tickets for himself and one family member. Later, he decided to take his entire family and purchased four new airline tickets. When asked why the two initial airline tickets were not credited back to his office-issued credit card, Mr. Lapoint responded that the finance director and Mr. Cassidy review the credit card charges, and he assumed that they ensured credit was made to the account. Mr. Lapoint incurred expenses totaling $7,453 for this trip and are detailed as follows:

- $1,646 for two airline tickets[2]
- $3,549 for eight nights of lodging
- $800 in per diem expenses
- $492 for conference registration
- $494 for ski equipment rental and ski lift tickets
- $348 for two meals in Aspen, CO
- $37 in hotel phone charges
- $54 for parking in Houston, Texas
- $33 for fuel

Based on our review, the trip should have cost approximately $3,542 broken out as follows: $1,540 for hotel charges (five nights at $308 per night based on an average rate for comparable hotels in the vicinity); $823 for one airline ticket; $600 for meal per diems ($100 per day for six days); $492 for conference registration; $54 for parking; and $33 for fuel.

According to Mr. Cassidy, the public purpose of paying for airline tickets of non-employees is that employees are happier and perform their jobs better if they are allowed to travel with their friends and family members.

Based on our audit, Mr. Cassidy approved $4,406 for airline tickets for nonemployees. According to Attorney General Opinion 90-519, such use of funds for "airplane tickets, increased room rate, meals, etc." for spouses "would constitute a prohibited donation of public funds and be an unconstitutional expenditure under La. Const. Art. VII & 14 (1974)." The DA's office policy of paying for the airline tickets of nonemployees to accompany employees on business travel may therefore violate Article VII, Section 14 of the Louisiana Constitution because there is no legitimate public purpose involved in these expenditures. In addition, these purchases may violate state law.[1]

Donations With No Documented Business Purpose

From January 2005 through December 2007, the DA's office donated $93,722 in public funds to various public and private organizations. During our audit, we were not provided with sufficient documentation to properly evaluate the potential public benefit derived from these expenditures.

Without sufficient documentation we cannot determine the constitutionality of these expenditures.

[2] Does not include the two unused airline tickets

Public Funds Used for Alcohol Purchases

During our audit period, we identified approximately $3,045 of alcohol purchases that were made either on office-issued credit cards or charged to hotel rooms paid for with public funds. Mr. Cassidy explained the alcohol purchases by stating that he does not prevent anyone he is having a business meal with from having an alcoholic beverage with their meal because that would defeat the purpose of the meal, which is to conduct business. It should be noted that approximately 61% of the documented expenditures for alcohol are supported by receipts that indicate only DA office employees and/or family members were present. The DA's office policy manual explicitly prohibits employees from consuming alcohol in any form while on duty or during office hours or lunch breaks.

The attorney general has historically opined that the purchase of alcohol with public funds is not a reasonable expense and may be a violation of Article VII, Section 14 of the Louisiana Constitution.[3]

Public Funds Used for Christmas Parties

It is the practice of the DA's Office to hold an annual gathering at the end of each year, usually at a restaurant or an employee's home, where employees are served a meal with their choice of beverage, including alcohol. Public funds spent on these meetings in 2004, 2005, and 2006 totaled $3,770, excluding alcohol.

According to Mr. Cassidy, these gatherings are for his staff to discuss the good and bad things that happened during the year and how improvements can be made. The spouses of employees are allowed to attend so they can learn what the employees do at work and understand why the employees come home "stressed" at times. Mr. Cassidy described the meetings as "mandatory". Employees are compensated with food instead of salary during these gatherings.

Although Mr. Cassidy asserts that these meetings were business related, the timing of the events (during the holiday season), the presence of spouses, and the consumption of alcohol all suggest that the events are celebratory in nature. AG Opinion 03-0157 provides, in part, "The Office of the Attorney General has historically opined that the payment or reimbursement for food, drink, or the expenses associated with parties and other types of celebratory functions, from public funds, is improper."

The use of public funds to pay for "end-of-the-year" gatherings that appear to be celebratory in nature may be a violation of Article VII, Section 14 of the Louisiana Constitution.

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[3] **AG Opinion 96-458** provides, in part, that "the system [Southern University System] should refrain from the use of public funds for the purchase of alcoholic beverages."
AG Opinion 99-358 provides, in part, that "it is the opinion of this office that the Commission can use its funds to host a luncheon for the dignitaries enumerated above under the following conditions: . . . public funds are not used for the purchase of alcohol."
AG Opinion 90-63 provides, in part, that "the expense must be reasonable for your purpose of providing a convenient place for clerks and their deputies to meet and talk. Champagne, alcoholic beverages, and caviar are unreasonable; coffee, soft drinks and doughnuts are reasonable."

Knife Gift Set Purchases

During our audit, we noted an October 4, 2006, purchase totaling $1,116 for Cutco Cutlery knife gift sets. The invoice indicates that the purchase was for eight carving knife sets (each set included a knife and a turning fork) and two super shears or scissors. There was no documented explanation of the business purpose of this purchase.

During a July 25, 2007, conversation with Mr. Cassidy, he explained that the knives were purchased for use in the office kitchen. We inspected the office kitchen and found only one knife and one turning fork, neither of which was a Cutco brand nor matched the invoice description.

On September 17, 2007, we asked Mr. Cassidy to show us the knife sets purchased by his office. Mr. Cassidy presented a set of black-handled steak knives and a chef's knife that were Cutco brand. We explained to Mr. Cassidy that these were not the items listed on the invoice. Mr. Cassidy responded that the invoice was wrong. We also asked Mr. Cassidy why the invoice indicated the knives were delivered to his home address. Mr. Cassidy responded that Cutco does not deliver to post office boxes. We spoke to a Cutco representative who informed us that they do deliver to post office boxes.

On October 15, 2007, Mr. Cassidy informed us that he was wrong about why the knives were purchased. He stated that his wife suggested he purchase Cutco gift sets for his secretaries and that she mistakenly paid for the gift sets with his office credit card. Mr. Cassidy purchased the knife gift sets from his son who was a Cutco representative. On October 15, 2007, Mr. Cassidy reimbursed the DA's Office for the cost of the knife gift sets. However, the use of public funds for the initial purchase of gifts for employees appears to be personal in nature and may be a violation of state law.[1] Moreover, the use of public funds to make a purchase from an immediate family member may be a violation of the Louisiana Code of Governmental Ethics.[4]

Reimbursement of Public Funds by Employees

During our audit, three employees made reimbursements to the DA's office for travel expenses. Mr. Cassidy repaid approximately $11,714. This amount included expenses associated with certain out-of-state trips such as the Peach Bowl in Atlanta, Georgia, and the Final Four Tournament in Indianapolis, Indiana, as well as credit card purchases for golf, meals, and hotel expenses. Mr. Lapoint repaid approximately $1,646 as reimbursement for airline tickets purchased for his children to travel to Aspen, Colorado, in February 2007. Assistant District Attorney Kevin Millican repaid approximately $331 for food, beverage, and racquet rental charges at the 2007 LDAA Conference.

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[4] **R.S. 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.

Internal Control Weaknesses

During our audit, we noted several internal control weaknesses, including an inadequately written travel policy; the use of multiple credit cards by office employees; and undocumented credit card purchases. These weaknesses are described as follows:

Inadequate Travel Policy

The DA's office did not have a comprehensive, written travel policy during the time frame of our audit. The office policy manual provides some limited guidance on vehicle use, requests for training funds, and expense reimbursement. However, there is no guidance on key issues such as proper approval of expenses, allowable expenses, payment methods, and documentation of expenses.

Based on our discussions with Mr. Cassidy, it appears there are some vague rules regarding allowable travel costs. For example, Mr. Cassidy allows employees only one out-of-state conference a year. In addition, Mr. Cassidy explained that employees should not use their office-issued credit cards to purchase meals for their families. During our audit, however, we identified instances where employees participated in more than one out-of-state conference per year. In addition, an employee explained to us that Mr. Cassidy allows them to eat at a nice restaurant with their families one night during conference weeks. These costs are covered by public funds.

The lack of a comprehensive, written travel policy contributed significantly to the travel abuses described earlier in this report. The examples described above suggest that office travel policies are not being communicated to staff effectively. Verbal instructions do not appear to be sufficient to ensure uniformity of actions and employee accountability.

Improper Use of Multiple Credit Cards

The DA's office pays for most of the travel expenses for office employees through office-issued credit cards. Consequently, the majority of the improper travel expenses identified in this report were paid for through office-issued credit cards. The DA's office has no written policy governing how the credit cards are to be used. As a result, it is unclear who is authorized to have credit cards, what credit card purchases are allowable, who approves purchases on the cards, and how the purchases are to be documented.

The DA's office issued 16 credit cards to six employees. Six credit cards were issued to Mr. Cassidy and the other five employees were issued two cards each. According to Mr. Cassidy, he and the other employees needed multiple credit cards because they had to pay the travel expenses of employees without cards and these charges sometimes exceed the credit limit on one card. Mr. Cassidy added that he and the finance director review all credit card purchases.

During our audit, we noted many travel expenses on the credit cards that did not appear related to the travel of the person identified on the card. In some instances, it was impossible to identify which employee incurred these expenses. We also noted instances where the review process did not identify purchases that are clearly improper, such as the Cutco knives and the airline tickets for nonemployees. The use of multiple credit cards limits accountability because individual purchases cannot be readily linked to the employee that incurred the charge.

Undocumented Credit Card Purchases

During the time frame of our analysis, office-issued credit cards were used in 1,041 transactions. No receipts were submitted for 245 or 24% of these transactions. No public purpose was documented for 624 or 60% of the transactions. According to Mr. Cassidy, he was unaware that credit card charges should be supported with itemized receipts and documented business purposes. The lack of proper documentation for the credit card purchases contributed significantly to the travel abuses described in this report.

This report has been provided to the Louisiana Attorney General and the Louisiana Board of Ethics. The actual determination as to whether an individual is subject to formal charge is at the discretion of the attorney general.

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The DA's office should consider implementing the following recommendations to ensure that public funds are expended in accordance with law and management policy:

1. Develop a comprehensive, written travel policy. The policy should clearly identify allowable expenses, approval procedures, payment methods, and documentation requirements. The allowable expenses should be reasonable and clearly stated. The policy should also be flexible enough to allow exceptions if circumstances demand and the exceptions are documented properly.

2. Develop a schedule for acceptable hotel rates for out-of-state conference travel. During our audit, we noted that hotel charges by employees of the DA's office appeared to be excessive. According to Mr. Cassidy, there is no standard that limits what employees can spend on hotel accommodations. The lack of a reasonable limit for hotel accommodations allows for abusive spending.

3. Reduce the $100 per diem rate to a more appropriate level and limit it to meals only. This rate is two to three times the rate that governs all state employees including department heads. Receipts supporting these per diems indicate that considerable sums were spent on obviously nonbusiness incidentals, such as ski lift tickets. These purchases suggest the current per diem rate provided by Mr. Cassidy allows for abusive spending.

4. Clearly define allowable travel expenses for out-of-state conference travel. During our audit, we noted numerous room charges paid for with public funds for items such as beach chairs, pool fees, and golf fees. Such expenditures do not appear to be business related and should not have been allowed. The definition of allowable travel expenses should be stated precisely in the travel policy.

5. Discontinue the practice of providing employees hotel and per diem expenses outside conference dates. Public funds of $37,395 were spent on this practice during the time frame of our audit. There is no justification in state law for the expenditure of public funds to employees when no public service is being performed.

6. Discontinue the practice of providing airline tickets for nonemployees. Public funds of $4,406 were spent on this practice during the time frame of our audit. There is no justification in state law for the expenditure of public funds for non-employees who perform no services for the office.

7. Document all credit card purchases with itemized receipts and written explanations for the public purpose of the expenditure. During our audit, we noted numerous credit card purchases, especially meals, where there were no receipts or documented public purpose. Meal purchases in particular should be supported by itemized receipts that clearly indicate who participated in the meals and the public purpose for the meals.

8. Discontinue the practice of using multiple office-issued credit cards to pay for the travel expenses of employees. This arrangement hinders accountability because credit card charges are typically made before being approved and are not easily assignable to individual employees. A reimbursement system based on requests for reimbursement submitted after the travel is more accountable. This will help ensure that all travel expenditures are properly documented and reviewed before approval. For employees without sufficient income to pay for travel costs, a system of travel cost advances should be developed.

9. Discontinue the practice of purchasing alcohol with public funds. During our audit, we noted meals purchased with public funds that included substantial quantities of alcohol. For example, one meal in Destin, Florida, attended by employees and family members included over $400 of alcohol. These alcohol purchases appear gratuitous and call into question the business purpose of such meals. The office should develop a comprehensive written policy that clearly prohibits the purchase of alcohol with public funds.

10. Prohibit the use of office funds for office Christmas parties. During our audit, we noted that public funds were used to purchase meals including alcohol for employees and their families. Mr. Cassidy described these events as staff meetings; however, the timing, presence of spouses, and consumption of alcohol suggest that the primary purpose was celebratory in nature.

11. Ensure the public purpose of all donations is properly documented. Proper documentation is necessary to ensure that the public purpose is commensurate with the expenditure of public funds.

Under constitutional provisions and R.S. 15.571, the office of the district attorney is established within each judicial district. The district attorney serves a term of six years and takes office on the first day of January following the election.

As provided by R.S. 16:1, the district attorney represents the state in all civil actions, is in charge of every criminal prosecution by the state in his district, is the representative of the state before the grand juries in his district, and is the legal advisor to the grand juries. In addition, the district attorney can ex officio be the regular attorney and counsel for the police jury, the parish school board within the district, and all state boards or commissions domiciled therein the members of which, in whole or in part, are elected by the people or appointed by the governor or other prescribed authority.

The jurisdiction of the District Attorney for the 31st Judicial District is comprised of Jefferson Davis Parish and the office is located in the parish courthouse in the city of Jennings. The staff of the district attorney is made up of 15 employees, including the district attorney, four assistant district attorneys, two investigators, an investigative assistant, a victim's coordinator, and six clerical personnel.

The procedures performed during this examination consisted of:

(1) interviewing employees and officials of the District Attorney's office for the 31st Judicial District Court;

(2) interviewing other persons as appropriate;

(3) examining selected documents and records of the District Attorney's office for the 31st Judicial District Court;

(4) performing observations; and

(5) reviewing applicable state laws and regulations.

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Management's Response

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RICHARD M. ARCENEAUX
ASSISTANT DISTRICT ATTORNEY
CHRIS A. MYERS
INVESTIGATIVE ASSISTANT
RODNEY M. STEED
ADMINISTRATIVE ASSISTANT

April 28, 2008

Steve J. Theriot, CPA
Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana, 70804

Re: Compliance Audit Findings
District Attorney's Office for the
31st Judicial District

Dear Mr. Theriot:

In accord with our meeting of March 24, 2008, I tender an initial response to the compliance audit findings related to the District Attorney's Office for the 31st Judicial District. As you can see, we have made substantial progress toward clarifying a significant number of the areas to which our attention has been brought. However we re-urge our request for additional time to complete this effort. If it does anything, this initial response demonstrates that, with adequate time allowed, many of the areas of criticism can be explained and rectified. I respectfully request that the Legislative Auditor report state, at each specific area of criticism or question, whether I have made reimbursement and, if so, state the amount of reimbursement *at that part of the report* and whether said reimbursement was made prior to the draft. Your earliest response to our request will be most appreciated.

I am disappointed by the mistakes and findings described in your report. I should have given more time and attention to some of the financial aspects of this office. While I disagree – strongly in some cases – with certain aspects of the report, the bottom line is that we have to make changes to these policies. Implementation of these changes is already underway.

I want to be clear about three things:

First, it was never my intention to overstep the trust, discretion, or authority placed in me as district attorney. More than anything else, my broad conference travel policies have been motivated by a desire to create a good work experience for staff members, who truly are overworked and underpaid. I also want to have a well trained staff to deal with the critical issues we face everyday. Though I now realize this was not an acceptable practice, I saw the opportunity for our staff to attend professional conferences and to travel in some comfort as a way to express appreciation for a job well done and to retain good people, keeping them happy and motivated. If members of my staff have spent more on travel than they should, it is not their fault, but mine. I am the one who set the policies and had the responsibility of approving the expenses.

The second point I want to make is that I, too, have traveled in a manner inconsistent with guidelines for state employees, even though these guidelines are not applicable to the district attorney's office. Nonetheless, I apologize for that. This office staff has worked hard to recover significant sums of money through the confiscation of proceeds from drug dealers. These funds were a source for these seminar expenses. But these funds are also public money that should be treated with frugality and respect. Whether this office could afford certain expenses is really not the sole question.

Reading in black and white about some of these expenses, I can see now that some of these expenses may not be considered reasonable. To that end, I have personally reimbursed the District Attorney's Office by nearly $12,000. Further, I now understand that a personal trip should not be converted into a business trip, even though office business is conducted.

The final point I want to make is that, other than traveling in a more expensive style than we should, neither I nor any employee personally profited from these conference travel policies. These expenses were incurred at legitimate seminars. Yet, significant funds were spent on lodging and other travel-related expenses. The only significant reference in the report to a tangible purchase was a mistaken use by me of the office credit card for something that was clearly personal and for which I had intended to use my personal card. That charge was immediately reimbursed, once it was called to my attention. Still, the report, properly criticizes it.

Going through the auditing process with the Legislative Auditor's Office has been a difficult and humbling experience. It's good that we have an office like yours to monitor public servants. The report is mainly accurate, and it would serve no purpose to debate your interpretation of guidelines or the standards you chose to apply to this office.

I have prepared the following summary that addresses the findings in the report, and you will see that I do not agree with everything therein. Specifically, I strongly object to the findings about this office's contributions of drug forfeiture funds to local youth organizations. So that the public can be assured that this office's practices have been tightened and made more frugal, I want you to know about some of the steps being implemented.

For example, from now on, employees attending professional conferences – including the District Attorney – will only be reimbursed for lodging at the conference rate offered by the hotel selected by the sponsors of the conference. Per diem expenses have been limited and defined, and per diem rates have been reduced. Most office credit cards have been destroyed, and personal credit cards may be used only pursuant to a formal, written reimbursement procedure requiring supporting documentation. There will be a limited number of office credit cards, and they will not be allowed to physically resemble personal credit cards. Supporting documentation will also be required.

I have been the district attorney in the 31st Judicial District for almost 18 years, and I want to continue to serve as district attorney. My record of handling all cases fairly and professionally speaks for itself. I have increased the surplus of this office from $70,000 to

$700,000. During this time, substantial funds have been seized from drug dealers and properly provided to local community organizations for the public good.

As with any leader, a huge part of my success has been the recruitment, development and retention of great people. I am grateful for their hard work and sacrifices. We will use this experience as an opportunity to increase the professionalism of our office and to improve our policies and practices. This office has adopted policies and procedures that will assure the public that public funds are managed in the most appropriate method.

I personally pledge to you and the fine people of Jefferson Davis Parish that I will renew my efforts to be the best district attorney I can possibly be and to manage an office known for its competence and its adherence to the highest ethical standards.

Personal Travel by District Attorney Michael Cassidy

Atlanta, Georgia – December 29, 30, 31, 2005

During the initial interview with your office, I was questioned without prior notice or an opportunity to review the receipts or my calendar. I attempted to answer your questions in good faith without making reference to these materials to refresh my memory. I erroneously assumed this trip to have been the White Collar Conference which occurred earlier in 2005. However, after checking my calendar later that evening, I discovered my error in timing. I immediately informed your staff of my error the next morning and gave a full explanation of this trip. Your office investigated the purpose of this trip during that evening, but it had no bearing on my correction, as alluded to within your report. The conversation did not happen as the report suggests. I acknowledged that I must have used the office credit card by mistake, and/or I believed some of the expenses incurred were legitimate business expenses, even though they were incurred on a personal trip. It should be noted that I personally reimbursed the District Attorney's office for the entire cost of this trip, except for the $142.80 cost of a meal during which I discussed a police jury matter with a local contractor.

Indianapolis, Indiana – March 31, 2006 through April 2, 2006

As described in your report, I was under the impression that I had used my personal credit card to pay for this trip. It should be noted, as it was explained to your staff, that my personal credit card was very similar in appearance to the corporate card used by this office. I was shocked and embarrassed to learn that I had used the office card by mistake. This problem has been rectified. However, upon your office pointing out my error, I reviewed the receipts, and as noted within your report, I personally reimbursed the District Attorney's office for all but $22 of this trip. The remaining charge in question is related to an informal meal with Mr. Richard Arceneaux, an Assistant District Attorney with my office. Mr. Arceneaux does not have an office within my office building. Therefore, when we met at the game we discussed a case Mr. Arceneaux was handling. Mr. Arceneaux contends that your staff did not ask him if we discussed business on this trip, and if they would have, he would have answered in the affirmative.

Austin, Texas – April 15, 16, 17, 18, 19, 2005 and March 17, 18,19,2006

As discussed within the report, the original purpose of the trips identified was personal. I did conduct a significant amount of office-related business on these trips, which I felt justified having the office pay for the trips. In retrospect, I do think that this logic may be flawed. As such, it should be noted that I have personally reimbursed the District Attorney's office $682 and $1,194 respectively for these trips. I even reimbursed expenses relating to a meeting with the Mayor and District Attorney for the City of Houston related to programs which could be implemented within the 31st Judicial District to prevent crime and repeat offenders. Arguably, these costs are legitimate expenses of the District Attorney's office, but I reimbursed anyway out of an abundance of caution.

In total, of the $3,575 of public funds your office is accusing me of using for my personal benefit, and based upon the explanations above, $3,184 was reimbursed by me personally. The remaining $391constitutes legitimate business expenses of this office that were incurred on these trips ($142.80 and $22.00 described above) and $226.31 on a business trip to Austin, Texas for an LDAA conference two weeks prior to the personal trip. Please recheck your dates on these latter expenses.

Excessive and Non-Business Related Hotel Charges

Excessive Hotel Room Rates

In your office's determination of reasonable or acceptable room rates, there should be consideration of the following overriding factors:

Since our office is in the business of prosecuting criminals, we have a very limited selection of available CLE related directly to this practice. The overwhelming majority of CLE courses available to me and my assistants is provided by either state or national associations of district attorneys. These organizations have historically offered their CLE in conference form at exclusive resort locations which tend to have high room rates.

This office is very small in comparison to several other District Attorneys within this state. As such, I am not always able to commit to allowing an assistant district attorney to attend a conference until I know what our trial schedule is. Because of this practice, we are not always able to attain the conference room block rate. This practice also caused us to have limited selections on the rooms available to myself or my staff for the conference.

While the rates may seem excessive in one's opinion, based on the practical needs of this office in relation to staffing availability and relevant CLE, it is my opinion that this office receives at least an equal or greater benefit above the cost by following the practices in place for reserving hotel rooms. Still, I now recognize that a different policy must be implemented.

Extended Hotel Stays

In your office's determination of reasonable lengths of stay before or after a conference, there should be consideration of the following overriding factors:

My office has a strict travel policy related to the arrival prior to a conference. No employee is allowed to arrive more than one day prior to the start date of the conference, and your staff noted no violations related to this policy. I also do not expect or require the employees to drive home the day the conference ends, if it means they have to drive over 8 hours and arrive home after dark. I believe this is unsafe and unreasonable.

There are several resorts which host conferences that will not allow room reservations for less than seven nights. This is irrespective of the actual conference dates. As such, a conference which begins on Monday would dictate a Sunday check-in. The conference would typically end on Friday, but the resort will not allow a booking that allows for a check-out prior to Sunday. The overall cost of the room would be the same regardless of if the room is occupied for the additional days or not. This was the case in the instance you sighted regarding my stay at Tops'l. The conference ended on Friday August 1, however my reservation did not allow for a check-out prior to Monday August 4.

Continued stays beyond conference dates also allow for me and assistant district attorneys to network with our peers in an informal setting. These networking opportunities often allow me and my staff to discuss various programs, case specifics, etc. which make our office more effective and efficient.

The use of the term "fringe benefit" may have been unfortunate on my part. However, this so-called benefit actually has no cost to this office since the room rate is set for a seven night stay. Therefore there is no rationale for the inclusion of such on an employee's W-2.

Excessive Per Diem Expenses

Per Diems for no Associated Expenses

The per diems paid by this office are to cover meals, mileage and other conference travel incidentals. It should be noted that the state travel regulations only allow for a $51 per day per diem, but that only covers meals, and does not cover mileage, parking, tips or other expenses which are included in the per diem paid by this office. As noted within your report, there are times when the office will have group dinners at my request while at a conference. This is to discuss the implementation of topics discussed during the conference into our office, as well as to discuss any issues that have arisen in the office or media during our absence. These meal exceptions are paid outside of the per diem allowance. While your office may deem the per diem rate of $100 to be excessive, I would strongly disagree. State judges are allowed by law a per diem of $113 per day. This rate does not include mileage; and, in fact, I believe it does not include incidentals either. In relation, the rate paid by my office is much less. It should also be noted that the state travel guidelines are not applicable to the office of a district attorney; however, the state guidelines, plus mileage, would have resulted in the staff of the 31st Judicial District Attorney's Office collecting more per diem than the policy of this office afforded them.

In relation to the specific meal noted in your report, the meal was for the intended purpose of discussing matters covered in the conference, and the potential for implementation of these items within the scope of the District Attorney's office. At this meal were six employees of the office of the District Attorney for the 31st Judicial District. In the Legislative Auditor's draft, there is mention that the Legislative Auditor did not find that three of these employees were registered for an LDAA seminar. This is explained by the fact that one of these three was registered in his capacity as City Marshall, the second of these three was his wife, who is also my victim coordinator, and the third was another secretary from this office. This office bore none of their other expenses. This meal was for a legitimate business purpose related to this office, however it should also be noted that I have agreed to reimburse the office for the full cost of this meal from my personal funds. I now recognize that the benefit to the office should be commensurate with the expense incurred.

Per Diems for Personal Purchases

The payment of a per diem is by its nature a non-accountable plan. As such, this office had a long-standing policy of not requiring documentation of expenditures to support the per diem. Our auditor informed me that this was an erroneous policy, and suggested that I begin to require receipts to support the expenditures of per diems. I disagreed with the auditor on this matter, but conceded in order to avoid a frivolous finding in my audit report. Because I knew that per diems were not required to be supported, I never reviewed the receipts which were turned in. Travel per diems provide a set daily limit on the amounts that will be reimbursed. If an employee expends excess funds, they are personally liable; therefore, receipts for other meal and incidental expenses incurred by this staff were not submitted. Conversely, an employee could conceivably expend less funds and be left with the remainder. All per diems work this way, including those paid under the state travel policy. As such, what the employees provided as support is irrelevant since it has no bearing on the payment of the per diem for travel purposes. It should be noted that the policy of requiring support for per diems has been ceased.

Per Diem Expenses for Personal Travel

The issue of excess travel days was addressed above. As such, since the intent of the trip is business related, per diems are paid for the duration of the trip. Although this may seem generous, I thought I had the authority and discretion to have this policy. This policy has now been amended.

Other Undocumented and Personal Travel Expenses

As noted within your report, I sought a professional opinion regarding these expenditures, and was assured that there was no impropriety. Additionally, this practice has been in place for several years, and my office has never been sighted by the independent auditor for any violation related thereto. I have ceased the practice of allowing such charges to this office.

Airline Ticket Expenditures for Non-Employees

This office has from time-to-time paid for airline tickets related to non-employees. The rationale was that if it were cheaper to fly with a guest than to drive to a conference, then the cost savings could be used that way. The extra airline ticket was less than the extra per diem, hotel cost, and other costs incurred by driving. Moreover, driving to a conference means the employee will be out of the office longer. This was the explanation of the primary reason given for the policy and not the explanation contained in the report. I now realize that this policy was flawed, and the new travel policy does not allow for such expenditures.

The following items should be noted regarding the specific trips in question:

This office sent an investigator from this office, who traveled along with a deputy sheriff, to take custody of a murder suspect, in one case, and to interview a person of interest, in another homicide case. I have not, during the time allowed to me to respond to the Legislative Auditor's draft, been able to discern whether these two trips are among those brought into question. If they are, they should be removed. I can only recall four conferences during the three-year period covered by this report in which this airline travel policy was utilized.

Mr Lapoint reimbursed this office for the airfare related to his family which would have been above the policy guidelines described above.

The original tickets purchased by him were canceled by the airline because it canceled all service on the route originally booked. The airline failed to issue the proper credit against our office credit card, which was not discovered due to an unfortunate lack of communication within our office. We are now diligently seeking a proper refund from the airline.

Donations With No Documented Business Purpose

We strongly disagree with this finding. Our office has adequate support for the donations in question. Your staff did not request to review this documentation, and we find it very disturbing that such a finding is contained in your report. Organizations such as the Boy Scouts, Jeff Davis Arts Council, Big Brothers/Big Sisters, Council on Aging, and all schools within this parish have made written requests for funds that clearly express the intended purpose and benefit of the use of these funds.

The donations in question are strictly from the Drug Forfeiture Fund. R.S. 40:2616(B)(3c) specifies that these funds are to be used for public purposes, including but not limited to rewards and/or support in furtherance of the controlled dangerous substance statutes, as well as continuing education related to these matters. All donations made were to local youth or civic clubs or organizations which encourage and reward drug-free lifestyles or increase self-esteem. Sponsorship of sports teams obviously falls into this description, as involvement in sporting activities has been proven to decrease illegal narcotics use among youth. The value returned by making these investments in the young citizens within the 31st Judicial District cannot be measured.

The supporting documentation for these donations, sponsorships, and other transactions is the same supporting documentation that was previously approved by the Legislative Auditor's Office. Moreover, these expenditures and supporting documentation have never been questioned by the local auditor.

Please see our previous response to this matter.

Public Funds Used for Alcohol Purchases

This office has historically relied on the guidance provided in Attorney General Opinion Number 02-0125, which states "the custom and current business practice is for the host to offer the client or customer a beverage of his or her choice, without excluding any particular category of beverages, such as caffeine versus non-caffeine, diet versus non-diet or alcoholic versus non-alcoholic." As such, I feel that the referenced purchases of alcoholic beverages are within the parameters of Article VII, Section 14 of the Louisiana State Constitution, and not a violation of state law.

Public Funds Used for Christmas Parties

During your staff's investigation of this office, they were told unanimously by all staff interviewed that this gathering is centered around discussing the case loads handled during the calendar year, mistakes made, lessons learned, exceptional performances recognized, and an overall improvement in the efficiency and effectiveness of this office. It is perhaps unfortunate that the end of any calendar year is surrounded by holidays, but that does not diminish the validity of these meetings. The meetings are not called nor considered a "Christmas Party", or any other form of religious or holiday gathering. These functions definitely provide a benefit to this office which exceeds any monetary costs.

Knife Gift Set Purchases

This finding is the result of a series of unfortunate misunderstandings. The knife set purchases were not intended to be an office related expense. The acquisition of the knives in question occurred at my home. Upon payment for the knives, I requested that a family member use my personal credit card to make the purchase. As detailed earlier, the general appearance of my personal and office credit cards was very similar. The family member erroneously used the wrong credit card and/or did not realize that the office credit card could not be used to purchase Christmas gifts for the secretarial staff. Throughout the process of dealing with Cutco, I purchased knives on more than one occasion. I believed knife sets were purchased for my home, my office and for staff gifts. I did not alert the office bookkeeper to be on the look-out for a knife purchase, since I was under the impression that the purchase was made with my personal card. I did not catch the knife purchase on the next credit card statement, because it was under a different corporate name, Vector, which is similar to the name of another vendor used by the office. The office bookkeeper did not question the knife purchase, as she was aware of the knife set placed at the office. I was not aware of the office expenditure until your review of this office. Upon learning of the use of the wrong card, I immediately reimbursed the District Attorney's office for the full purchase price.

As to the violation of the Louisiana Code of Governmental Ethics, I am acutely aware of the potential implication here, which is why I used my personal funds to acquire the knife set for the office. I would never knowingly violate any law or code.

It should be noted that the Louisiana Legislative Auditor's Office staff used its credentials to obtain otherwise private information from Louisiana State University System about my son, without notice and without consent. While this should not necessarily be actionable, it does demonstrate that even well-meaning officials can cross ethical lines even though not intending to.

Reimbursement of Public Funds by Employees

It should be noted that this office has taken your review and comments very seriously, and have made reimbursement to the extent deemed appropriate. My reimbursements to date total $11,714.44, including the amounts discussed previously herein. Moreover, my assistant district attorneys also reimbursed this office for questioned expenses.

Internal Control Weaknesses

Inadequate Travel Policy

I agree with your assessment. I have made several changes to the conference travel policy guidelines for this office, and am currently working on a revised, comprehensive travel policy.

Improper Use of Multiple Credit Cards

I agree with your assessment. I have reduced the number of office credit cards, and taken measures to ensure that office credit cards are unique in appearance to avoid erroneous use related to personal purchases. The District Attorney's office will continue to improve the monitoring of credit card purchases in order to strengthen the effectiveness and efficiency of our operations.

Undocumented Credit Card Purchases

I agree with your assessment. I have instituted a policy requiring receipts on all credit card purchases. The receipts must indicate what was purchased, and document the business purpose of the purchase. I feel that instituting this policy will significantly reduce the occurrence of expenditures which may be deemed inappropriate.

Recommendations

I am very appreciative of the recommendations made by your staff in your report. I will take all recommendations under advisement as we continue to modify and strengthen our travel and procurement policies.

I thank you and your office staff for performing such a diligent and thorough review into the travel and procurement practices of the District Attorney's Office. I consider this to have been a valuable learning process which will allow me to continue to strengthen the procedures of this office. It is very important to me that this office operate in an effective and efficient manner. To that end, I will be implementing various changes to the processes of the office based on the findings in your report. Some of these have been mentioned above. I take the obligations this office has to the citizens of the 31st Judicial District very seriously. I want them to know that they can trust this office to perform its duties to the fullest degree possible, not only in the prosecution of criminals, but also related to the proper operation and administration of this office.

Sincerely,

MICHAEL C. CASSIDY
District Attorney for the
31st Judicial District

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April 14, 2008

Dan Daigle, CPA, CIA, CFE
Louisiana Legislative Auditor's Office
1600 North Third Street
Baton Rouge, Louisiana 70804

Mr. Daigle:

I am in receipt of your recent email regarding the past practices of the Office of the District Attorney of the 31st Judicial District, a copy of which is attached hereto. We believe there is a deficiency of, rather than a lack of, cooperative endeavor agreements and contracts. There is sufficient documentation to support the purpose of the donations or transactions in question. These donations are made from the Drug Forfeiture Fund, and support organizations or activities that either directly or indirectly encourage a drug-free lifestyle or increased self-esteem. In accordance with R.S. 40:2616(B)(3c), these funds are to be used for public purposes, including but not limited to rewards and/or support in furtherance of the controlled dangerous substance statutes, as well as continuing education related to these matters. The statute makes no mention as to the necessity to receive a benefit or value equivalent to the amount of the donation made. As a matter of practicality, it would be impossible to determine the effect of supporting area youth activities or drug free programs. Of course, we believe there is substantial value and benefit from the financial support provided to these groups or programs. The benefit received related to prosecutions that did not or will not occur because of the impact these programs have on the young citizens of Jefferson Davis Parish cannot be measured. However, reasonable people do know that intervention and education at this level are the best methods to prevent drug use and abuse.

As to the question of written cooperative endeavor agreements or other contracts, the Office of the District Attorney is not aware of there being such a requirement. If there is a legal requirement to have such documentation related to the donations from a Drug Forfeiture Fund, we request that you provide us with the citation, and we assure you that the practices of the Office of the District Attorney of the 31st Judicial District will be brought into immediate compliance, if they are not already there. If in fact this is a suggestion on the part of the Legislative Auditor's Office related to internal controls, then the District Attorney's Office will take this under advisement. However, we trust that both sides will take into consideration that the organizations requesting funds to support their causes typically do not have the expertise to review and execute contracts (some of which can be complicated), nor the funds available to hire outside counsel to perform this task. As such, it would seem impractical to impose such onerous restrictions on these organizations in order for this office to assist them in providing services that ultimately benefit both this office and the general public as a whole, especially our youth organizations.

Enclosed with this letter, please find copies of all supporting documentation related to the distributions of the Drug Forfeiture Fund for the years 2005, 2006 and 2007. Should you have any questions regarding this matter, please feel free to contact me at your earliest convenience.

Sincerely,

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC

Lance E. Crappell, CPA

Enclosures