

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Shreveport City Marshal
Shreveport, Louisiana

July 19, 2000



Investigative Audit

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

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Shreveport City Marshal

July 19, 2000



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

**Daniel G. Kyle, Ph.D., CPA, CFE
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July 19, 2000

THE HONORABLE JIMMY DOVE,
SHREVEPORT CITY MARSHAL
CITY OF SHREVEPORT
Shreveport, Louisiana

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

This report presents our finding and recommendations, as well as your response. Copies of this report have been delivered to the Shreveport City Marshal; the Honorable Paul J. Carmouche, District Attorney for the First Judicial District of Louisiana; and others as required by state law.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle", is written over a large, stylized circular flourish.

Daniel G. Kyle, CPA, CFE
Legislative Auditor

AFB:EKL:JLM:dl

[SPORTMAR]

Executive Summary

Investigative Audit Report Shreveport City Marshal

The following summarizes the finding and recommendations as well as management's response that resulted from this investigation. Detailed information relating to the finding and recommendations may be found at the page number indicated. Management's response may be found at Attachment I.

City Funds Not Deposited

(Page 5)

Finding: During a 12-month period, Ms. Stacy Adams, former Deputy Marshal for the Shreveport City Marshal, appears to have received \$44,306, which was not deposited into any of the Marshal's bank accounts.

Recommendation: We recommend that management for the Shreveport City Marshal implement policies and procedures to ensure that funds collected are accounted for properly. Furthermore, we recommend that management determine whether existing fidelity coverage is adequate, and if not, provide adequate fidelity bond coverage for employees who handle or have access to public funds. We also recommend that the District Attorney for the First Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

Management's Response: Management concurs with the finding and recommendations.

Background and Methodology

The Shreveport City Marshal is the executive officer of the Shreveport City Court who has the power of a sheriff in the execution of the court's orders. The Marshal determines the level of personnel and equipment required by his office and requests these resources from the City of Shreveport.

The Office of the Legislative Auditor received allegations that not all fines and cash bonds were deposited into the accounts of the Marshal's office.

The procedures performed during this investigative audit consisted of (1) interviewing employees and officials of the Marshal's office; (2) interviewing other persons as appropriate; (3) examining selected records of the Marshal's office; (4) performing observations and analytical tests; and (5) reviewing applicable state and federal laws and regulations.

The result of our investigation is the finding and recommendations herein.

Finding and Recommendations

CITY FUNDS NOT DEPOSITED

During a 12-month period, Ms. Stacy Adams, former Deputy Marshal for the Shreveport City Marshal, appears to have received \$44,306, which was not deposited into any of the Marshal's bank accounts.

Ms. Stacy Adams worked as a deputy marshal for the Shreveport City Marshal (Marshal) from April 19, 1993, until her resignation on March 21, 2000. We examined records for the period April 1, 1999, through March 2000. Ms. Adams' duties during this period were to account for and deposit cash bond collections. She was also responsible for posting cash fine collections to the appropriate accounts and determining the amounts to be deposited. During normal business hours, most bond and fine collections are made at the Marshal's office. The Central Records Department of the Shreveport City Police Department (Central Records) collects fine and bond money after normal working hours and transfers the money to the Marshal's office during normal working hours. Central Records places money collected into an envelope for each payee, seals the envelope, and notes the payee's name and amount collected on the outside of the sealed envelope. Central Records makes a list (manifest) of the payees' names, amounts paid, and dates paid.

From April 1999 through July 1999

Ms. Adams, alone, obtained the manifests and envelopes containing cash from Central Records. She returned to the Marshal's office and posted the bond funds to the Marshal's account and prepared the deposit. In addition, Ms. Adams posted the fine collections to the Marshal's account. However, she did not prepare the deposit for the fine collections. She would give the fine collections to Chief Deputy Mary Holbrook. Ms. Holbrook would then compare the fine collections given to her by Ms. Adams to the total amount posted. Chief Deputy Holbrook then prepared the deposit to the Marshal's account based on the posting and cash provided by Ms. Adams.

From April 1, 1999, through July 31, 1999, there were at least 86 instances totaling \$20,371 of fines that were received from Central Records by Ms. Adams but not deposited to the Marshal's bank accounts. On 58 of the 86 occasions, fines of \$12,977 were not posted to the Marshal's accounts and not deposited into the Marshal's General Fund. On the remaining 28 occasions, fines of \$13,843 were received from Central Records by Ms. Adams. Ms. Adams posted and remitted only \$6,449 for deposit resulting in a shortage of \$7,394.

During the same period, four bonds totaling \$2,918 were received from Central Records by Ms. Adams but not posted or deposited to the Marshal's Bond Account.

From August 1999 Through March 2000

On two occasions in August 1999, Shreveport City Marshal Jimmy Dove asked Ms. Adams about missing funds for which she was responsible. In both instances, Ms. Adams told Marshal Dove that she had located the missing funds. However, this was untrue. On one of these occasions, Ms. Adams borrowed the money from Ms. Karen Dean, a co-worker, to replace the missing funds. On the other occasion, she replaced the missing funds with a personal check.

As a result of the two incidents mentioned above, new procedures were implemented for the transfer of money from Central Records. Ms. Adams no longer picked up fine and bond envelopes from Central Records unless she was accompanied by another person from the Marshal's Office, usually Ms. Leesa Gomez, Deputy Marshal.

Though Ms. Adams no longer carried envelopes containing cash from Central Records to the Marshal's Office by herself, she still had control over the preparation of the deposit of bond collections. Ms. Adams also retained control of computer postings of fine collections and the amounts remitted to Ms. Holbrook for deposit. From August 1999 until Ms. Adams' departure in March 2000, there were at least 77 occasions totaling \$19,963 where money was received from Central Records but not deposited to the Marshal's bank accounts.

On 65 of the 77 occasions, fine collections of \$15,509 were not posted to the Marshal's accounts by Ms. Adams and not deposited into the Marshal's General Fund. On the other 11 occasions, fines of \$5,804 were received from Central Records, but Ms. Adams posted and remitted only \$1,889 resulting in a shortage of \$3,915.

On the remaining occasion, a \$539 cash bond was received from Central Records by Ms. Adams but not posted or deposited to the Marshal's cash bond account.

Beginning in January 2000, the Marshal assigned account updating and deposit responsibilities for bond and fine receipts to other employees in his office. The last instance of missing money that we were able to document occurred on January 4, 2000.

Furthermore, on November 10, 1999, Ms. Adams posted bond money received amounting to \$2,971 but only deposited \$1,917. Ms. Holbrook asked Ms. Adams about the \$1,054 that was not deposited and instructed her to research the problem. According to Ms. Holbrook, Ms. Adams was not able to explain the missing funds to her. On June 8, 2000, representatives of the Legislative Auditor asked Ms. Adams about the \$1,054 that was not deposited. Ms. Adams was again unable to explain what happened to the missing funds. However, she stated that she would never take money that could be so easily detected.

Ms. Adams stated that her parents, family members, and friends would loan her money when the need arose and thus would never have taken money from the Marshal's office.

Records indicate that the Marshal's office has a \$5,000 Public Official Bond on Mr. Dove, the Marshal. In addition, Mr. Tom Cody, Risk Manager for the City of Shreveport, informed us that the City of Shreveport has a \$300,000 public employee dishonesty policy on its employees. However, a review of the policy document does not show that employees of the Marshal's office are covered.

These actions may be violations of the following Louisiana laws:

R.S. 14:67, "Theft

R.S. 14:68, "Unauthorized Use of a Movable"

R.S. 14:134, "Malfeasance in Office"

R.S. 42:1461(A), "Obligation Not to Misuse Public Funds"

We recommend that management for the Shreveport City Marshal implement policies and procedures to ensure that funds collected are accounted for properly. Furthermore, we recommend that management determine whether existing fidelity coverage is adequate, and if not, provide adequate fidelity bond coverage for employees who handle or have access to public funds. We also recommend that the District Attorney for the First Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

Attachment I

Management's Response





July 7, 2000

Dr. Daniel G. Kyle, Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: Investigative Audit Report
Shreveport City Marshal Office
June 2000

Dear Dr. Kyle:

As requested, I am responding to your finding and recommendations in the above referenced matter as follows:

Response to Finding:

I concur with the finding in the report. The instances of appeared theft are unfortunate and the loss of funds reprehensible.

Response to Recommendations:

1) Implementation of policies and procedures

As noted in your findings, the policies and procedures have already been amended in January 2000 to better control funds. In addition, further refinements will be made as situations change.

2) Fidelity Bond Coverage

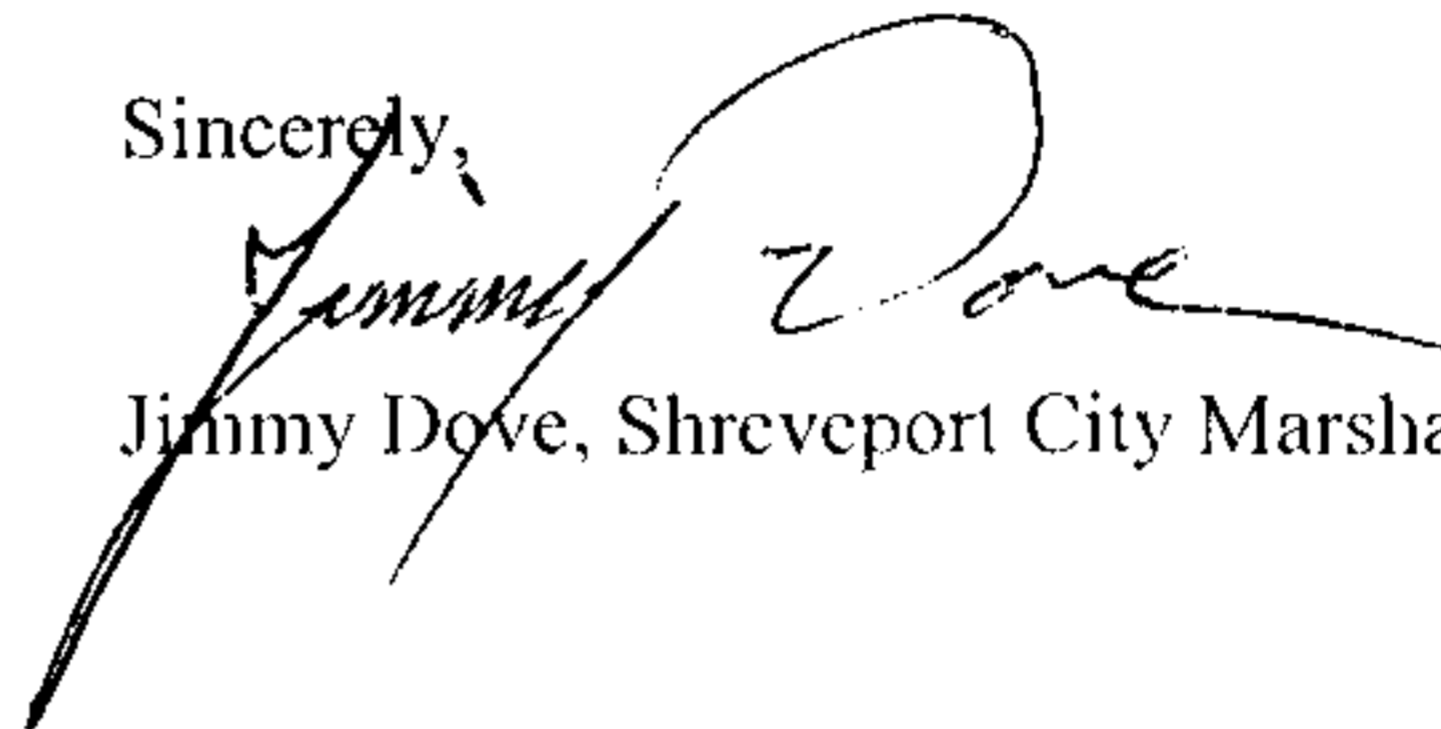
Currently we are in communication with risk management of the City of Shreveport to determine the coverage currently in effect and consideration of the cost effectiveness of obtaining outside coverage.

3) Review by District Attorney

My office will make available any assistance required by the District Attorney to take appropriate legal action and seek full restitution.

I would like to thank you for your promptness after our request for assistance from your office. The courtesy and professionalism of your staff is commendable. Should any questions arise, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Jimmy Dove". The signature is written in a cursive style with a large, looping initial "J".

Jimmy Dove, Shreveport City Marshal

JD:sw

Attachment II
Legal Provisions

Legal Provisions

The following legal citations are referred to in the Finding and Recommendations section of this report:

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. 14:68 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.

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.

R.S. 42:1461(A) provides, in part, that officials, whether elected or appointed, by the act of accepting such office assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property or other thing of value belonging to the public entity in which they hold office.

