

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Department of Transportation  
and Development -  
Crescent City Connection Division  
Baton Rouge, Louisiana

May 23, 2001



**Investigative Audit**

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

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

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**Department of Transportation  
and Development -  
Crescent City Connection Division**

**May 23, 2001**



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

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

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# Table of Contents

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	<b>Page</b>
Executive Summary.....	1
Background and Methodology.....	3
Findings and Recommendations:	
Toll Fees Taken for Personal Use.....	5
Former Employees Paid for Overtime Hours Not Worked.....	8
Attachment I - Management's Response.....	11
Attachment II - Legal Provisions.....	13



OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

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May 23, 2001

**DR. KAM K. MOVASSAGHI, SECRETARY  
DEPARTMENT OF TRANSPORTATION  
AND DEVELOPMENT - CRESCENT CITY  
CONNECTION DIVISION**

Baton Rouge, Louisiana

Transmitted herewith is our investigative audit report on the Department of Transportation and Development - Crescent City Connection Division (CCCD). Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our findings and recommendations, as well as the response of the department's management. Copies of this report have been delivered to the Honorable Harry F. Connick, Sr., District Attorney of Orleans Parish, and others as required by state law.

Respectfully submitted,

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

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

GFC:SLC:DGP:dl

{CCCD}

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# Executive Summary

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## Investigative Audit Report Department of Transportation and Development - Crescent City Connection Division

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

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### **Toll Fees Taken for Personal Use**

**(Page 5)**

- Finding:** From September 1999 to May 2000, revenues received by Crescent City Connection Division (CCCD) from bridge tolls and tag store sales totaling \$161,972 were not deposited. Ms. Latressa Conerly, Ms. Lisa Motley, and Ms. Rashawn Watkins, former CCCD employees in charge of counting revenues, admitted taking portions of this money for their own personal use. Ms. Conerly and Ms. Motley further admitted to falsifying accounting records to conceal the missing amounts.
- Recommendation:** We recommend that management of CCCD implement policies and procedures to ensure that all funds collected by CCCD are properly accounted for, recorded, and deposited. Management should also ensure that adequate supervision is provided throughout this process to include (1) requiring bridge police officers to observe the counting of revenues on a daily basis; (2) reviewing count room surveillance videos on a regular basis; and (3) maintaining count room surveillance videos for a period of three years. We further recommend that the Orleans Parish District Attorney review this information and take appropriate legal action, to include seeking restitution.
- Management's Response:** We concur with the finding of theft by three former employees of CCCD. CCCD has in place comprehensive policies and procedures to ensure that all funds collected are properly accounted for, recorded, and deposited.
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**Former Employees Paid for Overtime  
Hours Not Worked**

**(Page 8)**

**Finding:** From November 1998 to February 2000, former CCCD employees Ms. Lisa Motley and Ms. LaTressa Conerly were paid \$5,368 and \$946, respectively, for overtime hours that they did not work. Both Ms. Motley and Ms. Conerly admitted to receiving overtime pay that they were not authorized or entitled to receive. Ms. Motley, the payroll clerk during this period, added that she entered the unauthorized overtime hours into the payroll system.

**Recommendation:** We recommend that management of CCCD and the Department of Transportation and Development (DOTD) combine efforts to implement policies and procedures to ensure the accuracy of CCCD's employee payroll transmitted to DOTD. These procedures should require reconciliation of handwritten and computerized time sheets. We further recommend that the District Attorney of Orleans Parish review this information and take appropriate legal action, to include seeking restitution.

**Management's Response:** We concur with the finding that two former CCCD employees were paid for overtime hours that they did not work. CCCD and DOTD will combine efforts to improve procedures to ensure the accuracy of CCCD's employee payroll transmitted to DOTD.

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# Background and Methodology

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The Crescent City Connection Division (CCCD), formerly the Mississippi River Bridge Authority, operates as a division within the Louisiana Department of Transportation and Development (DOTD). Management of CCCD is responsible for the daily operation of the Crescent City Connection.

CCCD spans the Mississippi River, connecting the westbank of Greater New Orleans to the eastbank. Currently, tolls are charged for the westbank to eastbank crossing at a rate of \$.50 per vehicle axle (normally, \$1 for a passenger vehicle) and \$.40 per vehicle axle using toll tags purchased from CCCD's tag store. In addition, CCCD operates ferries that collect \$1 per vehicle to cross the river.

On April 14, 2000, DOTD notified CCCD's management of discrepancies between CCCD's reported revenue and actual bank deposits. On June 15, 2000, CCCD requested that the state police conduct an investigation of the missing revenue. On October 31, 2000, the Legislative Auditor received allegations from CCCD's management that revenues were taken from CCCD and that several former employees were involved. We conducted our investigation to determine the extent of these improprieties at CCCD.

The procedures performed during this investigative audit were designed to determine the propriety of these allegations and consisted of (1) interviewing employees and officials of CCCD; (2) interviewing other persons as appropriate; (3) examining selected documents and records; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable state laws.

We acknowledge the assistance provided in this investigation by the Louisiana State Police.

The results of our investigative audit are the findings and recommendations herein.





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# Findings and Recommendations

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## TOLL FEES TAKEN FOR PERSONAL USE

From September 1999 through May 2000, revenues received by the Crescent City Connection Division (CCCD) from bridge tolls and tag store sales totaling \$161,972 were not deposited. Ms. Latressa Conerly, Ms. Lisa Motley, and Ms. Rashawn Watkins, former CCCD employees in charge of counting revenues, admitted taking portions of this money for their own personal use. Ms. Conerly and Ms. Motley further admitted to falsifying accounting records to conceal the missing amounts.

CCCD (toll bridge) crosses the Mississippi River to connect the westbank of Greater New Orleans to the eastbank. Vehicles crossing the bridge from the westbank to eastbank are charged a toll rate of \$.50 per vehicle axle (normally, \$1 for a passenger vehicle) and \$.40 per vehicle axle using toll tags purchased from CCCD's tag store.

Tolls are collected by CCCD's toll operators and placed in a vault at CCCD on the date of collection. The next business day accounting personnel (counters) verify total revenue collected and prepare bank deposits. Deposits are transported to the bank by a bridge police officer. Ms. Conerly, Ms. Motley, and Ms. Watkins were all employed by CCCD as counters.

Mr. Demond Sampson, an acquaintance of Ms. Watkins, stated that Ms. Watkins told him of a plan to take money from CCCD. He explained that Ms. Watkins' plan was to hide the bags of money containing large denominations on her person in order to remove the money from the count room. Mr. Sampson stated that on one occasion he saw a clear plastic bag full of money in Ms. Watkins' car. He added that he later witnessed Ms. Watkins open the bag and split the contents with Ms. Conerly and Ms. Motley in the parking lot of a nearby restaurant.

CCCD's records indicate that from September 1999 to May 2000, there were 16 occasions that a portion of cash revenues from bridge tolls totaling \$158,147 was not deposited. In addition, one tag store deposit totaling \$3,825 was not deposited. Therefore, revenue totaling \$161,972 was not deposited. All three employees were not consistently employed during the period covered in our examination. The following table indicates the dates of employment for the three employees in relation to the missing deposits.

<u>Time Period</u>	<u>Counters</u>	<u>Amount Missing</u>
Sept. 23, 1999, to Dec. 1, 1999	Conerly, Motley, Watkins	\$64,232
Dec. 6, 1999, to Mar. 8, 2000	Conerly, Motley	87,888
May 15, 2000	Conerly	9,852
Total		<u><u>\$161,972</u></u>

### **September 1999 to December 1999**

From September 23, 1999, to December 1, 1999, while Ms. Conerly, Ms. Motley, and Ms. Watkins served as counters, seven deposits totaling \$64,232 were prepared but not deposited into CCCD's bank account. During this period, we noted six occasions in which documents appeared to have been falsified by Ms. Watkins or Ms. Conerly in an attempt to conceal missing funds. Ms. Watkins resigned on December 1, 1999, after counting revenues from prior days. It should be noted that \$9,716 was missing from this day's count.

Ms. Conerly and Ms. Motley both stated that Ms. Watkins was taking bags of money during this period of time. Ms. Conerly explained that, while in the count room, Ms. Watkins would walk into the vault to hide bags of money under her clothing. Ms. Conerly explained that Ms. Watkins would give her (Conerly) and Ms. Motley \$2,500 to \$3,500 a piece from each bag. Ms. Conerly further stated that on these occasions, Ms. Watkins would handle the paperwork in order to conceal the shortages.

Ms. Motley added that she helped Ms. Watkins manipulate the paperwork. She explained that she received \$3,000 cash from Ms. Watkins on two different occasions, once when Ms. Watkins left the money in her purse and once more in a restaurant parking lot when she went to lunch with Ms. Watkins and Ms. Conerly.

We were unable to speak with Ms. Watkins; however, she explained to state police detectives that she received only \$500 on one occasion after Ms. Conerly and Ms. Motley split the contents of a deposit bag.

### **December 1999 to March 2000**

From December 6, 1999, to March 8, 2000, while Ms. Conerly and Ms. Motley served as counters, nine deposits totaling \$87,888 were prepared but not deposited. We noted five occasions in which documents appeared to have been falsified by Ms. Conerly or Ms. Motley in an attempt to conceal these missing funds.

Ms. Conerly stated that she and Ms. Motley both participated in taking money and falsifying documents to conceal the shortages. Ms. Conerly added that the money was split equally between herself and Ms. Motley.

Ms. Motley stated that she helped Ms. Conerly manipulate the paperwork and that she received only \$23,000 of this money.

**May 2000**

On May 15, 2000, cash from bridge toll revenue totaling \$9,852 was not deposited. CCCD surveillance video shows Ms. Conerly inside the count room placing a full deposit bag onto a cart containing empty toll collector bags and subsequently rolling the cart out of the room. Ms. Conerly resigned later that day.

Ms. Conerly admitted to taking the money and falsifying reports to cover up the shortage.

**Summary**

Based on statements made by Ms. Conerly, it appears as though she received \$67,383 of this money; Ms. Motley received \$61,357; and Ms. Watkins received \$33,232. Ms. Motley maintains that she only received \$3,000 from Ms. Watkins on two different occasions and cash totaling \$23,000 from Ms. Conerly. Ms. Watkins stated that she received \$500 of this money.

<u>Date</u>	<u>Amount Missing</u>	<u>Amount to Ms. Conerly</u>	<u>Amount to Ms. Motley</u>	<u>Amount to Ms. Watkins</u>
09/23/1999	\$378			\$378
10/26/1999	9,617	\$2,500	\$2,500	4,617
10/30/1999	10,345	3,000	3,000	4,345
11/18/1999	10,878	3,000	3,000	4,878
11/19/1999	11,716	3,500	3,500	4,716
11/24/1999	11,582	3,500	3,500	4,582
11/30/1999	9,716			9,716
12/06/1999	11,195	5,598	5,597	
12/23/1999	10,028	5,014	5,014	
01/04/2000	3,825		3,825	
01/15/2000	22,080	11,040	11,040	
03/03/2000	21,503	10,751	10,752	
03/06/2000	19,257	9,628	9,629	
05/13/2000	9,852	9,852		
<b>Total</b>	<b>\$161,972</b>	<b>\$67,383</b>	<b>\$61,357</b>	<b>\$33,232</b>

The amounts included in this table are based on interviews of witnesses and additional work performed by our office.

These actions indicate that one or more of the following laws may have been violated:

- R.S. 14:26, "Conspiracy"
- R.S. 14:67, "Theft"
- R.S. 14:133, "Filing False Public Records"
- R.S. 14:134, "Malfeasance in Office"

Though the actions of the parties listed in this report appear to be within the scope of the laws listed above, the actual determination as to whether individuals are subject to formal charge is at the discretion of the district attorney.

We recommend that management of CCCD implement policies and procedures to ensure that all funds collected by CCCD are properly accounted for, recorded, and deposited. Management should also ensure that adequate supervision is provided throughout this process to include (1) requiring bridge police officers to observe the counting of revenues on a daily basis; (2) reviewing count room surveillance videos on a regular basis; and (3) maintaining count room surveillance videos for a period of three years. We further recommend that the Orleans Parish District Attorney review this information and take appropriate legal action, to include seeking restitution.

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## **FORMER EMPLOYEES PAID FOR OVERTIME HOURS NOT WORKED**

**From November 1998 to February 2000, former CCCD employees Ms. Lisa Motley and Ms. LaTressa Conerly were paid \$5,368 and \$946, respectively, for overtime hours that they did not work. Both Ms. Motley and Ms. Conerly admitted to receiving overtime pay that they were not authorized or entitled to receive. Ms. Motley, the payroll clerk during this period, added that she entered the unauthorized overtime hours into the payroll system.**

Overtime hours worked by CCCD employees must be pre-approved by the director of CCCD. Each pay period, CCCD employees submit an accounting of their time worked to a payroll clerk who processes the employee time sheets. Once processed, time sheets are audited and signed by the employee, the employee's supervisor, and the director. Approved time sheets are electronically transmitted to the Department of Transportation and Development's (DOTD) accounting department to create payroll checks that are either printed or electronically deposited to the employee's bank account.

For the past several years, Ms. Motley has been CCCD's payroll clerk responsible for preparing and transmitting payroll to DOTD. Her access to the payroll system allowed her to add or delete regular and overtime hours to the payroll. Ms. Nadine Jones, accounting supervisor, stated that

she noticed unusual amounts of overtime included in Ms. Motley's and Ms. Conerly's payroll in February 2000. She explained that the overtime was unusual because none of her employees earned overtime in February 2000. Ms. Jones explained that she researched payroll back two years and found that Ms. Motley's and Ms. Conerly's time sheets did not indicate the overtime hours, but the computer system did. DOTD computer records indicate that both Ms. Motley and Ms. Conerly were paid for overtime; however, their handwritten time sheets that were signed and approved by their supervisor did not indicate any overtime was worked.

**Ms. Motley**

On 21 occasions from November 1998 to January 2000, Ms. Motley prepared and signed her time sheets indicating 21.5 overtime hours. After these time sheets were approved, Ms. Motley entered 390 additional overtime hours into the computer system resulting in excessive payments totaling \$5,368. We were unable to find documentation indicating that the additional 390 overtime hours were approved or worked. Ms. Motley admitted that she keyed in unauthorized hours and received overtime pay that she was not entitled to receive.

<u>Number of Occasions</u>	<u>Pay Period Ending Date</u>	<u>Overtime Hours Certified on Time Sheet</u>	<u>Overtime Hours Coded to Payroll</u>	<u>Unauthorized Overtime Hours</u>	<u>Unauthorized Overtime Paid</u>
1	11/01/1998	0.0	8.0	8.0	\$117.97
2	11/29/1998	5.0	15.0	10.0	98.30
3	01/10/1999	6.5	22.5	16.0	235.94
4	01/24/1999	0.0	22.0	22.0	294.92
5	02/21/1999	0.0	16.0	16.0	157.29
6	03/07/1999	0.0	16.0	16.0	235.94
7	03/21/1999	0.0	16.0	16.0	235.94
8	05/30/1999	0.0	8.0	8.0	117.97
9	06/27/1999	0.0	16.0	16.0	196.61
10	07/11/1999	0.0	28.0	28.0	373.57
11	07/25/1999	0.0	32.0	32.0	393.23
12	08/08/1999	0.0	20.0	20.0	294.93
13	08/22/1999	0.0	24.0	24.0	334.25
14	09/05/1999	0.0	16.0	16.0	235.94
15	09/19/1999	0.0	24.0	24.0	314.58
16	10/03/1999	0.0	24.0	24.0	340.05
17	10/17/1999	0.0	20.0	20.0	306.87
18	11/14/1999	0.0	30.0	30.0	409.16
19	12/12/1999	0.0	20.0	20.0	306.87
20	12/26/1999	4.0	24.0	20.0	306.87
21	01/23/2000	6.0	10.0	4.0	61.37
<b>Total</b>		<b>21.5</b>	<b>411.5</b>	<b>390.0</b>	<b><u><u>\$5,368.57</u></u></b>

**Ms. Conerly**

From December 1998 to February 2000, Ms Conerly was paid \$946 for 93 overtime hours that she did not work. On eight occasions during this period, Ms. Conerly signed her time sheets certifying that she worked 10 overtime hours, though 103 hours of overtime was entered into the computer system. We were unable to find any documentation indicating that the additional 93 hours of overtime were approved or worked.

<u>Number of Occasions</u>	<u>Pay Period Ending Date</u>	<u>Overtime Hours Certified on Time Sheet</u>	<u>Overtime Hours Coded to Payroll</u>	<u>Unauthorized Overtime Hours</u>	<u>Unauthorized Overtime Paid</u>
1	12/27/1998	0.0	6.5	6.5	\$44.77
2	02/07/1999	0.0	8.0	8.0	82.66
3	10/03/1999	0.0	11.5	11.5	123.61
4	11/14/1999	0.0	17.0	17.0	157.65
5	12/12/1999	0.0	20.0	20.0	214.98
6	12/26/1999	4.0	14.0	10.0	107.49
7	01/23/2000	6.0	10.0	4.0	42.99
8	02/20/2000	0.0	16.0	16.0	171.98
<b>Total</b>		<b>10.0</b>	<b>103.0</b>	<b>93.0</b>	<b><u>\$946.13</u></b>

Ms. Conerly admitted that she received overtime pay for time she did not work. She stated that she never asked Ms. Motley to give her extra overtime hours and that the first couple of times she received the extra pay she was not aware of it.

These actions indicate that one or more of the following laws may have been violated:

- R.S. 14:134, "Malfeasance in Office"
- R.S. 14:138, "Payroll Fraud"

Though the actions of the parties listed in this report appear to be within the scope of the laws listed above, the actual determination as to whether individuals are subject to formal charge is at the discretion of the district attorney.

We recommend that management of CCCD and DOTD combine efforts to implement policies and procedures to ensure the accuracy of CCCD's employee payroll transmitted to DOTD. These procedures should require reconciliation of handwritten and computerized time sheets. We further recommend that the District Attorney of Orleans Parish review this information and take appropriate legal action, to include seeking restitution.

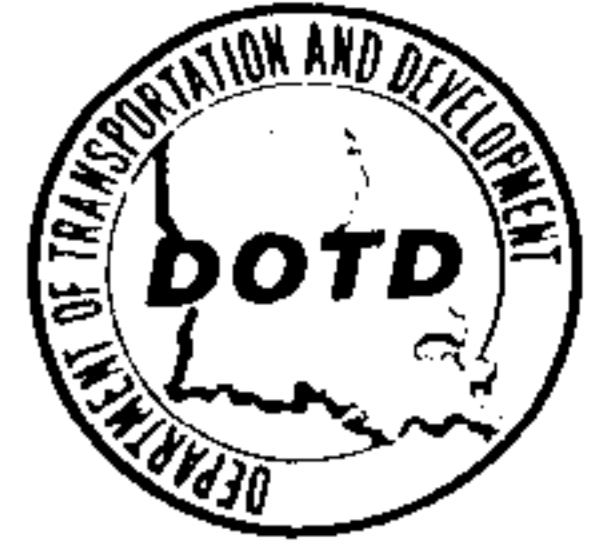
# Attachment I

## Management's Response





STATE OF LOUISIANA  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
P. O. Box 94245  
Baton Rouge, Louisiana 70804-9245



M. J. "MIKE" FOSTER, JR.  
GOVERNOR

May 10, 2001

KAM K. MOVASSAGHI  
SECRETARY

Dr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
State of Louisiana  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

This is in reply to the findings and recommendations contained in the Investigative Audit Report, concerning the Crescent City Connection Division.

We concur with the finding of theft by three former employees of the Crescent City Connection Division.

The Crescent City Connection Division has in place comprehensive policies and procedures to ensure that all funds collected are properly accounted for, recorded and deposited. The overall effectiveness of these policies and procedures was validated in that, the theft was discovered by CCCD management. Management immediately conducted an internal investigation. The three former employees involved were identified and evidence obtained by CCCD management. The evidence was then turned over to the Louisiana State Police and it was found sufficient to result in arrests. During the course of our investigation, several weaknesses in our system were revealed. These weaknesses have been corrected. Additionally, the Office of Risk Management has reimbursed the Crescent City Connection Division for all revenue taken and the Louisiana State Police has been turned over its investigation to the Orleans Parish District Attorney. Your subsequent investigation largely confirmed our internal findings and we appreciate any specific recommendations you may have to strengthen our system.

We also concur with the finding that two former Crescent City Connection Division (CCCD) employees were paid for overtime hours that they did not work.

Again, DOTD and CCCD management discovered the inconsistencies and initiated an internal investigation. The employees were subsequently removed. Your report confirmed our internal findings. The Crescent City Connection Division and the Department of Transportation and Development will combine efforts to improve procedures to ensure the accuracy of CCCD's employee payroll transmitted to DOTD.

Mr. Daniel G. Kyle  
May 10 2001  
Page 2

If we can provide any additional information, please contact Mr. Alan J. LeVasseur,  
(504)376-8100 or me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kam K. Movassaghi', written in a cursive style.

Kam K. Movassaghi, Ph.D., P.E.  
Secretary

cc: Mr. John Basilica  
Mr. William Temple  
Mr. Gordon Nelson

**Attachment II**  
**Legal Provisions**

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# Legal Provisions

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

**R.S. 14:26 (A)** provides that criminal conspiracy is the agreement or combination of two or more persons for the specific purpose of committing any crime, provided that an agreement or combination to commit a crime shall not amount to a criminal conspiracy unless, in addition to such agreement or combination, one or more of such parties does an act in furtherance of the object of the agreement or combination.

**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. 14:133** provides, in part, that filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, of any of the following: (1) any forged document, (2) any wrongfully altered document, (3) any document containing a false statement or false representation of a material fact.

**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. 14:138** provides, in part, that payroll fraud is committed when any public officer or public employee shall carry, cause to be carried, or permit to be carried, directly or indirectly, upon the employment list or payroll of his office, the name of any person as employee, or shall pay any employee, with knowledge that such employee is receiving payment or compensation for services not actually rendered by said employee or for services grossly inadequate for such payment or compensation.

