

# LEGISLATIVE AUDITOR

STATE OF LOUISIANA



WEBSTER PARISH CLERK OF COURT

AUDIT REPORT  
ISSUED MARCH 3, 2004

**LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
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BATON ROUGE, LOUISIANA 70804-9397**

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March 3, 2004

**HONORABLE SUELETHA S. FRAZIER**  
**WEBSTER PARISH CLERK OF COURT**  
Minden, Louisiana

We have audited certain transactions of the Webster Parish Clerk of Court in accordance with Title 24 of the Louisiana Revised Statutes. Our audit was performed to determine whether the clerk of court failed to deposit public funds into the clerk of court accounts.

Our audit consisted primarily of inquiries and the review 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 Webster Parish Clerk of Court's financial statements or system of internal control nor assurance as to compliance with laws and regulations.

The accompanying report presents our finding and recommendations as well as management's response. Copies of this report have been delivered to the Honorable Schuyler Marvin, District Attorney for the Twenty-sixth Judicial District of Louisiana, and others as required by state law.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin".

Grover C. Austin, CPA  
First Assistant Legislative Auditor

JLM:EKL:DGP:dl

[WEBCC04]



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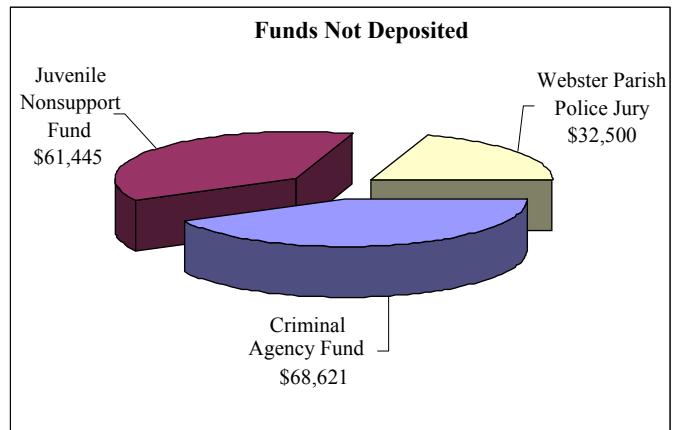
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During the period from July 1, 2000, through December 31, 2003, Ms. Sueletha Frazier, Webster Parish Clerk of Court (Clerk), failed to deposit \$162,566 into the Clerk of Court bank accounts.

1. Criminal Fines and Fees from Webster Parish Sheriff's Office - \$68,621
2. Juvenile Support Enforcement from the Louisiana Department of Social Services - \$61,445
3. Computer Maintenance from the Webster Parish Police Jury - \$32,500

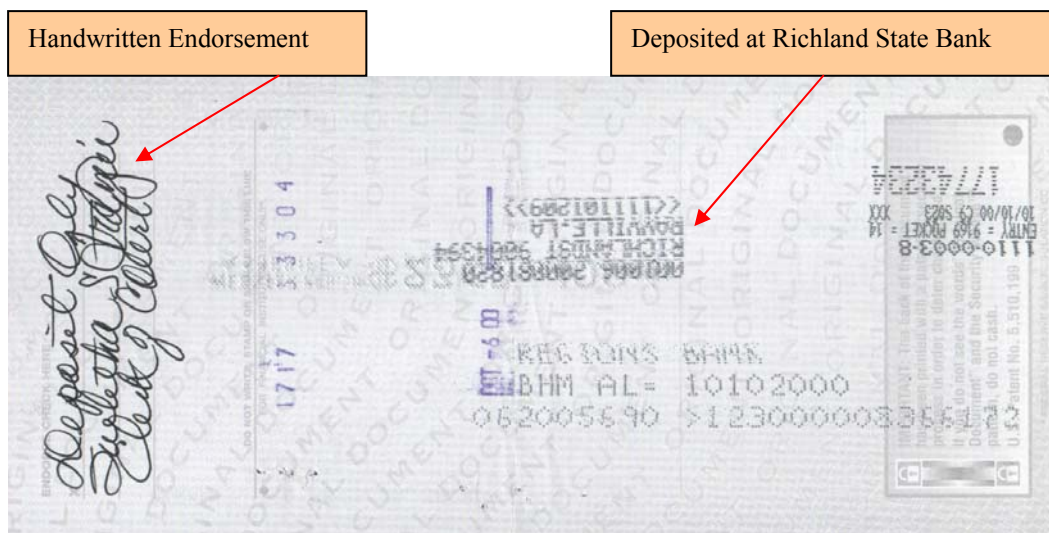


Ms. Frazier also received \$21,657 in compensation from the Clerk's office to which she was not entitled. Furthermore, she did not include \$55,282 as income on her W-2 Wage and Tax Statement.

Finally, Ms. Frazier made \$44,133 of personal purchases using a public credit card and failed to maintain the credit card receipts or statements in the financial records of the Clerk's office. Payments on this account were not made from public funds accounts. According to Ms. Frazier, she paid these charges with her personal funds.

**FUNDS NOT DEPOSITED INTO CLERK OF COURT ACCOUNTS**

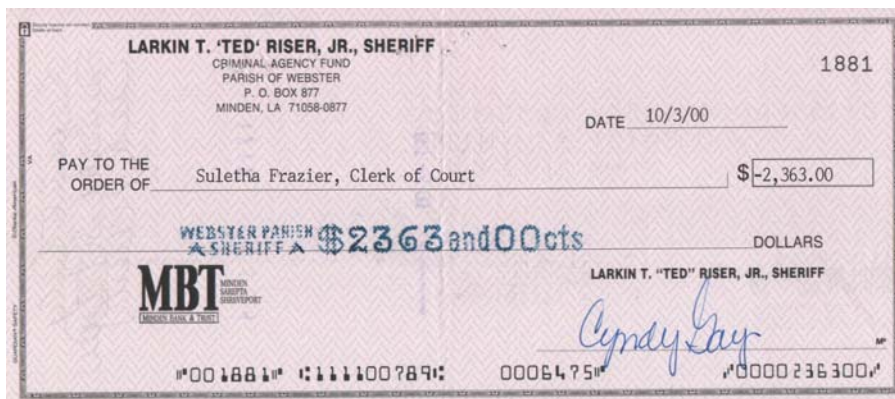
Checks deposited into the Clerk's accounts are supposed to be stamped "For Deposit Only Clerk's Salary Fund Sueletha S. Frazier, Clerk of Court." However, we identified \$68,621 in checks bearing handwritten endorsements that were not deposited into clerk of court accounts. These diverted checks were either cashed or deposited into an account at Richland State Bank or an account at Carter Federal Credit Union. The Clerk's office does not maintain accounts at either of these financial institutions.



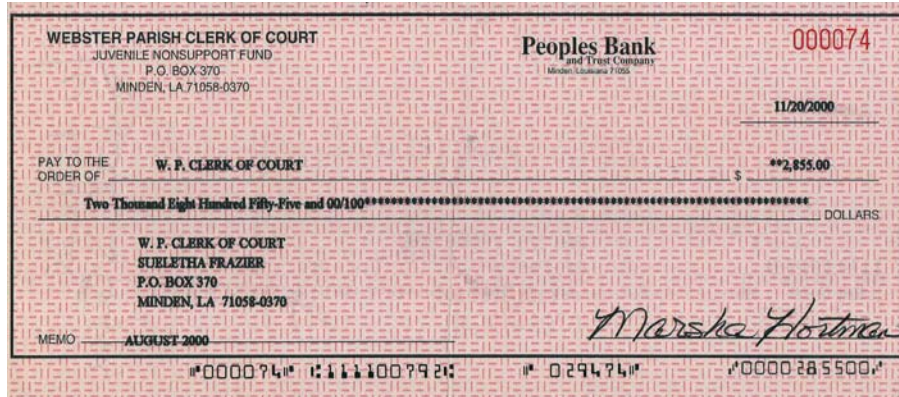
# WEBSTER PARISH CLERK OF COURT

## *Criminal Fines and Fees*

Each month the Clerk's office receives a check from the Webster Parish Sheriff's Office for administrative processing of criminal matters. Ms. Carolyn McMichael, Deputy Sheriff, delivered the check to the Clerk's office each month. According to Ms. McMichael, she gave the check to Ms. Debbie Haynes, Deputy Clerk. Ms. Haynes stated that she normally gave the check to Ms. Frazier, but would place it on Ms. Frazier's desk if Ms. Frazier was unavailable. In the 38-month period from September 2000 through October 2003, 16 checks from the sheriff's office were deposited into the Clerk's accounts. Twenty-one of the remaining 22 checks from the sheriff's office were deposited into an account at Richland State Bank and one was deposited into an account at Carter Federal Credit Union. These 22 checks totaled \$68,621. Ms. Frazier stated that she deposited checks from the sheriff's office into her personal account at Richland State Bank but does not recall depositing any checks from the sheriff's office into her account at Carter Federal Credit Union.



## *Juvenile Support Enforcement*



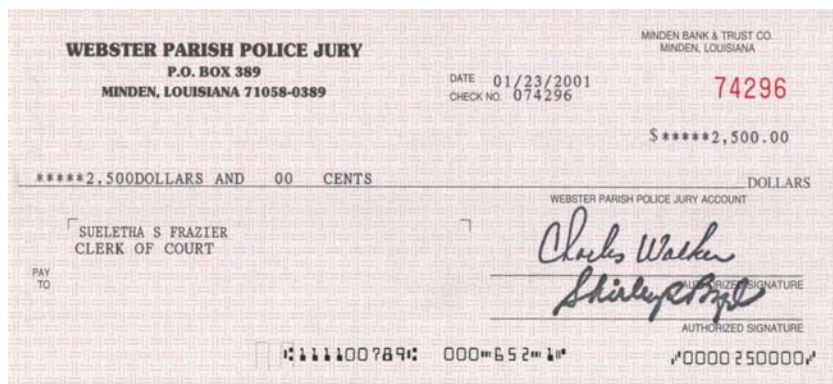
The Louisiana Department of Social Services provides funding to clerks of court in Louisiana to help defray filing costs related to juvenile support enforcement. When these funds are received by the Webster Parish Clerk's Office, Ms. Marsha Hortman, Deputy Clerk, deposits them into the Clerk's Juvenile Nonsupport Fund. Ms. Hortman then

prepares two checks, one for the Sheriff's Office and the other for the Clerk's Salary Fund (general fund). Ms. Hortman stated that she then gives the check made payable to the Clerk directly to Ms. Frazier. Our review of the Clerk's financial records revealed that 22 checks totaling \$59,581 were diverted from the Juvenile Nonsupport Fund and deposited into an account at Richland State Bank during the period August 2000 through February 2003. One check in the amount of \$1,864 was cashed. The total amount diverted from the Juvenile Nonsupport Fund totaled \$61,445. Ms. Frazier stated that she deposited funds from the Juvenile Nonsupport Fund into her personal account at Richland State Bank but did not recall cashing any checks.

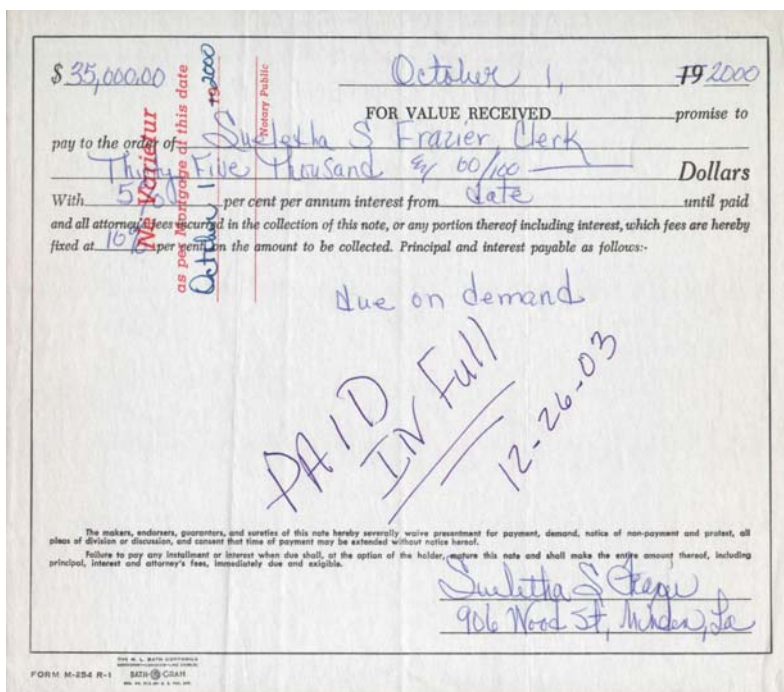


*Computer Maintenance*

Former Clerk of Court, Ms. Winifred Brinkley, negotiated an agreement with the Webster Parish Police Jury providing that the Police Jury would pay the Clerk’s office \$10,000 each year to help maintain the Clerk’s computer system. Each quarter since 1995, the Clerk’s office was supposed to receive \$2,500 from the Police Jury to help maintain the computer system. During the period September 2000 through October 2003, 12 checks from the Webster Parish Police Jury totaling \$30,000 were deposited into accounts at Richland State Bank and Carter Federal Credit Union. The remaining check was cashed at Regions Bank. Ms. Frazier stated that she deposited checks from the Police Jury into her personal account at Richland State Bank and cashed one check at Regions Bank but does not recall depositing any checks from the Police Jury into her account at Carter Federal Credit Union.



Ms. Frazier presented the legislative auditor with a promissory note dated October 1, 2000, in the amount of \$35,000 due on demand. In an interview on December 23, 2003, Ms. Frazier stated that the note was created in October 2000 and that she needed the money for expenses related to a family crisis. On January 7, 2004, Ms. Frazier stated that she prepared the note in December 2003 as a way “to cover herself.”



**SALARY OVERPAYMENT**

A clerk’s salary has four components:

- (1) a base salary established by Louisiana Revised Statute (R.S.) 13:782;
- (2) a 7% certification allowance;
- (3) supplemental compensation established by R.S. 13:761; and
- (4) a 10% expense allowance.



## WEBSTER PARISH CLERK OF COURT

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In July 2000, Ms. Frazier calculated her salary (\$7,123/month) which included her supplemental pay and her expense allowance. Ms. Frazier also receives \$175/month for serving as voting machine custodian. During the period July 2000 through June 2001, Ms. Frazier was paid \$7,123/month plus \$175/month custodian pay for a total of \$87,576. In addition to her salary and custodian pay, Ms Frazier received \$1,125/month in supplemental pay and \$777/month in expense allowance for a total compensation during the period of \$109,233 resulting in an overpayment of \$21,657.<sup>1</sup>

Finally, during the period January 2000 through December 2003, Ms. Frazier was paid \$336,190 but only reported \$280,908, a difference of \$55,282, on her W-2 Wage and Tax Statement.

On December 26, 2003, Ms. Frazier reimbursed the Clerk's office \$57,000. This reimbursement was made with a personal check in the amount of \$20,000 and a money order in the amount of \$37,000.

### IMPROPER USE OF CREDIT CARD

Ms. Brinkley, the former Clerk, obtained a credit card for the Clerk's office. After her election to Clerk, Ms. Frazier continued to use the card. During the period July 2000 through March 2003, Ms. Frazier made purchases totaling \$44,133 on the card that do not have a public purpose. However, payments on this account were not made from public funds accounts. Ms. Frazier stated that she paid the credit card bills with personal funds. Article VII, Section 14 of the Louisiana Constitution of 1974<sup>2</sup> prohibits a public agency from loaning money to any of its employees.

### FAILURE TO MAINTAIN PUBLIC RECORDS

During the period July 2000 through March 2003, the Clerk's office should have received 33 credit card statements for charges made on the Clerk's account. The statement dated September 27, 2000, was the only one retained in the Clerk's office records. According to Ms. Frazier, this statement was the last one that reflected charges related to official office business. Ms. Frazier stated that she continued to use the card but only for personal purposes. Finally, Ms. Frazier stated that the statements were mailed to her home and that she threw them away. Statements obtained from the credit card company indicate the card was still in the former Clerk's name and that the statements were mailed to a post office box that belongs to the Clerk of Court. Louisiana law<sup>3</sup> requires a public agency to retain this type of financial record for a minimum of three years.

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<sup>1</sup> In July, 2000 Ms. Frazier received \$735 in expense allowance and in September 2000 did not receive additional supplemental pay.

<sup>2</sup> **Article VII, Section 14 of the Louisiana Constitution** provides, in part, that except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

<sup>3</sup> **R.S. 44:36** provides, in part, that all persons and public bodies having custody or control of any public record shall exercise diligence and care in preserving the public record for the period of time specified for such public record in formal records retention schedule. In all instances in which a formal retention schedule has not been executed, such public records will be maintained for a period of at least three years.



This report has been provided to the District Attorney for the Twenty-sixth Judicial District of Louisiana. The actual determination as to whether an individual is subject to formal charge is at the discretion of the district attorney.<sup>4</sup>

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<sup>4</sup>**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.

**26 CFR 31.3401** provides, in part, that if a reimbursement or other expense allowance arrangement does not require expenses to be substantiated or require amounts in excess of the substantiated expense to be returned, then all amounts paid under the arrangement are treated as paid under a non-accountable plan, are included in wages, and are subject to withholding and payment of employment taxes.





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## RECOMMENDATIONS

The Webster Parish Clerk of Court should develop and implement policies and procedures to ensure that all funds due the Clerk's office are deposited to the proper accounts. This should include establishing estimated revenue accounts which will provide a control for anticipated revenues and logging all payments to the Clerk's office, whether received by mail or hand delivery, by an employee independent of the accounting function.

The estimated revenue accounts should be reviewed monthly and the payment log should be reconciled to daily deposits.

The Clerk of Court should also establish written policies regarding the use of Clerk's office credit cards restricting the use to official business only. In addition, the Clerk's office should maintain receipts and statements to support all credit card charges.

Finally, the Clerk of Court should ensure that the Clerk and all employees are compensated properly and that the proper withholdings are deducted from each payroll check.





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## BACKGROUND AND METHODOLOGY

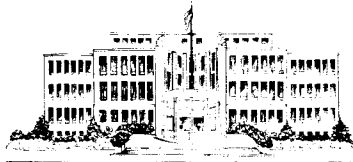
The Webster Parish Clerk of Court (Clerk) is an elected parish official who serves a term of four years. Article V, Section 28 of the Louisiana Constitution of 1974, provides for the Clerk to serve as ex-officio notary public to record conveyances, mortgages, and other acts, and to perform other duties as provided by law. The current Clerk, Ms. Sueletha Frazier, first took office on July 1, 2000, and begins her second term on July 1, 2004.

The legislative auditor received information indicating that the funds belonging to the Clerk were diverted to personal use. This examination was performed to determine whether funds had been diverted to personal use. The procedures performed during this examination consisted of (1) interviewing employees of the Clerk's office; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the Clerk's office; and (4) reviewing applicable state and federal laws and regulations.









**SUELETHA S. FRAZIER**

*Clerk of the Twenty-Sixth Judicial District Court  
Webster Parish*

P.O. Box 370  
MINDEN, LA 71058-0370  
Phone (318) 371-0366 • FAX (318) 371-0226

February 23, 2004

Grover C. Austin, CPA  
Office of Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

**In Re: Management's Response to Findings and Recommendations Following  
Examination of Webster Parish Clerk of Court's Financial Records**

Dear Mr. Austin:

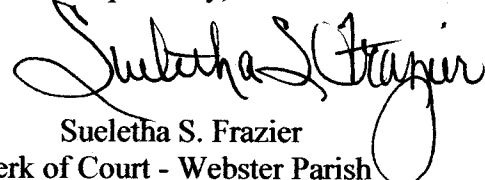
After reviewing the Louisiana Audit report I suggest that the recommendations as set forth in the executive summary be followed:

- (1) Establishing estimated revenue accounts which will provide a control for anticipated revenues and
- (2) Logging all payments to the Clerk's office, whether received by mail or hand delivery, by an employee independent of the accounting function.

By implementing the following strategies this will maintain total control of funds of the Webster Parish Clerks office. The findings and recommendations of which I do have some concerns are as follows:

- (1) The Clerk of Court is audited annually; there was no mention of improper use of credit cards.
- (2) I came into this office after many years under Winnie Brinkley, why did this audit began in July 2000, considering all my experiences and knowledge of the Clerk of Court was gained from the prior administration. I would love to see this type of audit performed prior to July 2000.

Respectfully,

  
Sueletha S. Frazier  
Clerk of Court - Webster Parish