

# Department of Justice

United States Attorney Walt Green  
Middle District of Louisiana

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FOR IMMEDIATE RELEASE  
WEDNESDAY, SEPTEMBER 24, 2014  
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## **STATE AUDIT DIRECTOR SENTENCED TO OVER 3 YEARS IN FEDERAL PRISON**

BATON ROUGE, LA - United States Attorney Walt Green announced today the sentencing of the former Director of the Bureau of Auditing and Compliance Services for the Louisiana Department of Children and Family Services (DCFS).

U.S. District Judge Shelley Dick sentenced DELRICE J. AUGUSTUS, age 35, of Baton Rouge, Louisiana, to 37 months imprisonment, 2 years of supervised release following imprisonment, restitution of \$155,305.24 to DCFS, and forfeiture of \$150,035 to the United States.

Augustus was sentenced following his conviction for stealing from a federally-funded entity, in violation of Title 18, United States Code, Section 666(a)(1)(A). Augustus served as the Director of the Bureau of Auditing and Compliance Services for DCFS, a state agency which receives over a billion dollars (\$1,000,000,000) in federal funding annually. As Director, Augustus reported directly to the Secretary of DCFS and led the office responsible for safeguarding assets against theft and unauthorized use; ensuring that transactions were properly authorized and recorded properly; and ensuring compliance with management policies, as well as federal and state laws and regulations.

When he pled guilty, Augustus admitted to using his official position to defraud DCFS through the following means.

- Augustus admitted to fraudulently misusing government purchasing cards to obtain items for personal use for himself and others, including an installed dishwasher, televisions, movies, cameras, wireless audio systems, such as Sonos and Jawbone, gaming devices, such as Xboxes, Wii and Leapsters, mobile devices, such as I-Pads, Kindle Fires, and an I-Phone 5, Dyson vacuums, rental vehicles, hotel rooms, and fuel.
- Augustus admitted to misusing and causing others to misuse state travel and gas cards to pay for personal travel and entertainment expenses for himself and others, including gas, rental vehicles, and hotel stays. One such occasion involved purchasing hotel suites in New Orleans for Mardi Gras and the NBA All-Star Game.

- Augustus admitted to engaging in a scheme to create and use fraudulent documents to request and receive reimbursement from the State of Louisiana for official travel that did not occur. Augustus would sign and submit reimbursement claims for expenses he falsely claimed to have incurred as part of his official duties. Augustus would cause the signature of the Secretary of the Louisiana Department of Children and Family Services to appear on his fraudulent reimbursement claims as approving such claims, when, in fact, the Secretary had neither approved the claims nor authorized her signature to be used in such a manner. Augustus would also create fraudulent documents reflecting that C.P. and K.G., who were employees in the Auditor's Office, had incurred certain expenses related to official travel. C.P. and K.G. would sign the fraudulent reimbursement requests as the requesting employees, and Augustus would sign as the approving supervisor. The State would pay the requested amount to C.P. and K.G. who would split the proceeds with Augustus.

U.S. Attorney Green stated: "It is a sad day when someone whose responsibility it is to safeguard and watch over hundreds of millions of dollars of federal funds is caught stealing from the very funds he is entrusted to protect. I commend DCFS leadership on their immediate action when the fraud became known to them. Such swift action and cooperation with law enforcement is imperative to ensuring that the occasional bad actor is addressed. I am grateful to our partners with the Louisiana State Police, the Louisiana Inspector General's Office, and the Federal Bureau of Investigation who worked seamlessly with our prosecutors to ensure today's just result."

Louisiana Inspector General Stephen Street commented: "This sentence should make it clear to anyone thinking about stealing from the taxpayers that they had better be prepared to go to jail for it. Together with our law enforcement partners, we will continue doing everything we can to make that happen."

"The public demands that we as law enforcement professionals hold those that commit such crimes responsible," stated Colonel Mike Edmonson, Superintendent of the Louisiana State Police. "The Louisiana State Police and all of our law enforcement partners are committed to ensuring that individuals in positions of trust are held to a higher standard."

This matter is being handled by the United States Attorney's Office, the Louisiana State Police, the Louisiana Inspector General's Office, and the Federal Bureau of Investigation. The matter is being prosecuted by First Assistant United States Attorney Corey R. Amundson, who serves as the Chief of the Criminal Division, and Special Assistant United States Attorney J. Brad Casey.

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