



*State of Louisiana*

**OFFICE OF  
STATE INSPECTOR GENERAL**

**FUEL TANKS TAKEN FOR PERSONAL USE**

**Report by**

**Inspector General Bill Lynch**

**Prepared for**

**Governor M.J. "Mike" Foster, Jr.**

**June 8, 1999**

**File No. 1-99-0079**



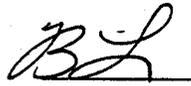
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**OFFICE OF  
STATE INSPECTOR GENERAL**

**Fuel Tanks Taken For Personal Use**

**May 21, 1999**

**Report by**

 **Inspector General Bill Lynch**

**Approved by**

 **Governor M.J. "Mike" Foster, Jr.**

**File No. 1-99-0079**

# Fuel Tanks Taken For Personal Use

Troy Edwards, a maintenance employee at Southeast Louisiana Hospital, violated hospital policy by taking seven unused fuel storage tanks for his personal use in 1997. Eight tanks were purchased in 1990, for approximately \$21,600, but only one tank was used.

During the investigation into this matter, Mr. Edwards, Facility Maintenance Manager Cecil Ruiz and Assistant Facility Maintenance Manager Charles Ray Landrum gave false statements to Inspector General auditors in an attempt to conceal the violation.

Poor business judgment was shown by hospital management in 1990, when the tanks were improperly stored in the sun, causing them to deteriorate and become unusable.

## Background

Southeast Louisiana Hospital is a 483 bed licensed psychiatric hospital located in Mandeville, Louisiana. Joseph Vinturella has served as the Administrator since May, 1989. Michael Teague has served as the Associate Administrator since February, 1997.

In 1993, the hospital set forth its policy against personal use of state property by hospital employees. The policy states, “personal use of hospital supplies and equipment is a violation of all laws, rules and regulations of state property.” The policy further states, “any violations...will not be tolerated and immediate disciplinary action will be taken against any employee who violates this policy.”

## Improper Storage

In 1990, Southeast Louisiana Hospital purchased eight underground diesel fuel storage tanks for approximately \$21,600. The tanks were to be used to store fuel to run

emergency generators for the hospital. Appropriated funds were only sufficient to purchase the tanks and not to install them, according to Mr. Ruiz. Instead of waiting to purchase the tanks when funds to complete the project were available, the hospital bought them and stored them in the open air and direct sunlight on the hospital grounds.

In 1993, the hospital installed one of the tanks. In 1994, the hospital was appropriated money to install the remaining seven storage tanks. However, prior to installing the tanks, the hospital was informed the tanks' fiberglass exterior had deteriorated, causing the fiberglass to crack and separate from the steel interior. Therefore, they could not be installed.

## Taking of the Tanks

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Mr. Edwards admitted he took the seven fuel storage tanks for his personal use.

According to Mr. Edwards:

Sometime before July 1997, Mr. Edwards told his supervisor, Cecil Ruiz, he wanted the tanks to use as pontoons on a houseboat he and a friend, Paul Revere, were planning to build.

A few months later, Mr. Ruiz told Mr. Edwards paperwork would be filed on the tanks and Mr. Edwards could have them. Mr. Ruiz told Mr. Edwards he would have to haul the tanks from the hospital grounds on a weekend and say he took them to the dump.

Mr. Edwards agreed to this arrangement and borrowed a trailer to move the tanks on a Saturday with the help of Mr. Revere. The two men transported the tanks to Mr. Revere's residence.

According to Mr. Ruiz:

Mr. Edwards asked him if he could have the tanks to use as pontoons on his houseboat. Mr. Ruiz denied that he told Mr. Edwards he could have the tanks for his personal use. Mr. Ruiz said he told Mr. Edwards to take the tanks to the dump. Mr. Ruiz admitted he suspected Mr. Edwards probably did not take the tanks to

the dump because Mr. Edwards had previously asked if he could have the tanks for personal use. Mr. Ruiz did not ask Mr. Edwards for a receipt from the dump, or for any other verification that the tanks actually went to the dump.

## False Statements

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Mr. Edwards, Mr. Ruiz and Mr. Landrum gave false statements when first questioned about the tanks in an attempt to conceal the fact the tanks were taken by Mr. Edwards for his personal use. When subsequently questioned and presented with evidence, each admitted to making false statements.

False statements made by Mr. Edwards:

During Mr. Edwards' first interview, he denied taking the tanks for his personal use. Mr. Edwards asserted he had hauled the tanks to the dump. He did not tell the auditor he had asked Mr. Ruiz if he could have the tanks for a houseboat he was going to build.

After Mr. Edwards' first interview, he presented to the auditor pictures of a sixteen year old houseboat he previously owned as proof the tanks were not being used as pontoons on his houseboat. Mr. Edwards said the houseboat in the pictures was the only houseboat he had ever owned. He did not tell the auditor he had planned on building another houseboat.

During Mr. Edwards' second interview, he gave the auditor elaborate details of how he loaded the tanks onto his trailer by himself and transported them to the dump. Mr. Edwards said it was raining the day he took the tanks to the dump. When he arrived at the entrance to the dump, the attendant told him he shouldn't drive in because he would get stuck in the mud. The attendant told Mr. Edwards to unload the tanks at the entrance and the dump's bulldozer would push the tanks back into the dump. According to Mr. Edwards, he did not have to sign in and the attendant did not ask for his driver's license or take down his license tag number. Mr. Edwards said he did not have to pay any dumping fee and he did not remember the name or the exact location of the dump, but he thought the dump

had closed since he took the tanks there. Mr. Edwards again denied taking the tanks for his personal use.

Shortly before Mr. Edwards' third interview, he learned the auditor had interviewed Mr. Revere and had located the tanks. When faced with this irrefutable evidence, Mr. Edwards told the auditors he was ready to tell the truth. He then admitted he made false statements during previous interviews.

False statements by Mr. Ruiz:

Mr. Ruiz originally said he told Mr. Edwards to take the tanks to the dump and, to his knowledge, he did take the tanks to the dump. Mr. Ruiz also presented the pictures of Mr. Edwards' sixteen year old houseboat to the auditor. Mr. Ruiz pointed out to the auditor that the pictures showed the tanks were not being used as pontoons on Mr. Edwards' houseboat. Mr. Ruiz said he believes no wrong doing had been done. Mr. Ruiz did not tell the auditor Mr. Edwards had asked him for the tanks to use as pontoons on a houseboat he was planning on building.

During Mr. Ruiz's second interview, he admitted that he had given false statements in his first interview. Mr. Ruiz said at the time Mr. Edwards took the tanks, he suspected they were not delivered to the dump. However, Mr. Ruiz admitted that he learned before his first interview that Mr. Edwards had not taken the tanks to the dump. He also said Mr. Edwards told him that he had given false information to the auditor. Mr. Ruiz said he did not attempt to make Mr. Edwards come forward with the truth about the tanks, either to the auditor or to hospital administration.

False statements by Mr. Landrum:

During Mr. Landrum's first interview, he said he knew Mr. Edwards was going to build a houseboat at the time the tanks were taken, but he had no personal knowledge as to whether Mr. Edwards actually took the tanks to the dump or not. Mr. Landrum also said that he hadn't heard anything about Mr. Edwards taking the tanks for his personal use.

During Mr. Landrum's second interview, he admitted he made false statements to the auditors in his first interview. He admitted he knew, before his first interview, that Mr. Edwards had not taken the tanks to the dump. Even though Mr. Landrum

is one of Mr. Edwards' supervisors, Mr. Landrum acknowledged he did not report what he knew about the tanks to hospital administration.

According to Mr. Edwards, prior to his first interview with the auditor, Mr. Ruiz called him to a meeting and directed him to tell the auditor he took the tanks to the dump. Mr. Edwards said he reminded Mr. Ruiz that he knew the tanks did not go to the dump. He said Mr. Ruiz became adamant and told him "you damn well better tell her (the auditor) you took the tanks to the dump." Mr. Edwards said Mr. Landrum was present at the meeting, but did not say anything.

Mr. Landrum acknowledged he was present in the meeting referred to by Mr. Edwards. He stated he did not recall the exact words that were said, but the message Mr. Ruiz was sending to Mr. Edwards was that he was to tell the auditor that Mr. Ruiz had told him to take the tanks to the dump.

According to Mr. Ruiz, he did meet with Mr. Edwards prior to Mr. Edwards' meeting with the auditor. Mr. Ruiz denied he told Mr. Edwards to tell the auditor he took the tanks to the dump. He said he was reminding Mr. Edwards that he had told him to bring the tanks to the dump.

## Cover Up

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Mr. Edwards and Mr. Ruiz withheld the truth from Associate Administrator Michael Teague in an attempt to cover up the fact the tanks were taken by Mr. Edwards for his personal use.

According to Mr. Teague:

After Mr. Edwards' first interview with the auditors, Mr. Ruiz and Mr. Edwards came to see him because Mr. Edwards wanted to resign his position at the hospital over the issue involving the tanks. Mr. Teague asked what happened to the tanks and Mr. Edwards told him he took the tanks to the dump. Mr. Edwards went into great detail as to how he had disposed of the tanks at the dump. Mr. Teague told Mr. Edwards he should not resign from his job since he had not done anything wrong.

Mr. Teague said that Mr. Ruiz was present during this entire conversation, and did not tell Mr. Teague that Mr. Edwards had not taken the tanks to the dump.

According to Mr. Ruiz:

Mr. Edwards came to him and told him he wanted to resign his position with the hospital. Mr. Ruiz took Mr. Edwards to meet with Mr. Teague. Mr. Edwards told Mr. Teague he took the tanks to the dump, and had not taken them for personal use. Mr. Ruiz was present during the entire conversation between Mr. Teague and Mr. Edwards, but did not tell Mr. Teague that the tanks were not taken to the dump. Mr. Ruiz also did not tell Mr. Teague that Mr. Edwards had given false information to the auditor.

Mr. Ruiz stated he did not come forward with the truth out of loyalty to Mr. Edwards.

## Hospital Action

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The hospital recently recovered the tanks and is negotiating with state property control regarding the proper disposal of the tanks. The current value of the tanks will be determined at auction in June, 1999.

## *Conclusions:*

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1. Troy Edwards, an employee of the hospital, improperly removed seven fuel storage tanks from the hospital for personal use.
2. Cecil Ruiz, a supervisor at the hospital, failed to require a receipt from the dump, or any other type of verification from Mr. Edwards, even though Mr. Ruiz suspected the tanks might not have been taken to the dump.
3. Mr. Edwards, Mr. Ruiz, and Mr. Landrum gave false information to Inspector General auditors when initially interviewed in an attempt to cover up the taking of the tanks for personal use.

4. Mr. Ruiz and Mr. Edwards failed to disclose the truth regarding their knowledge of the incident when meeting with the Associate Administrator concerning this investigation.
5. The hospital used poor business judgment in purchasing the tanks without sufficient funds to install them, and storing them in a manner which led to their deterioration.

*Recommendations:*

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1. Appropriate disciplinary action should be taken regarding the taking of the tanks for personal use.
2. Appropriate disciplinary action should be taken regarding the attempted cover up by Mr. Edwards, Mr. Ruiz and Mr. Landrum.

*Management Response:*

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Attached are the responses from John LaCour, Deputy Secretary of the Department of Health and Hospitals, and from Mr. Edwards.

Also attached are the responses from Mr. Ruiz and Mr. Landrum in which they deny they admitted giving false information.



M. J. "Mike" Foster, Jr.  
GOVERNOR

STATE OF LOUISIANA  
DEPARTMENT OF HEALTH AND HOSPITALS



David W. Hood  
SECRETARY

May 11, 1999

Mr. Bill Lynch, State Inspector General  
Office of State Inspector General  
Post Office Box 94095  
State Capitol Annex  
Baton Rouge, Louisiana 70804-9095

Dear Mr. Lynch:

This will acknowledge receipt of your letter dated May 5, 1999 and the enclosed draft of your report containing findings regarding the removal of fuel storage tanks from the grounds of Southeast Louisiana Hospital.

On behalf of the Office of Mental Health (OMH) of DHH, Southeast Louisiana Hospital, Mr. Joe Vinturella, and Mr. Mike Teague this is to advise you that DHH concurs with some of your conclusions and we are in the process of implementing your recommendations. In order to take disciplinary action, we need additional information not contained in your report. Hopefully this information is available within your staff's files. If not, we will have to independently develop the necessary details to comply with Civil Service Rule 12.8. Mr. George D. Allspach with our legal staff will be contacting your office regarding the needed details.

Sincerely,

John A. LaCour  
Deputy Secretary

JAL/FHP/br

cc: Dr. Richard Lippincott  
Joe Vinturella  
Mike Teague  
George D. Allspach  
Frank H. Perez

May 6, 1999

Bill Lynch  
State Inspector General  
State of Louisiana  
Baton Rouge, LA

Dear Mr. Lynch,

This is a response to your letter dated May 5, 1999 re: File # 1-99-0079 and the investigation of fuel storage tanks removed from Southeast Louisiana Hospital (SELH).

I did ask Mr. Ruiz's permission to take the tanks for my personal use to build a bigger houseboat. Mr. Ruiz told me he would have to get back with me after checking with Property Control Department (at SELH). Mr. Ruiz later informed me that I could take the tanks off SELH grounds on a Saturday and that if anything ever came up about the tanks I was to say I took them to the dump. I agreed. Mr. Ruiz then called the Security Office and informed them that I would be coming on a Saturday to haul the tanks to the dump.

When the investigation started I was called into a meeting in Mr. Ruiz's office with Mr. Ruiz, Mr. Landrum and myself present. I was told by Mr. Ruiz to tell the auditor that I had taken the tanks to the dump. I reminded Mr. Ruiz of our discussion we had when he told me I could have the tanks and that he knew I was going to use the tanks to make a bigger houseboat. and that the tanks did not go to the dump. He told me to lie to the auditor and say that I took the tanks to the dump. He also told me if the auditor asked me if I had met with Mr. Ruiz on the morning of the interview I was to tell her I had not met with Mr. Ruiz.

Under the circumstance of my removing the tanks for my personal use with Mr. Ruiz's permission I do not feel I did any wrong doing. I do admit I gave false information to the auditory but I did so under the direct order from my supervisor, Mr. Ruiz.

The tanks were returned to SELH as requested. They were not damaged in any way and were returned in the same condition as they were when removed. I had not used them for my personal use.

Lynch, Bill  
Page Two  
May 6, 1999

With an unblemished 20 + years of service to Southeast Louisiana Hospital with several recognitions for work well done I feel only a very lenient, if any, disciplinary action should be taken against me for giving false information.

Any consideration you can give me concerning this matter will be appreciated.

Sincerely,

Troy Edwards  
Senior Plumber  
Southeast Louisiana Hospital

A handwritten signature in cursive script that reads "Troy Edwards". The signature is written in black ink and is positioned below the typed name and title.

63068 Wren Way  
Mandeville, La. 70448  
May 14, 1999

Mr. Bill Lynch  
State Inspector General  
P.O. Box 94095  
Baton Rouge, La. 70804-9095

RE: File No. 1-99-0079

Dear Mr. Lynch:

This letter is in response to the draft report mailed to me on May 5, 1999 concerning your review of Southeast Louisiana Hospital. I disagree with the statement that I was aware that Mr. Edwards had not taken the tanks to the dump. During the investigation I had a suspicion that Mr. Edwards had not been telling the truth but at the time of the meeting with Mr. Teague did not know that as fact. I did inform Mr. Teague after this meeting that I had my doubts that Mr. Edwards was being truthful. During my second interview I did NOT admit to giving false statements in my first interview. To my recollection, at no time during any of my interviews did I give the auditor false statements. I also did not have a meeting with Mr. Edwards where I became adamant and told him "you damn well better tell her (the auditor) you took the tanks to the dump". Mr. Edwards had requested the tanks for his personal use several months before he was told he could haul them to the dump. At no time did I give Mr. Edwards permission to take the tanks for his personal use.

If you have any further questions, please advise.

Yours truly,



Cecil Ruiz

Charles Ray Landrum  
P. O. Box 100  
Bush, LA 70431

May 12, 1999

Mr. Bill Lynch  
State Inspector General  
State of Louisiana  
Division of Administration  
Office of State Inspector General  
P. O. Box 94095  
Baton Rouge, LA 70804-9095

Dear Mr. Lynch,

RE: Alleged False Statements by Charles Ray Landrum  
From Page 4, Paragraph 2 of File #1-99-0079

**Item #1. He admitted he knew, before his first interview, that Mr. Edwards had taken the tanks for his personal use.**

During my first interview, I said I had no personal knowledge where Mr. Edwards took the tanks and that I had no personal knowledge that Mr. Edwards took the tanks for his personal use. The above is a true statement, Mr. Edwards and I have never discussed the tanks.

**Item #2. He also said he knew Mr. Edwards had given false statements to the auditor.**

I do not know what questions were asked Mr. Edwards and how he answered them. It is impossible for me to know Mr. Edwards had given false statement to the auditor. I was not present during his interview.

**Item #3. Even though Mr. Landrum is one of Mr. Edwards' supervisors, Mr. Landrum said he did not report what he knew about the tanks to hospital administration.**

I did not report anything about the tanks to the hospital administration because the hospital administration approved Mr. Edwards removing the tanks from the hospital grounds. Why report something to someone who already knows?

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CONCLUSION:

I have no reason to give false information to the Inspector General's auditors. I have done nothing wrong and have nothing to hide or cover up. I will not make false statement for Mr. Ruiz, Mr. Edwards, or for anyone else.

Very truly yours,



Charles Ray Landrum  
Facility Assistant Maintenance Manager 2  
Southeast Louisiana Hospital