

# STATE OF LOUISIANA

## OFFICE OF STATE INSPECTOR GENERAL



## LOUISIANA MOTOR VEHICLE COMMISSION

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**STATE OF LOUISIANA**  
**OFFICE OF**  
**STATE INSPECTOR GENERAL**



**LOUISIANA MOTOR VEHICLE COMMISSION**

**Sharon B. Robinson, CPA**  
**State Inspector General**

*KRB*  
*MM*  
*11/19/05*

Approved by:  
Governor Kathleen Babineaux Blanco

August 17, 2005

File No. 1-05-0023



*State of Louisiana*  
DIVISION OF ADMINISTRATION

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COMMISSIONER OF ADMINISTRATION

August 17, 2005

Honorable Kathleen Babineaux Blanco  
Governor of the State of Louisiana  
P.O. Box 94004  
Baton Rouge, LA 70804-9004

Dear Governor Blanco:

This report addresses concerns raised about the operations of the Louisiana Motor Vehicle Commission. The report includes eight recommendations that, if implemented, could help improve the operations of the agency.

We provided a draft of the report to the Commission's executive director and her response is included as Appendix A.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sharon B. Robinson".

Sharon B. Robinson, CPA  
State Inspector General

SBR/DM

Enclosure

## Table of Contents

### Letter to the Governor

<b>Executive Summary</b> .....	1
--------------------------------	---

<b>Background</b> .....	3
-------------------------	---

<b>Scope and Methodology</b> .....	5
------------------------------------	---

### Findings and Recommendations

State Travel Regulations Violations .....	7
---	---

Statewide Fleet Management Program Violations .....	9
---	---

Inappropriate Use of Public Funds .....	11
---	----

Overtime .....	13
----------------	----

Fair Labor Standards Act Violation .....	15
--	----

Additional Benefits Program .....	17
-----------------------------------	----

### Appendix A – Response

## Executive Summary

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### Audit Initiation

On April 5, 2005, the Office of State Inspector General received a complaint alleging misuse of public funds, misuse of state vehicles, and overtime irregularities within the Louisiana Motor Vehicle Commission (LMVC). On April 14, 2005, the Office of State Inspector General began an investigation into the allegations.

The LMVC regulates and licenses motor vehicle manufacturers, distributors, dealers, and lessors doing business in Louisiana. The LMVC also serves as the administrator of the Motor Vehicle Sales Finance Act.

The investigation's objective was to determine if the allegations were valid. In addition, review of specific operations was performed to determine if adequate controls were in place.

### Summary of Findings

- LMVC has not abided by state travel regulations (PPM-49) as it relates to travel expense allowances. At least four employees' allowances for meal and/or hotel expenses violated PPM-49. In addition, meal receipts paid with a LMVC credit card did not identify meal participants, resulting in our inability to determine if all participants were entitled to meals at the LMVC's expense. (pgs. 7-8)
- Executive Director Lessie House and Assistant Executive Director Ginger Gunter did not maintain accurate travel logs for vehicles assigned to them for business purposes. The logs contained numerous omissions, errors, and discrepancies causing us to conclude the logs are unreliable. As a result, we are unable to conclude with confidence the vehicles are solely used for business activities.(pgs. 9-10)
- In FY 2005, Ms. House approved expenditures of LMVC funds on two separate occasions for employee lunches in violation of Article 7, Section 14(A) of the Louisiana Constitution. The inappropriate expenditures totaled \$645.57. (pg. 11)
- The LMVC has not adequately addressed human resource needs resulting in employees working excessive overtime. Overtime payments for the first nine months of FY 2005 exceed \$77,000. At the

current rate, overtime payments could exceed \$100,000 for FY 2005.  
(pgs. 13-14)

- The LMVC violated the Fair Labor Standards Act (FLSA) as it relates to compensation for overtime. At least one employee was ruled, in error, to have exempt status and is being paid straight time for overtime hours worked as opposed to time and one-half as required by the FLSA. (pg. 15)
- For fiscal years 1999 through 2004, the LMVC contributed over \$480,000 to the State Employee Deferred Compensation Plan for its permanent employees as part of an additional benefits package. Although the contribution does not violate any state laws, the state constitution, or Department of State Civil Service rules; we question whether this additional retirement benefit is a prudent use of the commission's resources. (pgs. 17-18)

## Background

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The Louisiana Motor Vehicle Commission was created in 1954 to regulate and license motor vehicle manufacturers, distributors, dealers, and lessors doing business in Louisiana. In 1959, the LMVC was designated the administrator of the Motor Vehicle Sales Finance Act. The LMVC is composed of 15 members appointed by the governor, currently has a staff of 12 active employees, and is domiciled in Jefferson Parish. The executive director is Lessie House and the assistant executive director is Ginger Gunter. The LMVC is an agency within the Office of the Governor and has a budget for FY 2005 of \$1.46 million.

The functions of the Commission are as follows:

- Licensing of:
  - Manufacturers, distributors, factory branches, distributor branches and their representatives;
  - New motor vehicle dealers and their new motor vehicle salesmen;
  - New motor vehicle dealers' used motor vehicle facilities and their used motor vehicle salesmen;
  - Satellite warranty repair centers;
  - New motor vehicle brokers;
  - Motor vehicle lessor franchisers;
  - Motor vehicle lessor franchisers' used motor vehicle facilities and their used motor vehicle salesmen;
  - Motor vehicle lessors and their lessor agents;
  - Motor vehicle lessor used motor vehicle facilities and their used motor vehicle salesmen;
  - Lessor facilitator;
  - Converter and /or secondary manufacturer;
  - Specialty vehicle dealers and their specialty vehicle salesmen;
  - Finance companies that finance motor vehicles pursuant to the Motor Vehicle Sales Finance Act.
- Regulation of licensees by requiring that they comply with any law and the rules and regulations relating to the sale, lease or rental, distribution, or financing of motor vehicles;
- Promulgations of rules and regulations;
- Investigation and examination to ensure compliance with laws and rules and regulations relating to the sale, lease or rental, distribution, or financing of motor vehicles;
- Investigation of consumer complaints against any licensee;
- Mediation of disputes between licensees;
- Adjudicative action by the LMVC when and where provided or required by law;

## LOUISIANA MOTOR VEHICLE COMMISSION

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- Audits of motor vehicle chattel mortgages to verify compliance with the statutory rates as prescribed by law;
- Audits of pre-paid motor vehicle finance accounts to ensure rebates of finance charges and insurance coverage are in accordance with the provisions of law.

## Scope and Methodology

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The procedures performed during this investigation consisted of (1) interviewing pertinent employees of the LMVC and the Louisiana Property Assistance Agency (LPAA); (2) examining selected LMVC and LPAA records; (3) observing activities; and (4) reviewing applicable state laws and regulations.

Although the investigation was originally limited to activities between July 1, 2004, and March 31, 2005, a single issue outside these date parameters was reviewed and is addressed in this report.



## State Travel Regulations Violations

LMVC has not abided by state travel regulations (PPM-49) as it relates to travel expense allowances. At least four employees' allowances for meal and/or hotel expenses violated PPM-49. In some cases, employees received meal allowances although they were not entitled. In other cases, the meal and/or hotel cost exceeded the maximum amount allowed.

PPM-49 is prescribed by the Division of Administration and applies to all state departments, boards and commissions created by the legislature or executive order and operating from funds appropriated, dedicated, or self-sustaining; federal funds; or funds generated from any other source. LSA R.S. 32:1253(C) provides an exception to PPM-49 for the appointed commissioners who shall be reimbursed for actual expenses incurred in the performance of their duties. However, LMVC staff are not exempt from PPM-49.

Ms. House acknowledged the LMVC staff does not follow PPM-49 nor has she established a formal written travel policy. She stated she reviews travel expenses for reasonableness.

The following is a comparison between PPM-49 meal allowances and the cost of meals for Ms. House, Ms. Gunter, and Investigator Mike Laviolette.

<i>Restaurant</i>	<i>Date</i>	<i>Charged To</i>	<i>Avg. Cost per Guest</i>	<i>PPM-49 Allowance</i>
<b>Ruth's Chris</b>	<b>08/12/2004</b>	<b>L. House</b>	<b>\$46.37</b>	<b>\$0</b>
<b>Drago's</b>	<b>12/13/2004</b>	<b>L. House</b>	<b>\$60.87</b>	<b>\$0</b>
<b>Ruth's Chris</b>	<b>01/20/2005</b>	<b>L. House</b>	<b>\$57.73</b>	<b>\$0</b>
<b>Drago's</b>	<b>08/09/2004</b>	<b>G. Gunter</b>	<b>\$26.46</b>	<b>\$0</b>
<b>Ruth's Chris</b>	<b>11/05/2004</b>	<b>G. Gunter</b>	<b>\$50.23</b>	<b>\$0</b>
<b>Kivas</b>	<b>01/21/2005</b>	<b>M. Laviolette</b>	<b>\$25.06</b>	<b>\$8-\$12</b>

Meals are generally paid with a LMVC credit card. In numerous cases, one receipt covered multiple participants' meals; however, although the receipts indicate the number of participants, they do not identify the participants. Without the identification of participants, we could not determine if all participants are entitled to meals at LMVC expense.

## LOUISIANA MOTOR VEHICLE COMMISSION

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The following is a comparison between PPM-49 hotel allowances and hotel expenses for Ms. House, Ms. Gunter, Mr. Laviolette, and Investigator Alicia Guidry.

<i>Hotel</i>	<i>Date</i>	<i>Charged To</i>	<i>Cost Per Night</i>	<i>PPM-49 Allowance</i>
<b>Embassy Suites Baton Rouge</b>	<b>10/11/2004</b>	<b>L. House</b>	<b>\$179.67</b>	<b>\$70</b>
<b>Embassy Suites Baton Rouge</b>	<b>10/11/2004</b>	<b>G. Gunter</b>	<b>\$179.67</b>	<b>\$70</b>
<b>Embassy Suites Baton Rouge</b>	<b>10/11/2004</b>	<b>A. Guidry</b>	<b>\$109.39</b>	<b>\$70</b>
<b>Hampton Inn Harahan</b>	<b>11/08/2004</b>	<b>M. Laviolette</b>	<b>\$104.86</b>	<b>\$60</b>

### Recommendations:

1. LMVC staff should abide by PPM-49. As an alternative, the LMVC could establish in-house travel regulations based on PPM-49. Ms. House should establish procedures, with commission approval, to ensure compliance with the regulations.
2. The LMVC should ensure all meal receipts identify all meal participants and the business purpose of the meal.
3. The LMVC should establish a written policy for the use of credit cards. The policy should require that the business purpose of all charges be properly documented and detailed receipts maintained.

## Fleet Management Program Violations

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Ms. House and Ms. Gunter did not maintain accurate travel logs for vehicles assigned to them for business purposes.

The LMVC is required to adhere to rules and regulations of the Statewide Fleet Management Program. The Program was established to provide motor vehicle, aircraft and related services to the state and to maintain safe, dependable, and cost-effective transportation for state employees who need designated types of vehicles or aircraft to perform their job responsibilities. The Louisiana Property Assistance Agency (LPAA) is responsible for the implementation, monitoring, and overall administration of the Program.

Under the Program, Daily Vehicle Usage Logs (MV3) must be maintained for each state-owned vehicle. The MV3 forms must contain accurate information on miles traveled, locations traveled, repair/maintenance costs, and operating costs. The LMVC currently owns six automobiles that employees use in performing their duties.

Our review of MV3 forms for vehicles that Ms. House and Ms. Gunter use revealed the documents contained numerous omissions, errors and discrepancies causing us to conclude the logs are unreliable. As a result, we were unable to determine whether the vehicles are being used solely for business purposes. Below are examples of discrepancies between credit card records and MV3's for Ms. Gunter and Ms. House:

- Credit card records show on September 8, 2004, Ms. Gunter traveled to Baton Rouge and stayed overnight. However, her MV3 indicates she traveled from her residence in Folsom to Covington and Metairie then back to her residence. Ms. Gunter acknowledged she was in Baton Rouge and stated the entry in the MV3 was in error.
- Credit card records show on October 11, 2004, Ms. Gunter traveled to Baton Rouge and stayed overnight. However, her MV3 indicates she traveled from her residence to Harvey, New Orleans, and Metairie, then back to her residence. Ms. Gunter acknowledged she was in Baton Rouge and stated the entry in the MV3 was in error.
- Credit card records show on five occasions in January, February, and March, 2005, Ms. Gunter traveled from her residence to Covington. However, the MV3 indicates no travel for each of the corresponding dates. Ms. Gunter stated she traveled to Covington on the weekends in question for car washes but failed to enter the trips on the MV3.

- Credit card records show on January 21, 2005, Ms. House traveled to Slidell. However, the MV3 indicates she traveled from Jefferson Parish to Laplace, Hammond, and vicinity. The log does not indicate where the trip ended.

### Recommendation:

4. The LMVC should adopt policies and procedures that require all MV3 forms be completed according to LPAA policies.

## Inappropriate Use of Public Funds

In FY 2005, Ms. House approved expenditures of LMVC funds on two separate occasions for employee lunches in violation of Article 7, Section 14(A) of the Louisiana Constitution. The inappropriate expenditures totaled \$654.57.

Article 7, Section 14(A) of the Louisiana Constitution prohibits funds, credit, property, or things of value of the state to be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

On March 31, 2005, Ms. House authorized a retirement party for a LMVC employee at Andrea's Restaurant in Metairie. The restaurant bill, totaling \$456.67, was charged to a LMVC credit card assigned to Ms. Gunter. The credit card bill was then paid with LMVC funds.

Ms. House acknowledged she approved the expenditure of LMVC funds for the retirement party. She stated she was not aware using the funds for a retirement party was inappropriate and has reimbursed the LMVC.

On April 13, 2005, Ms. House authorized a boiled crawfish lunch in association with State Employee Recognition Day. The seafood was purchased from Kenner Seafood at a cost of \$188.90 and charged to a LMVC credit card assigned to Ms. Gunter. The credit card bill was then paid with LMVC funds.

Ms. House stated the Department of State Civil Service sent her a copy of Governor Blanco's proclamation proclaiming May 4, 2005, as State Employee Recognition Day and a list of suggested recognition activities. Included in the suggested activities is "Hold a recognition breakfast, lunch, ice cream party or pizza party." Ms. House stated she held the lunch early because several employees were scheduled to out of the office on May 4. She said she was under the impression expending agency funds for lunch in association with State Employee Recognition Day was an approved expenditure.

### Recommendation:

5. The LMVC should establish policies and procedures to ensure all expenditures are in compliance with the state constitution and state law.



## Overtime

The LMVC has not adequately addressed human resource needs resulting in employees working and being paid for excessive overtime. All staff employees, including Ms. House and Ms. Gunter, were credited with various amounts of overtime.

Our review of overtime credited to the LMVC staff revealed an unusually large amount of overtime reported. Each employee receives straight time payment for each hour credited as overtime. From July 1, 2004, through March 31, 2005, the LMVC staff was credited with over 4,000 hours of overtime at a cost of over \$77,000. At the current rate, overtime payments could exceed \$100,000 for FY 2005.

The following is a schedule of LMVC's staff overtime credited and paid from July 1, 2004, through March 31, 2005:

Employee	Total Hours	Cost
Abecilla, Joann	279.5	\$ 3,435.94
Cattle, Ing-Ya	194	\$ 2,690.78
Espiritu, Nita	407.5	\$ 7,551.42
Guidry, Alicia	362	\$ 3,965.01
Gunter, Ginger (Asst. Exec. Dir.)	482	\$ 14,440.03
Horaist, William	272	\$ 3,166.57
House, Lessie (Exec. Director)	514	\$ 17,954.10
Latiolais, Rose (Retired)	2	\$ 30.76
Laviolette, Mitchell	628.5	\$ 10,475.66
Lewis, Brenda	166	\$ 2,707.46
Quick, Arthur	73	\$ 877.46
Stallings, Florence	272	\$ 2,699.20
Styron, Cynthia	259.5	\$ 4,567.20
Weeks, Wallace (Retired)	183	\$ 2,576.36
<b>Total</b>	<b>4,095</b>	<b>\$ 77,137.95</b>

Ms. House stated the overtime is necessary due to the extreme workload placed on the LMVC staff. She stated she has been unable to increase the number of employees due to the limited office space available and local building codes prohibit adding on to the existing building.

Recommendation:

6. The LMVC should evaluate its human resource needs of the agency and take action to ensure human resource utilization is efficient and in the best interest of the state.

## Fair Labor Standards Act Violation

The LMVC violated the FLSA as it relates to compensation for overtime. Our review revealed at least one staff employee's designation as having an exempt status, as it relates to the FLSA, was in error. As a result, overtime payments to the employee at a straight time rate, as opposed to a time and one-half rate, violates the FLSA.

The FLSA requires that unless specifically exempted, employees covered by the Act must receive overtime pay for hours worked in excess of 40 in a workweek at a rate not less than time and one-half their regular rates of pay. However, the FLSA provides an exemption from overtime pay for employees employed as bona fide executive, administrative, professional, and outside sales employees. To qualify for exemption, employees generally must meet certain tests regarding their job duties and be paid on a salary basis at not less than \$455 per week.

### Recommendation:

7. The LMVC should evaluate the duties and salaries of all staff employees to ensure compliance with the FLSA. The LMVC should also address the issue of previous overtime payments that may violate the FLSA.



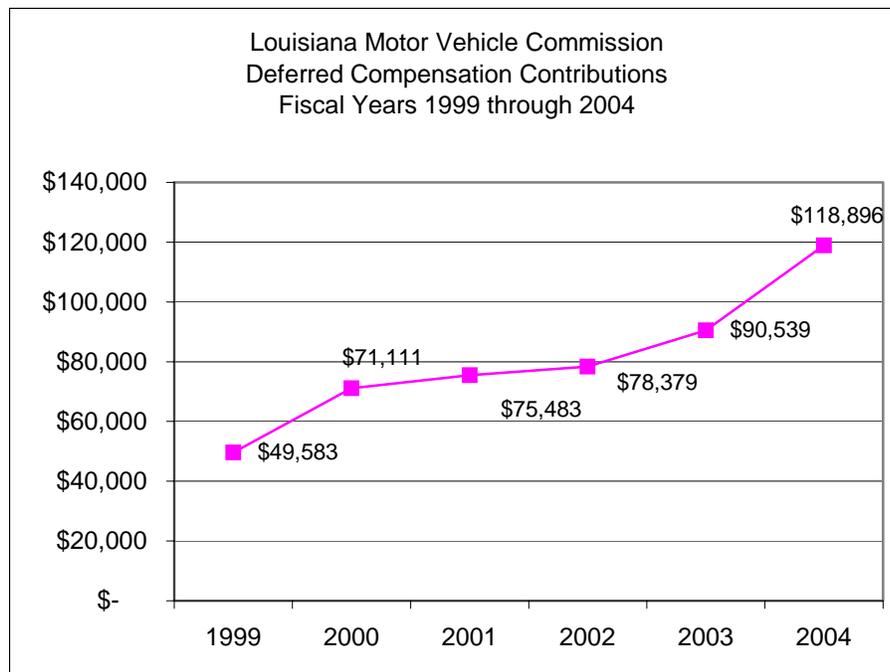
## Additional Benefits Program

For fiscal years 1999 through 2004, the LMVC contributed over \$480,000 to the State Employee Deferred Compensation Plan for its permanent employees as part of an additional benefits package. The commission approved this practice at its October 12, 1998 meeting. It became effective November 1, 1998. The commission advised the executive director and staff that the LMVC would contribute 25% of each employee's taxable income, up to \$8,000, to deferred compensation.

The employee has the choice of the following two options:

1. The full contribution to be paid into deferred compensation, or;
2. Apply a portion of the contribution necessary to pay the employee's portion of Group Benefits premiums, with the balance of the contribution being paid into deferred compensation on the employee's behalf.

The following graph shows the increase in contributions by year:



## LOUISIANA MOTOR VEHICLE COMMISSION

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The following table lists the contributions by fiscal year and compares these contributions to total revenues and total expenses:

<b>Fiscal Year</b>	<b>Deferred Compensation</b>	<b>Total Revenues</b>	<b>Total Expenses</b>	<b>Deferred Compensation as % of Revenues</b>	<b>Deferred Compensation as a % of Expenses</b>
<b>1999</b>	<b>\$ 49,583</b>	<b>\$ 1,152,474</b>	<b>\$ 894,582</b>	<b>4.3%</b>	<b>5.5%</b>
<b>2000</b>	<b>\$ 71,111</b>	<b>1,191,125</b>	<b>1,067,928</b>	<b>6.0%</b>	<b>6.7%</b>
<b>2001</b>	<b>\$ 75,483</b>	<b>1,182,981</b>	<b>1,030,287</b>	<b>6.4%</b>	<b>7.3%</b>
<b>2002</b>	<b>\$ 78,379</b>	<b>1,197,274</b>	<b>1,185,643</b>	<b>6.5%</b>	<b>6.6%</b>
<b>2003</b>	<b>\$ 90,539</b>	<b>1,177,714</b>	<b>1,155,607</b>	<b>7.7%</b>	<b>7.8%</b>
<b>2004</b>	<b>\$ 118,896</b>	<b>1,409,860</b>	<b>1,334,809</b>	<b>8.4%</b>	<b>8.9%</b>
Source: <b>LMVC annual audit reports</b>					

Robert Boland, Jr., general counsel for the Department of State Civil Service, stated this type of contribution does not violate civil service rules. He said the State Civil Service Commission debated this issue about ten years ago and limited its definition of compensation to payments made directly to the employee. Because of this definition, the State Civil Service Commission does not regulate employer contributions to supplemental retirement plans.

While the Attorney General has opined that this arrangement does not violate any state laws or the state constitution, we question whether this additional retirement benefit is a prudent use of the commission's resources. The commission is funded entirely by self-generated revenues, i.e., licensing fees, fines, and penalties. By using its resources more prudently, the commission could possibly reduce the license fees paid by those businesses it oversees.

We found only one other state entity that has a similar arrangement although there may be others.

### Recommendations:

7. The LMVC should re-evaluate the additional benefits program to determine if it is in the best interest of the state. As part of its evaluation, the LMVC should ask the State Civil Service Commission to review the specific issue of contributions to the State Employee Deferred Compensation Plan and payment of Group Benefits premiums on behalf of employees to determine if the practice violates civil service rules.
8. Ms. House should consult with state and federal tax officials to ensure the LMVC is in compliance with compensation reporting requirements.

Appendix A  
LMVC Response



State of Louisiana  
LOUISIANA MOTOR VEHICLE COMMISSION

Kathleen Babineaux Blanco  
Governor

Lessie A. House  
Executive Director

August 15, 2005

Ms. Sharon B. Robinson, CPA  
State Inspector General  
224 Florida Street, Suite 303  
Baton Rouge, Louisiana 70804-9095

Dear Ms. Robinson:

The Governor's office created the position of Inspector General ("IG"). The IG fulfills the role by directing the auditors of the Division of Administration ("auditors"),<sup>1</sup> whose purpose is to examine, investigate, and make recommendations with respect to the prevention, and detection of waste, inefficiencies, mismanagement, and abuse in all the state agencies, boards, commissions, authorities, task forces, departments and divisions of the executive branch of state government.<sup>2</sup>

The Louisiana Motor Vehicle Commission ("LMVC") was created by the Louisiana legislature as an agency within the Governor's office and is defined by the legislature as being the fifteen members appointed by the Governor.<sup>3</sup> The legislature further provides that the "Commission" is composed of these fifteen (15) members **and their designees.**<sup>4</sup>

It is with the greatest respect that the LMVC whose members are appointed by the Governor accept, comment and respond to the report of the IG, also a gubernatorial appointee. The LMVC recognizes the many visits and the long and great effort expended by the auditors in their examination of the LMVC initiated upon the complaint of a former or present employee. The LMVC appreciates the auditor's recommendations in assistance to the LMVC for the prevention of possible inefficiencies.

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<sup>1</sup>Smith vs. Smith, 694 So.2d 1184, 1187, 96 0432 (La. App. 1 Cir. 5/9/97)

<sup>2</sup>Roemer v. Guillot, 616 So.2d 711, 712 - 713 (La. App. 1 Cir. 1992) citing Executive Order BR 88-10.

<sup>3</sup>La. R.S. 32:1253(A) - "*The Louisiana Motor Vehicle Commission is hereby created within the office of the governor and shall be composed of fifteen members appointed by the governor, as follows:*" with the remainder of this subsection providing for the manner in which these fifteen members are appointed.

<sup>4</sup>La. R.S. 32:1252(3) - "*'Commission' means the Louisiana Motor Vehicle Commission created by this Chapter or its designees.*"

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Baton Rouge, Louisiana 70804-9095  
August 15, 2005  
Page 2

With this said, the LMVC responds to the particular instances referenced in the IG's report:

I. **La. R.S. 32:1253(C), La. R.S. 32:1253(G) and PPM-49 exempt the Chairman of the LMVC, the members of the LMVC and the designees of the LMVC from State Travel Regulation PPM-49.**

A. **La. R.S. 32:1253(C), La. R.S. 32:1253(G) and PPM-49**

Since its inception in 1954<sup>1</sup> and up to the final days of this examination, the LMVC had never been advised that it is subject to PPM-49. Accordingly, the LMVC has allowed on a case by case basis the reimbursement of actual and reasonable travel and subsistence expenses incurred in conducting the commission's business. In fact, during the examination, the examining auditor advised the Executive Director that PPM-49 did not apply to the commission. It was only in the final days of the examination that the examining auditor informed the Executive Director that his office changed its opinion and it now believes that the commission is subject to PPM-49. Presented with these conflicting opinions and the possible effect upon the long standing practices of the LMVC, the LMVC reviewed the relevant statutes, state travel regulations and opinions of the Louisiana Attorney General ("AG"). As discussed below, consideration of all relevant law, regulation and legal opinion<sup>2</sup> justifies the LMVC's past and present practice in authorizing reimbursement of the actual and reasonable expenses of the commissioners and their designees on a case by case basis.

To understand the practices of the LMVC in its expenditures, one must read the relevant statutory authorization in its entirety. **La. R.S. 32:1253(C)<sup>3</sup> and La. R.S. 32:1253(G)<sup>4</sup> authorize the reimbursement of the actual expenses for the travel and subsistence of the commissioners and their designees as a proper charge.**

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<sup>1</sup>Acts 1954, No. 350, Sec.1

<sup>2</sup>The IG's report does not reference a consideration of PPM-49, Sec. 1502(b) or La. R.S. 32:1253(G).

<sup>3</sup>La. R.S. 32:1253(C) - "*The chairman and members of said commission shall receive fifty dollars per diem for each and every day necessarily spent in conducting the business of the commission, and shall be reimbursed for actual expenses incurred in the performance of their duties under this Chapter.*" (Emphasis Added)

<sup>4</sup>La. R.S. 32:1253(G) - "*All expenses incurred by the commission in carrying out the provisions of this Chapter, including but not limited to per diem, wages, salaries, rent, postage, supplies, bond premiums, travel and subsistence, and printing and utilities, shall be a proper charge against said fund.*" (Emphasis Added)

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Baton Rouge, Louisiana 70804-9095  
August 15, 2005  
Page 3

The legislature having provided for travel and subsistence expenses of the commission members and their designees, Section 1502(b) of PPM-49 explicitly exempts the LMVC from the Division of Administration's State Travel Regulations.

**B. Opinion Number 00-317 & Subsequent Action of the Legislature Providing for Reimbursement of Actual Travel and Subsistence Expenses**

**1. Opinion Number 00-317**

In analyzing this same issue for the Louisiana Housing Finance Agency ("LHFA"), the AG issued Opinion No. 00-317.<sup>1</sup> The LHFA requested the AG's opinion as to whether the LHFA was required to adhere to the State Travel Guidelines (PPM-49). The LHFA's enabling legislation provided for the per diem of commissioners for attendance at meetings and reimbursement for actual expenses incurred in the performance of their duties.<sup>2</sup> The LFHA's enabling legislation also provided that the Division of Administration could not exercise budgetary control or authority over the self-generated funds of the LFHA.<sup>3</sup> **The AG opined La. R.S. 40:600.5(C) to be a legislative exception to PPM-49 allowing the commissioners and the staff to be reimbursed for their actual expenses incurred in the performance of their duties. The AG suggested that the expenses be "reasonable" and be decided on a case by case basis.**

The LFHA and the LMVC are identical in these respects. The enabling legislation for both agencies contain two separate and distinct subsections providing for the reimbursement of expenses. La. R.S. 40:600.5(C) [*for the LHFA*] and La. R.S. 32:1253(C) [*for the LMVC*] provide for the payment of a per diem to the commissioners and the reimbursement of the expenses of the commissioners incurred in their conducting the business of the commission. La. R.S. 40:600.5(G) [*for the LHFA*] and La. R.S. 32:1253(G) [*for the LMVC*] provide for the budgeting and **payment of the travel and subsistence expenses of the commissioners and their designees** from the

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<sup>1</sup>Opinion Number 00-317 dated October 4, 2000

<sup>2</sup>La. R.S. 40:600.5 (C) - "*Appointed commissioner may receive fifty dollars per diem for attendance at meetings of the agency and may be reimbursed by the agency for actual expenses incurred in the performance of their duties as commissioners. All other commissioners shall be reimbursed by the agency for actual expenses incurred in the performance of their duties as commissioners, but shall not receive a per diem allowance.*"

<sup>3</sup>La. R.S. 40:600.5(G) - "*The agency shall operate from self-generated revenues and shall not be a budget unit of the state. The agency may, however, receive state appropriations at any time it is deemed advisable by the legislature, and only the expenditure of such appropriated funds shall be subject to budgetary controls or authority of the Division of Administration. The agency shall establish its own operating budget for the use of its self-generated revenues or unencumbered fund balances subject to a two-thirds approval of the board of commissioner of the agency. Any budget adopted shall be effective for a fiscal year commensurate with that of the state.*"

Ms. Sharon B. Robinson, CPA  
State Inspector General  
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August 15, 2005  
Page 4

commission's fund. As suggested by the AG to the LHFA, the LMVC has always reimbursed only those requests for the reimbursement of subsistence and travel expenses which were reasonable, with each request examined on a case by case basis.

**2. Subsequent Action of the Legislature Providing for Reimbursement of Actual Travel and Subsistence Expenses**

On January 10, 1992, the AG issued Opinion Number 91-330. The AG concluded that the Board of Pharmacy was subject to PPM-49 because the legislature had not provided (*via* statute) for the reimbursement of travel and subsistence expenses of the Board of Pharmacy. Following its trend towards allowing commissions to reimburse their members for actual travel and subsistence expenses, the legislature enacted La. R.S. 37:1178 (B)<sup>1</sup>. Much like the LMVC legislation, La. R.S. 37:1178(B) provided for the reimbursement of actual and reasonable expenses for travel and subsistence approved by the Board of Pharmacy, thereby overruling Opinion Number 91-330.

This action by the legislature evidences the legislature's continued approval of qualifying agencies in reimbursing their members and designees for actual and reasonable travel and subsistence expenses.

**RESPONSE TO RECOMMENDATIONS 1, 2 & 3:**

There was no violation of PPM-49. The legislature's providing for the travel and subsistence expenses of the LMVC commissioners and their designees in La. R.S. 32:1253(C) and (G) serves to exempt the LMVC from PPM-49. It is respectfully submitted that the historical and continued practice of the case by case examination of travel and subsistence expenses for reasonableness is and always has been proper for the reimbursement of such expenses. Nevertheless, the LMVC appreciates the recommendations of the auditors and will formulate a policy for the implementation of specific guidelines to insure that all meal receipts identify the purpose of the meal and all recipients, and that all LMVC credit card charges be properly receipted and identify the purpose of the charge.

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<sup>1</sup>La. R.S. 37:1178 (B) - "*Notwithstanding the provisions of R.S. 39:231, the members of the board may be reimbursed for actual and reasonable expenses approved by the board in connection therewith while attending regular or called board meetings or attending to official business of the board.*" [Acts 2003, No.1052, Sec. 2]

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Baton Rouge, Louisiana 70804-9095  
August 15, 2005  
Page 5

## II. Statewide Fleet Management Program - Daily Vehicle Usage Logs (MV3)

The LMVC strives to maintain accurate documentation of the use of its vehicles. The LMVC has an Agency Transportation Coordinator as required by Sec. 101(D) of the Statewide Fleet Management Program. A few of the many responsibilities of the Agency Transportation Coordinator are to ensure that all Daily Vehicle Usage Logs (DOA form MV-3) contain accurate information on miles traveled, repair / maintenance costs, and operating costs and that the Daily Vehicle Usage Logs are completed, approved and forwarded to the state fleet manager by the thirtieth day following the end of the month to which the report pertains [Sec. 103(2)(g)(i)(c)].

The Agency Transportation Coordinator properly and timely completed and forwarded all Daily Vehicle Usage Logs for all six of the LMVC vehicles to the state fleet manager by use of computer internet communication. However, it appears that there were eight occasions wherein the data provided to the Agency Transportation Coordinator did not fully integrate the mileage use of a vehicle with the fuel charge incurred for that vehicle.

### RESPONSE TO RECOMMENDATION 4:

The LMVC will formulate a policy implementing the requirements that:

- A A "Daily Vehicle Log" (Form MV3) be present in the glove box of each LMVC vehicle;
- B The operator of the LMVC vehicle make all required entries on the "Daily Vehicle Log" (Form MV3) contemporaneously as each activity is completed;
- C In addition to the required entry for "Fuel Cost" on the Daily Vehicle Log, a copy of the receipt (or other identifying information) for the fuel charge will be attached to the Daily Vehicle Log, and
- D The Agency Transportation Coordinator will review Title 34, Government Contracts, Procurement and Property Control, Part XI. Fleet Management each time that the LMVC is notified of an amendment or change thereto, yet no less frequently than once annually.

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Baton Rouge, Louisiana 70804-9095  
August 15, 2005  
Page 6

III. **The purchase of food and drink (non-alcoholic) for employee lunches on two (2) occasions was not prohibited by La. Const. Art. VII, Sec. 14(A).**

The AG found that an agency's payment for food served in conjunction with parties and other celebratory functions is not in violation of Art. VII, Sec. 14(A). In Opinion No. 95-167 (*May 2, 1995*), the AG found that the use of public funds by the Lake Charles Harbor & Terminal District for a dedication ceremony for District customers for a newly completed dock and its associated facilities was not in violation of Art. VII, Sec. 14(A). In Opinion No. 96-458 (*November 25, 1996*), the AG found that the use of public funds by Southern University to pay for the expenses associated with a reception for the two finalists for the position of President of the University was not in violation of Art. VII, Sec. 14(A). In Opinion No. 96-459 (*November 7, 1996*), the AG found that the use of public funds by the Louisiana Housing Finance Agency to pay the expenses of ten (10) staff members to a luncheon hosted by the New Orleans mayor for an awards ceremony was not in violation of Art. VII, Sec. 14(A). **The LMVC's hosting of a retirement party for a thirteen (13) year employee clearly falls within these AG approved activities.**

If one is not persuaded by these opinions of the AG, an analysis of the law shows that the activities of the LMVC do not violate the Louisiana Constitution.

La. Const. Art. VII, Sec. 14 provides that "the funds, credit, property or things of value of the state or any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private." The purpose of this constitutional provision is to protect the electorate from the possibility that a politically powerful individual or interest could importune the legislature or other governmental entity into making a donation of assets of the State.<sup>1</sup> **This constitutional prohibition must be interpreted *stricti juris*, that is, anything not literally prohibited is permitted.**<sup>2</sup>

In Opinion No. 76-1604, the AG recognized that the Art. VII, Sec. 14(A) prohibition must be strictly construed and that the Louisiana Civil Code is controlling in defining a "loan", "pledge" or "donation" in determining whether an activity is prohibited.<sup>3</sup> The St. Charles Parish School Board

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<sup>1</sup>Members Of A Class Of Descendants Of The Former Owners Of Cheniere Ronquillo, 817 So. 2d 324, 327, 2001-1548 (La. App. 4 Cir. 4/24/02).

<sup>2</sup>This statement of law is expressed in various AG Opinions including but not limited to Opinion No. 76-1604 dated March 28, 1977; Opinion No. 89-112, dated March 16, 1989, and Opinion No. 90-216, dated June 7, 1990. All three of these opinions were issued in response to Art. VII, Sec. 14(A) concerns.

<sup>3</sup>Opinion No. 76-1604, dated March 28, 1977

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Baton Rouge, Louisiana 70804-9095  
August 15, 2005  
Page 7

called upon the AG to render an opinion as to whether the school board's providing of bus transportation for a sectarian (non-public) school's football team and the use of the public school's stadium for football games by sectarian schools were prohibited by Art. VII, Sec. 14(A). One of the first steps of the AG's analysis was to define the actions of the school board *vis-a-vis* the Louisiana Civil Code. Upon first reading, the providing of school buses and a football stadium (and all the attendant non-reimbursed expenses) may appear to be a donation of state property. However, the AG concluded otherwise by determining that these activities were a "use" as defined in the Louisiana Civil Code. Since there was a "use" of state property and "use" is not literally prohibited by Art. VII, Sec. 14(A), the school board's provision of its buses and stadium to the sectarian school and the school board's non-reimbursed payment for all of the costs associated in providing the buses and stadium was not prohibited by Art. VII, Sec. 14(A).

The AG's legal analysis in Opinion No. 76-1604 is controlling in the present situation, that is, Art. VII, Sec. 14(A) does not prohibit any activity which is not literally stated.

Louisiana recognizes that property can be gratuitously given by only one of two (2) means, the donation *inter vivos* or the donation *mortis causa*.<sup>1</sup> It is the donation *inter vivos* which is relevant to this discussion. While a giving of property is often called a "donation" in the vernacular, the legislature defines the giving of property in certain circumstances to be a "donation" and the giving of property in other circumstances to NOT be a donation. The legislature established this distinction by defining three (3) types of donation *inter vivos*, namely the gratuitous donation, the onerous donation and the remunerative donation.<sup>2</sup> By its definition, the gratuitous donation is the class of "donation" which is prohibited by Art. VII, Sec. 14(A). The onerous donation<sup>3</sup> and the remunerative donation<sup>4</sup> are not prohibited by Art. VII, Sec. 14(A), because the legislature defined the onerous and gratuitous donations to NOT be donations in the present situation.

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<sup>1</sup>La. Civil Code Article 1467 - "*Property can neither be acquired nor disposed of gratuitously, unless by donations inter vivos or mortis causa, made in the forms hereafter established.*"

<sup>2</sup>La. Civil Code Article 1523 - "*There are three kinds of donations inter vivos: The donation purely gratuitous, or that which is made without condition and merely from liberality; The onerous donation, or that which is burdened with charges imposed on the donee; The remunerative donation, or that the object of which is to recompense for services rendered.*"

<sup>3</sup>La. Civil Code Article 1524 - "*The onerous donation is not a real donation, if the value of the object given does not manifestly exceed that of the charges imposed on the donee.*"

<sup>4</sup>La. Civil Code Article 1525 - "*The remunerative donation is not a real donation, if the value of the services to be recompensed thereby being appreciated in money, should be little inferior to that of the gift.*"

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Baton Rouge, Louisiana 70804-9095  
August 15, 2005  
Page 8

The first occasion at which the LMVC provided food and drink (non-alcoholic) to its staff and personnel was a meeting of LMVC staff and personnel at a restaurant to mark the retirement of a long-time, dedicated employee who undertook his job duties with professionalism and integrity. It was at this meeting that the LMVC purchased food and drink (non-alcoholic) in the amount of \$456.67 to be enjoyed by the retiree, staff and personnel of the LMVC during their lunch break. Transportation was at the expense of the attendants. The food and drink (non-alcoholic) provided by the LMVC was a remunerative donation to the retiring employee and an onerous donation to the other staff and personnel of the LMVC. It was remunerative to the retiring employee as it is an inexpensive form of compensation for the performance of his duties with the LMVC and to the citizens of Louisiana far and above those contracted for in his employment.<sup>1</sup> The gift of the food and drink (non-alcoholic) is onerous to the other LMVC staff and personnel in that it is a gift burdened with a charge. To receive the food and drink (non-alcoholic) the donees must attend a certain place at a certain time for a specific event, thus foregoing their freedom to use their hour as they wish.<sup>2</sup> With respect to relative values, the per attendant cost of the \$456.67 food and drink (non-alcoholic) provided by the LMVC was \$ 35.00. The outstanding services of the retiring thirteen (13) year employee are surely valued at greater than \$ 35.00, thus causing this remunerative donation to NOT be a "donation" Likewise, the \$ 35.00 value of the lunch does not manifestly exceed the value of each attendant's loss of their hour and travel expense, thus causing this onerous donation to NOT be a "donation".

The second occasion at which the LMVC provided food for LMVC staff and personnel involved a gathering of the LMVC staff and personnel to participate in "State Employee Recognition Day". Governor Kathleen Babineaux Blanco issued a proclamation which encouraged "all Louisianans to commend the hard work and dedication of state employees across the Pelican State" in recognition of those "individuals who strive daily to perform their jobs with professionalism and integrity in order to improve the lives of Louisiana's citizens."<sup>3</sup> In conjunction with Governor Blanco's proclamation, Civil Service provided the LMVC with suggestions as to the manner in which the LMVC could recognize its employees. Included in these suggestions was that the LMVC

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<sup>1</sup>Jurisprudence has long recognized a remunerative donation to be a reward given for services rendered. "*It is recognized in our jurisprudence that the remunerative donation is something in the nature of a reward given for services rendered.*" Lamkin v. Hanna, 135 So.2d 659, 661 (La. App. 2 Cir. 1961)

<sup>2</sup>The LMVC staff and personnel are entitled to a one-hour lunch period and are able to enjoy this time as they wish, in any manner, during any reasonable period of the day and at any location.

<sup>3</sup>A copy of the March 21, 2005 "Proclamation" is made part hereof as an exhibit. Quoted from Third Paragraph and Conclutory Paragraph of the Proclamation.

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Baton Rouge, Louisiana 70804-9095  
August 15, 2005  
Page 9

should "hold a recognition breakfast, lunch, ice cream party or pizza party."<sup>1</sup> The LMVC held a boiled crawfish lunch for the "State Employee Recognition Day" with the LMVC purchasing \$188.90 in crawfish for the LMVC staff and personnel. This calculated to a \$ 19.00 per attendant cost.

The purchase of the crawfish for the consumption by the staff and personnel of the LMVC during the commemoration of "State Employee Recognition Day" was a remunerative donation to the LMVC staff and personnel. As clearly evidenced by Governor Blanco's proclamation and the "Suggested Recognition Activities", the LMVC staff and personnel are being recompensed in the nature of a reward for the outstanding services that they rendered resulting in a state government which "is more responsive, innovative and effective."<sup>2</sup> It is also clear that the \$ 19.00 per attendant cost of the crawfish boil is trifling in comparison to the value by which the job performance and dedication of the LMVC staff and employees exceeded the norm, all as recognized by Governor Blanco. Additionally, the cost of the crawfish boil hosted in recognition of the outstanding performance of the staff and employees in carrying out the functions of the LMVC was a proper charge against the LMVC funds as provided for in La. R.S. 32:1253(C) and La. R.S. 32:1253(G).

In each situation, the food and drink (non-alcoholic) purchased by the LMVC and provided to its staff is defined by the Louisiana Civil Code to NOT be a "donation". As such, Art. VII, sec. 14(A) does not literally prohibit these activities. The LMVC's actions were not in violation of law.

As initially stated, the purpose of Art. VII, sec. 14(A) is to protect the electorate from the possibility that a politically powerful individual or interest could persuade the legislature or other governmental entity into making a donation of the State's assets. As recognized by Governor Blanco and the Attorney General, a commission's providing of food and beverage of nominal value as a reward for the outstanding services of its staff and employees is a far cry from the harm which Art. VII, sec. 14(A) seeks to prevent. There is not even the shadow of a risk of such harm in the LMVC's actions.

#### **RESPONSE TO RECOMMENDATIONS 5:**

The LMVC will continue to ensure that all LMVC expenditures are in compliance with the Louisiana constitution and other law. As stated in the LMVC's "Response To Recommendations 1, 2 and 3", the LMVC will formulate a policy for the implementation of specific guidelines to insure that all recipients of LMVC expenditures be particularly identified and that all occasions calling for LMVC expenditures be particularly identified.

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<sup>1</sup>A copy of the "Suggested Recognition Activities" is made part hereof as an exhibit.

<sup>2</sup>Proclamation of March 21, 2005, Fourth Paragraph

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Baton Rouge, Louisiana 70804-9095  
August 15, 2005  
Page 10

#### **IV. Overtime**

In presenting this issue, the auditors have included an illustration identifying each employee by their full name, the number of hours of overtime earned by each of these employees and the amount of overtime earned by each of these employees. The report also notes that overtime is paid as "straight time". From this report, anyone (co-workers as well as the general public) can easily calculate the annual salary of each of these individuals. All one needs to do is divide the overtime cost by the number of hours to calculate the hourly wage. Multiplying this result by 40 hours per week and then by 52 weeks in the year will result in a yearly salary. For the privacy and protection of its staff and personnel and to maintain harmony in the work place, the LMVC respectfully requests that this information not be made public.

#### **RESPONSE TO RECOMMENDATION 6:**

Respectfully, the agency disagrees with the assertion contained in the audit which claims that Ms. House stated that overtime could not be reduced because of the size of the building and other factors. While a similar discussion was had, the audit assertions are selective, inaccurate and do not accurately reflect Ms. House's statements.

At the time the audit was conducted, the agency had two vacancies in its investigative section which resulted in increased overtime expenditures. Those two vacancies have been filled and should ultimately result in a reduction of overtime in that area once the new employees are trained.

Additionally, the LMVC will re-evaluate the possible economies of hiring additional staff. This analysis will consider the cost of providing office supplies, equipment, computers, and in the case of investigators, vehicles, travel cost, as well as, state mandated health insurance and Louisiana State Retirement, some of which the agency remains liable to pay long after the employee retires. For instance, the agency remains obligated to pay insurance premiums for an investigator who retired in 2004 at a monthly cost to the agency of \$777.86. This expense will continue for the life of the employee, and might be reduced somewhat when the former employee turns 65 if the retired employee pays into Medicare in the mean time. It is unlikely that this employee will pay into Medicare in the future since they retired on disability. In any event, the agency will be paying insurance premiums for this employee for life.

As another example, the agency has been required to pay the insurance premiums for the widow of a previous employee who retired in 1982, and must continue to pay these premiums for the remainder of her life.

These and other current and recurring expenses of hiring additional employees must be weighed against utilizing overtime with existing employees. The LMVC is currently in the process of reviewing, re-evaluating, re-writing job descriptions at this time, as well as, creating new positions. Furthermore, the LMVC is in the process of hiring additional employees that it has already determined are necessary.

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Baton Rouge, Louisiana 70804-9095  
August 15, 2005  
Page 11

**V. Fair Labor Standards Act**

The LMVC sincerely regrets that one of its employees was paid "straight time" rather than "time and one-half" for earned overtime. The LMVC was of the belief that this employee was exempt from the Fair Labor Labor Standards Act requirement for "time and one-half" overtime pay. This employee has already been compensated for the deficiency in pay.

**RESPONSE TO THE FIRST RECOMMENDATION 7:**

Please refer to response to Recommendation 6, *supra*.

**VI. Additional Benefits Program**

As stated in the audit report, the Department of State Civil Service has already opined that the additional benefits program provided by the LMVC complies with all civil service rules. As indicated in the report, Robert Boland Jr., general counsel for the Department of State Civil Service, stated that this issue was previously reviewed by the State Civil Service Commission and found to be allowable. Additionally, you acknowledge that the AG has opined that this arrangement does not violate any state law or the state constitution.

**RESPONSE TO SECOND RECOMMENDATION 7:**

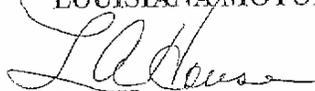
In regard to the suggestion that this benefit program be reviewed, it will be placed on the Commission's calender for reevaluation.

**RESPONSE TO RECOMMENDATION 8:**

Compliance was determined at the time at the inception of the program and the LMVC will verify that it is still in compliance.

Yours very truly,

**LOUISIANA MOTOR VEHICLE COMMISSION**



L. A. House  
Executive Director

cc: Chairman  
Commission Members and Counsel

# Proclamation

WHEREAS, Louisiana's state employees contribute significantly to the well-being and quality of life for all citizens of our state; and

WHEREAS, Louisiana's state employees preserve public safety and the health of our citizens; protect our clean air and water; care for less fortunate members of society; rehabilitate and counsel people in need; preserve our economic well-being by attracting and supporting commerce; build and maintain our highways, schools, and other infrastructure; administer justice; protect citizens' rights; care for victims of crimes; inspect our food; license our cars; help educate our children; make astounding advances in medicine, science, and technology; and handle a host of other essential duties the public entrusts to them; and

WHEREAS, these dedicated individuals strive daily to perform their jobs with professionalism and integrity in order to improve the lives of our citizens; and

WHEREAS, state government is more responsive, innovative and effective because outstanding employees produce excellent work products; and

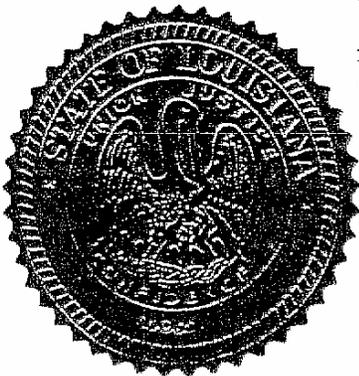
WHEREAS, it is appropriate to set aside a day during Public Service Recognition Week (May 2-8) to honor and recognize all state employees, and to give the general public an opportunity to learn more about their state government; and

WHEREAS, Louisiana is privileged to join other states across the nation on May 4, 2005, to express special appreciation and gratitude to state employees for their hard work, sacrifices, and unselfish spirit of dedication to the citizens of our state.

NOW, THEREFORE, I, Kathleen Babineaux Blanco, Governor of the State of Louisiana, do hereby proclaim May 4, 2005, as

## State Employee Recognition Day

in the State of Louisiana, and call this observance to the attention of all citizens, and encourage all Louisianans to commend the hard work and dedication of state employees across the Pelican State.



*In Witness Whereof, I have hereunto set my hand officially and caused to be affixed the Great Seal of the State of Louisiana, at the Capitol, in the City of Baton Rouge, on this the 21st day of March A. D., 2005.*

*Attest By  
The Governor*

*Joseph S. Keithen  
Secretary of State*

*Kathleen Babineaux Blanco  
Governor of Louisiana*

## SUGGESTED RECOGNITION ACTIVITIES

### Agency-Level Recognition Suggestions

- Thank each employee personally. If you can't thank them in person, draft a hand-written note, send an e-mail, or make a phone call.
- Write a letter of recommendation or commendation to be placed in the employee's personnel file.
- Post on "recognition board" bulletin board, newsletters, and/or Web site.
- Offer a dress-down day to state employees.
- Display a "Hall of Fame" – collection of photos of recognized employees displayed in a prominent place.
- Contact your local newspaper and provide them with a news article or suggested story idea on State Employee Recognition Day. Ask them to feature one or two of your employees using quotes or pictures. If you have a public information officer, involve him/her in the project.
- Use your agency's desktop publisher or graphic artist to develop posters, banners, and signs to display in a prominent place.
- Prepare a scrapbook that details achievements throughout the year.
- As a senior manager to attend a staff meeting when recognizing employees.
- Hold a recognition breakfast, lunch, ice cream party or pizza party. Have supervisors and managers set up, serve, and clean up.
- Hold a drawing for a restaurant gift certificate.
- Award a "traveling trophy" that is given to a different employee each year.
- Award certificates or plaques.
- Provide mugs, pens, t-shirts, etc. with a team or agency logo.
- Send flowers.
- Give gift certificates for books or CDs.
- Provide movie tickets.
- Invite a local dignitary or motivational speaker for an event at the office.
- Choose an off-site location and plan a "change of venue" work location with lunch, games, and prizes donated by local merchants.
- Sponsor a snack-related event, featuring cake, popcorn, or candy and include a written message of thanks to employees for their dedicated service. For example, include a message on the cake, popcorn bag or candy wrapper.
- Invite your customers or employees of "sister" agencies to visit your offices for an after-work drop in to get to know each other better.
- Hold a contest to create a slogan for your agency or to name a newsletter. Awards the prize on State Employee Recognition Day.
- Make a scrapbook of complimentary letters and notes to agency employees from customers. Display scrapbook in a prominent place.
- Challenge another division or agency to a softball game or other sporting event and invite agency employees and families.
- Produce a special edition of your employee newsletter and include the Governor's proclamation, thank you remarks from your agency director and others, messages of congratulations, and photos of recognition events.
- Post a "Recognition Bulletin Board" in each department or division and encourage employees to write accolades about co-workers.
- Feature state employees on the state Web site for their community work or excellence on the job.
- Establish a "Walk of Fame." Post complimentary correspondence from customers.

- Purchase items such as planners and/or portfolios, business card holders, special nameplates, or clocks.
- Establish a permanent recognition award and name it after an outstanding employee.
- Enroll an employee(s) in a seminar or additional training.
- Host a catered lunch.
- Establish an annual employee and family picnic.
- Offer a month of free parking.
- Provide office accessories.
- Distribute employee recognition day buttons or ribbons to wear.
- Arrange for a state employee night at a local sports or cultural facility.

## SUGGESTED RECOGNITION ACTIVITIES State-Level Activities/Events

- Place Governor's Proclamation on state web site and forward to each state employee in hard copy or e-mail with message from agency director attached.
- Send a closed circuit message from Governor. This can be taped and broadcast via state's educational television network.
- Establish a Governor's Award or other state-level recognition award.
- Place a prominent message on state web site and ask agency directors to put an encouraging message or letter to employees on their web site.
- Insert a payroll stub message from the Governor.
- Establish a joint legislative resolution.
- Offer discounts at state-run facilities and gift shops.
- Offer discounts from major chain merchants or malls across the state.
- Write a press release.
- Tape video public service announcements featuring Governor or prominent business people thanking state employees.
- Record radio public service announcement featuring the Governor, State HR Director or other official.
- Write letters to the editor of state's major newspapers.
- Hang banners with an encouraging message to state employees.

## HEALTH AND FITNESS SUGGESTIONS

### Agency-Level Recognition Suggestions

- Subscribe to health magazines, traditional newsletters or e-newsletters and distribute to employees or place in prominent areas.
- Issue a health and fitness newsletter with information on work-related health issues – stress, healthy food snacks, exercise, depression, work place design.
- Promote walking groups.
- Encourage employees to take the stairs.
- Request healthy snacks in vending machines.
- Host a Walk to Wellness event. Choose a 10- to 15-minute route that employees can walk at a certain time. Have the agency director or other state dignitary to lead the walk. Provide juice, water and free t-shirts for participating employees.
- E-mail "Did you know" health facts to employees each day.
- Healthy Living Display Contest. Challenge departments to decorate their workspace using a health and wellness theme.
- Give away a spa gift certificate.
- Free aerobics class.
- Hold a Best Jingle Contest for the best (appropriate) jingle using a health and fitness theme.
- Provide free health screenings for: blood pressure, diabetes, and cholesterol.
- Invite health professionals to offer free talks on men's and women's health issues.
- Host an on-site Health Fair. Offer health screenings, body massages, health talks, health products and free samples.
- Set a Healthy Lunch Day. Encourage employees to bring a healthy lunch from a list of healthy food choices. Provide fresh fruit and other healthy snacks and/or desserts to compliment lunches.
- Plan a Family Fitness Walk. Invite employees and their families to participate in a walk, perhaps around the State Capitol on Friday evening or Saturday or Sunday. Provide refreshments and entertainment for an hour after the walk.

#### Additional Resources

American Dietetic Association - [www.eatright.org](http://www.eatright.org)

American Heart Association - [www.americanheart.org](http://www.americanheart.org)

Oakstone Wellness - [www.oakstonewellness.com](http://www.oakstonewellness.com)