

# **STATE OF LOUISIANA**

## **OFFICE OF STATE INSPECTOR GENERAL**



### **LOUISIANA SCHOOL FOR THE DEAF Mismanagement of Maintenance Department**

**Date Released:**

**October 11, 2007**

**File No. 1-07-0032**

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



**LOUISIANA SCHOOL FOR THE DEAF**  
**Mismanagement of Maintenance Department**

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

A handwritten signature in black ink, appearing to read "K. Blanco", is written over a horizontal line.

**Approved by:**  
**Governor Kathleen Babineaux Blanco**

**October 4, 2007**

**File No. 1-07-0032**

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*State of Louisiana*  
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KATHLEEN BABINEAUX BLANCO  
GOVERNOR

JERRY LUKE LEBLANC  
COMMISSIONER OF ADMINISTRATION

October 4, 2007

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

Re: Case No. 1-07-0032

Dear Governor Blanco:

This report addresses concerns raised during an audit of operations of the Louisiana School for the Deaf (LSD). The report includes six recommendations that, if implemented, could help improve LSD's operations.

We provided drafts of the report to the Superintendent of Education and the interim director of LSD. Their combined written response is included as Appendix A. In addition, we provided draft reports or excerpts from the draft report to five LSD employees whose actions are addressed in the draft report. Three of the employees provided written responses which are also included as Appendix A.

Respectfully submitted,

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

Sharon B. Robinson, CPA, CIG, MBA  
State Inspector General

SBR/DM/kn  
Enclosure

## **Executive Summary**

### ***Audit Initiation***

The Office of State Inspector General (OIG) received a complaint containing 11 allegations of improprieties at the Louisiana School for the Deaf (LSD). On June 7, 2007, OIG staff held an entrance conference with Louisiana Department of Education (LDE) and LSD officials. These officials offered their complete cooperation with the planned OIG audit. During our audit, OIG auditors received 11 additional allegations. The majority of the allegations targeted the LSD Maintenance Department.

Our audit objective was to determine if the allegations, which included but were not limited to abuse of office, misappropriation of state property, and violation of LSD policy, were valid.

### ***Summary of Findings***

We determined that many of the allegations were valid. A summary of the findings follows.

- The LSD Maintenance Department is overseen by Sharon Lee, LSD Chief Fiscal Officer, and Edmond Arledge, LSD Maintenance Manager. The LSD Maintenance Department was mismanaged and allowed to operate without management controls to safeguard LSD property such as Maintenance Department equipment, tools, and consumable goods. Ms. Lee and Mr. Arledge violated LSD's policy prohibiting borrowing LSD equipment for personal use. They also allowed other employees to do the same. Ms. Lee abused her office by requesting maintenance employees to perform personal work for her, some of which was performed while the employees were on state time using LSD equipment. (Page 5)
- LSD Maintenance Department employees Ricky Stewart and Mike Allen admitted they took patio furniture belonging to LSD. The furniture had been donated by LSU for the benefit of the students. Mr. Stewart also admitted he took a roll of conduit electrical wire, connectors, and a wire cutter belonging to LSD. The items were returned to LSD after our audit began. (Page 6)
- Andy Graham, Mobile Equipment Master Mechanic, admitted he took vehicle wheels and granular weed killer belonging to LSD. The weed killer was valued at approximately \$300. Mr. Graham also admitted he purchased a Chevrolet Astro van from the Louisiana Property Assistance Agency (LPAA) that had been turned in as surplus by LSD. The purchase possibly violated Louisiana Board of Ethics laws. (Page 7 & 15)

- Several LSD employees routinely made questionable purchases using the school's credit card, including food and gifts for employees, which may violate Article 7, Section 14 of the Louisiana Constitution regarding prohibited donations. (Page 9)
- Ms. Lee and Mr. Arledge purchased equipment, tools, and other items, using LSD issued Purchasing Cards between January 2006 and August 2006 which cannot be located. The value of the un-located items is over \$4,600. (Page 10)
- Jeffery Barker, Carpenter Master, provided untruthful answers to questions by OIG auditors, which violates an LDE directive. The State Superintendent of Education directed all LSD employees to fully cooperate with the OIG audit. The employees were advised that failure to cooperate may result in disciplinary action. (Page 13)

In addition to the findings related to the allegations, additional areas of concern revealed during our audit are included in this report.

## **Background**

The Louisiana School for the Deaf opened in 1852. Originally known as The Louisiana Institution for the Deaf and Dumb and the Blind, it was often referred to as an “asylum.” In 1908, the name was officially changed to Louisiana State School for the Deaf. Seventy years later, the school merged with the State School for Deaf Negroes and the joined entities became known as The Louisiana School for the Deaf. Today, the school is governed by the Louisiana Board of Elementary and Secondary Education. In 2002, the school earned national accreditation by the Conference of Educational Administrators of Schools and Programs for the Deaf.

LSD’s mission is:

- To enhance the academic, vocational, physical, emotional, social, and cultural development of each student.
- To provide a visually accessible, positive, and nurturing environment that emphasizes literacy and effective communication skills.
- To be a caring community where students can achieve personal excellence and become independent lifelong learners.

The LSD also serves students who have disabilities in addition to their deafness such as visual impairments, attention deficit hyperactivity disorder, autism, orthopedic disabilities, and other conditions that impact learning.

The LSD is a 116-acre campus located on Brightside Lane in Baton Rouge. The campus has approximately 24 buildings for facilities including but not limited to classrooms, dormitories, administrative offices, gymnasiums, a swimming pool, and a bowling alley. Housing is available for the Director, Maintenance Manager, and Dean of Students. Outside amenities include a lighted football/track stadium, tennis courts, and baseball fields. In FY 2006, the LSD had 221 students and a faculty of 98. The LSD Maintenance Department has approximately 52 employees, which includes grounds-keeping and laundry services.

Kenneth David was appointed LSD’s Interim Director in December 2005. His supervisor is Cline Jenkins, State Director of the Special School District for the Louisiana Department of Education.

LSD is primarily funded through the State General Fund. The LSD budgets for the three previous fiscal years are as follows:

LSD Budgets					
<u>FY</u>	<u>Admin/Support</u>	<u>Instructional Services</u>	<u>Residential Svcs.</u>	<u>Auxiliary</u>	<u>Total</u>
2005(Actual)	\$4,373,318	\$9,059,302	\$3,927,556	\$ 2,817	\$17,362,993
2006(Actual)	4,452,472	9,799,986	3,987,745	1,538	18,241,741
2007(Enacted)	5,537,950	8,994,306	4,500,829	15,000	19,048,085

Source: Office of Planning and Budget website.

## **Scope and Methodology**

The OIG conducts audits in accordance with the *Principles and Standards for Offices of Inspector General* as promulgated by the Association of Inspectors General (May 2004 revision).

The scope of the audit was limited to activities of employees associated with allegations of improprieties between February 2000 and July 2007 and purchases by specific maintenance and administrative employees using their state LaCarte purchasing card between January 2006 and July 2007.

Our audit procedures consisted of interviewing employees, analyzing LaCarte purchasing card purchases, verifying the existence of items purchased, and reviewing certain contracts for repair of LSD roads and the running track.

Due to the nature of the issues identified in this report, the report will be forwarded to the Louisiana Board of Ethics and the East Baton Rouge District Attorney.

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## **Finding #1: Mismanagement of Maintenance Department**

Sharon Lee, LSD Chief Fiscal Officer, and Edmond Arledge, LSD Maintenance Manager, mismanaged the LSD maintenance operations. Observation of the Maintenance Department and interviews with employees revealed the department lacked management controls to safeguard LSD property such as Maintenance Department equipment, tools, and consumable goods. Ms. Lee and Mr. Arledge participated in activities which knowingly violated the LSD policy that prohibits borrowing LSD equipment for personal use. Employees also were allowed to violate this policy. Ms. Lee also abused her office by requesting subordinates perform personal work for her, some of which was performed on State time using LSD equipment.

Although Ms. Lee was the Chief Fiscal Officer, she also supervised Mr. Arledge, the head of the Maintenance Department. This arrangement led to Ms. Lee having conflicting responsibilities (approving purchases and making payments) and to the breakdown of LSD management controls. Either by design or lack of management, the physical condition of the Maintenance Department was in disarray. Although the LSD uses a warehouse for consumable goods, virtually all equipment, tools, and consumable goods used by the Maintenance Department are stored in the Maintenance Department. This condition, in combination with the lack of inventory records of equipment, tools, and consumable goods, is conducive to misuse and/or theft. Subsequent to the start of our audit, items previously missing began reappearing in the Maintenance Department. However, we are unable to determine the total value of missing items.

OIG auditors' observations revealed that the Maintenance Department is in disarray. The department does not use a system of work orders for LSD campus projects. In addition, Mr. Arledge acknowledged that the Maintenance Department does not maintain an inventory of non-tagged equipment, tools, or consumable goods purchased and stored in the department. The combination of the department's disarray, no work order system, and a lack of inventory records, made it difficult, if not impossible, to ensure that equipment, tools, and consumable goods were being used exclusively for LSD projects.

During the OIG audit, both Ms. Lee and Mr. Arledge resigned their positions with LSD.

### ***Violations of LSD Policy***

In January 2005, the LSD Director at the time issued an official notice to LSD employees setting a policy prohibiting the borrowing of state-owned equipment for personal use.

Although Mr. Arledge was aware that LSD policy prohibited the borrowing of LSD equipment, he allowed his employees to borrow these items for personal use. Mr. Arledge admitted that he also borrowed equipment such as a metal cutting saw and a gas-powered pole saw for personal use. When questioned about this

matter, Mr. Arledge stated he felt allowing employees to borrow the items was a deterrent to theft.

Ms. Lee, also knowing LSD policy prohibited the borrowing of LSD equipment, admitted she borrowed an LSD utility trailer to haul hay for her personal benefit. Mr. Arledge said he used an LSD truck assigned to him to transport the trailer and drop it off at Ms. Lee's house. He said he did not know how the trailer was transported back to LSD.

### ***Abuse of Office***

Ms. Lee admitted she requested Maintenance Department employees to perform work on her personal vehicle and her daughter's vehicle. The work was performed while on state time using LSD owned equipment. One of the employees stated he felt obligated to perform the work because Ms. Lee was his boss. Ms. Lee stated she instructed the employees to perform the work during their lunch and regular breaks. Mr. Arledge stated he was aware employees worked on Ms. Lee's vehicle and Ms. Lee's daughter's vehicle using LSD equipment. He said he felt the employees had to agree to perform the work when requested by Ms. Lee.

One maintenance employee stated that Mr. Arledge and Ms. Lee requested he perform work on Ms. Lee's Secretary's vehicle. He said he performed the work while on state time using LSD equipment. Mr. Arledge stated he was aware the work was performed on the vehicle but denied he directed the employee to perform the work. Ms. Lee stated she was not aware that any maintenance employee performed work on her Secretary's vehicle. She stated she would not have given approval for the work.

Ms. Lee also admitted she requested a maintenance employee to perform work at her home. The work involved cutting a tree that had fallen during Hurricane Katrina. Ms. Lee stated she believes the employee was on civil leave at the time and that she paid him \$40 for the work.

LSA R.S. 42:1116 prohibits any public servant from using the authority of his office or position to directly or indirectly compel or coerce any person or other public servant to provide him with anything of economic value.

### ***LSD Property Misappropriated by Employees***

The primary allegations we received dealt with LSD property being taken by Maintenance Department employees. As a result, we found several instances where employees took LSD property and equipment for their personal use. These actions may violate LSA R.S. 14:67 (Theft).

**Patio furniture.** LSD Maintenance Department employees Ricky Stewart and Mike Allen admitted they took patio furniture belonging to LSD. The patio furniture had been donated by LSU to benefit LSD students. During the OIG audit, the State Superintendent of Education separated Mr. Allen from his job appointment at LSD.

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Mr. Stewart and Mr. Allen admitted they returned the patio furniture and dumped it outside the Maintenance building after being questioned about the matter. They stated they each took one set of patio furniture, which consisted of a table, four chairs, and an umbrella. Mr. Stewart and Mr. Allen claimed Mr. Arledge gave them permission to take the patio furniture. Mr. Arledge denied he gave them permission to take the patio furniture. Regardless, if Mr. Arledge gave permission to take the patio furniture, Mr. Stewart and Mr. Allen should have known Mr. Arledge did not have authority to give away LSD property.

Mr. Stewart admitted that at the time he returned the patio furniture, he also returned other LSD property he had in his possession including a pressure washer, a Dewalt saw attached to a table, and a Dewalt drill. Mr. Stewart said he had borrowed this equipment for personal use.

**Conduit electrical wire.** Mr. Stewart also admitted that approximately two years ago, he took a roll of conduit electrical wire, connectors, and a wire cutter, valued at about \$250, from LSD. Mr. Stewart returned the items to LSD after the OIG audit began. Mr. Stewart provided a sworn statement that Maintenance Department employee Ronald Forbes gave the items to him as partial payment for working on Mr. Forbes' daughter's vehicle. Another Maintenance Department employee provided a sworn statement that he witnessed Mr. Forbes hand the items to Mr. Stewart while they were physically in the Maintenance Department. Mr. Forbes provided a sworn statement that while he was unloading a truck of electrical items, Mr. Stewart asked him what was needed to hook up some lights. Mr. Forbes stated that he told Mr. Stewart he could use the materials being used to hook up new lights on campus. Mr. Forbes stated he asked Mr. Stewart if he wanted the materials and Mr. Stewart said he did. Mr. Forbes stated Mr. Stewart picked up the items and walked away. Regardless, if Mr. Forbes asked Mr. Stewart if he wanted the items, Mr. Stewart should have known Mr. Forbes did not have the authority to give away LSD property. During the OIG audit, Mr. Forbes resigned his position with LSD.

**Wheels from van.** Maintenance Department employee Andrew Graham admitted he took two wheels from an LSD van and put them on a personal van. The wheels taken off his van were then put on the LSD van, which was subsequently turned over to the LPAA as surplus property. Mr. Graham stated the wheels on the LSD van were in better condition than the ones on his van.

**Weed killer.** Mr. Graham also admitted he took approximately 75 pounds of granular weed killer from LSD for his personal use. Our review of purchasing records revealed that the 100-pound drum of the granular weed killer cost \$404. If the drum was  $\frac{3}{4}$  full, as claimed by Mr. Graham, the prorated value of the weed killer taken is approximately \$303.

**Rust preventative.** Jeffery Barker admitted he took two cans of rust preventative from the Maintenance Department for personal use. No value was determined for these items.

**Other items.** Additional equipment OIG auditors were told was missing included a WARN™ winch removed from a Ford Bronco and a chain saw. Employees

were questioned regarding these items but sufficient evidence was not gathered to establish if and by whom the items had been taken.

Recommendations:

1. LSD management should develop and implement a work order system for its Maintenance Department that tracks materials and supplies used on LSD projects and provides for supervisory review and approval.
2. LSD management should develop and implement an inventory control system over Maintenance Department equipment, tools, and materials that include periodic inventory counts.

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## **Finding #2: Misuse of LaCarte Purchasing Card**

### ***Inadequate Management Controls Over Use of LaCarte Purchasing Card***

Adding to the problems in the Maintenance Department is the fact that LSD participates in the Louisiana purchasing card program known as "LaCarte." LaCarte is a Visa credit card issued by Bank of America for the State of Louisiana. The program is supposed to be a tool used to manage purchasing and accounting; however, when the program is mismanaged, as is the case at LSD, there is a high risk abuse will occur. Purchases made by Maintenance Department employees using their LaCarte cards were not adequately monitored by management to reduce the risk of abuse. LSD's Business Office approved "open" requisitions for \$500 for maintenance employees. This system allowed the employee with the "open" requisition to make separate purchases from the vendor under the same requisition. No one at LSD reviewed requests prior to each purchase to determine if the item being purchased was needed for a legitimate project.

### ***LaCarte Cards Used for Questionable Purchases***

OIG auditors reviewed LaCarte card transactions made by 18 Maintenance Department and Business Office employees and the LSD Director from January 1, 2006 to June 30, 2007. Purchase orders and receipts associated with these transactions were then reviewed for additional detail. During the review, OIG auditors observed thousands of dollars in purchases of consumable and other goods that possibly violate Article 7, Section 14 of the Louisiana Constitution. Examples of questionable purchases are as follows:

- In October 2006, the Maintenance Department held a cookout for its employees. Purchases for the event, totaling over \$752, were made using Maintenance Department Foreman Richard Harbor's LaCarte card. Items purchased included a cooker, tank, and skimmer costing \$155, and food items costing over \$597.
- In May 2006, Ms. Lee purchased 87 shirts with the school logo from The Creative Touch costing \$998. Purchasing records did not contain a purchase order for these items, which would have listed a justification for the purchase.
- LSD's Business Office staff routinely purchased food and drinks costing hundreds of dollars for meetings and training. Games, candy, and novelty items were also purchased for these events. One novelty item purchase of particular interest was four, 5 feet 7 inch inflatable giant bananas costing \$75 from Silly Jokes, a United Kingdom company.

- In April 2007, LSD Purchasing Director Audrey Gaultier used her LaCarte card to purchase 82 six-pack coolers from Best Impressions, an Illinois company, costing \$362. The coolers were given to employees as recognition gifts.

## Missing Property

After our review of the purchase orders and receipts purchased on LaCarte cards, OIG auditors attempted to locate some of the purchased items. The total dollar value of the items we attempted to locate was \$28,342.

The following charts show that we could not locate 16% of the items costing \$4,632. All of the items we could not locate were purchased by Ms. Lee and Mr. Arledge.

### Missing Items Purchased by Sharon Lee

Transaction Date	Item Purchased	No. Purchased	No. Located	No. Missing	Unit Cost	Total Cost
1/29/2006	HP Office Jet 7310 Printer	1	0	1	399.99	399.99
1/29/2006	Wireless Router with SRX	1	0	1	129.99	129.99
6/23/2006	DMC-FX01S Digital Camera	2	1	1	349.99	349.99
6/23/2006	2GB Ultra II USB Memory Card	2	1	1	129.99	129.99
6/30/2006	Wireless N Broadband Router	1	0	1	149.99	149.99
6/30/2006	WRI S G Print Server	1	0	1	99.99	99.99
6/30/2006	Air Compressor	1	0	1	99.99	99.99
6/30/2006	190 CC LAS	1	0	1	149.99	149.99
6/30/2006	2GB Flash Drive-ATIVA	7	5	2	114.99	229.98

**Total Cost of Missing Items \$1,739.90**

### Missing Items Purchased by Edmond Arledge

Transaction Date	Item Purchases	No. Purchased	No. Located	No. Missing	Unit Cost	Total Cost
3/29/2006	Wheel Barrow	6	5	1	84.99	84.99
3/29/2006	Rotary Hammer	1	0	1	239.00	239.00
3/29/2006	Deck Gun	2	0	2	89.90	179.80
6/26/2006	DMC-FX01S Digital Camera	2	1	1	349.99	349.99
6/26/2006	2GB Ultra II USB Memory Card	3	2	1	129.99	129.99
6/26/2006	2GB Flash Drive-ATIVA	3	1	2	114.99	229.98
6/27/2006	Rubber Boots	14	12	2	67.50	135.00
6/27/2006	2600PSI Pressure Washer	1	0	1	399.00	399.00
6/28/2006 *	Metal Cutting Saw	2	0	2	350.00	700.00
7/17/2006	Olympus Digital Voice Recorder	1	0	1	129.99	129.99
7/31/2006	Earthmate GPS LT-20	1	0	1	99.99	99.99
7/31/2006	MS Streets and Trips GPS	1	0	1	124.99	124.99
8/9/2006	WRLS Range Extender	1	0	1	89.99	89.99

**Total Cost of Missing Items \$2,892.71**

\* Although this purchase was made using Mr. Plaisance's LaCarte card, the invoice contains Mr. Arledge's initials. Mr. Plaisance explained that Casco had his LaCarte card number on file and when Mr. Arledge placed the order, Casco used his (Mr. Plaisance) card number.

## ***Split Purchases***

The State of Louisiana LaCarte Purchasing card policy limits individual LaCarte transactions to \$1,000 or less. During the review of invoices associated with the LaCarte transactions, OIG auditors found two instances where single transactions exceeding the \$1,000 limit were artificially split to appear as two separate transactions, each under the transaction limit. In both cases, the invoice shows a single transaction; however, the Business Office accounting reviewer approved both as if they were two separate transactions. The split purchases we found are as follows:

- A Maintenance Department employee's LaCarte card was used to rent a mini excavator on June 29, 2006. The invoice shows the total rental cost was \$1,360. However, the transaction was split into two separate charges on the same day to the LaCarte card, one for \$1,000 and the other for \$360.
- Two Maintenance Department employees' LaCarte cards were used to pay for transmission repair work performed on an LSD vehicle on September 11, 2006. The invoice shows the repair work was a single job costing \$1,295. However, each LaCarte card was charged half (\$647.50) of the total charge.

### **Recommendations:**

3. LSD management should ensure its employees are trained regarding the proper use of LaCarte Purchasing cards.
4. LSD management should ensure its Business Office personnel, who review LaCarte Purchasing card transactions, are properly trained and exercise due diligence in identifying card misuse.
5. LSD management should take all necessary action to recover the items purchased by Edmond Arledge and Sharon Lee that could not be located.

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## **Finding #3: Violations of Superintendent's Directive to Cooperate**

In cooperation with the OIG audit, the State Superintendent of Education directed, in writing, that all LSD employees fully cooperate with the OIG staff and that failure to do so may result in disciplinary action. Prior to conducting interviews, OIG auditors reviewed the directive with each LSD employee and each employee stated they understood the directive. During multiple interviews with Maintenance Department employee Jeffery Barker, he answered questions untruthfully. Examples are as follows:

- During initial questioning, Mr. Barker stated he had never borrowed any LSD equipment for personal use. During subsequent questioning, Mr. Barker admitted he had borrowed LSD property such as cordless drills and a chop saw for personal use. He also admitted he used an LSD concrete mixer for a private job knowing that another employee had borrowed it from LSD. Mr. Barker ultimately signed a sworn statement that he had been untruthful during the initial interview.
- During initial questioning, Mr. Barker denied he had been requested by Ms. Lee to perform personal work for her at her home and denied that he performed the work. The work involved cutting a downed tree after Hurricane Katrina. During subsequent questioning and being presented with evidence that he had in fact been requested and did perform the work, Mr. Barker admitted to the facts. Mr. Barker claimed he had forgotten about the work, performed in late 2005, and that his wife reminded him about it after he was first questioned.
- During an interview with Mr. Barker, he was questioned about a stainless steel cabinet he had taken from LSD. Mr. Barker stated he had retrieved the cabinet from the garbage. He described the cabinet as being about five feet long with two burners, a sink, and an ice maker. Mr. Barker stated he had "junked" the cabinet. Mr. Barker stated he had not asked permission to take the cabinet. However, later the same day, Mr. Barker called an OIG auditor and asked if he should bring the cabinet back to LSD because he believed he knew where it was. During subsequent questioning about the matter, Mr. Barker was asked to show an OIG auditor the location of the garbage from which he had retrieved the cabinet. Mr. Barker then changed his story and admitted he had not retrieved it from the garbage. He explained that his supervisor had directed that the cabinet be removed from the infirmary and brought to the dump. Mr. Barker then claimed he asked, and received permission from Ms. Lee, to take the cabinet because it was going to be thrown away.

During the OIG audit, Mr. Barker was promoted from Carpenter Master to Foreman.

Recommendation:

6. The State Superintendent of Education should consider taking disciplinary action against Ricky Stewart, Andrew Graham, Jeffery Barker, and any other employees found to have misappropriated LSD property and/or did not fully cooperate with OIG staff as directed.

## **Finding #4: Possible Ethics Violation**

An LSD Maintenance Department employee may have violated the State's Code of Ethics.

In December 2004, Andrew Graham, Mobile Equipment Master Mechanic, purchased a 1994 Chevrolet Astro van from LPAA through an auction. LSD had turned in the van to LPAA as surplus in October 2004.

The Board of Ethics has opined that "... state employees, and members of their immediate family, who are employed by agencies whose surplus property is being sold by the auction company, are prohibited from bidding on auctioned items." <sup>1</sup>

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<sup>1</sup> Board of Ethics letter to LPAA dated December 3, 1996, Re: Ethics Commission Document No. 96-355.

# **APPENDIX A**

## **Responses**

## **Louisiana Department of Education's Response**



*STATE OF LOUISIANA*  
**DEPARTMENT OF EDUCATION**  
*POST OFFICE BOX 94064, BATON ROUGE, LOUISIANA 70804-9064*  
Toll Free #: 1-877-453-2721  
<http://www.louisianaschools.net>

October 1, 2007

Sharon B. Robinson, CPA  
State Inspector General  
Post Office Box 94095  
Baton Rouge, LA 70804-9095

Dear Ms. Robinson:

Pursuant to your request, the following is a written response to your draft audit report (Case # 1070032) dated September 17, 2007, for the Louisiana School for the Deaf (LSD). Attachment #1

**OIG Finding #1**

Mismanagement of Maintenance Department  
Violations of LSD Policy  
Abuse of Office  
LSD Property Misappropriated

Summary of OIG Finding

The LSD Maintenance Department, overseen by Sharon Lee, LSD Chief Fiscal Officer, and Edmond Arledge, LSD Maintenance Manager, was mismanaged and allowed to operate without management controls to safeguard LSD such property as Maintenance Department equipment, tools, and consumable goods. Ms. Lee and Mr. Arledge violated LSD's policy prohibiting borrowing LSD equipment for personal use. They also allowed other employees to do the same. Ms. Lee abused her office by requesting maintenance employees to perform personal work for her, some of which performed while the employees were on state time, using LSD equipment.

LSD Maintenance Department employees Ricky Stewart and Mike Allen admitted they took patio furniture belonging to LSD. The furniture had been donated by LSU for the benefit of the students. Mr. Stewart also admitted he took a roll of conduit electrical wire, connectors, and wire cutter belonging to LSD. The items were returned to LSD after our audit began.

Andy Graham, Mobile Equipment Master Mechanic, admitted he took vehicle wheels and granular weed killer belonging to LSD. The weed killer was valued at about \$300. Mr. Graham also admitted he purchased a Chevrolet Astro van from the Louisiana Property Assistance Agency (LPAA) that had been turned in as surplus by LSD. The purchase possibly violated Louisiana Board of Ethics laws.

Concur/Concur in Part/Do Not Concur

LSD concurs with this finding.

OIG Recommendation

***"An Equal Opportunity Employer"***

LSD should develop and implement a work order system for its Maintenance Department that tracks materials and supplies used on LSD projects and provides for supervisory review and approval.

LSD management should develop and implement an inventory control system over Maintenance Department equipment, tools, and materials which includes periodic inventory counts.

The State Superintendent of Education should consider taking disciplinary action against Ricky Stewart, Andrew Graham, Mike Allen, and any other employees found to have misappropriated LSD property.

#### Corrective Action Plan

- I. Develop and implement a work order system for the Maintenance Department that tracks materials and supplies used on LSD projects and provides for supervisory review and approval. [Temporary measures have been implemented pending a projected final completion by June 30, 2008]
- II. Develop and implement an inventory control system over Maintenance Department equipment, tools, and materials that include periodic inventory counts. [Temporary measures have been implemented pending a projected final completion by June 30, 2008]
- III. LSD will work with the State Superintendent of Education in taking appropriate disciplinary action against Mrs. Lee, Mr. Arledge, Mr. Stewart, Mr. Graham and Mr. Barker and other employees as deemed appropriate. [Partial measures have been implemented pending a projected final completion by November 30, 2007, excluding appeals]
- IV. In addition to the OIG recommendations, LSD will also:
  - A. Implement management controls:
    1. Reorganize the Business Division to provide a segregation of duties [Completed as of August 27, 2007]
      - a. Business Division
        - i. Accounting
        - ii. Purchasing
        - iii. Food Service
      - b. Operations Division (newly created)
        - i. Facility Services
        - ii. Physical Plant
        - iii. Planning and Support (including warehouse and property control)
    2. Make physical improvements to the Maintenance Department [Completed as of October 1, 2007]
      - a. Clean and organize the maintenance buildings
      - b. Relocate tools, equipment and bulk supplies for storage in the property control warehouse
  - B. Instruct employees on the prohibition against:
    1. The use, including temporary borrowing, of LSD property for personal use and the taking of LSD property, even if it has been discarded [Completed as of October 1, 2007]
    2. The practice of performing personal work on LSD premises or with LSD equipment [Completed as of October 1, 2007]
    3. Violations of the Code of Governmental Ethics [Projected completion, November 1, 2007]
  - C. Donations made to the school will be coordinated through the Outreach Services. [Completed as of October 1, 2007]

- D. Direct LSD security to observe vehicles passing through gates [Completed as of July 26, 2007]
- E. LSD staff will be notified of the "Whistle Blower Statute Act 148 of the 2007 Regular Legislative Session" and other mechanisms to report suspected management over-rides. [Projected completion November 1, 2007]

### Agency Status

#### I. Work Order System

- A. LSD implemented a temporary work order system via electronic mail. Attachment # 2
  - 1. Maintenance requests from faculty/staff are received at a central location.
  - 2. Administrative support staff prints the maintenance requests received and directs to the appropriate supervisor for review and approval.
  - 3. Supervisor assigns a work order (maintenance request) to the appropriate employee.
  - 4. Employees perform the work indicated and document the following information on the work order form, if applicable:
    - a. Dates and times started and finished
    - b. Consumable materials used
    - c. Special equipment used
    - d. Purchase Requisition number issued specifically for work order (i.e., equipment rental, repair parts for vehicles or food service equipment)
    - e. Comments and/or follow-up needed
  - 5. Once the work order is complete, the form is returned to the administrative support staff for review.
  - 6. The administrative support staff will refer to the supervisor if discrepancies are identified.
  - 7. Completed work orders are filed for tracking and historical data.
- B. LSD is in the process of researching and acquiring a formal software program to manage work orders. Implementation of a formalized system will occur after the allocation of appropriate support staff by Civil Service. Because Civil Service approval is required, LSD cannot provide an anticipated completion date; however, LSD submitted the request to Civil Service on August 22, 2007.

#### II. Inventory Control System

- A. Implementation of a temporary control system
  - 1. Identified tools utilized by maintenance employees for completion of routine work orders. These items are assigned to each maintenance employee. Maintenance employees are responsible for maintaining control of assigned tools. At the end of work shifts, assigned tools are locked in employee's assigned locker and/or school vehicle (i.e., ladders)
  - 2. Administrative support staff is approximately 50% complete of documenting assigned tools for inventory control. Sample form is attached. Attachment # 3
  - 3. Movable tagged and untagged equipment, tools and supplies (consumable goods), not used on a daily basis have been moved from the Maintenance Building to the Property Control Warehouse for storage

4. When maintenance workers need equipment, tools and supplies stored in the Property Control Warehouse, a supervisor or the administrative support staff assigned to the Stores Warehouse issues such items
  5. Supervisors are responsible for making sure items are returned to the Property Control Warehouse
- B. LSD will implement a formal inventory and issuance system for equipment, tools, and supplies including a system of periodic inventory checks. A formalized system will be implemented upon the allocation of appropriate support staff by Civil Service. Because Civil Service approval is required, LSD cannot provide an anticipated completion date. However, LSD submitted the request to Civil Service on August 22, 2007.
- III. Mrs. Lee and Mr. Arledge have resigned. LSD is working with Legal Services and the Executive Office on additional disciplinary actions.
- IV. Additional corrective action
- A. Management controls - LSD detailed the Facility Assistant Maintenance Manager 2 to the Facility Maintenance Manager 3, detailed the Procurement Director to Interim Business Manager and subsequently hired a new School Business Manager on August 20, 2007. To continue maintaining segregation of duties, the Procurement Director continues to serve in a detailed capacity as Interim Business Manager of Operations until the position of School Operations Coordinator is approved.
1. Business Division
    - a. To provide for segregation of duties, the Business Division has been divided into two division/departments.
    - b. The School Business Manager will remain responsible for the Food Service, Accounting, and Purchasing departments.
    - c. The Operations Department, who will report directly to the Director, is responsible for Facility Services, Physical Plant, and Planning and Support. To further segregate duties, Warehousing, Telecommunications Services and Property Control will be removed from the Purchasing Department and the Operations Department will be the responsible for those functions. In order to structure the Operations Department, LSD identified resources needed. Position requests were submitted for approval as follows:
      - School Operations Coordinator: Position description submitted to LDOE/BESE in July 2007. Attachment # 4
      - Planning and Support Manager: Position description (SF3) for Administrative Program Manager 3 submitted to Civil Service on 8/22/07; waiting on allocation. Attachment # 5
      - Property Control Manager: Position description (SF3) for Administrative Program Specialist A submitted to Civil Service on 8/22/07; waiting on allocation. Attachment # 6
      - Planning and Support position: Position description (SF3) for Administrative Program Specialist A submitted to Civil Service on 8/22/07; waiting on allocation. Attachment # 7
- B. The LSD Interim Director issued several reminders (verbal and power point) to faculty/staff at the mandatory Opening of School Meeting held on August 6, 2007. Reminders included:
1. School property is for school use only. Attachment # 8
  2. Use of state vehicles is for official school business only. Attachment # 9
- The LSD Interim Director issued a memorandum dated September 26,

2007, to faculty/staff relative to the use of school property, disposing of equipment and supplies, and the prohibited practice of performing personal work on LSD premises before/during/after work hours. Attachment # 10

This memorandum will be included in the induction packet for all new hires.

3. Schedule training through the Ethics Administration Office for employees regarding State Ethics policies.
- C. All donations of money, material, or equipment must be handled through Outreach Services. The LSD Interim Director issued verbal directives at the Opening of School Meeting on August 6, 2007, as well as at the Leadership Team Meeting on July 25, 2007, relative to donations made to the school. Attachment # 11 and # 12  
All donations will be coordinated through the School Social Worker/Outreach Services, which will determine the use of such items. A list of donations will be maintained by the social worker.
- D. The Interim Business Manager issued a memorandum directing Security Guards to observe all vehicles leaving campus. Attachment # 13
- E. Civil Service Circular #1711 was distributed for posting in all departments. Attachment #14  
Staff will be provided information via memorandum and faculty/staff meetings regarding mechanisms of reporting suspected management over-rides.

## **OIG Finding # 2**

### Misuse of LaCarte Purchasing Card

Inadequate Management Controls  
Questionable LaCarte Card Purchases  
Missing Property  
Split Purchases

#### Summary of OIG Finding

Several LSD employees routinely made questionable purchases, including food and gifts for employees, which may violate Article 7, Section 14 of the Louisiana Constitution regarding prohibited donations.

Ms. Lee and Mr. Arledge purchased equipment, tools, and other items using LSD issued Purchasing Cards between January 2006, and August 2006, which cannot be located. The value of the un-located items is over \$5,700.

#### Concur/Concur in Part/Do Not Concur

LSD concurs in part with this finding. Please refer to Agency Comments below for explanations.

#### Agency Comments

- I. Page 8, bullet 1 – LSD Management verified that the Maintenance Department held a cookout for department employees, and supplies were purchased for this event.
- II. Page 8, bullet 2 – Do not concur. There was an approved LSD purchase requisition (#61240) for t-shirts purchased by Mrs. Lee for the Business Division training in 2006. However, LSD recognizes that the purchase may not have been allowable under State Regulations and there is a need to closely monitor such purchases. Attachment # 15

- III. Page 8, bullet 3 – The Business Division held annual trainings that were mandatory for all Business Division employees. Trainings were from 8:00 - 3:30 and consisted of many teambuilding activities. In addition, monthly mandatory meetings were conducted for division staff, which included some type of teambuilding exercise and/or employee training as well as announcements of the nominations for division Employee of the Month and the winner. The inflatable bananas were purchased for one of the activities during the annual training. All non-consumable items purchased for trainings are stored and available for other school programs to utilize.
- IV. Page 9, bullet 1 – Do not concur. In April 2007, Audrey Gaultier purchased 82 six-pack coolers from Best Impressions, costing \$362.00, to be given to employees for the Governor's proclaimed State Employee Appreciation Day. The "coolers" were actually soft-side lunch bags and were printed with the school name, logo, and Business Division wording on the side. This purchase was made in accordance with LSD's Reward and Recognition Policy, which was approved by Civil Service on January 5, 2005, allowing for purchases not to exceed \$10.00 per employee. Attachment # 16
- V. Page 9, Missing Property – LSD needs to consult with the OIG investigator to reconcile discrepancies relative to missing items as follows: three items on the missing property list were not identified as items that LSD was to locate during the investigation. Since the draft report was issued and these items were identified, the Compound Miter Saw has been located in the Maintenance Building. LSD staff is currently searching for the other two items (HP Office Jet 7310 Printer and Wireless Router with SRX). For three items, there is a discrepancy in the number of items found between our record of actual items found during the investigation and the draft report:
- |  |                                   |
|--|-----------------------------------|
| 2 GB Flash Drive - ATIVA (Lee's List) -          | Report: 0 found, Actual: 5 found  |
| 2 GB Ultra II USB Memory Card (Arledge's List) - | Report: 1 found, Actual: 2 found  |
| 2 GB Flash Drive - Ativa (Arledge's List) -      | Report: 1 found; Actual: 0 found. |
- VI. Page 10, bullet 1 – On June 12, 2006, purchase requisition #62126 was issued for the rental of a mini-excavator. The requisition was approved by Mrs. Lee and processed in the Purchasing Department as a LaCarte purchase not to exceed \$1,000. Inadvertently, Maintenance staff kept the machine longer than originally planned, exceeding the approved amount by \$360.00. When brought to the Facility Maintenance Manager's attention, a subsequent requisition (#62263) was processed for approval of the additional rental fees. We recognize this purchase exceeded bid limits; however, by the time it was identified in the Business Office, the charges were incurred. We concur that the LaCarte card should not have been used as the method of payment for this purchase and that orders should not be split.
- VII. Page 10, bullet 2 – On September 11, 2006, purchase requisition # 70559 was issued to LeBouf's Transmission to rebuild a transmission in one of the school's vehicles. The transmission rebuild was on state contract for \$1,295. We concur that the LaCarte card should not have been used as the method of payment for this purchase. From the period of January 2006, through June 2007, there were 548 LaCarte transactions made by the Maintenance Department and Administrative staff whose LaCarte purchases were reviewed. Of those transactions, two (.05%) were identified by the OIG investigator as split-purchases. However, LSD recognizes the seriousness of splitting orders.

#### OIG Recommendation

LSD Management should ensure its employees are trained regarding the proper use for LaCarte Purchasing cards.

LSD Management should ensure its Business Office personnel who review LaCarte Purchasing card transactions are properly trained and exercise due diligence in identifying card misuse.

LSD Management should take legal action to recover the items purchased by Edmond Arledge and Sharon Lee that could not be located.

#### Corrective Action Plan

- I. Retrain LaCarte card holders on LaCarte policies and procedures. [Temporary measures have been implemented pending a projected final completion by November 30, 2007]
- II. Train Business Office staff in identifying and reporting LaCarte card misuse, including split payments/purchases; the School Business Manager will intervene when misuse occurs; document misuse through memoranda and emails. [Temporary measures have been implemented pending a projected final completion by October 1, 2007]
- III. Cooperate with District Attorney's office and law enforcement agencies relative to matters relating to this report. [Ongoing]
- IV. In addition to the OIG recommendations, LSD will also:
  - A. Reduce number of LaCarte card holders. [Temporary measures have been implemented pending a projected final completion by November 1, 2007]
  - B. Revise LaCarte policies and procedures requiring card holder and supervisory personnel to sign off on all receipts and monthly LaCarte statements, verifying the purchasing procedures were followed as well as verifying items purchased. [Temporary measures have been implemented pending a projected final completion by November 1, 2007]
  - C. Business Manager and/or Accounting Director will review all purchases requisitions, determining if purchases are allowable under State rules and regulations prior to approval of purchase. [Temporary measures have been implemented pending a projected final completion by November 1, 2007]

#### Agency Status

- I. On August 2, 2007, the Accounting Department provided training to the Student Life Division on LaCarte policies and procedures. The remaining card holders will be re-trained. Attachment # 17
- II. On September 26, 2007, LSD's School Business Manager retrained Business Office staff in identifying and reporting LaCarte card misuse, including split payments/purchases; the School Business Manager will intervene when misuse occurs and document misuse through memorandums and emails. Attachment # 18
- III. On July 6, 2007, State Superintendent Pastorek notified the East Baton Rouge Parish District Attorney and the State Legislative Auditor that the investigation may implicate matters under their jurisdiction. Attachment # 19
- IV. Additional corrective actions:
  - A. On July 13, 2007, LSD identified and reduced the number of LaCarte card holders from 111 to 66 (or reduction of 41 %). To further reduce the number of card holders, LSD is evaluating individual usage to determine actual need for current card holders and will take appropriate action as those are identified.
  - B. LaCarte Card controls
    1. Effective July 25, 2007, LSD management implemented the process of requiring supervisory signatures on all receipts for purchases.
    2. At the July 25, 2007 Leadership Team Meeting, the LSD Interim Director notified (verbal and power point) the leadership team members of the following (Attachment # 20):
      - a. LaCarte cards have been reviewed and the number of cards reduced

- b. Mandatory supervisory level approval on all receipts
  - c. Accountability for purchased items
3. LSD's LaCarte policy has been revised to include supervisory level signatures on receipts and supervisor's signature on LaCarte statements. The draft policy is under review by the Louisiana Department of Education. Once the policy is approved, LSD cardholder will be retrained in accordance with the new policy. Attachment # 21
- C. Effective August 20, 2007, the School Business Manager and/or Accounting Director (in absence of the School Business Manager) are reviewing all purchase requisitions to determine if purchases are allowable under State rules and regulations prior to approval of purchase.

### **OIG Finding # 3**

#### Violations of Superintendent's Directive

Borrowing of LSD Property  
Private Work for Ms. Lee  
Taking LSD Cabinet

#### Summary of OIG Finding

Jeffery Barker, Carpenter Master, provided untruthful answers to questions by OIG auditors, which violates an LDE directive. The State Superintendent of Education directed all LSD employees to fully cooperate with the OIG audit. The employees were advised that failure to cooperate may result in disciplinary action.

#### Concur/Concur in Part/Do Not Concur

LSD concurs with this finding.

#### OIG Recommendation

None

#### Corrective Action Plan

- I. LSD will work with the State Superintendent of Education in taking appropriate action against Mr. Barker while taking appropriate action against the employees in Finding 1. [Projected final completion by November 30, 2007, excluding appeals]

### **OIG Finding # 4**

#### Possible Ethics Violation

Purchase from LPAA

#### Summary of OIG Finding

Mr. Graham also admitted he purchased a Chevrolet Astro van from the Louisiana Property Assistance Agency (LPAA) that had been turned in as surplus by LSD. The purchase possibly violated Louisiana Board of Ethics laws.

Concur/Concur in Part/Do Not Concur

N/A

OIG Recommendation

N/A

Corrective Action Plan

- I. Schedule training through the Ethics Administration Office for employees regarding State Ethics policies as stated in Finding 1. [Contact has been initiated, completion date pending]
- II. LSD will cooperate with Ethics in any investigation. [Ongoing]

Agency Status

- I. Initial contact has been made with the State Board of Ethics Administration Office to coordinate training for LSD employees. We are awaiting their return call.

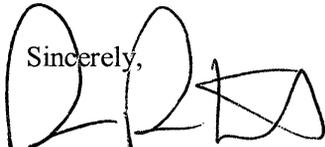
Although it may not have bearings on your findings, we would also like to provide clarification that LSD's mission statement has been revised to read as follows: The mission of the Louisiana School for the Deaf is to be a learning community that is student oriented and dedicated to excellence.

Kenneth David will be the contact person responsible for corrective actions. As noted within the body of this document, some corrective action plans have either been completed or temporary measures implemented. Anticipated completion dates are depicted for the remaining corrective action items.

Our work with your office and the information you have provided will be used as a tool to improve the administrative processes of LSD and the services provided to deaf and hard of hearing students in Louisiana.

Should you require additional information, please contact Kenneth David at 225-757-3202 or Cline Jenkins at 225-219-0076.

Sincerely,



Paul G. Pastorek  
State Superintendent of Education

PGP:CJ

c: Ollie S. Tyler, Deputy Superintendent of Education  
James Hrdlicka  
Cline Jenkins  
Kenneth David

**Attachments are not included but are  
available upon request.**

## **Ms. Sharon Lee's Response**

**SHARON C. LEE**  
**Certified Public Manager**  
32610 Percy Young Road  
Walker, Louisiana 70785  
Telephone: 225.266.4549

October 1, 2007

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Post Office Box 94095  
Baton Rouge, Louisiana 70804-9095

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OFFICE OF  
STATE INSPECTOR GENERAL

Dear Ms. Robinson:

At the outset, I would like to thank you for allowing me the opportunity to review and respond to your draft audit report on the Louisiana School for the Deaf (the "School") (your case no. 1070032). During 21 years of public service at the School, I have been involved with many audits by both the Legislative Auditor and the Inspector General. However, this audit marked the first time that I ever felt excluded from the audit process. For reasons still unknown to me, your auditors:

- NEVER discussed the Maintenance Department's operations with me;
- NEVER discussed the physical condition of the Maintenance Department with me;
- NEVER discussed internal controls with me; and
- NEVER discussed the whereabouts of any property which they could not locate with me.

Perhaps the most disconcerting part of the audit process is that I was serving as the School's Chief Fiscal Officer and was responsible for oversight of the Maintenance Department at the time. As such, it seems that the auditors should have spoken with me before drawing such erroneous conclusions and making sweeping mischaracterizations. Had they done so, perhaps we would not be at this point now. That being said, I now will address the findings contained in your report.

#### **Management of Maintenance Department**

In my capacity as School Business Manager, I supervised four departments:

- Accounting;
- Purchasing;
- Food Service; and
- Maintenance.

Each department was supervised by a department head (sometimes referred to as a "Leadership Team Member"). Department heads were assigned duties designed to provide controls over operations and expenditures within their areas of responsibility. For example:

- Audrey Gaultier, Purchasing Director, was directed to ensure that all state rules and regulations relative to purchasing and property control were followed.
- Vickie Aaron, Accounting Director, was directed to provide sound fiscal management of the School's appropriation to ensure adherence to all state rules and regulations and Generally Accepted Accounting Principles (GAAP), and to ensure appropriate internal controls were in place and followed.
- Edmond Arledge, Maintenance Director, was directed to determine, prioritize, schedule, and monitor all preventive, predictive, requested, and responsive maintenance needs in the most cost effective manner possible ensuring that all School needs were addressed.

My responsibility was to provide professional administrative leadership, direction, and monitoring through the department heads. These directives can be found in both the individual job descriptions and the annual Performance Planning and Review documentation. Kenneth David, the Interim Director and my immediate supervisor at the time, directed Division Heads, including myself, to allow the Leadership Team Members to make the decisions necessary for daily operations. On multiple occasions, I asked that specific requests be made through me; however, Mr. David directed me to abstain from directing routine operations, stating they should be controlled by Leadership Team Members.

There were established management controls in place to safeguard School property, including the Maintenance Department's equipment, tools, and consumable goods. The controls begin with a form entitled "Request for Purchases," which must be completed and approved by the appropriate Supervisor, Department Head, and Division Head, then submitted to the Business Office for processing prior to purchase. The Request for Purchases requires a justification, suggested vendor, funding source, description of the item(s) requested, quantity, and price. Once received by the Business Office, the Chief Fiscal Officer determines if funding is available. If so, the Chief Fiscal Officer initials the Request for Purchases. The Accounting Director then codes the Request for Purchases. The Purchasing Director then determines if the item(s) requested meet purchasing rules and regulations and either approves or disapproves the purchase. If approved, the Purchasing Director either places the order for the item(s) with the selected vendor or returns copies of the Request for Purchases to the requestor indicating he or she has authority to proceed with the purchase. Once the purchase is made, a copy of the Request for Purchases and the receipt signed by the purchaser is returned to the Purchasing Department. The Purchasing Director then ensures that only approved items were purchased and that the purchase complied with state rules and regulations. Following

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October 1, 2007  
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that review, the Purchasing Director forwards the documentation to the Accounting Department for payment. The Purchasing Director retains a copy of the documentation in his or her records and an additional copy for items requiring state tags. The Accounts Payable Accountant then matches the Request for Purchases, receiving report, invoice, and statement, ensures that all signatures have been obtained, and processes the documentation for payment through the ISIS system. The Accounting Director approves the ISIS document on-line. Then the Accounts Payable Accountant obtains a check/EFT number from the ISIS system, writes the number on the screen print of the ISIS payment, and files the completed documentation.

Within the Maintenance Department, each supervisor was responsible for monitoring the equipment, tools, and consumable goods used by their subordinates. Supervisors were also responsible for obtaining supply lists prior to the start of any project and to only request items necessary for the specific project. Mr. John Bergeron, Assistant Maintenance Manager, was responsible for monitoring the use of tools and consumable goods for the Specialty Crew, Security Guards, and Laundry staff. Each member of the Specialty Crew was assigned a locker to secure their tools. Mr. Bergeron was also responsible for inventory and monitoring of tagged equipment assigned to the Maintenance Department. Mr. Richard Harbor, Maintenance Foreman, was responsible for monitoring the use of tools and consumable goods by the Grounds Crew and the Auto Mechanic. Ms. Karen Walker, Custodial Supervisor, was responsible for monitoring the use of tools and consumable goods by the Custodial Staff. Mr. Gary Guidroz, Operating Engineer Superintendent, was responsible for monitoring the use of tools and consumable goods by the Engineering Section. Each supervisor was responsible for knowing what his or her employees were working on and what items were needed to complete the tasks. Based on the current projects, they made requests to me through the Maintenance Director for needed supplies, tools, and equipment.

Each supervisor assured me that purchasing and assigning tools and equipment to individual staff members was preferable to having a few of each item available for check-out. They stated that the employees took better care of the items and had immediate access to the required tools when the tools were individually assigned. When an employee separated, Mr. Bergeron, Mr. Harbor, Ms. Walker, or Mr. Guidroz was to inventory the assigned tools and sign a separation form verifying that all tools and equipment were returned. This form was forwarded to the Human Resources Office. The maintenance supervisors were required to provide justification for the purchase of replacement tools and equipment. Should an individual lose tools or equipment assigned to him or her, they were held personally liable.

In an effort to reduce the number of staff directly supervised by Mr. Bergeron and provide better management of the maintenance staff, Mr. Arledge recommended and the school approved the establishment of a Maintenance Foreman position to supervise the Specialty Crew. The position was filled for the first time by Jeff Barker in July 2007.

Although I did borrow the School's utility trailer for one day to haul hay, I did so only after obtaining the consent of my superior, then-Superintendent Luther Prickett. Because I first obtained permission to borrow the trailer from the head of the School, I was under the impression that I was not violating a School policy. Assuming that my impression was wrong, so were my former supervisors (Michael Feduccia, retired School Business Manager; Luther Prickett, retired Superintendent; and Kenneth David, Interim Director) as they all borrowed equipment on a regular basis. For reasons unknown to me, however, none of my supervisors "borrowings" are mentioned in your report. Moreover, the report makes no mention that, during the same time period I borrowed the utility trailer, the School was using my father's generator free of charge for use in installing the wrought iron fence across the front of the campus. The school did not have a portable generator large enough to support the welding machine and used my father's generator for approximately two months. At this time, I have no recollection of any other employees borrowing equipment.

#### **Personal Use of School Staff**

To the best of my knowledge, I have never demanded anyone to perform personal work for me nor have I ever requested subordinates to perform personal work for me on state time using state equipment. During my 21 years at the School, many maintenance staff looked for outside work to supplement their income after work. All of my former supervisors, most Business Office staff, as well as numerous other School faculty and staff, hired maintenance and other staff to perform work for them. I have hired maintenance staff to perform work for me but am not aware of any work performed for me during normal work hours.

My daughter called me one morning very upset. She was leaving LSU and could not keep her car running. At the time, I felt this was an emergency situation and (because the School is so close to LSU) asked her if she could make it to the School. She arrived at the beginning of break time; when she entered the parking lot, Mike Allen rushed over to my daughter's car and asked what was wrong. He quickly diagnosed the problem and said that the car should not be driven until it was repaired. Mr. Allen called the dealer, told them what part was needed, and gave me the phone. I used my credit card to pay for the part. Mr. Allen repaired my daughter's car after work hours and I paid Mr. Allen for his work.

In regards to my car, the check engine light came on and I took it to AutoZone for diagnosis. I was told that the catalytic converter needed to be replaced. I asked Mr. Allen if he wanted to make some extra money by replacing the catalytic converter. He said that he did not think that was the problem. He asked me to bring the car to the School for him to see. Mr. Allen tested the car during his lunch break and reset the light. He told me to drive the car to see if the light would remain off. The light came back on

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the next day. During the summer, the staff is allowed to work 10-hour days with either Monday or Friday off. Although, Friday was my scheduled day off, I came in to attend the Senate Finance Committee meeting. Mr. Allen was scheduled off. Knowing I had to immediately leave for the State Capitol and not knowing when I would return, I called Ricky Stewart and asked him if he would come get my car during break and test it to see what was wrong. When I returned that afternoon, Mr. Stewart had left me a note saying the catalytic converter needed to be replaced. Your auditors informed me that I should not use School staff to repair my personal vehicles, so I took my car to Auto King Muffler Shop to be repaired.

In regards to Mr. Barker cutting a tree at my home, several staff, including myself, reported to the School following Hurricane Katrina to survey the campus, make necessary repairs, and ensure the campus was safe. As Mr. Barker was leaving, he asked what my husband was doing. (Mr. Barker and my husband have known each other for a number of years.) I told him that a few trees fell on the fence and that he was getting ready to cut and remove them. Mr. Barker offered to stop by and help, which he did. It is my understanding that they visited for approximately 45 minutes before starting the task, which took about 30 minutes. They were just finishing when I returned home. I paid Mr. Barker \$40 for his assistance.

La. R.S. 42:1116 applies only in cases of compulsion or coercion. I never compelled or coerced anyone to work for me. I provided interested employees with an opportunity to make a little extra money in their off time and always paid them more than they requested. This most certainly is not a violation of La. R.S. 42:1116.

### **Missing Items**

I was not aware of any School property being taken by maintenance department employees nor would I have condoned such actions. Each of these employees had direct supervisors who were assigned the responsibility to monitor the use of tools and consumable goods by their employees. These supervisors were directed to inform Mr. Arledge what tools and consumable supplies were needed for daily tasks and to notify him immediately if items were missing. Should I have become aware of any missing items, I would have taken the appropriate disciplinary action.

Concerning conflicting responsibilities (i.e., approving purchases and making payments), although it is true that I approved purchases made by Business Division staff, I did not make the corresponding payments. As was stated previously, once the Request for Purchases left my office, I never saw it again.

During my service as School Business Manager, tremendous strides were made to organize the Maintenance Department and renovate the Maintenance Building. Separate areas were constructed for storage, locksmith, mechanic, carpentry, plumbing, painting, laundry, electrical, grounds, offices, kitchen, and meeting/training rooms. Employees

were directed to purchase the tools they needed for their trade. Lockers were then assigned to secure the items. Recently, the School purchased a set of locks keyed to a master key system and began the process of assigning individuals keys on the system, designed to give the supervisors easier access to the lockers. Mr. Bergeron, Assistant Maintenance Manager, was responsible for monitoring the use of the equipment and consumable supplies for the Maintenance Department. An example of changes Mr. Arledge made to better monitor the use of consumable supplies was the installation of a storage tank for motor oil. This eliminated the purchase of individual quarts which were costly and tended to be misplaced. Additionally, we were in the process of installing a diesel fuel tank to monitor the diesel use and reduce the cost of diesel fuel.

Maintenance equipment, tools, and consumable goods were stored in the Maintenance Building instead of the school's Warehouse because equipment and tools must be available on a 24-hour basis for emergency repairs. Ms. Gaultier, Purchasing Director, stated that the Warehouse was stocked to capacity, and that she did not have sufficient staff to issue large numbers of routinely used maintenance items. Many years ago, the Warehouse had three (3) full-time staff and several student workers and maintenance tools were checked out of the Warehouse. This was discontinued in the early 1990's as a result of the loss of staff due to budget cuts. At that time, outside contractors were hired for most emergency repairs. When Mr. Arledge, Maintenance Manager, joined the School, he realized the potential cost savings of performing repairs in-house and discontinued the use of most outside contractors. In-house repairs not only save the School tens of thousands of dollars annually, but also require maintenance personnel to have ready access to tools, equipment and consumable supplies. Incidentally, the savings generated by performing maintenance in-house have been used to purchase supplies and equipment throughout campus. Examples of savings include extensive repairs to water leaks which reduced the monthly water bill from an average of \$4,000 to an average of \$900; fabrication of projector mounts for less than \$20 each that would have cost \$250 each to purchase; repairs to street lights with supply cost only compared to the contractor charging \$500 to work on two street lights without the guarantee of fixing them; and the construction of the wrought iron fence across campus for less than \$9,000.

Although I am the first to admit that, no matter how well crafted, no system is perfect; however, the Maintenance Department most certainly is not in disarray. Since my appointment to this position in September 2003, the Maintenance Department has completed numerous projects; performed routine maintenance; performed preventive and predictive maintenance; passed the annual safety audits; realized tens (if not hundreds) of thousands of dollars in savings; updated procedures; and conducted extensive employee training.

Some of the projects completed by the Maintenance Department since September 2003 include:

1. Implementation of an energy performance contract that included replacement of the aged HVAC equipment;
2. A lighting retrofit throughout campus;
3. Replacement of ceiling tiles throughout campus;
4. Painting and renovations of all dorms;
5. Installation of individual domestic hot water systems in each building;
6. Modification of air flow ducts;
7. Modification of plumbing to reduce water consumption;
8. Installation of new HVAC controls;
9. An update to HVAC computer software;
10. Renovation of the administrative pool area;
11. Installation of parking areas at Security, Vocational and B-1 Dorm;
12. Repair and overlay of nearly all roads on the campus;
13. Repair and overlay of the driveway at the Director's residence;
14. Overlay of several parking lots;
15. Repair and resurface of track;
16. Installed sidewalks at all dorms;
17. Installed a sidewalk between the dorms and the cafeteria;
18. Installed awnings throughout campus;
19. Re-striped all parking lots;
20. Renovated Elementary building;
21. Constructed playgrounds;
22. Replaced flooring in many areas;
23. Replaced rollers and wheels on bleachers in the large gym;
24. Refinished both gym floors;
25. Installed slip resistant floors in the PEC swimming pool locker rooms and Food Service;
26. Sealed the Auditorium pit area and stopped the water seepage;
27. Repaired showers in the dorms;
28. Fabricated and installed wrought iron fence across the front of campus and outside the guest apartments;
29. Fabricated and installed projector mounts in classrooms;
30. Installed smartboards in classrooms;
31. Installed new steam kettles in Food Service;
32. Repaired and relocated the swimming pool circulation pump to enhance operations;
33. Installed numerous catch basins to improve drainage and eliminate the water flowing into buildings;
34. Constructed a surplus room;
35. Constructed a storage area for PEC;

36. Installed a ramp at the Warehouse, Food Service, and Vocational;
37. Constructed storage rooms for the Human Resource Department and Principal;
38. Installed signage on all buildings;
39. Refurbished the campus entrance sign;
40. Renovated the concession stand at the football field;
41. Installed security cameras;
42. Renovated the Middle School building and C-4 Dorm;
43. Implemented an enzyme process to prevent drain problems;
44. Replaced steam piping located on top of the cafeteria;
45. Repaired the exhaust hood curtain in Food Service;
46. Refurbished the walk-in freezers in Food Service;
47. Renovated the Maintenance Building;
48. Moved the drainage ditch from the middle of the field behind the track to the edge of the property, increasing security and allowing for the use of the area;
49. Installed an emergency exit at the back of campus;
50. Remodeled the Director's residence;
51. Repaired all street lights;
52. Installed a student drop-off area at Elementary and Vocational;
53. Replaced all fan motors throughout campus;
54. Fabricated and installed a camera platform in the gym;
55. Constructed time-out rooms in a majority of the dorms and the Elementary building;
56. Modified office space throughout campus;
57. Repainted all walkways;
58. Replaced sections of walkway slats;
59. Implemented an electrical preventive maintenance program;
60. Repaired aluminum carts used in Food Service;
61. Replaced the conveyor belt, ovens, and steamers in Food Service;
62. Installed insulation in Food Service;
63. Constructed an equipment storage yard for maintenance equipment;
64. Installed central air in the Warehouse;
65. Installed handicap bars in restrooms throughout campus;
66. Replaced roofs on the Duplex, Security, and PEC buildings;
67. Repaired numerous roof leaks throughout campus;
68. Completed extensive landscape improvements;
69. Fabricated and installed a water tank for the Boiler Room;
70. Replaced septic system with a sewerage lift station for the Duplex;
71. Fabricated a new tower for the high diving board in PEC; and
72. Renovated the Security Building.

In addition to these 72 successful projects, several procedural changes were implemented to improve services. For example, the telephone operators were moved from the Administrative building to the front of campus and became part of the Security section;

guards were placed on 12-hour shifts to provide more coverage with less staff; Mr. Harbor, Maintenance Foreman, was assigned the duty of checking out all vehicle keys and to ensure vehicles were locked at the end of the day; a maintenance foreman position was established to provide additional supervision for the specialty crew; the custodial staff was reorganized to provide better customer service; the employee performance planning and review process was automated; and Mr. Arledge began a cross-training program in anticipation of several upcoming retirements.

Also, during the same time, the Maintenance Department continued to perform all maintenance tasks associated with daily school functions and special events. Example of special events include opening of school activities, football games, track, cross-country and other sporting events and tournaments, Homecoming, Empty Bowls, Fun Fest, graduation, Special Olympics, etc. Additionally, the School served as a shelter and hosted the FEMA DMAT team following Hurricanes Katrina and Rita.

In Fiscal Year 2005, the School purchased a new work order software program and was in the process of implementing the system. The previous work order system failed and was no longer usable. Unfortunately, because of the lay-off the School experienced, the Maintenance Department was without a secretary for extended periods of time. The incumbent maintenance secretary was detailed into a new position at the school in June 2005. A few months later, she was promoted into this position. Although she had started implementing the new work order system, she encountered several problems that required assistance from the Information Systems Department, which delayed the process. The system was not ready for implementation when she changed positions. A new secretary was hired and following a training period for routine duties, she began the process of implementing the new work order system. However, following Hurricanes Katrina and Rita, the School was notified of a loss of funds and a pending lay-off for the new fiscal year. The recently hired secretary knew she would lose her position through the bumping process and did not complete setting up the system to meet the school's needs, nor did she enter the basic required building and equipment information. In July 2006 a new person was put into the maintenance secretary position, worked one-half day and resigned. The next person on the re-employment list declined the position, and the last person on the re-employment list accepted the position and began working on August 7, 2006. This person worked approximately one month and resigned. Since then, the position was advertised, the original secretary who had been bumped from her position was offered and accepted the position, then changed her mind three weeks later. The hiring process began again and another secretary was hired. She worked approximately three months with extensive attendance problems and then resigned. We were again in the hiring process when this audit began. Although we did not have a functioning work order system in place for projects, we were in the process of implementing a new system. In the interim, Mr. Arledge and I maintained an outstanding project list. This list was updated and submitted to Mr. David monthly and included as an agenda item at the monthly Leadership Team meetings.

During his tenure, Mr. David excluded me from participation in many Cabinet decisions and generally made his lack of respect for me known. Cline Jenkins, Director of Special Schools, was aware of the situation and advised me to try to establish a relationship with Mr. David, which I attempted. I resigned my position because it became apparent that Mr. David did not want me in my position, would continue harassing me, and nothing I did would improve the situation. As an unclassified appointment, I was an at-will employee, subject to dismissal at any time. Therefore, I felt it would be better for my family and the School if I resigned and found other employment.

During a meeting held on July 2, 2007, at approximately 11:30 a.m., I was assured that allegations made against me in the audit were resolved and that I would no longer be a part of the investigation if I resigned. I was asked if School staff could contact me in the future to obtain information relative to procedures, historical events, and reasons for specific actions and processes. I agreed. At Mr. David's request, my resignation was made effective June 29, 2007. Following my resignation, numerous Business Division staff informed me that they were directed by both Mr. David and Ms. Gaultier to not speak with me for any reason. They stated they felt their jobs would be in jeopardy if they had contact with me; hence, I have had little contact with the School's staff following my resignation.

### **LaCarte Card Purchases**

The School had an Operational Procedure in place outlining management controls for the LaCarte Purchasing Card program. The Agency Program Administrator for the program is the Accounting Director. Credit cards are issued in the employee's name and individuals are accountable for all charges made on their card. Individuals must attend training and sign a user agreement prior to receipt of their card. Agency purchasing procedures do not change by the use of the purchasing card; it is a payment method only. The five (5)-part Request for Purchases is processed for all purchases. The use of the purchasing card requires additional documentation such as the submittal of a purchasing log and the monthly reconciliation of the account statement. The Purchasing Reviewer is responsible to verify that acceptable documentation exists (including line item description, price, and accounting distribution) to support each purchase and/or credit; purchases are for official state business; and purchases comply with appropriate rules and regulations. The purchasing card actually enhances the controls as it mandates more timely submission of documentation.

The purchases made by Maintenance Department employees were monitored by management. All approved Request for Purchases were maintained in a file located in the maintenance secretary's office. Each employee was to obtain permission from their direct supervisor prior to any purchase. Supervisor approval was based on the supplies needed to complete the current task. The employee would receive a copy of the Request for Purchases from the secretary to bring with them to the store. The receipts were

submitted to the secretary who posted the purchase to the original Request for Purchases. Additionally, Mr. Arledge reviewed and initialed the receipts for all purchases made by his staff. Receipts and copies of the Request for Purchases were then forwarded to the Business Office. Once the receipts were received in the Business Office, Ms. Gaultier reviewed the items purchased and forwarded the documentation to Accounting. At this point, the Accounting Reviewer and Accounting Director also reviewed all items purchased. If anyone in the process felt an inappropriate purchase was made they were directed to bring it to my attention.

The "open" requisition process, a single Request for Purchases approved for purchases of miscellaneous low dollar items from a single vendor up to \$500 in aggregate, was recommended by Ms. Gaultier, Purchasing Director, and established under Mr. Feduccia's tenure prior to the implementation of the LaCarte Purchasing Card Program. The requisitions were "opened" to allow the purchase of routine small dollar items from specific vendors similar to a petty cash system. These systems are designed to reduce the processing cost for low dollar purchases. The system has been audited and approved by the State Legislative Auditors on numerous occasions. Although the system is used school wide, some examples of the use in the Maintenance Department are for small automotive parts, paint, plumbing supplies, and electrical supplies. Additionally, when a project would start, specific requisitions would be "opened" to purchase supplies as needed instead of bringing in all material at once.

Your auditors did not question me relative to any purchases. When appointed as School Business Manager, Mr. Prickett directed me to unify the Business Division in an effort to improve support services provided to the school. Previously, the Division was segregated. The previous School Business Manager encouraged dissension between staff and attempted to keep employees separate as much as possible. Most Business Division employees did not know the name of the person working in another section, much less what that person did for the school. Mr. Prickett's directive included:

- seizing the prevalent TEAMS concept by introducing staff to each other;
- providing training;
- implementing the Business Division Employee of the Month Program;
- motivating staff to take ownership in their areas of responsibility; and
- encouraging staff to assist others within the Business Division to be successful with their tasks.

In order to meet his directive, I began conducting monthly TEAM building meetings and annual trainings for all members of the Business Division. These types of activities had been held within the Student Life and Instructional Division; however, this was the first time they were conducted within the Business Division. In order to implement the program, educational training supplies, some of which could be referred to as novelty items, were purchased. Uniforms, in the form of shirts were mandated at the annual

Ms. Sharon B. Robinson, CPA  
State Inspector General  
October 1, 2007  
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training activities. Ms. Gaultier initiated the Request for Purchases for the shirts purchased in May 2006, and placed the order. When she called to remit payment using her LaCarte card, the store had already charged the purchase to my card. We did not request a correction of the charge; however, at the time of purchase, there was an approved Request for Purchases. In regards to the food and drinks purchased, PPM 49 provides allowances for meals and refreshments provided at state sponsored meetings and trainings. Items purchased for the meetings and trainings fell within the guidelines established by PPM 49.

In regards to the six-pack coolers, the School's Rewards and Recognition Policy and Procedure allows for employees to receive an object with the school and/or state emblem on it valued not to exceed \$10 annually on the day proclaimed by the Governor as State Employee Recognition Day in Louisiana. The six-pack coolers with the school's logo were purchased for this purpose.

Neither of your auditors questioned me relative to any items purchased on my LaCarte card which they could not locate. If they had questioned me while I was employed at the school and given me the opportunity, I could have helped them locate the items. These items were not purchased for my use; they were purchased, delivered to the School, and either distributed to staff or placed in the closet located in my former office or the walk-in safe located in the Accounting Department. Both areas were accessed on a regular basis by all Business Office staff. Unfortunately, I cannot provide any information as to the location of items following my resignation.

The LaCarte Purchasing Card Operational Procedures set forth procedures to address misuse of LaCarte Purchasing cards. The Purchasing Reviewer should have verified that all purchases complied with appropriate rules and regulations. Also, the Accounting Reviewer should have questioned the split purchase in her review process. Additionally, the Agency Program Administrator should have issued a Letter of Instruction for a first offense misuse/abuse of the card. During Fiscal Year 2006, the Accounting Department went from seven (7) full-time staff and four (4) student workers to five (5) full-time staff and no student workers, because of a budget reduction. Additionally, they experienced a complete turn-over of staff; every position in the department had a new incumbent. Such a drastic change in the department could have been the cause of the accounting errors; however, Ms. Gaultier should have observed and reported the unauthorized purchase.

In response to the mini-excavator split purchase, rental of the equipment was approved for one day. Danny Plaisance, Master Plumber, was authorized for a one day rental; however, he failed to return the rented equipment when scheduled. Mr. Arledge brought this to my attention and spoke with Mr. Plaisance. He directed Mr. Plaisance to provide a written explanation why he did not return the equipment when scheduled. Mr. Plaisance was also directed to speak with Ms. Gaultier to determine what was necessary to obtain approval for the additional day's rental.

Ms. Sharon B. Robinson, CPA  
State Inspector General  
October 1, 2007  
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I was not aware of the instance relative to the transmission repair work.

Again, thank you for allowing me the opportunity to review and respond to the allegations presented in your draft audit report on the Louisiana School for the Deaf. During my 21 years at the School, the well-being of the deaf and hearing impaired students has been my primary objective. I have worked diligently to provide the best support services possible in the most cost effective manner. I feel that I have been grossly misrepresented in this report and trust this response is sufficient to dispel all allegations. Should you need additional information, please contact me at (225) 266-4549.

Sincerely,



Sharon C. Lee

## **Mr. Edmond Arledge's Response**

29735 South Satsuma Road  
Livingston, Louisiana 70754

September 30, 2007

Ms. Sharon B. Robinson, CPA  
Office of State Inspector General  
Post Office Box 94095  
150 Third Street, Suite 303  
Baton Rouge, Louisiana 70804-9095

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STATE INSPECTOR GENERAL

Re: Response to Draft Audit Report - Louisiana School for the Deaf  
Your Case No. 1070032

Dear Ms. Robinson:

As requested in your letter of September 17, 2007, I make the following response to your draft audit report on the Louisiana School for the Deaf (the School). It is my understanding that the School will be making its own response, so I am addressing only the issues that pertain to me and about which I have additional information.

#### Management of the Maintenance Department

Before coming to the School, I spent more than 20 years in state service, working in the Maintenance Departments of both LSU and the Division of Administration. When Mr. Luther Prickett, Superintendent, and Mr. Michael Feduccia, School Business Manager, hired me to head the School's Maintenance Department in April 2001, they told me that my job was to:

1. Prioritize, schedule, and monitor all preventive, requested, and daily maintenance needs in the most cost effective manner possible;
2. Restructure the Maintenance Department's daily operations to ensure that all of the School's needs were addressed;
3. Provide guidance over maintenance operations; and
4. Monitor the Maintenance Department's budget.

At the time, the School's Maintenance Department truly was in disarray. The School's needs were not being met and its buildings were deteriorating rapidly as a result. Maintenance Department staff performed as little routine maintenance as possible. The School had never passed the Office of Risk Management's annual safety audit. Additionally, the Office of the State Fire Marshall's reports indicated several problems that had to be addressed. The preventive maintenance programs were lacking and did not fully cover even the sprinkler or fire alarm systems

During the past six years, I worked hard to get the Maintenance Department back on track. It was a slow, but largely successful, process. Although your report suggests that a number of problems still need to be corrected, the Maintenance Department that you audited is vastly improved from the one that I inherited in 2001.

As I mentioned previously, when I arrived at the School, the Maintenance Department performed minimal routine maintenance. It also used outside contractors as often as possible. After my arrival, the Maintenance Department stopped using outside contractors to the extent practicable and started performing most repairs in-house and realized significant savings. (To illustrate, the water treatment contract when I arrived at the School cost the School approximately \$40,000 annually and left a chemical residue in the piping, which, in turn, caused pipe corrosion. By making a few changes – including terminating the old contract -- the School now receives excellent water treatment for less than \$9,000 a year without corrosion problems.)

The Maintenance Department has successfully completed many projects in-house; performed daily, preventive and predictive maintenance; helped the School pass its annual safety audits; updated procedures; and conducted extensive employee training.

A few of the successful maintenance projects that I oversaw at the School include:

1. Implementation of an energy performance contract;
2. Renovation of the administrative pool area;
3. Construction of parking areas at Security, Vocational and B-1 Dorm;
4. Repair and/or overlay of roads and parking areas;
5. Repair and/or resurface of track;
6. Installation of sidewalks at all dorms and between the dorms and the cafeteria;
7. Installed awnings throughout the School campus;
8. Re-striped parking lots;
9. Renovated the Elementary building;
10. Constructed playgrounds;
11. Replaced flooring in many areas;
12. Refinished floors in both gyms;
13. Installed slip resistant floors in the PEC swimming pool locker rooms and Food Service;
14. Sealed auditorium pit area, stopping water seepage;
15. Repaired showers in dorms;
16. Fabricated and installed wrought iron fence across the front of campus;
17. Made and installed projector mounts in classrooms;

18. Installed new steam kettles, conveyor belt, streamers, and insulation in Food Service;
19. Repaired and relocated swimming pool circulation pump;
20. Installed numerous catch basins to improve drainage and eliminate the water flowing into buildings;
21. Built a surplus room, a storage area for PEC, a storage room for Human Resources, and a storage room for the Principal;
22. Renovated the concession stand at the football field;
23. Installed security cameras;
24. Renovated Middle School building and C-4 dorm;
25. Repaired the exhaust hood curtain in Food Service;
26. Refurbished walk-in freezers in Food Service;
27. Moved the drainage ditch from the middle of the field behind the track to the edge of the property, allowing for the use of the area;
28. Built an emergency exit at the back of the School campus;
29. Remodeled the Director's residence;
30. Repaired all street lights;
31. Built a student drop-off area at Elementary and Vocational;
32. Fabricated and installed a camera platform in the gym;
33. Constructed time-out rooms in a majority of the dorms and the Elementary building;
34. Modified office space throughout campus;
35. Painted walkways;
36. Replaced sections of walkways;
37. Implemented an electrical preventative maintenance program;
38. Repaired aluminum carts used in Food Service;
39. Constructed a storage yard for maintenance equipment;
40. Installed central air in the Warehouse;
41. Installed handicap bars in restrooms throughout campus;
42. Replaced roofs on Duplex, Security, and PEC buildings;
43. Repaired numerous roof leaks throughout campus;
44. Made extensive landscape improvements throughout campus;
45. Fabricated and installed a water tank for Boiler Room;
46. Removed septic tank system and installed a sewerage lift station for the Duplex;
47. Fabricated and installed a new tower for the high diving board in PEC;  
and
48. Renovated the Security building.

#### Use of School Equipment for Personal Use

I did borrow a metal cutting saw and gas-powered pole saw from the School, which I promptly returned after use. I did so only after getting permission from a

superior to do so. I did not think this was a problem because all of my superiors, along with other School staff, also borrowed School maintenance equipment, some on a routine basis. As far as I can recall, I never gave anyone permission to borrow School equipment. However, I did not feel that I could prevent staff from using the equipment, as my supervisors allowed it and borrowed equipment themselves. As I mentioned earlier, I spent more than 20 years working for other state agencies before coming to the School, where I saw firsthand that if employees are not allowed to borrow equipment, equipment often turns up missing. In my opinion, by allowing employees to borrow equipment, the School probably deterred some, but obviously not all, theft.

#### Automotive Repairs

I am aware that Ms. Sharon Lee, School Business Manager, occasionally hired Maintenance Department employees to work on her personal vehicles, but it is my understanding that Ms. Lee personally paid employees for their work and that the work was not done on School time. Contrary to your report, it further is my understanding that no employees were ever required to work on Ms. Lee's car; rather, employees willingly did the work to make extra money.

#### Equipment, Tools and Consumable Goods

At the time of my employment, maintenance equipment, tools, and supplies were stored in the Maintenance Building instead of the school's Warehouse. I told my supervisor that I thought everything was supposed to be kept in the Warehouse. I was told that Warehouse did not want to store maintenance equipment, materials and supplies.

Since I was unable to use the Warehouse, I made sure that all maintenance employees were assigned lockers to secure their tools and equipment. Mr. John Bergeron, Assistant Maintenance Manager, monitored the use of tools, equipment and supplies for the Specialty Crew, Security Guards, and Laundry staff and was responsible for inventory and ensuring that all equipment and supplies were being used for assigned jobs. Mr. Richard Harbor, Maintenance Foreman, monitored the use of tools and supplies for the Grounds Crew and the automotive shop. Ms. Karen Walker, Custodial Supervisor, monitored the use of tools and supplies for the Custodial Staff. Mr. Gary Guidroz, Operating Engineer Superintendent, monitored the use of tools and supplies for the Physical Plant and HVAC personnel. Maintenance supervisors made requests to me for needed supplies, tools, and equipment. I personally did not issue equipment, tools, or consumable goods; this was done by the maintenance supervisors.

### Physical Condition of the Maintenance Department

Although not completed at the time of this audit, the Maintenance Department was in the process of renovating the maintenance building, as time permitted, to provide separate areas for storage and work areas for all trades. This explains the building's current physical condition. An area for training, product demonstrations, and meetings discussions was completed at the time of the audit, as was a break area for maintenance employees.

### My Resignation

I was called to a meeting on July 2, 2007, and informed that the School planned to terminate me as a result of the findings contained in this audit report. They said that if I resigned my position, the termination would not be on my record and I could transfer to another agency. They offered to make the resignation effective August 24, 2007. I was not aware that I had done anything wrong and asked what the audit findings said. Mr. Cline Jenkins, Director of Special Schools, refused to tell me. I told him I needed to think about this and was given only 24 hours to respond. I consulted an attorney, who advised me that it would be in my best interest to resign rather than risk being fired, thereby losing my large accumulated leave balance. Needless to say, I blindly resigned under duress solely to protect my accumulated leave balance.

### Misappropriated Property

I was not aware that any School property had been taken by Maintenance Department employees. It was the maintenance supervisor's responsibility to monitor the use of tools and supplies by their employees. These supervisors were directed to inform me what tools and supplies were needed for daily tasks and to notify me immediately if items were missing.

Likewise, I was not aware that Mr. Stewart or Mr. Allen had taken patio furniture until this audit. Nor was I aware of missing conduit electrical wire. I did not become aware of the wheels being taken from the surplus van until after I resigned my position at the School. I also was not aware of any weed killer or rust preventive being taken.

Maintenance supervisors did not report any of these items to me as missing. If I had been made aware of any missing items, I would have reported this to my superiors and urged them to take whatever action they deemed appropriate.

### LaCarte Cards

Purchases made using the LaCarte card followed the same approval process as any other purchase. Prior to any purchase, a multi-part requisition was completed and approved by the Supervisor, Department Head, and Division Head, then submitted to the Business Office for approval. The requisition required a justification, suggested vendor, funding source, description of the item(s) requested, quantity, and price. Ms. Gaultier, Purchasing Director, would return the approved requisition, granting the authority to make a purchase. The Maintenance Department used the LaCarte card when the requisition was stamped VISA. Once the purchase was made, a copy of the requisition, along with the receipt, signed by the receiver of the merchandise, and initialed by me, would be returned to the front office. Additionally, when we used VISA, we would complete a purchasing log and reconcile our monthly statements. If the front office had any questions relative to items purchased, they would call me.

I directed each of the maintenance supervisors to monitor the equipment, tools, and supplies used by their subordinates. All approved requisitions were maintained in a file located in the Maintenance Department's secretary's office. Each employee was to obtain permission from his or her direct supervisor prior to any purchase. Supervisor approval was based on the supplies needed to complete the current task. The employee would receive a copy of the requisition from the secretary to bring with him or her to the store. The receipts were submitted to the secretary, who then posted the purchase to the original requisition. Additionally, I reviewed and initialed the receipts for all purchases made by my staff. Receipts and copies of the requisitions were then forwarded to the Business Office. If anyone in the process felt an inappropriate purchase was made, they were directed to bring it to my attention.

The "open" requisition process was in place when I began working at the school. The requisitions were "open" to allow the purchase of routine small dollar items from specific vendors similar to a petty cash system. The process reduced the paperwork and time required to obtain supplies needed on a routine basis.

Your auditors did not question me relative to any purchases. As for my use of the School VISA card, I have made no purchases that could be considered questionable.

Ms. Sharon B. Robinson, CPA  
Office of State Inspector General  
September 30, 2007  
Page 7

### Missing Property

I think the most shocking thing in the audit report is the recommendation that the School sue me to recover items that your auditors could not locate which were purchased using the LaCarte card. Your auditors did not question me relative to any items purchased on the LaCarte card which they could not locate. Had they done so, I could have helped them locate such items. Simply put, these items were not purchased for my use; rather, they were purchased, delivered to School, and either issued to others or placed in a storage area. Unfortunately, I cannot provide any information as to the whereabouts of any items after my resignation.

### Split Purchases

Mr. Danny Plaisance, Master Plumber, was approved to rent a mini excavator for one day. Mr. Plaisance failed to return the rented equipment when scheduled. When I questioned Mr. Plaisance, he said he called the company and they did not pick the equipment up in time. In all likelihood, he was late making the call. This led me to ask Mr. Plaisance to provide a written explanation as to why he did not return the equipment when scheduled. He also was told to speak with Ms. Gaultier, Purchasing Director, to determine what was necessary to obtain approval for the additional day's rental.

It is my understanding that transmission repair work is a state contract item and should not have been charged on VISA. I was not aware the repair was charged on a LaCarte VISA card until I saw the audit report.

Thank you for allowing me to respond to this direct attack on my character and my job performance. I always have worked hard as a state employee and did the best that I could with the abilities God has given me. Unfortunately, I feel that I have been made the proverbial scapegoat in this matter. Should you need any additional information, please call me at (225) 931-5106.

Sincerely,



Edmond Arledge

## **Mr. Andy Graham's Response**

Mrs. Sharon B. Robinson,

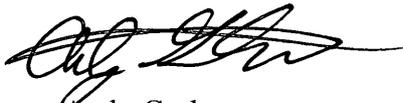
Case # 1070032

This is my statement responding to my part of the audit for Louisiana School for the Deaf. I concur with the wheels from the van statement. I was asked if I traded two of my used tires for two used tires in better shape and I did.

I concur in part to the weed killer statement I made to the investigator. He asked me if I took granular weed killer and I told him that I did. Then he asked me several times how much did I take, because I couldn't remember I told him that I knew the container was not full. Then he asked me if the container was a quarter full, half full, or three-quarters full. I said that I could not remember. He told me just to put down three quarters full and I did so. After much thought I remembered that it was less than half full. I know this for a fact and will swear to it.

As for the possible ethics violation, I had no idea it was a rule that state employees could not buy from the state surplus auction. My supervisors must not have been aware of this either because they knew I was going to try and buy the old van for a work vehicle and thought it was a good idea.

Thank You,



Andy Graham

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## **APPENDIX B**

### **Inspector General's Comment**

## State Inspector General's Comment

We made minor changes to the report based on responses to the draft report. However, we disagree with the Department of Education's justification for the purchase of the coolers. State Civil Service's Rewards and Recognition policy applies to exceptional performance and achievement and should not be applied to the Governor's proclaimed State Employee Recognition Day.

Thirty-seven copies of this public document were published in this first printing at a cost of \$ 205.09. The total cost of all printings of this document, including reprints is \$ 205.09. This document was published by the Office of State Inspector General, State of Louisiana, Post Office Box 94095, 150 Third Street, Third Floor, Baton Rouge, LA 70804-9095 to report its findings under authority of LSA-R.S. 39:7-8. This material was printed in accordance with the standards for printing by state agencies established pursuant to LSA - R.S. 43:31.

A copy of this report has been made available for public inspection at the Office of State Inspector General and is posted on the Office of State Inspector General's website at [www.doa.louisiana.gov/oig/inspector.htm](http://www.doa.louisiana.gov/oig/inspector.htm). Reference should be made to Case No. 1-07-0032. If you need any assistance relative to this report, please contact Bruce J. Janet, CPA, State Audit Director at (225) 342-4262.

## **REPORT FRAUD, WASTE, AND ABUSE**

To report alleged fraud, waste, abuse, or mismanagement relative to state programs or operations, use one of the following methods:

- Complete complaint form on web site at [www.doa.Louisiana.gov/oig/inspector.htm](http://www.doa.Louisiana.gov/oig/inspector.htm)
- Write to Office of State Inspector General, P. O. Box 94095, Baton Rouge, LA 70804-9095
- Call the Office of State Inspector General at (225) 342-4262