

Department of Justice

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STATE AUDIT DIRECTOR CONVICTED OF THEFT FROM A FEDERALLY-FUNDED ENTITY

BATON ROUGE, LA - United States Attorney Walt Green announced today a conviction in the ongoing federal and state investigation into corruption at the Bureau of Auditing and Compliance Services for the Louisiana Department of Children and Family Services (DCFS).

DELRICE J. AUGUSTUS, age 34, of Baton Rouge, Louisiana, pled guilty this morning before U.S. District Judge Shelly Dick to a Superseding Bill of Information charging him with theft from a federally-funded entity, in violation of Title 18, United States Code, Section 666(a)(1)(A), and forfeiture. Augustus faces up to 10 years imprisonment, a fine up to \$250,000, forfeiture of the proceeds of the offense, and up to 3 years of supervised release following imprisonment. A sentencing date has not yet been set.

As required by the Plea Agreement, Augustus has resigned his position as the Director of the Bureau of Auditing and Compliance Services for DCFS, a state agency which receives over a billion dollars (\$1,000,000) in federal funding annually. As Director, Augustus reported directly to the Secretary of DCFS and led the office responsible for safeguarding assets against theft and unauthorized use; ensuring that transactions were properly authorized and recorded properly; and ensuring compliance with management policies, as well as federal and state laws and regulations.

At today's hearing, Augustus admitted to using his official position to defraud DCFS out of between \$120,000 and \$200,000 through the following three schemes.

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

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

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

U.S. Attorney Green stated: "This case is a great illustration of federal and state agencies successfully working together to root out public corruption. Federal funding is often distributed through state and local entities and the integrity of that distribution network and those entrusted to protect it is vitally important. Our office, together with our federal, state, and local partners, will continue to aggressively battle public corruption wherever found."

Louisiana Inspector General Stephen Street commented: "The most disappointing thing about this case is the position of high trust held by Mr. Augustus within DCFS. He took full advantage of that trust to steal money from the taxpayers. Today's guilty plea should send a clear message that the law enforcement community has zero tolerance for this sort of corruption, and will continue working together relentlessly to bring about criminal consequences for it. I want to again acknowledge and thank LSP Colonel Mike Edmonson, U.S. Attorney Walt Green, and FBI Special Agent in Charge Michael Anderson for the outstanding work done by their respective staffs on this case."

Colonel Mike Edmonson, Louisiana State Police Superintendent, stated: "There are no boundaries when it comes to federal, state, and local law enforcement working together to fight corruption at any level. The public demands that people in trusted positions are kept to and held to a higher standard of integrity. Violations of the public trust must be dealt with swiftly and directly."

DCFS leadership has fully cooperated with the investigation and has provided valuable assistance throughout. Such assistance and cooperation is highly commendable and reflects a collective determination by law enforcement and DCFS leadership to root out the corruption identified in this matter.