



State of Louisiana

**OFFICE OF
STATE INSPECTOR GENERAL**

OFFICE OF WOMEN'S SERVICES

Report by

Inspector General Bill Lynch

Prepared for

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

June 18, 1998

File No. 1-98-0035



State of Louisiana

**OFFICE OF
STATE INSPECTOR GENERAL**

Office of Women's Services

June 8, 1998

Report by

 **Inspector General Bill Lynch**

Approved by

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

File No. 1-98-0035

Office of Women's Services

Jane Hoffman, a site manager in Lake Charles for the Office of Women's Services, used a falsified document to persuade a supervisor to authorize her attendance at a workshop in Florida on state time. She also signed payroll documents claiming to be on duty for eight hours each of the workshop's three days. However, workshop officials said she did not attend.

Executive committee members of a coalition of recipients of grants from Women's Services have unfair influence in the award of emergency funds sought by applicants whose representatives are not on the committee.

Background

The Louisiana Office of Women's Services is an agency of the Office of the Governor. It was established in 1985 by legislative act, having evolved since 1964 from the Commission on the Status of Women. Its purpose is to design, implement and evaluate direct services to Louisiana women and their families.

The director of the agency is Vera Clay, who was appointed by Gov. Mike Foster in 1996. The agency employs about 70 persons and manages 10 program sites around the state. Jane Hoffman, a state employee for about five years, has been manager of the Lake Charles program site for about four years. Women's Services receives state and federal funds, and contracts with and awards grants to private organizations which provide services such as battered women shelters, employment and training centers, teen parent centers, displaced homemaker centers and family violence programs.

Through its Family Violence Section, Women's Services annually awards about \$3 million in grants to private contractors. The contractors apply for funds by submitting to Women's Services proposals detailing the need for the award and the manner in which funds would be spent.

Women's Services attempts to obligate all of the \$3 million each funding cycle. If any of the money is not obligated, it may be used to fund emergency projects proposed by these contractors.

Payroll Issue

Jane Hoffman falsified a document to list herself as a registered workshop participant which enabled her to receive approval to attend the three-day management workshop in Orlando, FL, on state time. She attested on payroll documents that by attending the workshop she had worked for eight hours for each of the three days, Feb. 10, 11 and 12, 1997, including the Mardi Gras state holiday.

In November 1996, Ms. Hoffman by memorandum requested permission to attend the workshop. She stated there would be no cost to the state, other than her salary, because she was accompanying a male friend who was being sent by a private company. Her supervisor asked for documentation of her registration. Ms. Hoffman whited out her friend's name on his registration receipt, then retyped both his name and hers so that both would appear in the same typeface, listing both as workshop participants. She also misspelled her friend's last name in retyping it so that it would match the misspelling of his name in another section of the receipt. She submitted to her supervisor a copy of the falsified document on which the white out was not visible and received approval to attend.

Ms. Hoffman completed and signed payroll documents showing that she was on duty by attending for eight hours for each of the three days of the workshop. One of the days, Feb. 11, was Mardi Gras Day, a state holiday. For that day, Ms. Hoffman completed and signed additional paperwork to receive compensatory time.

After receiving indications that Ms. Hoffman might not have actually attended the workshop, the supervisor requested and received from the workshop facilitator, American Management Association, a written statement that Ms. Hoffman did not attend the workshop. The detailed statement said that attendance records did not show Ms. Hoffman or anyone from Women's Services in attendance, even as a non-registrant. The statement explained the process in place to account for workshop participants and said that anyone attending would be accounted for "even if the participant wandered into the wrong room."

In light of this, Women's Services suspended Ms. Hoffman without pay for three days, recouped eight hours of compensatory time for the holiday and charged her with annual leave for the two other days. Ms. Hoffman appealed the action. The appeal is pending at Civil Service.

La. R.S. 14:133 (Filing False Public Records) prohibits the depositing, with knowledge of its falsity, any wrongfully altered document or record in any public office.

La. R.S. 14:138 (Public Payroll Fraud) prohibits an employee from knowingly being carried on the payroll for payment for services not actually rendered.

Ms. Hoffman claimed she was told by her supervisor to include her name for insurance purposes on the registration form. The supervisor denied this. Ms. Hoffman said she could not explain why, instead of just typing her name below her friend's on the form, she whited out his name and then typed both names in the same typeface.

Ms. Hoffman added that she tried to attend the workshop and when the instructor told her he could not allow it, she still managed to sit in for four hours the first day and two hours the second. She claimed the instructor told her his firm had policy against allowing anyone to attend who had not paid, and if ever asked, he would deny she was there at all.

Unfair Influence

In August, 1997, Ms. Clay established a formal procedure requesting the executive committee of the Louisiana Coalition on Domestic Violence to review requests for emergency funds from other organizations contracting with the agency and asked the committee to make recommendations on applications submitted by others seeking funds. Although the emergency fund has a cap of \$30,000 in any fiscal year, under the formula for distribution of regular funds, the organizations could benefit in the distribution of regular funds by not spending from the emergency fund.

Three of the five members of the executive committee are the paid directors of private organizations which contract with Women's Services and compete for the same funds.

The Board of Ethics has ruled this procedure is not improper. However, it is our opinion that it gives the executive committee members' organizations unfair influence over the award of emergency funds and subsequently the distribution of general funds, compared to competing organizations.

Between the time Ms. Clay established the written policy and the present, the executive committee considered two applications, both by competitors, one for \$2,800 and the other for \$3,900. The executive committee recommended that they be rejected and Women's Services complied. This action left more funds available for potential future distribution to the executive committee members' organizations.

Conclusions:

1. Ms. Hoffman falsified a document in order to get approval to attend a management workshop while on state time.
2. Ms. Hoffman attested to false payroll documents showing she was on duty in training for eight hours for each of the three days of the workshop.
3. Women's Services is allowing private contractors eligible for grants from the agency to review and make recommendations on funding requests from competitors, an exercise of unfair influence over the distribution of funds.

Recommendations:

1. This report and supporting records should be referred to the appropriate District Attorney.
2. Women's Services should discontinue its practice of requesting and receiving recommendations for funding applications from any private group consisting of individuals with a potential economic interest in those same funds.

Responses:

Responses from Ms. Clay and Ms. Hoffman are attached.

File No. 1-98-0035

BL/JW/fs



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana

OFFICE OF WOMEN'S SERVICES
1885 WOODDALE BLVD., 9TH FLOOR-P.O. BOX 94095
Baton Rouge, LA 70804-9095
(504) 922-0960
FAX (504) 922-0959

VERA CLAY
EXECUTIVE DIRECTOR

May 27, 1998

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

Dear Mr. Lynch:

Thank you for the opportunity to respond to a draft report on the Office of Women's Services (OWS) created by your office. First and foremost, I would like to commend and thank Jim Wilsford on his professional behavior and demeanor during the investigation. Mr. Wilsford conducted himself in a way that is a credit to your office and state government.

The following addresses the issues cited in your report:

Payroll Issue - Jane Hoffman, Lake Charles

When the issue of Ms. Hoffman's attendance at a management conference in Florida came to my attention, I instructed OWS Human Resources Manager Teresa Martin to conduct an investigation. Ms. Martin used resources available to her at Division of Administration as well as Civil Service. The investigation lasted approximately four (4) months, and resulted in a disciplinary action for Ms. Hoffman. That disciplinary action included a reduction in pay equal to a three day suspension; a loss of two (2) days of annual leave; and loss of eight (8) hours of compensatory time. It was the opinion of those involved in the investigation that this was the appropriate administrative action. As a result of Mr. Wilsford's interview with Ms. Hoffman, new information came to light. During that interview, Ms. Hoffman admitted that she attended only four (4) hours of the conference on the first day, and two (2) hours the next. We discussed this new information with our attorney, and were advised that any additional disciplinary action taken against Ms. Hoffman would probably result in a charge of double jeopardy against OWS.

Unfair Influence - Family Violence Emergency/Discretionary Money

Approximately 3 months after I became Executive Director of OWS, I began supervising the family violence (FV) unit. Shortly after that, I discovered a pot of money that was not distributed through the formula. I also discovered that there was no standardized criteria, process or procedure for distribution. Nor had programs been notified about the existence of this money, much less the amount held back from the formula distribution. At that point, the two Women's Services FV program specialists and I developed a procedure for securing, disclosing, accessing and reporting use of this money. That procedure involved:

May 27, 1998

Page 2

1. How the money would be held back.
2. A cap on the amount of money that could be held back.
3. An information and application process to be sent to each family violence program.
4. Inclusion of the FV professional organization (Louisiana Coalition Against Domestic Violence) in the decision making process.
5. Disclosure to FV programs of utilization of the funds at the end of the fiscal year.

We sent a copy of this procedure to the Louisiana Board of Ethics for a ruling. That Board determined that we are not in conflict with the Code of Governmental Ethics. Attached is the letter with their finding.

Thanks again for the opportunity to respond to your draft report. If there are any further concerns, or if we can provide any additional information that will aid in your investigation, please let us know. I would like to take this opportunity to request that you provide me with a letter clearing this agency of any other allegations that were investigated by Mr. Wilsford.

Respectfully,



Vera Clay
Executive Director
Governor's Office of Women's Services

encls.

Copy to: Andy Kopplin
Office of the Governor

/VC

Ig.ltr



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
OFFICE OF WOMEN'S SERVICES
CENTER FOR DISPLACED HOMEMAKERS
2120 Hodges Street
Lake Charles, La. 70601
(318) 491-2656
FAX (318) 491-2033

VERA CLAY
EXECUTIVE DIRECTOR

June 8, 1998

Bill Lynch
State Inspector General
State of Louisiana
State Capitol Annex
Baton Rouge, Louisiana 70804

Dear Mr. Lynch:

This letter is in response to the office draft report concerning your review of the Office of Women's Services action taken regarding my participation in a workshop in Florida. I take responsibility for my actions based on my interpretation of what my supervisor instructed me to do. Immediately following realization that my attendance to the workshop was interpretation differently by the Office of Women's Services Personnel Office, I requested changing the payroll documents to reflect annual leave. This request was denied and discipline action was taken.

I found that this event was a tremendous learning experience in how interpretations generate action. Often we make assessments and hold our interpretations as right and others wrong. It is interesting to observe the diversity in our interpretations. The final consequence is energy being diverted from the Governor's Office of Women's Services purpose.

Thank you for an opportunity to respond.

Respectfully,

A handwritten signature in cursive script that reads "Jane Hoffman".

Jane Hoffman
Site Manager
Office of Women's Services