State of Louisiana

OFFICE OF
STATE INSPECTOR GENERAL

WESTSIDE ALTERNATIVE HIGH SCHOOL

Report by

Inspector General Bill Lynch

Prepared for

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

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File No. 1-03-0046

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Westside Alternative High School

Report by

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Approved by

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

May 9, 2003

File No. 1-03-0046

Westside Alternative High School

Sixteen computers and two printers, costing more than $30,000, could not be located during an inventory of state property by this office at the Department of Education's Westside Alternative High School, located at the Swanson Correctional Center for Youth in Tallulah.

Since the March 18, 2003, inventory, some of the missing computers were returned to the school, including one returned by a former assistant principal who resigned in August, 2002. Clara Durr, the school's principal, failed to properly report on and recover this computer, which she knew was improperly in the possession of the former employee.

Ms. Durr failed to safeguard and account for state property and insure compliance with state law and policy, placing the school's $400,000 inventory of computers and printers at risk.

Additionally, Ms. Durr failed to properly administer the school's petty cash fund by commingling the money from that account with a private, employee fund, in violation of Department of Education policy.

Ms. Durr also hired her son as a teacher's aide at the school, and had a vocational teacher use students to partially construct political signs for her local school board campaign, both possible violations of the state's Code of Ethics.

Background

Westside Alternative High School, a school within the Department of Education, Special School District #2, serves youth committed to the state Department of Corrections and placed at the Swanson Correctional Center for Youth at Tallulah. That institution was originally a private facility contracted with the state to provide correctional services to

juveniles. Initially, about 600 offenders attended the alternative high school located on the grounds of the correctional center. The number of offenders has been reduced to about 225, nearly all of whom attend the school.

Ms. Durr has been principal of Westside Alternative High School since August, 1999. Lester Klotz was the director of the Special School District until his retirement on Jan. 30, 2003. Cline Jenkins is the current acting state director of the Special School District, and supervises Ms. Durr.

Missing Computers

Sixteen computers and two printers, costing more than $30,000, could not be located during an inventory of the school's computers and printers by this office on March 18, 2003.

Using the inventory control listing certified as accurate by Ms. Durr and other documents provided by the school and the Department of Education, an investigator from the Inspector General's Office and William Lee, the Westside property control liaison, physically searched the school in an effort to account for the 245 computers and printers, costing more than $400,000, that records showed were among the school's inventory. Despite a thorough and diligent inventory, ten desktop and six laptop computers, along with two laser printers, could not be located.

On March 19, 2003, the following day, a second inventory was conducted. Seven computers and a printer, costing about $13,500, still could not be located. Ten of the items which could not be located the previous day, were found the second day. In some cases, computers were found in a classroom, office or on a desk where none was found the first day.

Ms. Durr, who serves as the school's property control manager and supervises the property control liaison, voiced concern at the number of missing computers and admitted that a lack of effective property controls may have contributed to the problem.

When new property, such as computers or printers, is delivered, it is first checked in at a warehouse on the grounds of the correctional facility. Corrections personnel contact the school for any available school personnel to accept the delivery. School personnel then place the delivered items in storage in various school buildings. At no time during this receiving process is the school's property control liaison notified.

Ms. Durr, as principal and property control manager, should have had knowledge of the receipt of such property and should have notified the property control liaison of the receipt.

In one storage building, referred to by school personnel as "the shed," the investigator found stacks of computers and printers, some broken, some not, along with computer parts scattered throughout. Among the computers stored in this manner, were several computers still boxed, not yet on the school's inventory. About a dozen computers which were listed on the inventory were stored in "the shed."

The property control liaison said he was unaware of some of the items in this storage building or why they were there.

State law requires that such property be marked with control tags immediately upon receipt.

Also, according to Ms. Durr and Mr. Lee, property such as computers may be moved from one building to another, sent for repair or taken off school property by school personnel. Authorization for and tracking of such movement should be accomplished by the use of property control forms completed by the party moving the property and submitted to the property control liaison. However, often these forms were not completed. Therefore, the property control liaison was not notified and was unable to control or track the movement of property for which he was responsible.

In one case, Gilbert Williams, then an assistant principal, completed the required property control form authorizing him to move a school computer to his home from Jan. 16, 2002, until May 16, 2002. However, when Mr. Williams resigned from employment at Westside in August, 2002, he did not return the computer, which cost $1,100. Ms. Durr said she was aware of this missing computer and made an unsuccessful effort to get Mr. Williams to return it. Ms. Durr could not provide any documentation to confirm this effort, and made no further effort to recover the property. In fact, the results of the school's inventory in December, 2002, submitted to the state Department of Education, falsely listed Mr. Williams' computer as "unlocated."

The day after the second inventory, Mr. Williams returned the computer to the school. According to Ms. Durr, he explained the delay in returning the computer by saying it had broken while in his possession, and he had not wanted to return it broken.

Mr. Williams told the investigator he did not intend to keep the school computer, but admitted he was improperly in possession of it.

Mr. Jenkins, who supervises Ms. Durr, said not only should Mr. Williams have returned the computer to the school prior to his resignation, but Ms. Durr failed in her responsibility to insure the computer was returned. He said she also failed to notify him with regard to Mr. Williams' computer, adding that Ms. Durr had committed a "serious oversight" in not reporting the missing computer.

Mr. Jenkins said department property control rules require that the property control manager insure an accurate accounting of property by promptly identifying and marking such property with control tags and by tracking the location of property within a facility.

A number of state laws may apply relative to Mr. Williams' improper possession of a school computer and Ms. Durr's failure to properly control state property.

La. R.S. 14:68 prohibits the intentional taking or use of a moveable which belongs to another, but without the intention to deprive the other permanently.

La. R.S. 14:134 states that malfeasance in office is committed when any public employee intentionally fails to perform any duty lawfully required, or knowingly permits another employee, under his authority, to fail to perform any duty lawfully required.

La. R.S. 42:1461 requires a public employee to assume an obligation not to misappropriate, misapply or misuse any property or thing of value belong to or under the control of the employee's agency.

La. R.S. 39:330 states that whenever a property control manager has knowledge or reason to believe that any property is lost, stolen or otherwise unaccounted for, it must be properly reported and an investigation completed.

Petty Cash Fund

Ms. Durr failed to properly administer and adequately perform her fiduciary duties relative to the school's $500 petty cash fund by commingling the money into a private, employee account called the flower or sunshine fund.

The school's petty cash fund was established in January, 2000, with a $500 check from the Department of Education. The fund was maintained at the school in a cash box until Aug. 17, 2001, at which time Ms. Durr deposited a petty cash reimbursement check

totaling $501.72 into an existing private bank account, thereby commingling private and state funds. The bank account was previously established by Ms. Durr for use as the teachers flower fund.

The bank account, named the Westside School Sunshine Club, according to Ms. Durr, was not approved for state funds by either the Department of Education or the State Treasurer's Office. Ms. Durr said the state funds were deposited in the account in an attempt to safeguard the assets due to the loss of a clerical position at the school.

Ms. Durr handled transactions associated with petty cash reimbursements while another school employee handled transactions associated with the flower fund. Both Ms. Durr and the employee signed checks as dual signatories. In addition, Ms. Durr controlled a credit card associated with the account which she used for personal purchases such as meals and hotel rooms. The account indicated Ms. Durr made deposits to cover personal expenditures. However, Ms. Durr said she did not reconcile personal expenditures made by her to deposits she made into the account.

Neither Ms. Durr nor the school employee maintained a ledger for the bank account to record expenditures and deposits associated with state petty cash, the flower fund or personal expenditures.

This office did not audit the flower fund to determine if the fund was expended on the intended purpose, or if personal expenditures made by Ms. Durr were fully reimbursed. The Department of Education indicated it plans to audit the account.

The lack of accounting by Ms. Durr and the school employee for funds commingled in the bank account resulted in Ms. Durr spending flower fund money on items associated with the state petty cash fund. This resulted in Ms. Durr requesting petty cash reimbursements from the Department of Education on Aug. 12, 2002, in the amount of $313.68, covering the period July and August, 2002, and $800.28 on Aug. 19, 2002, covering the prior fiscal period February through May, 2002. A handwritten note on the Aug. 19, 2002, request states, "The amount is large because our petty cash is a part of the School's Sunshine Club funds. Funds set aside for staff flowers and cards for funerals and illnesses. The balance over the $500 belong to the Sunshine Club."

A second handwritten note on the Aug. 19, 2002, petty cash reimbursement request indicates the Department of Education notified Ms. Durr not to mix the petty cash with the sunshine fund.

Ms. Durr separated the state petty cash fund from the sunshine club bank account on Oct. 3, 2002. The state petty cash fund is currently held in a cash box at the school.

Requests for reimbursement of petty cash submitted by Ms. Durr were supported by receipts and approved by administrators within the Department of Education, Special School District and department accounting.

Department of Education policy and procedure require the department head keep petty cash funds separate from all other funds and accounted for on a monthly basis. Good business practices and state law require assets be safeguarded and accounted for.

Nepotism

Ms. Durr hired her son on Jan. 24, 2000, to work at Westside as an unclassified substitute teacher. However, Ms. Durr placed her son in the position of a teacher's aide. He worked at Westside for 20 months, until Sept. 3, 2001, when he resigned to move out of the area.

According to Ms. Durr, she had wanted to hire her son as an aide for the physical education teacher, but Mr. Klotz, her supervisor at the time, told her that might be a violation of the Code of Ethics. She said, however, she received verbal approval to hire her son as a day-to-day substitute teacher.

Ms. Durr said she then simply assigned her son to the teacher's aide position. He worked a regular Monday through Friday schedule as an unclassified hourly employee.

Ms. Durr's hiring of her son for employment at Westside may constitute a violation of the state Code of Ethics and would be a matter for the Ethics Board to determine.

Political Signs

In early March, 2003, Ms. Durr instructed a vocational teacher at Westside use his students to partially prepare wooden signs which she used in her campaign for a local school board seat.

According to Department of Education documents and Ms. Durr, she is running for election to the Madison Parish School Board, District 3. She instructed a carpentry

teacher, whom she supervises, to have his students at Westside construct 20, two-foot square signs, painted white and attached to stakes. The signs were quickly constructed. Although Ms. Durr is using the signs in her election campaign, nothing was written or drawn on the signs by the students or the teacher.

Ms. Durr paid for the materials used.

The use of an employee at a state agency for such involvement in a political campaign may be a violation of the state's Code of Ethics, but would be a matter for the Ethics Board to determine.

The Department of Education, which recently became aware of Ms. Durr's activities, formally referred the matter for review to the Ethics Board on March 19, 2003.

Conclusions:

1. Sixteen computers and two printers, costing more than $30,000, could not be located during an extensive inventory taken on March 18, 2003, at the Department of Education's Westside Alternative High School.

2. Ten of the items which could not be located on March 18, 2003, appeared at a second inventory taken on the following day. Some were found in a classroom, office or on a desk where none were found on the first inventory.

3. Ms. Durr, the school's principal, failed to take action required by state law and policy to report on and recover state property, a computer costing $1,100, which she knew was improperly in the possession of a former employee.

4. Ms. Durr failed to administer in accordance with state law and policy a program to account for and safeguard state computers and printers costing more than $400,000.

5. Mr. Williams, a former school employee, was improperly in possession of a school computer.

6. Ms. Durr failed to administer the school's petty cash fund in accordance with department policy when she commingled it with a private, employee account.

7. Ms. Durr hired her son to work at the school for 20 months, in possible violation of the Ethics Code.

8. Ms. Durr instructed a teacher under her supervision to partially prepare signs for her campaign for a local school board seat, in possible violation of the Code of Ethics.

Recommendations:

3. Officials with the Department of Education should require the school to comply with state law and property control rules regarding state assets.

2. Officials with the department should take appropriate action for Ms. Durr's failure to properly administer the property control program and petty cash.

3. This report should be forwarded to the appropriate authorities.

Responses:

Responses from officials with the Department of Education and from Ms. Durr are attached.

BL/JW

File No. 1-03-0046

STATE OF LOUISIANA
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May 9, 2003

Bill Lynch
State Inspector General
Office of State Inspector General
Division of Administration
224 Florida Street, Suite 303
Baton Rouge, Louisiana 70804-9095

Dear Mr. Lynch:

Your report dated April 23, 2003 has been received and reviewed by this office. We appreciate the assistance you and your staff have provided to identify and convey these administrative concerns and deficiencies at Westside Alternative High School-Swanson Correctional Center for Youth at Madison to the Department of Education.

We consider these findings both singularly and as a whole quite serious, and as such, requiring immediate and unconditional corrective action. The Department of Education wishes to clearly note that Westside Alternative High School is simply housed at Swanson Correctional Center for Youth at Madison and the Department of Education has sole responsibility for the school and educational program.

The following actions have been taken, by the department and final actions are pending:

1. Ms. Durr has been placed on special leave for exigent purposes until the department has completed additional investigations.
2. Based upon the outcome of these investigations including an audit of the "flower fund" and the personal use of the credit card with the Petty Cash and "flower fund" and those of the OIG, appropriate disciplinary action will be considered.
3. An Acting Principal has been appointed for a period to correspond with the exigent leave of Ms. Durr.
4. The administrative structure of Westside Alternative High School is being reviewed.

The Department of Education requests the following revisions to your report:

1. On page 2, the retirement date for Lester Klotz should read January 30, 2003.
2. On page 2, the title for Cline Jenkins should read "Acting State Director".

The department wishes to provide the following information:

1. Inventory
   a. In response to the serious deficiencies noted, the school administration implemented corrective inventory procedures.
   b. A site hand count audit conducted on April 7-10, 2003 revealed significant improvements. All items were located with the exception of two, one of which is thought to be the result of an error in recording tag numbers in surplus changes.
   c. Detailed inventory policies and procedures, which mirror those of the department have been developed and provided to the site for implementation.
   d. Upon verbal notification of the inventory status by your office, all pending purchase requisitions and orders were frozen until the revised inventory procedures were implemented and inventory deficiencies corrected.
   e. As of May 6, 2003, all new computers have been installed into classrooms. None remain in storage.
   f. All off site property was returned to the site and requests for future off site properties were held for approval until the week of April 28, 2003. At that time, some were processed for final approval by Cline Jenkins based upon specific written justifications for each property while others remain held.

2. Petty Cash
   a. Revised Petty Cash procedures were distributed in an administrative meeting on March 7, 2003.
   b. All administrative staff were provided in-service and training regarding Petty Cash procedures on March 7, 2003.
   c. Additional revisions were completed to the Petty Cash procedures and distributed on May 1, 2003.
   d. Ms. Durr was directed to establish a checking account effective April 2, 2003 and hold all further transactions until further notice.
   e. The Department of Education is conducting an internal audit of the "Flower Fund".
   f. The Department of Education is conducting an internal audit regarding the credit card controlled by Ms. Durr and charges for personal use.

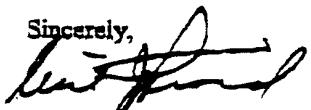
3. Nepotism
   a. All administrative staff were briefed in writing on April 22, 2003 regarding nepotism. The briefing included both the Louisiana Board of Ethics summary and examples and R.S. 42:1119.
   b. A research of personnel records revealed Ms. Durr may have informed her supervisor and other department employees and may have obtained clearance to proceed from the State Director. However, the department no longer employs the State Director and Human Resource manager involved.

4. Political Signs
   a. All administrative staff were briefed in writing on April 22, 2003 regarding nepotism. The briefing included both the Civil Service General Circular No. 001501 "Reminder of Prohibited Political Activities" and the Attorney General Opinion No. 76-1113 which listed the core terms to include "...political activity...election..."
   b. Procedures will be developed to provide oversight to items constructed in the vocational program.

As a result, a comprehensive and detailed structural framework of administrative policies and procedures and administrative personnel has been established. The specific areas in which more specific and encompassing procedures have been developed include Time and Attendance, Travel, Inventory, and Petty Cash. The organization of administrative personnel will be structured to provide administrative assistance, guidance and oversight to the site and Ms. Durr.

We hope this adequately addresses these concerns. Should I be able to provide additional information, please contact me, or Cline Jenkins at 225-342-6904.

Sincerely,



Cecil J. Picard
State Superintendent of Education

CJP:CJ:dsw

c: Carole B. Wallin
John Guilbeau
Joan Hunt
Cline Jenkins

Westside Alternative High School
Swanson Correctional Center for Youth - MAD
1005 West Green St.
Tallulah, LA 71282

Mrs. Clara Durr, Principal	318.574-6973
Mr. E. Maynard, Asst. Principal	318.574-5540
Mrs. E. Moore, Asst. Principal	318.574-1912
Mr. W. Lee, Property Liaison	318.574-5740 ext. 227

May 8, 2003

Office of State Inspector General
Mr. Bill Lynch, State Inspector General

Dear Mr. Lynch:

Thank you for the opportunity to reply to the findings of the Office of State Inspector General. Let me begin by stating that Jim Wilsford and Gordon Devalle were very easy to work with. They made the entire process manageable. In response to the conclusions of the findings:

1. Sixteen computers and two printers: There are 245 computers and printers in the school's inventory. With the amount of equipment on site, the large physical area the facility covers, and the number of rooms containing equipment, I believe the sixteen computers and two printers not located were simply overlooked . On the first day of the inventory, March 18, 2003, Mr. William Lee, the Westside property control liaison, assisted in the inventory of the equipment. Mr. Lee had been in this position for less than six months at the time of the inventory. On the second day of the inventory, March 19, 2003, Mr. James Hill, the previous property control liaison, assisted with the inventory. I believe Mr. Hill may have been more familiar with the places were the equipment was located and/or stored. On the second day of the inventory ten of the computers were located. Additionally, a subsequent inventory by the Department of Education located all but two pieces of equipment.

   Remedy: State policies with regard to inventory control have been reviewed, and the proper inventory control measures have been put into place to ensure accountability of all equipment. All personnel charged with inventory receipt and control have reviewed and been made aware of new policies regarding inventory control.

2. Ten items could not be located appearing on the second day of the inventory: As mentioned in response #1, I believe these items were on site but simply overlooked due to the volume of computers, the large physical area of the site and the number of rooms containing equipment. The equipment is now assigned to a room and is located in that room in order to assure easy access to and accountability for each piece of equipment. An accounting of all equipment on a room by room basis is now being conducted each month.

3. Failure to take action as required by state law to report and recover missing property: An exit interview with Mr. Gilbert Williams was conducted upon his resignation by me. Mr. Williams indicated that he did not have any state property in his possession. Mr. Williams was the

property control liaison at the time of his resignation. Mr. Williams as the property control liaison would be the person responsible for verifying property during an exit interview. However, since Mr. Williams was the employee leaving I performed the exit interview. I was later informed by Mr. James Hill, the property control liaison at that time, during our yearly site audit of equipment that Mr. Williams still had a computer in his possession. I attempted to contact Mr. Williams on several occasions to no avail. When I could not contact him, I requested of Mr. Hill and Ms. Hamilton to attempt to contact him. I was informed that Mr. Williams was having the computer repaired and would be returned upon completion of repairs. The computer was returned by Mr. Williams

Remedy: A thorough exit procedure is in place for employees ending their employment with Westside. Additionally, visual verification at the exit interview will be conducted as to equipment tag number and serial number for all equipment issued to that employee.

4. Failure to administer and account for state property: As stated above, additional inventory control measures have been put into place to ensure accountability of all equipment. All personnel charged with inventory receipt and control have reviewed existing policy and been made aware of new policies regarding inventory control.

5. Mr. Williams a former school employee was improperly in possession of a school computer: An exit interview was conducted of Mr. Williams as to any equipment he still had in his possession. He indicated that he did not. Once it was learned that Mr. Williams did in fact still possess a computer I attempted to contact Mr. Williams on several occasions. Also, I had other staff members to contact Mr. Williams. Once contact was made Mr. Williams informed us that he was having the computer repaired and would return the item upon completion of that repair. Mr. Williams did return the computer.

Remedy: Conduct a thorough exit interview by requiring a visual inspection of equipment that an employee is authorized to have in his/her possession. When equipment is determined to be missing, follow proper reporting procedure. Documentation of all attempts to recover the property should be completed. Additionally, law enforcement should be contacted where appropriate.

6. Failure to administer school's petty cash per department policy: Placement of the petty cash into the Sunshine Club checking account was for record keeping purposes. There was no checking account for petty cash. I was without a secretary for a period of time to assist in the managing of this money. I also wanted to ensure that the $500.00 in petty cash would not be stolen as Westside is a correctional facility. There was no ill intent on my part in commingling this money. On the August 19, 2002 petty case reimbursement request form sent to the Department of Education by me I penned, "The amount is large because our petty cash is a part of the School's Sunshine Club fund. Funds set aside for staff flowers and cards for funeral sand illnesses. The balance over the $500.00 belongs to the Sunshine Club." This shows that I had no ill intent in commingling the accounts. Once they informed me that these funds could not be commingled I separated the funds. The funds have and will remain separate and monthly reimbursement requests to the Department of Education as to petty cash will be made timely.

7. Son hired to work at school: I went to Mr. Lester Klotz, the Director of Special Schools at the time, and asked him if my son could be hired. He informed me that he could not be hired as an permanent aid but possibly as a substitute teacher. Mr. Williams was the supervisor of the substitute teachers and was the direct supervisor for my son. Mr. Williams assigned him to a vacant teacher's aids position as a substitute. There has consistently been a problem teacher and teacher's aid absenteeism. Therefore, Mr. Klotz gave me approval to have a list of substitute teachers and aids to come to the school everyday to substitute where needed instead of having to call these individuals on a daily basis. After attending a meeting where ethical issues were discussed, I became concerned about my son continuing to substitute. I called the Human Resources at the Department of Education and inquired about the situation. When informed there may be a potential problem I informed my son he could not longer substitute. My son has not worked in any manner at the school for over one and one half years. Again, when I learned there may be a problem I took action to remedy that situation.

   Remedy: I have reviewed the policy concerning employment of relatives and will comply completely.

8. Instructed a teacher under her supervision to partially prepare signs for a school board campaign: The carpentry teacher, James Kitchens, and I spoke about the fact that I was running for school board and he stated that the students could make some signs for me using scrap wood. I accepted and sought approval from Warden Guyton prior to this occurring. The students did not have any idea what the signs were being made for. I did not use the students in any political activity that would motivate voters in any manner. I felt I was giving the students something to do that was part of their training. I paid for the scrap wood used to make these signs. (A copy of the receipt can be provided) I do not feel that there was any violation as to the code of ethics in doing this. However, if any violation did occur it was completely unintentional on my part.

   Remedy: I have read and will comply with the policy regarding political activities. Further, I will not engage in any activity that may appear inappropriate even if said activity is not prohibited by policy.

During my time as principal of Westside Alternative High School, the welfare and concern of the students have been my primary focus. During this period, I have been extremely fortunate to work with a dedicated and professional staff. At no time have I or, to my knowledge, has any Westside staff member intentionally done anything in violation of policy and/or law. Since your investigation, we have reviewed the policy and put procedures in place to show that we are actively working on compliance in all areas of operation. The investigation was beneficial in making us fully aware of things we were doing unintentionally incorrect. More importantly however, we were given assistance in putting in place proper procedures to bring us in compliance in all areas of policy and/or law.

Thank you,

Clara Durr

Mrs. Clara Durr, Principal
Westside Alternative High School