

ACT 461 REPORT ON FISCAL  
DEFICIENCIES, INEFFICIENCIES,  
FRAUD, OR OTHER SIGNIFICANT ISSUES  
DISCLOSED IN GOVERNMENTAL AUDITS

FIRST QUARTER, FISCAL YEAR 2018



REPORT TO THE JOINT LEGISLATIVE  
COMMITTEE ON THE BUDGET  
ISSUED OCTOBER 2017

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

October 4, 2017

Chairman Eric LaFleur and Members of the  
Joint Legislative Committee on the Budget

Dear Chairman LaFleur and Members of the Joint Legislative Committee on the Budget:

Act 461 of the 2014 Regular Session requires the Legislative Auditor to make quarterly and annual reportings to the Joint Legislative Committee on the Budget of certain audits which have findings with a dollar impact of \$150,000 or more relative to waste or inefficiencies, missed revenue collections, erroneous or improper payments or overpayments by the state, theft of money, failure to meet funding obligations such as pension or health benefits, failure to comply with federal fund or grant requirements, failure to comply with state funding requirements, misappropriation of funds, errors in or insufficient support for disaster expenditures, accountability of public money associated with various disasters such as the Deepwater Horizon event, and repeat findings.

Attached is our report to meet the requirements of Act 461 for the first quarter of Fiscal Year 2018. That report is linked and referenced to the full reports which contain the applicable findings of interest, as well as management's responses.

We are available to present the information that is of interest to your committee. We hope that this report assists you in your legislative decision-making process.

Sincerely,

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/ch

ACT 461 REPORTING – OCTOBER 2017

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## STATE AGENCIES

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
<b>Central Louisiana Technical Community College (Partial Repeat)</b>	Rapides	8/9/2017	2016/2017	<a href="#">Report</a>	Inadequate Controls over Student Receivables	4-5	\$487,415
<b>Governor's Office of Elderly Affairs</b>	Statewide	8/23/2017	6/30/2017	<a href="#">Report</a>	Improper Allocation of Senior Center Funds	1	\$2,070,657
<b>Governor's Office of Homeland Security and Emergency Preparedness – Public Assistance Program</b>	Statewide	9/27/2017	6/30/2017	<a href="#">Report</a>	Completed work was not within the scope of the approved project.	3	\$9,268,038
<b>Governor's Office of Homeland Security and Emergency Preparedness – Public Assistance Program</b>	Statewide	9/27/2017	6/30/2017	<a href="#">Report</a>	Expense reimbursements were not supported by invoices, receipts, lease agreements, contracts, labor policies, time records, equipment logs, inventory records, or other applicable documentation.	3	\$17,038,917

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
<b>Governor's Office of Homeland Security and Emergency Preparedness – Public Assistance Program</b>	Statewide	9/27/2017	6/30/2017	<a href="#">Report</a>	Contracts and purchases totaling more than \$10,000 per vendor per calendar year did not comply with applicable Federal and State procurement requirements.	3	\$22,819,612
<b>Governor's Office of Homeland Security and Emergency Preparedness – Public Assistance Program</b>	Statewide	9/27/2017	6/30/2017	<a href="#">Report</a>	Work reflected in the expense reimbursements did not comply with applicable FEMA regulations and guidance.	3	\$3,524,356
<b>Governor's Office of Homeland Security and Emergency Preparedness – Public Assistance Program</b>	Statewide	9/27/2017	6/30/2017	<a href="#">Report</a>	GOHSEP's cost estimating tool and/or expense review form either omitted or contained duplicate and/or incorrectly categorized expenses.	3-4	\$486,425
<b>Louisiana Department of Health - Medicaid Laboratory Program</b>	East Baton Rouge	9/6/2017	FY 2016	<a href="#">Report</a>	We found \$2,440,965 in improper payments for 160,100 laboratory claims when the provider did not have the appropriate CLIA certification at the time the specific test was performed.	3	\$2,440,965

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
Louisiana Department of Health - Medicaid Laboratory Program	East Baton Rouge	9/6/2017	FY 2016	<a href="#">Report</a>	We found \$1,744,178 was paid for 43,449 claims that involved invalid procedure codes for waived tests.	4	\$1,744,178
Louisiana Department of Health - Progress Report: Prevention, Detection, and Recovery of Improper Medicaid Payments in Home and Community-Based Services Programs (Repeat)	East Baton Rouge	7/12/2017	FY 2016	<a href="#">Report</a>	Although LDH implemented an edit check to prevent direct care workers who work for two different companies from claiming overlapping times for different recipients, a more comprehensive edit is needed. We identified approximately \$620,000 in potentially improper payments for overlapping services that the edit did not identify.	4	\$620,000
Louisiana Department of Health - Progress Report: Prevention, Detection, and Recovery of Improper Medicaid Payments in Home and Community-Based Services Programs (Repeat)	East Baton Rouge	7/12/2017	FY 2016	<a href="#">Report</a>	LDH has not implemented an effective process to prevent payments to providers while recipients were hospitalized or in nursing facilities. We identified \$326,915 in potentially overlapping claims that were not identified by LDH	5	\$326,915

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
Louisiana Department of Health - Progress Report: Prevention, Detection, and Recovery of Improper Medicaid Payments in Home and Community Based Services Programs	East Baton Rouge	7/12/2017	FY 2016	<a href="#">Report</a>	LDH has not fully implemented the use of a call-in system to capture actual time worked. We identified 52,222 instances where direct care workers were required to travel from 10 miles to 100 miles between two different locations where they worked consecutive hours, but did not indicate travel time at a cost of \$340,000	8	\$340,000
Louisiana Department of Health - Progress Report: Prevention, Detection, and Recovery of Improper Medicaid Payments in Home and Community Based Services Programs	East Baton Rouge	7/12/2017	FY 2016	<a href="#">Report</a>	LDH does not have a sufficient process to verify that workers on the Direct Service Worker Registry are not providing services. We identified approximately 100 workers who provided services totalling \$2.5 million even though they were on the registry.	12	\$2,500,000

**Note:** For Public Assistance - Since March 2008, the LLA has noted exceptions totaling \$1,067,367,966, which includes the \$53,137,348 noted this period, and GOHSEP has resolved \$970,139,005, which includes the \$66,271,108 resolved this period.



## LOCAL GOVERNMENT AGENCIES

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We did not issue any local government agency reports that met the Act 461 criteria this quarter.