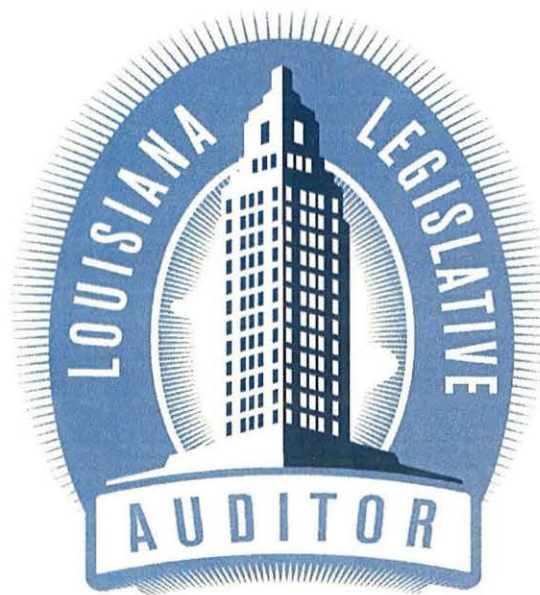


ACT 461 REPORT ON FISCAL
DEFICIENCIES, INEFFICIENCIES,
FRAUD, OR OTHER SIGNIFICANT ISSUES
DISCLOSED IN GOVERNMENTAL AUDITS

FOURTH QUARTER, FISCAL YEAR 2018



REPORT TO THE JOINT LEGISLATIVE
COMMITTEE ON THE BUDGET

ISSUED JULY 2018

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

FIRST ASSISTANT LEGISLATIVE AUDITOR
LOCAL GOVERNMENT SERVICES
THOMAS H. COLE, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor.

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

July 12, 2018

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 fourth 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 – JULY 2018

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STATE AGENCIES

Executive Branch Agencies – April 17, 2018

- Louisiana has spent approximately \$5 million on lawsuits involving sexual harassment claims since FY 2010. (*Amount: \$5,026,006*) (p.4)

Louisiana Department of Health – Reliability of Medicaid Provider Data – June 20, 2018

- LDH did not ensure that the MCOs used valid provider type and specialty combinations. (*Amount: \$13,091,888*) (p.3)
- LDH accepted encounters from the MCOs when the provider registry indicated that the provider was disenrolled. (*Amount: \$136,000,000*) (p.6)
- LDH did not use an edit to deny encounters that failed conditions regarding complete provider information. (*Amount: \$586,521,496*) (p.9)
- LDH allowed 41 million encounters to be accepted where the provider identification was "0." (*Amount: \$2,413,591,928*) (p.11)

Louisiana State University at Shreveport – June 13, 2018

- Louisiana State University Shreveport did not have adequate controls over outstanding student account balances, which increases the risk for these balances to continually increase and become uncollectible. (*Amount: \$1.84 million*) (p.1)

LOCAL GOVERNMENT AGENCIES

East Baton Rouge Metropolitan Council – May 30, 2018

- The Consolidated Government of the City of Baton Rouge and Parish of East Baton Rouge (City-Parish) sold four pieces of real estate (immovable property) between January 2014 and February 2017 that it no longer needed for public purposes. Two of these properties were sold at auction for less than appraised value, which may be a constitutionally-prohibited donation of public property. In addition, the City-Parish may have violated its ordinances by failing to fix minimum prices and publish notices of proposed ordinances as required by state law. (*Amount: \$595,800*) (p.5)