

GOVERNOR'S PROGRAM ON ABSTINENCE



COMPLIANCE AUDIT
ISSUED JULY 15, 2009

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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

July 15, 2009

RYAN GREENE, EXECUTIVE DIRECTOR
GOVERNOR'S PROGRAM ON ABSTINENCE
Baton Rouge, Louisiana

We have audited certain transactions of the Governor's Program on Abstinence (GPA). Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the credibility of certain allegations concerning the GPA.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required by *Government Auditing Standards*; therefore, we are not offering an opinion on the GPA's financial statements or system of internal control nor assurance as to compliance with laws and regulations.

The accompanying report presents our findings and recommendations as well as management's response. This correspondence is intended primarily for the information and use of management of the GPA. Copies of this report have been delivered to the District Attorney for the Nineteenth Judicial District of Louisiana, the United States Attorney for the Middle District of Louisiana, and others as required by law.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Steve J. Theriot", is written over a faint, circular watermark or background.

Steve J. Theriot, CPA
Legislative Auditor

GL:GC:DD:sr

GPA09

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Background

In November 1997, the United States Department of Health and Human Services began issuing Title V Abstinence Education Block Grants to enable states to create or augment existing abstinence programs. The purpose of these programs is to educate young people and create an environment within communities that supports teen decisions to postpone sexual activity until marriage. On March 13, 1998, Governor Mike Foster issued an executive order¹ creating the Louisiana Abstinence Education Project, now known as the Governor's Program on Abstinence (GPA), within the Louisiana Department of Health and Hospitals (DHH). Since March 1999, the GPA has operated under the Governor's Office and received Title V abstinence funding through DHH.

Since 1998, the GPA has relied on contractors to provide services to promote and support abstinence education in Louisiana. On September 17, 2004, the DHH Bureau of Internal Audit (BIA) issued an audit report on the GPA for the fiscal year ended June 30, 2004. BIA reviewed GPA contracts with individuals and nonprofit organizations and determined that the GPA failed to properly monitor the activities or payments made to contractors, which included contractors who either did not submit documentation of services provided or submitted inadequate documentation of services provided. BIA recommended that GPA establish and implement formal monitoring procedures to ensure that sufficient documentation is available and adequate before contract payments are made. BIA further recommended that the GPA require contractors to submit invoices and time sheets to support services provided.

As a result of the audit findings, the GPA developed new monitoring procedures and created forms to be submitted by contractors each month to document services performed. These forms included an invoice, time sheet, and monthly report. From July 2004 to June 2007, the GPA paid \$3,562,820 on professional service contracts. Gail Dignam served as the GPA's project director from July 1999 until her resignation in March 2002. In March 2004, Governor Kathleen Blanco appointed Ms. Dignam as the GPA director. The Louisiana Legislative Auditor received an allegation indicating that while working for the GPA, Ms. Dignam awarded contracts to a non-profit organization that she organized. This audit was conducted to determine the propriety of this allegation.

¹ Executive Order 98-11

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Former GPA Director Awarded Contracts to an Organization She Created

From July 2004 through September 2007, Ms. Gail Dignam, former director for the Governor's Program on Abstinence (GPA) awarded six contracts totaling \$115,179 to Don Peterson, president of Friends 4 Teens Foundation (F4T) and the Friends 4 Teens Activity Center (F4TAC). Documentation obtained during our review indicated that Ms. Dignam founded the F4T. During our review of these contracts, we determined the following:

1. Mr. Peterson did not perform all services for which he was paid.
2. All payments to Mr. Peterson were deposited into a F4T bank account. Account records indicate that Ms. Dignam was associated with transactions processed through this account and that checks totaling \$42,925 were issued to Ms. Dignam's son, David Cox.
3. Payments issued to F4TAC were made using the F4T federal tax identification number. As a result, it appears that F4T and the F4TAC were the same legal entity, thereby causing possible violations of state laws by Ms. Dignam.

From July 1999 to March 2002, Ms. Dignam served as the GPA project director in charge of all aspects of the GPA curriculum including contracting for services and monitoring contracts. After resigning from the GPA in March 2002, Ms. Dignam appears to have created the F4T, a nonprofit organization that provides abstinence education. According to corporate records from the State of Nevada, in December 2003, Ms. Dignam organized, incorporated, and obtained status for F4T with the Internal Revenue Service (IRS) as a 501(c)(3).² In March 2004, Ms. Dignam was appointed as the director of the GPA and was in charge of contracting with vendors, such as F4T, monitoring contracts, and approving payments to vendors.

State law³ prohibits public employees from using their power or position to secure any expenditure of public funds to themselves, or to any partnership to which they are members, or to any corporation of which they are officers, stockholders, or directors. In addition, the Louisiana Code of Governmental Ethics⁴ prohibits public employees from participating in transactions or contractual arrangements involving the governmental entity they are employed by. Because Ms. Dignam created F4T and does not appear to have discontinued her affiliation with the corporation, she may have violated state laws by awarding contracts to an entity that she was affiliated with. In addition, Ms. Dignam had a legal obligation to expend public funds in

² Organizations described in Section 501(c)(3) of the Internal Revenue Code (IRC) are commonly referred to as charitable organizations. These organizations, other than testing for public safety organizations, are eligible to receive tax-deductible contributions in accordance with IRC section 170.

³ **R.S. 14:140** provides, in part, that public contract fraud is committed when any public officer or employee shall use his power or position as such officer or employee to secure any expenditure of public funds to himself, or to any partnership to which he is a member, or to any corporation of which he is an officer, stockholder, or director.

⁴ **R.S. 42:1112** provides, in part, that no public servant, except as provided in R.S. 42:1120, shall participate in a transaction in which he has a personal substantial economic interest of which he may be reasonably expected to know involving the governmental entity.

R.S. 42:1113 provides, in part, no public servant, excluding any legislator and any appointed member of any board or commission and any member of a governing authority of a parish with a population of ten thousand or less, or member of such a public servant's immediate family, or legal entity in which he has a controlling interest shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant.

accordance with state law.⁵ Ms. Dignam would not meet with Louisiana legislative auditor (LLA) representatives to discuss these findings.

Don Peterson dba Friends 4 Teens

Corporate records from the State of Nevada indicate that in March 2004, Don Peterson, a resident of Manti, Utah, was added to the F4T list of directors as the corporation's president. In the following month, F4T was registered with the State of Louisiana as a non-Louisiana, nonprofit corporation. Although Ms. Dignam's name was not included on either of these filings, the State of Nevada did not have any documentation to indicate that Ms. Dignam had removed herself from the corporation. Subsequently, in July 2004, Ms. Dignam filed a certificate of correction to the State of Nevada articles of incorporation and signed the document as the executive director. In addition, Ms. Dignam appears to have maintained a F4T bank account in Utah. On October 5, 2004, Ms. Dignam removed a signatory from the account because that person was no longer working for F4T.

From July 2004 to June 2007, records indicate that the GPA contracted with Mr. Peterson to serve as the publications coordinator. According to these contracts, Mr. Peterson's duties were to produce printed, audio, and video materials to be used to promote the GPA's message. From January 2005 to May 2007, the GPA issued checks totaling \$51,000 to Mr. Peterson. These checks were mailed to addresses in Shreveport, Louisiana, that were listed on Mr. Peterson's contracts and deposited into a Don Peterson dba Friends 4 Teens bank account in Shreveport.

According to Mr. Peterson, Ms. Dignam asked him to serve as president of F4T in March 2004 because she was going to be the GPA director and did not want to have any conflicts of interest. He added that Ms. Dignam told him the GPA would contract with F4T to edit the abstinence curriculum and to perform computer work. Mr. Peterson stated that he believed the contracts were between the GPA and F4T and not with himself. He further stated that Ms. Dignam told him that F4T needed to open a bank account in Shreveport and that Donna Hardin, a F4T employee, was going to manage the account.

Services Not Performed

According to GPA policy, contractors were required to complete and submit directly to Ms. Dignam, on a monthly basis, time sheets and invoices detailing hours worked and activities performed. Although Mr. Peterson's contracts required him to produce printed, audio and video materials to promote the GPA message, monthly reports on file with the GPA indicate that Mr. Peterson helped prepare an annual report, performed research, grant writing and proofreading, and conducted and reviewed abstinence studies. In addition, during our review of Mr. Peterson's contracts, we noted that the documentation used to support payments to Mr. Peterson were submitted by Ms. Hardin and included hours he did not work and services he did not perform.

⁵ R.S. 14:134 provides, in part, that malfeasance in office is committed when any public officer or public employee shall (1) intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; (2) intentionally perform any such duty in an unlawful manner; or (3) knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him or to perform any such duty in an unlawful manner.

Mr. Peterson stated that he submitted, by mail or e-mail, invoices for the work he performed for the GPA contract to Ms. Hardin because she was responsible for the F4T bank account as well as finding people to fulfill the contractual obligations that he did not perform. It was his understanding that Ms. Hardin was responsible for submitting the required invoices to the GPA. Mr. Peterson stated that he did not provide all of the services listed on his invoices and that his work only included editing and proofreading GPA materials. He further stated it was his understanding that Ms. Dignam's son, David Cox, was maintaining the F4T Web site, producing an interactive abstinence CD, and performing the GPA contractual duties pertaining to computer work. He further stated that some of the contractual services may have been performed by Ms. Dignam.

Ms. Hardin stated that Mr. Peterson submitted invoices to her and that she typed his progress reports and mailed them to the GPA. According to Ms. Hardin, she was told by either Mr. Peterson or Ms. Dignam to pay invoices she received relating to services performed for F4T. She also stated that she received invoices from Mr. Cox via e-mail and mailed checks to him. When asked about Mr. Cox's invoices, Ms. Hardin indicated that they are located on a computer that she no longer has access to. Because of Ms. Dignam's affiliation with F4T and the lack of reliable documentation of services performed, we could not determine who, if anyone, performed the services for which Mr. Peterson was paid.

Friends 4 Teens Bank Account

From January 2005 to May 2007, the GPA issued checks totaling \$51,000 to Mr. Peterson. These checks were mailed to addresses in Shreveport, Louisiana, that were listed on Mr. Peterson's contracts and deposited into a Don Peterson dba Friends 4 Teens bank account in Shreveport. Bank records indicate that the Shreveport bank account was opened on January 11, 2005, by Ms. Hardin as well as managed by her. According to bank records, funds deposited into the account were from the GPA checks issued to Mr. Peterson, donations to F4T, and other miscellaneous deposits including deposits in which the sources of funds appear to have been from Ms. Dignam and her mother. Ms. Hardin stated that F4T was created by Ms. Dignam, and that Ms. Dignam asked her to open and oversee a F4T bank account in Shreveport because Ms. Dignam would not be able to perform those tasks.

After opening the bank account and depositing Mr. Peterson's checks from the GPA, Ms. Hardin began issuing monthly checks to Ms. Dignam's son, David Cox. From January 2005 to May 2007, checks totaling \$42,925 were issued to Mr. Cox. During the same time period, checks totaling \$8,120 were issued to Mr. Peterson. The total amount received by both Mr. Cox and Mr. Peterson was \$51,045. In addition, it appears that four checks totaling \$1,450 were issued by Ms. Hardin, endorsed by Mr. Cox and/or Mr. Peterson and deposited into a separate F4T bank account Ms. Dignam established in Utah before becoming director of the GPA.

Mr. Peterson stated that he did not know that Mr. Cox was receiving money from the F4T account until the end of 2007, when he received the checkbook and bank records. He also stated that Mr. Cox may have performed some of the computer work listed on the invoices submitted to the GPA. It should be noted that at no time did Mr. Cox have a professional services contract with the GPA. Mr. Cox appears to be a resident of Utah, and we were unable to locate or contact him to determine if he provided services to the GPA.

Friends 4 Teens Activity Center

From July 2005 through September 2007, GPA records indicate that Ms. Dignam awarded three GPA contracts to Serena Haymon dba the F4TAC to serve as a congressional field director. From September 2005 through September 2007, the GPA issued checks totaling \$64,179 to F4T under the federal tax identification number obtained when Ms. Dignam incorporated F4T. These checks were mailed to Ms. Haymon's home and deposited into a F4T bank account located in Baton Rouge that is controlled by Ms. Haymon and her husband, Densyl Haymon. Because the F4TAC was not a separate legal entity from the F4T, Ms. Dignam may have violated state laws⁶ by contracting, monitoring, and approving payments to the F4TAC.

According to the F4TAC contracts, Ms. Haymon's duties were to establish a congressional field director to provide a liaison among parent groups, the community, and civic and professional groups within the contractor's assigned district. Documentation filed with the GPA for all three contracts contain a signed IRS form W-9 Request for Taxpayer Identification Number and Certification. Each form contains the F4T taxpayer identification number and was signed by Ms. Haymon certifying that the tax number was issued to her. Also included are what appears to be F4T board minutes and a certificate indicating that F4T is registered with the Louisiana Secretary of State. The board minutes indicate that meetings were held on April 10, 2005, and April 10, 2006, to discuss the F4TAC. The minutes state that the F4T and the F4T Advisory Board designated Mr. and Ms. Haymon to enter into any and all contractual obligations on behalf of F4T (as a State of Nevada corporation) in and around the Baton Rouge Area, Louisiana region.

Although F4T was incorporated in Louisiana, we could find no documentation to indicate that the F4TAC was incorporated separately. Louisiana Secretary of State records indicate that Ms. Haymon incorporated a golf driving range located in Baton Rouge, Louisiana, at the address listed on her GPA contracts. According to Ms. Haymon, sometime in 2005, she recruited a group of individuals to help her implement the F4TAC to provide activities to kids and provide a way to lead them to the abstinence program. Although Ms. Haymon stated that Ms. Dignam gave her permission to use the F4T name for the F4TAC, neither she nor her husband could explain how they obtained the federal tax identification number used for the contracts. In addition, Ms. Haymon stated that she has never seen the F4T Board minutes, did not attend these meetings, did not submit them to the GPA, and does not know why they were filed with her contracts.

⁶ See footnotes 3 and 4 on page 5.

Improper Participation in State Contracts

During the period July 2000 to June 2004, the GPA awarded seven contracts and made payments totaling \$156,250 to the Counsel for the Advancement for Social Services and Education (CASSE) and Donna Glover for professional services related to funding for the GPA program and developing and promoting the abstinence curriculum. Before her resignation from the GPA in March 2002, Ms. Dignam, as the GPA project director, was in charge of all aspects of the GPA curriculum including contracting for services and monitoring contracts. During our review of these contracts and documentation provided by these contractors, we determined that Ms. Dignam was paid \$10,633 by CASSE to provide services on a GPA contract during her employment with the GPA, and after her resignation from the GPA in March 2002, Ms. Dignam was paid a total of \$84,831 by CASSE and Ms. Glover for work performed on GPA contracts from March 2002 to March 2004.

Ms. Dignam appears to have violated state laws⁷ by using her position to direct public funds to herself during her employment with the GPA, and then participating in transactions with these contractors within two years of her resignation. Ms. Dignam would not meet with LLA representatives to discuss these findings.

CASSE

From November 2001 through March 2004, CASSE was awarded three contracts totaling \$88,000 for grant and curriculum writing. Ms. Dignam was in charge of directing and monitoring the initial contract until her resignation on March 1, 2002. Records provided by CASSE indicate that from November 2001 through February 2002, Ms. Dignam was paid \$10,633 to perform services on these contracts for CASSE while serving as the state GPA project director. After her resignation in 2002, Ms. Dignam continued to provide services for CASSE under the GPA contracts until she was appointed GPA director in March 2004. According to CASSE financial records, Ms. Dignam received additional payments totaling \$63,016 from CASSE for performing services on GPA contracts from March 2002 to March 2004.

During our review of CASSE invoices, we noted that Ms. Dignam was paid by CASSE to perform both contracted services and other services that were consistent to her job duties when she was the GPA project director. We provided a copy of the invoices to Dan Richey, former GPA director, for review. Mr. Richey identified his approval signatures and confirmed that Ms. Dignam performed the work indicated on the invoices. Mr. Richey stated that he was not aware that Ms. Dignam was working for CASSE while she was a GPA employee but knew that

⁷ **R.S. 14:140(b)(1)** provides, in part, that public contract fraud is committed when any public officer or employee shall use his power or position as such officer or employee to secure any expenditure of public funds to himself, or to any partnership to which he is a member, or to any corporation of which he is an officer, stockholder, or director.

R.S. 42:1113(A) provides, in part, that no public servant excluding any legislator and any appointed member of any board or commission and any member of a governing authority of a parish with a population of ten thousand or less or a member of such a public servant's immediate family, or legal entity in which he has a controlling interest shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant.

R.S. 42:1121(B) provides, in part, that no former public employee shall, for a period of two years following the termination of his public employment, assist another person, for compensation, in a transaction, or in an appearance in connection with a transaction in which such former public employee participated at any time during his public employment and involving the governmental entity by which he was formerly employed, or for a period of two years following termination of his public employment, render, on a contractual basis to or for the agency with which he was formerly employed, and service which such former public employee had rendered to the agency during the term of his public employment.

she worked for CASSE after her resignation. Mr. Richey also stated that after Ms. Dignam's resignation, her role and duties with the GPA remained the same as though she never resigned and was paid through the contracts issued to CASSE.

According to Elizabeth Chumley, CASSE director, Ms. Dignam approached her for employment during the summer of 2001 and told her that she had been terminated from the GPA program (although she did not resign her position until March 2002). Ms. Chumley hired her as a contract laborer because CASSE employees did not have experience in abstinence and it was her understanding that Ms. Dignam was an expert in the field. Ms. Chumley stated that she forced Ms. Dignam to resign when she discovered that Ms. Dignam was going to be appointed as GPA director in March 2004. Ms. Chumley also stated that Mr. Richey was fully aware that Ms. Dignam was working for CASSE and that he approved the contracts.

Donna Glover

During the period October 2000 through March 2004, the GPA awarded four contracts, totaling \$68,250, to Ms. Glover as a curriculum writer and a curriculum coordinator. As project director, Ms. Dignam was responsible for monitoring the first curriculum writer contract and according to Mr. Richey, Ms. Dignam continued to monitor the second curriculum writer contract even after she resigned on March 1, 2002. According to Ms. Glover's accounting records, from March 2002 through June 2003, Ms. Dignam was a subcontractor for Ms. Glover and received \$21,815 for services she performed on GPA contracts.

During the first two years, Ms. Glover was contracted as a curriculum writer to develop the first GPA abstinence curriculum. Mr. Richey stated that Ms. Dignam oversaw the curriculum side of the GPA including selecting Ms. Glover as the curriculum writer contractor and monitoring the two contracts. Ms. Glover stated that Ms. Dignam wrote the GPA curriculum and arranged for other individuals to develop activities and other portions of the curriculum. Ms. Glover also stated that her work for the GPA was directed by Ms. Dignam and was more secretarial, including tasks such as formatting, typing, and making small edits. She received invoices from Ms. Dignam and the other contributors by mail and used her GPA contract money to pay Ms. Dignam and the contributors.

From July 2002 through March 2004, Ms. Glover served as a curriculum coordinator until she resigned on April 1, 2004, after Ms. Dignam was appointed as the GPA director. We provided Ms. Glover a copy of the two contracts including a description of the scope of service. She stated that she did not perform any of the duties of the contracts because she worked a full-time job and believed the contracts were a continuation of the curriculum writer contracts. During this period, she continued to perform administrative duties for Ms. Dignam and believes all of the contractual duties were performed because she received invoices from individuals like Ms. Dignam and Ruby Ray (Ms. Dignam's mother) for work they performed. Ms. Glover could not provide a copy of the invoices she received during these contracts because they were lost during Hurricane Katrina.

Inadequate Documentation and Monitoring of Contractors

Since 1998, the GPA has relied on contractors to provide services to promote and support abstinence education within Louisiana. The monitoring plan for a majority of these contracts required a review of each contractor's monthly activity report and time sheet as well as conducting quarterly meetings with each contractor. During the 2006/2007 funding year, the GPA issued payments totaling \$1,114,292 for 74 professional service contracts. We reviewed 25 of these contracts to determine if the GPA adequately monitored contractors to ensure that deliverables were met. During our review, we noted that the GPA lacked sufficient staff to adequately monitor professional service contracts and that the GPA activity reports were inadequate for monitoring contractor performance. Because the GPA lacked the resources and the proper documentation to adequately monitor its contractors, we could not determine if the contractors met all of their deliverables.

Lack of Sufficient Staff to Adequately Monitor Contracts

Since July 2004, the GPA had no more than three employees at any one time including a director, fiscal officer, and an executive assistant. During the 2006/2007 funding year, the GPA issued payments totaling \$1,114,292 for 74 professional service contracts. Although the monitoring plan for a majority of these contracts required a review of each contractor's monthly activity report and time sheet by the GPA director, there was no signature approval for any of these forms. The only forms that received signature approval from the director were the monthly invoices. In addition, the GPA could not provide records to indicate that the director met individually with each contractor on a quarterly basis concerning contract deliverables. According to Mary Williams, former deputy director of the Governor's Office of Community Programs, the GPA had too many contracts which resulted in the director performing more administrative work than GPA work. Based on the number of the contracts and the amount of documentation to review on a monthly basis, we question whether one person can effectively monitor contractors to ensure that the contractors' deliverables as well as the program's goals and objectives are being met.

GPA Activity Reports Were Inadequate for Monitoring Contractor Performance

Since 2004, the GPA has required contractors to complete a monthly time sheet and an activity report to ensure that sufficient documentation is available and adequate before payments are made. Although separate activity reports were developed for different contracts, the activity reports did not require the contractors to provide adequate information to determine if the contractor met the deliverables of the contract. These reports ask general questions that allow contractors to use vague language to describe their activities. Based upon the activity report or documentation submitted by each contractor, we could not determine if all contractors met the deliverables of their contract.

Of the contracts reviewed, nine were for regional directors who were responsible for providing oversight to the chartering and operations of GPA clubs among high school age youth within their assigned region of the state. The regional director activity report does not capture the specific activities or information needed to determine if the contract deliverables were met.

Instead of asking for specific information that could easily be verified, the activity report leaves it up to the contractor to provide this information by answering two questions: "What activities did you participate in"? and "In what ways were you able to advance the message of abstinence in your region"?

As a result of using the activity reports to document their activities, regional directors generally gave vague descriptions of activities and generally did not indicate who they met with. During our review, we noted that most of the regional directors provided descriptions of services such as "met with community sponsors, civic, and non-profit groups" or "met and spoke with community leaders." We also noted that in some situations it appeared that the activity reports were only partially completed or the description of services did not support the amount of hours submitted on the corresponding time sheet. With a lack of specific and sufficient detail of the services provided by each contractor, it is unclear how the GPA can effectively monitor contracts to ensure that the contract deliverables are being met.

We recommend the GPA implement the following practices:

1. Adopt an ethics policy in compliance with the Louisiana Code of Governmental Ethics, Title 42 of the Louisiana Revised Statutes. The policy should require annual certification from employees attesting to their compliance and outline appropriate actions to be taken by the GPA director and or the director of community programs.
2. Develop and implement detailed written policies and procedures for monitoring, processing, and approving disbursements.
3. Update and develop activity reports for each contractor requiring detailed and verifiable description of services so that each contractor can be monitored against the scope of services before payments are made.
4. Provide an adequate number of staff to monitor and evaluate the contractor's supporting documentation to the scope of services contained in each contract.

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The procedures performed during this examination consisted of:

- (1) interviewing employees and management of the entity;
- (2) interviewing other persons and contractors as appropriate;
- (3) examining selected documents and records;
- (4) performing observations; and
- (5) reviewing applicable state laws and regulations.

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Management's Response

BOBBY JINDAL
GOVERNOR



NATALIE ROBOTOM
DIRECTOR
OFFICE OF COMMUNITY PROGRAMS

State of Louisiana
Office of the Governor

June 29, 2009

Steve J. Theriot, CPA
Louisiana Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Theriot:

In response to the compliance audit report on activities conducted by the former Executive Director of the Abstinence Program from March, 2002 through September, 2007, the Governor's Office of Community Programs and the Governor's Program on Abstinence concurs with your findings regarding inadequate office procedures relating to state contracts. The following procedures have been or will be implemented to address the recommendations of the Legislative Auditor's office. Ryan Greene, the Executive Director of the Governor's Program on Abstinence, will be the contact person responsible for corrective action specific to the abstinence program.

1. None of the 74 contracts at issue were renewed by Governor Jindal's administration.
2. Gail Dignam was replaced as Director of the Governor's Program on Abstinence.
3. All employees within the Office of Community Programs are required to undergo ethics training through the Board of Ethics. They are also required to schedule trainings for the boards and commissions they oversee (some trainings have already been conducted).
4. Effective February, 2008, all processing and approval of disbursements are signed by the Director of Community Programs, reviewed by the Budget Officer within the Office of the Governor, and signed by the Director of Finance in the Governor's Office before forwarding to the Office of Finance and Support Services within the Division of Administration for payment.
5. The current program and budget do not allow for the number of contracts previously entered into through the Abstinence Program. All contracts are reviewed by the Office of Contractual Review within the Division of Administration prior to implementation. There is also a system in place for documenting deliverables and completion of activities prior to payment.
6. The current number of staff members is sufficient to monitor and evaluate the limited number of contracts anticipated through the new office.
7. The Governor's Program on Abstinence is being renamed and will move toward a more comprehensive approach to addressing youth development and promotion of integrity, leadership and character, as well as abstinence from sex, alcohol, drugs, and other self-destructive behaviors. A strong volunteer base will replace the need for numerous professional service contracts.
8. A new curriculum was purchased from an approved list of programs, and teacher training is currently underway on the new curriculum.

Sincerely,

Natalie Robottom

Natalie Robottom, Director
Office of Community Programs

cc: Ryan Greene, Executive Director, Governor's Program on Abstinence



LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

June 12, 2009

VIA EMAIL

Ms. Gail Dignam
3814 Mimosa Drive
New Orleans, LA 70131

Dear Ms. Dignam:

Please find enclosed a draft of our compliance audit report on the Governor's Program on Abstinence. This document is not a public document and should be maintained in a confidential manner until officially released by my office. We request your response no later than June 26, 2009. Your written response will be included as part of the published report. At this time, you should provide any information you have which might impact the findings contained in the report.

I would like to take this opportunity to thank you and your staff for your assistance during this audit.

Sincerely,

Steve J. Theriot, CPA
Legislative Auditor

SJT:DD:dkc

Enclosure

Mr. Theriot, I have read the final audit report draft and I do not agree with your findings or your allegations. It would never be my desire or intention to embarrass my superiors or disappoint the youth we serve.

Response from Mr. Don Peterson

In a letter dated June 12, 2009, we asked Mr. Peterson to respond, in writing to this report; Mr. Peterson chose not to respond.

Response from Ms. Serena Haymon

In a letter dated June 12, 2009, we asked Ms. Haymon to respond, in writing to this report; Ms. Haymon chose not to respond.

Response from Mr. Dan Richey

In a letter dated June 15, 2009, we asked Mr. Richey to respond, in writing to this report; Mr. Richey chose not to respond.

Response from Ms. Donna Glover

In a letter dated June 12, 2009, we asked Ms. Glover to respond, in writing to this report; Ms. Glover chose not to respond.

Response from Ms. Mary Chumley

In a letter dated June 11, 2009, we asked Ms. Chumley to respond, in writing to this report; Ms. Chumley chose not to respond.