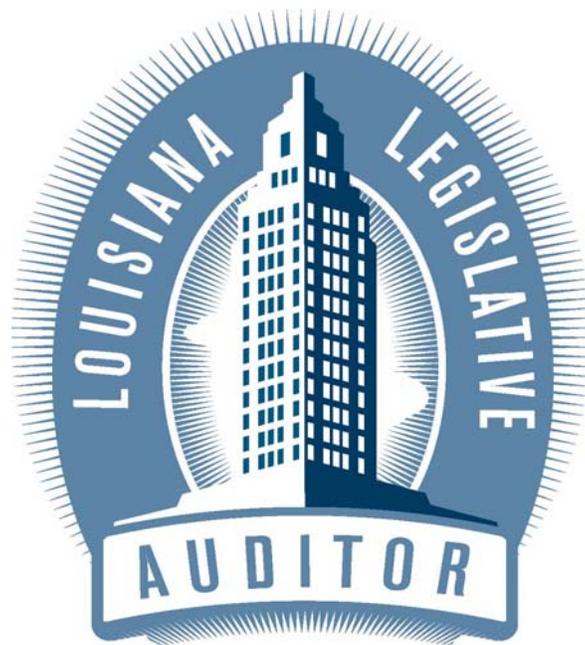


COMMUNITY RESOURCE SERVICES, INC.



COMPLIANCE AUDIT
ISSUED JULY 1, 2009

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

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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 has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

July 1, 2009

Reverend Donald Britton
Community Resource Services, Inc.
14346 Felicity Drive
Baker, Louisiana 70714

Dear Rev. Britton:

We have audited certain transactions of Community Resource Services, Inc., (CRS) for the period June 1, 2007, to March 31, 2008. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the credibility of certain allegations.

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 of an audit by *Government Auditing Standards*; therefore, we are not offering an opinion on the CRS financial statements or system of internal control nor assurance as to compliance with laws and regulations. The concerns and results of our audit are listed below for your consideration.

The Department of Social Services (DSS) awarded a \$100,000 grant to CRS from the Temporary Assistance for Needy Families program for the period of June 2007 to December 2007. The grant was to be paid to CRS on a reimbursement basis with CRS accepting responsibility for all taxes associated with the grant. We reviewed the documentation of this grant and noted the following:

- CRS received \$10,140 for payroll and related taxes from DSS that was not incurred by CRS as of March 31, 2008.
- CRS payroll records as of March 31, 2008, indicate that the required unemployment insurance and workers' compensation payments were not remitted from June 2007 to August 2007. Furthermore, the Louisiana Workforce Commission (LWC) could not confirm payment of \$116 withheld by the CRS payroll vendor for the period September 2007 to December 2007.
- CRS was reimbursed \$435 for duplicate invoices by DSS.

Reverend Donald Britton
Community Resource Services, Inc.
July 1, 2009
Page 2

- CRS did not comply with the Louisiana Audit law¹ which requires sworn annual financial statements and a certification to be submitted within 90 days following the close of the accounting year to the Legislative Auditor's office (LLA). The sworn financial statements were received; however, the required certification, stating that an entity received less than fifty thousand dollars in the fiscal year, was not submitted to the LLA.

We recommend that CRS (1) remit \$10,140 to the proper recipients or return the funds to DSS; (2) remit workers' compensation and unemployment insurance to the LWC for the period June 2007 to August 2007 and contact its payroll vendor to ensure the \$116 withheld is remitted to LWC; (3) refund \$435 to DSS for the duplicated invoices; and (4) submit the required certification form to the LLA.

There are two management responses attached to this report. Because Rev. Britton's first response included allegations regarding a judge presiding over a lawsuit involving Rev. Britton's personal business, which had no bearing on our audit, we requested a second response from Rev. Britton. However, after receiving Rev. Britton's second response, we obtained permission from The Honorable William Morvant to publish the first response; therefore, both responses are included. In addition, the first response indicates that Rev. Britton requested additional time to submit documentation; however, Rev. Britton did not make that request to the LLA. We requested this documentation from Rev. Britton on April 15, 2009, and again on May 7, 2009, but he did not provide the requested documentation.

This correspondence represents our findings and recommendations as well as management's response. This correspondence is intended primarily for the information and use of management of CRS. I trust this information will assist you in the efficient and effective operations of the agency. Should you have any questions, please contact me at (225) 339-3839 or Dan Daigle, Director of Compliance Audit, at (225) 339-3808.

Sincerely,



Steve J. Theriot, CPA
Legislative Auditor

DD:SJT:sr

¹R.S. 24:513 states, "Any local auditee that receives fifty thousand dollars or less in revenue...in any one fiscal year...must file a certification with the legislative auditor indicating that it received fifty thousand dollars or less in funds for the fiscal years. The auditee shall annually file with the legislative auditor sworn financial statements as required by R.S. 24:514."

R.S. 24:514 states, "The annual sworn financial statements...shall be furnished to the legislative auditor between the first and ninetieth day following the close of the accounting year."

RESPONSE TO LEGISLATIVE AUDIT

On August 2008 a Magazine namely (225) which is owned and operated by Louisiana Business Inc. and controlled by Rolfe McCollister Jr., Mike Eckstein and Julio Melara published or cause to be an article for the purpose of defaming, slandering and destroying the income and name of Rev. Donald Britton. This article was written by Charles (Chuck) Hustmyre. Charles Hustmyre a defendant in this case approached Rev. Donald Britton the appellant in this case in the first quarter of 2008 at a school board meeting for the Baker school system where Britton was making a presentation on a grant proposal to offer services for student with behavioral problems. Rev. Britton is a Licensed Professional Counselor, a Licensed Addiction Counselor and a Certified Clinical Chaplain who has worked with juvenile for over 35 years as a minister and as both a professional counselor and para professionals.

Mr. Hustmyre a friend of Britton political opponent in a recent Police Chief race began questioning Rev. Britton about where the money for the operation of his business was derived. Mr. Hustmyre was given an appointment by Britton to come to his office to discuss these matters. Mr. Hustmyre came to Rev. Britton's office with a very arrogant attitude making many unreasonable demands upon Britton. When Britton informed Mr. Hustmyre of the company policy on releasing information Mr. Hustmyre's refused to comply with the company policy and made threatens toward Rev. Britton.

In August 2008 Mr. Hustmyre wrote an article in the August 2008 edition of

225 Magazine entitled "A Contract to Steal" alleging Rev. Britton was getting hundred of thousand of dollars from the State of Louisiana, stealing from non profits, stealing from the government, inflating bills to the state, billing for persons not receiving services and many other defaming statement that he knew were not true.

Rev. Britton in an unrelated matter was charged with theft 2004 from an individual when he got into a dispute with the president of the company he worked for about money owed him. Britton refused to give them monies in his possession until he had gotten the money owed him. The company alleged this money belonged to a resident and Britton was charged with theft of the named resident. This was a civil matter that was turned into a criminal matter by friends of president of the company who worked in law enforcement. Rev. Britton filed a suit against Charles (Chuck Hustmyre), 225 Magazine, Louisiana Business, Inc the magazine owner and it owners and board in the 19th Judicial District Court. This case was assigned to Judge William Morvant. A hearing was held on Britton's motion to file in foruma pauperis by Judge Morvant who treated Rev. Britton very rude and contemptous.

After waiting the time prescribed by law for the defendants to answer the suit and interrogatories, Britton filed a motion to compel discovery and sanctions. The defendants filed a motion for an extension of time over two months after an answer was due according to Louisiana Code of Civil Procedure Articles 1458, 1462 and 1472 and was granted their motion. The defendant never filed an answer to the suit nor interrogatories. The defendants file a motion to strike under Article 971. Article 971 has no presidence in this case and no way allow any agency to spreads lies about it's citizens with immunity from lawsuits.

The defendant admitted in it's own petition entitled special motion to strike under article 971 of Louisiana Code of Civil Procedure some of the lies that the magazine had spreaded about Rev. Britton in an article entitle "**Contract To Steal.**" In it's 225 magazine article it states on page 43". The Department of Health and Hospitals handed Britton \$200,000 to run an adult drug and alcohol counseling service..." In the defendants motion to strike he changes his statement to read "...That a non profit that he was directing received \$199,419." In the 225 magazine article page 45 it stated, "Rev. Britton was charged with stealing \$3000 of government money from of the residents. On this same page Charles Hustmyre writes, "Shortly after being charged with stealing from one nonprofit Britton who is an ordained minister, went to work for another nonprofit ..."

In the defendants motion to strike he changes the statement to read, "**Can Britton show a probability of proving that statements in the News Article that he was charged with stealing \$3000.00 of government money from one of the residents of a federally funded nonprofit shelter which was also described as "stealing from one nonprofit".**

The defendant in his motion to strike is using a play on words to spread what he knows to be lies, falsities and half truths about the defendant.

Britton pointed out these falsities, lies and contradiction to Judge Morvant but was ignored and, told " I better watch what I say".

Judge Morvant considered none of Britton's testimony and only acknowledge the defense attorney. It was obvious that Judge William Morvant was in the defendant back pocket from the beginning of the case. The presiding judge coached, lead and acted as the defense legal representative throughout the hearing by giving them judgments for unreasonable and excessive attorney fees not ask for nor due the defense as an

intimidation tactic directed toward Britton in the amount of \$2,500.00 for filing a motion to strike. When Britton asked for an appeal he was told in a very disrespectful and contemptuous manner **"I don't care what you do."** A presiding judge should not address litigate in this intimidating manner. The appellant filed a motion for recusal and a new hearing or retrial and was denied. The defense attorney filed a motion for a new trial although there had never been a trial and was granted their motion. All exception in this case was made for the defense and none for the plaintiff. The defendant were the only party allowed to submit evidence at the new so-called trial.

The defense new trial was based on the attorney getting a bigger judgment against Britton in the amount of over \$33,000.00 in attorney fees, that he allege he incurred after being award the \$2500.00 final judgment. The defense filed another motion stating that he should be awarded a judgment against Britton for over \$44,000.00 forty four thousand in attorney fees. Judge William Morvant granted the defense attorney a judgment against Britton for excessive, unreasonable and outrageous attorney fees of over \$17,000.

At the motion hearing Britton brought auditors from Department of Social Services, Department of Health and Hospitals to testify to the truth of the article written by the defendants entitled a **"Contract To Steal."** The presiding judge did not let any of the plaintiff witnesses speak nor did he allow plaintiff to submitt any evidence. The presiding judge was blatant and obvious in his prejudice toward plaintiff and do everything possible to assist defendants in the covering up of their illegal activity against the plaintiff. The court was fully aware that the witnesses would have bought out the truth of the article "Contract To Steal" but chose to help the defendant suppress the evidence in this case, only allowing the defense to enter evidence. Charles Hustmyre,

225 magazine, Louisiana Business Inc. and the nineteenth judicial district court is being used as a vehicle of extortion, conspiracy and racketeering against Britton and his agency. These persons have come together in an attempt to use the court as a tool to defame, improvish, terrorize and destroy Britton.

The defendants have published to the public that the defendant has had multiply theft charges which he has not and which the defendant knows to be a lies all under a heading of "**Contract to Steal.**" This is not the purpose of Article 971 of the Louisiana Code of Civil Procedure to spread lies. These and many other statements were written and sent via the internet and email under the heading of "**Contract to Steal.**" The article states on page 43..."Rev. Donald Britton might be the last person to whom you'd expect the state of Louisiana to hand a couple of six figure government grants." Britton has only received one grant from the state of Louisiana. The article states on page 43 that, "Britton has been able to pile up social service grants. IRS 990 shows that this is not the truth that Britton agency has only received one grant.

The article states on page 44, "And somewhat among those hundreds of millions in grants EACH YEAR, applications attached to Britton have won approval despite his felony conviction and the problems he's had providing the services he has promised." form 990 show Britton only has gotten one grant from the state of Louisiana and the progress reports shows that Rev. Britton performance was far above the average. The state audit report also shows no abnormal or significant problem with Britton's performance.

The defendants published that, "By the fall of 2006, though, the church board of Good Shepherd had already grown suspicious of Britton's program and demanded to see his

records. Accusations had surfaced that (Britton) he was inflating his client count and over billing the state.” Nowhere is in the state audit nor Good Shepherd’s termination letter does it accuse Britton of inflating client count. The state audit states only that one file was missing. Neither does the audit state or imply any illegal or improper activity. After Britton’s termination Good Shepherd was made to reimburse the state money because they did not keep proper records.

The defendants published in page 48 that the “Department of Social Service refused to extend Britton’s Agency contract ..” What the defendant failed to publish was that Britton never requested an extension to the contract.

The case is now being appealed in the court of Appeal but that has not stopped the dirty tricks from Louisiana Business, Inc., Charles (Chuck) Hustmyre. They found some more “good olde boys ” who had influence in the state government and persuaded them to do a legislative audit of Community Resource Services hoping to get them to find some dirty or fabricate some to help get them out of the multi million dollar defamation law suit..

When Britton asked why was he being audited and who requested the audit of course the auditors allege that the person making the complaint was confidential.

The state auditor allege that CRS owes \$10,000 in taxes requested from DSS but not submitted to the IRS for payroll. Although all payroll was submitted to the IRS and the IRS has never made any request for additional monies except for \$324.00 error made in computation. Britton has requested additional time to submitted documentation but was told I was too late. I will submitted additional bank statements June 22, 2009.

Signed

Rev. Donald Britton

COMMUNITY RESOURCE SERVICE
14346 FELICITY DR.
BAKER, LA. 70714
TELEPHONE (225) 774-3785 FAX (225) 775-0213
E-MAIL:

June 26, 2009

Dear MR. Theriot

This letter is to be published wherever the audit report is published.

I have attached copies of the quarterly reports showing all payroll and taxes submitted by CRS. At no times has the IRS nor the state revenue department found CRS to be short by \$10,000 as you state in your report.

I have sent you my original response to your audit and requested it be published whenever and wherever the audit is published. You refused to publish my response original response even though I have a legal right to do so. This is probably because I have exposed the real reasons and scheme behind this audit.

I find it very questionable that you have decided that you want to do an audit based on an alleged complaint that your office has received. It would appear that an audit would require some proof of violations of law or policy. I also find it very questionable that Ms. Carter allege you cannot give me the names or information of this person(s)you alleged filed the complaint.

What is more questionable is that you want to do an audit on the heels of my filing a suit against 225 magazine who printed lies and defaming statements about me in their magazine relating to my doing business with the state. It is obvious that you and your office are attempting to influence the outcome of the suit filed against 225 magazine especially since there has never been any questioning of my handling funds prior to this litigation. The department of social service performed monthly audit of CRS and has never found any errors.

A word to the wise: "No weapon formed against me shall prosper and every tongue that rises in judgment I and Jesus Christ will condemn. This is the heritage of the servants of the LORD, and their righteousness is of me Saith the LORD."

Signed


Rev. Donald Britton

Form 941 for 2007: Employer's QUARTERLY Federal Tax Return
(Rev. January 2007) Department of the Treasury - Internal Revenue Service

950107

OMB No. 1545-0029

EIN) [Redacted]
 Employer identification number [Redacted]
 Name (not your trade name) **COMMUNITY RESOURCE SERVICES**
 Trade name (if any) [Redacted]
 Address **14346 FELICITY DR**
 Number Street Suite or room number
BAKER **LA** **70714**
 City State ZIP code

Report for this Quarter of 2007
(Check one.)

1: January, February, March
 2: April, May, June
 3: July, August, September
 4: October, November, December

Read the separate instructions before you fill out this form. Please type or print within the boxes.

Part 1: Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), Dec. 12 (Quarter 4) 1 **0**

2 Wages, tips, and other compensation 2 **16242.00**

3 Total income tax withheld from wages, tips, and other compensation 3 **821.69**

4 If no wages, tips, and other compensation are subject to social security or Medicare tax Check and go to line 6.

5 Taxable social security and Medicare wages and tips:

	Column 1		Column 2
5a Taxable social security wages	16242.00	x .124 =	2014.01
5b Taxable social security tips		x .124 =	
5c Taxable Medicare wages & tips	16242.00	x .029 =	471.02
5d Total social security and Medicare taxes (Column 2, lines 5a + 5b + 5c = line 5d).			2485.03
6 Total taxes before adjustments (lines 3 + 5d = line 6)			3306.72

TAX ADJUSTMENTS (Read the instructions for line 7 before completing lines 7a through 7h.):

7a Current quarter's fractions of cents **.03**

7b Current quarter's sick pay

7c Current quarter's adjustments for tips and group-term life insurance

7d Current year's income tax withholding (attach Form 941c)

7e Prior quarters' social security and Medicare taxes (attach Form 941c)

7f Special additions to federal income tax (attach Form 941c)

7g Special additions to social security and Medicare (attach Form 941c)

7h TOTAL ADJUSTMENTS (Combine all amounts: lines 7a through 7g.) **.03**

8 Total taxes after adjustments (Combine lines 6 and 7h.) **3306.75**

9 Advance earned income credit (EIC) payments made to employees

10 Total taxes after adjustment for advance EIC (line 8 - line 9 = line 10) **3306.75**

11 Total deposits for this quarter, including overpayment applied from a prior quarter **3306.75**

12 Balance due (if line 10 is more than line 11, write the difference here.) Follow the instructions for Form 941-V, Payment Voucher.

13 Overpayment (if line 11 is more than line 10, write the difference here.)

You MUST fill out both pages of this form and SIGN it.

Check one Apply to next return. Send a refund.

Next

Form **941 for 2007: Employer's QUARTERLY Federal Tax Return**
(Rev. January 2007) Department of the Treasury - Internal Revenue Service

950107
OMB No. 1545-0029

(EIN) [Redacted]
Employer identification number [Redacted]

Name (not your trade name) **COMMUNITY RESOURCE SERVICES IN**

Trade name (if any) [Redacted]

Address **14346 FELICITY DR**
Number Street Suite or room number
BAKER LA 70714
City State ZIP code

Report for this Quarter of 2007
(Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Read the separate instructions before you fill out this form. Please type or print within the boxes.

Part 1: Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), Dec. 12 (Quarter 4) 1 **5**

2 Wages, tips, and other compensation 2 **38498.69**

3 Total income tax withheld from wages, tips, and other compensation 3 **2322.65**

4 If no wages, tips, and other compensation are subject to social security or Medicare tax Check and go to line 6.

5 Taxable social security and Medicare wages and tips:

	Column 1	Column 2
5a Taxable social security wages	38498.69	4773.84
5b Taxable social security tips		
5c Taxable Medicare wages & tips	38498.69	1116.46
5d Total social security and Medicare taxes (Column 2, lines 5a + 5b + 5c = line 5d).		5890.30
6 Total taxes before adjustments (lines 3 + 5d = line 6)		8212.95

7 TAX ADJUSTMENTS (Read the instructions for line 7 before completing lines 7a through 7h.):

7a Current quarter's fractions of cents	.12
7b Current quarter's sick pay	
7c Current quarter's adjustments for tips and group-term life insurance	
7d Current year's income tax withholding (attach Form 941c)	
7e Prior quarters' social security and Medicare taxes (attach Form 941c)	
7f Special additions to federal income tax (attach Form 941c)	
7g Special additions to social security and Medicare (attach Form 941c)	
7h TOTAL ADJUSTMENTS (Combine all amounts: lines 7a through 7g.)	.12

8 Total taxes after adjustments (Combine lines 6 and 7h.) 8 **8213.07**

9 Advance earned income credit (EIC) payments made to employees 9

10 Total taxes after adjustment for advance EIC (line 8 - line 9 = line 10) 10 **8213.07**

11 Total deposits for this quarter, including overpayment applied from a prior quarter 11 **8213.07**

12 Balance due (If line 10 is more than line 11, write the difference here.) 12

13 Overpayment (If line 11 is more than line 10, write the difference here.)

▶ You MUST fill out both pages of this form and SIGN it.

Check one Apply to next return.
 Send a refund.

Next →

Form 941 for 2008: Employer's QUARTERLY Federal Tax Return

(Rev. January 2008)

Department of the Treasury — Internal Revenue Service

OMB No. 1545-0029

(EIN) Employer identification number [REDACTED]

Name (not your trade name) **COMMUNITY RESOURCE SERVICES INC**

Trade name (if any) [REDACTED]

Address **14346 Felicity Dr**

Number **Baker** Street **La** Suite or room number **70714**

City [REDACTED] State [REDACTED] ZIP code [REDACTED]

Report for this Quarter of 2008
(Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Read the separate instructions before you fill out this form. Please type or print within the boxes.

Part 1: Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), Dec. 12 (Quarter 4) **5**

2 Wages, tips, and other compensation **9699 . 43**

3 Total income tax withheld from wages, tips, and other compensation **573 .**

4 If no wages, tips, and other compensation are subject to social security or Medicare tax Check and go to line 6.

5 Taxable social security and Medicare wages and tips:

	Column 1	Column 2
5a Taxable social security wages	9699 . 43	1202 . 73
5b Taxable social security tips	.	.
5c Taxable Medicare wages & tips	9699 . 43	281 . 28
5d Total social security and Medicare taxes (Column 2, lines 5a + 5b + 5c = line 5d)		1484 . 01
6 Total taxes before adjustments (lines 3 + 5d = line 6)		2057 . 01

7 TAX ADJUSTMENTS (read the instructions for line 7 before completing lines 7a through 7g):

7a Current quarter's fractions of cents **03**

7b Current quarter's sick pay **.**

7c Current quarter's adjustments for tips and group-term life insurance **.**

7d Current year's income tax withholding (attach Form 941c) **.**

7e Prior quarters' social security and Medicare taxes (attach Form 941c) **.**

7f Special additions to federal income tax (attach Form 941c) **.**

7g Special additions to social security and Medicare (attach Form 941c) **.**

7h TOTAL ADJUSTMENTS (combine all amounts: lines 7a through 7g) **03**

8 Total taxes after adjustments (combine lines 6 and 7h) **2057 . 04**

9 Advance earned income credit (EIC) payments made to employees **.**

10 Total taxes after adjustment for advance EIC (line 8 - line 9 = line 10) **2057 . 04**

11 Total deposits for this quarter, including overpayment applied from a prior quarter **2057 . 04**

12 Balance due (If line 10 is more than line 11, write the difference here.) **0 . 0**
For information on how to pay, see the instructions.

13 Overpayment (If line 11 is more than line 10, write the difference here.) **.**

Check one Apply to next return. Send a refund.

▶ You MUST fill out both pages of this form and SIGN it.

Next →