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## Report Highlights

# The Municipal Employees' Retirement System of Louisiana

Audit Control # 50150020

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## Why We Conducted This Audit

Following a news report concerning the director of MERS, this audit was conducted to determine the credibility of the allegations of possible misspending and violation of fiduciary duties.

## What We Found

### Former Executive Director and Board of Trustees Misused System Funds

From January 2010 through December 2014, Municipal Employees' Retirement System of Louisiana's (MERS or System) former Executive Director Robert Rust planned and attended out-of-state conferences and in-state meetings and conferences for MERS' Board of Trustees (Board) and employees at a cost of \$317,379 in System funds. In addition, MERS paid a \$42,698 cancellation fee to cancel an out-of-state conference in June 2015. It appears that the Board had knowledge of, and/or approved, each of these meetings and conferences as well as the 2015 conference cancellation. It further appears that a portion of the \$317,379 and the \$42,698 cancellation fee did not benefit the System or its members. By incurring and/or authorizing such expenditures that were of little or no benefit to the System or its members, Mr. Rust and the Board may have violated state law and the Code of Governmental Ethics.

### Cell Phone Usage

From January 2010 through June 2015, MERS paid Mr. Rust's cell phone bill which included an additional cell phone for one of Mr. Rust's sons. According to available documentation, Mr. Rust reimbursed MERS \$3,413.23 in eight separate payments for his son's portion of the bills. In some instances, Mr. Rust did not reimburse MERS until 13 months after MERS paid his bill. According to MERS' former general counsel, now acting executive director, the Board did not give Mr. Rust approval to delay his cell phone reimbursements.

View the full report, including management's response, at [www.la.gov](http://www.la.gov).