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## Report Highlights

# DeSoto Parish School Board

Audit Control # 50130013

Investigative Audit Services • December 2013

### Why We Conducted This Audit

The Louisiana Legislative Auditor (LLA), after receiving allegations that former DeSoto Parish School System (DPSS) Superintendent Walter C. Lee misspent public funds, conducted an investigative audit to determine the truthfulness of these allegations.

### What We Found

#### **Former Superintendent May Have Received Improper Travel Reimbursements**

From September 14, 2009 to October 19, 2012, former DeSoto Parish School System (DPSS) Superintendent Walter C. Lee, who was also the elected District 4 representative of the state Board of Elementary and Secondary Education (BESE), received \$13,073 in reimbursements from BESE for travel expenses that Mr. Lee did not personally pay, which may violate state law. Mr. Lee paid for his travel expenses with his DPSS credit card, but did not forward the BESE reimbursement to DPSS.

#### **Former Superintendent Appears to Have Improperly Terminated Vehicle Lease**

On November 21, 2011, Mr. Lee terminated the DPSS vehicle lease contract 14 months early. The lease was for a vehicle for his use as superintendent. As a result of Mr. Lee's action, DPSS paid an early termination fee of \$10,653 and forfeited the use of the vehicle; there is no documentation or evidence of the public purpose for the early lease termination. Eleven days later, Mr. Lee personally purchased this same vehicle from the dealership at significantly less than market value and also entered into a new lease contract on DPSS's behalf for another vehicle for his (Lee's) use. Since there was no public purpose for the early lease termination and since Mr. Lee had a substantial economic interest in the lease termination because of his subsequent purchase of the leased vehicle at a significant discount, Mr. Lee may have violated state law and the state constitution.

#### **Former Superintendent's Pay Raises Not Properly Documented**

DPSS cannot demonstrate that the pay raises given to former Superintendent Walter C. Lee complied with the terms of his employment contract. Mr. Lee received pay raises between July 1999 and December 2012, which increased his salary from \$70,822 to \$240,912. The contract language authorizing the pay raises is not clear and the documentation supporting the pay increases, if any, is not retained within DPSS's records.

View the full report at [www.lla.la.gov](http://www.lla.la.gov).