

**Lower Cameron Parish Ambulance Service District
and
Cameron Parish Ambulance District 2
June 19, 2002**



Louisiana Legislative Auditor

**MR. BYRON BROUSSARD, DIRECTOR
MR. TOM JAVINS, DIRECTOR,
AND MEMBERS OF THE AMBULANCE BOARDS
Cameron Parish, Louisiana**

We have performed a limited examination of the Lower Cameron Parish Ambulance Service District (District 1) and Cameron Parish Ambulance District 2 (District 2). Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

The accompanying report presents our findings and recommendations, as well as responses from management of both districts. Copies of this report have been delivered to the Honorable Glenn W. Alexander, District Attorney for the Thirty-eighth Judicial District of Louisiana, the Cameron Parish Police Jury, and other authorities as required by law.

Respectfully submitted,

Daniel G. Kyle, CPA, CFE
Legislative Auditor
May 28, 2002

BACKGROUND

From December 1, 2000, to December 1, 2001, through an intergovernmental cooperative endeavor agreement, Lower Cameron Parish Ambulance Service District (District 1) and Cameron Parish Ambulance District 2 (District 2) were managed by a single director and shared personnel and expenses.

On October 16, 2001, the District 2 board passed a resolution that terminated the agreement with the District 1 board. This action was effective December 1, 2001, and allowed the districts to separate and operate independently of one another. Also, effective December 1, 2001, the director resigned to accept the position of director at District 2.

The Legislative Auditor was requested to review the distribution of funds and equipment between the two districts, upon their separation, to ensure that the assets were distributed in a manner consistent with the dedicated tax which originally funded the assets.

SUMMARY

The District 1 board of commissioners authorized an apparent improper payment to a former District 2 employee for services not rendered to their district.

We suggest that the following actions be taken relating to the financial reimbursement and equipment exchange issues between District 1 and District 2:

- District 2 should reimburse \$3,543.21 to District 1 for costs related to office supplies, a paramedic pack including medical supplies and equipment, ambulance parts, employee medical costs, employee wages, and employee T-shirts.
- District 1 should reimburse \$4,475.00 to District 2 for costs related to the billing software and a computer.
- District 1 should return four low-band radios to District 2.
- An inventory should be taken of the ambulance equipment that was stored at the Holly Beach ambulance station and the equipment should be divided equally between both districts.

Board Authorized Payment

The District 1 board of commissioners authorized an apparent improper payment to a former District 2 employee for services not rendered to their district. Article VII, Section 14(A) of the Louisiana Constitution of

1974 provides that the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person.

On May 9, 2001, the District 1 board of commissioners (board) authorized a payment, totaling \$3,237, to a former District 2 employee for services not rendered to their district. The board approved motions (without any opposition) that authorized the rehiring in District 1 of a former District 2 employee and authorized District 1 to pay him back pay based upon the former District 2 employee's previous work schedule starting on March 30, 2001, and ending on May 9, 2001. Thus, it is clear that the payment to the former District 2 employee was made for services not rendered to District 1, and the action by the District 1 board may be a violation of state law and the Louisiana Constitution.

The board should demand the repayment of \$3,237 from the individual (currently a former employee and a former District 1 board member) or seek reimbursement from all commissioners that authorized the improper payment.

Exchange of Assets

During our visits on May 14-15, 2002, District 1 and District 2 provided us with information relating to eleven financial reimbursement issues and two equipment exchange issues that they have not resolved between themselves.

Based upon our discussions with both district directors and our review of records provided, we were able to resolve seven of the eleven financial reimbursement issues and one of the two equipment issues during our visit.

Financial Reimbursements The following table lists the seven resolved financial reimbursement issues, including the amounts agreed to by both district directors as being owed to each district. In addition, the table provides a brief outline of the four unresolved financial reimbursement issues, including our suggestions for resolution that are based upon issues of fairness and not law.

Agreed to by Both Districts	Reimbursement Due to District 1	Reimbursement Due to District 2
Office supplies	\$1,361.77	
Computer		\$1,225.50
Ambulance parts	495.61	
Employee medical costs	360.50	
Employee wages	279.00	
Employee T-shirts	27.87	
Employee uniforms		

To Be Resolved

Paramedic Pack District 1 maintains that District 2 should reimburse them \$2,036.92, which represents the cost of the pack, medical supplies, and equipment that was stocked in the Advanced Life Support Thomas Pack taken to District 2 by the director. The District 2 director informed us that he took the pack with him, but that they do not owe District 1 because the supplies and equipment were purchased with "comingled" funds during the time when both districts were operating under the Lower Cameron Hospital Service District. We suggest that District 2 reimburse District 1 for 50% of the cost of the paramedic pack including the medical supplies and equipment.

1,018.46

Missing Software CD District 1 maintains that District 2 did not return the Microsoft Office Pro XP software CD when the Dell computer was returned and that the software program was deleted on the computer. District 1 wants District 2 to pay them \$299, the cost of the program. The District 2 director informed us that they do not owe for this because he could not recall ever seeing the CD. We suggest that no reimbursement is due to District 1 for the missing software CD.

To Be Resolved

Reimbursement Due to District 1	Reimbursement Due to District 2
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Windows Upgrade Coupon District 1 maintains that they could not find the Window XP Home Edition upgrade coupon when the Dell computer was returned by District 2. District 1 upgraded the Windows program without the coupon and estimate that it cost them an additional \$71.80, which they want District 2 to reimburse them. The District 2 director informed us that he returned some computer paperwork but did not notice if the coupon was included or not. We suggest that no reimbursement is due to District 1 for the missing coupon.

Billing Software Program District 2 maintains that District 1 should reimburse them \$5,517.60, which is their 50% share they previously paid for the SweetSoft Billing software program that is now being used exclusively by District 1. After the districts separated, District 2 had to acquire their own billing software that cost them \$6,499.00. The District 1 director informed us that they did not think they should be held liable for repaying the \$5,517.60, since it was District 2's decision to separate from District 1. We suggest that District 1 reimburse District 2 for 50% of the cost (\$6,499.00) of the billing software purchased by District 2 after the districts separated.

\$3,249.50

Total

\$3,543.21

\$4,475.00

Equipment Exchanges

As mentioned previously, one of the two equipment exchange issues was resolved during our visit and is summarized as follows:

Radios The District 1 director agreed to return four low-band (39.5 frequency) radios to District 2.

The unresolved issue is briefly outlined below and includes our suggestion for resolution that is also based upon the issue of fairness and not law:

Ambulance Equipment District 2 maintains that half of spare ambulance equipment removed from the Holly Beach ambulance station belongs to them. Although District 2 does not have an inventory listing of the equipment, they estimated the value of the equipment at \$12,000, and maintain that it was purchased with "comingled" monies during the time when both districts were operating under the Lower Cameron Hospital Service District (previous to their joint venture). The District 1 director informed us that they took the ambulance equipment because it came off of their four "old" ambulances and it was just being stored at the Holly Beach station because of space limitations at District 1.

We suggest that an inventory be taken of the ambulance equipment that was stored at the Holly Beach ambulance station and that the equipment be divided equally between both districts.

The following summarizes the results of our review relating to the financial reimbursement and equipment exchange issues:

- District 2 should reimburse \$3,543.21 to District 1 for costs related to office supplies, a paramedic pack/bag including medical supplies and equipment, ambulance parts, employee medical costs, employee wages, and employee T-shirts.
- District 1 should reimburse \$4,475.00 to District 2 for costs related to the billing software and a computer.
- District 1 should return four low-band radios to District 2.
- An inventory should be taken of the ambulance equipment that was stored at the Holly Beach ambulance station and the equipment should be divided equally between both districts.

MANAGEMENT'S RESPONSE - Lower Cameron Parish Ambulance Service District (because of its length, paraphrased from a letter dated June 4, 2002, from Director Byron Broussard)

The Lower Cameron Ambulance Service District (District 1) addresses the unresolved issues as follows:

- District 1 accepts your suggestion that District 2 reimburse District 1 for 50% of the cost of the paramedic pack including medical supplies and equipment.
- District 1 maintains that District 2 did not return the Microsoft Office Pro XP software CD when the Dell computer was returned and that this software was deleted from the computer. However, District 1 accepts your suggestion regarding this matter in order to reach a more expedient resolution.
- District 1 maintains that the Dell computer invoice includes a coupon for Windows XP Home Edition upgrade, which was not returned. However, District 1 accepts your suggestion regarding this matter in order to reach a more expedient resolution.
- District 1 accepts your suggestion that District 1 reimburse District 2 for 50% of the cost (\$6,499) of the billing software purchased by District 2 after the districts separated.
- District 1 maintains that the ambulance equipment specified by District 2 was removed from four old District 1 ambulances. However, District 1 accepts your suggestion in order to reach a more expedient resolution that an inventory be taken of the ambulance equipment that was stored at Holly Beach and that this equipment be divided equally between both districts. The district also proposes to include in this inventory any supplies it has, which are only compatible with equipment and vehicles now operating in District 2.

As District 2 seems to have been afforded the opportunity, in some cases to select which equipment to have transferred to them (paramedic pack, radios, ambulance equipment) and which equipment to leave behind for a 50% reimbursement (computer), District 1 would like to propose that the Gateway computer be transferred to District 2 for the same reimbursement. District 1 has approved the purchase of a new computer more compatible to its needs.

The District 1 board of commissioners recognizes that an improper payment may have occurred. District 1 proposes to review the events leading to this decision and to seek legal advice as needed before deciding what corrective actions it will pursue. The district has discovered that a second violation may have occurred when another former employee was paid from October 23, 2001, to December 1, 2001, for services not rendered. This will also be addressed in the same fashion and corrected accordingly.

MANAGEMENT'S RESPONSE - Cameron Parish Ambulance District No. 2 (excerpted from a letter dated June 7, 2002, from Director Tom Javins)

"We concur with the findings of the Legislative Auditor investigation of Lower Cameron Ambulance Service District and Cameron Parish Ambulance District No. 2. We agree to reimburse Lower Cameron Ambulance Service District the amount of \$3,543.21 for cost related to office supplies, paramedic pack, medical supplies, employee wages, tee shirts and employee medical cost."

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