

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

AUDITS/AUDITING. Provides with respect to misappropriation of public funds and restitution and recovery related thereto

Present law requires an agency head of an auditee who has actual knowledge of any misappropriation of the public funds or assets of his agency to immediately notify, in writing, the legislative auditor and the district attorney of the parish in which the agency is domiciled of such misappropriation. Authorizes the district attorney, or other prosecutorial agency, so notified to request audit assistance from the legislative auditor with respect to the misappropriation. Defines "agency head" and "his agency" as defined in the Code of Governmental Ethics.

Proposed law retains present law and additionally requires an agency head who has actual knowledge or reasonable cause to believe there has been a misappropriation of public funds or agency assets to give written notice of such misappropriation to the legislative auditor and the district attorney.

Proposed law further authorizes the attorney general, at the request of the legislative auditor, to recover misappropriated funds or assets from the responsible party by civil suit when misappropriation is discovered and reported. Additionally, the attorney general, at the request of the legislative auditor, will seek restitution from the responsible party of costs incurred by the legislative auditor to audit, investigate, or report on allegations of misappropriation and all costs and reasonable attorney fees incurred by the attorney general in the civil suit.

Proposed law provides that all costs incurred by the legislative auditor to audit, investigate, or report possible fraud, theft, or other misappropriation shall be recoverable by civil suit against the responsible party. Authorizes the attorney general, upon a finding of fraud, theft, or other misappropriation and at the request of the legislative auditor, to seek recovery of such costs on behalf of the legislative auditor through such a suit. Requires the attorney general or the local district attorney prosecuting such crimes to also seek restitution of such costs incurred by the legislative auditor. Further authorizes the attorney general to seek recovery from the responsible party of all costs and reasonable attorney fees incurred by the attorney general in a civil suit instituted at the request of the legislative auditor as provided by proposed law.

Proposed law further specifies that if costs for an audit that were previously reimbursed pursuant to present law (R.S. 24:517.1 or 517.3) are recovered pursuant to proposed law, those costs shall be paid to the appropriate public or quasi public entity.

Proposed law provides that no person convicted of misappropriation or theft shall have his record expunged until he has made restitution and at least five years have passed since his conviction.

Proposed law defines "responsible party" as the person or entity actually responsible for the misappropriation.

Proposed law defines "reasonable cause" as the information obtained as a result of the filing of a police report, an internal audit finding, or other source indicating such a misappropriation of agency funds or assets has occurred.

(Amends R.S. 24:523; Adds R.S. 24:524)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on House and Governmental Affairs to the original bill.

1. Adds that the attorney general may seek recovery of his costs and attorney fees in a civil suit.
2. Specifies that if costs are recovered for an audit that were previously reimbursed, those costs shall be paid to the appropriate public or quasi public entity.

House Floor Amendments to the engrossed bill.

1. Adds provision that no person convicted of misappropriation or theft shall have his record expunged until he has made restitution and at least five years have passed since his conviction.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Senate and Governmental Affairs to the reengrossed bill

1. Specifies that an agency head of an auditee must notify the legislative auditor and district attorney if they have actual knowledge or reasonable cause to believe there has been a misappropriation of funds or assets.
2. Provides that the attorney general, at the request of the legislative auditor, is authorized to recover misappropriated funds by a civil suit and seek restitution from the responsible party for all costs and reasonable attorney fees incurred.
3. Defines "reasonable cause" as information obtained as a result of the filing of a police report, an internal audit finding, or other source indicating such a misappropriation of agency funds or assets has occurred.