

SENATE BILL NO. 220

BY SENATOR MURRAY

AN ACT

1 To amend and reenact R.S. 24:523 and to enact R.S. 24:524, relative to the legislative
2 auditor; to provide for notification of the legislative auditor and the district attorney
3 of the misappropriation of certain public funds; to provide for authorization for the
4 attorney general to pursue misappropriated funds; to provide with respect to
5 restitution for audit costs; to provide for definitions; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 24:523 is hereby amended and reenacted and R.S. 24:524 is hereby
9 enacted to read as follows:

10 §523. Notification of the legislative auditor and district attorney

11 A. An agency head of an auditee who has actual knowledge of ~~any or~~
12 **reasonable cause to believe that there has been a** misappropriation of the public
13 funds or assets of his agency shall immediately notify, in writing, the legislative
14 auditor and the district attorney of the parish in which the agency is domiciled of
15 such misappropriation. **"Reasonable cause" shall include information obtained**
16 **as a result of the filing of a police report, an internal audit finding, or other**
17 **source indicating such a misappropriation of agency funds or assets has**
18 **occurred.** The district attorney, or other prosecutorial agency, notified of such
19 misappropriation may request audit assistance from the legislative auditor with
20 respect to the misappropriation.

21 B. For the purposes of this Section the terms "agency head" and "his agency"

1 shall have the same meanings as provided in R.S. 42:1102.

2 C. When misappropriation is discovered and reported, the attorney
3 general, at the request of the legislative auditor, shall be authorized to recover
4 misappropriated funds from the responsible party by civil suit. Upon a finding
5 of misappropriation, the attorney general shall also seek restitution from the
6 responsible party of those costs incurred by the legislative auditor to audit,
7 investigate, or report an allegation of misappropriation, and all costs and
8 reasonable attorney fees incurred by the attorney general in the civil suit shall
9 be recoverable from the responsible party.

10 D. For the purposes of this Section, "responsible party" means the
11 person or entity actually responsible for the reported misappropriation.

12 §524. Restitution of audit costs

13 A. All costs incurred by the legislative auditor to audit, investigate, or
14 report possible fraud, theft, or other misappropriation shall be recoverable by
15 civil suit against the responsible party. The attorney general, at the request of
16 the legislative auditor, may seek recovery on behalf of the legislative auditor of
17 such costs through civil suit against the responsible party.

18 B. The attorney general may also seek recovery from the responsible
19 party of all costs and reasonable attorney fees incurred by the attorney general
20 in a civil suit instituted at the request of the legislative auditor as provided in
21 Subsection A of this Section.

22 C. The attorney general or the local district attorney prosecuting such
23 crimes shall also seek restitution of such costs incurred by the legislative
24 auditor.

25 D. If costs for an audit that were previously reimbursed pursuant to R.S.
26 24:517.1 or 517.3 are recovered pursuant to this Section, those costs shall be
27 paid to the appropriate public or quasi public entity.

28 E. No person convicted of misappropriation or theft shall have his
29 record expunged until he has made restitution and at least five years have
30 passed since his conviction.

1 **F. For purposes of this Section, "responsible party" means the person**
2 **or entity actually responsible for the misappropriation.**

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____