The East Ascension General Hospital has laid off 30 employees in an effort to cut costs and turn around an operating deficit, James “Sno” Sheets, chairman of the public hospital’s board of directors, said Friday.

“We’re struggling to bring everything back in shape,” Sheets said.

Sheets took over administrative duties at the 50-bed facility two weeks ago, following the resignation of Dr. John Hadley, the former administrator. Hadley agreed to step down amid charges that he misappropriated hospital funds, Sheets said.

Auditors arrived at the hospital Thursday and began a comprehensive audit that will cover a two-year period, Sheets said.

“They’re just getting it started,” he said.

East Ascension is operating in the red but the severity of the deficit is not known, Sheets said. The audit will determine the extent of the deficit and help pinpoint the causes, he said.

Ascension Parish police jurors want detailed information on the hospital’s financial status at their next finance committee meeting later this month.

The Police Jury had planned to discuss the hospital’s financial problems with East Ascension officials last month but postponed the discussion when representatives of the hospital did not appear at their finance meeting.

Sheets said hospital officials have uncovered a variety of financial problems and irregularities and cannot account for about $7,000 in hospital funds. Hadley started as East Ascension’s administrator in December 1985.

Sheetshas said he plans to turn over the audit report to District Attorney Donald T. Carmouche’s office.

Sheets described the layoffs as “a reduction in force” and said the workers were not needed to operate the tax-supported hospital. About 120 employees will remain at East Ascension, he said.

“We were overstaffed with the occupancy we have,” Sheets said.

“Occupancy was less than 15 percent Friday. The financial problems should not interfere with a hospital renovation and expansion program that is scheduled to be complete before the end of the year,” Sheets said.

The $6 million project was authorized two years ago when voters in East Ascension’s service area approved a hospital bond issue that is financing the project.

Sheets has said that East Ascension’s financial problems have grown worse since the opening last summer of the Riverview Medical Center, a private hospital operated by the California-based American Medical International Inc.

He has accused Gonzales-area physicians of promoting the new 100-bed facility while ignoring East Ascension’s medical services.