PLANS PROBE

D.A. Seizes Records Of Poverty Agency

District Attorney Bertrand Pessl announced all records of Southern Consumers Cooperative Southern Consumers Education Foundation and Acadiana Neef this morning and will order an overall audit of the financial conduct of the War on Poverty in six Southwest Louisiana Parishes.

He said that if he found any evidence of wrongdoing, he will prosecute the offender if the comprehensive audit fails to divulge any criminal offense he will issue a statement clearing all agencies concerned.

The district attorney acted on the strength of findings and observations made by certified public accountants from New Orleans and Baton Rouge on the financial condition of the Education Foundation, SCAP, a major grantor of the community action program. The Foundation got grants from five parishes.

Sweet Potato Albert undertakings, three remedial reading programs in St. Landry, and a credit union in Vermilion and the credit union, the Sweet Potato program, and the remedial reading program.

Acadiana Neef has been audited periodically by a firm in Lafayette and Southern Consumers cooperates with the firm. But while audits of various agencies of the complex organizational arrangement of the War on Poverty have been made, no single overall audit has been completed setting down utilization of all the public funds spent in the antipoverty war that has cost nearly three million dollars to date.

Auditors' Comment

Peat, Marwick, Mitchell and Company, New Orleans, certified public accountants, report in its partial audit of SCAP that many expenditures were improperly classified and there were questionable procedures in accounting for travel expenses. Among other findings were general lack of balance at the program's inception. In instances of what appeared to be forced cost accounting, lack of financial reports and bookskeeping on accounting for non-federal contributions in kind not in compliance with provisions of the Office of Economic Opportunity.

The 10-page narrative comment on other procedures not noted that there were three basic weaknesses in the system of internal control. They included incomplete documentation in support of transactions, irregular control of transactions from origin to recording.

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the book of accounts and clerical inaccuracies.

A. Edgar Thomas, Hattie Rouge certified public accountant, commented that it's "never in 20 years' experience read a more critical, more powerfully stated, more carefully written document" than the report of the New Orleans auditing firm on bookkeeping procedures of the Scott Education Foundation. Thomas's remarks were made under the Louisiana Joint Legislative Committee on Un-American Activities meeting in Lafayette in March.

"Good accounting procedures and rules of internal financial control are not followed," he said. "Rules and regulations promulgated by the manuals Guide to Grants Accounting and 'Community Action Program Grants Volume II' have been disregarded. By implication the door is wide open for misappropriation or fraud, even though no mention is specifically made of these possibilities." Thomas warned.

Operations of Acadia Neuf are being phased out for failure to reorganize the board in accordance with the requirements of the OEO office in Austin. The Adventurer has learned that inventory is being checked and that federal authorities were in Lafayette last week checking financial records while others were in an attempt to have new local agencies take over the anti-poverty program. Southern Consumers and Acadia Neuf fall within the jurisdiction of DeBlanc and the district attorney says that he would select a new auditor for the overall financial study who had never been identified with the War on Poverty project in any way.

In addition to federal OEO funds, SCSCP's portable cooperatives have received a loan from the Farmers Home Administration in Covington to establish Grand Marve Vegetable Producers Cooperative at Sunset. After the loan was made, a check for $3,000 was paid to the Congress for Rural Equality for a loan said to have been made during formative stages of the project before the PHA loan was secured.

One of several Sweet Potato Alert spent over $66,000 in OEO funds and has pending a request for $577,000 in federal anti-poverty money for the second phase.

Elmo Anderson, a Negro bus driver from Scott, has a suit against Southern Consumers Education Foundation alleging a breach of a transportation contract.

The suit, filed in Lafayette last fall, asks for $2,500 in damages and $3,500 for mental and emotional distress. Anderson asks for trial by jury and submitted 36 interrogatories of the anti-poverty agency including the names and addresses of each person paid money by or through the corporation since May 1, 1973.

The third circuit court of appeal in Lake Charles dismissed an appeal from Lafayette Parish of the Anderson-SCCP litigation in a decision handed down in March.

Parishes in the Lafayette-based War on Poverty area, most include Acadia, Hermitage, St. Martin, St. Landry, Vermillion and Lafayette.