



State of Louisiana

**OFFICE OF
STATE INSPECTOR GENERAL**

**ST. BERNARD PARISH PRISON
BILLING, MEDICAL PROBLEMS**

Report by

Inspector General Bill Lynch

Prepared for

Governor M. J. "Mike" Foster, Jr.

March 17, 2003

File No. 1-02-0074



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November 26, 2002

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St. Bernard Parish Prison Billing, Medical Problems

The St. Bernard Parish Prison misbilled for hundreds of thousands of dollars for housing state inmates during a 39-month period reviewed by the Office of Inspector General. Prison officials attribute this to a grossly inadequate computer program and human error.

The prison, operated by the St. Bernard Parish Sheriff's Office, over billed the state Department of Corrections \$160,160 and under billed \$380,437 – a net loss to the prison of \$220,277.

The prison also erroneously billed the parish government tens of thousands of dollars for the cost of drugs for state inmates which had already been paid by the state.

In addition, Dr. Paul Verrette, the physician responsible for providing medical care for state inmates housed at the prison, is a convicted felon on federal probation, who prescribed, administered and dispensed the painkiller, Ultram, despite being prohibited from doing so by the state Board of Medical Examiners.

Background

The St. Bernard Parish Prison, located in Chalmette, houses about 350 inmates. About a third are state inmates, which means the inmates have been sentenced to incarceration at hard labor to the custody of the state Department of Corrections. Due to lack of space in state correctional facilities, the state by contractual arrangement pays the parish prison \$23 per day to house each state inmate until the inmate can be transferred to a state facility.

About a third of the inmates are federal inmates, which means the parish prison is paid by federal authorities to house inmates who have been charged with committing federal

crimes. The rate of pay to the parish prison for housing federal inmates is \$45 per day per inmate.

The remaining third of the inmates are parish inmates who are awaiting trial or were not sentenced to hard labor. The parish prison is compensated through the parish government at a rate of \$3.50 per day per inmate.

The parish prison is operated by the St. Bernard Parish Sheriff's Office, Jack Stephens, sheriff. Captain David Mowers serves as the warden.

In our review of billing irregularities concerning state and parish inmates, this office reviewed billing documents provided by the parish prison and the Department of Corrections from January 1999, through March 2002. The parish prison segregates billing for federal inmates with a different billing system, and this was not subject to our review.

The parish prison's medical authority for state inmates is Dr. Paul Verrette of Chalmette. He has been contracted since September 2000, by the parish prison to direct the staff of paramedical professionals employed by the prison to provide medical care to state inmates. The Louisiana Board of Medical Examiners provides administrative oversight of physicians licensed to practice medicine in the state.

The Department of Corrections oversees the housing and care provided state inmates at the parish prison by conducting inspections to ensure the prison's compliance with the Basic Jail Guidelines, standards established by contractual agreement between the parish prison and the department.

Misbilling

The parish prison's system of billing for housing inmates was inadequate to provide accurate invoices to the state and the parish government.

A comparison of invoices submitted to the state from the parish prison to documents from the Department of Corrections listing the dates of commitment of relevant inmates, revealed hundreds of billing irregularities. For example, in many instances, the parish prison billed the state for inmates not yet committed to the custody of the state. In many other instances, the parish prison billed both the state and the parish government for the same parish inmate for the same period of time. In still other instances, the parish prison

failed to bill the state for inmates who were committed to the custody of the Department of Corrections.

There were dozens of billing irregularities each month for all of the months of the review. There may also have been irregularities before and after the period of review.

Billing Errors

Calendar Year	Total Over Billings	Total Under Billings	Net Under Billings
1999	\$41,827	\$95,028	\$53,201
2000	\$60,726	\$125,477	\$64,751
2001	\$44,330	\$128,899	\$84,569
2002 (Jan. – Mar.)	\$13,277	\$31,033	\$17,756
Totals	\$160,160	\$380,437	\$220,277

As the above chart shows, in 1999, the prison over billed the state \$41,827 for inmates who were not in the custody of the Department of Corrections, but were actually parish inmates. During that same year, the prison failed to bill the state for \$95,028 for housing inmates committed to the custody of the Department of Corrections. This was a net under billing of \$53,201.

In 2000, the prison over billed the state \$60,726 for inmates who were not in the custody of the Department of Corrections, but were actually parish inmates. During that same year, the prison failed to bill the state for \$125,477 for housing inmates committed to the custody of the Department of Corrections. This was a net under billing of \$64,751.

In 2001, the prison over billed the state \$44,330 for inmates who were not in the custody of the Department of Corrections, but were actually parish inmates. During that same year, the prison failed to bill the state for \$128,899 for housing inmates committed to the custody of the Department of Corrections. This was a net under billing of \$84,569.

For the first quarter of 2002 (the end of the period of review), the prison over billed the state \$13,277 for inmates who were not in the custody of the Department of Corrections, but were actually parish inmates. During that same period, the prison failed to bill the state for \$31,033 for housing inmates committed to the custody of the Department of Corrections. This was a net under billing of \$17,756.

The net under billing to the state by the parish prison from January 1999, through March 2002, totaled \$220,277.

According to officials with the sheriff's office and the senior consultant of the company used to maintain the computer billing program, problems associated with the program contributed significantly to the misbillings. The program, installed almost 15 years ago, has been serviced for the past 10 years by Excel Software Professionals, Ltd., of Baton Rouge. The consultant said that during preparations for Y2K, he discovered and corrected problems in the system which were resulting in billing irregularities.

However, billing problems continued. For example, the computer transaction to change an inmate's status from the parish inmate category to the state inmate category should have but did not always result in a billing to the state. Sometimes a change in status would result in billing both the state and parish government for the same inmate for the same period of incarceration.

Human error also contributed to the billing mistakes. For example, the computer program sometimes required additional data entry if a change in inmate status was entered, but this was not always provided.

The fiscal office of the St. Bernard Parish Sheriff's Office, responsible for submitting billing invoices to the state, failed to ensure that the billing invoices were accurate. Officials with the fiscal office said they were unaware of the flawed computer program. Had they known, they would have attempted to minimize billing irregularities by comparing the monthly invoices sent to the state and to the parish government for inmate names appearing on both invoices.

In June 2001, the fiscal section of the Department of Corrections began reviewing a ten percent random sample of invoices from each parish prison. Corrections officials said that invoices from the St. Bernard Parish Prison did not stand out as a major problem, and, although errors found within the ten percent sample from the prison were corrected, no additional action was taken to review the remaining 90 percent.

The prison also billed the parish government for prescription drugs for numerous state inmates. According to officials at the Department of Corrections, such costs for state inmates are included in the \$23 per day for housing state inmates.

Over Billing for Drugs

First Quarter Of Years	Amount Over Billed To Parish
1999	\$7,400
2000	\$16,600
2001	\$1,700
2002	\$2,400
Total	\$28,100

Our review was limited to an analysis of prison billing for drugs for state inmates for the first quarter (January, February and March) of each year, 1999 through 2002. As the above chart shows, for 1999, the prison erroneously billed the parish about \$7,400. For 2000, the prison erroneously billed the parish about \$16,600. For 2001, the prison erroneously billed the parish about \$1,700 and for 2002 about \$2,400. This totals about \$28,100 that the prison erroneously billed the parish for drugs for state inmates for the first quarters of 1999 through 2002.

Officials at the parish prison stated that since they are now aware of these billing irregularities, they intend to implement as soon as possible a new computer billing system less prone to errors. Also, personnel will be assigned to review billing invoices for accuracy before they are forwarded to the state or parish government.

Unauthorized Prescriptions

For the past two years, Dr. Paul Verrette has served under contract as the medical authority for state inmates at the parish prison. His duties in providing medical care to state inmates include writing prescriptions, administering and dispensing drugs to state inmates and delegating the authority to prison medical staff to administer and dispense these drugs.

In February 2002, Dr. Verrette was sentenced in the Eastern District of Federal Court in New Orleans to one year's probation after being convicted of illegally dispensing certain Schedule IV drugs, a felony. As a result, the Louisiana Board of Medical Examiners in March 2002, restricted Dr. Verrette's medical license by prohibiting him for three years

from prescribing, administering or dispensing Schedule I-IV drugs and certain other drugs, including the painkiller, Ultram.

A review of medical files at the parish prison revealed that Dr. Verrette prescribed Ultram (or the generic, tramadol) at least 23 times for numerous inmates after the effective date of the restrictions imposed by the board.

Also, according to prison medical staff and records, Dr. Verrette continued to delegate the authority for prison medical staff to administer and dispense Ultram, also prohibited by the board.

Department of Corrections officials stated the prison must have a medical authority for state inmates without such restrictions. After learning from the Inspector General's Office of the restrictions placed on Dr. Verrett's license, Corrections Secretary Richard Stalder asked Sheriff Stephens to "ensure that Dr. Verrette no longer provides medical services" to state inmates. Sheriff Stephens removed Dr. Verrette as medical authority.

Dr. Verrette said it was an oversight on his part to continue writing Ultram prescriptions. He said he forgot that the drug was specified as prohibited by the order from the state Medical Examiners Board. Once he was made aware of it, Dr. Verrette said he discontinued both writing Ultram prescriptions and delegating authority to staff to administer and dispense the drug.

Conclusions:

1. The St. Bernard Parish Prison's billing for housing inmates was grossly inaccurate, resulting in a net under billing to the state of \$220,277 for the period January 1999, through March 2002. Additionally, the parish was over billed at least \$28,100 for prescription drugs supplied to state inmates.
2. The Department of Corrections failed to verify the accuracy of invoices from St. Bernard Parish Prison for housing state inmates.
3. Dr. Paul Verrette, medical authority for state inmates at the parish prison, wrote at least 23 unauthorized prescriptions for prison inmates and delegated authority to staff to administer and dispense the drug, in violation of restrictions imposed upon him by the state Board of Medical Examiners.

Recommendations:

2. Officials at the St. Bernard Parish Prison, the Department of Corrections and the parish government should resolve the matter of misbillings.
3. Both the prison and the Department of Corrections should ensure accurate billing and payment for housing state inmates at the parish prison.
4. The Department of Corrections should ensure that the parish prison employ a medical authority who meets the needs and standards necessary to provide medical care for state inmates housed at the parish prison.
5. This report should be forwarded for review to the appropriate agencies.

Responses:

Responses from St. Bernard Parish Sheriff Jack Stephens and Department of Public Safety and Corrections Secretary Richard Stalder are attached.

IG Comment:

In light of our findings, this office intends to review for accuracy the invoices submitted to the state Department of Corrections by other parish prisons and detention facilities using the same computer billing system as St. Bernard Parish Prison.

BL/JW

File No. 1-02-0074



Sheriff Jack A. Stephens
St. Bernard Parish Sheriff's Department

November 25, 2002

Mr. Bill Lynch
State Inspector General
State of Louisiana
Division of Administration
P. O. Box 94095
Baton Rouge, LA 70804-9095

Re: Your File No. 1-02-0074

Dear Mr. Lynch:

Regarding the above-captioned matter and your letter of November 14, 2002, this is in response to your draft report of the same date. Please be advised that the St. Bernard Sheriff's Office had acquired a computer program (Excel Software, Baton Rouge, La) for the specific purpose of tracking prisoners housed in our jail facilities. This program was acquired by many other jurisdictions in the State and was widely regarded as the best available for this purpose.

Until recently, there was no reason to believe that this program was faulty. We are now convinced, after your audit and an internal audit conducted by my staff, that this program has created significant inaccuracies. We have checked the figures compiled by your staff and we are in agreement that the State of Louisiana, through the Department of Corrections, owes the St. Bernard Sheriff's Office \$220,277. We are presently taking steps to collect this money. We are also making arrangements to pay St. Bernard Parish Government \$28,100, which was overbilled to them because of this faulty computer software.

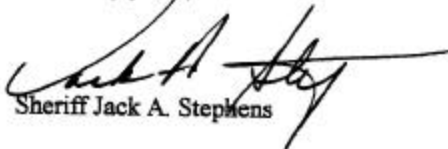
In addition to the above, we are in the process of changing and updating our method of tracking prisoners housed in our correction facilities. We are presently installing an Arms System program that, at this point, is being recommended through the Louisiana Sheriffs'

Mr. Bill Lynch
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Association and was devised and is being used by Jefferson Parish and other sheriffs' offices in our area. This system should be on-line within thirty (30) days. Also, we are manually spot checking prisoners' billing records to make certain that all present and future billings are accurate.

Regarding Dr. Verret, it is our understanding that he has authority to administer the prescriptions referred to in your report. I have referred this matter to Dr. Verret's attorney who will give you a more detailed, written reponse. Until this matter is cleared, we have engaged other physicians who are administering to the needs of our prisoners.

Very truly yours,



Sheriff Jack A. Stephens

JAS/jch

DEPARTMENT OF
PUBLIC SAFETY AND CORRECTIONS

M. J. "MIKE" POSTER, JR., GOVERNOR



RICHARD L. STALDER, SECRETARY

November 22, 2002

Bill Lynch, State Inspector General
Office of State Inspector General
Post Office Box 94095
Baton Rouge, Louisiana 70804-9095

RE: File No. 1-02-0074

Dear Mr. Lynch:

This is in response to your draft report concerning the St. Bernard Parish Prison. It is the Department's goal to ensure accurate billing and payment for the housing of state inmates in local facilities. The Department performs a random sample in order to test the validity of the information being submitted. It is the Department's policy to investigate and audit invoices that contain a disproportionate number of errors.

For fiscal year 1999 and 2000, the Department was verifying approximately 10% of inmates being billed overall, (not by parish). This resulted in only a few inmates for St. Bernard Parish being sampled in 11 of the 24 months. Of the 75 inmates checked for this period, only two were in error. In fiscal year 2001, the procedure was changed to audit 10% of each invoice submitted for each parish. For St. Bernard Parish, over 10% was audited each month. Out of a total of 156 inmates checked for this period, five proved to be incorrect. This represents a 3.2% error rate.

Since July 1, 2002, the Department has been checking 100% of the invoices for sheriff's housing submitted by St. Bernard Parish.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Stalder".

Richard L. Stalder
Secretary

RLS/RLG/ke

c: Mr. Boudreaux
Mr. Creed
Mr. Granier