

# LSU

Office of  
**Internal Audit**

May 2, 2016

**Memorandum of Internal Investigation (via e-mail only)**

**To:** Daniel Layzell, Vice President Finance and Administration and CFO  
Thomas Skinner, General Counsel

**From:** Chad Brackin, Chief Auditor



**Re:** Investigation of Alleged Inappropriate Distribution of LSU Band Scholarship Funds and Circumvention of Management

**Initiation of the Investigation**

The LSU Office of Internal Audit was contacted in reference to allegations of the inappropriate distribution of athletics band scholarship funds to non-instrument playing students and non-students, as specified by the Athletics Band Scholarship criteria. Specifically, it was alleged that the LSU Director of Athletic Bands Roy King was awarding scholarships to members of the LSU Golden Girls and LSU Color Guard, without approval, and in violation of the scholarship's intent and purpose. Additionally, it was specifically alleged that King was circumventing and refusing to follow management directives.

**Background**

Roy King has been an LSU employee since June 1998 and currently holds the position of Director of Tiger Band and Instructor reporting to the Director of Bands and the Dean of the College of Music and Dramatic Arts (CMDA).

The Athletic Band Scholarship Award (stipend) totaling \$325,000 per year, funded by the Athletics Department to the College of Music and Dramatic Arts which awards scholarships, provides support for the Tiger Marching Band through the awarding of a yearly stipend in the amount of \$1,000 to each band member, regardless of position.

An additional Athletics Band Scholarship Fund (scholarship) totaling \$70,000 per year, is also funded by the Athletics Department and awarded by the College of Music and Dramatic Arts for the purpose of recruiting outstanding instrumentalists, "blue chip" players, to participate in the athletic bands as well as other approved ensembles. These additional scholarships are to be awarded through an audition process, with variable award value that is based upon skill level and band instrumentation needs.

## Findings

1. King directed the distribution of Athletics Band Scholarship funds totaling \$14,000 to members of the LSU Golden Girls and LSU Color Guard, without the required approval of the Director of Bands and the Dean of the School of Music and in violation of university policy.

LSU Policy Statement (PS) 106.R.02 Administration of Scholarship, Fellowship & Exemption Programs addresses the appropriate administration of scholarships. Specifically, Policy Statement (PS) 106.R.02 states in part:

### General Policy:

- Criteria must be established for initial and continuing eligibility that is published program materials and consistent with the authorizing documentation. These criteria must be clearly defined in published program materials.
- The dean or director must assign at least two full-time employees to the selection committee.

### Selection Criteria:

- Scholarship awarding requires the use of a selection committee unless the process is system automated based on established, defined criteria, leaving it free of biases. The committee must include at least two full-time employees.
- The dean or director typically serves in an oversight role, which includes appointing and instructing selection committee members and ensuring that established directives are followed.
- Documentation of members comprising the selection committee must be kept with the awarding support documents.
- All scholarships must be awarded based on criteria listed in the originating documentation. The dean or director may serve on the selection committee as one of its members.

The Athletic Band Scholarship program was originally established as the Band Service Awards by the LSU Board of Supervisors ("Board") on October 1, 1971. These awards were established as cash service awards that would be awarded following the recommendation of the respective Director or Conductor involved and the approval of the Dean of the School of Music. These awards are commonly referred to as "stipends" and are awarded to all members of the Tiger Band including Golden Girls and Color Guard. In addition to those stipends, in May of 1978, an additional forty band scholarships were established for award to "outstanding *instrumentalists* (emphasis added) in the Tiger Band" referred to in this document simply as "scholarships."

The Dean of the College of Music and Dramatic Arts (CMDA) has communicated to King on multiple occasions that the Director of Bands (King's immediate supervisor) has complete administrative oversight over all aspects of the band program, including Athletic Bands, this includes administration of stipends and scholarships. Both the Dean and the Director of Bands communicated to King that the intent of the scholarships was to attract "blue chip" players to the band. Budget documents for Fiscal Years 2013 and 2014 reflect this intent to restrict the scholarships to instrumentalists in accordance with the program's stated purpose.

Additionally, we were able to obtain three offer letters addressed to instrumentalists receiving these scholarships. Each letter reflected a requirement to “Register and audition for Wind Ensemble, Symphonic Winds, and/or Symphonic band”. However, because King failed to provide all award letters as requested, we were unable to determine if this was required of all scholarship recipients. King also failed to provide management of CMDA copies of the letters though multiple requests were made.

LSU Athletics management also confirmed that the Athletics Department provides the funding for the Athletics Band Scholarship Fund for the purpose of providing scholarships to attract the finest “blue chip” players who will participate in the athletic bands to make the band the best that it can be. *Athletics management and CMDA management each confirmed that they specifically communicated to King that these funds were not intended for any band member who was not an instrumentalist, such as Golden Girls and Color Guard.*

However, contrary to this direction and intent of the scholarship, during the period of FY 2014 through FY 2016 King awarded Athletic Band Scholarships totaling \$12,000, without required approval, to eleven members of the LSU Color Guard and six members LSU Golden Girls. The chart listed below depicts the annual break down of the distribution of scholarship funds for the selected period.

**Data Summary by Classification**

YR	Instrument /	LSUID Count*	Percentage of Scholarships	Total
2016	Colorguard	4		2,000.00
	Golden Girl	2		1,000.00
2016 Total		6	9%	3,000.00
2015	Colorguard	5		3,000.00
	Golden Girl	2		2,000.00
2015 Total		7	8%	5,000.00
2014	Colorguard	2		2,000.00
	Golden Girl	2		2,000.00
2014 Total		4	7%	4,000.00
<b>Grand Total</b>		<b>17</b>	<b>8%</b>	<b>12,000.00</b>

In addition to the above unauthorized distributions, King also awarded Athletic Band Scholarship Awards (stipends) totaling \$2,000.00 to individuals not properly registered in the required band classes in violation of university policy and management directives.<sup>1</sup>

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<sup>1</sup> LSU Tiger Marching Band Handbook - All members of TIGER BAND (MUS 4250), including Color Guard and Golden Girls, must enroll in the class

## 2. Missing University Funds

- King was unable to account for \$5429.45 advanced to him for the purpose of student travel.

An Administrative Coordinator with CMDA informed the Athletics Department on March 25, 2016, that funds in excess of \$5000.00 issued to King by the Athletics Department was missing. These funds were part of a \$6000.00 travel advance issued to King on December 21, 2015, which he initiated by completing LSU's "Request for Travel Advance" form. The form signed by King and dated December 18, 2015, includes the following certifications:

- "For requests greater than \$5000.00, the faculty member that will be held fiscally responsible must be listed and his/her signature is required below acknowledging responsibility in the event the student does not return to LSU, provide receipts or return the funds".
- "I recognize a personal obligation to account for the expenditure of this Travel Advance by filing my Travel Expense Reimbursement Request by the 15<sup>th</sup> of the month following my return."

Documentation detailing the travel advance request indicated that the funds were to be utilized to cover the following expenses:

- Baggage Fees for 50 travelers totaling \$2500.00
- Practice field rental totaling \$2000.00
- Emergency totaling \$1500.00

King failed to submit documentation to provide a proper accounting for the use of these funds. He did acknowledge having submitted the travel request, receiving check number 17006 in the amount of \$6,000, cashing the check at Chase Bank located at 250 W State St, Baton Rouge, LA 70802, and issuing some of the proceeds from the check to students for baggage claim reimbursement. King stated that he transferred the remaining cash and receipts to the Administrative Coordinator upon returning to LSU in January 2016 after the Christmas/New Year's holiday. However, he indicated that he did not count the amount of cash or number of receipts that he purportedly transferred to the Administrative Coordinator.

The Administrative Coordinator acknowledges having received an envelope from King containing cash and receipts during the first week of January but stated that she did not count the amount of cash or number of receipts that she received from King. She also stated that she kept the cash locked in her desk at night but during the day she kept the cash and receipts in an envelope under her desk between two boxes near her feet. She indicated that she noticed the cash was missing during the week of February 29, 2016, but made notifications to no one about the missing funds. The Administrative Coordinator explained that she could only provide receipts totaling \$280.00 as documentation of the expenditure of travel advance funds. She offered no explanation for what happened to the remaining money.

On Tuesday March 31, 2016, King provided seven more receipts documenting additional expenditures of \$290.55. Therefore, a balance of \$5,429.45 remains for which no accounting has been provided.

3. King circumvented established policy and CMDA management directives.

- King changed budget descriptions /justifications of the Athletics Band Scholarship funds without the approval of the Dean of CMDA and/or Director of Bands.

A review of the LSU Tiger Marching Band proposed budgets for the fiscal years 2012-2013, 2013-2014, and 2014-2015 identified that the verbiage for FY proposals 2012-2013 and 2013-2014 listed object code 6640 Scholarships in the amount of \$70,000 identifying the separate funds allocated by the Athletics Department to the band with the specific purpose “to attract the finest [blue chip] players who will participate in the athletic bands as well as the concert ensembles.”

However, for FY 2014-2015 and 2015-2016 object code 6640 Scholarships listed a total of \$395,000 (which combines the \$70,000 allocated for scholarships and the \$325,000 allotted for stipends to all members of the LSU band in the amount of \$1,000 each). Additionally, the description for this line item changed to “These scholarships are offered in amounts of \$1,000.00 to \$2,500.00 per year by the Director of Athletic Bands to Tiger Band members. These awards are necessary to attract the finest “blue chip” players who will participate in the athletic bands. With the loss of tuition waivers for out of state students, a portion of these awards are primarily awarded to Tiger Band members who perform in the LSU Symphonic Band which helps us attract/retain some of our best talent to/at LSU.

The changes, made by King without the approval of the Dean of CMDA or the Director of Bands, created the appearance that King had the sole authority to award the scholarships when he did not. Additionally, the changes also made it appear that preference was given for the LSU Symphonic Band, when in fact no preference should have been given.

King maintains that he is the only one with the authority to issue the scholarships to the members of the Tiger Band and that he does not need the approval of the Dean of CMDA or the Director of Bands. As late as March 17, 2016, King continued to disregard the directives of the Dean of CMDA in refusing to obtain required approval prior to the granting of scholarships.

- King disregarded proper directives of management.

Several documents were identified and several statements were obtained from individuals with firsthand knowledge indicating that King intentionally disregarded management’s proper directives related to travel, selection criteria of the Color Guard and Golden Girls, and other daily activities.

One example occurred in September 2015 at which time King requested funds to go on a recruiting trip to Syracuse, New York during the same time that LSU/Syracuse were playing football. This trip and funds for the trip were denied by the Dean of CMDA. However, King still went to Syracuse, New York, without proper approval and without taking leave, which would have been required absent proper travel authority. King flew to New York via the chartered plane to carry the LSU Band for their attendance at the LSU/Syracuse football game.

King was also asked about several comments that he allegedly made to the Dean of CMDA including a comment during a directors meeting on March 16, 2015, in the presence of other members of management. According to those present, King stated "It's my class, and nobody is going to tell me what to do in terms of drill or show design. Unless they want to give me a pink slip, I'll make those decisions." When asked if he made this statement, King stated that he did not recall.

Information was also obtained that during a Directors meeting on June 24, 2015, King told the Director of Bands that "There is no reason for me to have to report to you with regard to anything athletic related. You have never led an athletic band." When asked about this statement King once again stated that he did not recall.

4. King released confidential personnel records in violation of university policy.

Documents indicate that King emailed the personal résumés of applicants for the position of the Dean of School of Music and other current employees to former LSU employees without having an appropriate purpose or authority to do so. In an email to the former employees dated June 26, 2014, King attached one applicant's résumé and stated, *"Stay close to the toilet when you read this....."* King provided no explanation for having released this information.

LSU Policy Statement (PS) 40.R.03 Confidentiality of Personal Records of University Employees states the following in part:

1. *Personnel Records - Any record maintained in any administrative office of the University in connection with the recruitment and employment of any person whether the record is stored in printed or written form, micrographically, electronically or otherwise. Such records include but are not necessarily limited to letters of application, personal resumes, letters of recommendation, academic records, materials furnished by a placement service, appointment forms, records of promotion or other changes in status subsequent to appointment, salary raises, leave accrual, use and balances and any other personnel action processed through the Office of Human Resource Management, performance evaluations, and correspondence in the employee's personnel folder between the individual employee and any administrative officer of the University.*
  2. *Conditions of Access - All persons having access to personnel files will regard the contents (other than directory information) as confidential and will not divulge such contents to prospective employers, credit agencies, government agencies or to other persons except as specified above or with the express written consent of the employee.*
5. King and the Tiger Band Administrative Coordinator reporting to him repeatedly violated University procurement card policy.

A pattern of procurement card (La Carte Card) abuse and policy violations by the Administrative Coordinator was noted to have occurred while she was supervised by King. The Administrative Coordinator received three notices of noncompliance from the Office of Accounting services for the improper use of her La Carte Card to purchase equipment. The first notice was issued on March 25, 2013, for entry BF 78773 for the purchase of equipment in the amount of \$1,546.00. The second

notice was issued on April 11, 2014, for entry BF 40319 for the use of her La Carte Card to place a down payment on equipment in the amount of \$1,582.87. The third notice was on April 30, 2014, for entry BF 46872 for the purchase of equipment in the amount \$4,188.00.

*LSU FASOP AS-20: La Carte Card Program Policy, IV.E., states in part the following:*

- *“Equipment is not allowed to be purchased with the La Carte card. Cardholders who violate this policy will result in having their La Carte card privileges revoked. Equipment purchases should be procured through the requisition process.”*

Additionally, during the period of January 2013 through February 2016 the following non-compliant activities were also noted:

- The Administrative Coordinator regularly used procurement cards issued to King, and two other CMDA employees in violation of the La Carte Card policy and routinely failed to reconcile the purchases in a timely manner as required by the policy resulting in the suspension of all their procurement cards.

*LSU FASOP AS-20: La Carte Card Program Policy states in part the following: Card Holder Responsibilities: “Do not loan or allow another employee to use your card.”*

- Two instances of King approving his own PayPal/Third Party Purchase form, totaling \$441.00.

*LSU FASOP AS-20: La Carte Card Program Policy states in part the following: PayPal transactions require supervisor approval using the AS150 “PayPal/Third Party Processor Transaction Documentation & Approval” form.*

- Of the 43 purchases reviewed, which included purchases made by King and the Administrative Coordinator, during the period of period (January 2013 through February 2016), the Administrative Coordinator had an average processing time (time from purchase to the submission of the transactions to the Office of Accounting Services) of 84 days, per entry reviewed, with a maximum processing time of 179 days for purchases made utilizing the La Carte Card.
- Of the 43 purchases reviewed, King had an average processing time of 174 days, per entry reviewed, with a maximum of 439 days approval time for purchases utilizing his La Carte Card.

*LSU FASOP AS-20: La Carte Card Program Policy, IV.E., states in part the following: “A cardholder has 30 days from the effective date of the entry to reconcile the La Carte entry in the PCARD system and route it to AP & Travel for audit and approval. ...La Carte card privileges will be suspended if: La Carte entries are greater than 45 days outstanding”.*

6. King appears to have violated the LSU's Nepotism Policy

a) *LSU Policy Statement (PS) 25.R02 Nepotism states in part:*

- *Definitions:*
  - *Nepotism is favoritism in employment or promotion on the basis of family relationship rather than on the basis of merit.*
  - *Immediate family is defined as children, spouses of children, brothers and their spouses, sisters and their spouses, parents, spouse and the parents of the spouse.*
  
- *General Policy*
  - *No member of the immediate family of any administrator may be employed within that individual's administrative area, whether or not intervening levels of supervision are present between the administrator and the immediate family member.*
  - *In cases, in which an immediate family supervisor-employee relationship has developed in a manner not in violation of the Code of Ethics or of this policy, the supervisor will pass all responsibilities to his or her immediate supervisor for making decisions involving direct benefit to the employee member of his or her immediate family.*
  - *Violation may subject the offender, including the employee and his or her immediate supervisor, to both University disciplinary penalties and fines under the laws of the State of Louisiana.*

King's daughter was a student employee of the LSU Band a various times during the period of January 2013 through March 2016 in apparent violation of LSU Policy Statement (PS) 25.R02 - Nepotism. Records indicated that she was employed during various semesters in the reviewed period and was supervised by the Administrative Coordinator who until August 2015 reported directly to King.

**Recommendations:**

1. The College of Music and Dramatic Arts management should assume full responsibility for the oversight, distribution, and management of LSU Athletic Band Scholarship funds, within established guidelines, with annual reports being provided to the Athletics Department to ensure compliance with NCAA rules and to otherwise provide proper accountability.
2. Management should seek to recover missing funds advanced to King for band member travel expenses.
3. Management should request that new La Carte Cards be issued to LSU Band employees whose La Carte Card numbers have been compromised.

Issues requiring notification to external entities, if any, will be communicated in a manner consistent with legal and confidentiality requirements.



If we can provide further assistance or should you need additional information, please do not hesitate to contact me.

c: F. King Alexander, President  
Richard Koubek, Executive Vice President and Provost  
A.G. Monaco, Associate Vice President Human Resource Management  
Donna Torres, Associate Vice President Accounting Services  
Todd Queen, Dean School of Music  
James Marchand, Office of General Counsel  
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