

STATE OF LOUISIANA, DIVISION OF  
ADMINISTRATION, OFFICE OF RISK  
MANAGEMENT

546704  
NUMBER: SECTION/DIVISION:

SEC. 24

19<sup>TH</sup> JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

**CHENNEL LITE CLARK a/k/a  
CHENNEL LITE, ALFRED CLARK,  
JPMORGAN CHASE BANK, N.A.  
and HANCOCK BANK OF LOUISIANA**

STATE OF LOUISIANA

**PETITION**

NOW COMES, through its undersigned counsel, the STATE OF LOUISIANA,  
DIVISION OF ADMINISTRATION, OFFICE OF RISK MANAGEMENT (“ORM”), which  
respectfully represents:

1.

Made defendants herein are the following:

(a) CHENNEL LITE CLARK a/k/a CHENNEL LITE (“Chennel”), a major  
domiciled in the Parish of East Baton Rouge;

(b) ALFRED CLARK (“Alfred”), a major domiciled in the Parish of East Baton  
Rouge;

(c) JPMORGAN CHASE BANK, N.A. (“Chase Bank”), a foreign financial  
institution licensed to do business in Louisiana with its primary business office located in  
East Baton Rouge Parish and a successor in interest to Bank One, N.A. (“Bank One”);

(d) HANCOCK BANK OF LOUISIANA (“Hancock Bank”), a domestic financial  
institution licensed to do business in Louisiana with its primary business office located in  
East Baton Rouge Parish.

2.

ORM is part of the Division of Administration, which is part of the Governor’s office.

La. R.S. 39:1528; La. R.S. 36:4(B)(1)(a).

3.

The duties and responsibilities of ORM include but are not limited to the administration  
of the State of Louisiana’s risk management program and the negotiation, compromise, and  
settlement of all claims against the State of Louisiana or its agencies covered by the Self-  
Insurance Fund, and all tort claims against the State of Louisiana or its agencies whether or not  
covered by the Self-Insurance Fund. La. R.S. 39:1535(B)(1) and (6).

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4.

Chennel was hired as Insurance Claims Examiner for ORM on April 1, 2002.

5.

On March 17, 2003, Chennel was promoted to Risk Adjustor I and on August 11, 2005, she was promoted to Risk Adjustor III.

6.

During her tenure at ORM, Chennel was responsible for general liability, road hazard, and worker compensation claims. Her job duties included reviewing loss notices, verifying claim data, processing claims, and authorizing claim payments.

7.

Upon information and belief, from December 11, 2002, to August 13, 2005, Chennel falsified contact with at least fifty claimants on claims that were nearing their respective prescription dates. On at least fifty claims, Chennel alleged that she had made contact and reached a settlement with the claimant.

8.

Chennel utilized the new STARS computer system to direct the delivery of the settlement check of each claimant to an address that was controlled by her husband, Alfred Clark, or herself. Once the settlement check was in their possession, Chennel and/or her husband would forge the signatures of the claimants, negotiate the checks to the gain of Chennel and her husband, Alfred Clark, and destroy the claims files to prevent an audit of the claim by Chennel's supervisor at ORM.

9.

ORM discovered Chennel's fraudulent scheme on September 20, 2005, when an ORM employee noted that a claimant on the Grambling State University loss listing report did not appear to have received payment. Upon examining the cancelled ORM check to the claimant, the employee noted a second endorsement on the check. The second endorsement was "Chennel Lite", the ORM examiner for the claim. ORM immediately began to investigate all claims processed by Chennel.

10.

ORM's investigation revealed that from December 11, 2002, to August 13, 2005, fifty claim checks out of ORM's Banc One account had second endorsements, with forty having the name "Chennel Lite" and ten with the name "Alfred Clark", Chennel's husband, as the second endorsement. All of the fifty checks had the forged or unauthorized endorsements of the payees.

11.

Forty-four of the fifty claim checks were mailed to addresses linked to Chennel. Specifically, twenty-eight were mailed to four post office boxes in the name of Chennel Lite. Each of these four post office boxes was established within a week of the first claim check addressed to the post office box. Four claim checks were mailed to two post office boxes in the name of Alfred Clark. Twelve of the claim checks were mailed to the residential addresses of Chennel, Margueritte Lite, or Alfred Clark.

12.

All forty of the claim checks with second endorsements "Chennel Lite" were deposited into Chennel's personal checking account at, and honored by, Hancock Bank. Those forty claims checks totaled \$79,613.52, which amount Bank One debited from ORM's account.

13.

The ten claim checks with second endorsements "Alfred Clark" totaled \$31,152.58, which amount Banc One debited from ORM's account.

14.

In falsely and fraudulently processing the aforementioned fifty claims and in misappropriating and, without authority, dispossessing ORM of the sum of \$110,766.10, Chennel is liable in conversion to ORM in the sum of \$110,766.10, plus interest and damages.

15.

Alfred Clark is liable in solido with Chennel to ORM for wrongfully dispossessing ORM of its money and/or acquiring, without authority, possession of money belonging to ORM.

16.

As the payor bank which honored and negotiated the unauthorized or forged checks endorsed by Chennel and/or her husband, Alfred Clark, Chase Bank, as the successor in interest to Bank One, is jointly liable with Chennel and Alfred Clark for the total sum of \$110,766.10 plus interest.

17.

As the depository bank which honored the unauthorized and forged endorsements on checks totaling the sum of \$79,613.52, Hancock Bank is jointly liable to ORM with Chennel, Alfred Clark and Chase Bank in the sum of \$79,613.52 plus interest.

18.

Although all of the payees on the checks had made claims against ORM, Chennel did not intend that any person identified as the payee on the checks was to have any interest in the checks paid.

19.

Chase Bank and Hancock Bank lacked or failed to follow standards for the verification of checks and failed to adhere to reasonable commercial standard prevailing in the area, resulting in the wrongful dispossession of money belonging to ORM.

20.

Chase and Hancock failed to exercise ordinary care by honoring checks which should have alerted them of the fraudulent scheme described above, resulting in the wrongful dispossession of money belonging to ORM.

**WHEREFORE**, petitioner, the State of Louisiana, Division of Administration, Office of Risk Management, respectfully prays that following due proceedings herein, there be Judgment in its favor and against Chennel Lite Clark a/k/a Chennel Lite, Alfred Clark, JPMorgan Chase, Bank, N.A., and Hancock Bank of Louisiana for such damages as are reasonable in the premises, attorney fees, together with all legal interest, court costs, and all general and equitable relief to which Petitioner may be entitled.

RESPECTFULLY SUBMITTED:

By: 

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**PLEASE SERVE:**

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Baton Rouge, LA 70805

Alfred Clark  
4650 Jean Street  
Baton Rouge, LA 70805

JPMorgan Chase Bank, N.A.  
Through its Agent for Service:  
CT Corporation Systems  
8550 United Plaza Blvd., Suite 504  
Baton Rouge, LA 70809

Hancock Bank of Louisiana  
Through its Registered Agent for Service:  
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2600 CitiPlace Drive  
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