

STATE OF LOUISIANA LEGISLATIVE AUDITOR

City of Westwego
Westwego, Louisiana

November 28, 2001



Investigative Audit

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

LEGISLATIVE AUDIT ADVISORY COUNCIL

MEMBERS

Representative Edwin R. Murray, Chairman

Senator J. "Tom" Schedler, Vice Chairman

Senator Robert J. Barham

Senator Foster L. Campbell, Jr.

Senator Lynn B. Dean

Senator Willie L. Mount

Representative Rick Farrar

Representative Victor T. Stelly

Representative T. Taylor Townsend

Representative Warren J. Triche, Jr.

LEGISLATIVE AUDITOR

Daniel G. Kyle, Ph.D., CPA, CFE

DIRECTOR OF INVESTIGATIVE AUDIT

Daryl G. Purpera, CPA, CFE

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Fifty-two copies of this public document were produced at an approximate cost of \$72. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.state.la.us.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225/339-3800.

City of Westwego

November 28, 2001



**Investigative Audit
Office of the Legislative Auditor
State of Louisiana**

**Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor**

Table of Contents

	Page
Executive Summary	1
Background and Methodology.....	5
Finding:	
Materials and Supplies Double Billed or Unaccounted for.....	7
Recommendation	13
Attachment I - Management's Response.....	15



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

November 28, 2001

**THE HONORABLE ROBERT BILLIOT, MAYOR,
AND MEMBERS OF THE CITY COUNCIL
CITY OF WESTWEGO
Westwego, Louisiana**

Transmitted herewith is our investigative report on the City of Westwego. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our finding and recommendation, as well as your response. Copies of this report have been delivered to the City of Westwego; the Honorable Paul D. Connick, Jr., District Attorney for the Twenty-Fourth Judicial District of Louisiana; and others as required by state law.

Respectfully submitted,

A handwritten signature in black ink, reading "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

SED:SLC:DGP:dl

[WESTWEG001]

Executive Summary

Investigative Audit Report City of Westwego

Highlights. . .

The Legislative Auditor received allegations of improprieties and assistance from the City of Westwego Police Department.

Materials and supplies totaling \$30,574 were either double billed to the City or cannot be accounted for by the City.

Background (See page 5.)

The City of Westwego was incorporated January 18, 1919, according to the provisions of the Lawrason Act. The City operates under a Mayor and City Council form of government. The City is comprised of five councilmen who are elected for terms of four years. The Mayor is elected to a four-year term. The City provides the following services as authorized by its charter: public safety (police and fire), streets, drainage, sanitation, health, social services, recreation, public improvements, planning and zoning, and general administrative services.

The Office of the Legislative Auditor received allegations of possible improprieties. This investigative audit was performed to determine the propriety of these allegations. We acknowledge the assistance provided during this investigative audit by the City of Westwego Police Department.

Finding (See page 7.)

City Superintendents Mr. Paul Bernard and Mr. Robert Utley indicated through signed statements that from June 13, 1995, through December 13, 2000, materials and supplies totaling \$30,574 were either double billed to the City or cannot be accounted for by the City. These materials and supplies, in many cases, were ordered by Mr. Albert "Blue" Foret, drop shipped to Mr. Foret's residence, paid for by the City, and then subsequently paid for a second time when included in Mr. Foret's bill to the City. Mr. Foret provides repair and fabrication work to the City through his business, LA Aluminum and Fabrication (LA Aluminum).

In addition, Mayor Robert Billiot, Mr. Bernard, and Mr. Utley entered into seven contracts with LA Aluminum in excess of \$7,500 without obtaining authorization from the City Council as required by City Ordinance No. 1116. We also noted one occasion where Mr. Bernard circumvented the state bid law in order to award a contract to LA Aluminum.

Recommendation (See page 13.)

The City should establish a formal system for purchasing. The City should also comply with all state laws and city ordinances.

We recommend that the City of Westwego establish a formal system for purchasing to include, at a minimum, the following:

- (1) purchases to be made by individuals independent of the department requesting the purchase;
- (2) consistent use of numbered purchase orders identifying the purpose of each purchase;
- (3) controls to ensure adequate funding is available;
- (4) procedures to ensure that the best possible price is obtained;
- (5) controls to ensure that all materials and supplies purchased are actually received and accounted for by the City; and
- (6) a review of contractors' agreements to ensure that materials and supplies are not paid for more than once.

The City should no longer allow any of its contractors to purchase materials and supplies on behalf of the City. Furthermore, the City should not allow any of its vendors to deliver materials and supplies purchased by the City to any contractors' places of business or residences unless alternative procedures are in place to ensure proper receipt. The City should also develop procedures to ensure compliance with all state laws and city ordinances. Finally, we recommend that the District Attorney for the Twenty-Fourth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

Management's Response (*See page 15.*)

Management is not aware of any double billing by LA Aluminum. The City is constantly striving to improve its system of internal controls over purchasing and will embrace the recommendations to strengthen the system.

Management discussed the report with Mr. Bernard and Mr. Utley in an effort to confirm the accusations presented. Mr. Bernard and Mr. Utley both insist that they are not aware of any "double billing" by LA Aluminum or any other contractors who performed services for the City of Westwego and they did not represent this to the Legislative Auditor. The invoices for materials and supplies dated months and even years earlier were presented to them for explanation of details that were not readily apparent from the documents. Mr. Bernard and Mr. Utley suspect that their lack of ability to confirm the details of those invoices from memory is being characterized in the report as "can not be accounted for by the City."

Management stated that the City is constantly striving to improve its system of internal controls over purchasing and will embrace the recommendations to strengthen the system. The City Council was presented a plan to designate the title of purchasing agent to a current city employee not directly associated with the public works or utility departments.

Other Information

On two separate occasions, both Mr. Utley and Mr. Bernard reviewed vendor invoices with representatives of the Legislative Auditor. On these occasions, Mr. Utley and Mr. Bernard provided specific detailed information regarding the invoices. This information indicated that the City was double billed for materials and supplies. Specific instances of double billing were discussed with Mr. Utley and Mr. Bernard and both agreed that the City was double billed. However, at this point, management has indicated, through its response, disbelief that double billing occurred. As a result, management's response does not include any indication that management will seek repayment of the public funds. We recommend that management reconsider the position it has taken in this matter.

Background and Methodology

The City of Westwego was incorporated January 18, 1919, according to the provisions of the Lawrason Act. The City operates under a Mayor and City Council form of government. The City is comprised of five councilmen who are elected for terms of four years. The Mayor is elected to a four-year term. The City provides the following services as authorized by its charter: public safety (police and fire), streets, drainage, sanitation, health, social services, recreation, public improvements, planning and zoning, and general administrative services.

The Office of the Legislative Auditor received allegations of possible improprieties. This investigative audit was performed to determine the propriety of these allegations. We acknowledge the assistance provided during this investigative audit by the City of Westwego Police Department.

The procedures performed during this investigative audit consisted of (1) interviewing employees and officials of the City; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the City; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable state laws.

The result of our investigative audit is the finding and recommendation herein.

Finding

Materials and Supplies Double Billed or Unaccounted for

City Superintendents Mr. Paul Bernard and Mr. Robert Utley indicated through signed statements that from June 13, 1995, through December 13, 2000, materials and supplies totaling \$30,574 were either double billed to the City or cannot be accounted for by the City. These materials and supplies, in many cases, were ordered by Mr. Albert "Blue" Foret, drop shipped to Mr. Foret's residence, paid for by the City, and then subsequently paid for a second time when included in Mr. Foret's bill to the City. Mr. Foret provides repair and fabrication work to the City through his business, LA Aluminum and Fabrication (LA Aluminum).

In addition, Mayor Robert Billiot, Mr. Bernard, and Mr. Utley entered into seven contracts with LA Aluminum in excess of \$7,500 without obtaining authorization from the City Council as required by City Ordinance No. 1116. We also noted one occasion where Mr. Bernard circumvented the state bid law in order to award a contract to LA Aluminum.

LA Aluminum, which is operated from Mr. Foret's garage, was paid \$562,653 for repair and fabrication work provided to the City during the period 1995 through January 4, 2001. Mr. Foret routinely purchased materials and supplies on behalf of the City. On at least 33 occasions, Mr. Foret was listed on the City's purchase order as the purchasing agent for the City (see purchase order at right). In addition, four of the City's vendors responsible for metal products confirmed that Mr. Foret was their contact for the City. We found numerous occasions where materials and supplies paid for by the City were drop shipped to Mr. Foret's residence (see invoice at right).

PURCHASE ORDER PURCHASE NO. 4308

To: Melco Steel DATE 11-18-97

Address: City of Westwego

1				
2				
3				
4				
5				
6				

FOR: STU PURCHASING AGENT

Blue Foret
415 AVE. "B"
Westwego, LA

Richard
PURCHASING AGENT

MELCO STEEL INC 915 2 4 11/18/97

P.O. BOX 579
 KENNER, LOUISIANA 70005
 504/488-3200

MEL-001
#8200

INVOICE
 No. 57576
 NOV 19 1997
 ORIGINAL

CITY OF WESTWEGO
PURCHASING DEPT.
419 AVE. "A"
WESTWEGO, LA 70194

Blue Foret
415 AVE. "B"
Westwego, LA

QTY	DESCRIPTION	UNIT PRICE	TOTAL
6	3x3x3/16" HR ANGLE-20'	\$1.00 ea	\$6.00
4	3" x 4.1" HR CHANNEL-20'	\$22.50 ea	\$90.00
1	1" x 3/16" x 2' x 20' GALV. SHEET PILE	\$156.00 ea	\$156.00
1	1" x 3/16" x 3' x 20' GALV. SHEET PILE	\$237.00 ea	\$237.00
			\$609.00

DEPT: Water Dept

Checked by: [Signature]
 Date: 11/18/97
 Approved by: [Signature]

PAID FROM [Signature]

VOUCHER No. 9225

Shipped By: _____ Packed By: _____ Written By: [Signature]

Mr. Bernard and Mr. Utley identified 68 invoices from supply companies for purchases of materials and supplies totaling \$30,574 that were either billed to the City by both the supply company and LA Aluminum or cannot be accounted for by the City. Of these 68 invoices, 19 invoices totaling \$13,578 are for materials and supplies that Mr. Foret's company was supposed to provide to the City. Therefore, by paying the vendors' invoices and paying LA Aluminum, the City paid for these items twice. Mr. Bernard and Mr. Utley were unable to account for the materials and supplies on the remaining 48 invoices totaling \$16,996.

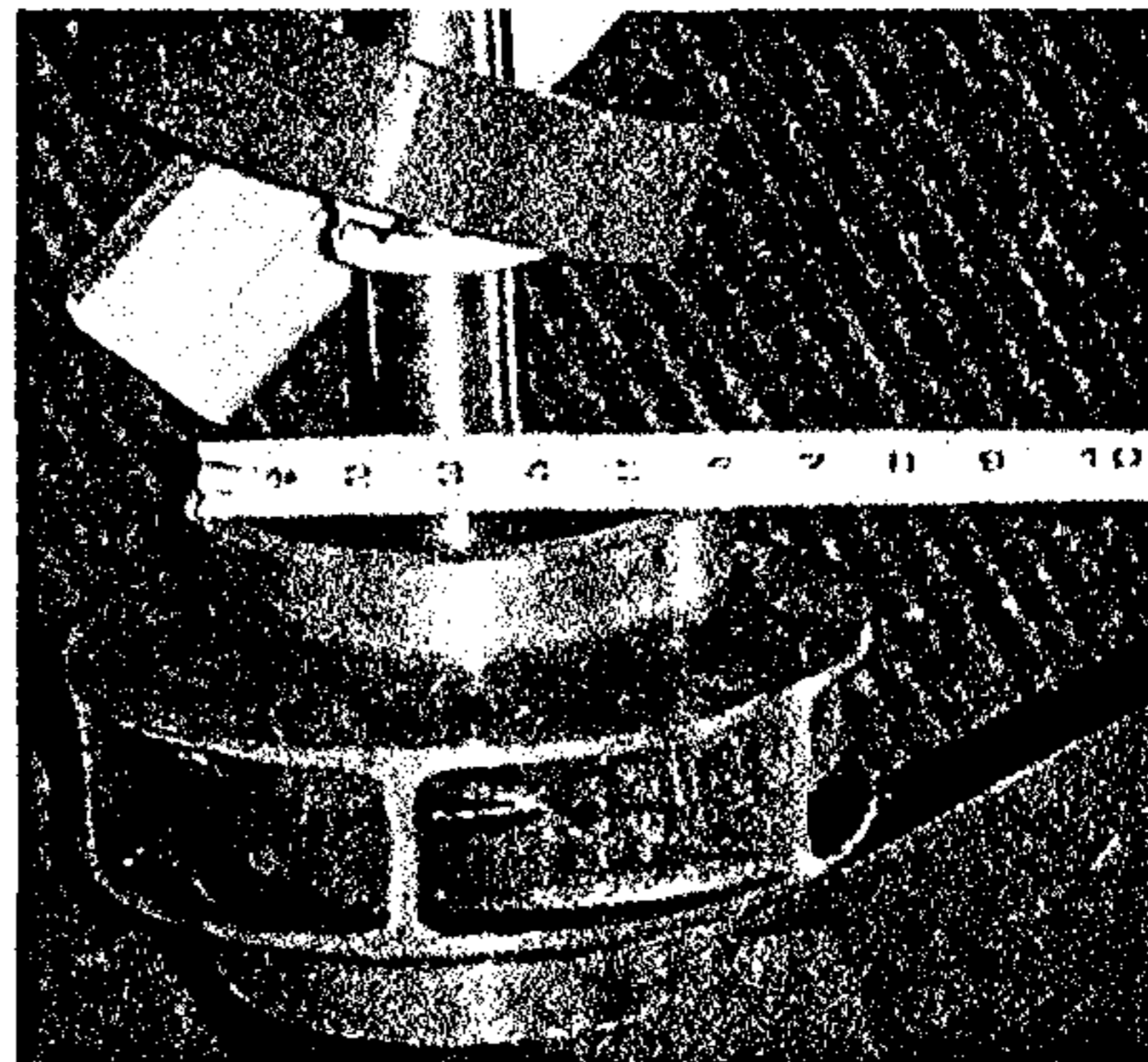
City policy requires that each department head approve invoices for his department prior to payment; however, we noted occasions where Mr. Utley would approve Mr. Bernard's department invoices and Mr. Bernard would approve Mr. Utley's department invoices. Mr. Bernard stated that his responsibilities include reviewing invoices for his department to ensure correctness and that the City is not double billed for any materials and supplies.

Examples of Double Billing

We found 19 invoices from supply companies totaling \$13,578 paid by the City that Mr. Bernard and Mr. Utley identified as containing materials and supplies that should have been provided by LA Aluminum. The following are examples of instances where the City paid both the supply company and LA Aluminum for the same materials and supplies.

Rotating Assembly

The City's water plant operates three pumps that are used to obtain water from the Mississippi River. Each pump contains a rotating assembly (*shown at right*) that on occasion must be replaced. Replacement rotating assemblies, once ordered, require three to six weeks for delivery. As a result, the City keeps an extra rotating assembly in inventory. City records indicate that two rotating assemblies were purchased during 2000, one in March and one in October.



Mr. Para stated that he saw Mr. Foret take the rotating assembly from the City's inventory and install it in the pump at the river.

Mr. Lawrence Para, water plant operator, stated that the rotating assemblies were changed in two of the City's three pumps during 2000. Mr. Para stated that he and two other City employees replaced one of the rotating assemblies in January or February of 2000 with a rotating assembly from the City's inventory. The City's inventory was replenished with the March 2000 purchase of a rotating assembly from D&L Pumps, Inc., for \$5,399. Mr. Para stated that during October 2000, Mr. Foret replaced the rotating

assembly in the second pump. Mr. Para stated that he saw Mr. Foret take the rotating assembly from the City's inventory and install it in the pump at the river.

On October 20, 2000, LA Aluminum billed the City \$7,425 to furnish all material and labor to install a new rotating assembly (see invoice at right). On October 30, 2000, the City received another rotating assembly from D&L Pumps, Inc., at a cost of \$6,079 to replace the one taken from inventory by Mr. Foret. Though Mr. Foret billed the City for supplying a pump assembly, we could find no evidence that he ever purchased a pump assembly. Therefore, it appears as though Mr. Foret charged the City

Mr. Foret stated that he did not use the rotating assembly from the City's inventory.

for a rotating assembly that the City already owned.

In an interview on March 9, 2001,

Mr. Foret stated that he did not use the rotating assembly from the City's inventory; however, Mr. Foret stated that he would not tell us

where he purchased the rotating assembly he used. Mr. Bernard stated that the City did not have a rotating assembly in stock at the time Mr. Foret performed this work, so Mr. Foret obtained and installed an off-brand rotating assembly.

Aluminum Elbows

Mayor Robert Billiot stated that he entered into an agreement with Mr. Foret to install aluminum handrails at the sewer plant.

According to Mayor Billiot, Mr. Foret was supposed to furnish all materials and labor. The total amount paid to LA Aluminum from January 2000 through August 2000 for the handrails was \$60,061. LA Aluminum's initial invoice indicates that all materials and labor were included in the cost (see invoice at left).

According to Mayor Billiot, Mr. Foret was supposed to furnish all materials and labor.

LA Aluminum & Steel Fab.

418 Avenue "B"
Westwego, LA 70084
(504) 841-8245

• MARINE
• INDUSTRIAL
• COMMERCIAL
• ALL METAL
&
ALUMINUM
WORKS

#000007 In: 102000

Date 10-20-00

Name City of Westwego Water Works
Address Old Pump House Post 1488

Quantity	DESCRIPTION	AMOUNT
	Install new rotating assembly for Fairbanks-Morse 6" figure 5821 pump, 9 1/4" bronze impeller counter clockwise rotation furnishing all material & labor	
SEWERAGE ACCOUNT OPERATION - MAINTENANCE SEE INVOICES ATTACHED		
CREDITED BY: <u>with</u>		
DATE: <u>1-27-01</u>		
PAID FROM SEWERAGE OPERATIONS ACCOUNT		
AMOUNT: <u>7425</u>		
	SUB TOTAL	
	TAX	
	TOTAL	\$ 7425 00

THIS IS A STATEMENT OF YOUR ACCOUNT
PROMPT PAYMENT IS APPRECIATED. NET 10 DAYS

LA Aluminum & Steel Fab.

418 Avenue "B"
Westwego, LA 70084
(504) 841-8245

• MARINE
• INDUSTRIAL
• COMMERCIAL
• ALL METAL
&
ALUMINUM
WORKS

00829

Date 1-27-01

Name City of Westwego Waste Water Treatment
Address _____

Quantity	DESCRIPTION	AMOUNT
	Partial payment for materials to remove handrails and install new handrails	\$ 31,420 51
SEWERAGE ACCOUNT OPERATION - MAINTENANCE SEE INVOICES ATTACHED		
CREDITED BY: <u>with</u>		
DATE: <u>1-27-01</u>		
PAID FROM SEWERAGE OPERATIONS ACCOUNT		
AMOUNT: <u>7425</u>		
	SUB TOTAL	
	TAX	
	TOTAL	\$ 31,420 51

THIS IS A STATEMENT OF YOUR ACCOUNT
PROMPT PAYMENT IS APPRECIATED. NET 10 DAYS

However, on April 5, 2000, Mr. Foret ordered 100 aluminum elbows totaling \$1,185 from Sunbelt Supply Company in the name of the City (see invoice below). The City paid this invoice on May 3, 2000. The City's purchase order indicates that these elbows were used for the sewer

department's handrails (see purchase order below). By paying LA Aluminum to provide materials and paying Sunbelt Supply Company, the City paid for the aluminum elbows twice.

INVOICE SUN-001

SUNBELT SUPPLY CO.
P.O. BOX 441875
DALLAS TX 75284-1875

Invoice # 455857
Invoice Date 04/05/00
Printed At 10:43:09 AM APR 2000

Sold To CITY OF MO
1419 AVENUE G
MOBILE, LA 70003

Shipped To
CITY OF MOBILE
1419 AVENUE G
MOBILE, LA 70003

Order # 7437654-1
Order Date 04/05/00
Order Number 100001
Order By 181JH

Order	Ship	Unit	Price	Ext
1	100	100	\$11.85	1,185.00
Description: 11 1/2" N/A0 ALUMINUM ELBOW				

Net Price 1,185.00
Extended Price 1,185.00

Terms of sale are 1/10, net 30.
If you pay this invoice by 04/15/00, you may take a discount of 5.2%.

Total Net Amount 1,185.00
Tax 0.00
Inbound Freight 0.00
Handling 0.00
Deposit 0.00
Invoice Amount 1,185.00

ORIGINAL

SEWERAGE ACCOUNT OPERATION - MAIN CHANCE
SEE INVOICES ATTACHED
Checked by: [Signature]
Date: 5-2-00
Approved by: [Signature]
LEAD FROM SEWERAGE ACCOUNT
7/2/00

Ordered By 181JH

Unaccounted for Materials

As stated previously, Mr. Bernard and Mr. Utley were unable to account or provide an explanation for materials and supplies purchased on 48 invoices totaling \$16,996. The materials and supplies listed on these 48 invoices were, in many cases, drop shipped to Mr. Foret's residence. The invoices do not contain enough information to identify on what jobs LA Aluminum may have used the materials and supplies. Without any identifying information there is no assurance that the City was responsible for paying the invoice or that LA Aluminum should not have provided the materials and supplies. In addition, since LA Aluminum has customers other than the City, there is no assurance that these materials and supplies were used on City projects.

PURCHASE ORDER No. 00803

To: Sunbelt Supply Company
Address: 1419 Avenue G, Mobile, LA 70003
Date: 3-7-00

Item	Description	Quantity	Unit Price	Total Price
1	90° elbows for hand rails			

Sewer Dept. [Signature]

Violations of City Ordinance

Effective February 8, 1999, City Ordinance No. 1116 provides that any expenditure by the City for materials, supplies, construction, material improvements, maintenance or public work projects in excess of \$7,500 shall require council approval at a public hearing before obligating the City.

Mayor Billiot stated that he did not obtain approval from the City Council before obligating the City for the \$60,061 sewer handrail contract. Mayor Billiot added that this

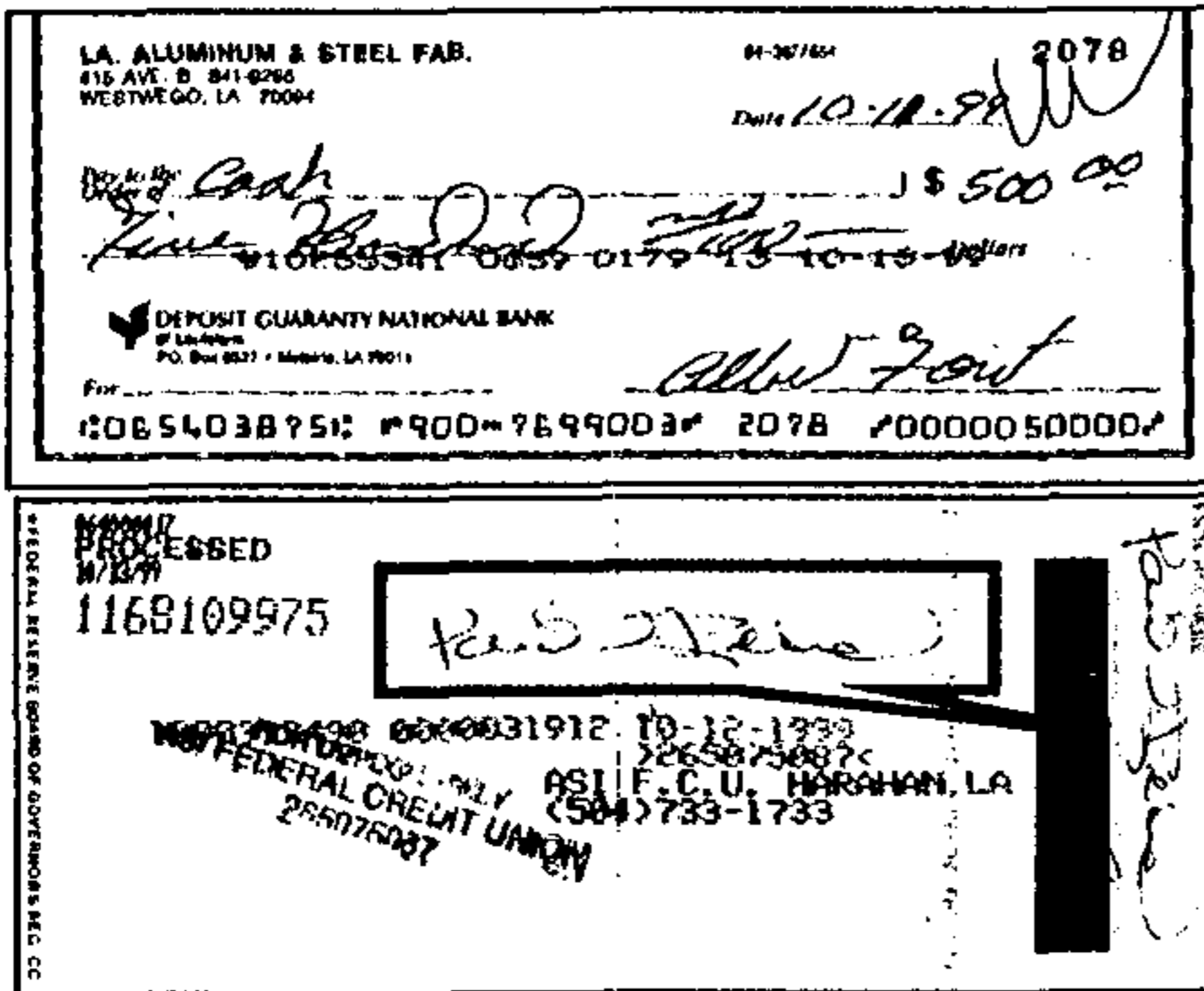
At the July 9, 2001, City Council meeting, the City Council repealed this ordinance claiming it's unworkable from a technical aspect.

ordinance has not been complied with for any vendor. From July 30, 1999, through January 4, 2001, Mayor Billiot, Mr. Bernard, and Mr. Utley entered into seven contracts on behalf of the City with LA Aluminum ranging from \$8,800 to \$101,047 that were not approved in accordance with this ordinance. We brought this to Mayor Billiot's attention on June 28, 2001. At the July 9, 2001, City Council meeting, the City Council repealed this ordinance claiming it's unworkable from a technical aspect.

Bid Law

R. S. 38:2212 provides, in part, that all public works exceeding the contract limit of \$100,000, including materials and labor, to be done by a public entity shall be advertised and let by contract to the lowest responsible bidder. From May 17, 2000, through January 4, 2001, the City paid LA Aluminum \$152,186 to perform repair and fabrication work at the sewer department on two clarifiers. Mr. Bernard stated that he knew both clarifiers needed repair and fabrication work and that he was aware the total cost would exceed \$100,000. Mr. Bernard stated that, although he knew the work on the clarifiers should have been bid out, he split the job up so that the individual cost of each clarifier would not exceed \$100,000.

Payment to Mr. Bernard



Mr. Bernard admitted that he endorsed the check and deposited it into his personal bank account.

Mr. Bernard repeatedly denied receiving anything of value from Mr. Foret or LA Aluminum; however, we found a \$500 check from LA Aluminum that was deposited into Mr. Bernard's bank account. The check, dated October 11, 1999, was made payable to cash. Mr. Bernard admitted that he endorsed the check and deposited it into his personal bank account. On July 11, 2001, Mr. Bernard stated to us that he could not recall the purpose of the check, but he was 99% sure that it was repayment of a loan that he made to Mr. Foret. On the following day, Mr. Bernard stated that he was 99% sure that the check was for a truck rack that Mr. Foret purchased from him. Mr. Bernard was unable to provide any documentation for the sale of a truck rack. In addition, when asked about the location of the truck rack, Mr. Bernard stated that he was currently using it because Mr. Foret loaned it back to him.

These actions indicate possible violations of one or more of the following state laws:

- R.S. 14:67, "Theft"¹
- R.S. 14:134, "Malfeasance in Office"²

The actual determination as to whether individuals are subject to formal charge is at the discretion of the district attorney.

¹ **R.S. 14:67** provides, in part, that theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations.

² **R.S. 14:134** provides, in part, that malfeasance in office is committed when any public officer or public employee shall (1) intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; (2) intentionally perform any such duty in an unlawful manner; or (3) knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him or to perform any such duty in an unlawful manner.

Recommendation

We recommend that the City of Westwego establish a formal system for purchasing to include, at a minimum, the following:

- (1) purchases to be made by individuals independent of the department requesting the purchase;
- (2) consistent use of numbered purchase orders identifying the purpose of each purchase;
- (3) controls to ensure adequate funding is available;
- (4) procedures to ensure that the best possible price is obtained;
- (5) controls to ensure that all materials and supplies purchased are actually received and accounted for by the City; and
- (6) a review of contractors' agreements to ensure that materials and supplies are not paid for more than once.

The City should no longer allow any of its contractors to purchase materials and supplies on behalf of the City. Furthermore, the City should not allow any of its vendors to deliver materials and supplies purchased by the City to any contractors' places of business or residences unless alternative procedures are in place to ensure proper receipt. The City should also develop procedures to ensure compliance with all state laws and city ordinances. Finally, we recommend that the District Attorney for the Twenty-Fourth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution.

Attachment I

Management's Response



CITY OF WESTWEGO

419 AVENUE A
WESTWEGO, LOUISIANA 70094
CITY HALL (504) 341-3424
CITY HALL FAX (504) 341-8941
MAYOR'S OFFICE (504) 347-5745
CHIEF OF POLICE'S OFFICE (504) 341-5428

OFFICERS:

ROBERT E. BILLIOT
MAYOR
DWAYNE J. MUNCH, SR.
CHIEF OF POLICE
MAURICE T. BOURGEOIS, JR.
CITY CLERK
TAX COLLECTOR
TREASURER

COUNCILMEN:

GLENN GREEN, DIST. 1
TED J. MUNCH, DIST. 2
LISA H. VALENCE, DIST. 3
MELVIN J. GUIDRY, DIST. 4
GARRISON J. TOUPS, SR., DIST. 5

CITY ATTORNEY:

JOHN J. MOLAISSON, JR.

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

November 20, 2001

Dear Dr. Kyle,

Thank you for allowing me the opportunity to respond to the draft copy of your report dated November 7, 2001. In that regard, I offer the following;

I discussed the report with Mr. Paul Bernard and Mr. Robert Utley in an effort to confirm the accusations presented. Mr. Bernard is the City Superintendent in charge of the Waterworks and Wastewater treatment plants and Mr. Utley is the overall City Superintendent. Both superintendents insist that they are not aware of any "double billing" by LA Aluminum or any other contractors who have performed services for the City of Westwego and that they did not represent this to your auditors. They also stated that invoices for materials and supplies dated months and even years earlier were presented to them for an explanation of details that were not readily apparent from the documents. They suspect that their lack of ability to confirm the details of those invoices from memory is being characterized in your report as "can not be accounted for by the City".

It is correct that Mr. Albert "Blue" Foret has provided repair and fabrication work to the City through his business, LA Aluminum and Fabrication (LA Aluminum). It is also correct that in many cases, materials were ordered by Mr. Foret for The City of Westwego and delivered to his fabrication shop, which is bears the same municipal address as his residence. The City has, in the past, contracted with LA Aluminum and Fabrication to provide all materials and labor, to provide labor only (with The City providing all materials), and in other cases to provide the labor and some of the materials.

The City is constantly striving to improve its system of internal control over purchasing and will embrace your recommendations to strengthen the system. At the City meeting held on

November 12, 2001, I presented a plan to the City Council that will designate the title of purchasing agent to a current city employee not directly associated with the public works or utility departments. We are currently accepting applications to fill this position. This employee will be entrusted with the authority and responsibility to make purchases from request forms submitted by the departments, ensure that adequate funding is available, develop procedures to ensure that the best possible price is obtained, and review contractors agreements to ensure that materials and supplies are received prior to approval for payment. The purchasing agent will work closely with the City Clerk to ensure compliance with all state laws and city ordinances.

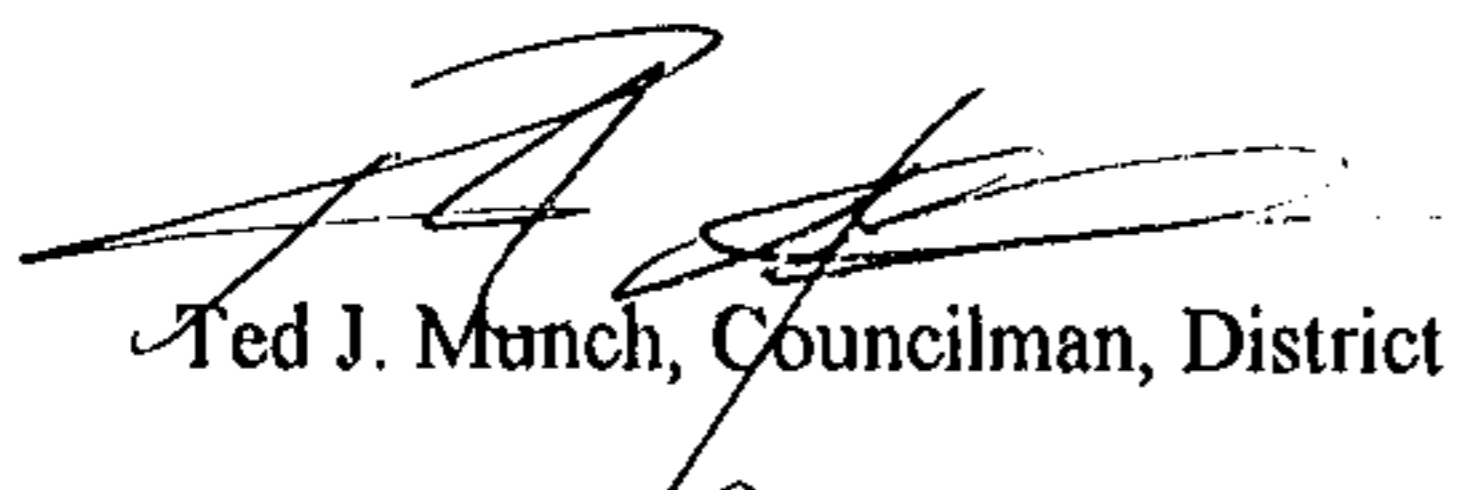
In reference to the comments made concerning violations of City Ordinance No. 1116 requiring council approval at a public hearing before obligating the City, your report correctly states that the ordinance was repealed at the July 9, 2001 public meeting as being unworkable from a technical aspect. The ordinance became effective in 1999 and although the repairs to the plants were discussed at public meetings, there were no public hearings held to approve expenditures for this or any other purpose.

In response to your findings regarding a bid law violation, this matter was reported in our annual audit report as of and for the year ending December 31, 2000. As stated above, we will require that the newly designated purchasing agent work closely with the City Clerk to ensure compliance with all state laws and city ordinances.

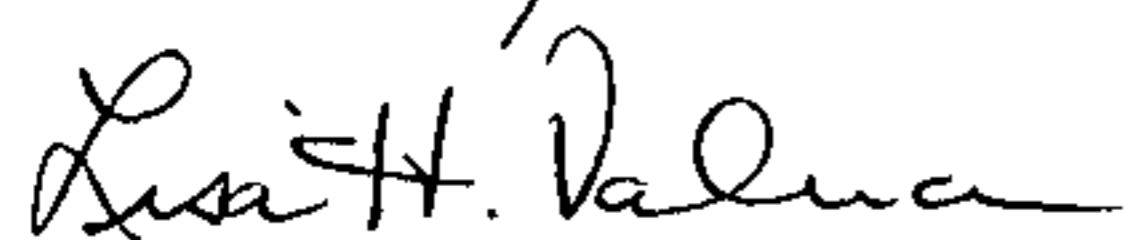
Finally, I discussed with Mr. Bernard your comments about the \$500 payment from Mr. Foret. He contends that the payment was for the sale of his personal truck rack to Mr. Foret in October of 1999. On January 25, 2001, in response to a completely different matter, I sent a memo to all City employees with a form requiring them to disclose any type of outside employment for purposes of cross referencing with a list of City contractors. Mr. Bernard's response was that no outside employment, including interest in any work, business, or contract existed at that date. This transaction occurred before that date and Mr. Bernard assures me that no similar transactions have occurred since.



Glenn Green, Councilman, District 1



Ted J. Munch, Councilman, District 2

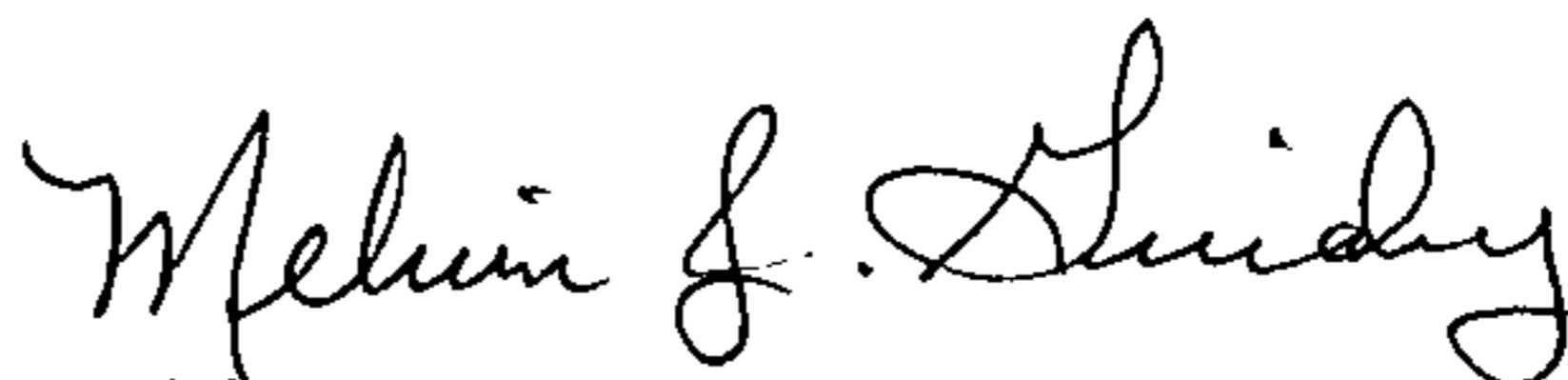


Lisa H. Valence, Councilwoman, District 3

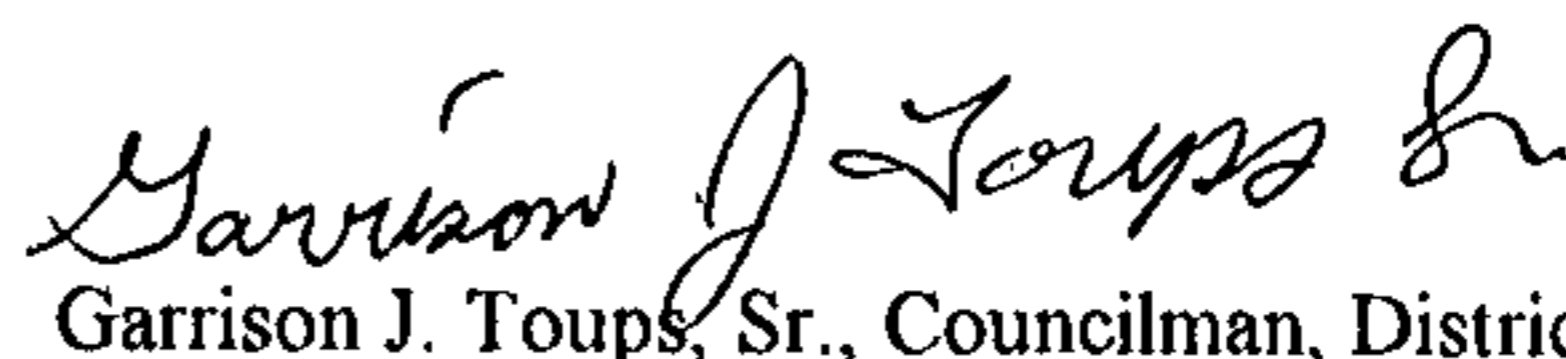
Sincerely,



Robert E. Billiot, Mayor



Melvin J. Guidry, Councilman, District 4



Garrison J. Toups, Sr., Councilman, District 5