

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Ouachita Parish Police Jury
Monroe, Louisiana

February 12, 2003



Investigative Audit

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Daryl G. Purpera, CPA, CFE

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February 12, 2003

**HONORABLE DARYLL BERRY, PRESIDENT,
AND MEMBERS OF THE OUACHITA PARISH
POLICE JURY**
Monroe, Louisiana

Transmitted herewith is our investigative report of the Ouachita Parish Police Jury. 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 findings and recommendations, as well as your response. Copies of this report have been delivered to the Honorable Jerry L. Jones, District Attorney for the Fourth Judicial District of Louisiana, and other authorities as required by state law.

Respectfully submitted,

A handwritten signature in black ink, which appears to read "Grover C. Austin". The signature is fluid and cursive.

Grover C. Austin, CPA
First Assistant Legislative Auditor

DGP:SLC:SED:ss

[OUAPI03]

Executive Summary

Investigative Audit Report Ouachita Parish Police Jury

Findings *(See pages 11 through 27.)*

Chemical Products Purchased at Excessive Prices

From June 23, 2000, to July 10, 2002, the Ouachita Parish Police Jury (Police Jury) Public Works Department (Public Works) purchased chemical products totaling \$42,488 from Prince Chemical Sales. Based on independent quotes from local vendors, Public Works paid \$23,296 in excess of the lowest available prices for similar products from the local vendors. Police Jury policy requires competitive quotes for all purchases with the intent to obtain the best possible price.

Mr. Jerry Johnson, shop foreman, and Mr. Flynn Jones, purchasing agent, circumvented the Police Jury's purchasing policy by using competitive quotes obtained after the purchase and/or accepting fraudulent quotes from Prince Chemical Sales' owner, Ms. Serena Prince. In addition, Mr. Johnson admitted that he knew Prince Chemical Sales billed for items not actually received by the Police Jury.

Trucking Contractor Given Favorable Treatment

It appears that Mr. Mike Adams, assistant director of Public Works, gave favorable treatment to Dennis Carpenter Trucking when awarding Public Works contracts to haul materials. During the period February 9, 1999, to July 19, 2001, the Police Jury paid Dennis Carpenter Trucking \$158,600 to haul materials for Public Works. During this same period, the next three highest paid trucking contractors received \$38,367; \$22,790; and \$10,640. Mr. Adams hired the trucking contractors and personally approved payments totaling \$104,914 to Dennis Carpenter Trucking.

Mr. Adams stated that since 1999, he has received between \$3,000 and \$5,000 per year in cash from Mr. Dennis Carpenter, owner of Dennis Carpenter Trucking. Mr. Adams stated that he received this cash for part-time work that he provided to Mr. Carpenter. In addition, Mr. Adams stated that Mr. Carpenter gave him three truckloads of rock that he valued at between \$900 and \$1,200 and the use of a trackhoe that he valued at \$1,200. We reviewed records from Dennis Carpenter Trucking and could find no evidence that Mr. Adams provided any services for the cash he received. Mr. Carpenter stated that Mr. Adams performed part-time work for him and then eventually stated that he had nothing more to say.

Unaccounted for Road Materials

As part of cooperative endeavors with the State of Louisiana Department of Transportation and Development (DOTD), DOTD gave the Police Jury 10,543 cubic yards of reclaimed asphalt pavement (RAP) to be used for construction and maintenance of parish roads. Approximately 1,743 cubic yards of this RAP is unaccounted for by the Police Jury. According to a local contractor and the parish engineer, the value of RAP is approximately \$20 per cubic yard; therefore, the Police Jury cannot account for approximately \$34,860 of road materials.

In addition, the cooperative endeavor provided that DOTD would transport the RAP to the Police Jury's storage facility free of charge if the distance was less than the distance to DOTD's storage facility. Although the distance to the Police Jury's storage facility is less than to DOTD's storage facility, the Police Jury hired independent contractors to haul a portion of the RAP. As a result of this decision, the Police Jury incurred an additional cost of \$7,970.

Police Jury Paved Private Roads

In 2000, the Police Jury spent \$96,070 to pave four private roads within the parish. These private roads consisted of the following:

1.	Lonewa Road	\$46,818
2.	McGowen Road Extension	\$14,877
3.	Camel Road	\$4,212
4.	Canaan Drive	\$30,163

These four private roads were not being maintained by the Police Jury and did not serve a public purpose that was in the best interest of the parish. However, two of these roads, Lonewa and Camel, were added to the inventory of parish roads on January 14, 2000, and were thus approved on January 31, 2000, by the Police Jury to be paved.

Leased Equipment Used on Private Property

During 2001, Mr. Frederick "Bo" Boyte, then director of Public Works, entered into a personal contract to clear approximately nine acres of private property. Mr. Boyte personally leased a John Deere 750 bulldozer from June 15, 2001, through June 21, 2001. Mr. Todd Dumas, Police Jury employee, stated that on June 15, 2001, Mr. Boyte instructed him to pick up the bulldozer from Nortrax while on public time and deliver it to the private property. On June 23, 2001, the Police Jury leased the same bulldozer from Nortrax for the period June 23, 2001, through July 24, 2001. However, Mr. Boyte continued to use the bulldozer on the private property. The Police Jury did not begin using the bulldozer until July 12, 2001. The estimated cost to the Police Jury for leasing the bulldozer prior to the time it was needed and for providing diesel and employees is approximately \$1,828.

Employees Perform Work at Juror's House

At the direction of management, two Police Jury employees rented equipment and cleared a sewer line at Police Juror King Dawson's residence while on Police Jury payroll and using Police Jury funds.

Vehicle Disabled Prior to Public Auction

According to Mr. Jerry Johnson, shop foreman, Mr. Bo Boyte, former director of Public Works, instructed him to disable a Public Works' truck and remove the winch and "headache" rack, which therefore lowered the value of the truck. The truck was subsequently sold by the Police Jury at a public auction and was purchased by former Police Juror Royce Calhoun for \$4,650. Mr. Johnson stated that after the auction he was instructed by Mr. Boyte to repair the truck and place the winch and "headache" rack in the back of the truck. Mr. Johnson estimated that the value of the truck, winch, and "headache" rack at the time of the auction was approximately \$8,000.

Funds From Sale of Public Equipment Given to Candidate's Campaign

On September 28, 1999, an accessory for a trackhoe, referred to as a thumb attachment, that belonged to the Police Jury was sold to ARKLA Recycling for \$2,500. Mr. Isaac Luffey, owner of ARKLA Recycling, stated that Mr. Frederick "Bo" Boyte, former director of Public Works, instructed him to make the check payable to Mr. Royce Calhoun who at the time was a police juror. The check was negotiated on October 1, 1999, and is listed as a campaign contribution on Mr. Calhoun's Candidate's Report for State Representative.

Fire Chief Received Mileage Reimbursement for Use of Public Vehicle

During the period January 1996, through October 2002, Mr. Don Nugent, Ouachita Parish fire chief, received personal mileage reimbursements from the Firefighters' Retirement System of Louisiana (Retirement System) totaling \$8,464 while traveling in a Police Jury vehicle and/or using a Fuelman credit card owned by the Police Jury. Chief Nugent reimbursed the Police Jury for the \$8,464 in mileage payments he received from the Retirement System after a public records request was made for his expense records on October 28, 2002. In addition, on October 30, 2002, Chief Nugent reimbursed the Police Jury \$81 for the rental of a vehicle from Thrifty Car Rental of Baton Rouge that he charged to a Police Jury credit card.

Employee Took 4-Wheeler

Mr. Jerry Johnson, shop foreman, took the Police Jury's 1993 Yamaha Kodiak 4-wheeler in a public vehicle to Union Parish and gave it to a friend of his for personal use. The current retail value of the 4-wheeler is \$2,165. According to Mr. Johnson, Mr. Frederick "Bo" Boyte, former director of Public Works, instructed him to make the 4-wheeler disappear.

Recommendations (See pages 29 through 30.)

We recommend the following:

1. The Ouachita Parish Police Jury (Police Jury) should centralize its purchasing function and implement policies and procedures to ensure that the Materials and Supplies Purchasing Policy is followed. At a minimum, the purchasing agents should do the following:
 - Obtain required documentation before making purchases
 - Keep records of supporting documentation on file
 - Prepare accurate receiving reports to document delivery of all products
 - Ensure orders are received before payment is made
2. The Police Jury should implement policies and procedures to ensure that Police Jury employees and jurors disclose any relationship with vendors doing business with Ouachita Parish. Furthermore, employees having a relationship with such vendors should not be allowed to approve or influence the purchase of any products or services offered by the vendor.
 - The Police Jury should consider requiring both employees and jurors to provide an annual certification of these relationships.
3. The Police Jury should implement a system to ensure that all contracts including trucking companies are competitively bid to obtain the best possible price.
4. The Police Jury should not accept or pay invoices from trucking companies that have vague information. The invoices, at a minimum, should contain the following:
 - Date and time of haul
 - Specific description and amount of materials hauled
 - Specific equipment, such as truck number and driver, used to haul the materials
 - Exact location of pick-up and delivery of materials
5. The Police Jury should have accountability over the receipt and usage of reclaimed asphalt pavement (RAP) and similar road products. Public Works should maintain adequate documentation to support the use of all RAP and similar road products.
6. The Police Jury should approve a plan for paving gravel roads that is in compliance with the Parish Transportation Act and provides that road maintenance funds be allocated on the priorities of the parish as a whole with the most critical needs funded first. We also recommend that the Police Jury follow its policies and state law that prohibit the paving of private roads. The Police Jury should also consider the following:
 - Notify each Public Works' employee that work on private property or projects not authorized by the Police Jury could result in termination, prosecution, or civil responsibility for the cost.

- Seek civil restitution as allowed by the Parish Transportation Act for all roads that were constructed, maintained, or improved in violation of this act.
7. The Police Jury should enforce its policies and procedures to ensure that public assets including employees, equipment, and fuel are not used for the personal benefit of any police juror, employee, or private individual.
 8. The Police Jury should enforce its parish vehicle policy statement that provides the following:
 - When an employee travels outside the parish on official business in a parish vehicle, that employee shall notify the department head of the destination and reason for the trip.
 - All employees shall maintain a daily log of the operation of the public vehicle.
 9. The Police Jury should follow its policies and procedures to ensure that Police Jury equipment is adequately safeguarded and that the sale or other disposition of public assets is properly documented. In addition, the Police Jury should require that a police report be filed for any missing assets.

Finally, we recommend that the District Attorney for the Fourth Judicial District review this information and take appropriate legal action, to include seeking restitution.

Management's Response (*See Attachment I.*)

Chemical Products Purchased at Excessive Prices

Management agrees with the factual statements in this finding. The applicable employees, Jerry Johnson and Flynn Jones will be disciplined accordingly. The Police Jury will centralize its purchasing functions and enforce existing policies to insure that its purchasing policy as to materials and supplies is followed. The Police Jury will implement a policy to require that any Police Jury employee and each member of the Police Jury disclose in writing any relationship with any vendor doing business with the Police Jury at least annually.

Trucking Contractor Given Favorable Treatment

Management acknowledges and accepts the factual statements in this finding. The employee, Mike Adams, will be disciplined accordingly. The Police Jury will adopt policies to insure that all contracts involving services are competitively bid to obtain the best possible price. Specifically, the Police Jury will require more detailed invoices from trucking companies.

Unaccounted for Road Materials

Management accepts as factually correct the statements contained in this finding regarding the unaccounted for road materials. The Police Jury will adopt a procedure as to the receipt and usage of RAP and similar road products. The Police Jury will maintain adequate documentation to support the use of any and all RAP.

Police Jury Paved Private Roads

Management accepts the findings of fact as to paving the four private roads within the parish. However, the Police Jury would like to point out that Canaan Road is a public road, having been constructed on a 60 foot strip of land dedicated by the filing of a plat in the records of the Clerk of Court for Ouachita Parish in which the property was transferred in full ownership to the Police Jury.

There may not exist any public purpose for the placement of asphalt material on the portion of Lonewa Road and Camel Road which were not recognized on the public road list maintained by the Police Jury as a public road prior to January 14, 2000. Additionally, the paving of a 1,860 foot strip extension of McGowen Road and a 986 foot extension of Canaan Road were done without Police Jury approval and should not have been performed.

The Police Jury will approve a plan for paving gravel roads to insure compliance with the Parish Transportation Act. Each public employee will be notified that any work on private property, or on a project not authorized by the Police Jury, will result in termination and prosecution for restitution of the cost. Additionally, the Police Jury will explore civil restitution for use of any funds appropriated to the parish through the Parish Transportation Act for any year in question for any road that was constructed, maintained, or improved in violation of the Act.

Leased Equipment Used on Private Property

Management accepts as factually correct the statements of fact contained in this finding. The Police Jury will make demand upon Grady Williams and Bo Boyte for restitution of the value of the bulldozer used on private property, including the cost of diesel used in the operation of the bulldozer and/or the burning of brush.

Employees Perform Work at Juror's House

Management accepts as factually correct the statements of fact contained in this finding. On January 29, 2003, Mr. Dawson reimbursed the Police Jury \$76.25 for the rental of the drain-cleaning device.

Vehicle Disabled Prior to Public Auction

Management accepts as factually correct the statements of fact contained in this finding. The Police Jury will ask for reimbursement from Royce Calhoun for the difference in the value of the truck prior to disablement, with the additions of the accessories of the winch and headache rack, or approximately \$3,350.

Funds From Sale of Public Equipment Given to Candidate's Campaign

Management accepts as factually correct the statements of fact contained in this finding. The Police Jury will make demand upon Royce Calhoun for the reimbursement of the sum of \$2,500

which was apparently received by him from the sale of such equipment and from Bo Boyte, the difference of the original purchase price of \$3,900 and the sum of \$2,500, or \$1,400.

Fire Chief Received Mileage Reimbursement for Use of Public Vehicle

Management accepts as factually correct the facts contained in this finding. The Police Jury has received mileage reimbursement for Don Nugent for the sum of \$8,464 on October 29, 2002 and an additional sum of \$81 on October 30, 2002. The Police Jury will recommend to the District Attorney's office that Mr. Nugent be prosecuted for any possible violation which might have occurred. Additionally, the Police Jury shall vigorously enforce its current parish vehicle policy which requires that when an employee travels outside of the parish that the parish employee shall obtain the approval of the Department Head and that all employees maintain a daily log of the operation of that public vehicle.

Employee Took 4-Wheeler

Management accepts as factually correct the statements of fact contained in this finding. Jerry Johnson will be disciplined for the taking of such vehicle to a personal acquaintance in Union Parish. Additionally, the use value and/or any damage to the appropriate 4-wheeler will be sought personally from Jerry Johnson, Bo Boyte, and/or the person who had custody of the 4-wheeler. All employees will be notified of the proper policies and procedures previously established by the Police Jury as to the sale or disposition of public assets, and any missing assets will be documented by a police investigation.

Background and Methodology

The Ouachita Parish Police Jury (Police Jury) is the governing authority for Ouachita Parish and is a political subdivision of the State of Louisiana. Six jurors representing the various districts within the parish govern the Police Jury.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers to regulate and direct the affairs of the parish and its inhabitants. The more notable of these are the powers to make regulations for its own government; to regulate the construction and maintenance of roads, bridges and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Ad valorem property taxes, sales and use taxes, beer and alcoholic beverage permits, occupational licenses, state and revenue sharing, and various other state and federal grants provide funding to accomplish these tasks.

The legislative auditor received information of possible improprieties within the Ouachita Police Jury from a number of sources. At the request of the Honorable Jerry L. Jones, District Attorney for the Fourth Judicial District of Louisiana, and the Honorable Richard Fewell, Sheriff of Ouachita Parish, the legislative auditor performed an investigative audit of the Police Jury. An investigator from the District Attorney's Office and detectives from the Sheriff's Office were assigned to assist the legislative auditor throughout the investigative audit. We have relied upon work performed by the District Attorney's Office and the Sheriff's Office in the completion of this report.

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

The results of our investigative audit are the findings and recommendations herein.

Findings

Chemical Products Purchased at Excessive Prices

From June 23, 2000, to July 10, 2002, the Ouachita Parish Police Jury (Police Jury) Public Works Department (Public Works) purchased chemical products totaling \$42,488 from Prince Chemical Sales. Based on independent quotes from local vendors, Public Works paid \$23,296 in excess of the lowest available prices for similar products from the local vendors. Police Jury policy requires competitive quotes for all purchases with the intent to obtain the best possible price.

Mr. Jerry Johnson, shop foreman, and Mr. Flynn Jones, purchasing agent, circumvented the Police Jury's purchasing policy by using competitive quotes obtained after the purchase and/or accepting fraudulent quotes from Prince Chemical Sales' owner, Ms. Serena Prince. In addition, Mr. Johnson admitted that he knew Prince Chemical Sales billed for items not actually received by the Police Jury.

Police Jury policy states, "the department is to obtain quotes from all vendors that are able to supply the items requested . . ."

In 1999, the Police Jury decentralized its purchasing function thus requiring each department to obtain price quotes prior to purchasing materials and supplies. The Police Jury Materials and Supplies Purchasing Policy requires each department to obtain three verbal quotes for purchases ranging from \$100 to \$499 and three written quotes for purchases ranging from \$500 to \$14,499. The policy specifically states, "the department is to obtain quotes from all vendors that are able to supply the items requested . . ."

As shop foreman, Mr. Johnson is responsible for maintenance of Public Works equipment and ensuring that the shop has adequate materials and supplies to properly maintain that equipment. Mr. Johnson is also responsible for approving purchase requisitions that are initiated by Public Works' purchasing agent. As purchasing agent for Public Works, Mr. Jones is responsible for ensuring that the best possible price is obtained for all material and supply purchases and that all purchases are in accordance with Police Jury policies. The system in place at the Police Jury requires Mr. Jones to create an electronic purchase requisition listing the three quotes obtained. Then Mr. Johnson is required to electronically approve the purchase requisition prior to the purchase being made.

During the period June 23, 2000, through July 10, 2002, Public Works made 51 purchases of chemical products totaling \$42,488 from Prince Chemical Sales. In accordance with Police Jury policy, only 32 of these purchases required competitive quotes. Of the quotes used to support

these purchases, 19 were from companies that have prior or current affiliations with Ms. Prince and appear to be fraudulent. On eight occasions, the quotes attached to the invoices are dated after the date on the invoice indicating that the quotes were obtained after the purchase was made. All of these quotes were entered into the Police Jury's computer system by Mr. Jones and subsequently the

Mr. Jones stated that he threw the actual quotes away after entering them into the computer.

majority were approved by Mr. Johnson. According to Mr. Jones, he did not keep any of the actual quotes. Mr. Jones stated that after entering the quotes into the computer, he threw the hard copies away.

Nineteen of the quotes to support purchases from Prince were from companies that have prior or current affiliations with Ms. Prince.

As stated above, 19 quotes were from companies that have prior or current affiliations with Ms. Prince. Those companies are ATCO, Quest Chemical Corporation (Quest), and PC Sales. Ms. Prince is a former employee, sales representative, or sold products from both ATCO and Quest. In addition, PC Sales is a wholesale cookie company owned by Ms. Prince's family. Mr. Johnson stated that on more than one occasion Ms. Prince offered to obtain and provided quotes of other vendors for him to submit with her invoices. According to Mr. Johnson, Ms. Prince used old quote sheets from ATCO to prepare quotes that were submitted to Public Works. Nine of the fraudulent quotes were in the name of ATCO. Quest is a wholesale chemical company and according to its representatives only sells products to distributors and not to end customers. Quest's name appears on six fraudulent quotes submitted to Public Works. Although PC Sales only sells food products, four quotes were submitted in its name for chemical products. (See purchase requisition below.)

According to Mr. Johnson, Ms. Prince provided quotes of other vendors for him to submit with her invoices.

PURCHASE REQUISITION NBR: 0000007072		STATUS: ALL ITEMS ON ORDER		DATE: 2/07/01
REQUISITION BY: FLYNN		REASON: EQUIPMENT MAINT.		
SHIP TO LOCATION: PUBLIC WORKS		SUGGESTED VENDOR: 3361 PRINCE CHEMICAL SALES	DELIVER BY DATE: 9/12/01	

1	HEAVY DUTY TRUCK WASHING SOLVENT	1.00	DRM	900.0000 900.00
COMMODITY: CLEANING COMPOSITION/SOLV				
SUBCOMMOD: COLD & SOAK TANK CLEANERS				
REQUISITION TOTAL:				900.00

REQUISITION QUOTES				
SELECTED VENDOR:		900.0000	VENDOR NAME	
		1210.0000	3361 PRINCE CHEMICAL SALES	
		957.0000	PC SALES	
		1086.2500	1586 ATCO INTERNATIONAL	
			QUEST CHEMICAL	

ACCOUNT INFORMATION				
LINE #	ACCOUNT	PROJECT	AMOUNT	
1	10220104313025	100.00	900.00	
			900.00	
REQUISITION COMMENTS:				
PO TO DEPT. ASAP				
D/A D COBB				
S/A F HUNTER				

VENDOR NAME
 3361 PRINCE CHEMICAL SALES
 PC SALES
 1586 ATCO INTERNATIONAL
 QUEST CHEMICAL

Mr. Jones stated that on some occasions, he entered Ms. Prince's invoices into the computer system as quotes and then obtained quotes at a higher price to support purchasing the materials or supplies from Ms. Prince. Mr. Jones stated that he could have found comparable products at lower prices.

Public Works paid Prince Chemical Sales \$23,296 in excess of the lowest available prices for similar products.

Independent quotes from three local vendors indicate that Public Works could have purchased similar products for approximately \$19,192. Therefore, Public Works paid Prince Chemical Sales \$23,296 in excess of the lowest available prices for similar products.

Mr. Johnson stated that on several occasions, he approved payments to Prince Chemical Sales even though he knew the products were not delivered to Public Works. Mr. Johnson added that although he cannot determine exactly how many times this occurred, he is certain that Public Works never received the chemicals purchased on June 6, 2002, from Prince Chemical Sales totaling \$980. Ms. Debbie Willis, office assistant 2, stated that she prepares receiving reports for the shop. Receiving reports are used to document the delivery of items purchased by the Police Jury. Ms. Willis stated that she does not know whether items are received because she prepares the receiving report when Mr. Jones gives her an invoice. Ms. Willis further stated that she does not receive bills of lading on deliveries. Bills of lading are receipts to prove that a shipping company shipped and delivered products.

Mr. Johnson stated that he approved payments to Prince Chemical Sales even though products were not delivered.

The actions described above may be violations of one or more of the following Louisiana laws:

- R.S. 14:67, "Theft"
- R.S. 14:118(A), "Public Bribery"
- R.S. 14:133, "Filing False Public Records"
- R.S. 14:134, "Malfeasance in Office"

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

Trucking Contractor Given Favorable Treatment

It appears that Mr. Mike Adams, assistant director of Public Works, gave favorable treatment to Dennis Carpenter Trucking when awarding Public Works contracts to haul materials. During the period February 9, 1999, to July 19, 2001, the Police Jury paid Dennis Carpenter Trucking \$158,600 to haul materials for Public Works. During this same period, the next three highest paid trucking contractors received \$38,367; \$22,790; and \$10,640. Mr. Adams hired the trucking contractors and personally approved payments totaling \$104,914 to Dennis Carpenter Trucking.

Mr. Adams stated that since 1999, he has received between \$3,000 and \$5,000 per year in cash from Mr. Dennis Carpenter, owner of Dennis Carpenter Trucking. Mr. Adams stated that he received this cash for part-time work that he provided to Mr. Carpenter. In addition, Mr. Adams stated that Mr. Carpenter gave him three truckloads of rock that he valued at between \$900 and \$1,200 and the use of a trackhoe that he valued at \$1,200. We reviewed records from Dennis Carpenter Trucking and could find no evidence that Mr. Adams provided any services for the cash he received. Mr. Carpenter stated that Mr. Adams performed part-time work for him and then eventually stated that he had nothing more to say.

Public Works uses trucking contractors to haul iron ore, rock, and reclaimed asphalt pavement (RAP) at established rental rates of \$40 to \$50 per hour depending on the truck's hauling capacity. Dennis Carpenter Trucking is one of 18 trucking contractors used by Public Works to haul these materials.

During the period February 9, 1999, through July 19, 2001, the Police Jury paid Dennis Carpenter Trucking \$158,600 for hauling materials. During this same period, the next three highest paid trucking contractors received \$38,367; \$22,790; and \$10,640. The remaining 14 trucking contractors received less than \$6,000 each.

Mr. Jeff Frost, field crew supervisor, stated that there were no shortages of trucking companies wanting work with Public Works. He further stated that private trucking companies have inquired as to how they could get business with Public Works. According to Mr. Frost, Mr. Adams always contracted with Dennis Carpenter Trucking first. Mr. Frost stated that Dennis Carpenter Trucking only owned two dump trucks, and if additional trucks were needed, Mr. Adams would instruct him to initiate contracts with the other trucking companies.

According to Mr. Frost, Mr. Adams always contracted with Dennis Carpenter Trucking first.

Mr. Adams personally approved invoices from Dennis Carpenter Trucking totaling \$104,914.

Police Jury records indicate that Mr. Adams approved invoices from Dennis Carpenter Trucking totaling \$104,914. Mr. Adams stated that on occasion when Mr. Carpenter called, that he (Adams) picked up the invoices from Dennis Carpenter Trucking and brought them to Public Works for processing. Mr. Adams admitted that he did not perform this service for any other trucking contractor.

Mr. Adams stated that since 1999, he has received between \$3,000 and \$5,000 per year in cash from Mr. Dennis Carpenter, owner of Dennis Carpenter Trucking. Mr. Adams stated that he received this cash for part-time work that he provided to Mr. Carpenter. We reviewed records from Dennis Carpenter Trucking and could find no evidence that Mr. Adams provided any services for the cash he received. The records also indicate that Dennis Carpenter Trucking paid its full-time and part-time employees by check and not by cash. Although Dennis Carpenter Trucking withheld taxes and issued IRS W-2 forms for its full-time and part-time employees, we found no evidence that taxes were withheld or IRS W-2 forms were issued for Mr. Adams. Mr. Adams' employment with Dennis Carpenter Trucking cannot be confirmed because Mr. Adams states that he was paid in cash and reported his hours directly to Mr. Carpenter. Mr. Carpenter stated that Mr. Adams performed part-time work for him. When asked further questions, Mr. Carpenter stated that he had nothing more to say.

Mr. Adams stated that he has received between \$3,000 and \$5,000 per year in cash from Mr. Carpenter that he claims was for part-time work.

Mr. Adams stated that Mr. Carpenter gave him three truckloads of rock and use of a trackhoe for 20 hours. Mr. Adams valued the rock and the trackhoe at between \$2,100 and \$2,400.

In addition, Mr. Adams stated that Mr. Carpenter gave him three truckloads of rock that he valued at between \$900 and \$1,200 and the use of a trackhoe for 20 hours that he valued at \$1,200. Mr. Adams stated that he used the three truckloads of rock at his personal residence and that one afternoon Mr. Carpenter provided the trackhoe and his services (Carpenter's) to make a parking area behind Mr. Adams' house.

Mr. Adams denies favoring Dennis Carpenter Trucking but agrees that Dennis Carpenter Trucking received more business than any other trucking contractor. Mr. Adams added that he repeatedly contracted with Dennis Carpenter Trucking because it did good work.

The actions described above may be a violation of R.S. 42:1115, "Acceptance of Gifts."

Unaccounted for Road Materials

As part of cooperative endeavors with the State of Louisiana Department of Transportation and Development (DOTD), DOTD gave the Police Jury 10,543 cubic yards of reclaimed asphalt pavement (RAP) to be used for construction and maintenance of parish roads. Approximately 1,743 cubic yards of this RAP is unaccounted for by the Police Jury. According to a local contractor and the parish engineer, the value of RAP is approximately \$20 per cubic yard; therefore, the Police Jury cannot account for approximately \$34,860 of road materials.

In addition, the cooperative endeavor provided that DOTD would transport the RAP to the Police Jury’s storage facility free of charge if the distance was less than the distance to DOTD’s storage facility. Although the distance to the Police Jury’s storage facility is less than to DOTD’s storage facility, the Police Jury hired independent contractors to haul a portion of the RAP. As a result of this decision, the Police Jury incurred an additional cost of \$7,970.

Article 7, Section 14(B)(9) of the 1974 Louisiana Constitution authorizes the donation of RAP from highways by DOTD to the governing authority of the parish, pursuant to a cooperative endeavor agreement between DOTD and the receiving authority. This is considered “Excess RAP” that will not be needed by DOTD within 18 months. RAP is also known as reclaimed asphalt pavement and can be used to create and maintain asphalt roads.

DOTD and the Police Jury entered into two cooperative endeavors during the year 2000 for the donation of RAP. The first cooperative endeavor dated May 19, 2000, was for the donation of RAP from U.S. 165 and the other dated August 16, 2000, was for the donation of RAP from LA Highway 34. These cooperative endeavors provided that DOTD’s contractors would transport the RAP to the Police Jury’s storage facility free of charge if that distance was less than the distance to DOTD’s storage facility. With both projects, the distance to the Police Jury’s site was less than the distance to DOTD’s storage facility; therefore, DOTD and not the Police Jury should have paid for all transportation costs of the RAP.

Unaccounted for RAP

According to DOTD records, the Police Jury received 10,543 cubic yards of RAP from the two projects. Mr. David Cobb, assistant director of Public Works, stated that the Police Jury could not account for approximately 1,743 cubic yards of the RAP received from DOTD. According to a local contractor and the parish engineer, RAP is valued at approximately \$20 per cubic yard. Therefore, the Police Jury cannot account for approximately \$34,860 of road materials.

The Police Jury cannot account for approximately \$34,860 of road materials it received from DOTD.

Approximately 36 cubic yards or \$720 worth of RAP may have been used on Mr. Jerry Johnson’s personal property. Mr. Johnson, shop foreman, stated that Mr. Frederick “Bo” Boyte, former director of Public Works, asked him if he needed some RAP at his house. According to Mr. Johnson, when he said he could use the RAP, Mr. Boyte stated that he would make it happen. Mr. Johnson stated that two 18 cubic yard dump trucks unloaded approximately 36 cubic yards of RAP in his circular driveway located in Union Parish. Mr. Johnson stated that he did not recognize the trucks or the drivers that transported the RAP to his residence.

Excessive Cost Incurred by the Police Jury

Mr. Jeffrey Frost, supervisor, stated that Mr. Boyte instructed him to use outside contractors to transport a portion of the RAP. As a result, the Police Jury incurred costs of approximately \$7,970 to transport RAP that DOTD had agreed to transport free of charge. The following breakdown shows how these costs are distributed:

Method of Transportation	Cost
Dennis Carpenter Trucking	\$2,720
McDannell Dirt and Equipment	<u>5,250</u>
Total Cost	<u><u>\$7,970</u></u>

Mr. C. Tom Janway, Jr., parish administrator, stated that it was a poor decision to ignore the terms of the cooperative endeavor which provided that DOTD's contractor would transport the RAP at no charge to the Police Jury. Mr. Janway added that it was not necessary or economical to hire contractors in this manner.

In summary, the Police Jury cannot account for approximately \$34,860 of road materials that it received from DOTD. In addition, the Police Jury incurred expenses of \$7,970 for transportation of RAP that may not have been in the best interest of the Police Jury.

Police Jury Paved Private Roads

In 2000, the Police Jury spent \$96,070 to pave four private roads within the parish. These private roads consisted of the following:

1. Lonewa Road	\$46,818
2. McGowen Road Extension	\$14,877
3. Camel Road	\$4,212
4. Canaan Drive	\$30,163

These four private roads were not being maintained by the Police Jury and did not serve a public purpose that was in the best interest of the parish. However, two of these roads, Lonewa and Camel, were added to the inventory of parish roads on January 14, 2000, and were thus approved on January 31, 2000, by the Police Jury to be paved.

R.S. 48:753-762 (the Parish Transportation Act) provides, in part, that to expense funds for paving gravel roads the parish shall adopt a parish wide system inclusive of parish roads, which shall include the development of a capital outlay improvement program that has a priority rating (selective basis) performed by an engineer. The Parish Transportation Act defines a public road as any road accepted for maintenance by a parish governing authority or maintained for an uninterrupted period of three years, provided such road serves a public purpose that is in the best interest of the parish.

Since 1983, Mr. Donald R. Harrison, consultant engineer for the Police Jury, has provided the Police Jury with a road priority rating for each of the parish's unimproved (gravel) roads to establish a priority ranking for the benefit of the parish as a whole. According to the Parish Transportation Act, the Police Jury should fund the projects in the order of the priority ranking.

At its January 31, 2000, meeting, the Police Jury adopted a plan to pave all gravel roads in Ouachita Parish over a four-year period with a certain number of gravel roads to be paved in 2000, 2001, 2002, and 2003. The plan provided that the Police Jury would begin with roads east of the Ouachita River. By approving the four-year plan that considered paving roads by geographic area, the Police Jury disregarded Mr. Harrison's priority ranking, which is required by the Parish Transportation Act.

The plan approved by the Police Jury on January 31, 2000, included Lonewa and Camel Roads. Portions of both of these roads were private, were not maintained by the Police Jury as required by law to be a public road, and did not serve a public purpose; however, the entire lengths of the roads were paved anyway. In addition, Public Works paved an 1,860-foot private extension of McGowen Road Extension and a 986-foot private extension of Canaan Drive without Police Jury approval.

Lonewa Road *(See map at page 1 of Appendix.)*

Police Jury records indicate that 6,450 feet of Lonewa Road was maintained by the Police Jury during 1983. A Police Jury memorandum dated January 26, 1984, indicates that a locked gate was placed across Lonewa Road immediately west of a railroad crossing and, therefore, the Police Jury would discontinue maintenance of the road. In a signed statement dated November 27, 2002, Mr. David Cobb, assistant director of Public Works, stated that the Police Jury did not maintain the portion of road past the gate for 15 years or until 1999 or 2000.

The Police Jury spent \$46,818 to pave the portion of Lonewa Road that was not maintained and was obstructed for approximately 15 years.

Mr. Harrison stated that Public Works informed him that Lonewa Road had been maintained throughout the years for 6,408 feet. As a result, the gravel road was added to the Police Jury's road inventory on January 14, 2000. On January 31, 2000, the Police Jury voted to pave this road. According to records from Public Works, 6,408 feet of Lonewa Road was paved at a total cost to the Police Jury of \$46,818.

Since the Police Jury did not maintain Lonewa Road for approximately 15 years and a locked gate obstructed public access (*see memo below*), it does not appear that this road met the definition of a public road as provided by state law.

Ouachita Parish Police Jury P. O. Box 3007 • Monroe, Louisiana 71210	
<p>DISTRICT A ARLAN E. RAWLS</p> <p>DISTRICT B TOMMY GIST</p> <p>DISTRICT C FRANK SNELLINGS</p>	<p>DISTRICT D ABE E. PIERCE, III</p> <p>DISTRICT E BILLY DANIEL</p> <p>DISTRICT F ERVIN TURNER</p>
<p>TO: LYNN TUBBS - ASSISTANT D.A.</p> <p>FROM: FRANK BENNETT - ADMINISTRATIVE ASSISTANT <i>F.B.</i></p> <p>DATE: JANUARY 26, 1984</p> <p>SUBJECT: LONEWA ROAD</p> <p>In late October or early September of 1983 a gate was constructed and locked immediately West of the Illinois Central Railroad and across Lonewa Road. The Ouachita Parish Highway Department has not maintained this road since that time with the exception of a short distance from U.S. Highway 165 to approximately the West Right of Way of the Missouri Pacific Railroad. Lonewa is a dead end gravel road that runs West off U.S. Highway 165 North for approximately 6450'. According to our ownership map the property along either side of Lonewa Road is owned by Mr. J.H. Thatcher of 501 Speed Avenue, Monroe, Louisiana. There is a vacant house near the end of this road. Our concern is that the Ouachita Parish Highway Department will be asked to resume maintenance in the future. Our efforts to have this gate removed have failed. Please advise.</p>	

Mr. Jeff Frost, field crew supervisor, stated that prior to placing the hard surface on Lonewa Road, the Police Jury maintained up to the railroad crossing on the road. Mr. Frost also stated that Mr. Frederick "Bo" Boyte, former director of Public Works, instructed him to build ditches along the side of the road when it was paved.

Mr. J. Bishop Johnston, III, stated that in approximately 1998, he, his wife, and the J.D. Greco Trusts purchased the property that bordered both sides of Lonewa Road. Therefore, the road only served one property owner and does not appear to

meet the requirements of the Parish Transportation Act, which states that the road must serve a public purpose that is in the best interest of the parish. Mr. Johnston stated that Mr. Boyte informed him that the Police Jury planned to place a hard surface on Lonewa Road. Mr. Johnston further stated that, as a result, a decision was made to develop a residential subdivision on the property. The property is now referred to as Thatcher Place Subdivision.

McGowen Road Extension (*See map at page 2 of Appendix.*)

At its January 31, 2000, meeting, the Police Jury approved the paving of 1,575 feet of McGowen Road Extension. According to Mr. Frost, Mr. Boyte instructed him to pave a total of 3,435 feet of McGowen Road Extension, thus extending the road by 1,860 feet onto private property. The Police Jury did not approve this additional extension. Mr. Cobb provided records that indicate the total cost to the Police Jury for extending McGowen Road Extension by 1,860 feet was \$14,877.

According to Mr. Frost, Mr. Boyte instructed him to pave an additional 1,860 feet of McGowan Road Extension.

Camel Road (See map at page 3 of Appendix.)

The total cost to pave the 1,860 feet of McGowen Road Extension was \$14,877.

At its January 31, 2000 meeting, the Police Jury approved paving 1,360 feet of Camel Road. In July 2000, the entire length of the road was paved by Public Works.

The Police Jury's parish road listing and other documents from 1983, 1990, and 1997 indicate that Public Works maintained only 320 feet of Camel Road, which ended at a private gate. Mr. Frost stated that the Police Jury maintained only 320 feet of Camel Road. However, Mr. Kenny Varner, motor grader operator for 25 years, stated that approximately three weeks prior to the time that the entire length of Camel Road was paved he was instructed by Mr. Boyte to grade the entire 1,360 feet of the road. Mr. Harrison, parish engineer, stated that Public Works told him that 1,360 feet of Camel Road was maintained up to a private gate; however, the private gate was at 320 feet not the entire 1,360 feet. Therefore, according to Mr. Harrison on January 14, 2000, 1,040 feet was added to the length of Camel Road in the parish road system for a total of 1,360 feet.

Visions Unlimited Land Development, L.L.C. (Visions Unlimited) purchased 179 acres of land that borders both sides of Camel Road on October 20, 1998. Mr. Leonard Tims, director of the Police Jury's Louisiana Jobs Employment Training Program, stated that Visions Unlimited is an investment group between a group of friends. Mr. Tims further stated that he and his wife along with Mr. King Dawson, Police Juror, and his wife joined with others to purchase property, which included the property on Camel Road.

Visions Unlimited owns the property that borders both sides of the 1,040 feet addition to Camel Road. Mr. Leonard Tims, Police Jury employee, and Mr. King Dawson, Police Juror, are investors in Visions Unlimited.

Minutes of the Police Jury's January 31, 2000, meeting indicate that Mr. Dawson was present and voted to approve the paving of the portion of Camel Road that served property owned by his investment group.

Minutes of the Police Jury's January 31, 2000, meeting indicate that Mr. Dawson was present and voted to approve, among others, the paving of the portion of road on the private property owned by his investment group, Visions Unlimited.

Mr. Tom Janway, parish administrator, stated that in October 2002, Mr. Dawson asked him to locate an employee who might

remember grading the full length of Camel Road for three consecutive years. As a result of Mr. Janway's inquiry, Mr. Jimmy Chesney, former employee, signed an affidavit that stated he recalled grading the entire length of Camel Road for three consecutive years during the 1980s.

The Police Jury spent \$4,212 to pave the additional 1,040 feet of Camel Road.

According to Police Jury records, the cost to pave the additional 1,040 feet of Camel Road was \$4,212.

Canaan Drive (See map at page 4 of Appendix.)

Public Works constructed a 986-foot extension of Canaan Road without Police Jury approval at a total cost of \$30,163.

During the period February 2000 through August 2000, Public Works constructed a 986-foot extension of Canaan Drive without Police Jury approval. This extension does not meet the definition of a public road as defined by the Parish Transportation Act. According to Mr. Cobb, Public Works used 904 cubic yards of RAP to prepare the roadbed. Mr. Cobb stated that the cost of the roadbed preparation to the Police Jury was \$21,110. Mr. Cobb

further stated that Public Works used a stabilizer to mix the RAP with the dirt and then rock had to be hauled in at a cost of \$9,053. Therefore, according to Mr. Cobb, the total cost to the Police Jury for this 986-foot addition was \$30,163.

The total cost to the Police Jury for paving these four private roads was approximately \$96,070.

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

- R.S. 14:134, “Malfeasance in Office”
- R.S. 42:1461(A), “Obligation Not to Misappropriate”
- R.S. 48:762, “Parish Transportation Act”
- Article 7, Section 14 of the Louisiana Constitution, “Donation of Assets”

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

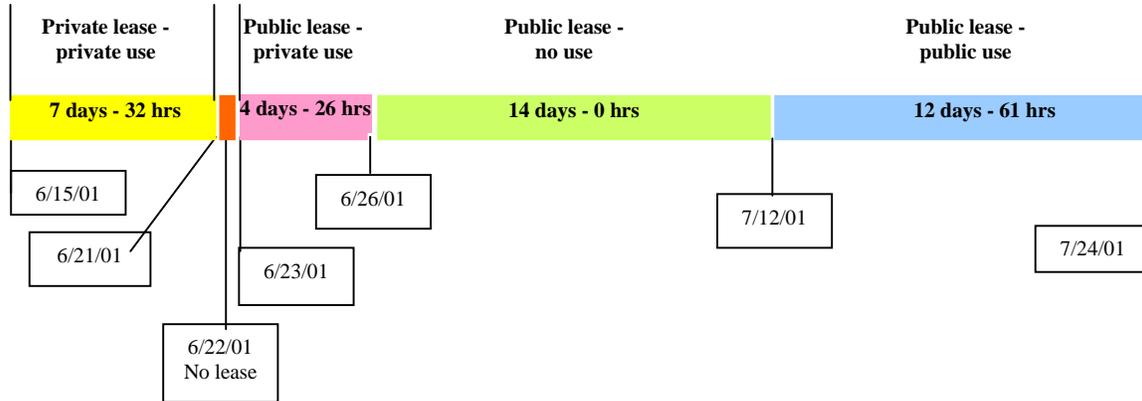
Leased Equipment Used on Private Property

During 2001, Mr. Frederick “Bo” Boyte, then director of Public Works, entered into a personal contract to clear approximately nine acres of private property. Mr. Boyte personally leased a John Deere 750 bulldozer from June 15, 2001, through June 21, 2001. Mr. Todd Dumas, Police Jury employee, stated that on June 15, 2001, Mr. Boyte instructed him to pick up the bulldozer from Nortrax while on public time and deliver it to the private property. On June 23, 2001, the Police Jury leased the same bulldozer from Nortrax for the period June 23, 2001, through July 24, 2001. However, Mr. Boyte continued to use the bulldozer on the private property. The Police Jury did not begin using the bulldozer until July 12, 2001. The estimated cost to the Police Jury for leasing the bulldozer prior to the time it was needed and for providing diesel and employees is approximately \$1,828.

During 2001, Mr. Boyte personally contracted with Mr. Grady Williams to remove four dilapidated houses and clear approximately nine acres of land. Records obtained from Nortrax, formerly Norwell, indicate that Mr. Boyte personally leased a John Deere 750 bulldozer during the period June 15, 2001, through June 21, 2001. Nortrax’s records indicate that Mr. Dumas picked up the bulldozer on June 15, 2001. Mr. Dumas stated that Mr. Boyte instructed him to take the bulldozer to Mr. Williams’ property. Nortrax’s records also indicate that the Police Jury

leased the same bulldozer for the period June 23, 2001, through July 24, 2001. Nortrax’s records further indicate that on June 22, 2001, a Nortrax employee changed the battery in the bulldozer while it was located on Mr. Williams’ property. Mr. Williams stated that on this date, the work on his property was between one-third to one-half finished and that at least two more days of work were left. Mr. Williams also stated that on three occasions, he observed Mr. Boyte operating the bulldozer. The Police Jury did not start using the leased bulldozer until July 12, 2001.

Time Line of Dates and Hours of Bulldozer Use



The records obtained from Nortrax indicate that the bulldozer was used a total of 119 hours during the two leases mentioned above. Nortrax’s records further indicate that the bulldozer had been used only 32 hours as of June 22, 2001, when the battery was changed. Public Works records indicate that during the period July 12, 2001, through July 24, 2001, the Police Jury only used the bulldozer for a total of 61 hours. Therefore, it appears that the bulldozer was used an additional 26 hours on Mr. Williams’ property during the time period that the Police Jury leased the bulldozer.

In addition, Mr. Johnson, shop foreman, stated that at the instruction of Mr. Boyte he put parish diesel in the bulldozer while it was being used on Mr. Williams’ property. Mr. Johnson stated that Mr. Mike Adams, assistant director of Public Works, put between 35 and 40 gallons of diesel into the bulldozer. Mr. Adams denies that he put diesel in the bulldozer. Mr. Johnson also stated that he observed Mr. Adams spray approximately 10 gallons of diesel onto brush that was cleared from Mr. Williams’ property. The estimated cost to the Police Jury for leasing the bulldozer prior to the time it was needed and for providing diesel and employees is approximately \$1,828.

Employees Perform Work at Juror's House

At the direction of management, two Police Jury employees rented equipment and cleared a sewer line at Police Juror King Dawson's residence while on Police Jury payroll and using Police Jury funds.

Mr. James Harris, Public Works' employee, and Mr. Chris Tyson, former Public Works' employee, stated that their supervisor, Mr. Jerry Johnson, instructed them to clear a sewer line while on public time for Mr. King Dawson, police juror.

Mr. Johnson stated that Mr. Mike Adams, assistant director of Public Works, instructed him to send the two employees to Mr. Dawson's residence. Mr. Harris and Mr. Tyson stated that they used a sewer snake rented by the Police Jury to clear the sewer line at Mr. Dawson's residence.

At the direction of management, two employees cleared a sewer at Mr. King Dawson's residence.

According to Mr. Harris, Mr. Dawson instructed him and Mr. Tyson to unplug the sewer line.

Mr. Harris stated that on the afternoon of March 21, 2000, he and Mr. Tyson picked up the sewer snake at Ram Rent-All, Inc. Mr. Harris further stated that they drove in a public vehicle to Mr. Dawson's residence and that Mr. Dawson explained to them that sewage was backing up into his kitchen sink. Mr. Harris stated that Mr. Dawson stayed in the kitchen and directed him and Mr. Tyson to go to the rear of the home and use the snake to unplug the sewer line.

Records indicate that Mr. Harris signed the rental contract with Ram Rent-All, Inc., and that the Police Jury paid for the rental of the snake. In addition, records indicate that the snake was picked up on March 21, 2000, at 10:10 a.m. and returned the same day at 11:36 a.m.

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

- R.S. 14:68, "Unauthorized Use of a Movable"
- R.S. 14:134, "Malfeasance in Office"

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

Vehicle Disabled Prior to Public Auction

According to Mr. Jerry Johnson, shop foreman, Mr. Bo Boyte, former director of Public Works, instructed him to disable a Public Works' truck and remove the winch and "headache" rack, which therefore lowered the value of the truck. The truck was subsequently sold by the Police Jury at a public auction and was purchased by former Police Juror Royce Calhoun for \$4,650. Mr. Johnson stated that after the auction he was instructed by Mr. Boyte to repair the truck and place the winch and "headache" rack in

the back of the truck. Mr. Johnson estimated that the value of the truck, winch, and “headache” rack at the time of the auction was approximately \$8,000.

On March 9, 2000, the Ouachita Parish Police Jury held a public auction. One of the items listed was a 1995 Ford F150 4X4 truck. Mr. Johnson stated that prior to the auction he was instructed by Mr. Bo Boyte to disable the Ford F150 and remove the winch and “headache” rack so that the truck would sell for less. As a result, Mr. Johnson stated that he crossed two spark plug wires to make the truck misfire and removed the winch and “headache” rack.

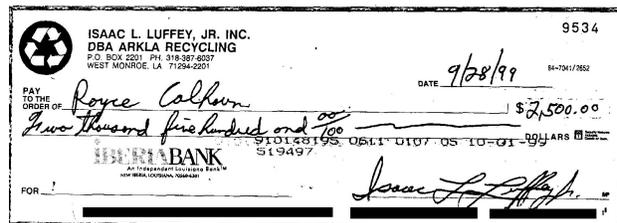
Mr. Calhoun purchased the 1995 Ford F150 at the public auction for \$4,650. Mr. Calhoun stated that he was unaware that the truck was tampered with prior to the auction. Mr. Johnson estimated at that time a fair value for the truck was approximately \$7,000. Mr. Johnson estimated that the winch and “headache” rack were worth approximately \$1,000. Mr. Johnson stated that after the auction at the direction of Mr. Boyte he repaired the vehicle and placed the winch and “headache” rack in the bed of the truck. Therefore, according to Mr. Johnson’s estimate, Mr. Calhoun received a vehicle and accessories for \$4,650 that was valued at approximately \$8,000.

Funds From Sale of Public Equipment Given to Candidate’s Campaign

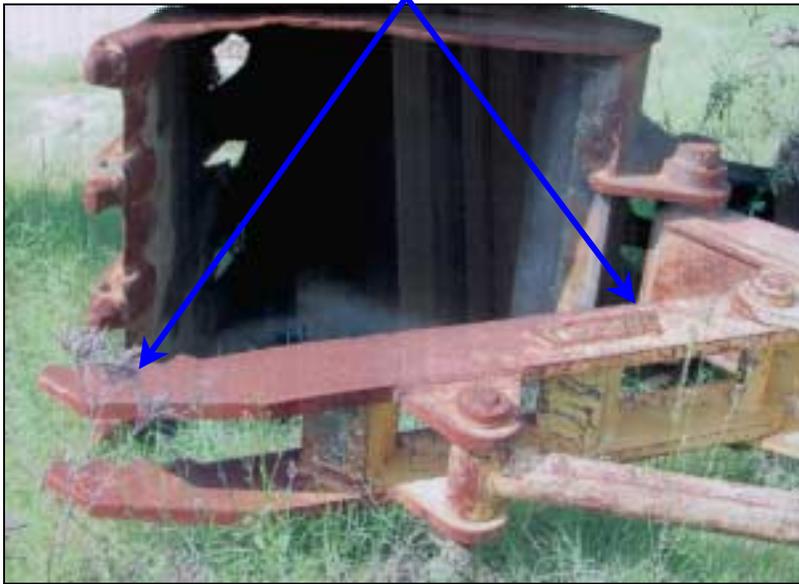
On September 28, 1999, an accessory for a trackhoe, referred to as a thumb attachment, that belonged to the Police Jury was sold to ARKLA Recycling for \$2,500. Mr. Isaac Luffey, owner of ARKLA Recycling, stated that Mr. Frederick “Bo” Boyte, former director of Public Works, instructed him to make the check payable to Mr. Royce Calhoun who at the time was a police juror. The check was negotiated on October 1, 1999, and is listed as a campaign contribution on Mr. Calhoun’s Candidate’s Report for State Representative.

On February 19, 1999, Sharpco built an accessory attachment for the Public Works Department to install on a Linkbelt 3400 trackhoe. The accessory attachment is commonly referred to as a “thumb.” This thumb attachment was custom designed for Public Works’ Linkbelt 3400 trackhoe to enable the backhoe to pick up and hold tree limbs and other debris (*see picture on following page*). The Police Jury paid Sharpco \$3,900 for the “thumb” attachment.

Mr. Isaac Luffey, the owner of ARKLA Recycling, stated that Mr. Boyte sold his company the custom-built thumb attachment for \$2,500. Mr. Luffey further stated that he was instructed by Mr. Boyte to make the check payable to Mr. Royce Calhoun (*see check at right*). Mr. Luffey wrote a check for \$2,500 made payable to Mr. Calhoun on September 28, 1999. Mr. Luffey stated that he does not know nor has he ever met Mr. Calhoun.



Thumb Attachment



Mr. Calhoun's Candidate's Report for State Representative dated October 9, 1999, indicates that on September 30, 1999, ARKLA Recycling made a \$2,500 campaign contribution. Mr. Calhoun stated that he did not know who gave him the \$2,500 check. Mr. Calhoun further stated that the \$2,500 contribution was one of the largest he received and admitted he did not know Mr. Luffey.

Mr. Boyte has refused to speak about these issues.

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

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

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

Fire Chief Received Mileage Reimbursement for Use of Public Vehicle

During the period January 1996, through October 2002, Mr. Don Nugent, Ouachita Parish fire chief, received personal mileage reimbursements from the Firefighters' Retirement System of Louisiana (Retirement System) totaling \$8,464 while traveling in a Police Jury vehicle and/or using a Fuelman credit card owned by the Police Jury. Chief Nugent reimbursed the Police Jury for the \$8,464 in mileage payments he received from the Retirement System after a public records request was made for his expense records on October 28, 2002. In addition, on October 30, 2002, Chief Nugent reimbursed the Police Jury \$81 for the rental of a vehicle from Thrifty Car Rental of Baton Rouge that he charged to a Police Jury credit card.

In addition to being the fire chief, Chief Nugent served as a member of the Board of Trustees for the Retirement System and is responsible for attending monthly meetings held in Baton Rouge. As a member of the board, Chief Nugent was entitled to receive travel reimbursements from the Retirement System for attending its monthly board meetings. As fire chief, Chief Nugent was authorized to conduct business travel using a Police Jury vehicle and a Fuelman credit card.

On October 15, 2002, Mr. Lynn Tubb, general counsel for the Police Jury, sent a memorandum to Chief Nugent requesting a list of all reimbursements that he (Nugent) received from the Retirement System. Chief Nugent provided Mr. Tubb with a list stating that during the period January 1996, through October 2002, he received \$8,464 in mileage reimbursements from the Retirement System. Typed on this list was the following: "On the dates in which I traveled in a public vehicle, I did not receive any travel expenses."

After being questioned by management regarding his travel records, Chief Nugent submitted a schedule claiming that all travel was in a personal vehicle.

Immediately following a public records request, Chief Nugent reimbursed the Police Jury \$8,464 for mileage and \$81 for a car rental.

On October 28, 2002, a member of the local media made a public records request for Chief Nugent's travel records. In a memorandum dated October 28, 2002, Chief Nugent was made aware of the public records request. On October 29, 2002, Chief Nugent sent a memorandum to Mr. Brad Cammack, Police Jury treasurer, stating that it had been brought to his attention that he should reimburse the Police Jury for the mileage payments he received from the Retirement System. Attached to the memorandum was a personal check from Chief Nugent totaling \$8,464. On October 30, 2002, Chief Nugent reimbursed the Police Jury an additional \$81 for the rental of vehicle from Thrifty Car Rental of Baton Rouge that he charged to a Police Jury credit card. Chief Nugent's statement that "On the dates in which I traveled in a public vehicle, I did not receive any travel expenses" does not appear to be accurate since he reimbursed the Police Jury for the \$8,464 that he received in mileage reimbursements.

Police Jury Fuelman records for the parish vehicle assigned to Chief Nugent indicate that Chief Nugent obtained fuel just prior to and after the Retirement System meetings that he attended. These records further indicate that the fuel was placed in Chief Nugent's Police Jury vehicle.

On October 30, 2002, Chief Nugent refused to answer any questions asked by the legislative auditor.

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

- R.S. 14:67, "Theft"
- R.S. 14:72, "Forgery"
- R.S. 14:134, "Malfeasance in Office"

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

Employee Took 4-Wheeler

Mr. Jerry Johnson, shop foreman, took the Police Jury’s 1993 Yamaha Kodiak 4-wheeler in a public vehicle to Union Parish and gave it to a friend of his for personal use. The current retail value of the 4-wheeler is \$2,165. According to Mr. Johnson, Mr. Frederick Bo Boyte, former director of Public Works, instructed him to make the 4-wheeler disappear.

On December 15, 1992, the Ouachita Parish Mosquito Abatement District #1 (District) purchased a 1993 Yamaha Kodiak 4-wheeler from Bayou Adventure Products, Inc., for \$5,299. In 1996, the District’s assets were transferred to the Police Jury and the 4-wheeler was added to the Police Jury’s fixed asset listing. Although the Police Jury did not sell any assets in 1997 or 1998, the 4-wheeler was removed and does not appear on the 1998 fixed asset listing. We have been unable to determine why the 4-wheeler was removed from the fixed asset listing.



Mr. Johnson stated that Mr. Bo Boyte instructed him to make the 4-wheeler disappear from the Public Works’ building. As a result, Mr. Johnson stated that he transported the 1993 Yamaha Kodiak in his Public Works’ pickup truck to a friend’s property located in Union Parish.

A deputy for the Ouachita Parish Sheriff’s Office recovered the 1993 Yamaha Kodiak on August 15, 2002, the same date Mr. Johnson informed us of this matter. As of January 10, 2003, the average retail value for a 1993 Yamaha Kodiak was \$2,165.¹

Mr. Boyte has refused to answer any questions regarding this issue.

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

- R.S. 14:67, “Theft”
- R.S. 14:134, “Malfeasance in Office”

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

¹ Source: www3.nadaguides.com as of January 10, 2003

Recommendations

We recommend the following:

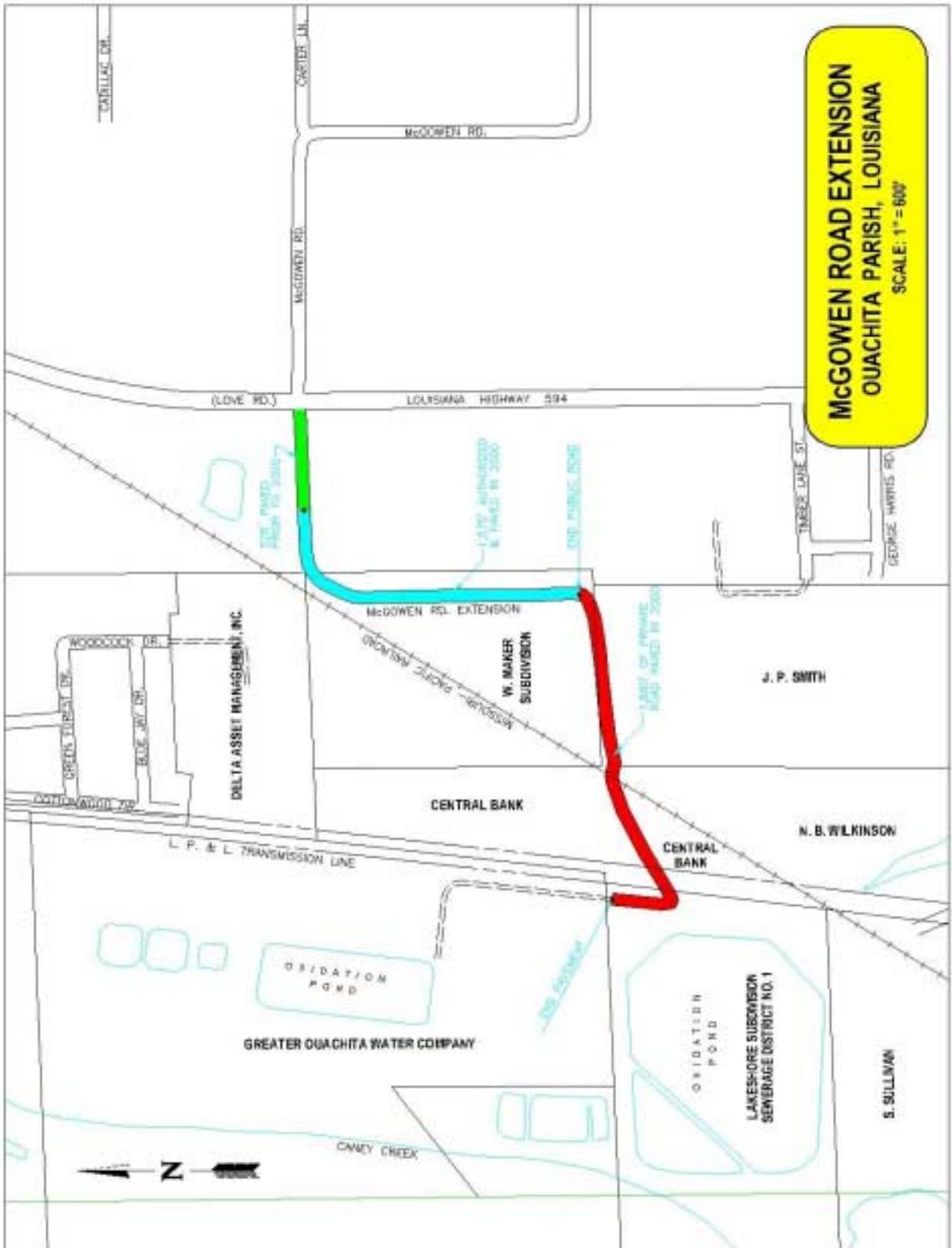
1. The Ouachita Parish Police Jury (Police Jury) should centralize its purchasing function and implement policies and procedures to ensure that the Materials and Supplies Purchasing Policy is followed. At a minimum, the purchasing agents should do the following:
 - Obtain required documentation before making purchases
 - Keep records of supporting documentation on file
 - Prepare accurate receiving reports to document delivery of all products
 - Ensure orders are received before payment is made
2. The Police Jury should implement policies and procedures to ensure that Police Jury employees and jurors disclose any relationship with vendors doing business with Ouachita Parish. Furthermore, employees having a relationship with such vendors should not be allowed to approve or influence the purchase of any products or services offered by the vendor.
 - The Police Jury should consider requiring both employees and jurors to provide an annual certification of these relationships.
3. The Police Jury should implement a system to ensure that all contracts including trucking companies are competitively bid to obtain the best possible price.
4. The Police Jury should not accept or pay invoices from trucking companies that have vague information. The invoices, at a minimum, should contain the following:
 - Date and time of haul
 - Specific description and amount of materials hauled
 - Specific equipment, such as truck number and driver, used to haul the materials
 - Exact location of pick-up and delivery of materials
5. The Police Jury should have accountability over the receipt and usage of reclaimed asphalt pavement (RAP) and similar road products. Public Works should maintain adequate documentation to support the use of all RAP and similar road products.
6. The Police Jury should approve a plan for paving gravel roads that is in compliance with the Parish Transportation Act and provides that road maintenance funds be allocated on the priorities of the parish as a whole with the most critical needs funded first. We also recommend that the Police Jury follow its policies and state law that prohibit the paving of private roads. The Police Jury should also consider the following:
 - Notify each Public Works' employee that work on private property or projects not authorized by the Police Jury could result in termination, prosecution, or civil responsibility for the cost.

- Seek civil restitution as allowed by the Parish Transportation Act for all roads that were constructed, maintained, or improved in violation of this act.
7. The Police Jury should enforce its policies and procedures to ensure that public assets including employees, equipment, and fuel are not used for the personal benefit of any police juror, employee, or private individual.
 8. The Police Jury should enforce its parish vehicle policy statement that provides the following:
 - When an employee travels outside the parish on official business in a parish vehicle, that employee shall notify the department head of the destination and reason for the trip.
 - All employees shall maintain a daily log of the operation of the public vehicle.
 9. The Police Jury should follow its policies and procedures to ensure that Police Jury equipment is adequately safeguarded and that the sale or other disposition of public assets is properly documented. In addition, the Police Jury should require that a police report be filed for any missing assets.

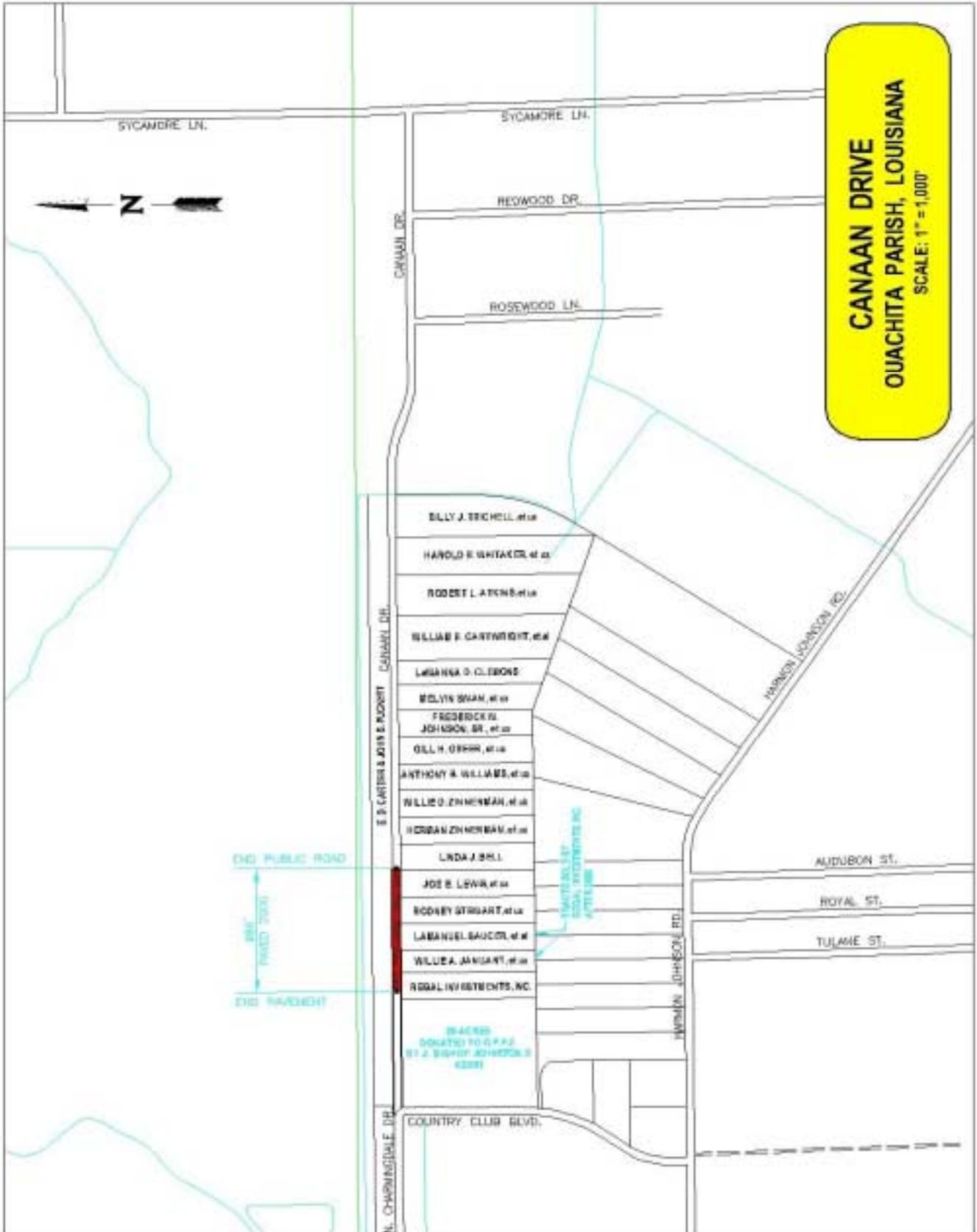
Finally, we recommend that the District Attorney for the Fourth Judicial District review this information and take appropriate legal action, to include seeking restitution.

Attachment I

Appendix







Attachment II

Management's Response

Ouachita Parish Police Jury

P.O. Box 3007 • Monroe, Louisiana 71210-3007
(318) 327-1340 • FAX (318) 327-1339

RECEIVED
LEGISLATIVE AUDITOR

03 FEB -5 AM 10:57

District A
Tom Holtzclaw

District B
Mack Calhoun

District C
Roger Elkin

District D
Daryll Berry

District E
Grady Williams

District F
King Dawson

February 3, 2003

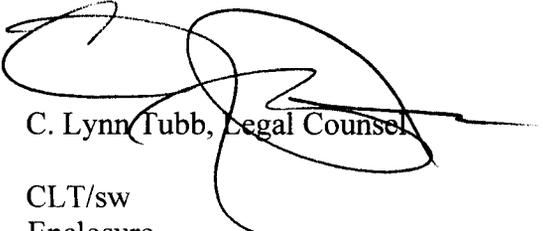
Grover Austin
First Assistant Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Austin:

Enclosed is the response of the Ouachita Parish Police Jury to the draft report of your investigative audit as to the Ouachita Parish Police Jury. We received your draft report on January 22, 2003 and hereby respond as requested by Sam DeLee, Auditor in Charge.

Sincerely,

OUACHITA PARISH POLICE JURY


C. Lynn Tubb, Legal Counsel

CLT/sw
Enclosure

**RESPONSE OF THE OUACHITA PARISH POLICE JURY
AS TO THE DRAFT REPORT SUBMITTED BY
LEGISLATIVE AUDITOR'S OFFICE
AS TO THE OUACHITA PARISH POLICE JURY
DATE OF RESPONSE: JANUARY 30, 2003**

**MANAGEMENT'S RESPONSE TO FINDING NO. 1:
CHEMICAL PRODUCTS PURCHASED
AT EXCESSIVE PRICES:**

We agree with the factual statements contained in Finding No. 1 that independent quotes were not obtained as to all of the purchases from Prince Chemical Sales. Such procedure is a deviation from our procurement requirements. The applicable employees, Jerry Johnson and Flynn Jones will be disciplined accordingly. The Ouachita Parish Police Jury will centralize its purchasing function and enforce existing policies to insure that its purchasing policy as to materials and supplies is followed. Additionally, we shall implement a policy to require that any Police Jury employee and each member of the Police Jury disclose in writing any relationship with any vendor doing business with the Ouachita Parish Police Jury at least annually.

**MANAGEMENT'S RESPONSE TO FINDING NO. 2:
TRUCKING CONTRACTOR GIVEN
FAVORABLE TREATMENT**

We acknowledge and accept the factual statements contained in Finding No. 2. Apparently, favorable treatment was afforded to Dennis Carpenter, owner of Dennis Carpenter Trucking by one employee of the Public Works Department. That employee, Mike Adams, will be disciplined accordingly. Additionally, the Police Jury will adopt policies to insure that all contracts involving services are competitively bid to obtain the best possible price. Specifically as to trucking companies, no invoices shall be paid from any trucking company that does not have the date and time of haul, the description and amount of material hauled, the name of the truck driver, the truck number, a description of the truck used to haul the material, and the exact location of the pickup and delivery of material. That requirement shall be implemented effective February 3, 2003.

MANAGEMENT'S RESPONSE TO FINDING NO. 3:
UNACCOUNTED FOR ROAD MATERIALS

The Ouachita Parish Police Jury accepts as factually correct, the statements contained in Finding No. 3 regarding the unaccounted for road materials. The Police Jury will adopt a procedure as to the receipt and usage of reclaimed asphalt materials and similar road products, said procedure to be contained within any cooperative endeavor agreement with the State of Louisiana as to the acquisition of same. Additionally, adequate documentation shall be maintained to document the use of any and all RAP material on projects within the Parish of Ouachita.

MANAGEMENT'S RESPONSE TO FINDING NO. 4:
POLICE JURY PAVED PRIVATE ROADS

The Police Jury accepts the findings of fact in Finding No. 4 as to the paving of four (4) private roads within the parish, said private roads being a portion of Lonewa Road, McGowen Road Extension, a portion of Camel Road, and Canaan Road. However, the Police Jury would like to point out to the Legislative Auditor's office that Canaan Road is a public road, having been constructed on a 60 foot strip of land dedicated by the filing of a plat in the records of the Clerk of Court of Ouachita Parish in which the property was transferred in full ownership to the Ouachita Parish Police Jury.

Also, portions of Lonewa Road and Camel Road was previously maintained by employees of the Ouachita Parish Police Jury Public Works Department over a period in excess of three years and could be classified as public roads, even though a gate may have been placed across those two roads at certain points in the past.

However, there may not exist any public purpose for the placement of asphalt material on the portion of Lonewa Road and Camel Road which were not recognized on the public road list maintained by the Ouachita Parish Police Jury as a public road prior to January 14, 2000. Additionally, the paving of a 1,860 foot strip extension of McGowen Road and a 986 foot extension of Canaan Road were done without Police Jury approval and should not have been performed.

Therefore, the Police Jury will approve a plan for paving gravel roads to insure its compliance with the Parish Transportation Act. That Plan will provide that all road maintenance funds be allocated according to the priority road program as recommended by the Consulting Engineer to the Ouachita Parish Police Jury. We continue to follow Louisiana State Law that prohibits the paving of private roads. Each Public Works employee will be notified that any work on private property, or on a project not authorized by the Police Jury, will result in termination and prosecution for restitution of the cost. Additionally, the Ouachita Parish Police Jury will explore civil restitution for use of any funds appropriated to the Parish of Ouachita by the Louisiana State Legislature under the Parish Transportation Act for any year in question for any road that was constructed, maintained, or improved in violation of that Act.

MANAGEMENT'S RESPONSE TO FINDING NO. 5:
LEASED EQUIPMENT USED ON PRIVATE PROPERTY

The Police Jury accepts as factually correct the statements of fact contained in Finding No. 5. The Police Jury will make demand upon Grady Williams and Bo Boyte for restitution of the value of the bulldozer used on private property, including the cost of diesel used in the operation of the bulldozer and/or the burning of brush. Attached is a copy of check number 2853 dated June 26, 2001, payable to the order of Bo Boyte in the amount of \$4,000.00 issued by Grady Williams, which we hereby furnish to you as requested by Mr. Williams.

MANAGEMENT'S RESPONSE TO FINDING NO. 6:
EMPLOYEES PERFORM WORK AT JUROR'S HOUSE

The Police Jury accepts as factually correct the statements of fact contained in Finding No. 6. It is acknowledged that certain employees, i.e., James Harris and Chris Tyson may have worked on property owned by King Dawson while on the public payroll. Upon verification by Mr. Harris and Mr. Tyson, Mr. Dawson will be requested to reimburse the dollar cost for such work including the rental of the drain-cleaning device from Ram-All Rental, Inc. to the Ouachita Parish Police Jury. Mr. Dawson did pay to the Ouachita Parish Police Jury the sum of \$76.25 on January 29, 2003. A copy of that check number 1031 is attached.

**MANAGEMENT'S RESPONSE TO FINDING NO. 7:
VEHICLE DISABLED PRIOR TO PUBLIC AUCTION**

The Ouachita Parish Police Jury accepts as factually correct the statements of fact contained in Finding No. 7. The Ouachita Parish Police Jury will ask reimbursement from Royce Calhoun for the difference in the value of the truck prior to disablement, with the additions of the accessories of the winch and the headache rack, or approximately \$3,350.00.

**MANAGEMENT'S RESPONSE TO FINDING NO. 8:
FUNDS FROM SALE OF PUBLIC EQUIPMENT
GIVEN TO CANDIDATE'S CAMPAIGN**

The Ouachita Parish Police Jury accepts as factually correct, the statements of fact contained in Finding No. 8. The Police Jury will make demand upon Royce Calhoun for the reimbursement of the sum of \$2,500.00 which was apparently received by him from the sale of such equipment and from Bo Boyte, the difference of the original purchase price of \$3,900.00 and the sum of \$2,500.00, or \$1,400.00.

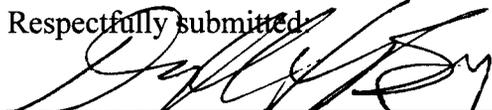
**MANAGEMENT'S REPOSENSE TO FINDING NO. 9:
FIRE CHIEF RECEIVED MILEAGE REIMBURSEMENT
FOR USE OF PUBLIC VEHICLE**

The Ouachita Parish Police Jury accepts as factually correct, the findings of fact contained in Finding No. 9 as to the use of a public vehicle by Don Nugent, Fire Chief, for trips for which he received mileage reimbursement from the Louisiana Firefighters Retirement System. The Police Jury has received reimbursement from Don Nugent for the sum of \$8,464.00 on October 29, 2002 and an additional sum of \$81.00 on October 30, 2002. The Ouachita Parish Police Jury will recommend to the District Attorney's office that Mr. Nugent be prosecuted for any possible violation which might have occurred in the use of a public vehicle for that purpose, and the forging of public records as to the reimbursements that he did receive while traveling in a public vehicle as opposed to a private vehicle. Additionally, the Police Jury shall vigorously enforce its current parish vehicle policy which requires that when an employee travels outside of the parish that the parish employee shall obtain the approval of the Department Head, and that all employees maintain a daily log of the operation of that public vehicle.

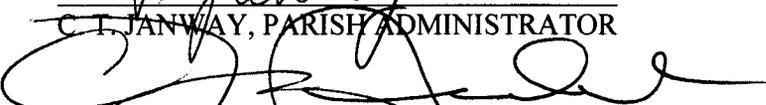
MANAGEMENT'S RESPONSE TO FINDING NO. 10:
EMPLOYEE TOOK 4-WHEELER

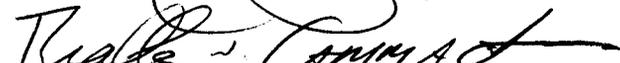
The Ouachita Parish Police Jury accepts as factually correct, the statements of fact contained in Finding No. 10. Mr. Jerry Johnson will be disciplined for the taking of such vehicle to a personal acquaintance in Union Parish. Additionally, the use value and/or any damage to the appropriate 4-wheeler will be sought personally from Jerry Johnson, Bo Boyte, and/or the person who had custody of the 4-wheeler from the date removed from public premises to August 15, 2002. Additionally, all three individuals will be referred to the District Attorney's office for appropriate action as to any criminal violation. All employees will be notified of the proper policies and procedures previously established by the Ouachita Parish Police Jury as to the sale or disposition of public assets, and any missing assets will be documented by a police investigation.

Respectfully submitted:


DARYLL BERRY, PRESIDENT


C. T. JANWAY, PARISH ADMINISTRATOR


C. LYNN TUBB, PARISH COUNSEL


BRAD CAMMACK, TREASURER

Attachment III
Legal Provisions

Legal Provisions

The following legal citations are referred to in this report:

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.

R.S. 14:68 provides, in part, that unauthorized use of a movable is the intentional taking or use of a movable which belongs to another, either without the other's consent, or by means of fraudulent conduct, practices, or representations, but without any intention to deprive the other of the movable permanently.

R.S. 14:72 provides, in part, that forgery is the false making or altering, with intent to defraud, of any signature to, or any part of, any writing purporting to have legal efficacy.

R.S. 14:118 provides, in part, that public bribery is the giving or offering to give, directly or indirectly, anything of apparent present or prospective value to any person who has been elected or appointed to public office, whether or not said person has assumed the title or duties of such office, with the intent to influence his conduct in relation to his position, employment, or duty. The acceptance or the offer to accept, directly or indirectly, anything of apparent present or prospective value, under such circumstances, by any of the above named persons, shall also constitute public bribery.

R.S. 14:133 provides, in part, that filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, any forged document, any wrongfully altered document, or any document containing a false statement or false representation of a material fact.

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.

R.S. 42:1115 provides, in part, that no public servant shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or employee of any person who has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency.

R.S. 42:1461(A), provides, in part, that officials, whether elected or appointed, by the act of accepting such office assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property or other thing of value belonging to the public entity in which they hold office.

R.S. 48:762 provides, in part, that any person who knowingly uses or causes the use of parish transportation funds for purposes not authorized by this part shall be subject to prosecution under the provisions of R.S. 14:134 *et seq.* In addition to this criminal penalty, the parish governing authority shall have a right of action against the person to recover in a civil action the amount of the funds which were so misused.

Article 7, Section 14 of the Louisiana Constitution provides, in part, that except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.