

PORT OF IBERIA



COMPLIANCE AUDIT  
ISSUED DECEMBER 9, 2009

**LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

December 9, 2009

Mr. Roy A. Pontiff, Executive Director,  
and Iberia Parish Port Commission Members  
Post Office Box 9986  
New Iberia, Louisiana 70562-9986

Dear Mr. Pontiff:

We have audited certain transactions of the Port of Iberia for the period April 10, 2007, through December 27, 2007. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the credibility of certain allegations.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required of an audit by *Government Auditing Standards*; therefore, we are not offering an opinion on the Port of Iberia's financial statements or system of internal control nor assurance as to compliance with laws and regulations. The concerns and results of our audit are listed below for your consideration.

The Port of Iberia (Port) contracted with an independent certified public accounting firm, Broussard, Poche, Lewis & Breaux, L.L.P., to review certain expenditures concerning the Dynamic Warehouse and Pipe Fabrication Expansion Construction Project. The report<sup>1</sup> issued by the accounting firm indicates that the project engineer, Wayne M. Labiche Engineering, L.L.C., directed the general contractor to bill for services not included in the original contract by overstating aggregate (limestone) instead of properly submitting change orders. The decision to overstate aggregate instead of submitting change orders circumvented the approval process and the authority of the Port. Our audit focused on two other Port construction projects where Wayne M. Labiche Engineering, L.L.C. was the project engineer.

During our review, we found one instance where Mr. Labiche directed the contractor, Matt Durand General Contractors, to invoice the Port for services not included in the original contract by overstating aggregate instead of submitting change orders. The excess aggregate charges resulted in an overpayment of \$9,200. We discussed the charges with Mr. Durand and

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<sup>1</sup> [Port of Iberia District - Construction Contract](#)

Mr. Roy A. Pontiff, Executive Director  
December 9, 2009  
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he agreed that Mr. Labiche directed him to invoice fencing materials and installation as aggregate and that it appears he was paid twice by the Port for the fencing materials and installation. The practice of invoicing the Port for additional work as aggregate may be a violation of Louisiana Law.<sup>2</sup>

We recommend that the Port recover the overpayment of \$9,200 and require project engineers to submit change orders for approval by the Port.

This correspondence represents our finding(s) and recommendation(s) as well as management's response. This correspondence is intended primarily for the information and use of management of the Port of Iberia. I trust this information will assist you in the efficient and effective operations of the parish. Should you have any questions, please contact me at (225) 339-3839 or Mr. Dan Daigle, Compliance Audit Director, at (225) 339-3808.

Sincerely,



Daryl G. Purpera, CPA, CFE  
Temporary Legislative Auditor

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<sup>2</sup> Louisiana Revised Statute 14:133A states, 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, of any of the following: (1) any forged document, (2) any wrongfully altered document, (3) any document containing a false statement or false representation of a material fact.

## Management's Response



## The Gulf Coast Cajun Connection

November 19, 2009

Louisiana Legislative Auditor Office  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

### PORT COMMISSION:

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**Joanna D. Durke**  
Administrative Assistant

**Subject:** Management Response to Legislative Auditor's Office Review of Construction Projects where Wayne M. Labiche Engineering, LLC was the Project Engineer.

**Summary:** On November 17, 2009, the Port of Iberia received a "draft" of the Louisiana Legislative Auditor's Compliance Audit Report on the Port of Iberia. The Report focused on three (3) Port Construction Projects where Wayne M. Labiche Engineering, LLC. was the Project Engineer.

The Report Recommended that the Port:

- (1) Recover the overpayment of \$9,200; and
- (2) Require Project Engineers to submit Change Orders for approval by the Port.

**Response 01:** The Port has sent a Demand Letter (see attached copy of letter from the Port) to Matt Durand, General Contractor, demanding payment to the Port in the amount of \$9,200.00.

**Response 02:** The Port has adopted language in all future engineering and contractor contracts enabling the Port (or its designee) to examine any and all supporting documents pertaining to costs incurred or amounts billed under future contracts. It is anticipated that this will allow the Port to better monitor amounts charged under these contracts and to ensure that all changes to the scope of work under the contract have been properly approved with appropriate change orders. The Port also intends to ensure that all engineers on future projects understand that they will be expected to submit change orders for any work outside the scope of the original contract.

Sincerely,



Roy A. Pontiff, Executive Director  
Port of Iberia District

RAP/jdd

Enclosure

cc: Broussard, Poche', Lewis & Breaux, LLP

# ALLAIN AND BELLEFONTAINE

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November 19, 2009

Mr. Matt Durand  
Diversified Materials, L.L.C.  
1021 Emile Road  
St. Martinville, La. 70582-7017

Re: Dynamic Industries Project

Dear Mr. Durand:

The Port has recently been advised by the Legislative Auditor, following their examination of records in connection with the "E & G Stabilization Project", that there was evidence of an irregularity. Specifically, the auditor's report states:

"During our review, we found one instance where Mr. Labiche directed Matt Durand, the General Contractor, to invoice the Port for services not included in the original contract by overstating aggregate instead of submitting change orders. The excess aggregate charges resulted in an overpayment of \$9,200.00. We discussed the charges with Mr. Durand and he agreed that Mr. Labiche directed him to invoice fencing materials and installation as aggregate and that it appears that he was paid twice by the Port for the fencing materials and installation."

The Port expects that you will refund this overpayment without the necessity of formal legal action, however, on behalf of the Port we hereby make demand for reimbursement.

Please call Mr. Pontiff or myself if you have any questions regarding the above.

Yours very truly,

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RAYMOND E. ALLAIN

REA/rea

xc: Roy Pontiff

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