

WARD 7 FIRE PROTECTION
DISTRICT OF BIENVILLE PARISH



COMPLIANCE AUDIT

ISSUED NOVEMBER 7, 2007

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November 7, 2007

**MR. KENNETH L. KNOTTS, CHAIRMAN,
AND MEMBERS OF THE BOARD
WARD 7 FIRE PROTECTION DISTRICT
OF BIENVILLE PARISH**
Saline, Louisiana

We have audited certain transactions of the Ward 7 Fire Protection District of Bienville Parish (District). Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the propriety of certain financial transactions.

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 by *Government Auditing Standards*; therefore, we are not offering an opinion on the District's financial statements or system of internal control nor assurance as to compliance with laws and regulations.

The accompanying report presents our findings and recommendations as well as management's response. This correspondence is intended primarily for the information and use of management of the District. Copies of this report have been delivered to the District Attorney for the Second Judicial District of Louisiana and others as required by law.

Respectfully submitted,

Steve J. Theriot, CPA
Legislative Auditor

CM:GC:DD:sr

BNVFD07

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Excessive Fuel Purchases

Ward 7 Fire Protection District of Bienville Parish (District) records indicate that from January 12, 2006, to November 13, 2006, Mr. Danny Carr, former fire chief, charged 857 gallons of fuel totaling \$2,278 from Durbin Country Store and Saline Quik Stop. Although receipts obtained from the District indicate that the purchases were for Chief Carr's District vehicle 704 (1996 Ford F350), Durbin store employees and District firefighters indicated they witnessed Chief Carr filling up his personal vehicle and charging these amounts to the District. Based on an analysis of the fuel purchased and the amount of mileage incurred on vehicle 704 during this period, it appears that Chief Carr may have purchased as many as 516 gallons of fuel totaling \$1,352 for purposes other than to fuel vehicle 704.

From January 2005 to December 2006, Chief Carr worked as the District's fire chief. He was responsible for supervising the District's nine fire stations. Chief Carr had the authority to purchase fuel for District vehicles using local convenience store accounts established in the District's name. The District's practice required Chief Carr to record the vehicle number, mileage, and gallons purchased and to sign the sales receipts when purchasing gasoline. Chief Carr generally drove District vehicle 704 while on District business and frequently charged gasoline at Durbin Country Store and Saline Quik Stop.

During an examination of fuel purchases made by Chief Carr, we noted that most of the fuel receipts did not include mileage readings. Mileage readings indicate that from January 12, 2006, to November 13, 2006, vehicle 704 traveled a total of 3,409 miles. An examination of 59 fuel receipts in which Chief Carr purchased fuel for vehicle 704 indicates that he purchased 857 gallons of fuel during the same period. Based on this information, vehicle 704 averaged four miles per gallon.

According to a national consumer automotive source, vehicles similar to vehicle 704 (1996 Ford F350) average approximately 10 miles per gallon. At this rate (10 miles per gallon), Chief Carr would have only needed to purchase 341 gallons of fuel to travel 3,409 miles. However, because Chief Carr purchased 857 gallons of fuel for vehicle 704, it appears that as many as 516 gallons of fuel were purchased for other purposes. At an average cost of \$2.62 per gallon, the District incurred costs totaling \$1,352 for the additional fuel purchased by Chief Carr.

Board members Kenneth Knotts and Oscar Patterson stated that Chief Carr was to use District vehicle 704 for District business only. Mr. Patterson stated that the board compared Chief Carr's fuel purchases during a six-month period to the District vehicle mileage and determined that Chief Carr may have purchased excessive fuel. We spoke with employees of Durbin Store and volunteer firefighters who witnessed Chief Carr fueling his personal vehicles and fuel cans then charging the costs to the District.

Chief Carr stated that he was not given any specific guidance for the usage of the vehicle; however, there was an understanding that he could use it to run small personal errands. There were also times he used his personal vehicle to run errands for the District, and according to Chief Carr, the board gave him permission to charge the fuel to District vehicle 704. Chief Carr estimates that there were about 15 occasions in which he filled up his personal vehicle and

charged the purchase to District vehicle 704. He stated that on at least one occasion, Mr. Douglas Buckley, secretary treasurer, gave him permission to charge the fuel to the District when he used his personal vehicle to conduct District business. In December 2006, the board did not renew Chief Carr's contract.

We recommend the District develop written policies and procedures requiring firefighters to maintain vehicle logs for each District vehicle. These policies should require personnel to record when fuel is purchased, the vehicle number, mileage, date of purchase, and the amount of fuel purchased.

In addition, the District should develop written policies and procedures for when privately owned vehicles are used to conduct District business. These policies and procedures should require that:

- (1) all expenses associated with District travel be authorized and approved in writing;
- (2) the most direct and regularly traveled route be used by the employee;
- (3) all claims for mileage be in accordance with a standard mileage chart approved by the board, if a standard mileage chart is not appropriate, odometer beginning and ending readings must be provided;
- (4) vehicle mileage to be recorded separately for each leg of travel so that mileage can be properly reviewed;
- (5) employee claims for routine travel to be documented to include the purpose, date, and time of departure and return; and
- (6) payment of travel expenses after the employee supplies full documentation of all expenses.

Altered Test Results Submitted to Property Insurance Association of Louisiana

During 2003, Board Chairman Kenneth L. Knotts and Mr. Douglas Buckley, Secretary Treasurer of the District altered fire training and test records that were later submitted to the Property Insurance Association of Louisiana (PIAL). As a result of the altered records, in January 2004, the District's fire rating was retrograded causing homeowners located within the boundaries of the District to be subjected to higher insurance premiums. Mr. Knotts and Mr. Buckley may have violated Louisiana law¹ by altering and submitting altered documents to PIAL.

¹ 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. 14:133 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.

Background

PIAL sets the fire insurance public protection rating classification (fire rating) for municipal areas. The fire ratings are then used by insurers that write fire insurance policies in the state of Louisiana. These fire ratings influence the cost of insurance premiums to homeowners. Fire ratings are determined by classes ranging from 1 to 10; the lower the class rating, the lower the cost of insurance premiums to homeowners. These rates are subject to approval by the Louisiana Insurance Rating Commission.

Every five years, the District receives a fire rating examination by PIAL. The District fire chief is responsible for providing to a PIAL municipal field representative firefighter training records and performance tests on fire hydrants, hoses, and pumps for each of the District's fire stations. PIAL uses these records in determining the District's fire rating.

Altered Documents

On March 11, 2003, former Fire Chief Robert Thomas submitted test and training documents dated 1997 to 2002 to PIAL with an affidavit certifying that the information was complete and correct. In January 2004, Mr. Randall Loe, PIAL field representative, examined the District's fire suppression capabilities. During his examination, Mr. Loe discovered that all fire suppression capabilities tests submitted by the District were not performed, but rather prior year test documents were altered and submitted to PIAL to give the appearance that testing had been performed on an annual basis. As a result of his finding, Mr. Loe deducted 20% from the District's fire rating points, which had a direct impact on the District's fire rating from class 5 to class 6.

Mr. Loe's examination of the District's hose tests, fire plug and hydrants tests, pump service tests, and employee training records revealed the following deficiencies:

Hose test reports during 1997 to 2002 from eight separate fire stations within the District had identical test results. Required individual tests such as the hose coupling check, pressure test, pressure test time, and test remarks were recorded with the same results each year. Mr. Loe noted that the documents' header information (date, hose size, and station name) had been altered on each test to give the appearance the District performed separate hose tests each year as required by PIAL.

Fire plug and hydrant test documents for the stations in Lucky and Saline contained duplicate results for 2000 and 2001. An examination of the documents indicates that fire plug and hydrant tests performed in 2002 had been copied and then the year altered to give the appearance that tests were performed in 2000 and 2001.

During 2000, 2001, and 2002, District records indicate pump service tests were performed on seven fire pumper trucks. Each pump test consists of three separate tests with staged PSI (pounds per square inch) and water capacity where the GPM (gallons per minutes) is recorded. Mr. Loe noted that the only difference between test results of the seven trucks tested was the handwritten date recorded on each form.

Employees attending training are required to sign a sign-in sheet. An examination of sign-in sheets from Browntown, Friendship, and Saline fire stations indicates that on 21 occasions, for each year examined, the same employee names appeared on sign-in sheets in the same order and position of each year. Mr. Loe noted that the course date was the only noted difference recorded on the sign-in sheets. He stated that this was most likely accomplished by copying a prior sign-in sheet then changing the dates on each copy. On at least 50 occasions, Mr. Knotts signed as the training instructor at the Browntown Fire Station (Browntown).

According to Mr. Thomas, each fire station performs its own tests. He collects the test documents from the station captains and mails them to PIAL. He stated that although each fire station is required to provide monthly firefighter training, there is minimum participation from the volunteer firefighters in attending the courses. He stated that Mr. Knotts serves as the captain of the Browntown station and provided him with sign-in sheets from Browntown that he gave Mr. Loe.

During an interview of Mr. Knotts, he stated that he takes full responsibility for the altered sign-in sheets from the Browntown station. According to Mr. Knotts, he altered the sign-in sheets to make it appear as though firefighters had participated in the required training. He stated that the District is always under pressure from the insurance companies to provide paperwork and that “the insurance companies are constantly raising the bar.” Mr. Knotts stated that he only altered training records for Browntown and was unaware of altered records provided by other fire stations within the District. He stated that if documents from other fire stations were altered, those station captains were responsible for the document alterations.

Mr. Buckley agreed that the District’s fire rating increased because of the duplicate test results that were submitted to PIAL. According to Mr. Buckley, it was not unusual to copy test results from prior years and then submit the documents to PIAL. He stated that the test results basically did not change from one year to another. He stated he has copied prior years’ tests of hoses, hydrants, et cetera, for all the fire stations in the District and submitted them to a PIAL field representative. Mr. Buckley stated that the fire tests are only part of the fire rating process. He estimates that the District’s fire rating increase amounted to only about \$35 per household per year.

The Department of Insurance estimates the average increase in premiums of a retrograde from 5 to 6 for a single brick/masonry home in Bienville Parish with a \$500 deductible would be \$34 or 6.4%. The probable increase in cost for such a retrograde could range from 1.4% to 11.4% or \$8 to \$60.

We recommend that the District seek guidance from PIAL to determine the nature and extent of testing and firefighter training to be completed on an annual basis. The District should then develop written policies and procedures for the performance, documentation, and certification of all testing and training required by PIAL and ensure that management performs and properly records all tests.

Public Bid Law Violations

Louisiana Revised Statute (R.S.) 38:2212.1 (public bid law) requires that all purchases of any materials or supplies exceeding the sum of twenty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has met the specifications as advertised. During our review, we noted two instances in which the District failed to properly apply the public bid law:

1. The District purchased equipment without a competitive bid process.
2. The District applied a flawed bid process for the acquisition of a fire truck.

Equipment Purchased Without Competitive Bids

During 2006, the District paid a total of \$95,347 for 64 sets of personal protective equipment (bunker gear) funded through a United States Department of Homeland Security (HLS) grant. As of August 17, 2007, four sets of bunker gear totaling \$6,000 have not been delivered to the District. HLS grant guidelines require the District to use its established procurement procedures to provide open and free competition. Because of the amount and type of equipment purchased, the District should have applied the state bid law. However, District officials indicated that the bid function was delegated to a local vendor, Mr. Curtis Roller. Our review of this process indicates that although Mr. Roller wrote the specifications and the public advertisement to obtain bids for the bunker gear, the advertisement was not published. As a result, Mr. Roller was the only bidder and was awarded the contract to sell the bunker gear to the District without a competitive bidding process.

Background

The HLS Assistance to Firefighters Grant Program provides funding directly to fire departments and nonaffiliated emergency medical services (EMS) organizations to enhance the abilities of these organizations. Based on the population served, fire departments and EMS organizations are required to match federal funding with a certain percentage of nonfederal funds. In 2005, the District submitted a grant application to purchase bunker gear consisting of coats, pants, suspenders, gloves, boots, helmets, and bags for the District's volunteer firefighters. Mr. Roller wrote the specifications to custom fit bunker gear to each of the District's volunteer firefighters. The application requested a total award of \$98,750 to purchase 65 sets of bunker gear at \$1,500 per set and cover the \$1,250 fee for a grant writer. On September 23, 2005, the grant was awarded for 95% (\$93,813) of the total amount leaving the District responsible for the remaining 5% (\$4,937) of the award.

The public bid law requires that all purchases of any materials or supplies exceeding the sum of twenty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised.

Violation of HLS Grant Guidelines and the Public Bid Law

Although the District does not have a formal purchasing policy, its normal practice is to apply the public bid law for supplies and materials purchases in excess of \$20,000. While it is prudent that the District establish a formal purchasing policy, the District must follow the public bid law when purchasing material and supplies in excess of \$20,000. According to HLS grant guidelines, grantees are required to use their established purchasing procedures or obtain at least two competitive quotes/bids for the items to be procured using grant funds. Although the District had a legal obligation to apply the public bid law to the purchase of the bunker gear, the board relinquished its authority and allowed Mr. Roller, a private vendor, to write the bid specifications and solicit bids for the bunker gear. As a result, the bid advertisement was not published, competitive quotes/bids were not obtained, and Mr. Roller was awarded a non-competitive contract to sell bunker gear to the District.

During an October 2005 board meeting, board members agreed to empower Mr. Roller to seek competitive bids for the acquisition of the District's bunker gear. Although records suggest there was never an advertisement soliciting bids for the bunker gear, minutes from the November 2005 board meeting indicate that the board accepted a bid package from Mr. Roller. As a result, the District used funds totaling \$95,347 to purchase 64 sets of bunker gear which included 60 sets purchased in April 2006 and four sets purchased in December 2006.

In August 2007, Louisiana legislative auditor (LLA) representatives requested bid documentation from Mr. Knotts and Mr. Roller. Mr. Knotts could not provide the documentation and stated he was under the impression that Mr. Roller maintained the bid documents. Mr. Roller initially indicated that the board received bids from Casco Industries in Shreveport, F&F Supply Company, and Louisiana Firefighters Services (Mr. Roller's company). A sales representative of Casco Industries stated that he heard the District was going to purchase bunker gear and that former Fire Chief Danny Carr invited him to speak during a board meeting. He stated that during the meeting, he presented board members samples of its bunker gear but never quoted prices or submitted a bid. The sales representative stated that to his knowledge the District never bid out the bunker gear but rather purchased the bunker gear directly from Louisiana Firefighters Services.

Mr. Roller later stated that Louisiana Firefighters Services, his personal company, was the only bid received through a competitive process. He stated that he prepared the bid advertisement to solicit bids for the bunker gear and submitted it to Mr. Knotts to publish in the local newspaper. Mr. Knotts stated that he could not recall receiving a bid advertisement from Mr. Roller. He explained that because the District empowered Mr. Roller to seek competitive bids for the bunker gear, Mr. Roller was to advertise the bunker gear for bids in the local newspaper and to receive all the bids.

Bunker Gear Purchased but not Delivered

On July 13, 2007, LLA representatives inquired about the additional four sets of bunker gear the District purchased from Mr. Roller on December 1, 2006. Mr. Roller stated that the bunker gear had been purchased but stored at his personal storage until after the completion of the District's legislative audit. On August 19, 2007, Mr. Roller provided LLA representatives with an invoice for \$4,272 indicating that he had purchased the four additional sets of bunker gear from Quest Enterprises.

An examination of the invoice indicates the order and purchase dates were removed. On August 20, 2007, Quest Enterprises provided LLA representatives with a copy of the original invoice. The original invoice indicates that on July 17, 2007, Mr. Roller placed the order for four complete sets of bunker gear, eight months after receiving a \$6,000 payment from the District for the bunker gear and four days after our initial inquiry. When asked why the dates on the invoice were removed, Mr. Roller indicated he had just obtained the invoice and that the dates were private information. Mr. Knotts stated he believed Mr. Roller had purchased the gear, but the board did not take delivery because it had no immediate use for the gear.

Flawed Bid Process

In March 2006, the District awarded KME Fire Apparatus (KME) a contract totaling \$188,484 to construct a new fire truck for its Shady Grove Fire Station. However, the District's actions indicate the bid process may have been flawed.

State law requires that all purchases exceeding the sum of twenty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has met the specifications as advertised. The purpose of the bid process is to obtain independent prices from a competitive market to receive the best possible competitive price.

During 2005, the District solicited sealed competitive bids from vendors to purchase a new fire truck. Mr. Roller was listed as a salesman for KME, a manufacturer of fire equipment, located in Nesquehoning, Pennsylvania. Mr. Roller stated that because he had a business relationship with KME, District board members approached him when they sought bids to purchase a new fire truck. Mr. Roller stated that he, the District's former fire chief, captain of the Shady Grove Station, secretary treasurer, and several board members met with a representative of KME to write the specs for the Shady Grove fire truck.

On August 18, 2005, the District advertised for bids to construct the new fire truck. Board minutes indicate that the District advertised in the local paper and received sealed bids from Ferrara and KME. Mr. Knotts stated that the District rejected both bids indicating the bid prices to construct the new fire truck were too high. However, Mr. Knotts could not provide records documenting the board's reason for rejecting each bid.

According to board minutes on October 13, 2005, responses to a second request for sealed bids were received from Ferrara for \$176,361; F&F Supply Company for \$179,998 (representing KME); First Alarm Fire for \$158,912; and Five Alarm Fire for \$169,325. Although First Alarm Fire submitted the lowest bid, the District again rejected all bids. When asked why the District did not choose to accept the lowest responsible bidder, Mr. Knotts stated that Mr. Roller advised against it, indicating First Alarm Fire produced poor products. Mr. Knotts stated that as a result of the information he received from Mr. Roller, he believed awarding the bid to First Alarm Fire, the lowest bidder, could cause the District future problems. Again, Mr. Knotts failed to document why the lowest responsible bidder was rejected.

Although the first set of sealed bids should have been considered null and void because they were rejected, Mr. Knotts indicated that during November 2005, the District decided to reconsider the first set of bids and subsequently awarded the bid to KME. Records indicate that on April 13, 2006, the District paid KME \$63,500 for the Navistra Chassis of the new fire truck. On September 12, 2006, the District paid KME the balance of \$124,984 to complete the purchase of the new fire truck. As a result, the District through a flawed bid process paid a total of \$188,484 to purchase the KME fire truck, approximately \$8,000 more than the highest bid and \$29,572 more than the lowest bid received.

The public bid law, when followed, is designed to promote competition for goods and services purchased by public agencies. However, the District's practice of awarding the contract to construct a new fire truck was performed in a manner that may have prevented the District from receiving the best possible competitive prices and may have violated the public bid law.²

We recommend that the District comply with the provisions of the public bid law.

Lack of Established Policies and Procedures

Purchases

The District does not have a written purchasing policy. Louisiana law requires District officials to bid certain public works projects and purchases of materials and supplies over a certain sum. We recommend District officials develop and implement written purchasing policies and procedures that provide for adequate internal control to include defining and detailing the:

- (1) initiation of purchases;
- (2) purchase requisition and purchase order preparation procedures;
- (3) purchase requisition and purchase order approval process;

² **R.S. 38:2220 (C)** provides in part where a judgment of nullity is rendered in any action brought by a district attorney or by the attorney general pursuant to Subsection B of this section the district court may award a civil penalty not in excess of fifty thousand dollars against each offending member of the governing authority of the public entity who authorized the violation.

- (4) allowable purchases;
- (5) proper documentation of purchases;
- (6) verification of receipt of good and services;
- (7) compliance with the provisions of the public bid law when applicable; and
- (8) retention of all bid and quote documentations.

Records Retention

The District does not have a formal records retention schedule and not all records are immediately filed and preserved in an orderly fashion. The District should develop a records retention schedule and seek approval from the Secretary of State. R.S. 44:36 requires, at a minimum, that in all instances in which a formal retention schedule has not been executed, such public records shall be preserved and maintained for a period of at least three years from the date on which the public record was made.

Personnel

Records indicate that there are as many as 60 volunteers listed as firefighters within the District. However, in our attempt to verify the status of these volunteers, we were informed that many of the volunteers, though they maintain District equipment/supplies, had not responded to a fire for over a year. The District should establish an accurate roll of current volunteers and require the volunteers to certify biannually their intention to serve the District. Those who fail to certify biannually should be removed from the District's roll and the District's equipment returned.

Equipment

The District has not established written policies and procedures to govern the use and maintenance of its equipment provided to firefighters. Firefighters' equipment such as bunker/turn out gear and two-way radios should be tagged and assigned to each individual firefighter who will be responsible and accountable for the condition and return of the District's equipment. The District should require firefighters to complete an annual verification report indicating the equipment in their possession and its condition. Furthermore, the District should prepare and maintain an inventory of all its equipment, material, and supplies.

Open Accounts

The District maintains open accounts with several local convenience stores to allow the fire chief and volunteer firefighters to purchase gasoline, motor oil, and other fuels for the District fire trucks. The District's practice requires that firefighters record their vehicle mileage and gallons of fuel purchased and sign all receipts. However, we noted in several cases these procedures were not followed. We recommend the District reduce its policy to writing and

ensure compliance with the policy. In addition, management should review all purchases with District funds on a monthly basis for reasonableness.

Travel

There are no written policies or procedures for travel. We recommend the District adopt a detailed travel policy using the state travel policy as a guide. The policy should include, at a minimum, the following:

1. Definition of allowable travel
2. Procedures for advancements and reimbursements
3. Per diem rates for meals and hotels in and out of the state, if applicable
4. Mileage reimbursement rates
5. Guidelines for overnight travel
6. Documentation required to substantiate reimbursement
7. Provisions for disciplinary action for noncompliance

This information has been provided to the District Attorney for the Second Judicial District of Louisiana and others as required by law. The actual determination as to whether an individual is subject to formal charge is at the discretion of the district attorney.

The Ward 7 Fire Protection District of Bienville Parish (District), Louisiana, is governed by five commissioners who are resident property taxpayers of the District. The villages of Lucky and Saline each appoint one commissioner and the Bienville Parish Police Jury appoints two members; these four commissioners then select the fifth commissioner. The five commissioners are referred to as the Board of Commissioners. The members serve two-year terms and do not receive compensation.

The District was created for the purpose of acquiring, maintaining, and operating buildings, machinery, equipment, water tanks, water hydrants and water lines, and items necessary to provide proper fire prevention and control within the fire district.

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Management's Response

KENNETH LARRY KNOTTS, Chairman



DOUGLAS Secretary
BUCKLEY Treasurer

PARISH OF BIENVILLE WARD 7 FIRE PROTECTION DISTRICT

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October 26, 2007

BOARD MEMBERS
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Dear Sir:

The Board of Directors of Ward Seven Fire Protection District met in special session at 7:00 PM CDT 23 October 2007. A copy of the agenda is attached and notice of the meeting was posted as is required. All members were present.

The main reason for the meeting was to compose a timely response to your preliminary findings. (I note in passing that this was the first time in twenty seven years that any part of one of our meetings was held in closed session.)

Our response will be in the listed order of your findings and is offered in the spirit of total candor and conciliation.

We will offer periodic comments or analysis in an attempt to clarify or give perspective but without attempting to obfuscate or deny.

In addressing the issue of fuel purchases, we would note that on several occasions Chief Carr was authorized to use his personal vehicle on official trips and bill the fuel to the District. This was due in some instances when Pumper #712 was left for warranty work in Shreveport. His car was driven by a family member and was used for transportation (to) home. In other instances Carr used his personal vehicle on official business rather than take vehicle #704 with its included EMS support equipment out of the District. Vehicle #704, while admittedly a Ford F350, is a heavily loaded and low geared service vehicle which has never been known to get over 7 miles per gallon.

Some other factors with regard to fuel purchased and put into containers: Chief Carr for instance once discovered during a station check that the gasoline powered pumper in the Sand Springs station -- about seven miles from the nearest commercial fuel -- had because of a fuel gauge malfunction been returned to its station with apparently ounces of fuel. The most expedient solution was to purchase fuel which was put into several containers and brought to partially refuel the pumper. Relatedly, all of our pumpers have aboard independently fueled portable generators which are periodically used and tested.

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Likewise, most of our tankers have separate tail-board mounted gasoline pumps which are independently fueled -- usually from portable cans.

We now have in effect forms and procedures which should eliminate the questions about fuel purchases. No more gasoline in private vehicles. The use of private vehicles for District business must be pre-authorized and consequent expenses may be re-imbursed upon documentation and completion of required forms and procedures. A rigid log is maintained on all vehicles. Odometer readings are recorded at the beginning and end of all trips. Times, volume, price, vehicle number and mileage are also noted when the authorized driver purchases fuel.

With regard to the second category of findings, Kenneth Larry Knotts as acting head of that unit, has taken sole responsibility for any discrepancies in the records of the Browntown station and as District Chairman shares responsibility for all such occurrences anywhere in the District. Unarguably and simply put we will see that such do not recur.

We will address the matter of the personal turn-out gear. The Board heard the presentation of Mr. Curtis Roller and that of a representative of CASCO Industries. The CASCO salesman spoke first and on his own time and for whatever reason left the meeting. Mr. Roller then presented. He was not the only salesman heard. Later, the bid notice to the Bienville Democrat (newspaper) was drafted and Mr. Roller agreed to mail it that day as he could get to the Jonesboro Post Office before closing time. He is virtually positive about having mailed it that day. This is all we can say since the paper apparently never received anything. We, in good faith, assumed that all was well until the matter was brought to our attention by your representative.

Yes, errors in procedure seem apparent. We would point out that we think we received a superior product at a fair price. All items paid for are now on hand.

We now address the purchase of the fire truck -- a Class A Pumper. We called for bids in the first round. It was unclear initially and so remains to us as to whether the low bidder, Mr. Young, was bonded. He was somewhat vague and evasive on the subject. He would say things like it would simply add to the cost, etc. We did not press the point so much in the first round since no money was demanded up front. We had asked that the quotes received in the first bids be good for 120 days.

It was also unclear as to whether Mr. Young had ever manufactured a Class A Pumper and had it pass NFPTA tests. He says yes. Others say no -- that the unit actually tested had unapproved valves installed which had to be literally physically held in position -- with inherent showerbath -- during the tests.

We rejected all of the first bids.

We then within the specified 120 days called for another set of bids. Mr. Young, Ferrara, KME, among others, responded. Again, Mr. Young was the low bidder. His response on the matter of bondedness was the same. A Watrus pump was specified as this was what the receiving station chief wanted. Mr. Young's submission changed this to a Darley pump. Also, differently, this time the first half of the money was wanted up front. We considered everything and felt uneasy. We eventually rejected all bids in this second round.

We were advised, wrongly as we now know, that since we were within the 120 days first specified, that we could reconsider one of the first bids. This is how we came to deal with KME.

Kenneth L. Knotts talked extensively with Assistant Attorney McStemsey when that person called after being contacted by Mr. Young. McStemsey advised that the District had erred in opening the bids before rejection -- that they all should have been rejected unopened. Mr. McStemsey said we owed Mr. Young a letter of explanation and a public hearing as to why his bid was rejected. The letter was sent and Mr. Young appeared before the Board at a regular meeting.

We have taken steps to rectify all the errors which you have noted. We will faithfully pursue a policy of legal obedience and fiscal responsibility.


We note and appreciate the civility and professionalism of your field staff.

In closing, we ask that you consider the whole milieu. This District has organized, developed, and maintained a fair degree of fire protection and emergency medical response in a large impoverished area. It has been managed for 27 years by about 6 persons who to our knowledge have never profited one cent nor in most cases even asked for re-imbusement for money spent or miles traveled. The collective contribution by these volunteers is enormous.

We believe we have made sound, right (capital "R") decisions and in good faith and intent even if, as you see, such are sometimes misguided.

We ask only for a fair overview.

Sincerely,



Kenneth L. Knotts DH
Chairman of the Board

KENNETH LARRY KNOTTS, Chairman



DOUGLAS Secretary
BUCKLEY Treasurer

PARISH OF BIENVILLE WARD 7 FIRE PROTECTION DISTRICT

RT. 1, BOX 155, CASTOR, LOUISIANA 71016

(318) 576-3701

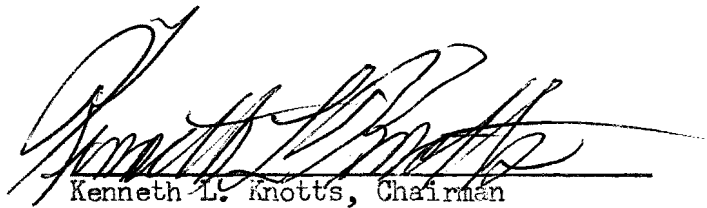
BOARD MEMBERS
W. E. BARRON, JR.
Tony CHOATE
IRVING LAWRENCE
O. D. PATTERSON

19 OCTOBER 2007

THE BOARD OF DIRECTORS OF WARD SEVEN FIRE PROTECTION DISTRICT WILL MEET IN SPECIAL SESSION AT 7:00 PM CDT TUESDAY OCTOBER 23, 2007 IN THE FELLOWSHIP HALL OF FRIENDSHIP BAPTIST CHURCH, FRIENDSHIP, LOUISIANA.

THE AGENDA FOLLOWS:

1. Consider the minutes of the last regular session.
2. Consider a motion to authorize the Chairman to compose a letter to the Bienville Parish School Board requesting authorization to establish a helicopter landing zone behind the old gym on the Saline School campus, to use same also in training and to install a wind sock on the roof of the old gym.
3. FYI Granting of license by FCC and schedule to install antenna/repeater.
4. FYI Comments to any audience present concerning the main reason for this special meeting as being the requirement for the Board to compose a response to the Legislative Auditors office to their preliminary findings regarding this District. Likewise, the requirement to enter into Executive Session to discuss the specifics of same.
5. Consider a motion to enter into aforementioned Executive Session.
6. (After motioning to return to Regular Session) Any other business pertaining to the operation of W7FPD and which may be added as per the rules governing a Special Session.
 - A.
 - B.
 - C.



Kenneth L. Knotts, Chairman

**Curtis M. Roller
P.O. Box 611
Jonesboro, LA 71251-0611
318-259-9400/318-245-1557(cell)
318-395-1342(fax)**

10/27/07

To: Office of the Legislative Auditor

Re: Bienville Parish Fire District #7

Dear Mr. Calvin Moore,

As per our telephone conversation I am replying to the findings set forth by your investigation into purchases that have occurred in the past at the Bienville Parish Fire District #7.

When the fire district was awarded the grant to purchase personal protective gear I as well as another salesman attended a board meeting and presented the equipment we could provide. The board chose to seek the equipment that I represented. I was directed by the board to prepare a bid package with instructions for submission and a public notice to be published in the local journal twice with the acceptance of bids being open for a period not less than fifteen days.

I proceeded to provide the paperwork as requested. My records indicate that I mailed to the Bienville Democrat a request to print a public notice to the physical address of the publisher. At the same time I sent to the fire district a copy of the public notice as well as bid packages to be sent to vendors upon request. I had no knowledge of the fact that the public notice not being published until the fact was researched during this investigation.

When the grant was being closed it was found that funds were left unexpended. The fire district was notified and the decision was made to purchase four more sets of gear with these funds. I billed as was directed and waited for the sizing to submit the order. Due to a flurry

of personnel changes that was taking place within the fire district this information did not come. So I contacted a representative of the board and advised them that before this grant was actually closed these suits of gear need to be in hand. I then took the average sizing and placed the order. Upon receiving the equipment I was advised to hold the equipment in my warehouse till several issues were dealt with within the fire district.

The copy of the report that I was provided tends to state that facts I provided were inconsistent. What is not stated in this report is the fact that every conversation that was held with the investigators of the legislative auditor was done when I had no access to any of information concerning these situations. I was never with my notes when I was called upon to provide information.

As to the purchase on one Class A engine, the board was seeking a reputable builder that would provide an apparatus as they desired it to be built. I notified a salesman from F&F Supply Co. to meet with representatives of the fire district to discuss bid specifications.

I was not a part of this process again until I was called to come and be present at a special called board meeting after the second bid opening. When I arrived that night the board was critiquing the successful bid package from the second round of bidding. Three issues were being discussed at this time.

The first point of concern from the board was that the builder being considered has up to this time never actually manufactured an apparatus of this type. This lead to the fact that there were no prior references to contact for input.

The next point of concern was that after a review of the bid package that was offered to the fire district and published by the fire district, that was written by the builder being considered, was found that some of the items the fire district was seeking had been substituted for items of a lesser quality. One such item was the mid-ship fire pump.

The one issue that was of the most concern was that the fact that in the bid specification package provided no assurances of the fire district actually being positive of a successful delivery of a unit they wanted was

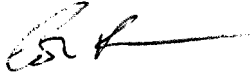
not included. There was no surety or performance bond in the package. Also the vendor being considered was requesting 50% of the cost of the unit to the fire district as an advance payment to the start of the manufacture.

This is where I discussed with the board rejecting the second round of bidding and reconsider the first round which met all their concerns. It was not till last week in a telephone conversation with Mr. Moore that I learned a bid package that was rejected cannot be reconsidered.

In the two cases mentioned circumventing the bid laws of the state of Louisiana was not intended.

I appreciate the opportunity that was provided for me to reply to this investigation.

Sincerely,

A handwritten signature in black ink, appearing to be the initials 'LH' followed by a long horizontal stroke.