

IBERIA PARISH GOVERNMENT



COMPLIANCE AUDIT
ISSUED FEBRUARY 28, 2007

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February 28, 2007

ROGER DUNCAN, COUNCIL CHAIRMAN,
AND MEMBERS OF THE IBERIA PARISH COUNCIL
New Iberia, Louisiana

We have audited certain transactions of the Iberia Parish Government. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes. The purpose of our audit was 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 Board'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. Copies of this report have been delivered to the Honorable J. Phil Haney, District Attorney for the Sixteenth Judicial District of Louisiana, and others as required by law.

Respectfully submitted,

Steve J. Theriot, CPA
Legislative Auditor

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	Page
Findings and Recommendations:	
Abusive Public Works Practices	3
Questionable Expense Reimbursements.....	4
Retainer Contracts	8
Promotion Account.....	12
Campaign Golf Tournaments	13
Background and Methodology.....	17
Management's Response	Appendix A

Abusive Public Works Practices

During the period June 2002 through August 2005, the Iberia Parish Government (Parish) provided approximately \$156,707 in parish pipe, dirt, gravel, and labor to residents of the parish in possible violation of the state constitution.¹ Of that amount, the Parish provided approximately \$20,592 in pipe; \$20,116 in dirt from the parish landfill and Teche Lake (according to Parish employees); \$96,067 in gravel; and \$19,932 in labor. According to Parish records and the director of public works, the Parish completed at least 594 culvert installation projects and provided gravel on 2,440 private driveways without charging the residents for the installations and/or materials.

According to Leroy Landry, director of public works, projects are initiated in response to residents' requests, drainage problems identified by Parish supervisors, and requests directly from Will Langlinais, parish president. The public works projects are classified into two categories: road and drainage improvements for public purposes and roadside beautification for private purposes.

Mr. Landry also stated that all work must be pre-approved by Mr. Langlinais before it can be started. Mr. Landry stated that in the past, if residents purchased the pipe and dirt and paid a \$25 permit fee, the Parish would install a new driveway culvert at no cost. Had the Parish followed its past practices as Mr. Landry stated, it would not have expended \$40,708 for pipe and dirt. However, the Parish should also have charged residents for the \$96,067 in gravel for private driveways and \$19,932 in labor expenses.

According to Mr. Landry, an estimated \$20,592 of parish pipe was provided to 58 council members (including their immediate and extended family members), employees, friends of parish officials, parish vendors, and other local residents. For example, approximately 265 feet of 24-inch polymer pipe and 40 feet of 18-inch corrugated metal pipe were provided and installed in ditches surrounding Mr. Langlinais' daughter's property. According to Mr. Landry, the 40-foot installation was for a driveway and the remaining installation was for beautification purposes. The total cost to the parish was approximately \$4,870 (\$3,667 for pipe; \$897 for dirt; \$165 for 7.6 yards of gravel; and \$141 for labor.) Employees received approximately 436 feet of parish pipe costing the Parish approximately \$1,106 in pipe and \$240 in labor. Residents received approximately 2,672 feet of various pipes costing the Parish approximately \$15,819 in pipe and \$1,451 in labor. For the remaining 536 pipe installations, the Parish provided free labor and in some instances free dirt and/or gravel.

In prior years, the Attorney General has opined that it was unconstitutional for parish government to install culverts for the sole benefit of a private landowner.² In response to a request sent by Wayne Landry, Assistant District Attorney for the Sixteenth Judicial District, the Attorney General's office issued Opinion No. 05-0272 in August 2005. According to this opinion, the parish would not violate Article VII, Section 14 of the Louisiana Constitution if the

¹ **Article VII, 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.

² **Opinion Nos. 01-0196 and 97-428.**

property owner pays the fair market value of all costs associated with the project including the culvert, aggregate material, and labor.

Mr. Langlinois stated that before receiving the Attorney General Opinion (05-0272) in August 2005, the Parish did not charge residents for gravel, dirt, or labor while installing culverts. He received an update of projects completed and in progress from Mr. Leroy Landry once a week. He also stated that he and Mr. Leroy Landry decide which projects are executed, although Mr. Leroy Landry could decide to do a project by himself.

Mr. Langlinois stated that he approved pipe to be installed on his daughter's property along Rip Van Winkle Road because the road was sinking and caused a public safety concern, but he does not know if the safety concerns were documented. However, Mr. Langlinois also stated that the pipe installed along side his daughter's property along Highway 675 was not for a safety reason but could not give a public purpose for the installation.

According to Mr. Leroy Landry, the Parish stopped providing free materials and/or labor for pipe or culvert installations after receiving the aforementioned Attorney General's opinion. Currently, the Parish charges \$225 to install a new driveway, \$42 for gravel on new driveways installed by the Parish, and \$25 for the permit. All other materials are provided by the resident. He also stated that currently the Parish does not provide free gravel for private driveways.

During our audit, we noted the Public Works Department did not have written procedures for inventory control. The department has a variety of items in stock including pipe, supplies, limestone, and automotive and tractor parts. The Parish does not track inventory. The inventory manager stated that he does not keep detailed records on the use and replenishment of inventory.

We recommend the Parish continue with its new policies and procedures in accordance with the Attorney General's opinion. We also recommend that the Parish develop and implement inventory control policies and procedures. These policies and procedures should contain a work order system including control of inventory as well as tracking of parts, materials, and equipment to individual work orders. The policy should also contain procedures for employee purchases such as parts, materials, and equipment. Finally, we recommend the Parish seek payment from its residents for past services.

Questionable Expense Reimbursements

As parish president, Mr. Langlinois was required to travel for Parish business and received advances for meals and expenses in accordance with Parish travel policy. According to the policy, a travel voucher is completed before traveling, which indicates expenses that are prepaid and the amount that will be advanced to the employee. The Parish pays the following expenses directly to vendors: transportation, registration, and a hotel deposit (equivalent to one night's stay). After the travel arrangements are made, each employee traveling receives cash in advance for his/her meals (per diem) and the remaining hotel expense. Parish policy states that Parish "employees shall be compensated the following amounts for meals or actual expenses not to exceed \$40 per day; \$10 for breakfast, \$14 for lunch, and \$16 for dinner."

Parish Government Reimbursements

From January 2000 through April 2006, Mr. Langlinais received \$26,918 in meal reimbursements, which included \$17,558 for meals purchased inside the parish and \$9,360 was for meal purchases while traveling outside of the parish. During his travels outside of the parish, Mr. Langlinais received meal per diems totaling \$366. A review of the travel records indicates that, of the \$9,360 Mr. Langlinais received for meals, he was inappropriately reimbursed \$7,796 because he received meal per diems reimbursing him for the expense.

After receiving meal per diem in advance of his travel, Mr. Langlinais also submitted to the Parish and received for reimbursement \$7,796 in meal expenses incurred for the same trips. These meal receipts submitted by Mr. Langlinais were not itemized and did not state the business purpose for the expenditures. The majority of the receipts indicate that council members and other Parish employees attended the meals. Two of the meals, totaling \$1,393 and \$2,064, included council members and spouses. The council members also received meal per diem from the Parish. Six of the attending council members stated that Mr. Langlinais paid for the meal, but they did not know he was going to submit the meal receipts for reimbursement.

Mr. Langlinais stated that he received per diem and the remaining hotel stay in advance each time he traveled. He also stated that at conferences it is customary that the parish president host the attending council members and their wives to dinner one night. He paid for these meals with his personal credit card and submitted the receipt to the Parish for reimbursement. He stated that he was not aware it was not allowed.

Mr. Langlinais may have inappropriately received \$7,796 because (1) he and council members received meal per diems before their travels to compensate them for meal expenses; (2) he did not provide an itemized and properly documented accounting for the \$7,796 in meal reimbursements and consequently did not state the business purpose for the meals; and (3) public funds paid for spouses' meals. Upon being notified of the inappropriate reimbursements by the legislative auditors, on February 1, 2007, Mr. Langlinais reimbursed the Parish \$366 for the per diem he received in advanced before traveling.

During the same period, Mr. Langlinais submitted and was reimbursed for \$17,558 in meal receipts for non-travel related meals and catering for employee parties. Of the 292 receipts reimbursed, none of the receipts list the business purpose for the meals and 92% of the receipts was not itemized. None of the itemized receipts reflect the purchase of alcohol. However, the majority of the receipts had the participants' names listed. By not stating the business purpose for the meals, we could not determine the necessity for or the appropriateness of all the expenditures.

We obtained 22 itemized meal receipts from one local restaurant and two restaurants located in Las Vegas and Washington, D.C. Thirteen of the 22 receipts totaling \$1,429 included \$354 in alcohol purchases. According to Attorney General Opinion 02-0125, Mr. Langlinais may have violated Article VII, Section 14 of the Louisiana Constitution by purchasing alcohol. The opinion outlines a three-step test to determine whether a purchase is constitutional. The Parish should:

- (1) have a legal obligation to make the purchase;
- (2) determine that the purchase is for a public purpose; and
- (3) determine that the cost of the purchase equals the public benefit received.

Two receipts totaling \$766 were reimbursed to Mr. Langlinais for an employee Thanksgiving and Christmas luncheon. On December 21, 2000, Mr. Langlinais was reimbursed \$518 for catering services for an employee Christmas luncheon. On November 23, 2005, Mr. Langlinais was reimbursed \$248 for food purchases for an employee Thanksgiving luncheon. The Attorney General has historically opined (Opinion No. 03-0157) that “the payment or reimbursement of food, drink, or the expenses associated with parties and other types of celebratory functions, from public funds, is improper under Louisiana Constitution Article VII Section 14.”

Seven receipts totaling \$213 listed the name of the director of public works, Mr. Leroy Landry, and appear to be meals for two people. According to Mr. Landry, he did not attend the meals. Five of the meals were on days that Mr. Landry was on leave from work. Mr. Landry stated that “he has never eaten with Mr. Langlinais on a day he was not at work.”

Mr. Langlinais stated that he took vendors out to dinner to attract their business to the parish. He also stated that his wife attended some of the meals and that he was not aware that purchasing alcohol was inappropriate. He also had meals with employees to discuss business and that it is possible an employee attended a meal while he/she was on vacation leave.

Police Jury Association (PJA) Meal Reimbursements

During the period February 2002 through January 2003, Mr. Langlinais also served as the PJA president. As PJA president, Mr. Langlinais was given a PJA debit card and charged his travel expenses to the PJA. From January 2003 until 2005, the PJA allowed Mr. Langlinais to keep its debit card and continue charging his travel to the PJA. Documentation from both the Parish and the PJA indicates that Mr. Langlinais charged meals to the PJA debit card and received meal per diems from the Parish. A comparison between the meals charged to the PJA and the per diem from the Parish indicates that Mr. Langlinais received approximately \$546 in per diem in conjunction with meals charged to the PJA debit card.

Parish travel policy does not give clear guidance for employees receiving both reimbursements for meals from a third party and meal per diems paid by the Parish. However, if Mr. Langlinais was traveling for PJA business, he had no right to receive per diems from the Parish, and conversely, if he was traveling for Parish business, he cannot receive something of value from the PJA and may have violated Louisiana Revised Statute (R.S.) 42:1111.³

³ R.S. 42:1111A.(1) provides, in part, that no public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position.

Travel and Hotel Expenses Paid by the Parish and PJA

In 2003, Mr. Langlinais attended a National Association of Counties (NACO) conference in Washington, D.C., and received \$852 in travel expense reimbursements for the travel expenses from both the Parish and PJA. On February 5, 2003, the Parish paid \$292 for Mr. Langlinais' air travel and advanced him \$560 on February 21, 2003, for the remaining four night hotel stay. On April 8, 2003, Mr. Langlinais submitted a travel expense and reimbursement form to the PJA and was reimbursed for both the airfare and the remaining hotel charges. Mr. Langlinais stated that Ms. Jolyn Fleming, executive secretary, completed his travel vouchers for reimbursement. He stated that a mistake was made and he would make reimbursement if necessary.

Mr. Langlinais should not have retained the \$852 in travel expense reimbursement but rather should have deposited it into the Parish bank account. Directly receiving payments from the PJA or indirectly receiving payments from the PJA by using the debit card for travel reimbursements, Mr. Langlinais may have again violated R.S. 42:1111. Upon being notified of the duplicate payment by the legislative auditors, on February 1, 2007, Mr. Langlinais reimbursed \$903 to the Parish.

Double Payment by the PJA

In July 2004, Mr. Langlinais attended the NACO conference in Las Vegas, Nevada. During the conference, Mr. Langlinais used the PJA debit card to purchase two meals totaling \$618. In addition to charging the meals to the PJA's debit card, Mr. Langlinais also submitted the meal receipts to the PJA for personal reimbursement. After we notified the PJA of the double payment, on October 20, 2006, Mr. Langlinais reimbursed \$618 to the PJA.

We recommend that the Parish:

- (1) establish policies and procedures that prevent Parish employees and the president from using public funds to purchase meals without providing an itemized receipt, a business purpose for the meal, and a list of attendees;
- (2) require the Parish council to approve the president's expenditures;
- (3) prohibit the use of public funds for non-public expenditures such as the purchase of alcoholic beverages and employee parties;
- (4) clarify policy to address meal per diems when meals are provided to the employees/council members by a third party;
- (5) seek reimbursement from Mr. Langlinais for \$7,796 in meal reimbursements, less the \$366 received for the per diem reimbursement; and
- (6) comply with R.S. 42:1111 by not allowing employees to accept anything of economic value from third parties.

Retainer Contracts

Shane Romero

According to the Parish council, Mr. Langlinais entered into an oral contract for legal services with Shane Romero, attorney, without council knowledge or approval. As a result of this contract, Mr. Langlinais may have violated the Parish Home Rule Charter. In addition, Mr. Romero was paid \$35,250 in undocumented retainer fees.

Mr. Romero was also contracted through the Parish Risk Management Program Administrators to perform legal services for claims filed against the Parish. On six occasions, the administrators submitted duplicate invoices to the Parish for payments totaling \$4,785 to Mr. Romero, three court reporters, and the clerk of court.

Parish Home Rule Charter Violation: During the 2005 Parish budget process, the council requested that Mr. Langlinais produce a list of all current service contracts. According to Councilman Bernard Broussard, he noted reoccurring monthly payments made to Mr. Romero and brought it to the attention of Phillip Haney, District Attorney for the Sixteenth Judicial District. It was later discovered that Mr. Langlinais failed to include, on the contract list provided to the council, an oral monthly retainer contract for legal services with Shane Romero, which began in October 2001. According to Parish council members, they were not aware of the contractual agreement between Mr. Langlinais and Mr. Romero.

According to the Parish Home Rule Charter, the district attorney shall serve as the legal advisor to the council, parish president and all parish departments, offices and agencies. In addition, Section 9-02 of the Parish Home Rule Charter provides that the parish president, council or any department office, board or commission of the parish can employ special legal counsel by written contract when so authorized and approved by the council. Mr. Langlinais may have violated the Parish Home Rule Charter by entering into the retainer agreement with Mr. Romero.

Mr. Romero stated that Mr. Langlinais contacted him and offered to place him on a \$750 monthly retainer. Mr. Romero stated that he was on call to provide legal guidance that included right-of-way/servitude issues, on the job injuries, employee misconduct, and threatened litigation relating to possible legal claims against the Parish to Mr. Langlinais and the Parish.

On April 17, 2006, Mr. Haney issued an opinion concerning the retainer contract with Mr. Romero. The opinion stated that there was no written agreement or council approval of the contract. The opinion also stated that “the contract was awarded contrary to and in violation of Section 9-01 and Section 9-02 of the Parish Home Rule Charter.”⁴ Likewise, any payments made contrary to said sections are deemed illegal and subject to the sanctions in Section 5-06(A).⁵

Mr. Langlinais stated that he placed Mr. Romero on a retainer contract for threatened litigation and consulting. He also stated that he inadvertently left out Mr. Romero’s retainer on the contract list requested by the council. He stated that the council approves the budget, and it should have questioned the legal fee line item under the professional fee category in the general fund budget.

Mr. Haney stated that when questioned about the contractual arrangement with Mr. Romero, Mr. Langlinais told the council he did not know it was against the Parish Home Rule Charter. Mr. Langlinais stated that he terminated the retainer contract as soon as the district attorney informed him the contract was in violation of the Home Rule Charter. He believes the retainer was a good savings to the Parish and he did it in good faith.

Undocumented Retainer Fees: During the period October 2001 to August 2005, the Parish paid \$35,250 in retainer fees to Shane Romero without requiring supporting documentation. However, Mr. Romero provided to the legislative auditors one supporting document dated the same month as his first retainer payment. Mr. Romero stated that he was asked only once, by a past finance director, to provide the Parish with written documentation of his services. He also stated that he did not know he needed to document his work, and that he did not document conversations with Mr. Langlinais because it would be more expensive for the Parish. Mr. Romero told Mr. Haney that some months he worked more and some months he worked less than \$750 worth of work. Without proper documentation, the Parish cannot demonstrate that Mr. Romero provided services equal to his retainer amount of \$35,250.

Duplicate Payments: In addition to the monthly retainer, Mr. Romero also represented the Parish in legal matters within its Risk Management Program. The Iberia Parish Risk Management Program is managed by a third party administrator who helps to identify and settle legal claims and/or insurance claims associated with the Parish. The third-party administrator is responsible for receiving, reviewing, and approving legal invoices associated with each case including supporting documentation. After each invoice is approved, the third-party administrator submits the invoice, all supporting documents, and an approval voucher to the Parish for payment.

⁴ **Section 9-01** of the Home Rule Charter states, in part, that the District Attorney (DA) of the judicial district serving Iberia Parish shall serve as the legal advisor to the Parish Council, Parish President, and all Parish departments, offices and agencies. Should the DA determine that a conflict of interest exists on any given matter with regards to his representation of Parish government he shall immediately notify the Parish Council of the same. After receipt of such notification, the Parish Council, Parish President or any Parish department, office and/or agency thereby affected may retain the services of special counsel until the resolution of the matter in question is resolved.

Section 9-02 states that notwithstanding the provisions of Section 9-01, nothing herein shall be taken to prevent the employing, by written contract, of special legal counsel for the Parish President, the Council or any department, office, board or commission of Parish Government, when so authorized and approved by the Council.

⁵ **Section 5-06(A)** states in part that any authorization of payment or incurring of obligation in violation of the provisions of this charter shall be void and payment also made illegal; such action shall be cause for removal of any official, officer or such obligation or who caused such payment to be authorized or made or obligation to be incurred. Such persons shall also be liable to the parish government for any amount so paid.

During the period 2002 through 2005, the Parish made six duplicate payments, totaling \$4,785, to Mr. Romero, three court reporters, and the Iberia Parish Clerk of Court. Mr. Romero's invoices to the risk management administrator contained expenses such as court reporting services and clerk of court fees. According to Parish records and the Parish's human resources director, Donna McDonald, approved invoices received from the third-party administrator did not have supporting documentation attached. According to a representative of the current administrator, Mr. Romero did not always submit supporting documentation with his invoices. Mr. Romero stated that he routinely sent his invoices with supporting documentation to the third-party administrator. Mr. Romero then presented some of those supporting documents to the legislative auditors for review. Mr. Romero stated that upon request he could present all supporting documentation for review to the legislative auditors.

On five of the six duplicate payments, after receiving the administrator's approval, the Parish paid court reporter invoices totaling \$1,901--the same expenses that were already approved for payment and paid to Mr. Romero. On the other occasion, the administrator approved and submitted for payment by the Parish an invoice for an Iberia Parish Clerk of Court fee totaling \$2,710. Three weeks later the administrator approved and submitted for payment by the Parish the same invoice from the clerk of court but instructed payment to Mr. Romero. The District Attorney's Office notified Mr. Romero of the duplicate payment made by the Parish. Upon receiving this information, Mr. Romero refunded \$2,884 to the Parish, including a refund of \$174 he received from the clerk of court. Upon being notified of the duplicate payments by the legislative auditors, on February 5, 2007, Mr. Romero reimbursed \$1,901 to the Parish.

Wayne LaBiche

Undocumented Retainer Fees: Wayne LaBiche was a Parish employee from February 1984 to September 6, 1985. On January 23, 1986, Mr. LaBiche entered into a contract with Iberia Parish to provide professional engineering services and advice on the maintenance of the Parish road and drainage systems. According to the contract, payments for services are billed hourly and by a monthly retainer of \$650. During the review of Parish documentation, it was noted that retainer payments to Mr. LaBiche were not substantiated by supporting documentation nor did the Parish require such documentation. However, Mr. LaBiche provided the legislative auditors with documents he claims support the retainer payments. Without proper documentation, the Parish cannot demonstrate that Mr. LaBiche provided services equal to his retainer amount of \$155,350.

Deferred Compensation Program: During the period January 1991 through December 2005, the Parish allowed Mr. LaBiche, a contract engineer, to participate in its deferred compensation plan and accordingly did not report the deferred portion totaling \$62,170 to the Internal Revenue Service. The amount not reported was deducted from his monthly retainer fee and deposited into the Parish deferred compensation program.

According to Mr. LaBiche, at the end of 1990, he was invited to a meeting in the council chambers with a Parish employee and Ms. Gloria Badeaux, a deferred compensation program representative. During this meeting, he was offered to participate in the program and was told that the Parish could not make matching contributions because he was not an employee.

Section 2-04 of the *Personal Policy Manual* states that regular full-time and regular part-time employees shall be entitled to all benefits provided by the Parish. Requirements to be considered a regular full-time or regular part-time Parish employee are that the employee works regularly scheduled hours: 35 hours a week for full-time work and less than 35 hours a week for part-time work. The policy manual makes no reference to non-employees receiving employee benefits.

The Internal Revenue Service allows independent contractors to participate in the Parish's deferred compensation program. In addition, Title 32, Part VII, Section 101 of the Louisiana Administrative Code defines "Independent Contractor" as an individual (not a corporation, partnership, or other entity) who is receiving compensation for services rendered to or on behalf of the employer in accordance with a contract between such individual and the employer. However, it appears that Mr. LaBiche's business, Wayne Labiche Engineering, performed the contractual services to the Parish and not Mr. LaBiche as an independent or individual contractor. Therefore, Mr. LaBiche may not be eligible to participate in the Parish's deferred compensation plan.

Gerald Gesser

Since January 1994, the Parish has contracted with Gerald Gesser to manage all parish facilities at \$750 per month. During the review of Parish documentation, it was noted that the retainer payments to Mr. Gesser were not substantiated by supporting documentation. Without proper documentation, the Parish cannot demonstrate that Mr. Gesser provided services equal to his retainer amount of \$117,000.

According to Simone Champagne, chief administrative assistant, and Bobbie Verret, accounts payable clerk, Mr. Gesser has never submitted supporting documentation for his monthly retainer. Ms. Champagne stated that at the beginning of 2006, Molly Bullion, former financial manager, told Mr. Gesser that the Parish would not make future payments without supporting documentation. As of January 2007, the Parish has not paid Mr. Gesser for seven months of 2006 retainer fees.

We recommend that the Parish:

- (1) comply with Article 9 of the Home Rule Charter by entering only into written and council approved retainer contracts;
- (2) ensure adequate services and supporting documentation are provided before retainer payments are made;
- (3) require complete documentation from the Risk Management Administrator and thoroughly review all documents before paying invoices;
- (4) comply with the federal tax code by including all earned income on vendor 1099 Miscellaneous Income Forms;

- (5) comply with the Louisiana Administrative Code and enforce its policies and procedures concerning employee benefits by not allowing enrollment into the Parish's deferred compensation plan to non-qualifying employees; and
- (6) take appropriate action to determine if recovery of the \$35,250 in legal retainer payments is required by the Home Rule Charter and if required, seek recovery of those funds.

Promotion Account

During the period January 2000 through September 2006, Mr. Langlinais used \$8,825 of public funds for donations, employee luncheons, Harvest Ball tickets, annual taster luncheons, and other miscellaneous expenditures in violation of Article VII, Section 14 of the Louisiana Constitution. The "Promotion Account" was used in the financial records to account for these and other activities. According to Parish records, \$6,935 was donated to various organizations; \$1,762 was used for meals; and the remaining \$128 was used for flowers and "Support the Troops" car magnets.

Parish funds, totaling \$6,935, were given as donations to various charity events, clubs, and other fundraising activities. Of this amount, \$2,500 of Parish funds were used to purchase tickets to the After Harvest Ball. These tickets were used by Parish employees and their spouses including Mr. Langlinais and his wife. Mr. Langlinais also used \$100 of Parish funds to purchase raffle tickets from the New Iberia Quarterback Club on April 10, 2001, and \$50 for two tickets to the Quarterback Club Dance/Auction fundraiser August 3, 2004. Mr. Langlinais used Parish funds, totaling \$80, to pay his dues at the Kiwanis Club of New Iberia. Upon being notified by the legislative auditors, on December 13, 2006, Mr. Langlinais reimbursed the Parish \$80 for his Kiwanis Club dues.

Parish funds, totaling \$1,762, were used to purchase meals for employees and other social events. Of that amount, \$1,023 was used to purchase employee Christmas luncheons and \$495 was used to purchase lunch for employees for Secretary's Day. The remaining \$244 was used to purchase tickets to the Jeanerette Chamber of Commerce Annual Taster's Jazz Luncheon.

Mr. Langlinais stated that he donated Parish funds to several charities throughout the years but that he has always donated to charities that were benefiting the parish. He also stated that he used Parish funds to pay his Kiwanis Club fees because many clubs wanted him to join and speak out to promote their cause and because it is a good organization. He stated that he purchased the After Harvest tickets so that he and other Parish employees could represent the Parish and support the local farmers.

Donating public funds, expensing public funds for celebratory functions, and expending funds for non-public purposes is a violation of Article VII, Section 14 of the Louisiana Constitution. We recommend that the Parish cease using Parish funds for non-public purposes. We also recommend that the Council take appropriate action to determine if recovery of the \$8,825 is required by the Home Rule Charter and if required, seek recovery of those funds.

Campaign Golf Tournaments

Since 1994, Mr. Langlinais has used Parish employees to assist him with his campaign golf tournament fund raiser. Past and present Parish employees stated that they were required, instructed, and/or pressured to solicit donations and entry fees during their work day from parish vendors, residents, and local businesses.⁶ In addition, Mr. Langlinais also required, instructed, and/or pressured selected Parish employees to volunteer to operate his golf tournament.⁷ According to Parish employees, they worked the golf tournament and were required to use a vacation day but later received a non-recorded day off for working the tournament. According to Parish records, tournament records, and employees, up to 14 employees worked one day each year for the past 12 years.

According to Parish employees, Mr. Langlinais holds a meeting each year during the work day and instructs them to call the individuals or businesses on his “contribution call list” and solicit donations or entry fees. Mr. Langlinais also held a weekly update meeting with the employees to determine the status of solicitations on his contribution call list. Employees that solicited donations during parish time included the human resources and public works directors, chief administrative assistants, purchasing agents, and executive and administrative secretaries.

Parish employees were instructed to document their conversations including whether the businesses or individuals were willing to make cash and/or non-cash donations. Ms. Champagne stated that if a business refused to donate, Mr. Langlinais assigned a second person to call to solicit a donation. If the business still declined to donate, Mr. Leroy Landry was sent to the business in person. Mr. Hayward Bonin, former purchasing agent, stated that he was uncomfortable with making solicitations during Parish time. He also stated that Mr. Langlinais encouraged him to shut the door to his office so others would not see or hear him conducting the solicitations. Ms. Champagne stated that she voiced her concerns to Mr. Langlinais about using Parish employees to engage in solicitations while on duty, and he told her that the money raised was “his retirement” and it was very important to him. On March 26, 2005, Ms. Champagne received the following e-mail during work hours from Mr. Langlinais:

⁶ **R.S. 14:138** provides, in part, that payroll fraud is committed when any public officer or public employee shall carry, cause to be carried, or permit to be carried, directly or indirectly, upon the employment list or payroll of his office, the name of any person as employee, or shall pay any employee, with knowledge that such employee is receiving payment or compensation for services not actually rendered by said employee or for services grossly inadequate for such payment or compensation.

⁷ **R.S. 42:1116** provides, in part, that no public servant shall use the authority of his office or position, directly or indirectly, in a manner intended to compel or coerce any person or other public servant to engage in political activity. For the purposes of this Subsection, “political activity” means an effort to support or oppose the election of a candidate for political office in an election. This Subsection shall not be construed to limit that authority authorized by law, statute, ordinance, or legislative rule in carrying out official duties.

Simone B Champagne

From: <Preswlanglinois@ [REDACTED]>
To: <ipgcao@aisp.net>
Sent: Saturday, March 26, 2005 3:47 PM
Subject: (no subject)

Simone,

My golf tournament is right around the corner. Get with everyone and see how things are coming so you can report to me on the day that I come back in to the office. We will start to make phone calls pretty SOON, since the flyers have been mailed out. I do not want to wait until the last minute to get this done. Simone, this is priority to everyone involved and I need your help. If anyone feels like they can't give me 100%, then we will shift gears. You will have to put your involvement on a priority with this one. Also, I want a report on the vendors who will be cooking.

Will Langlinois

According to Parish employees, Mr. Langlinois also required, instructed, and/or pressured employees to volunteer their time to operate the golf tournament. Documentation obtained concerning the golf tournaments indicate that up to 14 Parish employees volunteered to help Mr. Langlinois operate his golf tournament. Employees that volunteered included the human resources and public works directors, chief administrative assistants, purchasing agents, executive and administrative secretaries, and public works employees.

The golf tournament is held on a Monday each year and employees that work the tournament are required to use a vacation day. Parish employees stated that Mr. Langlinois allowed the employees that worked the tournament to take an extra vacation day without that day being charged or recorded against their accrued vacation leave to make up for the vacation day the employees lost while working at the tournament. Mr. Langlinois stated that he did not tell Parish employees that they could take an extra vacation day without being charged or recorded against their accrued vacation leave, and he was not aware that it was taking place.

Mr. Langlinois stated that campaigning is very expensive and he does not make enough money to pay for it himself so he holds a campaign golf tournament each year. He stated that his wife handles all of the tournament coordination and holds meetings with the individuals involved in the tournament. Mr. Langlinois also stated that the Parish employees are very loyal to him and volunteered to help him each year. He stated that he was aware that some solicitations were being done on Parish time.

In addition to Parish employees assisting with the campaign golf tournament, Ms. Jolyn Fleming, executive secretary, performed bookkeeping duties for Mr. Langlinias' campaign fund while on Parish time. Mr. Langlinois stated that she wrote checks and completed his year-end financial statements and used his personal stationery and stamps to mail checks and letters.

Mr. Langlinois stated that he was not aware that she could not perform these duties during Parish time.

FINDINGS AND RECOMMENDATIONS

We recommend that the Parish not allow Parish employees to perform non-parish duties while on Parish time. We also recommend that the Parish establish an ethics policy in compliance with the Louisiana Code of Governmental Ethics, Title 42 of the Louisiana Revised Statutes. The policy should require annual certification from council members and employees attesting to their compliance and outline appropriate actions to be taken by the administration and/or the council if the policy is violated.

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Iberia Parish operates under a home rule charter. The charter provides for the President-Council (14 members) form of government. The Parish's operations include fire protection, streets and drainage, parks and recreation, certain social services (including urban redevelopment and housing) and general administration services.

The procedures performed during this examination consisted of the following:

- (1) interviewing employees and officials of the Parish;
- (2) interviewing other persons as appropriate;
- (3) examining selected documents and records of the Parish;
- (4) performing observations; and
- (5) reviewing applicable state laws and regulations.

Management's Response

OTTINGER HEBERT, L.L.C.

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February 13, 2007

PATRICK S. OTTINGER † §
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PAUL J. HEBERT †
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J. BRADLEY DUHÉ §
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‡ A Limited Liability Company
§ Also Admitted in Texas
Δ Also Admitted in Colorado

OF COUNSEL:
TAMMY PARKER PRATT ‡

VIA FACSIMILE & FIRST CLASS MAIL

Office of the Legislative Auditor
Attn: Mr. Steve J. Theriot
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: Response on behalf of Will Langlinais to Legislative Auditor's
Preliminary Findings; Our file no.: PJH-2117-0

Dear Mr. Theriot:

Please allow this correspondence to serve as Will Langlinais' ("Langlinais") formal response to the "draft" of your compliance audit findings on Iberia Parish Government dated January 31, 2007. Our client has looked forward to your audit which has taken over ten (10) months and appears to cover, for the most part, the period of 2000 thru 2006. Langlinais has attempted in this very short period (less than two weeks) to investigate and respond to all of the alleged actions in your preliminary report.

Please note that Langlinais was not allowed to attend a meeting for the Iberia Parish Council on Friday, February 2, as per the instruction of the District Attorneys office. In addition, we have been informed that the preliminary audit will be amended by the Legislative Auditor as per the meeting of the Parish Council. Langlinais was also informed by your office that as a result of the Parish Council meeting and your meeting with, Mr. Shane Romero, additional amendments may arise to the preliminary audit.

Under these circumstances, we are submitting this report to the preliminary draft forwarded to Mr. Langlinais on January 31. Obviously, if material changes are made to your preliminary report we feel that your office should provide Langlinais with an opportunity to respond.

We recognize that you have made an effort over the past ten (10) months to interview witnesses as well as review documents. Although our client may disagree with many of your findings, Langlinais does appreciate the opportunity to review past practices and also to respond and state his position on the preliminary findings. Langlinais does not oppose making these reports or responses public.

First, as you are aware there were a few small reimbursement amounts that were identified in your preliminary draft or in your meeting approximately one month ago with Langlinais that have already been reimbursed and your office has been provided copies. These particular items are listed under the section entitled "Reimbursement based upon Preliminary findings" of this letter.

Given the foregoing, we now address several issues in the preliminary audit report by appropriate headings as follows:

INSTALLATION OF CULVERTS AND FILL MATERIAL

Under the heading of "Abusive Public Works Practices", your preliminary findings address the possible illegality of the installation of culverts and fill materials within Parish and/or State road right-of-ways. You are correct that for a period of time these improvements were provided at no cost to the recipients. This was the customary policy of the Parish, long before Langlinais assumed the Office of President. Further, it was the ongoing practice of the Iberia Parish Council to place gravel on driveways and near mailboxes without charging the recipient. This has been the practice for many many years. The installation of culverts and "fill dirt", as well, was included within this process. This was not a practice started by Mr. Langlinais but a practice and custom originated long before Mr. Langlinais election as Parish President. In fact, the District Attorneys office, the legal advisor to the Council, was well aware of the practice.

However, it is submitted that the majority of the work which you have addressed or feel may be improper, regarding the installation of improvements and use of materials were necessary to insure proper drainage, safe roadways, and other public concerns. Most if not all of your audit investigation appears to be commenting in a general sense about this practice. However, after careful review of the public works records, some of which were destroyed or affected by Hurricane Rita, the documents do not support the unilateral statement or accuracy of your financial estimates. In fact, the

documents reflect your calculations are not based upon records but apparently conjecture or simply oral comments from other sources.

The public works which your report appears to label as improper were from our review appropriate public improvements which were not for the "sole" benefit of a property owner. This is a legal obligation of the Parish, and we believe that there were public purposes for most, if not all, of these projects. Therefore, without more specifics, we believe that those projects that you selected fall within the purview and the rights of the Parish Government to appropriately perform.

Again to make the record clear, Langlinais takes issue with the amount (cost) of materials identified in your preliminary report. Langlinais has reviewed documentation regarding the materials identified in the preliminary report and questions the basis for these figures. For example, your report states that approximately \$20,116.00 of dirt was utilized from the Parish landfill. More often than not, the dirt used on each particular job originated from the landowners property. Rarely was it necessary to "truck in" dirt from the Parish landfill for these types of projects. Additionally, it is believed that the majority of the dirt which was identified in your report was utilized on public property for a definitive public purpose, specifically the "Sugarena" and a public ditch, which was rerouted, at the Port of Iberia.

It should be noted that requests for culverts and fill materials originated in several forms. Various council members, citizens, the Public Works director and other Parish officials, including the District Attorneys office, issued request for culverts and associated materials. Langlinais wishes to point out that other individuals in Parish Government were also vested with the authority to install these drainage improvements and did so in accordance with the custom and/or policy in existence at this time.

It is admitted that at some point in 2005, at the request of the Council, Assistant District Attorney, Wayne Landry, the legal advisor to the Council and President, submitted a request to the Attorney General's Office for an opinion with regard to this issue. As a direct result of this inquiry, Attorney General Opinion No. 05-0272 was issued. Immediately upon the issuance of the opinion, the Council and Langlinais discontinued the prior practice and began following the parameters as set forth in the Attorney General opinion. However, even after the issuance of this opinion, the Assistant District Attorney, Mr. Landry, questioned the validity of the Attorney General opinion.

Although, Langlinais does not believe the present procedures for public works are seriously improper, an effort will be made to implement your recommendations with Council approval. Unfortunately, your requests or the procedures that you

recommend will add an economic burden to the Parish budget. With regard to the recommendations identified in your preliminary report, the Parish will continue to develop written procedures for controlling the inventory of the Public Works Department. All inventory items in stock will be assigned inventory numbers. A log sheet will be maintained for each inventory item. Purchases will be logged when items are received. When a work order is generated, it will be forwarded to the inventory manager. When the stock is used to perform a public works project or make a necessary equipment repair, it will be logged on the sheet with reference to the work order number. A running balance will be maintained so that at any given time the inventory manager will have an account of the amount on hand of a particular inventory item.

This should help to determine when additional items should be ordered to avoid unnecessary and duplicative purchasing. In order to alleviate the cumbersome duties of tracking each inventory item, the Parish may consider reducing the number of stock items maintained. With this thought, items would only be purchased on an as needed basis as identified through the work order system for which requisitions and purchase orders would be generated in accordance with the Parish's purchasing policies.

SHANE ROMERO RETAINER CONTRACT

The retention of Shane Romero as legal advisor to the Parish was at the urging of Assistant District Attorney, Wayne Landry who advised Langlinais that Shane Romero was a capable attorney who could benefit the Parish. It should be noted that the retainer for Mr. Romero, which was \$750.00 a month, was paid out of or under the "Professional Fees" section contained within the Iberia Parish budget, approved by the Parish Council each year. The amount of the total professional fees approved as part of the annual budget never was exceeded.

Assistant District Attorney, Landry, was well aware that Romero was being utilized by the Parish Council or he at least should have known. Romero rented space from Landry and again Romero's hiring was at the specific request of Wayne Landry. Romero's service to the Parish was neither concealed nor clandestine. Mr. Romero's retainer was paid in accordance with the budget by check and in what Mr. Langlinais believed, was appropriate under the Professional services section of the Parish budget. Several Parish employees including Asst. Dist. Attorney Landry, various Finance Directors, Accounts Payable Clerk and Administrative Assistants, had knowledge that Romero was performing regular legal services for the Parish. It would be impossible for many of the employees not to know this as the Risk Manager and several others including Langlinais contacted Romero on a regular basis to discuss various legal issues that arose during his retainage.

The fee arrangement with Romero proved to be an economic "plus" for the Parish. Payments by the Parish to Romero for legal services over the four (4) year period averaged \$80,000.00-\$90,000.00 per year. However, upon notification by the District Attorney Haney that the retainer of Romero was improper it was immediately stopped. Unfortunately, since then the legal fees for the Parish have doubled to a minimum of \$150,000.00 per year, regardless of the amount of legal work which the Parish may require.

In conclusion, it is submitted that Langlinais' retention of Romero was made in good faith, at the recommendation rendered by Assistant District Attorney Landry, the governmental legal advisor and the Parish directly benefited from his service and reasonable fees.

QUESTIONABLE REIMBURSEMENTS

Your preliminary report contains a section identified as "Questionable Expense Reimbursements" and covers Parish Government reimbursements made to Langlinais as well as the Louisiana Police Jury Association ("PJA"), meal reimbursements and travel and hotel expenses paid by both entities. We were careful to note that your report suggests that there "**may**" have been violations of these reimbursable amounts.

It should be noted that for a portion of the six (6) year period of which this report covers, Mr. Langlinais served as the President of the PJA. It is unquestionable that Iberia Parish derived numerous benefits from Mr. Langlinais' service as President of the PJA.

However, you indicate that Mr. Langlinais "**may**" have inappropriately received \$7,796.00 in meal expenses and/or meal reimbursements over the six (6) year period of your audit. This amounts to approximately \$1,299.33 dollars per year of your audit. Obviously, the Parish Council can review these expenses but Langlinais would like to explain each of the reimbursements you mentioned in this reply.

CONGRESSMAN TAUZIN DINNER

Approximately \$2,064.00 of the afore-stated amount is associated with a lunch/dinner which Mr. Langlinais, along with other Council members, had with former Congressman, Billy Tauzin at a Washington D.C. restaurant, while working on efforts to secure a federal grant for Iberia Parish. Present at this luncheon was former Congressman Tauzin, a staffer (Garrett Graves) and several Iberia Parish Council members along with their wives. Mr. Langlinais' wife also attended the function.

At the urging of a Council member, in attendance, Mr. Langlinais placed the charges associated with this dinner on his personal credit card. Langlinais feels that this expenditure was proper and should have been assumed by the Parish since it was directly related to important Parish business. **However, to avoid any scintilla of impropriety, Mr. Langlinais is in agreement to a pro-rata reimbursement of the total charges and will reimburse the Parish the costs of his meal, his wife's and that of former Congressman Tauzin as well as Tauzin's representative, Graves.** Likewise, the other Council members who attended the luncheon and who also received per diem should reimburse to the Parish their pro-rata portion. For the record, through the efforts of Langlinais, the council and former Congressman Tauzin, the Parish secured a 1.2 million dollar grant!

LOUISIANA POLICE JURY ASSOCIATION ANNUAL CONVENTION

Another significant portion of the travel reimbursement figure is associated with the Louisiana Police Jury Association's annual convention in New Orleans. This convention is clearly associated with official Parish business. Approximately \$1,393.00 was attributable to expenditures and/or reimbursements for meals while in attendance at the Police Jury Association's annual convention. This figure includes the cost of meals, purchased by Langlinais, with other Council members present. Although, Langlinais feels strongly that these dinners were valuable and important to the Parish, Langlinais will split the cost pro rata with all of the council members who attended the meals.

It should be noted that Article III of the Iberia Parish Home Rule Charter, Section 3-04, the Parish President is afforded "reasonable expenses in carrying out the official duties of the office". While it is recognized that this is a very subjective term, all of the "reimbursable issues" which you have identified in your preliminary report clearly involve events or occasions in which Mr. Langlinais was serving in his official capacity as Parish President. The expenses which accrued over a six (6) year period were not only reasonable but all were associated with the office of President. Also please note that you seem to infer that Mr. Langlinais did not put any reason for the expense or charge. However, Mr. Langlinais submits that on most, if not all, receipts submitted indicated the person or persons who he was having lunch or dinner with or the particular event involved. Mr. Langlinais can support the events as being for the business or Parish Governmental purposes and most can be identified clearly by the person that is involved in the meeting or event. Since many of the items which you questioned involved other council members, it is fairly obvious that these were reasonable expenses associated with Langlinais' office.

However, based on your recommendations, when travel reimbursements are submitted to the Finance Department for payment, the director of finance and/or his/her designee will insure that adequate supporting documentation is attached to the request for reimbursement. This documentation will include at a minimum an itemized receipt detailing items purchased, the business purpose for the meal and a list of those in attendance. Those submitted found not to be in compliance with said procedure will be returned to the person requesting the reimbursement indicating such case. Said reimbursements will also be reviewed to ensure that reimbursements do not include cost associated with the purchase of alcoholic beverages and employee parties. Those procedures will be forwarded to Council for inclusion in the Parish's current travel policy which is located on Section 2-26 of the Parish's Complied Ordinances. Although not currently included in the travel policy, the Finance Department has begun scrutinizing travel reimbursements more closely to ensure adequate documentation is attached and included.

In addition, your draft report comments that some of the meal/dinner reimbursements included alcohol beverages. Langlinais does not deny that such may have occurred but the amount was related to activities where he was directly involved in the event and reasonably believed that the purchase of alcohol was permitted considering the nature of the meals purpose and public benefit received.

REIMBURSEMENT SUBSEQUENT TO THE ISSUANCE OF THE PRELIMINARY FINDINGS

Since the issuance of preliminary findings, Mr. Langlinais has made personal reimbursements to the Parish for the following items:

1. \$80.00 for Kiwanis' club dues (this was clearly an error);
2. \$366.00 for per diem advances for out of town travel¹;
3. \$618.13 paid to the Police Jury Association for duplicate billing;²
4. \$903.46 paid to Iberia Parish Government for duplicate billing; and
5. \$546.00 per Diem advances for out of town travel³.

¹ Reimbursement of this sum included the reimbursement for the vouchers previously issued. Consequently, by making said reimbursement, Langlinais refunded the vouchers which he was legally entitled to receive.

² This reimbursement was issued based on the discovery of an error committed by the clerical staff. Both the Police Jury Association and Parish credit cards were identical in appearance and it is believed that this was the source of the error.

³ Reimbursement of this sum included the reimbursement for the vouchers previously issued. Consequently, by making said reimbursement, Langlinais refunded the vouchers which he was legally entitled to receive.

Your office has been provided copies of the checks evidencing these reimbursements per diem. However, so there is no misunderstanding, items 2 through 5, although reimbursed by Langlinois, were events or activities where Parish business was being discussed with the appropriate person or persons, including in some cases council members or governmental officials.

EXPENDITURES WITH REGARDS TO THE PROMOTION ACCOUNT

Your report itemizes expenditures from the lawful and budgeted "Promotion Account". Your report covers a period of six (6) years and you identified \$6,935.00 was donated to various organizations, \$1,762.00 was used for meals and the remaining \$128.00 was used for flowers and "Support the Troops" car magnets.

Langlinois confirms that \$2,500.00 of Parish funds were used to purchase tickets to the "After Harvest Ball". This particular event aids and assists sugar cane growers in Iberia Parish. It goes without saying that the sugar cane industry produces a significant stream of revenue and benefits for all of Iberia Parish.

Other charities and/or entities who benefited from the funds identified in your correspondence were the Boy Scouts of America, as well as one of Iberia Parishes largest tourist attraction namely, Shadows-On-The-Teche. Again, both of these organizations have provided outstanding benefits to our Parish.

Your report suggests that the expenditure of public funds to purchase "Support the Troops" car magnets may have been improper. Regardless, of one's political affiliation, Mr. Langlinois and Council members felt that this expenditure was a mere token of gratitude to show support for not only Iberia Parish service men and women but all of our soldiers who have been sent to Iraq.

These expenditures would average approximately \$1,470.83 per year. However, the budget for promotions, provided to Mr. Langlinois, was \$4,000.00 per year under the promotional budget line item. These charges never exceeded the promotional line item budget. Recognizing that your office recommends that the Parish stop using funds to support such activities, Langlinois agrees to follow the recommendation of the Council on this subject.

CAMPAIGN GOLF TOURNAMENTS

Langlinois denies that he required, instructed or pressured anyone including Parish employees to solicit donations from vendors, residents and/or local businesses.

To the contrary, several employees volunteer their time for this event. These employees voluntarily took annual leave to assist Mr. Langlinais with his golf tournament.

It is not disputed that there may have been occasions where vendors and/or contributors would have contacted the public office to secure additional information and/or respond to solicitations made for contributions. Likewise, Mr. Langlinais may have asked his assistant or others who assisted with this project for periodic updates with regard to this tournament. If any person felt pressured, Mr. Langlinais apologizes as that was not his intent but he recognizes that over the past fourteen (14) years of this event his actions may have been misunderstood

At no time was any **significant** period of Parish time spent organizing, managing nor were there any solicitations made while these employees were fulfilling their duties as Parish employees. This includes communications in the form of an email as identified in your report.

Ironically, the District Attorney, Haney contacted Langlinais during office hours and regularly solicited suggestions for his (Haney's) golf tournament fundraiser. Not only did the District Attorney question Langlinais but his office staff also requested that Langlinais supply him with his vendor list from which Haney could solicit monetary contributions. In addition to the foregoing, Jolyn Fleming, Langlinais' assistant, was also asked on occasion to leave her duties, go to the District Attorney's office to assist in organizing Haney's initial golf tournament fundraiser. All of the foregoing was done during office hours. The District Attorney, who is the Parish legal adviser never indicated that these activities were improper.

Nevertheless, Langlinais will follow your recommendations and suggestions and will make a diligent effort to prevent employees from participating in fundraising activities of any kind, who do not want to participate. He will clearly instruct all such volunteers that any work to be performed will be done after hours or away from work.

WAYNE LABICHE AND GERALD GESSER

Based on your preliminary audit, we do not see a reason for Mr. Langlinais to respond to the recommendations of the auditor. However, Mr. Langlinais will proceed with appropriate actions relative to these parties once instructed.

CONCLUSION

Langlinais submits that there was no intentional or willful violation of any policies of the Council or Home Rule Charter. Whether Langlinais had appropriate

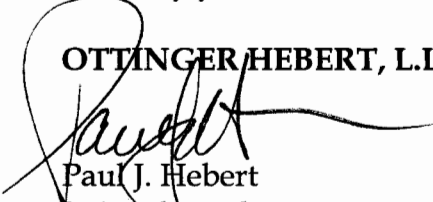
Mr. Steve Theriot
February 13, 2007
Page 10

reason to believe his actions were authorized by the Parish Council, the District Attorney, the Home Rule Charter or the law, the fact still remains that he is willing to address each and every item and openly discuss the allegation. Langlinois believes that the events and circumstances of each particular instance can be explained fully and he reserves the right to explain these to the Parish and any other party, board or court. Further, Langlinois feels that in regard to many of the issues that have been brought up in the "preliminary" draft, that insufficient information was reviewed or obtained by your office which may have made your suggestions of wrongdoing by Langlinois an incorrect statement.

With kindest personal regards, I remain

Sincerely yours,

OTTINGER/HEBERT, L.L.C.



Paul J. Hebert
K. Wade Trahan

PJH:mms
2117-0\letters\drafts ltr to Steve Theriot\02 Final

cc: Will Langlinois

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February 8, 2007

Honorable Steve J. Theriot
Louisiana Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: Iberia Parish Government compliance audit

Dear Mr. Theriot:

I have met with your staff and had the opportunity to review the report. In that regard, I have answered all the questions of your staff satisfactorily. It is also my understanding that all issues have been addressed with the approval of you and your staff. I am thankful that this matter is now concluded and I want to commend you and your staff for your due diligence.

Should you have any further questions, please do not hesitate to contact me.

Thanking you for your courtesies, I remain

Sincerely,



SHANE E. ROMERO



J. PHIL HANEY

DISTRICT ATTORNEY

SIXTEENTH JUDICIAL DISTRICT

PARISHES OF IBERIA, ST. MARTIN & ST. MARY

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MORGAN CITY
(985) 385-2333

February 6, 2007

Honorable Steven Theriot
Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70802

Attn: Greg Lavergne

Dear Mr. Theriot:

The Parish Council requested that this office assist it with the review and response to the Iberia Parish Government audit performed by your office. Please find attached it's comments, recommendations and/or revisions. Should you have any questions, please call.

Respectfully yours,

J. PHIL HANEY
DISTRICT ATTORNEY

BY:


J. WAYNE LANDRY

ASSISTANT DISTRICT ATTORNEY

JWL:cgm
Enclosure

ARTICLE I - Abusive Public Works Practices

The Iberia Parish Council offers the following comments, recommendations and/or revisions as follows:

1. On behalf of Iberia Parish Government, seek monetary recovery and/or other remedies provided by law concerning any violation of Louisiana Constitution Article 7 § 14.
2. Within the framework of the Parish Charter establish better policies and procedures for inventory control and work orders concerning the public works department.

ARTICLE II - Questionable Expense Reimbursements

The Iberia Parish Council offers the following comments, recommendations and/or revisions as follows:

1. On behalf of Iberia Parish Government, seek monetary recovery and/or other remedies provided by law concerning any illegal or unauthorized expenditures in violation of law.
2. Within the framework of the Parish Charter, establish better policies and procedures preventing the illegal or unauthorized expenditure of public funds.

ARTICLE III - Retainer Contracts

The Iberia Parish Council offers the following comments, recommendations and/or revisions as follows:

A. Shane Romero

The Iberia Parish Council finds that between October, 2001 & August 2005, Shane Romero was paid a total of \$35,250.00 pursuant to an oral retainer contract for legal services. Said contract was authorized by Parish President Will Langlinais. The Iberia Parish Council was unaware of said contract.

The Iberia Parish Council adopts the findings by the Legislative Auditor that the \$35,250.00 was paid without supporting documentation. In addition, Parish records indicate that during the relevant period of the audit, it paid \$389,557.00 to Shane Romero for legal services rendered to the Parish. At no time did Shane Romero apply the retainer amount as a credit against the amount billed to the Parish for legal services despite the fact that the \$389,557.00 provided sufficient funds to do so.

It is the opinion of the Iberia Parish Council that (1) since the oral retainer contract was in violation of the Parish Charter; (2) was not supported by any documentation of legal services rendered; and (3) were not credited against the amount billed to the Parish for legal services, the District Attorney is requested to seek reimbursement from any party who may bear responsibility for the unauthorized expenditure of Parish funds.

The Iberia Parish Council also requests the District Attorney's office to seek reimbursement for any funds paid to Shane Romero that were duplicated by him or for which the Parish is legally entitled.

B. Wayne LaBiche

1. The Parish Council is not privy to any information regarding Mr. LaBiche's participation in a parish deferred compensation plan. Eligibility for participation in such a program is administered by the Parish President's office. The Parish Council request the assistance of the District Attorney's office to investigate the requirements of participation in such a program and report any potential liability or exposure of the Parish regarding the same.
2. The Iberia Parish Council notes that parish engineer Wayne LaBiche frequently attended twice monthly council meetings and twice monthly committee meetings during the audit period. Therefore, although the \$650.00 monthly retainer may not have been supported by written documentation, the minutes of Iberia Parish Council will show his participation in such meeting. The Parish Council likewise has knowledge of a substantial amount of field work performed by LaBiche which formed the subject matter of most of the council meetings he attended.

C. Gerald Gesser

The Iberia Parish Council notes that Gerald Gesser frequently attended twice monthly council meetings and twice monthly committee meetings during the audit period. Therefore, although the \$750.00 monthly retainer may not have been supported by written documentation, the minutes of Iberia Parish Council will show his participation in such meeting. The Parish Council likewise has knowledge of a substantial amount of field work performed by Gesser which formed the subject matter of most of the council meetings he attended.

The Iberia Parish Council adopts the recommendation of the Legislative Auditor regarding the adoption and compliance of requiring all service contracts be written and adequate documentation be provided prior to payments under the contracts.

ARTICLE IV - Promotion Account

The Iberia Parish Council offers the following comments, recommendations and/or revisions as follows:

1. On behalf of Iberia Parish Government, seek monetary recovery and/or other remedies provided by law concerning any illegal or unauthorized expenditures in violation of law.
2. Within the framework of the Parish Charter, establish better policies and procedures preventing the illegal or unauthorized expenditure of public funds.

ARTICLE V - Campaign Golf Tournaments

1. The Parish Council is not privy to most of the investigative material reported under this section.
2. Request the assistance of the District Attorney's office with a Council investigation of possible abuses of the use of resources of the Parish President's office for private political purposes.
3. On behalf of Iberia Parish Government, seek monetary recovery and/or other remedies provided by law concerning any illegal or unauthorized use of Parish resources for private political purposes.
4. Request all appropriate or necessary investigations into possible violations of the Louisiana Ethics Code.
5. Within the framework of the Parish Charter establish policies seeking to prevent violations of the Louisiana Ethics Code and establish standards to prevent the abuse of power of the office of the Parish President.

STATE OF LOUISIANA

PARISH OF IBERIA

AFFIDAVIT

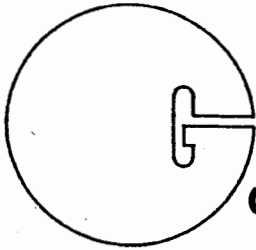
BEFORE ME, the undersigned Notary Public personally came and appeared DIANE B. PHILLIPS, CLERK OF THE IBERIA PARISH COUNCIL, who, declared as follows:

“She is the Clerk of the Iberia Parish Council who attended the entire executive session held by said body on Friday, February 2, 2007 and that the responses of the Parish Council as attached to the District Attorney’s letter of February 6, 2007 represents a consensus of the entire body of each issue so responded to. Additionally, all council members were advised that each could submit individual comments if they so chose. As of the date of this affidavit, none have chosen to do so.


DIANE B. PHILLIPS

Sworn to and subscribed before me, notary public, this 7th day of February 2007.


CHRISTINE G. MIGUES
NOTARY PUBLIC
ID NO. 56455



GESSER GROUP A PROFESSIONAL CORPORATION Est. 1976

February 13, 2007

Honorable Steven Theriot
Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70802

Attention: Mr. Greg Lavergne

Reference: Iberia Parish Government - Facility Manager
Dear Mr. Lavergne,

After reconsideration of our telephone conversation of a few weeks ago, I have decided to respond to the items discussed relative to the invoicing of my Facility Manager contract with the Iberia Parish Government as it may appear in the draft copy of the legislative auditor's report.

It is my understanding that the legislative auditor's concern is the lack of invoicing/adequate documentation to support the monthly retainer fee invoiced.

Based on this understanding, I submit the following:

- A. Our records show that the months of March, April, May, September, October, November and December have not been paid by Parish Government. Further, our records show that we did submit invoices for March and April (which did not reflect specific documentation). The invoices for the remaining months were never sent.
- B. Enclosed are invoices for March, April, May, September, October, November and December with documentation. (Copies will be delivered to Parish Government).

With receipt of this information, I am hoping to clear up any inconsistencies in my billing to the Parish Government and ask you to please consider amending your report to reflect this information.

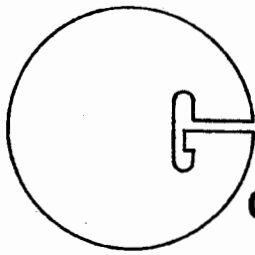
Sincerely,

GESSER GROUP

Gerald Gesser, AIA

Attachments

GERALD GESSER, AIA
□ ARCHITECT □ CONSTRUCTION MANAGEMENT □ FACILITY MANAGEMENT □
209 W. MAIN STREET, SUITE 600 P.O. BOX 10525 NEW IBERIA, LOUISIANA 70562.0525
PHONE: 337. 364.2819 FAX: 337. 365.3562 E-MAIL gerald@gessergroup.com



GESSER GROUP A PROFESSIONAL CORPORATION Est. 1975

INVOICE

Date: March 31, 2006

PROJECT: FACILITY MANAGER SERVICES

Iberia Parish Government
300 Iberia Street, Suite 400
New Iberia, Louisiana 70560

Attention: Mr. Will Langlinais
Parish President

Monthly Billing for March:

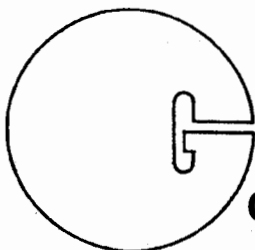
3/2/06 Spoke with Ricky Huval
3/3/06 Spoke with Denise regarding IPG Insurance Coverages
3/3/06 Spoke with Teresa regarding Breaux Building
3/7/06 Spoke with Mayor Broussard as per Simone Champagne
3/7/06 Spoke with Narry Hulin
3/13/06 Spoke Mike Oubre
3/15/06 Spoke with Vanessa about LAWCO water line
3/27/06 Spoke with Amy Family Services / DA's Office electrical breakers
3/29/06 Spoke with Amy regarding fixing breakers

TOTAL BILLING FOR MARCH 2006

\$750.00


Gerald Gesser
Architect

GERALD GESSER, AIA
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GESSER GROUP A PROFESSIONAL CORPORATION Est. 1975

INVOICE

Date: April 30, 2006

PROJECT: FACILITY MANAGER SERVICES

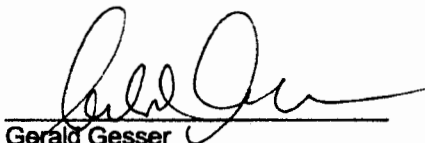
Iberia Parish Government
300 Iberia Street, Suite 400
New Iberia, Louisiana 70560

Attention: Mr. Will Langlinais
Parish President

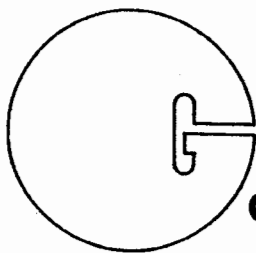
Monthly Billing for April:

TOTAL BILLING FOR APRIL 2006 \$750.00

4/4/06 Spoke with Warden Roberta regarding A/C
4/4/06 Spoke with Simone
4/4/06 Spoke with Wayne Landry
4/5/06 Spoke to Denise about Parish Barn claim
4/6/06 Spoke with Michelle
4/11/06 Spoke with Simone regarding Ott Boswell / FEMA
4/11/06 Spoke with Simone regarding exit meeting with FEMA
4/13/06 Spoke with Laura regarding meeting with engineer for new subdivision
4/19/06 Spoke with Warden Roberta
4/20/06 Spoke with Chris /DA's Office
4/25/06 Spoke to Diane regarding Breau Building
4/25/06 Spoke to Simone regarding meeting with Will
4/25/06 Spoke with Laura regarding PW / FEMA
4/26/06 Spoke with Will
4/26/06 Spoke with Warden Roberta


Gerald Gesser
Architect

GERALD GESSER, AIA
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GESSER GROUP A PROFESSIONAL CORPORATION Est. 1975

INVOICE

Date: May 31, 2006

PROJECT: FACILITY MANAGER SERVICES

Iberia Parish Government
300 Iberia Street, Suite 400
New Iberia, Louisiana 70560

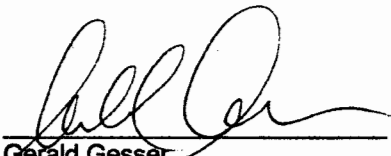
Attention: Mr. Will Langlinais
Parish President

Monthly Billing for May:

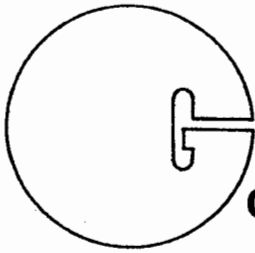
5/1/06 Spoke with Michelle regarding FEMA meeting
5/3/06 Spoke to Laura regarding a permit
5/4/06 Spoke with Simone
5/10/06 Spoke with Teresa
5/10/06 Spoke with Diane
5/10/06 Spoke with Teresa
5/10/06 Spoke to Laura regarding fax machine
5/11/06 Spoke with Will
5/12/06 Spoke with Simone
5/15/06 Spoke with Laura
5/15/06 Spoke with Jolynn regarding meeting with Will
5/16/06 Met with Will
5/16/06 Spoke to Laura regarding Public Works lease agreement
5/16/06 Spoke to Laura regarding plaques for subdivisions
5/17/06 Spoke to Laura
5/18/06 Spoke to Diane about the Breaux Building
5/22/06 Review fax from Brenda
5/25/06 Spoke to Jim Anderson
5/30/06 Spoke to Laura

TOTAL BILLING FOR MAY 2006

\$750.00


Gerald Gesser
Architect

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GESSER GROUP A PROFESSIONAL CORPORATION Est. 1975

INVOICE

Date: September 29, 2006

PROJECT: FACILITY MANAGER SERVICES

Iberia Parish Government
300 Iberia Street, Suite 400
New Iberia, Louisiana 70560


Attention: Mr. Will Langlinais
Parish President

Monthly Billing for September:

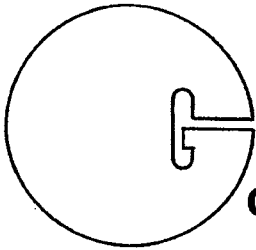
9/6/06 Spoke with Brenda regarding agenda for council meeting
9/11/06 Spoke to Simone regarding RFP
9/12/06 Spoke to Kimberly regarding building permits
9/13/06 Spoke to Simone regarding the Town of Delcambre
9/28/06 Spoke with Claire Daly regarding Courthouse Annex

TOTAL BILLING FOR SEPTEMBER 2006

\$750.00


Gerald Gesser
Architect

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PHONE: 337.364.2819 FAX: 337.365.3562 E-MAIL gerald@gessergroup.com



GESSEY GROUP A PROFESSIONAL CORPORATION Est. 1975

INVOICE

Date: October 31, 2006

PROJECT: FACILITY MANAGER SERVICES

Iberia Parish Government
300 Iberia Street, Suite 400
New Iberia, Louisiana 70560

Attention: Mr. Will Langlinais
Parish President

Monthly Billing for October:

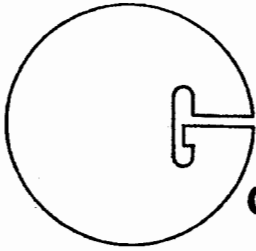
10/3/06 Spoke with Mike Oubre
10/10/06 Spoke with Simone Champagne
10/16/06 Spoke with Mike Oubre – Polling Places
10/17/06 Spoke with Mike Oubre – Polling Places
10/18/06 Spoke with Mike Oubre – Polling Places
10/18/06 Spoke with Kimberly Segura
10/19/06 Spoke with Mike Oubre
10/23/06 Spoke with Mike Oubre
10/24/06 Spoke with Mike Oubre – Roy Building
10/30/06 Spoke with Donna McDonald – Handicap Restroom (Surveyed Courthouse, prepared drawings/recommendation)
10/30/06 Spoke with Mike Oubre
10/30/06 Spoke with Mike Oubre

TOTAL BILLING FOR OCTOBER 2006

\$750.00


Gerald Gesser
Architect/Facility Manager

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□ ARCHITECT □ CONSTRUCTION MANAGEMENT □ FACILITY MANAGEMENT □
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GESSER GROUP A PROFESSIONAL CORPORATION Est. 1975

INVOICE

Date: November 31, 2006

PROJECT: FACILITY MANAGER SERVICES

Iberia Parish Government
300 Iberia Street, Suite 400
New Iberia, Louisiana 70560

Attention: Mr. Will Langlinais
Parish President

Monthly Billing for November:

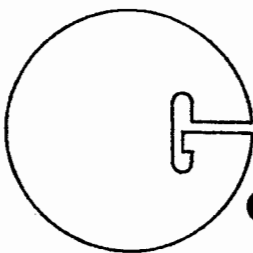
11/5/06 Spoke to Kimberly Segura
11/9/06 Spoke with Rhonda
11/9/06 Spoke to Narry Hulin
11/9/06 Spoke to Kimberly Segura
11/14/06 Spoke to Kimberly Segura
11/20/06 Spoke to Rhonda
11/20/06 Spoke to Kimberly Segura

TOTAL BILLING FOR NOVEMBER 2006

\$750.00


Gerald Gesser
Architect/Facility Manager

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GESSER GROUP A PROFESSIONAL CORPORATION Est. 1975

INVOICE

Date: December 31, 2006

PROJECT: FACILITY MANAGER SERVICES

Iberia Parish Government
300 Iberia Street, Suite 400
New Iberia, Louisiana 70560

Attention: Mr. Will Langlinais
Parish President

Monthly Billing for December:

12/6/06 Spoke to Mike Oubre – Handicap R/R sign locations
12/7/06 Spoke to Mike Oubre – Handicap R/R sign heights
12/13/06 Spoke to Mike Oubre – Sink hole
12/13/06 Spoke with Amy Dugas – Court House Annex/Mr. Buster
12/14/06 Spoke to Mike Oubre – Sink hole
12/15/06 Spoke to Amy Dugas – Court House Annex
12/19/06 Spoke to Amy Dugas – Court House Annex/Mr. Buster
12/19/07 Met with Amy/Mr. Buster – Court House Annex

TOTAL BILLING FOR DECEMBER 2006

\$750.00

Gerald Gesser
Architect/Facility Manager

GERALD GESSER, AIA
□ ARCHITECT □ CONSTRUCTION MANAGEMENT □ FACILITY MANAGEMENT □
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PHONE: 337. 364.2819 FAX: 337. 365.3562 E-MAIL gerald@gessergroup.com



WAYNE M. LaBICHE ENGINEERING, L.L.C.

CIVIL ENGINEERING • STRUCTURAL DESIGN • FOUNDATION DESIGN • SUBDIVISION PLANNING • CONSTRUCTION ADMINISTRATION

February 19, 2007

Steve J. Theriot
Legislative Auditor
P.O. Box 94397
Baton Rouge, La. 70804-9397

REF: Response to Legislative Auditor's Report – Iberia Parish

Dear Mr. Theriot:

Thank you for the consideration of our earlier response to your initial proposed audit findings for Iberia Parish and for forwarding your revision.

I submit the below, which is my response to the audit findings which involve me:

Issue 1 – NECESSITY FOR MONTHLY INVOICING FOR ENGINEERING RETAINER

Response

- A. My contract with Iberia Parish Government was reviewed, modified and approved by the Iberia Parish District Attorney's office, after which it was approved by resolution of the full Council in 1986. Additionally, the contract abides by the Iberia Parish Home Rule Charter and was approved each year as a line item in the budget by the full Council for 20 subsequent years.
- B. My contract with Iberia Parish Government consists of two parts, the language and structure of which clearly differentiates between them.

Part "A" of my contract defined and described the professional advisory services required for the "retainer" and duly noted that compensation for such was a monthly fixed fee of \$650.00.

Part "B" of my contract defined and identified the professional services which qualified for payment on an hourly basis. Before payment of any hourly charges, Iberia Parish Government required and received invoices describing the service rendered and a delineation of the hours per employee category (drafter, surveyor, engineer etc..) being charged. This was standard procedure for all payments made to me under Part "B" of the contract.

Iberia Parish Government did not request a monthly invoice for the retainer portion of my contract. However, my services, though not documented with an invoice for the fixed fee,

117 EMILE VERRET
NEW IBERIA, LA 70560
(337) 364-7695
FAX (337) 369-4460

are verifiable in public records. These records include, but are not limited to, minutes of the five monthly meetings I attended for twenty years and at which I consistently acted as technical advisor to the Parish and my approval stamp which appears on subdivision plats thereby verifying that new subdivisions met parish requirements for preliminary and final approvals. Fulfilling the responsibilities of the retainer agreement required on-going interaction with the Parish President, his staff, Council Members, their staff, other government employees both state and local, developers, engineers, surveyors, attorneys, contractors and citizens. It required calculations, inspections, research and correspondence, and innumerable other services all of which are documented in project files and which would have been costlier to the taxpayer if billed hourly.

The retainer portion of the contract at no time envisioned invoicing and was simply the Parish's agreement, as approved by the District Attorney and the full Council, to pay a monthly fixed amount to keep me available, or "retained," to perform whatever advisory services might have been needed by the Parish at any given time. As is commonly understood, when "retained", the engineer may have to forego other conflicting employment; the retainer fee compensated the professional services I performed, as well as, my agreement to be available to perform those services at all times, and further served as consideration for my potentially, and at times actually, losing other work out of loyalty to the Parish as a result of the retainer.

Additionally, although requesting an invoice for "retained services" is a respectable bookkeeping practice and, as Auditor notes, should have been required by Iberia Parish Government, in fact, it would not have altered the amount paid to me, nor would it have provided assurance that the more relevant issues of whether or not my "retained" services were clearly stipulated in a legal contract; was in accordance with the Home Rule Charter; and had the approval of the governing Council and the District Attorney's office. Those issues, I believe, are of greater significance to the public interest than is the oversight of not requiring a monthly invoice for a legally approved fixed fee which remained the same for twenty years.

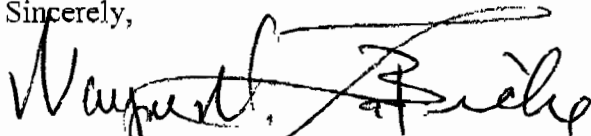
Issue 2 – ELIGIBILITY FOR PARTICIPATION IN THE DEFERRED COMPENSATION PLAN

Response

As was previously submitted to your investigators, I have competent documentation from my accountant and from Nationwide Solutions, Administrator of the Iberia Parish Deferred Compensation Plan, attesting that I was at all times eligible for the deferred compensation program. It is my understanding that your office contends that my status as a Limited Liability Company precludes my classification as an independent contractor and therefore makes me ineligible for participation in the plan. My company did not acquire an LLC designation until December 19, 2003, eighteen years after my contract was approved. As per your decision, the Internal Revenue Service will issue a final judgment on this issue. I respectfully request, however, that your report indicates that at all times I understood that I was an eligible participant and that all such compensation was solely my own contributions and did not include any separate contribution, such as a "match," by the Parish.

In conclusion, in the event that my name is mentioned in your final draft, it is my expectation that this letter, which serves as a response to your findings, be included in the final report issued to the public, in its entirety, without deletions, additions or editing of any kind.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne M. LaBiche". The signature is stylized with a large, sweeping initial "W" and a long, horizontal flourish extending to the right.

Wayne M. LaBiche, M.S., P.E.