

OFFICE OF LIEUTENANT GOVERNOR
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM
OFFICE OF STATE PARKS



INVESTIGATIVE AUDIT
ISSUED JANUARY 10, 2018

**LOUISIANA LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

January 10, 2018

ASSISTANT SECRETARY ROBERT BARHAM
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM,
OFFICE OF STATE PARKS
Baton Rouge, Louisiana

We have audited certain transactions of the Office of State Parks. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the validity of complaints we received.

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*.

The accompanying report presents our findings and recommendations as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the 19th Judicial District of Louisiana, the Orleans Parish District Attorney, and the District Attorney for the 34th Judicial District of Louisiana, the Louisiana Board of Ethics, and others as required by law.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/aa

OSP 2017

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BACKGROUND AND METHODOLOGY

The Office of State Parks (OSP) was created within the Office of Lieutenant Governor - Department of Culture, Recreation, and Tourism. OSP's mission statement, as stated in its strategic plan, is to "serve the citizens of Louisiana and visitors by preserving and interpreting natural areas of unique or exceptional scenic value, planning, developing and operating sites that provide outdoor recreation opportunities in natural surroundings, preserving and interpreting historical and scientific sites of statewide importance and administering intergovernmental programs related to outdoor recreation and trails." OSP manages both state parks and historical sites.

Media production companies sometimes use Louisiana's state parks and historical sites as filming locations. To do so, companies must execute OSP's "conditions for the use" forms and "facility use agreements"; these documents cover a variety of topics, including the fees to use these sites, and specify which park(s) or historic site(s) will be used for filming. The "conditions for the use" form^A requires the State to have an agent onsite during each stage of production.

On June 26, 2017, OSP Assistant Secretary Robert Barham requested that the Louisiana Legislative Auditor investigate a complaint of possible employee misconduct during the filming of movies at two historical sites OSP manages. We performed this investigative audit to determine the validity of the complaint.

The procedures performed during this audit included:

- (1) interviewing OSP employees and other persons, as appropriate;
- (2) examining selected documents and records;
- (3) gathering and examining external parties' documents and records; and
- (4) reviewing applicable state laws and regulations.

^A Conditions for the Use of Louisiana State Parks Properties and Facilities as Location Sites for Production of Commercial Film Making, Videography, and/or Still Photography, Special Conditions 8, states, "An agent designated by the Office of State Parks must be present at all times (during preparation for filming/videotaping, during the production, and during the set disassembly after production). The agent will have the authority to control use of all Office of State Parks properties and shall have the authority to discontinue and cancel all privileges granted if it is determined that the use and activities of the film crew are resulting in; may result in; or have already resulted in damages or potential damage to state park property."

FINDINGS AND RECOMMENDATIONS

Prohibited Contractual Arrangements

Mr. Arthur Schick, Jr., an Office of State Parks (OSP) maintenance employee, may have violated state law^{1,2} by receiving \$24,600 from media production companies that contracted with OSP.

Media production companies contract with OSP to use state parks and historical sites for commercial filmmaking, videography, and still photography. OSP's "facility use agreement" establishes the cost to use the parks and historic sites and contains a provision requiring a representative of the State to be onsite during all stages of production at no additional cost to the production company. According to OSP's Director of Operations and Facilities, OSP employee Arthur Schick, Jr. routinely served as the State's representative at the Fort Pike and Fort Macomb historic sites when production crews were there.

Mr. Schick began working as an OSP maintenance employee at the Fort Pike historical site in New Orleans, Louisiana in 2009. One of his job duties was to be onsite when the Fort Pike and Fort Macomb historical sites were used by media production companies. In January 2015, the Fort Pike site was closed, and Mr. Schick was transferred to OSP's District One, headquartered at Fontainebleau State Park in Mandeville, Louisiana. Mr. Schick's new job duties were similar to his old job duties in that he: (1) remained an OSP maintenance employee, (2) continued to perform maintenance at state parks and historical sites (although now district-wide), and (3) continued to be onsite when the Fort Pike and Fort Macomb historic sites were used by production companies.

In June 2017, we received a complaint from OSP that a production company using the Fort Pike historic site asked an onsite OSP employee for an invoice for the employee's time at the end of production. We were told this was the first time OSP sent someone other than Mr. Schick to Fort Pike. The OSP employee told the production company that the employee should not be invoicing the production company for her time, as OSP was paying her for her time. The production company told her that Mr. Schick always turned in an invoice. State law¹ prohibits public servants from entering into contracts or other transactions that are under the supervision or jurisdiction of the public servant's agency.

Mr. Schick told us that production companies did not pay him for his time onsite because OSP was paying him for that time. We then showed Mr. Schick two invoices^B totaling \$1,000 for "site liaison fee" or "site rep" and "mowing of parking area." The invoices were directed to a production company and listed Mr. Schick's name, Social Security number, and address, suggesting he was the vendor providing the service.

^B See Attachment A.

Mr. Schick then told us he received money from media production companies that contracted with OSP but had never seen these two invoices. He said the production companies paid him to (1) cut grass at the state parks for the production companies on the weekend and (2) let them park on property he owned near the state parks. Mr. Schick's supervisor told us that cutting grass at state parks and historic sites was part of Mr. Schick's regular job duties as an OSP maintenance worker.

Mr. Schick's bank records show that 22 checks totaling \$24,600 were deposited to his bank accounts from May 2009 to June 2017. Each check was from a media production company that contracted with OSP to use Fort Macomb and/or Fort Pike. Each check was payable to "Arthur Schick, Jr." or "Arthur Schick" and endorsed by "Arthur Schick." The dates of the checks also correspond with the dates of production, according to the OSP contracts. We made a second attempt to meet with Mr. Schick, but he did not respond to our request to set a time and place for the meeting.

By receiving \$24,600 from media production companies that contracted with his employer (OSP), Mr. Schick may have violated state law.^{1,2}

Recommendation

OSP should consider amending its agreements to ensure that media production companies know that only OSP is entitled to receive payment for services rendered by OSP employees.

ATTACHMENT A

Arthur Schick, Jr. SSN [REDACTED] Date: 5/17/17 Invoice #:101	Arthur Schick, Jr. [REDACTED]
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Client: YANDR PRODUCTIONS LLC 1523 Constance St., Ste. 2A New Orleans, LA 70130	Location: FORT PIKE STATE HISTORIC SITE 27100 CHEF MENTEUR HWY NEW ORLEANS, LA 70129
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DATES	DESCRIPTION	PRICE
MAY 11,12,15,16,17	SITE LIAISON FEE WHILE PREP/SHOOT/WRAP AT FORT PIKE	\$500.00
	(5) DAYS @ \$100/DAY	
	Total:	\$500.00

ARTHUR SCHICK, JR.

INVOICE



YANDR Productions, LLC
1523 Constance Street, 2A
New Orleans, LA 70130
Date: 6/23/17

Project Title: Preacher S2 aka "Klaus"

Invoice Number: 67890

Description	Quantity	Unit Price	Cost
Site Rep at Fort Macomb 3 Days @ 150/ day, June 8,15,16, 2017	3	\$ 150	\$ 450
Mowing of parking area outside Fort Macomb for crew and work trucks	1	\$ 50	\$ 50
		Subtotal	\$ 500
		Tax	0.00% \$ 0
		Total	\$ 500

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S.) 42:1113(A)(1)(a)** states, in part, “No public servant, excluding any legislator and any appointed member of any board or commission and any member of a governing authority of a parish with a population of ten thousand or less, or member of such a public servant's immediate family, or legal entity in which he has a controlling interest shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant.”

² **La. R.S. 14:134(A)** provides, in part: “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; or (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.”

APPENDIX A

Management's Response



BILLY NUNGESSER
LIEUTENANT GOVERNOR

State of Louisiana
OFFICE OF THE LIEUTENANT GOVERNOR
DEPARTMENT OF CULTURE, RECREATION & TOURISM
OFFICE OF STATE PARKS

BILL CODY
DEPUTY SECRETARY

ROBERT J. BARHAM
ASSISTANT SECRETARY

December 7, 2017

Mr. Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Purpera:

After reviewing your letter and draft report dated December 6, 2017, we concur with your findings and recommendations. Your report notes that on *June 26, 2017*, *Assistant Secretary Robert J. Barham notified the Legislative Auditors that the Office of State Parks felt the need for a comprehensive investigation, regarding an employee.*

The Office of the Lieutenant Governor and Office of State Parks cooperated with the Legislative Auditors during this investigation. It should be noted that the employee in question was placed on administrative leave during the investigation and is no longer an employee of the Office of State Parks.

All agreements with Media Production companies will include notice that only the Office of State Parks is entitled to receive payment for any services provided by Office of State Park employees.

The Office of State Parks will continue its policy of annual training for all employees regarding Louisiana's Ethic Laws.

Respectfully,

A handwritten signature in black ink, appearing to read "Robert J. Barham".

Robert J. Barham
Assistant Secretary

RJB:cd

APPENDIX B

Arthur Schick, Jr.'s Response

Arthur Schick --- RESPONSE ---

From: "Arthur Schick" [REDACTED]
To: LWHATLEY [REDACTED]
Date: Wed, Dec 27, 2017 4:29 AM
Subject: RESPONSE

I have been a loyal and dedicated employee with State Parks since I started with them in 2009. I never worked for any movie company or anyone else on State time. I worked on my time and weekends. I have even worked on my vacation for the movie companies at other sites and it all came to the site rep invoice. My manger knew it never said it was wrong. What I earned on my time with them I didn't know how much till a check cam in. I never told them to even pay me for my time they just did it. I worked on-site and off-site at other locations doing various jobs and they said it all went on my State Rep. statue where my 1099 form was. I never turned in a invoice or signed one that I can remember. They put it how they wanted it on their paperwork. So they wrote it how they needed it for their budget. I still feel bad about resigning but I felt I had to. Do to this office used much of my time for this investigation. I worked for 8 1/2 years everyday and built up 900 hours plus comp-time to be wiped out by this. I was really mad and upset by the loss of my time. Sorry for all this stuff. but I never knew it was supposedly wrong even if you were not on State time. I really like my job at the Fort's with State Parks wish I was still there. Thanks Arthur C. Schick Jr.