

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

**Town of Broussard**  
Broussard, Louisiana

February 23, 2000



**Investigative Audit**

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**Daniel G. Kyle, Ph.D., CPA, CFE**  
**Legislative Auditor**

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### **LEGISLATIVE AUDITOR**

**Daniel G. Kyle, Ph.D., CPA, CFE**

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# Town of Broussard

February 23, 2000



**Investigative Audit  
Office of the Legislative Auditor  
State of Louisiana**

**Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor**

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February 23, 2000

**THE HONORABLE CHARLES E. LANGLINAIS,**  
**MAYOR, AND MEMBERS OF THE TOWN COUNCIL**  
Broussard, Louisiana

Transmitted herewith is our investigative report on the Town of Broussard. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our findings and recommendations, as well as your response. Copies of this report have been delivered to the Town of Broussard; the Louisiana Board of Ethics; the Honorable Michael Harson, District Attorney for the Fifteenth Judicial District of Louisiana; the United States Attorney for the Western District of Louisiana; and others as required by state law.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

SDP:EKL:AFB:dl

[BROUSSARD]

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# Executive Summary

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## Investigative Audit Report Town of Broussard

The following summarizes the findings and recommendations as well as the Town attorney's response that resulted from this investigation. Detailed information relating to the findings and recommendations may be found at the page number indicated. The response signed by Mr. Gerald deLaunay, Town attorney, may be found at Attachment I.

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### Mayor and Former Superintendent of Streets Received Gifts From Town Vendors

(Page 1)

**Finding:**

Mr. Charles Langlinais, Mayor of the Town of Broussard (Town), and Mr. Mitchel Scimemi, the former Superintendent of Streets for the Town of Broussard, received equipment use valued at approximately \$24,550 and approximately \$69,330 from CLM Equipment, a vendor of the Town of Broussard. In addition, Mr. Scimemi received gifts of plumbing supplies and appliances amounting to \$1,594 from a Town vendor, Coburn's Wholesale Supply. Finally, Mr. Scimemi also received an undetermined amount in cash and groceries from Billeaud's Superette, a grocer and Town vendor who supplied food for weekly Town luncheons.

**Recommendation:**

We recommend that management comply with Louisiana law and not accept anything of value from Town vendors. If value is received from Town vendors, appropriate records should be maintained to support that such was not a gift and that the vendor was appropriately compensated for the value received. We further recommend that the District Attorney for the Fifteenth Judicial District of Louisiana review this information and take appropriate legal action.

**Response:**

Mr. Gerald deLaunay, the Town's attorney, responded that neither Mayor Langlinais nor Mr. Scimemi received gifts of free rentals. Mr. deLaunay references an affidavit from Mr. Floyd Degueyter, President of CLM, in which Mr. Degueyter describes contracts with both individuals as a quid pro quo relationship. Mr. deLaunay also states that the



report overstates the length of time that the rental equipment was used.

Furthermore, Mr. deLaunay states that the items Coburn's Wholesale Supply provided to Mr. Scimemi free of charge were discontinued items being removed from the "for sale" inventory and promotional items provided to Coburn's free of charge.

Mr. deLaunay also states that the Town is unable to confirm that Mr. Scimemi received and retained any cash from the transactions described in our report. Furthermore, Mr. deLaunay states that no Town resources were expended or lost by these transactions.

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**Town of Broussard Paid Employees \$2,011  
for Work Done on Private Property**

**(Page 5)**

**Finding:**

Mr. Mitchel Scimemi, the former Superintendent of Streets for the Town of Broussard, directed Town employees to do work on private property. Mr. Scimemi also caused himself and other Town employees to be paid \$2,011 by the Town for their work on those projects. In addition, Mr. Scimemi and the other Town employees received pay from private sources. Mr. Scimemi personally received \$775 of the \$2,011 in public funds paid for nonpublic work.

**Recommendation:**

We recommend that management comply with Louisiana law and not direct public employees to perform work on private property. We also recommend that the Town implement policies and procedures to ensure that Town employees do not perform work on private property while being paid by the Town. We further recommend that the District Attorney for the Fifteenth Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.

**Response:**

Mr. deLaunay states that the auditors' methodology used to determine the date of the questioned work is unreliable. According to Mr. deLaunay, the Town will continue to investigate to determine, if it can, when the certain work was in fact done.

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**Mayor Langlinais Failed to Pay for \$927  
of Dirt From Town Pit in a Timely Manner****(Page 9)**

- Finding:** Mr. Charles Langlinais, Mayor of the Town of Broussard, received fill dirt and topsoil valued at \$927 from the Town's dirt pit. However, he failed to pay the Town until after we began our investigation. He paid the Town \$140 for the fill dirt thirteen months after it was delivered and \$437 for the topsoil four months after it was received. Therefore, Mayor Langlinais paid the Town \$350 less than the fair market value of the dirt.
- Recommendation:** We recommend that management for the Town implement policies and procedures to ensure that the Town's dirt pit is used only for official Town business. We further recommend that the District Attorney for the Fifteenth Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.
- Response:** Mr. deLaunay responded that the fill dirt that Mayor Langlinais received was of a lesser quality than the "fill dirt" value used in our report.
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**Former Superintendent of Streets Had \$1,750  
of Dirt Removed From the Town's Dirt Pit,  
Sold It, and Did Not Reimburse the Town****(Page 10)**

- Finding:** Mr. Mitchel Scimemi, the former Superintendent of Streets for the Town of Broussard, directed the removal of dirt valued at \$1,750 from the Town's dirt pit and did not reimburse the Town. Mr. Scimemi used the dirt to fulfill a contract that he had with Service Communications.
- Recommendation:** We recommend that the Town implement policies and procedures to ensure that the Town's dirt pit is used only for official Town business. We further recommend that the District Attorney for the Fifteenth Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.
- Response:** Mr. deLaunay stated that the appropriate parties will be required to reimburse the Town for any dirt that was removed, and appropriate disciplinary action will be taken if the report findings appear to be correct.
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**Mayor and Former Superintendent of Streets  
Have Access to Un-metered Water****(Page 11)**

- Finding:** Mayor Charles Langlinais and Mr. Mitchel Scimemi, the former Superintendent of Streets, have access to un-metered Town water. Furthermore, Mr. Scimemi used \$540 of Town materials to install water and sewer lines on his property and failed to pay in a timely manner.
- Recommendation:** We recommend that the Town implement policies and procedures to ensure that Town assets are properly safeguarded. We further recommend that the District Attorney for the Fifteenth Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.
- Response:** Mr. deLaunay stated that the Mayor paid for his own waterline and the Town has never assumed the responsibility for maintaining the waterline on the Mayor's property and has no obligation to maintain it.
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**Mayor Submitted a Grant Application  
Containing a False Statement****(Page 13)**

- Finding:** Mayor Charles Langlinais obtained grants totaling \$40,000 to install a waterline on Ida Road by submitting applications to the Governor's Office of Rural Development (ORD) and the Lafayette Economic Development Authority (LEDA). The ORD grant contained a materially false statement. In addition, when obtaining reimbursements through the ORD grant, Mayor Langlinais included costs that were not incurred on the Ida Road project.
- Recommendation:** We recommend that management for the Town not submit grant applications, which include false statements. We also recommend that grant funds only be expended for the purpose specified in the grant. In addition, we recommend that requests for reimbursements only include expenditures actually incurred on the approved grant project.
- Response:** Mr. deLaunay stated that the findings (report) deliberately misquote the application and that no false statement was made by the Mayor.
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# Background and Methodology

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The Town of Broussard is located in Lafayette Parish and was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor/Board of Aldermen form of government. The Board of Aldermen is comprised of five members elected from four districts. The fifth alderman is elected at large and serves as the Mayor Pro Tempore. The Town of Broussard has a population of approximately 4,000.

The Office of Legislative Auditor received information alleging improprieties concerning abuses of power and personal enrichment by the Mayor and the former Superintendent of Streets.

The procedures performed during this investigative audit consisted of (1) interviewing employees and officials of the Town; (2) interviewing other persons as appropriate; (3) examining selected Town records; (4) performing observations and analytical tests; and (5) reviewing applicable state and federal laws and regulations.

The results of our investigation are the findings and recommendations herein.



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# Findings and Recommendations

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## **MAYOR AND FORMER SUPERINTENDENT OF STREETS RECEIVED GIFTS FROM TOWN VENDORS**

**Mr. Charles Langlinois, Mayor of the Town of Broussard (Town), and Mr. Mitchel Scimemi, former Superintendent of Streets for the Town of Broussard, received equipment use valued at approximately \$24,550 and approximately \$69,330 from CLM Equipment, a vendor of the Town of Broussard. In addition, Mr. Scimemi received gifts of plumbing supplies and appliances amounting to \$1,594 from a Town vendor, Coburn's Wholesale Supply. Finally, Mr. Scimemi also received an undetermined amount in cash and groceries from Billeaud's Superette, a grocer and Town vendor who supplied food for weekly Town luncheons.**

### **CLM Equipment**

CLM Equipment has been a Town vendor for approximately ten years. From January 1991 through December 1995, CLM billed the Town approximately \$14,500 per year. Sales increased to \$50,036, \$124,476, and \$189,034 for calendar years 1996, 1997, and 1998, respectively. Mayor Langlinois stated that the reason for the increased use of heavy equipment is due to the Town's construction of LaNeuville Road.

Mr. Melvin Bertrand, Mr. Larry Champagne, Mr. Charles Nolan, and Mr. L. J. Bourque, Town employees who operated CLM equipment (grader, backhoe, excavator) for both the Mayor and Mr. Scimemi, provided representatives of the Legislative Auditor with information concerning the use of CLM equipment by Mayor Langlinois and Mr. Scimemi. According to that information and applying the Town's rental cost for this equipment, Mayor Langlinois received the use of CLM equipment valued at approximately \$24,550 and Mr. Scimemi received the use of CLM equipment valued at approximately \$69,330. Mr. Floyd Degueyter, President of CLM, stated that he provided free equipment use for both Mayor Langlinois and Mr. Scimemi.

### **MAYOR CHARLES LANGLINOIS**

Based on the information provided by the individual who worked on Mayor Langlinois' pond, on at least 36 days during 1996, the Mayor had CLM equipment for his personal use. During this period, Mayor Langlinois was having a fish pond dug. Mayor Langlinois stated that the pond was actually done in four or five days and that our estimate is grossly overstated. Mayor Langlinois provided us with a contract dated May 3, 1996, between CLM and himself. The contract provided that CLM would provide free equipment rentals to Mayor Langlinois in exchange for work the Mayor did on the property belonging to Mr. Degueyter. Further, the contract provided that Mayor Langlinois would provide cypress logs from his property to Mr. Degueyter in exchange



for equipment rentals. In addition, the Mayor stated that he offered Mr. Degueyter a one-third interest in a one-acre lot as additional compensation for the use of the CLM equipment. According to Mayor Langlinois, Mr. Degueyter was not interested in the property when it was offered to him in September 1995. Mayor Langlinois further stated that Mr. Degueyter has recently expressed an interest in the original offer. The Mayor stated that he did not know the value of the one-third acre lot that he offered Mr. Degueyter, but Mr. Mitchel Scimemi, who owned one-third of the lot, sold his interest for \$10,000.

Mr. Degueyter stated that the Mayor did do some work for him and provided him with some cypress logs. However, Mr. Degueyter said that the logs were of no use to him and that he considered the free equipment use as something he did for a good customer and a friend.

Mayor Langlinois provided us with a second contract between him and CLM dated July 30, 1998. The contract provided that CLM would provide rental equipment needed in the construction of the Mayor's new home, and the Mayor would pay the total rental upon completion of the project. However, Mr. Degueyter told us that he did not have any records documenting Mayor Langlinois' equipment use, adding that he knew that the Mayor had used some equipment in the construction of his new home. Mayor Langlinois provided us with copies of checks paid to CLM dated October 27, 1999, and October 28, 1999, for \$731 and \$97, respectively. Mayor Langlinois stated that the purpose of the \$731 was to pay for the CLM equipment that he used in the building of his new home, but he could not recall the purpose of the \$97 payment. Mayor Langlinois also informed us that he kept no records of what equipment was used or for how long.

#### **MR. MITCHEL SCIMEMI**

Mr. Scimemi performs general construction work for various businesses and individuals including himself. Based on information provided to us, during the period March 1997 through October 1999, Mr. Scimemi received the use of CLM equipment valued at approximately \$69,330. Mr. Scimemi stated that he had access to CLM equipment free of charge whenever he needed it. Mr. Scimemi provided us with a contract dated May 15, 1995, which provided that in exchange for his labor CLM would provide him with free equipment rental. Mr. Scimemi stated that this contract with CLM was for a specific purpose but has been orally renewed for different purposes several times such that he has had a continuous contractual relationship with CLM. Mr. Degueyter stated that he normally lets good customers use CLM equipment free of charge on weekends. Mr. Degueyter stated that he considered the free equipment CLM provided to Mr. Scimemi as just loaning equipment to a friend.

Mr. Hayward Adams, a general contractor and Town vendor, stated that Mr. Scimemi approached him in 1996 and suggested that he (Mr. Adams) rent equipment from CLM to be used on the Mayor's pond off Bayou Tortue Road. According to Mr. Adams, Mr. Scimemi stated that the entire cost of the equipment would be paid for by the Town.



Mr. Adams stated that he refused to accept Mr. Scimemi's proposal and that since his refusal, he has lost business with the Town.

#### **COBURN'S WHOLESALE SUPPLY**

Coburn's Wholesale Supply is a Town vendor and has averaged \$15,000 in sales to the Town for the calendar years 1996 and 1997. In 1998, sales to the Town rose to more than \$20,000 and increased to more than \$30,000 for the first eleven months of 1999.

On October 6, 1999, Mr. Russell Atchetee, Manager for Coburn's Wholesale Supply, gave representatives of the Legislative Auditor a list of plumbing supplies and appliances valued at \$1,594 that Mr. Scimemi received free of charge from Coburn's. Mr. Mitchel Scimemi agreed that he received certain free plumbing supplies and appliances (cooktop, toilets, faucets, and installation supplies) from Coburn's but was uncertain as to the amount. Mr. Atchetee also stated that it is his policy to help customers in any way he can and that if a good customer is building a personal residence, he will help that customer by giving them certain items free of charge. Furthermore, Mr. Atchetee said that there are no strings attached to gifts, but he hoped that the gifts would generate future business.

According to Mr. Scimemi, he made the decision on what supplies would be purchased for each Town job. It appears that Mr. Scimemi may have purchased items from Coburn's that were either not immediately needed by the Town or at prices greater than that available through other vendors.

In April 1999, Mr. Scimemi authorized the purchase of 50 meter boxes at a cost of \$2,885 from Coburn's. In May 1999, he authorized the purchase of 50 more meter boxes and 50 couplers for a total cost of \$3,164. Since April 21, 1999, the Town has installed a total of 55 meters resulting in one year's inventory of meter boxes on hand.

In July 1999, Mr. Scimemi authorized the purchase of 72 two-inch waterline clamps at a cost of \$3,685 from Coburn's. According to Mr. Larry Champagne, Mr. Mel Bertrand, and Mr. Chene Resweber, Town maintenance employees, none of these clamps have been used, and they doubt that the Town will ever use the existing inventory of two-inch clamps.

On October 12, 1999, the Town purchased a fire hydrant from Coburn's at a cost of \$966. In March, April, and May of 1999, the Town purchased equivalent fire hydrants from Winwater Works for less than \$800 each.

In addition, representatives of the Legislative Auditor observed numerous other maintenance supply items, which appear to be excessive unused inventory. Town employees confirmed this observation.

### **BILLEAUD'S SUPERETTE**

Mr. Scimemi organized a weekly luncheon that is held on most Thursdays for maintenance employees and Town vendors. According to Ms. Cindy Ross, Clerk II for the Town, Town vendors have paid for the food used at Town luncheons since the fall of 1997. The food is usually purchased from Billeaud's Superette (Billeaud's) in Broussard. Employees at Billeaud's stated that Mr. Scimemi normally delivered the vendors' payments to Billeaud's.

Ms. Janel Rumsey, cashier for Billeaud's, stated that sometimes Mr. Scimemi got cash back from checks made payable to Billeaud's for the luncheons from Town vendors. Ms. Rumsey stated that she remembered giving Mr. Scimemi cash back ranging from \$10 to \$60. The last cash refund that she could recall was in September 1999 when Mr. Scimemi received cash back of \$20 to \$50. Ms. Carol Romero, another cashier for Billeaud's, recalled an instance when Mr. Scimemi received \$60 cash back. Mr. Billeaud originally stated that Mr. Scimemi never received cash back from these vendor payments for Town luncheons; however, later in the same conversation, Mr. Billeaud said that he recalled two occasions when Mr. Scimemi received cash refunds of \$11 and \$15.

According to Mr. Chester Alleman, Billeaud's employee, Mr. Scimemi charged \$25 approximately twice weekly for his personal groceries. Ms. Trisha Trimble, cashier for Billeaud's, also stated that Mr. Scimemi charged personal groceries, and that Mr. Scimemi's personal charges were combined with charges for the Town's luncheons. Mr. Billy Billeaud, owner of Billeaud's, stated that he never really looked at the receipts comprising the charges for the Town's luncheons, so it was possible that some of Mr. Scimemi's personal charges were paid by the same vendor check that paid for the Town luncheons. Mr. Billeaud further told us that all records of purchases and payments were discarded after payment was received. Ms. Trimble, Ms. Romero, and Ms. Rumsey could not remember Mr. or Mrs. Scimemi ever making personal payments for their personal charges.

Mr. Scimemi advised representatives of the Legislative Auditor's Office that he has retained an attorney and has been advised not to answer any of our questions.

### **CONCLUSION**

These actions described may be violations of the following Louisiana laws:

- R.S. 14:134, "Malfeasance in Office"
- R.S. 42:1111(B), "Payment From Nonpublic Sources"
- R.S. 42:1115, "Gifts"
- R.S. 42:1116, "Abuse of Office"
- R.S. 42:1461(A), "Obligation Not to Misuse Public Funds"

We recommend that management comply with Louisiana law and not accept anything of value from Town vendors. If value is received from Town vendors, appropriate records should be maintained to support that such was not a gift and that the vendor was appropriately compensated for the value received. We further recommend that the District Attorney for the Fifteenth Judicial District of Louisiana review this information and take appropriate legal action.

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## **TOWN OF BROUSSARD PAID EMPLOYEES \$2,011 FOR WORK DONE ON PRIVATE PROPERTY**

**Mr. Mitchel Scimemi, the former Superintendent of Streets for the Town of Broussard, directed Town employees to do work on private property. Mr. Scimemi also caused himself and other Town employees to be paid \$2,011 by the Town for their work on these projects. In addition, Mr. Scimemi and the other Town employees received pay from private sources. Mr. Scimemi personally received \$775 of the \$2,011 in public funds paid for nonpublic work.**

In addition to being a Town employee, Mr. Scimemi does private construction work. On the occasions listed below, Mr. Scimemi directed Town employees to perform work on private property. Two of these occasions were on Mr. Scimemi's private property.

### **SERVICE COMMUNICATIONS**

Mr. Scimemi directed Town employees to perform work on a private contract that he entered into with Service Communications and caused himself and other Town employees to be paid \$521 by the Town for the private work.

Mr. Keith Hendrick, owner of Service Communications, entered into a contract with Mr. Scimemi to construct a building foundation and parking lot. Mr. Scimemi signed the contract that described the specific requirements of the project. Originally, we concluded that the project was completed over two weekends (February 21, 1998, and April 4, 1998). The response from Mr. Gerald deLaunay, Town attorney, new information brought to our attention, and discussions with representatives of Theriot Construction, the building contractor, indicate that it is questionable that the weekend of February 21, 1998, was the weekend the dirt work was done. From the Soil Compaction Testing documents and discussions with representatives of Theriot Construction, the dirt work may have been accomplished before the weekend of February 21, 1998, as concluded in Mr. deLaunay's response. Therefore, the \$2,011 in the introductory paragraph does not include any payments for work on February 21.

As originally concluded, it does appear that work was done on the weekend of April 4, 1998. Based on the limestone delivery ticket dates and a statement from Mr. Melvin Bertrand, the weekend of April 4, 1998, is the most likely weekend that the limestone was spread.



Payroll records indicate that the Town paid \$521 for overtime work on the weekend of April 4, 1998. According to Mr. Mel Bertrand, Town employee, the overtime work actually represented private work done at Service Communications. Mr. Scimemi received \$233 and Town employees, Mr. Bertrand and Mr. Andrew Williams, received \$152 and \$136, respectively from the Town.

Mr. Scimemi, Mr. Bertrand, and Mr. Williams were also paid by Service Communications for the services they provided under the contract. Mr. Hendrick provided documentation showing that he paid Mr. Scimemi \$1,336 and gave him a marine radio and antenna valued at \$571. According to Mr. Bertrand, Mr. Scimemi paid the workers (Mr. Bertrand, Mr. Williams, and Mr. Larry Champagne, also a Town employee) approximately \$500.

In addition, on Monday, April 6, 1998, Mr. Scimemi signed for the delivery of limestone for the Service Communication job at 6:17 a.m., 11:22 a.m., and 11:24 a.m. Mr. Scimemi's time card for this day indicates he worked for the Town from 6:14 a.m. to 5:02 p.m. with lunch from 11:32 a.m. to 12:22 p.m.

#### **TAYLOR STEEL**

Based on the information provided, Mr. Mitchel Scimemi received \$116 from the Town for work on a private contract with Taylor Steel. Mr. Leonard Taylor, owner of Taylor Steel, negotiated with Mr. Scimemi to connect his (Taylor's) property to the Town water supply and sewer service.

Originally, we concluded that the work done on the property owned by Mr. Taylor was performed on July 24, 1998. Our original conclusion was based on statements from Town employees that they had been paid by the Town for the work performed and from the invoices that were available at the time. Because of information provided in the response from Mr. Gerald deLaunay, Town attorney, an invoice from Louisiana Concrete Boring and Sawing and an additional statement from Mr. Larry Champagne, this date appears questionable. We concur with the response that the more likely date the work was done was July 31, 1998. We also concluded originally that the Town employees, Mr. Scimemi, Mr. Melvin Bertrand, Mr. Champagne, Mr. Adam Jones, and Mr. Andrew Williams were paid from Town funds for this private work. Based on the new information, it appears that only Mr. Scimemi was paid by the Town for the private work done on Mr. Taylor's property.

According to Mr. Bertrand and Mr. Champagne, Mr. Scimemi was present the day the work was done. Mr. Champagne remembered specifically that Mr. Scimemi operated the trencher used on the job and that he was present the whole day except for a short time after lunch.

Mr. Scimemi's timecard indicates that he was on Town time from 6:52 a.m. until 11:35 a.m. on July 31, 1998. We note that the 11:35 a.m. entry on Mr. Scimemi's timecard is handwritten. This 4.5 hours of overtime cost the Town \$116.

**INSTALLATION OF MR. SCIMEMI'S WATER AND SEWER LINES**

Mr. Scimemi directed Town employees to work on his personal property and caused himself and these employees to be paid \$801 by the Town for the work done on his private property. Mr. Bertrand and Mr. Jones informed us that they along with Mr. Andrew Williams, Mr. Gerald Williams, and Mr. Scimemi installed water and sewer lines on Mr. Scimemi's private property. All of the workers were Town employees. Mr. Bertrand and Mr. Jones stated that this took "all day." Based on statements made by Mr. Jones and Mr. Bertrand, this work was done either on the weekend of May 22 or June 5, 1998. In addition, another Town employee, Mr. Larry Champagne, stated that he attended a barbecue at Mr. Scimemi's house on the day the lines were installed. He also stated that this was either May 22 or June 5, 1998. A review of timecards and other records indicates that on May 22, 1998, Mr. Bertrand, Mr. Jones, Mr. Andrew Williams, Mr. Gerald Williams, and Mr. Scimemi each received ten hours of overtime at a cost to the Town of \$801. Mr. Scimemi received \$245, Mr. Bertrand \$160, Mr. Jones \$134, Mr. A. Williams \$143, and Mr. G. Williams \$119.

Town employees, Mr. Melvin Bertrand and Mr. Adam Jones, informed representatives of this office that they did not punch their timecards for the project listed above. However, our review found that timecards for the Town's employees were punched and the Town paid the employees for this time.

**RELOCATION OF MR. SCIMEMI'S WATER AND SEWER LINES**

On February 5, 1999, Mr. Scimemi caused Town employees, Mr. Bertrand, Mr. Jones, Mr. James Sam, and Mr. Andrew Williams, and himself to receive seven hours of overtime for relocating the water and sewer lines that had been installed on Mr. Scimemi's property on May 22, 1998. For this work, the Town paid Mr. Scimemi \$181, Mr. Bertrand \$118, Mr. Jones \$98, Mr. Sam \$71, and Mr. Andrew Williams \$105, for a total of \$573.

Mr. Bertrand stated that Mr. Scimemi punched everyone's timecard. Mr. Bertrand also stated that he disagreed with being paid by the Town for this work, but Mr. Scimemi told him not to question his (Scimemi's) authority. Mr. Bertrand stated that later he told Ms. Cindy Ross, Clerk II for the Town, not to include the seven hours in the computation of his pay. Ms. Ross confirmed that Mr. Bertrand told her not to include the seven hours on his check. She then stated that Mr. Scimemi instructed Mr. Bertrand to leave the hours as they were.

Mr. Scimemi informed us that the Town did not pay Town employees for work done on private property and that he was very careful to ensure that the Town never paid anyone for private work. Mr. Scimemi added that he was paid for contracting the jobs and not for actually performing any services himself.

On October 18, 1999, the employees who worked on Mr. Scimemi's property on February 5, 1999, (relocation of water and sewer lines) were issued letters of reprimand from the Mayor and instructed to reimburse the Town. Mr. Bertrand and Mr. Andrew Williams have made full reimbursement and Mr. Sam has made partial reimbursement.

We received a copy of a letter dated October 18, 1999, from Mayor Langlinois to Mr. Scimemi suspending Mr. Scimemi without pay because Town employees performed work on his private property and were paid with Town funds. This letter is related to the February 5, 1999, work only. The Mayor's letter made no request for reimbursement of the \$181 that Mr. Scimemi received. However, we received copies of checks dated December 3 and December 6, 1999, payable to the Town drawn on Mr. Scimemi's personal account for \$173 and \$8, respectively. On November 3, 1999, Mr. Scimemi returned to work as an operator at a reduced rate of pay.

Mayor Langlinois stated that every employee who received Town pay for working on private property is at fault for accepting the pay without reporting the incident to management.

Mr. Scimemi advised representatives of the Legislative Auditor's Office that he has retained an attorney and has been advised not to answer any of our questions.

These actions described may be violations of the following Louisiana laws:

- R.S. 14:72, "Forgery"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 14:138, "Payroll Fraud"
- R.S. 42:1461(A), "Obligation Not to Misuse Public Funds"
- Article 7, Section 14 of the Louisiana Constitution, "Donation of Assets"

We recommend that management comply with Louisiana law and not direct public employees to perform work on private property. We also recommend that the Town implement policies and procedures to ensure that Town employees do not perform work on private property while being paid by the Town. We further recommend that the District Attorney for the Fifteenth Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.



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**MAYOR LANGLINAIS FAILED TO PAY  
FOR \$927 OF DIRT FROM TOWN PIT  
IN A TIMELY MANNER**

**Mr. Charles Langlais, Mayor of the Town of Broussard, received fill dirt and topsoil valued at \$927 from the Town's dirt pit. However, he failed to pay the Town until after we began our investigation. He paid the Town \$140 for the fill dirt thirteen months after it was delivered and \$437 for the topsoil four months after it was received. Therefore, Mayor Langlais paid the Town \$350 less than the fair market value of the dirt.**

**FILL DIRT**

Mr. Jonathan LeBlanc, owner of LeBlanc Trucking and a Town employee, stated that his truck was used to haul fill dirt from the Town's dirt pit to the construction site of Mayor Langlais' new home. Mr. Herman Singleton, the driver of Mr. LeBlanc's truck, stated that on September 4, 1998, he hauled 14 loads of fill dirt using Mr. LeBlanc's 14-yard truck.

According to Mayor Langlais, he thought that he paid for the dirt when he paid Mr. LeBlanc for the use of his truck. Mayor Langlais stated that when he realized that representatives of the Legislative Auditor were investigating the matter, he determined that he had not paid the Town for the dirt. Mayor Langlais then directed Ms. Cindy Ross, a clerk for the Town, to prepare an invoice with the following notation:

“Miscommunication between Jonathan (LeBlanc) and Charlie (Langlais).” /s/ Cindy

According to Town records, on October 29, 1999, Mayor Langlais paid the Town \$140 plus applicable sales taxes for 140 yards of fill dirt. However, we determined with independent quotes that the fair market value of fill dirt in Broussard is \$2.50 per yard. Therefore, the value of the 196 yards of fill dirt the Mayor received was \$490. Thus, the Mayor underpaid the Town by \$350 plus sales taxes. Furthermore, although Mayor Langlais received the dirt in September 1998, no payment was made until October 29, 1999, approximately thirteen months after receipt of the fill dirt.

Mayor Langlais stated that he actually received a clay material that is of a lower quality than the fill dirt that our estimates were based on. According to the Mayor, the one dollar per yard that he paid was a fair price for the quality of the fill material that he received.

**TOPSOIL**

Mr. Melvin Bertrand, Town employee, delivered 70 yards of topsoil from the Town's dirt pit to Mayor Langlais' new home in June 1999. According to Mayor Langlais, when he learned that representatives of the Legislative Auditor were asking about the topsoil, he again realized he had not reimbursed the Town. Mayor Langlais then directed Ms. Cindy Ross, clerk for the Town, to prepare the invoice with the following notation:

*“Failed to give Charlie (Langlinois) an invoice for dirt.” /s/ Cindy*

*On October 19, 1999, Mayor Langlinois paid the fair market value of \$437 plus applicable sales taxes for 70 yards of topsoil.*

*Mayor Langlinois stated that he was out of town the day the topsoil was delivered. Furthermore, he said that since he did not receive an invoice, he forgot about it. Ms. Ross stated that she did not know that the Mayor received dirt from the Town dirt pit, so she did not know that she was supposed to provide the Mayor with an invoice.*

*Mayor Langlinois may have violated Louisiana law, R.S. 42:1461(A), “Obligation Not to Misuse Public Funds.”*

*We recommend that management for the Town implement policies and procedures to ensure that the Town’s dirt pit is used only for official Town business. We further recommend that the District Attorney for the Fifteenth Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.*

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**FORMER SUPERINTENDENT OF STREETS  
HAD \$1,750 OF DIRT REMOVED FROM  
THE TOWN’S DIRT PIT, SOLD IT, AND  
DID NOT REIMBURSE THE TOWN**

**Mr. Mitchel Scimemi, the former Superintendent of Streets for the Town of Broussard, directed the removal of dirt valued at \$1,750 from the Town’s dirt pit and did not reimburse the Town. Mr. Scimemi used the dirt to fulfill a contract that he had with Service Communications.**

Mr. Mitchel Scimemi negotiated with Service Communications to prepare a building foundation and parking lot. Mr. Scimemi hired Mr. Jonathan LeBlanc, owner of LeBlanc Trucking, and Mr. Melvin Bertrand, Town employee, to haul dirt to the job site. According to Mr. LeBlanc and Mr. Bertrand, Mr. Scimemi instructed them to haul dirt from the Town’s dirt pit to Service Communications. Mr. LeBlanc stated that his truck was used to haul 350 yards of dirt to the job site. Mr. Bertrand stated that he hauled the remaining 350 yards from the Town’s dirt pit.

According to Mr. LeBlanc, he (LeBlanc) prepared an invoice for the hauling of 350 yards of dirt that his truck hauled; however, Mr. Scimemi instructed him to prepare an invoice for hauling the entire 700 yards plus sales tax.

Service Communications records indicate that Mr. LeBlanc was paid \$2,100 plus sales tax of \$157 for a total of \$2,257. According to Mr. LeBlanc, he cashed the check, kept \$1,050 plus the sales tax of \$157, and gave the remaining \$1,050 to Mr. Scimemi. A review of Town records indicates that the Town was not reimbursed for the dirt nor did the Town receive any of the sales tax collected. Mr. Bertrand informed us that he did not receive any payment for hauling the dirt to Service Communications.

Mr. Scimemi advised representatives of the Legislative Auditor's Office that he has retained an attorney and has been advised not to answer any of our questions.

These actions may be violations of the following Louisiana laws:

- R.S. 14:67, "Theft"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 42:1461(A), "Obligation Not to Misuse Public Funds"

We recommend that the Town implement policies and procedures to ensure that the Town's dirt pit is used only for official Town business. We further recommend that the District Attorney for the Fifteenth Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.

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## **MAYOR AND FORMER SUPERINTENDENT OF STREETS HAVE ACCESS TO UN-METERED WATER**

**Mayor Charles Langlinois and Mr. Mitchel Scimemi, the former Superintendent of Streets, have access to un-metered Town water. Furthermore, Mr. Scimemi used \$540 of Town materials to install water and sewer lines on his property and failed to pay in a timely manner.**

### **MAYOR LANGLINOIS' WATERLINE**

In January 1999, Mayor Langlinois began construction on a new home located directly behind his old home. Though Mayor Langlinois paid for the installation of the waterline to his new home, the location of the meter next to his home makes the Town responsible for maintaining over 100 feet of waterline that would normally be the homeowner's responsibility. In addition, there is a two-inch flush-out valve located on the Town side of the water meter, next to Mayor Langlinois' new home, giving the Mayor access to un-metered Town water.

Mr. Scimemi stated that he located Mayor Langlinois' meter next to his (Mayor Langlinois') home to reduce the meter cost to the Mayor. Mr. Scimemi explained that if the meter were located near the public access, the Mayor would have had to install a larger meter at a higher cost to him (the Mayor) in order to receive adequate water pressure. Mr. Scimemi also stated that he was not aware that the Mayor had an un-metered flush-out valve.

Mayor Langlinois stated that he was not aware that he had an un-metered flush-out valve next to his house. He also stated that the reason a flush out valve is next to his house is because the Town intends in the future to extend his waterline to connect to a public access several hundred feet behind his property.



**MR. SCIMEMI'S WATERLINE**

Mr. Scimemi installed water and sewer lines on his property (1) using Town materials, (2) in a manner increasing the Town's liability, and (3) providing him with access to an un-metered water supply.

Mr. Scimemi installed his water and sewer lines in the spring of 1998. He used at least \$540 worth of Town materials to do the job. Though he received the materials in March 1998, he did not pay the Town until March 1999. Mr. Scimemi stated that the reason for the delay was that Ms. Cindy Ross, Clerk II for the Town, failed to invoice him in a timely manner. Ms. Ross stated that she did not invoice Mr. Scimemi for the materials because she was not aware that he had used Town materials. Ms. Ross stated that when Mr. Scimemi informed her that he got materials from the Town, she immediately invoiced him.

Mr. Scimemi located his water meter near his home, which is located several hundred feet onto private property. The location of Mr. Scimemi's meter creates an additional liability for the Town to maintain a waterline that would normally be the responsibility of the homeowner. Mr. Scimemi's waterline also has an un-metered two-inch flush-out valve and an un-metered standard faucet connection.

Mr. Scimemi stated that the flush-out valve was needed to keep the water in the line fresh. He also stated that he installed the standard faucet connection so that the line could be flushed more easily without using the two-inch valve.

Mr. Scimemi advised representatives of the Legislative Auditor's Office that he has retained an attorney and has been advised not to answer any of our questions.

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

- R.S. 42:1461, "Obligation Not to Misuse Public Funds"
- Article 7, Section 14 of the Louisiana Constitution, "Donation of Public Assets"

We recommend that the Town implement policies and procedures to ensure that Town assets are properly safeguarded. We further recommend that the District Attorney for the Fifteenth Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.

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## **MAYOR SUBMITTED A GRANT APPLICATION CONTAINING A FALSE STATEMENT**

**Mayor Charles Langlinais obtained grants totaling \$40,000 to install a waterline on Ida Road by submitting applications to the Governor's Office of Rural Development (ORD) and the Lafayette Economic Development Authority (LEDA). The ORD grant contained a false statement. In addition, when obtaining reimbursements through the ORD grant, Mayor Langlinais included costs that were not incurred on the Ida Road project.**

### **OFFICE OF RURAL DEVELOPMENT GRANT**

On May 26, 1998, the Broussard Town Council passed a resolution to apply for a \$25,000 grant from the Governor's Office of Rural Development (ORD). The purpose of the grant was to install approximately 3,500 feet of eight-inch waterline along the Ida Road extension. The grantor stated that grant funds could not be used to reimburse the Town for labor costs if Town employees performed the work. Town employees performed the work.

The completed application signed by Mayor Charles Langlinais states that the proposed waterline will serve "approximately ten businesses presently, plus future development." The completion report signed by Mayor Langlinais states that the project was completed on August 31, 1999, at a total cost of \$20,279 for materials and will provide Town water to approximately ten businesses along Ida Road. However, there is only one business located on the Ida Road extension. Mayor Langlinais stated that the Town Clerk must have typed in "presently" when "future" was the appropriate word. Ms. Tina Denais, Town Clerk, stated that she typed exactly what the Mayor dictated and that she did not type in "presently" for "future."

The terms of the grant specify a maximum of \$25,000 will be paid as reimbursement for actual expenditures on the approved project and provides that ". . . any use of grant funds to pay for other projects not described in the grant application will be grounds for immediate disqualification and revocation of the funds." The Town requested and received \$20,279 of reimbursements. Of that amount, the Town received \$2,376 for materials not used on the Ida Road waterline. Observations of the completed Ida Road project by ORD personnel and representatives of the Legislative Auditor revealed that there were only five fire hydrants installed whereas the Town claimed reimbursement for eight. The Town subsequently refunded \$2,376 to ORD.

### **LEDA GRANT**

In a letter dated April 9, 1999, to the Lafayette Economic Development Authority (LEDA), Mayor Langlinais requested an economic grant for \$15,000. On April 28, 1999, LEDA notified Mayor Langlinais that his request was rejected and suggested that he resubmit his request using more specific grant criteria. In a letter dated April 28, 1999, Mayor Langlinais requested a \$15,000 grant to be used for the extension of the Ida Road waterline.

In September 1999, the Town received \$15,000 from LEDA for the Ida Road waterline. The check was not deposited into the Town's general fund. It was deposited into the Broussard Economic Development Corporation's (BEDC's) account, a nonprofit corporation. Mr. J. L. Sonnier, Town auditor, and Mr. Eugene Chiarulli, Town accountant, stated that BEDC is a component unit of the Town. Members of the Broussard Town Council informed us that they thought the \$15,000 was a reimbursement for costs to the Town for installing the waterline, and only Councilman Michael Billeaud could recall Mayor Langlinois stating that the money would go to BEDC. BEDC had not spent any funds on the Ida Road waterline.

In a letter dated October 11, 1999, Mr. Greg Gothreaux, President and Chief Executive Officer of LEDA, requested that the Mayor provide documentation to support the \$15,000 grant. In a letter dated October 13, 1999, Mr. Kenneth Veron, Chairman of the Board of LEDA, stated, "It is important to us (LEDA) that the funds we (LEDA) granted for the purpose of installing a waterline on Ida Road were used for that purpose."

On November 3, 1999, Mayor Langlinois requested that BEDC reimburse the Town's general fund \$7,193 for the cost of labor and engineering incurred on the Ida Road waterline. Furthermore, Mayor Langlinois requested that BEDC reimburse LEDA the unused portion of the grant, \$7,807.

We recommend that management for the Town not submit grant applications, which include false statements. We also recommend that grant funds only be expended for the purpose specified in the grant. In addition, we recommend that requests for reimbursements only include expenditures actually incurred on the approved grant project.



# Attachment I

## Additional Information

# Additional Information

## Mayor and Superintendent of Streets Received Gifts From Town Vendors

### Mayor Charles Langlinais

In his written response, Mr. Gerald deLaunay, attorney for the Town of Broussard, refers to an affidavit provided by Mr. Floyd Degueyter of CLM Equipment, Inc. Mr. deLaunay states that Mr. Degueyter made it clear to the investigative auditors that the value of the equipment provided was equal to the value of the cypress logs (approximately 4,000 board feet at \$1.50 per foot) given him by the Mayor. We have enclosed three affidavits [see Exhibits 11, 12 and 13 at Attachment III] prepared by the two Senior Investigative Auditors and the Investigative Audit Manager, all three of whom interviewed Mr. Degueyter. As you can see our representatives have provided signed affidavits attesting that the statements in our report attributed to Mr. Degueyter are accurate.

Mayor Langlinais provided us with a copy of an agreement dated September 11, 1995, [see Exhibit 1] wherein he (referred to as vendor) entered into an agreement with Mr. Mitchel

**Agreement**

The following: Charles E. Langlinais herein referred to as vendor and Mitchel J. Scimemi and Hayward Adams, herein both referred to as contractors, enter into this agreement on the below date. Said agreement stipulates the following:

The contractors will provide manpower, equipment, skill and talent to construct four fish ponds of approx. 70 by 200 ft. each along with necessary roads to and on the 7 acres owned by vendor from the Bayou Tortue Livestock in Sec. Any 7677, T10S, R10 in St. Mary Parish, La.

Vendor will provide as needed but not limited to the refilling of 4" waterwell on Aubrey St. and the refilling of said ponds.

After completion of work, the contractors will provide an undivided 1/3 each on Loui St. (behind St. Joseph) value reflecting a sale reflecting a value of \$2500 or a value agreed to by all three parties.

It is further agreed that any sale of property in any third party, each party hereto have to agree between all three parties herein to the sale and consideration should be at least a total of \$7500.00. Further should any of the said three parties want to sell to one or both of the other parties, the sale price shall be \$2500 or a value agreed to by all three parties.

Further, should any sale be made of the property after it has been improved, the following will apply:

- 1- Any reasonable labor can be charged to the total value of property.
- 2- Any reasonable improvement can be charged to the total value of the property.
- 3- Any proceeds of any sale after all improvements shall be divided as follows:
  - A- \$2500 to each party (raw property).
  - B- Any approved disbursements/contributions by one or any of the parties will serve to proportionately increase said party's interest in sale proceeds. i.e. the raw property base will be \$7500 and any party A increases the value to \$8500 by clearing and grubbing said tract, then party A's share of a \$9500 sale will be the original \$2500 share (each) plus \$1000 towards the improvement made to property by party A, whereas after improvements, each party that contributes should benefit by their effort and additional investment in additional added value.
- 4- Any and all improvements shall be approved by all three parties herein.

If this is in agreement, please sign below as provided:

*Charles E. Langlinais* (Vendor) Charles E. Langlinais Date: 9-11-95  
*Mitchel J. Scimemi* Mitchel J. Scimemi Date: 9-11-95  
*Hayward Adams* Hayward Adams Date: 9-11-95

### See Exhibit 1.

Scimemi and Mr. Hayward Adams (contractors). The second paragraph of the agreement states that the contractors will provide manpower, equipment (emphasis added), skill and talent to construct four fish ponds of approximately 70 by 200 feet each . . . As stated in our report, the Mayor informed us that in return for the use of equipment he performed personal services, provided cypress logs [see Exhibit 2], and offered Mr. Degueyter a one-third interest in property. This statement is inconsistent with the contract, which clearly shows that the contractor was responsible for providing the equipment.

May 3, 1996

Mr. Floyd Degueyter  
CLM Equipment Inc  
Broussard, La.

Re: Agreement regarding cypress for use of pond.

Dear Floyd,

Pursuant to our conversation and between the parties herein referred to as FD, CLM and CBL, we have entered into an agreement that we would "trade out" our work as provided for equipment needed and used to build said ponds of CBL, and as of the beginning of May, 1996, any and all credits that CBL and the said Scimemi have been used up and all accounts are "in equity".

3- As leaseholder, CBL declares that trees were removed during the summer of 1995 by a third party and said third party has breached said agreement by not paying for trees and removing them. Consequently said trees are owned by CBL. Further, CBL may be owed approx. one third of approx. one third of existing cypress waiting in said two ponds. 5- The total value of cypress is 4000 feet.

The total value of cypress is 4000 feet (+ board feet) and the two parties (CBL and FD) herein agree that in kind as previously set out, FD will provide the necessary equipment (on the weekends) in which to finish said two ponds/locations/drainage as needed, and CBL will move the balance of said cypress to a location as provided by FD and that both parties agree that the "swap" of trees for equipment use is of equal value and that no cash money is owed by either party.

If there is any additions or changes to this agreement, it shall be agreed to and done by both parties hereto by addendum. This agreement is done and made in duplicate, one each for both parties and should both be signed as set out below.

If this is in agreement, please sign below as set out:

*Charles E. Langlinais*  
Agreed to this: 2 May, 1996

*Floyd Degueyter*  
Agreed to this: May, 1996

Addenda in the above as indicated.

### See Exhibit 2.

The question arises as to why would one perform services, give up \$6,000 in cypress logs, and offer a one-third interest in property for something that was to be provided by the contractor.

In his written response, Mr. Gerald deLaunay, attorney for the Town of Broussard, states that the value of the equipment used during the building of the Mayor's fish pond is grossly overstated. Our calculation of the value of the equipment used was based on information provided by Mr. Charles Nolan who helped build the pond. Mr. Nolan provided Mr. Donald Landry, also an attorney for the Town of Broussard, with a sworn statement which more than supports our calculation. However, we note that the Town attorney chose not to refer to Mr. Nolan's sworn statement.

The Mayor informed us that he offered Mr. Scimemi and Mr. Degueyter each a one-third

interest in some property in return for Mr. Scimemi's services in building the fish ponds and the use of Mr. Degueyter's equipment. The Mayor stated that Mr. Degueyter did not want the property. The Mayor further stated that Mr. Scimemi was given the interest in the property. The Mayor then provided us with a copy of a cash sale agreement filed with the Clerk of Court for Lafayette

FILE NO  
97-008202  
D.C. "DAN" GULLIOT  
CLERK OF COURT  
RECORDER

CLERK OF COURT  
LAFAYETTE, LA  
FILED AND RECORDED  
97 MAR 12 PM 2 16  
Cash Sale  
March 12, 1997

State of Louisiana  
Parish of Lafayette

BE IT KNOWN, that on this 12th day of February, 1997, before me, the undersigned Notary Public, personally appeared CHARLES E. LANGLINAIS, HUSBAND OF [redacted] Broussard, La. 70518, and he does hereby present and free from all encumbrances and against previous owners, unto: A. B. SCIMEMI, residents of Broussard, Louisiana, and heirs and assigns, and allowing described property, to-wit: [redacted] per Plat of Survey by Kenneth Fontenot, dated June 20, 1995, recorded in the records of Lafayette Parish, Louisiana.

This sale is made and accepted for the sum of TEN dollars & 00/100 Dollars, cash in hand. . .

Payment of property taxes shall be prorated by vendor and vendee herein. This sale is made and accepted for the sum of Ten dollars & 00/100 Dollars, cash in hand paid, for which acquittance is hereby granted. Vendee herein dispenses with certificate required by Article 3364 of the Revised Civil Code of this State, and also with the production of tax receipts required by law. This done and passed in Broussard, Louisiana, on the day and date first above written, in the presence of the below competent witnesses, who sign with the appears and me, after reading of the whole.

WITNESSES FOR ALL:  
Sarah [redacted] (witness)  
Therese [redacted] (witness)  
A. B. Scimemi, SSA 494-46-281 (buyer)  
Charles E. Langlinais, SSA 493-50-3979 (seller)  
G. [redacted] (witness)  
Carolyn [redacted] (witness)  
Notary Public

See Exhibit 3.

Parish on March 12, 1997, [see Exhibit 3] showing a cash sale of the west half of a parcel of land for \$10.00 by the Mayor to Mr. Scimemi. Our review of the clerk of court records shows that on November 17, 1998, the Mayor and Mr. Scimemi filed an Act of Correction [see Exhibit 4]. This Act of Correction states that the document filed on March 12, 1997, contained errors. The Act provides a more specific description of the land and also states that it was not sold for \$10.00 but for \$5,000.00. We note that on the same day Mr. Scimemi sold the property for \$10,000.00 [see Exhibit 5].

CLERK OF COURT  
LAFAYETTE, LA  
FILED AND RECORDED  
98 NOV 17 PM 2 18  
ACT OF CORRECTION  
BY: CHARLES E. LANGLINAIS, CLERK OF COURT  
AND: MITCHELL J. SCIMEMI ET AL

November 17, 1998

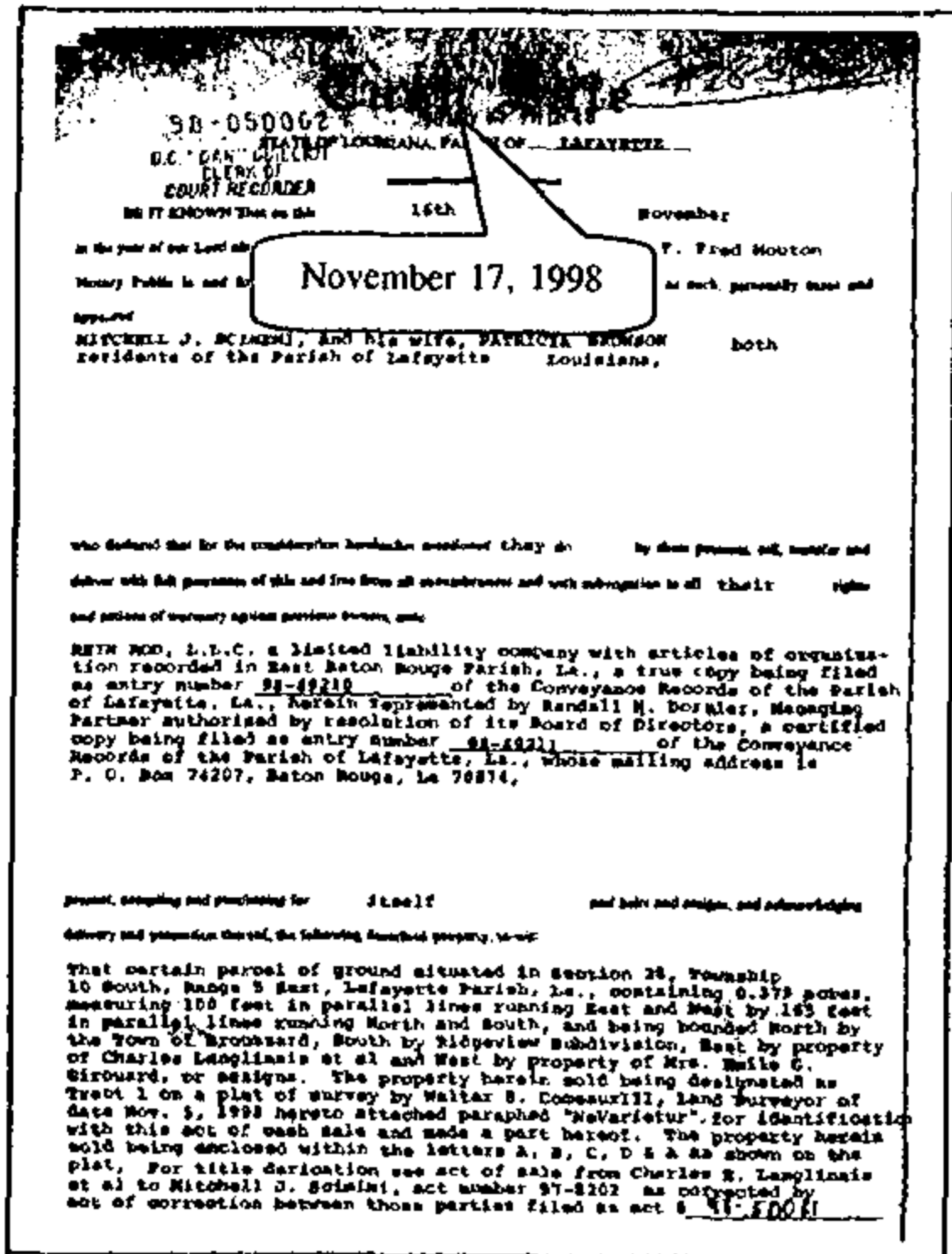
BE IT KNOWN that 1998, before me, the undersigned Notary Public, personally appeared [redacted] and as much personally came [redacted] and his wife, CAROLYN GONDROM, both residents of the Parish of Lafayette, La., and sometimes hereinafter referred to as Vend... and MITCHELL J. SCIMEMI, and his wife PATRICIA BRUNSON both residents of the Parish of Lafayette, Louisiana, sometimes hereinafter referred to as Vendees, who declared that by an act passed before Irene David, Notary Public dated Feb. 20, 1997 recorded March 12, 1997 as act number 97-008202 of the Conveyance Records of the Parish of Lafayette, La., Vendors sold to Vendees property therein described as follows: The West half of a parcel containing 0.958 acres per plat of survey by Kenneth Fontenot, L.S., dated June 20, 1995 recorded in the records of Lafayette Parish, La.

That in the original act of sale the consideration was incorrectly recited to be \$10.00, whereas the actual consideration paid was \$5,000.00.

Another error was made in that in the original act of sale the consideration was incorrectly recited to be \$10.00, whereas the actual consideration paid was \$5,000.00. That in view of the foregoing the parties have agreed to further reform and correct the aforementioned portion of the sale dealing with the consideration, to read as follows:

See Exhibit 4.





See Exhibit 5.

Mayor's statement, valued at approximately \$10,000 and personal services of the Mayor which we cannot value, for the use of equipment. Based on the Mayor's statement that the pond was built in 4 to 5 days, this would mean he was providing and/or offering value ranging from \$3,200 to \$4,000 a day for equipment not including the value of the personal services.

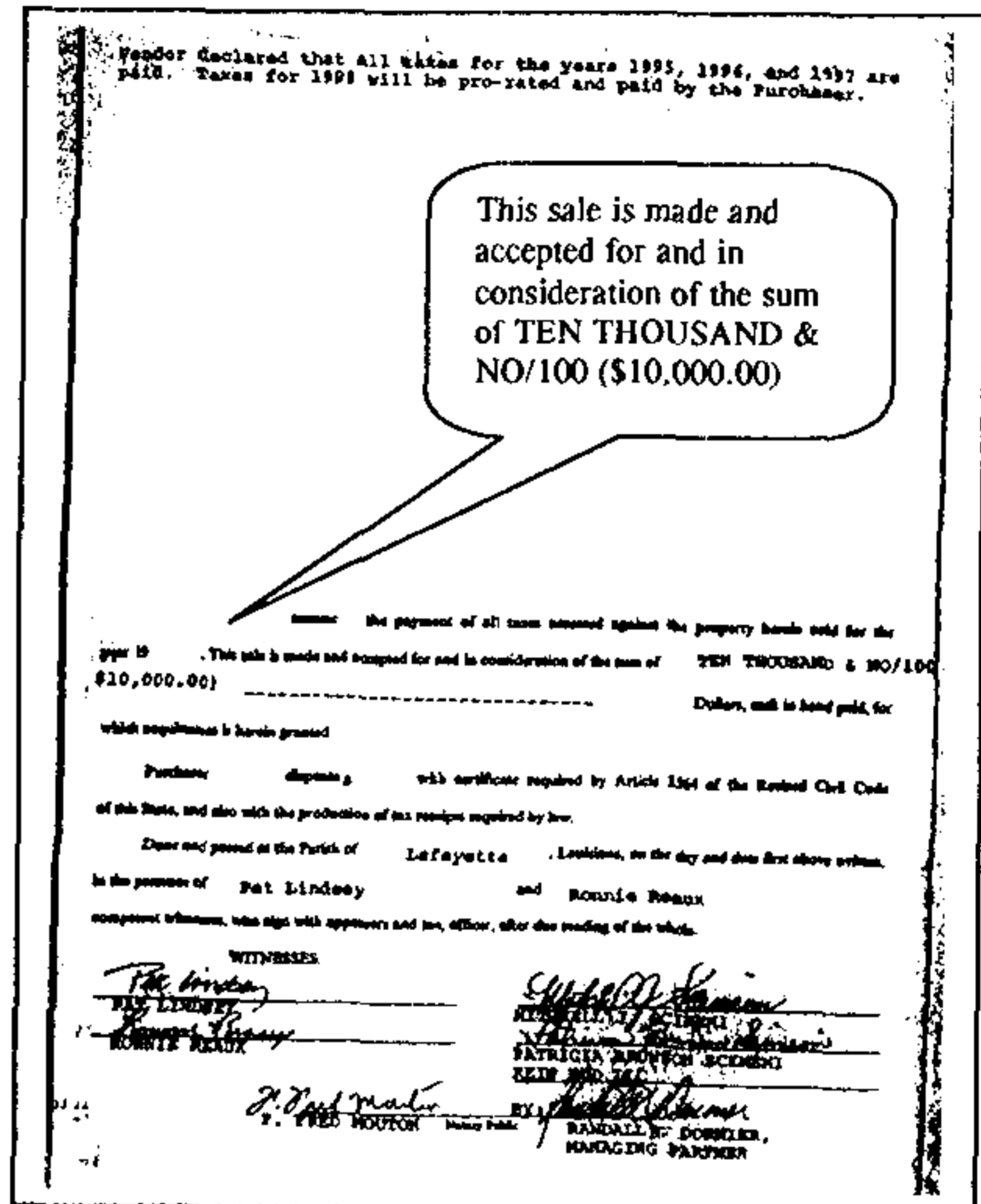
In summary, Mayor Langlais and Mr. Scimemi, two of the Town's top officials, received use of equipment from one of the Town's major vendors. Neither the vendor (Mr. Degueyter), the Mayor nor Mr. Scimemi could produce records to indicate what equipment was used, how long it was used, and the value of its use. If Town officials are going to do business with Town vendors, appropriate records should be maintained.

MR. MITCHEL SCIMEMI

Coburn's Wholesale Supply

In the response, Mr. deLaunay stated that certain items received by Mr. Scimemi free of charge were discontinued items removed from Coburn's inventory. Mr. Russell Atchetee, Manager of Coburn's Wholesale Supply, informed us that the items given to Mr. Scimemi were promotional items. We know of no bearing that this would have regarding the law (R.S. 42:1115) prohibiting Town employees from receiving gifts from Town vendors.

Based on the information provided by the Mayor and Mr. DeLaunay, the Mayor provided (1) cypress logs valued at approximately \$6,000, and (2) a parcel of land, based on the



See Exhibit 5.

According to a quotation provided by Coburn's, Mr. Scimemi received \$2,654 in appliances and plumbing supplies from Coburn's. Of this amount, \$1,594 or 60% was provided free of charge. Furthermore, the valuations were provided by Coburn's and not the auditor.

In his response, Mr. deLaunay states that our representatives attempted to intimidate the Coburn's representative even though he provided full and complete answers. In our initial meeting with Mr. Zachary Brasseaux, Coburn's representative, we were not provided with either full, complete or accurate answers. We asked Mr. Brasseaux about faucets that Mr. Scimemi received from Coburn's. Mr. Brasseaux told us that these faucets had been returned by Mr. Scimemi to Coburn's. This was untrue. Mr. Scimemi had received these faucets free of charge from Coburn's. In addition, Mr. Brasseaux failed to inform our representatives about other free merchandise given to Mr. Scimemi. In a later interview with Mr. Brasseaux and his supervisor, Mr. Russell Atchetee, we were provided with a list of items, which Coburn's gave to Mr. Scimemi free of charge. That listing totaled \$1,594 in free merchandise.

### **Billeaud's Superette**

In his response, Mr. deLaunay states that Mr. Billeaud provided truthful answers. In our discussions with Mr. Billeaud and store employees, we determined that Mr. Billeaud did not provide full and truthful answers. For example, in our initial interview on October 25, 1999, Mr. Billeaud stated that Mr. Scimemi did not have a personal charge account at the store and usually paid cash for his personal groceries. On the same day, in the presence of Mr. Billeaud, Ms. Trisha Trimble, cashier for Billeaud's, stated that Mr. Scimemi does have a charge account and that the records of his personal charges are maintained with the Town's Thursday luncheon file. In our efforts to resolve these and other inconsistencies, we attempted to speak further with Mr. Billeaud and were informed that upon the advice of his attorney he would no longer speak with us.

## **Town of Broussard Paid Employees \$2,011 for Work Done on Private Property**

### **Service Communications**

In the response, Mr. deLaunay states that according to our investigation the limestone was delivered on April 6, 1998; therefore, limestone work could not have been done on April 4. According to the limestone delivery tickets that we obtained from Service Communications, limestone was delivered on Friday, April 3, 1998, and on Monday, April 6, 1998. According to Mr. Melvin Bertrand, limestone was delivered on April 6, 1998, because the amount that was delivered on April 3 was not enough to complete the job. In our report, the reference to the limestone delivered on April 6 was to show that Mr. Scimemi signed for it during normal Town business hours, not that work was actually done on that day.

### **Installation of Mr. Scimemi's Water and Sewer Lines**

In his response, Mr. deLaunay stated that Town employees made it clear that the work could not have been done on May 22. Mr. Bertrand and Mr. Champagne informed our representatives that the work was done either on May 22 or June 5.

### **Mayor Langlinois Failed to Pay for \$927 of Dirt From Town Pit in a Timely Manner**

As stated in our finding, the Mayor did not pay the Town of Broussard for the fill dirt or the topsoil until he discovered that the auditors were investigating the matter. It should also be noted that according to Louisiana law, the Mayor may have also participated in a prohibited transaction. R.S. 42:1113(A) provides, in part, that no public servant 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.

When asked about other sales from the Town's dirt pit, the Mayor told our representatives that dirt had been sold in the past to Mr. Jonathan LeBlanc and Mr. Hayward Adams, both contractors. He provided no other instances of sales from the Town's dirt pit. We also spoke with Ms. Cindy Ross, clerk for the Town, who said that since April 1999 there have been no other invoices for sales of dirt by the Town. Therefore, it appears that the sale of dirt from the Town pit is a limited occurrence.

### **Topsoil**

In his response, Mr. deLaunay stated that because of a clerical error, the Mayor was not timely invoiced for the topsoil he received. However, as stated in our finding, the billing clerk did not know that the Mayor received dirt from the Town's dirt pit.

### **Superintendent of Streets Had \$1,750 of Dirt Removed From the Town's Dirt Pit, Sold it, and Did Not Reimburse the Town**

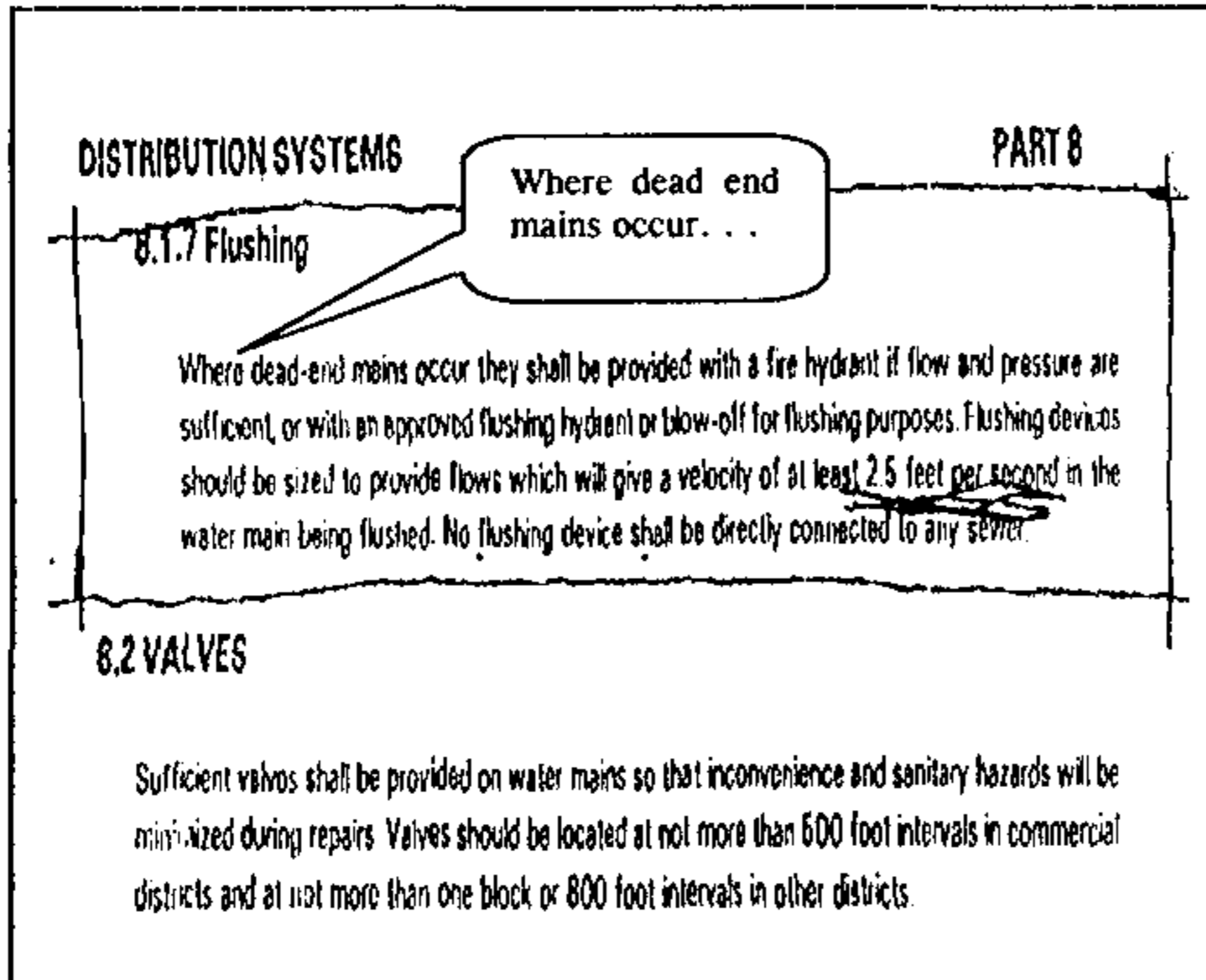
In his response, Mr. deLaunay stated that the statements given by Mr. LeBlanc and Mr. Bertrand are inconsistent with the sworn statements given to the Town attorneys. Mr. deLaunay did not state what those inconsistencies might be and have not provided our representatives with these inconsistencies.

It should also be noted that according to Louisiana law, Mr. Scimemi may have participated in a prohibited transaction. R.S. 42:1113(A) provides, in part, that no public servant 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.



# Town of Broussard Diverted Public Assets to Benefit Private Interests

## Mayor Langlinais' Waterline

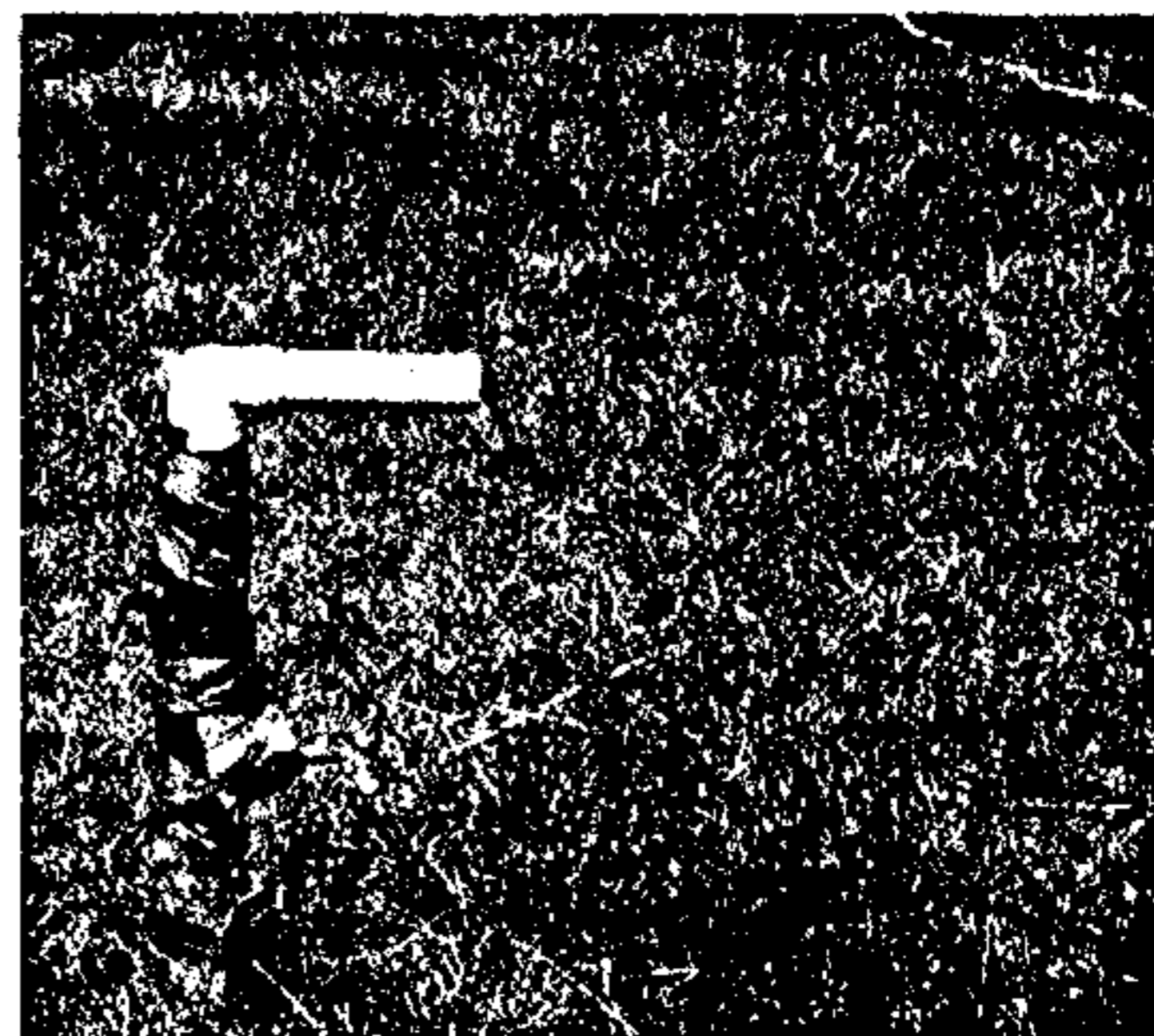


See Exhibit 7.

that the valve is made of PVC material and common reducers are available for sale from numerous suppliers.

## Mr. Scimemi's Waterline

The response states that the Town can take no further action with respect to this particular transaction because Mr. Scimemi has paid for the materials he received from the Town. However, we note that the response makes no mention of Mr. Scimemi's access to un-metered water through both the two-inch flush-out valve and the standard hose connection. As can be seen in the photograph on the right [also, see Exhibit 8], the standard faucet connection has a hose connected to it. The hose goes to a house where Mr. Scimemi said his daughter lives.



The response states that according to the "Ten States Standards" [see Exhibit 7], it is correct to install flush-out valves on dead end runs. We have reviewed the "Ten States Standards" supplied to us by Mr. Landry, Town Attorney. It appears that the "Ten States Standards" applies to "water mains" and not to an individual homeowner's waterline.

The response further states that the Mayor does not own nor know of any two-inch hoses that would attach to his un-metered flush-out valve [see Exhibit 10]. We note

## Mayor Langlinais Submitted a Grant Application Containing a False Statement

### Office of Rural Development Grant

In the response, Mr. deLaunay states that the Legislative Auditor's report deliberately misquoted the application. Our report states that the completed application states that the proposed waterline will serve "approximately ten businesses presently, plus future development." However, the application actually uses the words "impacted/affected" and not the words "will serve." Changing the words "will serve" to "impacted/affected" does not change the fact that there is only one business presently located on the Ida Road extension as stated in our report.

Further, the response states that on page 4 of the application, the answer to the question, Total number of persons impacted/affected as a result of the Project/Grant is "approximately ten businesses, plus future development there and city population of 4,105." The actual answer found on page 4 of that application [see Exhibit 9] states, "Approximately 10 businesses presently, plus future development there and city population of 4,105." The response provided by Mr. deLaunay omits the word "presently" which changes the meaning of the statement and supports our finding that the Mayor submitted an application containing a false statement.

**RURAL GRANT**

DEMOGRAPHIC PROFILE  
Please complete the following statistics accurately.

DESCRIPTION	1998-99 DATA
Population of Parish	1,807,210 as of July 1, 1996
Population of Village/Town/City	4,105
Unemployment Rate in Affected Area	1.21
Per Capita Income of Affected Area	Approximately 2 million dollars
Total number of persons impacted/affected as a result of this Project/Grant	Approximately 10 businesses presently, plus future development there and city population of 4,105

IS THE PROJECT PROPOSAL CONSIDERED AN EMERGENCY SITUATION BY THE CITY/TOWN IN THE AFFECTED AREA?  YES  NO

IF YES, PLEASE EXPLAIN IN THE AREA PROVIDED BELOW.

Total number of persons impacted/affected as a result of this Project/Grant

Approximately 10 businesses presently, plus future development there and city population of 4,105

FOR RURAL DEVELOPMENT OFFICE USE ONLY  
Reference Number: \_\_\_\_\_

See Exhibit 9.

In addition, the response states that six fire hydrants were installed on the Ida Road extension. We agree that there are now six fire hydrants installed. On September 27, 1999, Mr. Mathew Rovira, Office of Rural Development Inspector, and Ms. Tina Denais, Town Clerk, counted five fire hydrants. On October 5, 1999, our representatives counted five fire hydrants facing the wrong direction. Mr. Melvin Bertrand and Mr. Charles Nolan, Town employees, also counted five fire hydrants. On November 3, 1999, representatives of the Legislative Auditor revisited the Ida Road extension and found six fire hydrants installed. They noted that five of the hydrants were appropriately facing the road. However, the sixth hydrant was facing the wrong way. Mr. Adam Jones, Town employee, installed the hydrants. However, he could not explain why he only turned five of the hydrants and not the sixth hydrant.

### **LEDA Grant**

In the response, Mr. deLaunay fails to acknowledge that of the \$7,193 in expenses submitted to LEDA, \$2,445 was disallowed because they included equipment costs that were not incurred. Furthermore, Mr. deLaunay also does not mention that LEDA demanded a refund of \$2,445 from the Town for those costs not incurred. Of this \$2,445 demanded by LEDA, the Town deducted \$1,418 for the cost of the sixth fire hydrant installed on the Ida Road extension.

### **Deficiencies Noted in the Response**

We support the corrective action noted in the response. However, we note that the response does not address certain matters brought to management's attention:

1. The response does not address the need for a policy prohibiting the acceptance of gifts by elected officials and employees from Town vendors.
2. The response does not address the need for a policy prohibiting Town employees from participating in transactions prohibited by law.
3. The response does not address further action with respect to access to un-metered water by Mayor Langlinais and Mr. Scimemi. Furthermore, the response does not address the loaning of Town assets to Mr. Scimemi.

## Attachment II

# Management's Response

It should be noted that the Legislative Auditor requested that management respond to its preliminary report. The response received by this office did not come from management for the Town of Broussard, but instead from Mr. Gerald deLaunay, attorney for the Town. Since the response is not signed by a member of management for the Town, it is unclear whether management assumes responsibility for its contents.



WARREN A. PERRIN  
DONALD D. LANDRY  
GERALD C. DELAUNAY  
ALLAN L. DURAND\*  
(LLM-TAXATION)  
SCOTT A. DARTEZ  
JEAN OUELLET\*\*  
  
\*TEXAS AND LOUISIANA  
\*\* QUEBEC (1990) AND LOUISIANA

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February 4, 2000

Writer's e-mail address:  
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Mr. Daniel G. Kyle, CPA, CFE  
Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

RE: Town of Broussard, Louisiana

Dear Mr. Kyle:

I am writing in response to the preliminary draft of the investigative report on the Town of Broussard forwarded with your letter of January 21, 2000. The Town of Broussard has been one of the fastest growing municipalities in the State over the last decade. During that period of time the revenues and expenses of the Town have grown substantially, creating new challenges as experienced by any growing business. While the audit done by your office has pointed out the need to review controls in certain areas, the Town denies the particular allegations contained in your investigative report. Each of the "findings" contained in the preliminary report will be addressed separately.

**1. THE ALLEGATIONS THAT THE MAYOR AND SUPERINTENDENT OF STREET RECEIVED GIFTS FROM TOWN VENDORS:**

**Mayor Charles Langlinais - CLM:**

On this matter, as in others, your investigators have been overzealous in their attempt to find facts to support their theories, and to establish wrongdoing when none existed. We enclose a copy of the Affidavit of Mr. Floyd Degueyter of CLM Equipment, Inc. In his Affidavit Mr. Degueyter explains the circumstances under which equipment use was provided to Mayor Langlinais and to Mr. Scimemi. It is disappointing at the least, and perhaps malfeasance on the part of your investigators, to conclude that the use of his equipment constituted a "gift," that CLM provided "free equipment," or that the compensation received by Mr. Degueyter was of no use to him. Mr. Degueyter's statement relative to the circumstances under which Mayor Langlinais used equipment from CLM is supported by the written contract between the parties executed in May, 1996.

Mr. Daniel G. Kyle, CPA, CFE  
February 4, 2000  
Page Two

The value of the equipment use received by Mayor Langlinois in his exchange with Mr. Degueyter is grossly overstated in the proposed report. If your office will take the time to obtain an independent estimate of the time necessary to construct a pond of the type and size of that of Mayor Langlinois, should quickly reveal that your investigators' estimate is overstated. Town employees advise that they made it clear to your investigators that they could only estimate the number of days that some equipment was on site, and that how much the equipment was used would be pure speculation. Mayor Langlinois acknowledges that since most of his work was done on weekends, the equipment sometimes remained on his property without being used during the week. This practice is not uncommon for equipment owners such as CLM because it saves hauling expenses. If the equipment became rented while it was not being used, it would be picked up and delivered straight to the job site.

Your report references the rental of equipment by Mayor Langlinois in connection with the construction of his home. It is impossible to determine whether you are suggesting that there is anything improper in connection with that transaction. Mayor Langlinois explained his use of equipment in connection with work on his home site, and furnished canceled checks showing payment for the equipment. At the time your investigators were apparently satisfied with the explanation, and the reason for mentioning this transaction in your investigators' report remains unclear.

**Mitch Scimemi - CLM:**

Mitch Scimemi's use of the CLM equipment during the period in question is explained by Mr. Degueyter in his Affidavit. We have not seen the contract between Mr. Scimemi and CLM, but your description of the contract appears to be consistent with Mr. Degueyter's explanation. You give no explanation as to the manner in which the equipment value was calculated. However, according to Mr. Degueyter the value of the equipment use in no way approached the value included in your findings. As in the case of Mayor Langlinois, Town employees clearly advised your investigators that they could only estimate the time equipment was at Mr. Scimemi's home, and not the amount of use.

**Coburn Wholesale Supply:**

The business of the Town requires the purchase of supplies and materials from various vendors including, but not limited to Coburn Wholesale Supply. Much of the work done with Coburn, and other suppliers, is done through the bid process. Maintenance work does not require bid process, and the Town purchases from various suppliers to meet its needs. The Town is satisfied that the purchases referred to in your report were necessary to meet the Town's needs, which require the maintenance of adequate inventory of materials.

Mr. Daniel G. Kyle, CPA, CFE  
February 4, 2000  
Page Three

We have confirmed that Mr. Scimemi did receive materials from Coburn. Coburn advises that Mr. Scimemi was building a home, was purchasing all of his plumbing supplies from Coburn, and as it does with other individuals, under similar circumstances, it offered Mr. Scimemi, free of charge, certain discontinued items which it was removing from the for sale inventory of the company. In addition, at the time Mr. Scimemi was building his home, Coburn undertook representation of new appliance manufacturers, who provided to Coburn, free of charge, promotional items which were specifically designated for delivery to customers. The company gave these appliances to Mr. Scimemi and to other customers. It is noteworthy that the Coburn representative felt your investigators were attempting to intimidate him in their interviews. The representative advises that even though he gave full and complete answers to questions posed to him, the investigators were obviously unsatisfied, and made references to having this matter reviewed by a Grand Jury to get to the truth. It was not appropriate, we suggest, for your investigators to use such tactics.

**Billeaud's Superette:**

The Town is unable to confirm that Mr. Scimemi received and retained any cash from the transactions described in your findings. No Town resources were expended or lost as a result of the transactions described. It is worth noting however that Mr. Billeaud has expressed his belief that your investigators attempted to intimidate him because the answers which he gave to their questions, although truthful, were not what they wanted to hear. He explains that the auditors returned to his business on approximately five occasions, asking the same questions on each occasion. When they were not satisfied with the answers, they mentioned such things as grand juries and perjury in an attempt to secure information different from that furnished to them.

**2. TOWN OF BROUSSARD PAID EMPLOYEES \$2,897 FOR WORK DONE ON PRIVATE PROPERTY:**

**Service Communications:**

Town employees work a 40 hour week, which consists of four ten hour days, Monday through Thursday. Often employees supplement their income with work on Fridays and Saturdays for third parties. Town employees have verified that work done by them, for Service Communications, was done on a Friday or Saturday.

Your investigators attempted to find evidence to conclude that the work done for Service Communications was completed on a date that Town employees were on the Town payroll. The methodology employed by your investigators was to determine who did the work at Service Communications, then to find a weekend in which those same individuals were on the Town payroll. Based on that your investigators concluded that



Mr. Daniel G. Kyle, CPA, CFE  
February 4, 2000  
Page Four

the work done at Service Communications was performed on February 21, 1998 and April 4, 1998, both of said days being days in which Town employees who did the work for Service Communications were on the Town payroll.

On its face this methodology is totally unreliable. It would be proper to first identify the date that the work was done, and then determine if the employees were on the payroll. The fallacy of the methodology employed by your investigators is made clear by the evidence which conclusively demonstrates that the work in question could not have been done on the days noted by your investigators.

The Town employees who did work for Service Communications were Messrs. Mel Bertrand, Larry Champagne and Andrew Williams. The work done by these individuals included the site work, which included placement of dirt on the site to increase the elevation of the area where the building was to be located, the performance of dirt work in connection with construction of the parking lot, and the spreading of limestone. The site work had to be done first, and the spreading of the limestone would have been the last work performed by these individuals.

The dirt work, which constituted most of the work done by these individuals, could not have been done on either February 21 or April 4. We have furnished your office with a copy of the soil compaction test which was run on February 5, 1998. The soil compaction test, according to the owner and contractor, and as explained to your office, had to be done after completion of the site work. The compaction test is done to insure that the dirt added to the site has been properly compacted and is ready to receive the foundation. Thus, the dirt work could have possibly been performed on February 21.

None of the work could have possibly been done on April 4, 1998. As explained above, all of the dirt work had to be completed before the date of the compaction test, February 5, 1998. Moreover, according to your investigators, the limestone was delivered on April 6. The limestone was the very last thing to be done. By that time the building was up, the concrete parking lot was completed, and the limestone was being added to create a drive along the side and to the rear of the building. Clearly none of the dirt work for the concrete parking lot work could have been done on April 4. Likewise, the limestone work could not have been done on April 4 since the limestone had not yet been delivered.

Mr. Champagne and Mr. Bertrand denied telling your investigators that overtime paid by the Town for the weekends of February 21 and April 4 was for work that Service Communications. They will testify, under oath if necessary, that the dates were the clear suggestions and directives of your investigators. They made it clear that they did not recall the dates, and that the only reason those two dates were suggested by the



Mr. Daniel G. Kyle, CPA, CFE  
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investigators was because those are two dates on which Town employees were clocked in. Moreover, it should be noted that Mr. Champagne, according to your own investigators, was not paid any overtime for either of the two weekends in question. If, as you suggest, Town employees were clocking in before performing work for third parties, why would Mr. Champagne not have clocked in on either of those two weekends?

Simply stated, the methodology employed by your investigators is totally unreliable. The Town however will continue to investigate to determine, if it can, when the Service Communications work was in fact done. If the Town determines that Town employees were paid for time while they were working on the job for Service Communications, appropriate action will be taken.

**Taylor Steel:**

We have concluded that the Taylor Steel project was performed on a Friday, when Town employees are not regularly on Town time. However, the evidence that we have uncovered makes it clear that the work was not done on July 24, as your investigators concluded, but was done on July 31. The work was done by Messrs. Bertrand, Champagne, Jones, and Williams. None of them were on the Town payroll on July 31.

Mr. Champagne and Mr. Bertrand have each explained that before the work done by them for Taylor Steel could be completed, an access hole had to be drilled into a sewerage tank. They explained that this work was done by Louisiana Concrete Coring & Sawing, Inc., either on the day of, or the day before the work was performed by them. We have obtained a copy of the invoice from Louisiana Concrete Boring & Sawing, Inc. for this work, which shows that it was done on July 31, 1998. This is consistent with statements given by Mr. Bertrand and Mr. Champagne, and because this work had to be done before they could do their work, it conclusively shows that the work done by Taylor Steel was not performed on July 24 as found by your investigators.

The evidence in connection with the Taylor Steel job further demonstrates the fallacy of the methodology employed by your investigators to determine when particular projects were done.

**Installation of Mr. Scimemi's Water and Sewer Lines:**

We have verified that the project was performed on a weekend, when employees are normally not on Town time. The remaining conclusions of your investigators are not supportable.

The findings are not consistent with the sworn statements taken by counsel for the Town from Town employees. Town employees have made it clear that the work could not have been done on May 22. Mr. Bertrand and Mr. Champagne advised that they explained to the investigators that May 22 could not have been the date of that work because it conflicted with the methodology being used by the investigators to identify the date. On the day in question Mr. Dudley Hebert and Mr. Louie Barber were working at Mr. Scimemi's home. Mr. Hebert was the cook for all of the individuals, and Mr. Barber was a laborer. Neither of these individuals are included on the Town's payroll for that day. In addition, Mr. L.J. Bourque and Mr. Charles Nolan, as well as other individuals who did not work on this project, are shown as having worked for the Town on that day. If your investigators had followed their own methodology, they would have excluded May 22.

**Relocation of Mr. Scimemi's Water and Sewer Lines:**

This incident was confirmed through interviews with Town employees and through sworn statements from Town employees. The employees have been required to reimburse the Town, and disciplinary action was taken with respect to that incident. The Town intends to continue its investigation into this incident. If it is determined that the employees did not give a full and complete statement, further action on the part of the Town will be taken.

**3. MAYOR LANGLINAIS FAILS TO PAY \$927 OF DIRT FROM TOWN PIT IN A TIMELY MANNER:**

**Fill Dirt:**

In September, 1998, Jonathan LeBlanc hauled dirt to the Mayor's home. According to your auditors, the material consisted of 196 yards of "fill dirt." In truth and in fact, this was not "fill dirt," but was clay material. As evidenced by letter of Walter Comeaux dated January 27, 2000, the current **delivered** price for this type of material is \$2.94 per yard. Mayor Langlais obtained a price from Jonathan LeBlanc in September of 1998, a little over a year ago, of \$2.50 per yard. He paid Mr. LeBlanc \$492 on September 14, 1998, which was almost exactly \$2.50 per yard, assuming the total material delivered consisted of 196 yards. The Mayor believed at the time that the price paid to Mr. LeBlanc included the material and delivery, and that Mr. LeBlanc had paid the Town for the dirt.

During the investigation the auditors correctly noted that the Town had not been paid for the dirt. In response to that finding the Mayor paid the Town \$1 per yard, or \$140, as shown by Town of Brossard invoice dated October 29, 1999. When the auditors

Mr. Daniel G. Kyle, CPA, CFE  
February 4, 2000  
Page Seven

alleged that there had been more dirt delivered, the Mayor paid the Town another \$98 on December 21, 1999. In truth and in fact the Mayor has overpaid for the materials he purchased from the Town of Broussard.

**Topsoil:**

The contentions with respect to topsoil are essentially correct. The Mayor purchased topsoil valued at \$437, plus tax. Through a clerical error, he was not timely invoiced. When he was invoiced in October, 1999, he paid for the materials.

The Mayor has paid a total of \$1,210.81 for approximately 196 yards of clay material, and 70 yards of topsoil. If computed at fair market value, the Mayor has paid approximately 33% more than what the auditors calculated to be the fair market value of the materials which he received.

The Town will adopt and impose new conditions relative to the sale of dirt or other materials belonging to the Town to third parties. A recommendation is being made that the Board of Aldermen adopt an ordinance requiring that any sale of Town material be made only after the matter is brought before the Board of Aldermen for approval.

**4. SUPERINTENDENT OF STREETS HAD \$1,705 OF DIRT REMOVED FROM THE TOWN'S DIRT PIT, SOLD IT, AND DID NOT REIMBURSE THE TOWN:**

The Town has been unable to obtain a statement from Mr. Scimemi. Statements apparently given by Mr. LeBlanc and Mr. Bertrand are inconsistent with sworn statements given to undersigned counsel. The Town will continue its investigation of the matter. If your findings appear to be correct, the appropriate parties will be required to reimburse the Town for any dirt that was removed. In addition, disciplinary action as appropriate will be taken.

**5. THE TOWN OF BROUSSARD DIVERTED PUBLIC ASSETS TO BENEFIT PRIVATE INTERESTS:**

The Mayor constructed a new home on the rear of his property, and paid, as the auditors correctly noted, for installation of the water line that ran from his front property line to his home. The newly installed water line replaced the original water line that ran to his old home, approximately 100 feet, and then added approximately 100 feet to reach his new home.



Mr. Daniel G. Kyle, CPA, CFE  
February 4, 2000  
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The Town engineer has confirmed that it is correct to install flush-out valves on dead end runs according to the "Ten States Standards" which are engineering standards followed by the Town. According to these standards, when looping of water lines does not occur, there should be a device installed for flushing out dead end lines. The flush-out valve on the Mayor's line is consistent with other water lines within the Town of Broussard.

There is no allegation of improper use of water by the Mayor through the flush-out line. A flush-out valve would require a 2" hose, and the Mayor does not own any, and does not know of any 2" hoses.

The auditors incorrectly concluded that because the water line is next to the Mayor's home, the Town now has the responsibility of maintaining an extra length of approximately 100 feet of water line. The legal basis of this conclusion is questionable.

The Town has not assumed maintenance of the water line. The Town has never assumed responsibility for maintaining the water line on the Mayor's property, and has no obligation to maintain it. If your investigators' theory was correct, the Town would have been under the obligation to maintain the original line up to the Mayor's old home. In truth and in fact, it was replaced at the expense of the Mayor.

**Mr. Scimemi's Water Line:**

Your investigation points out that Mitch Scimemi purchased \$500 worth of Town materials to install water and sewer lines on his property. They claim he received the materials in March of 1998, but did not pay the Town until March, 1999.

The Town does not know when your investigators learned of this action. The Town officials did not become aware of it until the report was issued. By the time the report was issued, Mr. Scimemi had already paid for the materials. The Town can take no further action with respect to this particular transaction.

**6. MAYOR LANGLINAIS SUBMITTED A GRANT APPLICATION CONTAINING A FALSE STATEMENT:**

**Office of Rural Development Grant:**

Your findings in connection with this matter are clearly erroneous. Moreover, the findings **deliberately** misquote the application. We conclude that the misquote is deliberate on the part of your office because this particular item was discussed in detail in the exit conference.



Mr. Daniel G. Kyle, CPA, CFE  
February 4, 2000  
Page Nine

Your findings state that "The completed application signed by Mayor Charles Langlinais states that the proposed water line will serve ` approximately ten businesses presently, plus future development.'" Your auditors conclude that this alleged statement is false because there is only one business located on the Ida Road extension.

During the exit conference the auditors were questioned as to whether the application in fact stated that the proposed water line was to serve ten presently existing businesses. We were assured that this language would be checked.

The grant application specifically states on page 3 that:

"This will allow us to serve approximately ten businesses along Ida Road with water."

There is no representation in this section, as you suggest, that there are ten businesses presently located there.

On page 4 of the application, the applicant is asked to note the total number of persons impacted/affected as a result of the project/grant. In response to this information, the Mayor stated that:

"Approximately ten businesses, plus future development there and city population of 4,105."

Nowhere is the quote contained in your proposed report included in the grant application, and certainly in no sense could it be said that the actual wording in the grant attempted to convey the meaning which your investigators have concluded. If the auditors had included the entire quote, with the questions to which the information was responding, it would clearly show that no false statements were made.

The auditors go on to comment that the Town requested and received \$20,279 of reimbursements from ORD, and of that amount the Town received \$2,376 for materials not used. This is supported by the auditor's contention that there were only five fire hydrants installed, whereas the Town claimed reimbursement for eight. The Town subsequently refunded \$2,376 to ORD. An actual count of the fire hydrants shows that six were installed.

**LEDA Grant:**

Your investigation also comments upon the LEDA grant of \$15,000. The auditors correctly note that on October 11, LEDA requested that the Town provide documentation to show how the money was spent. The auditors failed to point out

Mr. Daniel G. Kyle, CPA, CFE  
February 4, 2000  
Page Ten

that documentation was immediately furnished to LEDA, noting that \$7,193 had been spent at that point, and that the Town intended to use the remainder of the funds for hydro-seeding the area to prevent erosion. LEDA responded, indicating that the money should not be used for hydro-seeding, and requested reimbursement of the balance of the funds. The Town complied. The auditors note that the unused portion of the grant was reimbursed, but fail to describe the interim correspondence where the request was made to approve the spending for hydro-seeding.

**CONCLUSIONS AND CORRECTION ACTION:**

Your investigation into the Town was apparently commenced, or at least prolonged, as a result of allegations and complaints made by political opponents of the current administration. Citizens have noted that your investigators have suggested that the current administration would no longer be in office after their investigation was complete. This apparent lack of impartiality by your investigators has been borne out by the complaints of intimidating tactics, by conclusions which are inconsistent with sworn statements given by Town employees, and by the refusal of your investigators to change conclusions which are contrary to undisputed, independent documentation such as the soil compaction tests relating to the Service Communications work, and the boring work relating to the Taylor Steel project.

As noted at the outset of this response, the Town has attempted to reexamine its procedures in several areas in an effort to implement better controls. The Town has implemented new procedures to identify the particular work being carried on by its maintenance personnel at any particular time. This will enable the Town, or independent auditors, to accurately identify the work being done by maintenance personnel at any given time.

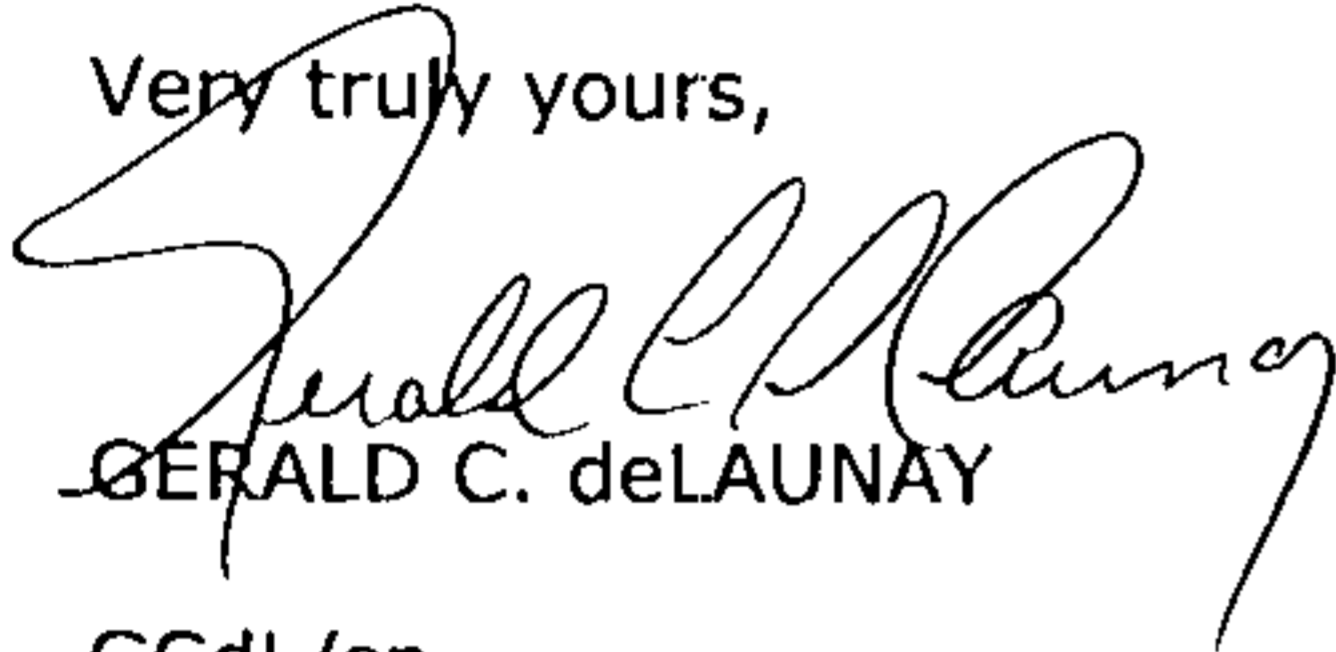
The Town is also in the process of developing policies and procedures relative to the sale of Town materials and property to third parties. These policies and procedures, if they allow the sale to third parties at all, will provide for accurate documentation and timely invoicing of all transactions.

The Town is continuing its investigation of several of the matters contained in your report, including (1) the work at Service Communications, (2) installation of the Scimemi water line, and (3) the removal and sale of dirt from the Town pit without

Mr. Daniel G. Kyle, CPA, CFE  
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Page Eleven

reimbursement to the Town. Should the investigation reveal additional information which leads the Town to conclude that the Town resources have been improperly used or applied, appropriate action will be taken.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Gerald C. deLaunay". The signature is written in black ink and is positioned above the printed name.

GERALD C. deLAUNAY

GCdL/sn

PERRIN, LANDRY, deLAUNAY & DURAND

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(318) 237-8500  
ERATH, LA  
(318) 937-5468  
MAURICE, LA  
(318) 893-2797

\*TEXAS AND LOUISIANA  
\*\* QUEBEC (1990) AND LOUISIANA

**CONFIDENTIAL TELECOPY  
TRANSMISSION**

DATE: 2-7-2000  
TO: ERNEST K. LEVY - INVESTIGATIVE AUDITOR  
FAX #: 1-225-339-3987  
FROM: DON LANDRY  
NUMBER OF PAGES INCLUDING THIS PAGE: 5

\*\*\*\*\*  
Re: TOWN OF BROUSSARD - RESPONSE  
\*\*\*\*\*

REMARKS:

AS per your request - TO BE  
ATTACHED TO THE RESPONSE OF THE  
TOWN OF BROUSSARD - PLEASE MAINTAIN THE  
CONFIDENTIALITY OF THIS DOCUMENT. THE DOCUMENT  
IS DEEMED CONFIDENTIAL BY LAW AS ATTORNEY  
WORK PRODUCT.

\*\*\*\*\*

The original of this fax will be sent as follows:

- Ordinary Mail
- Hand-Delivered
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\*\*\*\*\*

CONFIDENTIALITY NOTICE

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**STATE OF LOUISIANA  
PARISH OF LAFAYETTE**

**AFFIDAVIT**

**BEFORE ME**, the undersigned Notary Public, personally came and appeared **FLOYD R. DEGEYTER**, an individual domiciled in Lafayette Parish, Louisiana, who, after first being duly sworn, did depose and state:

Affiant is the owner of CLM Equipment, Inc., a Louisiana corporation, the principal business of which is the sale and rental of construction and earth moving equipment. CLM owns and rents a large amount of equipment to businesses and to the general public. Equipment is rented to customers with or without operators, and for various lengths of time, depending upon the needs of the customer.

From time to time in the past, but not necessarily on a regular basis, Affiant has made trade-offs with people known to Affiant, whereby individuals were allowed to use equipment which was otherwise not being rented by CLM, in return for materials or services that were of value to Affiant and/or CLM. In the spring of 1996, Affiant entered into a trade-out agreement with Charles E. Langlinalis, Mayor of the Town of Broussard, which agreement was memorialized in part by a letter agreement dated May 3, 1996.

Pursuant to the arrangement as described in the May 3, 1996 letter agreement, CLM allowed Mayor Langlinalis to use equipment to complete construction of a two acre pond in return for approximately 4,000 board feet of cypress logs owned by Langlinalis. At the time the agreement was made, Affiant believed it to be a fair trade. Affiant is familiar with the equipment operating time necessary to construct a pond consisting

of two acres, and believes it to fairly approximate the value of the cypress logs given to Affiant in exchange for the use of said equipment.

The cypress logs were received by Affiant and delivered to property owned by Affiant on Fontlieu Road off of Highway 92 in St. Martin Parish. Affiant used some of the cypress in connection with the construction of a bridge on the property. Some cypress is cut and is stockpiled on the property. Some of the cypress was not used and was discarded. Affiant believes that had he been required to purchase other lumber for the projects on which the cypress logs were used, he would have had to pay approximately \$1.50 per board foot. At the time the equipment was made available to Mayor Langlinais, that equipment was not in use on other jobs, and Affiant believes that he received materials which were at least equal in value to the use value of the equipment furnished to Mayor Langlinais.

Affiant was questioned by members of the Office of the Legislative Auditor for the State of Louisiana concerning the equipment used by Mayor Langlinais. Affiant explained to the representatives of the Auditors Office that, from time to time, he trades equipment use for services or materials with individuals whom he has come to know. Affiant explained to the Auditors the factual history recited above. During the course of the interview with the Auditors, the Auditors repeatedly attempted to "suggest" facts. Among other things, the Auditors attempted to characterize Mayor Langlinais as a close personal friend, and further attempted to characterize the trade-off described above as one in which CLM provided "free" use of equipment to Mayor Langlinais. Affiant explained that Mayor Langlinais was not a close personal friend, although he knew Mayor Langlinais well through business experiences. Affiant did not represent to the Auditors that the cypress logs furnished to him were of no use, since,

in fact, the logs were in fact used by Affiant in the improvement of his property. In addition, Affiant did not represent to the Auditors that the equipment was being provided to Mayor Langlinais "free," but explained to them that the equipment was provided as a trade-off for receipt of materials the value of which Affiant felt to closely approximate the use of the equipment.

At the time Affiant and Mayor Langlinais executed the agreement of May 3, 1996, and at all times during which Mayor Langlinais dealt with Affiant, Mayor Langlinais made it clear that any trade-out had to be of equal value. He specifically made it clear to Affiant that because of his position as Mayor of the Town of Broussard, he wanted no favors or free use of equipment, and that all transactions had to be on an above-board basis.

Affiant also had an agreement where he received services from Mitch Scimemi and allowed Mr. Scimemi the use of CLM equipment in return for those services. In and around the summer of 1995, Affiant undertook substantial improvement to the property owned by him off Fontlieu Road in St. Martin Parish, Louisiana. This project included, among other things, clearing of overgrown property, the construction of a pond consisting of approximately 3 to 3½ acres, and the movement of earth to provide proper drainage on the property. Mr. Scimemi performed valuable and extensive services to Affiant in connection with this project, which included the operation of equipment necessary to perform improvements to the property. Mr. Scimemi provided services without charge to Affiant on numerous weekends. Had Affiant had to hire equipment operators for this project, it would have cost Affiant substantial sums. At the time Mr. Scimemi agreed to provide services to Affiant, it was also agreed by Affiant that Mr. Scimemi would be able to use CLM equipment from time to time as


compensation for the work done by him. The equipment provided to Mr. Scimemi was equipment not otherwise being rented at the time, and was used by Mr. Scimemi for the improvement of certain property owned by him. Affiant allowed Mr. Scimemi to use equipment periodically from and after the summer of 1995, until Affiant considered that the fair rental value of the equipment used by Mr. Scimemi equaled the value of the services provided by Mr. Scimemi.

Affiant described the above transaction to the Auditors during the interview given to them. At no time did Affiant tell the Auditors that Mr. Scimemi was allowed to use equipment free of charge as a favor to a friend. Affiant explained that Mr. Scimemi's use of equipment was in return for labor provided in connection with the improvement of Affiant's property. In this connection Affiant invited the auditors to visit his property to see the nature of the improvements which were made, and in fact the Auditors accepted the invitation, visited the property, and saw the extensive land work which had in fact been performed.

As in the case of Mayor Langlinals, the Auditors attempted to "suggest" to Affiant that the equipment use provided to Mr. Scimemi was a favor given to a good customer or friend. At no time did Affiant ever express the trade-off with Mr. Scimemi as being a favor, but at all times made it clear that the equipment use provided to Mr. Scimemi was in return for equipment operator services which had actually been received by Affiant from Mr. Scimemi.

  
 FLOYD R. DEGEYTER

**SWORN TO AND SUBSCRIBED** before me this 4<sup>th</sup> day of February, 2000.

  
 NOTARY PUBLIC



# Attachment III

## Exhibits

# Exhibits

## Exhibit 1

### Agreement

The following Charles E. Langlinais herein referred to as vendor and Mitchel J. (Mitch) Scimemi and Haywood Adams, herein both referred to as contractors, enter into this agreement on the below date....said agreement stipulates the following:

The contractors will provide manpower, equipment, skill and talent to construct four fish ponds of approx. 70 by 200 ft. each along with necessary roads to and on the 7 acres leased by vendor from the Bayou Tortue Livestock in Sec. ~~Any~~ 76/77, T10S, R6E in St. Martin Parish, La.

The contractors will provide manpower, equipment, skill and talent to construct. . .

Vendor will provide the supplies as needed but not limited to the refitting of 4" waterwell on Aubrey Reed's property and piping and/or pumps for aeration of said ponds.


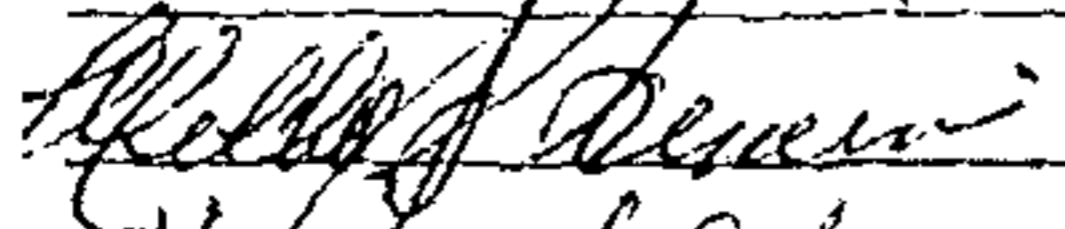
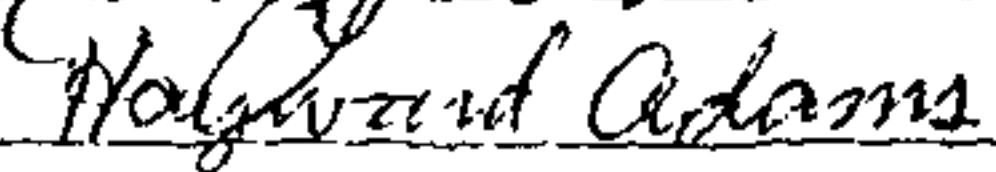
After completion of said ponds, the vendor will transfer to the contractors an undivided 1/3 each to the contractors herein of the one acre owned by vendor on Loul St. (behind St. Joseph's Church) and said transfer will be on a recordable cash sale reflecting a value transferred to contractors of \$2500.00 each.

It is further agreed that should any sale be made of said property to any third party, said parties hereto have to agree between all three parties herein to the sale and consideration should be at least a total of \$7500.00. Further should any of the said three parties want to sell to one or both of the other parties, the sale price shall be \$2500 or a value agreed to by all three parties.

Further, should any sale be made of the property after it has been improved, the following will apply:

- 1- Any reasonable labor can be charged to the total value of property.
- 2- Any reasonable improvement can be charged to the total value of the property.
- 3- Any proceeds of any sale after all improvements shall be divided as follows:
  - A- \$2500 to each partner (raw property);
  - B- Any approved disbursements/contributions by one or any of the parties will serve to proportionately increase said party's interest in sale proceeds, i.e. the raw property base will be \$7500 and say party A increases the value to \$8500 by clearing and grubbing said tract, then party A's share of a \$8500 sale will be the original \$2500 share (each) plus \$1000 towards the improvement made to property by party A, whereas after improvements, each party that contributes should benefit by their effort and additional investment in additional added value.
- 4- Any and all improvements shall be approved by all three parties hereto.

If this is in agreement, please sign below as provided.

 (vendor) Charles E. Langlinais Date: 9-11-95  
 Mitchel J. Scimemi Date: 9-11-95  
 Haywood Adams Date: 9-11-95

### Exhibit 2

May 3, 1996

Mr. Floyd Degueyter  
CLM Equipment Inc.  
Broussard, La.

Re: Agreement relative to exchange or "in kind" swap of  
cypress for use of equipment on weekends


Dear Floyd,


Pursuant to our conversation of late last week, this is a summary of agreement by  
and between the both of us:

- 1- That Charles E. Langlinais, herein refered to as CEL, is the leaseholder (with option to purchase) of nine acres from Bayou Tortue (Billeaud Companies) that are situated and include the two acres that CEL cleared and is in the process of clearing/building ponds;
- 2- That previously, CEL and Mitch Scimemi had done work for Floyd Degueyter, herein refered to as FD, at his location in Cade and in Lafayette and our previous agreement was that we would "trade out" our work as provided for equipment needed and used to build said ponds of CEL and as of the beginning of May, 1996, any and all credits that CEL and the said Scimemi have been used up and all accounts are "in equity";
- 3- As leaseholder, CEL declares that trees were removed during the summer of 1995 by a third party and said third party has breached said agreement by not paying for trees and removing them from said premises within 60 days and consequently said trees are owned by CEL subject to any payment/royalty that may be owed to the landowner. Further, CEL obligates and binds himself to pay any and all payments/royalty that may be owed to landowner;
- 4- As of this date CEL has transported to the possession of FD approx. one third of existing cypress logs that was in his possession, that one third is currently on the ground awaiting transportation and one third needs to be cut and moved before final clearing of said two acres;
- 5- There are other wood/tree/logs that is currently at the location of CEL that are not cypress which is estimated to be 70% of the original cut and that CEL will dispose of this wood as possible and at CEL's cost;
- 6- The total estimated board footage of cypress is 4000 feet (+ board feet) and the two parties (CEL & FD) herein agree that in and as previously set out, FD will provide the necessary equipment (on the weekends) in which to finish said two acre pond/location/drainage as needed, and CEL will move the balance of said cypress to a location as provided by FD and that both parties agree that the "swap" of trees for equipment use is of equal value and that no cash money is owed by either party.

If there is any additions or changes to this agreement, it shall be agreed to and done by both parties hereto by addendum. This agreement is done and made in duplicate, one each for both parties and should both be signed as set out below.

If this in agreement, please sign below as set out.

  
 \_\_\_\_\_  
 Charles E. Langlinais  
 Agreed to this 2<sup>nd</sup> May, 1996

  
 \_\_\_\_\_  
 Floyd Degueyter  
 Agreed to this \_\_\_\_\_ May, 1996

Additions to the above as initialed:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

That previously, CEL and Mitch Scimemi had done work for Floyd Degueyter. . . and our previous agreement was that we would "trade out" our work as provided for equipment needed and used. . .

The total estimated board footage of cypress is 4000 feet (+ board feet). . . and that both parties agree that the "swap" of trees for equipment use is of equal value. . .

### Exhibit 3

FILE NO.

97-008202

O.C. "DAN" GUILLIOT  
CLERK OF  
COURT RECORDER

CLERK OF COURT  
LAFAYETTE, LA  
FILED AND RECORDED

Date filed

97 MAR 12 PM 2:16

Cash Sale

Date of execution

State of Louisiana  
Parish of Lafayette

BE IT KNOWN, that on this 28 day of February, 1997, before me, the undersigned Notary Public, personally appeared CHARLES E. LANGLINAIS, HUSBAND OF CAROLYN G. LANGLINAIS, 612 W. Main St., Broussard, La. 70518 who declared that for the consideration hereinafter mentioned she does hereby pres<sup>ent</sup>, sells, transfers and delivers with full guarantee of title and free from all encumbrances and with subrogation to all rights and actions of warranty against previous owners, unto: MITCHELL J SCIMEMI, HUSBAND OF PATRICIA B. SCIMEMI, residents of Lafayette Parish, Louisiana; herein present, accepting and purchasing for themselves and heirs and assigns, and acknowledging delivery and possession thereof, the following described property, to-wit:

The WEST HALF of a parcel containing 0.958 acres, per Plat of Survey by Kenneth Fontenot, LS, dated June 20, 1995, recorded in the records of Lafayette Parish, Louisiana.

The payment of property taxes shall be prorated by vendor and vendee herein.

This sale is made and accepted for the sum of Ten dollars & 00/100 Dollars, cash in hand paid, for which acquittance is hereby granted.

Vendee herein dispenses with certificate required by Article 3364 of the Revised Civil Code of this State, and also with the production of tax receipts required by law.

This done and passed in Broussard, Louisiana, on the day and date first above written, in the presence of the below competent witnesses, who sign with the appearers and me, after reading of the whole.

WITNESSES FOR ALL:

Sarah Hest  
Cherine Capitto

Mitchell Scimemi SS# 434-46-281  
Patricia B. Scimemi SS# 433-50-3979

Charles E. Langlais (Vendor)  
Carolyn G. Langlais (Vendor)

Dan Guilliot  
NOTARY PUBLIC

This sale is made and accepted for the sum of Ten dollars & 00/100 Dollars, cash in hand paid. . .



# Exhibit 4

NOTARY PUBLIC  
LAFAYETTE, LA.  
FILED AND RECORDED

Date filed

98-050061

98 NOV 17 PM 12:18

ACT OF CORRECTION D.C. CLERK OF COURT  
BY: CHARLES E. LANGLINAIS  
AND: MITCHELL J. SCIMEMI ET AL

STATE OF LOUISIANA  
PARISH OF LAFAYETTE

Date of execution

BE IT KNOWN that on this 16th day of November, 1998, before me, the undersigned, a Notary Public in and for the parish of Lafayette, La., duly commissioned and qualified as such personally came and appeared CHARLES E. LANGLINAIS, and his wife, CAROLYN GONDRON, both residents of the Parish of Lafayette, La., and sometimes hereinafter referred to as Vendors and MITCHELL L. SCIMEMI, and his wife PATRICIA BRUNSON both residents of the Parish of Lafayette Louisiana, sometimes hereinafter referred to as Vendees, who declared that by an act passed before Irene David, Notary Public dated Feb. 28, 1997 recorded March 12, 1997 as act number 97-008202 of the Conveyance Records of the Parish of Lafayette, La., Vendors sold to Vendees property therein described as follows: The West half of a parcel containing 0.958 acres per plat of survey by Kenneth Fontenot, L.S., dated June 20, 1995 recorded in the records of Lafayette Parish, La.

That an error was made in preparing the aforesaid description...

That an error was made in preparing the aforesaid description when as a matter of fact it was the intent to sell the Western 100 feet of the 0.958 acre tract.

That in view of the foregoing and for the same consideration, also corrected herein, the parties have agreed to reform and correct the aforementioned description, so as to have the same to read as follows:

That certain parcel of ground situated in Section 28, Township 10 South, Range 5 East, Parish of Lafayette, La., containing 0.379 acres, measuring 100 feet in parallel lines running East and West by 165 feet in parallel lines running North and South, and being bounded North by the Town of Broussard, La., South by Ridgeview Subdivision, East by property of Charles Langlais et al, said tract being designated as Tract 1 on a plat of survey by Walter S. Comeaux III, Land Surveyor, of date Nov. 5, 1998 hereto attached paraphed for identification with this instrument and made a part hereof, the property herein sold being described as being enclosed within the letters A, B, C, D & A, as shown on the plat. The property being bounded on the West by property of Mrs. Emile G. Girouard or assigns.

Another error was made in that in the original act of sale the consideration was incorrectly recited to be \$10.00, whereas the actual consideration paid was \$5,000.00.

Another error was made in that in the original act of sale the consideration was incorrectly recited to be \$10.00, whereas the actual consideration paid was \$5,000.00.

That in view of the foregoing the parties have agreed to further reform and correct the aforementioned portion of the sale dealing with the consideration, to read as follows:

## Exhibit 4 (Cont.)

This sale is made and accepted for and in consideration of the sum of FIVE THOUSAND & NO/100 (\$5,000.00) DOLLARS, cash in hand paid for which acquittance is herein granted.

The parties hereto recognize the existence of a prior existing right of way or servitude of passage being 30 feet in width along the Southern boundary of the 0.958 acre tract and running from Loul Street in a Westterly direction for the benefit of the 0.958 acre tract and property located to the West, and they do hereby ratify and confirm its existence and location.

The parties and I notary do hereby authorize and direct the Clerk of Court to make mention of the within act of correction in the margin of his records of the original act to serve as occasion may require.

Thus done and passed in the parish of Lafayette, La., on the day and date above mentioned in the presence of the undersigned witnesses who sign with appearers and me, Notary, after due reading of the whole.

WITNESSES: .

*Pat Lindsey*  
PAT LINDSEY

*Ronnie Reaux*  
RONNIE REAUX

*Charles E. Langlais*  
CHARLES E. LANGLAIS

*Carolyn Gondron Langlais*  
CAROLYN GONDROU LANGLAIS

*Mitchell V. Scimeni*  
MITCHELL V. SCIMENI

*Patricia Brunson Scimeni*  
PATRICIA BRUNSON SCIMENI

*F. Fred Mouton*  
F. FRED MOUTON  
NOTARY PUBLIC.

### Exhibit 5

CLERK OF COURT  
 DEPARTMENT OF REVENUE  
**Cash Sale** # 98-50062

98-050062  
 STATE OF LOUISIANA, PARISH OF LAFAYETTE  
 O.C. "DAN" GULLIOT  
 CLERK OF COURT  
 COURT RECORDER

Date filed

BE IT KNOWN That on this 16th day of November 98 in the year of our Lord nineteen hundred and 98 before me, F. Fred Mouton Notary Public in and for said parish and State, duly commissioned and qualified as such, personally came and appeared MITCHELL J. SCIMEMI, and his wife, PATRICIA BRUNSON both residents of the Parish of Lafayette Louisiana,

who declared that for the consideration hereinafter mentioned they do by these presents, sell, transfer and deliver with full guarantee of title and free from all encumbrances and with subrogation to all their rights and actions of warranty against previous owners, unto REIN ROD, L.L.C. a limited liability company with articles of organization recorded in East Baton Rouge Parish, La., a true copy being filed as entry number 98-49210 of the Conveyance Records of the Parish of Lafayette, La., herein represented by Randall N. Dornier, Managing Partner authorized by resolution of its Board of Directors, a certified copy being filed as entry number 98-49211 of the Conveyance Records of the Parish of Lafayette, La., whose mailing address is P. O. Box 74207, Baton Rouge, La 70874,

present, accepting and purchasing for itself and heirs and assigns, and acknowledging delivery and possession thereof, the following described property, to-wit:

That certain parcel of ground situated in Section 28, Township 10 South, Range 5 East, Lafayette Parish, La., containing 0.379 acres, measuring 100 feet in parallel lines running East and West by 165 feet in parallel lines running North and South, and being bounded North by the Town of Broussard, South by Ridgeview Subdivision, East by property of Charles Langlinois et al and West by property of Mrs. Emile G. Girouard, or assigns. The property herein sold being designated as Tract 1 on a plat of survey by Walter S. Comeaux III, Land Surveyor of date Nov. 5, 1998 hereto attached paraphed "NeVarietur" for identification with this act of cash sale and made a part hereof. The property herein sold being enclosed within the letters A, B, C, D & A as shown on the plat, For title derivation see act of sale from Charles E. Langlinois et al to Mitchell J. Scimemi, act number 97-8202 as corrected by act of correction between those parties filed as act # 98-50061

Date of execution



### Exhibit 5 (Cont.)

Vendor declared that all taxes for the years 1995, 1996, and 1997 are paid. Taxes for 1998 will be pro-rated and paid by the Purchaser.

This sale is made and accepted for and in the consideration of the sum of TEN THOUSAND & NO/100 (\$10,000.00)...

assume the payment of all taxes assessed against the property herein sold for the year 19 . This sale is made and accepted for and in consideration of the sum of TEN THOUSAND & NO/100 (\$10,000.00) Dollars, cash in hand paid, for which acquittance is herein granted.

Purchaser dispense s with certificate required by Article 3364 of the Revised Civil Code of this State, and also with the production of tax receipts required by law.

Done and passed at the Parish of Lafayette , Louisiana, on the day and date first above written, in the presence of Pat Lindsey and Ronnie Reaux competent witnesses, who sign with appearers and me, officer, after due reading of the whole.

WITNESSES:

*Pat Lindsey*  
\_\_\_\_\_  
PAT LINDSEY  
*Ronnie Reaux*  
\_\_\_\_\_  
RONNIE REAUX

*Mitchell J. Scimemi*  
\_\_\_\_\_  
MITCHELL J. SCIMEMI  
*Patricia Brunson Scimemi*  
\_\_\_\_\_  
PATRICIA BRUNSON SCIMEMI  
REIN ROD LLC

*F. Fred Mouton*  
\_\_\_\_\_  
F. FRED MOUTON Notary Public

BY: *Randall N. Dornier*  
\_\_\_\_\_  
RANDALL N. DORNIER,  
MANAGING PARTNER



**Exhibit 6**

SEP 1 1995

May 15, 1995

Mr. Floyd Degueyter  
CLM Equipment  
Broussard, LA.

Re: Contract of "trade out" of rental equipment

Dear Floyd:

This letter will serve as agreement by and between CLM and myself to the following:

- 1- I (Scimemi) will clear and operate CLM's equipment on property that Floyd recently purchased near Cade (31 acres);
- 2- CLM will provide Scimemi, rent free, equipment to use to build a small pond in St. Martin Parish in the near future.

We agree that this "trade out" of equipment vs. personal services is of "equal value".

If this is in agreement, please sign below.

Sincerely,



Mitch Scimemi  
100 Headland Cir.  
Broussard, LA. 70518

Agreed to and accepted:



This is the contract referred to on page 2 of the report  
that was provided by Mr. Scimemi.

Exhibit 7

# Recommended Standards For Water Works



*"10 States Standards"*

1982

ILLINOIS  
INDIANA

IOWA  
MICHIGAN

MINNESOTA  
MISSOURI

NEW YORK  
OHIO

PENNSYLVANIA  
WISCONSIN

ONTARIO

# Exhibit 7 (Cont.)

## DISTRIBUTION SYSTEMS

## PART 8

### 8.0 MATERIALS

#### 8.0.1 Standards, materials selection

Pipe, fittings, valves and fire hydrants shall conform to the latest standards issued by the AWWA, if such standards exist, and be acceptable to the reviewing authority. In the absence of such standards, materials meeting applicable Product Standards and acceptable to the reviewing authority may be selected. Special attention shall be given to selecting pipe materials which will protect against both internal and external pipe corrosion.

#### 8.0.2 Used materials

Water mains which have been used previously for conveying potable water may be reused provided they meet the above standards and have been restored practically to their original condition.

#### 8.0.3 Joints

Packing and jointing materials used in the joints of pipe shall meet the standards of the AWWA and the reviewing authority. Pipe having mechanical joints or slip-on joints with rubber gaskets is preferred.

### 8.1 WATER MAIN DESIGN

#### 8.1.1 Pressure

All water mains, including those not designed to provide fire protection, shall be sized after a hydraulic analysis based on flow demands and pressure requirements. The system shall be designed to maintain a minimum pressure of 20 psi at ground level at all points in the distribution system under all conditions of flow. The normal working pressure in the distribution system should be approximately 60 psi and not less than 35 psi.

#### 8.1.2 Diameter

The minimum size of water main for providing fire protection and serving fire hydrants shall be six-inch diameter. Larger size mains will be required if necessary to allow the withdrawal of the required fire flow while maintaining the minimum residual pressure specified in Section 8.1.1.

#### 8.1.3 Fire Protection

When fire protection is to be provided, system design should be such that fire flows and facilities are in accordance with the requirements of the state Insurance Services Office.

#### Small mains

Departure from minimum requirements shall be justified by hydraulic analysis and future water and can be considered only in special circumstances.

#### Hydrants

Water mains not designed to carry fire-flows shall not have fire hydrants connected to them.

#### 6 Dead ends

Dead ends shall be minimized by looping of all mains whenever practical.

Dead ends shall be minimized by looping of all mains whenever practical.

## Exhibit 7 (Cont.)

### DISTRIBUTION SYSTEMS

### PART 8

Where dead end mains occur. . .

Flushing devices should be sized to provide flows. . . in the water main being flushed.

#### 8.1.7 Flushing

Where dead-end mains occur they shall be provided with a fire hydrant if flow and pressure are sufficient, or with an approved flushing hydrant or blow-off for flushing purposes. Flushing devices should be sized to provide flows which will give a velocity of at least 2.5 feet per second in the water main being flushed. No flushing device shall be directly connected to any sewer.

#### 8.2 VALVES

Sufficient valves shall be provided on water mains so that inconvenience and sanitary hazards will be minimized during repairs. Valves should be located at not more than 500 foot intervals in commercial districts and at not more than one block or 800 foot intervals in other districts.

#### 8.3 HYDRANTS

##### 8.3.1 Location and spacing

Hydrants should be provided at each street intersection and at intermediate points between intersections as recommended by the state Insurance Services Office. Generally, hydrant spacing may range from 350 to 600 feet depending on the area being served.

##### 8.3.2 Valves and nozzles

Fire hydrants should have a bottom valve size of at least five inches, one 4-1/2 inch pumper nozzle and two 2-1/2 inch nozzles.

##### 8.3.3 Hydrant leads

The hydrant lead shall be a minimum of six inches in diameter. Auxiliary valves shall be installed in all hydrant leads.

##### 8.3.4 Drainage

Hydrant drains should be plugged. When the drains are plugged the barrels must be pumped dry after use during freezing weather. Where hydrant drains are not plugged, a gravel pocket or dry well shall be provided unless the natural soils will provide adequate drainage. Hydrant drains shall not be connected to or located within 10 feet of sanitary sewers or storm drains.

#### 8.4 AIR RELIEF VALVES; VALVE, METER AND BLOW-OFF CHAMBERS

##### 8.4.1 Air relief valves

At high points in water mains where air can accumulate provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where flooding of the manhole or chamber may occur.

##### 8.4.2 Air relief valve piping

The open end of an air-relief pipe from automatic valves shall be extended to at least one foot above grade and provided with a screened, downward-facing elbow. The pipe from a manually operated valve should be extended to the top of the pit.



## Exhibit 8



This is the un-metered flush-out valve located on Mr. Scimemi's property. As one can see, there is a standard 5/8-inch hose connection attached. The hose that is attached to the connection leads to a house that Mr. Scimemi informed us belongs to his daughter.

## Exhibit 9

# RURAL GRANT

### DEMOGRAPHIC PROFILE

Please complete the following statistics accurately.

Total number of persons impacted/affected as a result of this Project/Grant

DESCRIPTION	1998-99 DATA
Population of Parish	1,802,220 as of July 1, 1996
Population of Village/Town/City	4,105
Unemployment Rate in Affected Area	1.2%
Per Capita Income of Affected Area	Approximately 2 million dollars
Total number of persons impacted/affected as a result of this Project/Grant	Approximately 10 businesses presently, plus future development there and city population of 4,105

Approximately 10 businesses presently, plus future development there and city population of 4,105

IS THIS PROJECT PROPOSAL CONSIDERED AN EMERGENCY SITUATION BY THE CITIZENS IN THE AFFECTED AREA?     Yes     No

IF YES, PLEASE EXPLAIN IN THE AREA PROVIDED BELOW.

HAS THIS PROJECT BEEN A PART OF AN ALREADY BALLOTTED TAX ISSUE PRESENTED TO VOTERS IN THIS COMMUNITY?     YES     NO

IF YES, WAS THE ISSUE APPROVED, REJECTED IN FULL, OR REJECTED PARTIALLY? PLEASE EXPLAIN IN THE AREA PROVIDED BELOW.

**FOR RURAL DEVELOPMENT OFFICE USE ONLY**

Reference Number: \_\_\_\_\_

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## Exhibit 10



This is the un-metered flush-out valve located on Mayor Langlinais' property.

## Exhibit 11

STATE OF LOUISIANA  
PARISH OF EAST BATON ROUGE

AFFIDAVIT

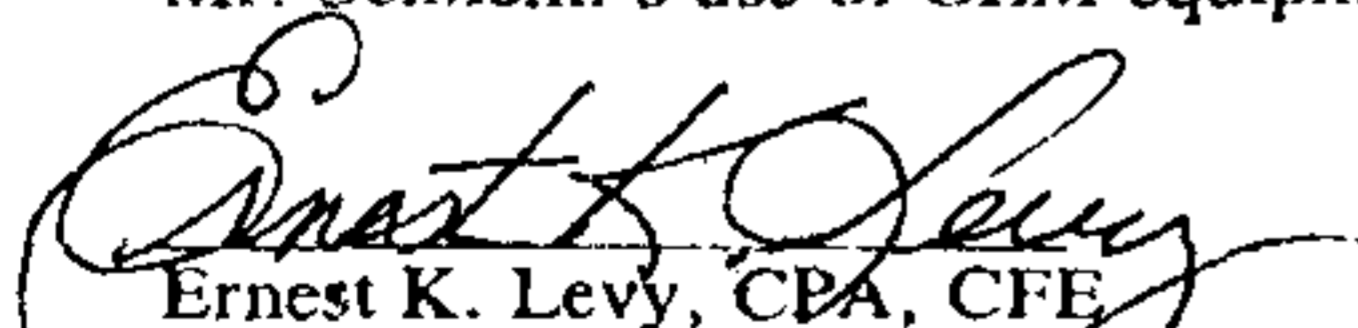
**BEFORE ME THE UNDERSIGNED AUTHORITY PERSONALLY CAME AND APPEARED ERNEST K. LEVY WHO SAID:**

On October 6, 1999, Mr. Floyd Degueyter, President and CEO of CLM Equipment met with representatives of the Legislative Auditor to discuss issues concerning our investigation of the Town of Broussard. Present at the meeting were Mr. John Morehead, Senior Investigative Auditor, Mr. S. Dupree Parker, Auditor in Charge of the Town of Broussard investigation, and myself. Our meeting was held to determine whether Mayor Langlinais had paid for equipment he had used. Further, we wanted to get Mr. Degueyter's comments regarding a contract between him and Mayor Langlinais.

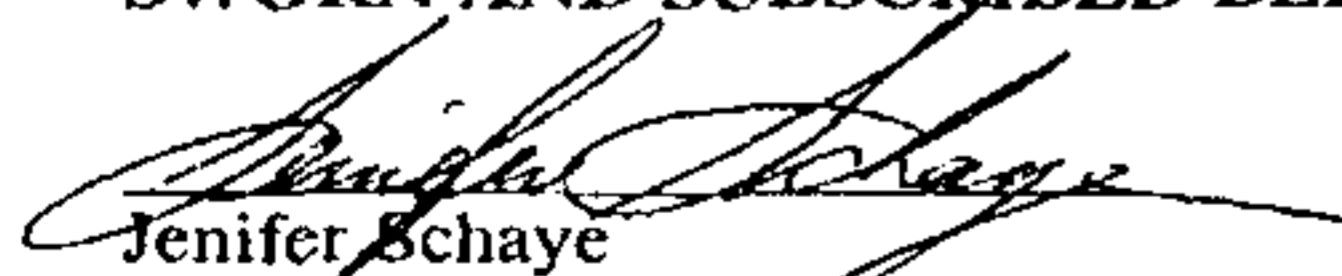
Mr. Degueyter met with us and said that he has been doing business with the Town of Broussard for over ten years. He told us that he had loaned idle equipment to Mayor Langlinais, and that he frequently loans equipment free of charge to good customers and friends. Further, Mr. Degueyter told us that he did not recall what specific pieces of equipment Mayor Langlinais had used in the construction of his new home. However, he did recall that Mayor Langlinais used a CLM backhoe. Mr. Degueyter said that he also remembered loaning a dozer to Mayor Langlinais, which he (Langlinais) used at his camp.

Further, Mr. Degueyter said that he did not have records of these rentals since the employee responsible for this did not keep adequate records. He further added that he terminated the employee, Mr. Richard Broussard. He called his current rental employee in to speak with us. However, the employee was unable to provide any records or additional information. Further he said that the contract between him and the Mayor was the Mayor's idea. Mr. Degueyter said he did not feel he needed a contract, but that Mayor Langlinais insisted. Furthermore, Mr. Degueyter said that he really did not want the cypress logs that the contract specified, but that he hauled them to his place in Cade. Mr. Degueyter said that he and Mayor Langlinais met with District Attorney Michael Harson about two or three years ago to discuss the contract between Mayor Langlinais and CLM Equipment.

Regarding Mr. Mitchell Scimemi, Mr. Degueyter said that he did not have any rental records documenting Mr. Scimemi's use of CLM equipment. Further, Mr. Degueyter said that Mr. Scimemi did work for him on several projects and that Mr. Scimemi wanted equipment use in exchange for his labor. He said that he (Degueyter) did not have any records documenting Mr. Scimemi's use of CLM equipment either.

  
Ernest K. Levy, CPA, CFE  
Investigative Audit Manager

**SWORN AND SUBSCRIBED BEFORE ME this 14<sup>th</sup> day of February 2000.**

  
Jenifer Schaye  
Attorney At Law  
My commission expires at death.



## Exhibit 12

STATE OF LOUISIANA  
PARISH OF EAST BATON ROUGE

AFFIDAVIT

**BEFORE ME THE UNDERSIGNED AUTHORITY PERSONALLY CAME AND APPEARED, S DUPREE PARKER, who said:**

On October 6, 1999, Mr. Ernie Levy, Investigative Audit Manager, Mr. John Morehead, Investigative Auditor, and I (S Dupree Parker, Investigative Auditor) interviewed Mr. Floyd Degueyter in relation to our investigative audit of the Town of Broussard.

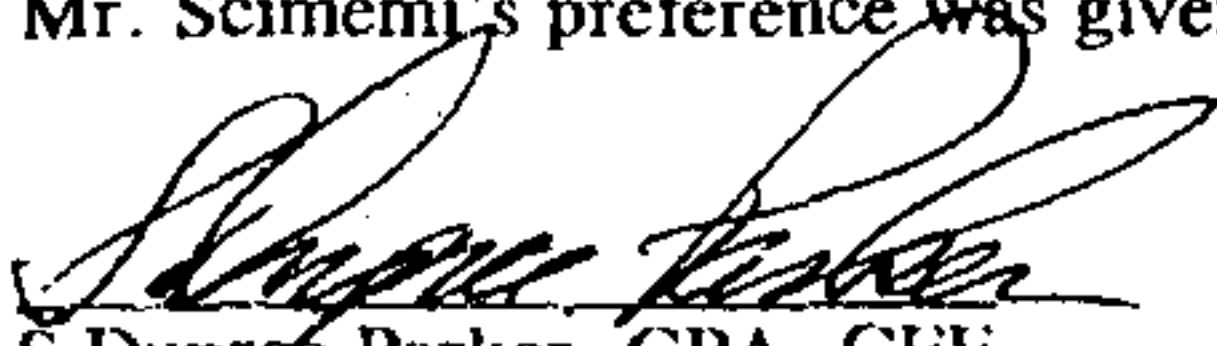
Mr. Degueyter told us that he had been doing business with the Town for over ten years and had occasion to rent and loan equipment to Mayor Charles Langlinais. He recalled renting equipment to Mayor Langlinais for work done at Langlinais Estates in the development of Nellie Acres subdivision.

Mr. Degueyter told us that he loaned Mayor Langlinais equipment for work on digging a pond at Mayor Langlinais' camp and for work on Mayor Langlinais' new house. Mr. Degueyter stated that he did not keep any records of what equipment was loaned or for how long. According to Mr. Degueyter, Mr. Richard Broussard was supposed to keep track of equipment but had not done so.

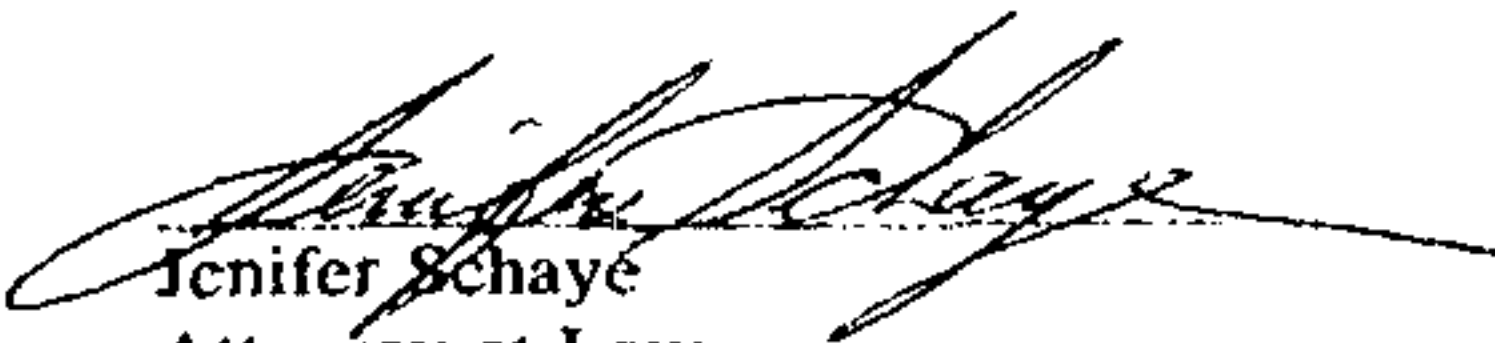
Mr. Degueyter stated that he frequently loaned equipment that was not in use on weekends to friends and good customers. He stated that he just as soon not worry about charging for the equipment because the equipment would not be used otherwise. Mr. Degueyter recalled that a dozer had to be delivered to the Mayor's camp, because it could not be driven on roads for that distance. For the equipment used at the Mayor's new house, the Mayor picked up the equipment because it is a short distance from CLM to the Mayor's house.

Mr. Degueyter did not see the need to have contracts, but the Mayor insisted. Mr. Degueyter stated that he and Mayor Langlinais discussed the Mayor's contract for the use of CLM equipment with Mr. Mike Harson, District Attorney. According to Mr. Degueyter the Mayor wanted to ensure that it was all right to swap cypress logs for the use of equipment. Mr. Degueyter stated that he really had no use for the cypress logs, but he hauled them out to his camp anyway.

Mr. Degueyter stated that Mr. Mitch Scimemi had worked on several projects for him and by Mr. Scimemi's preference was given the use of free equipment rental instead of payment.

  
S Dupree Parker, CPA, CFE  
Senior Investigative Auditor

**SWORN AND SUBSCRIBED BEFORE ME this 14<sup>th</sup> day of February 2000.**

  
Jenifer Schayé  
Attorney at Law  
My commission expires at death

## Exhibit 13

STATE OF LOUISIANA  
PARISH OF EAST BATON ROUGE

AFFIDAVIT

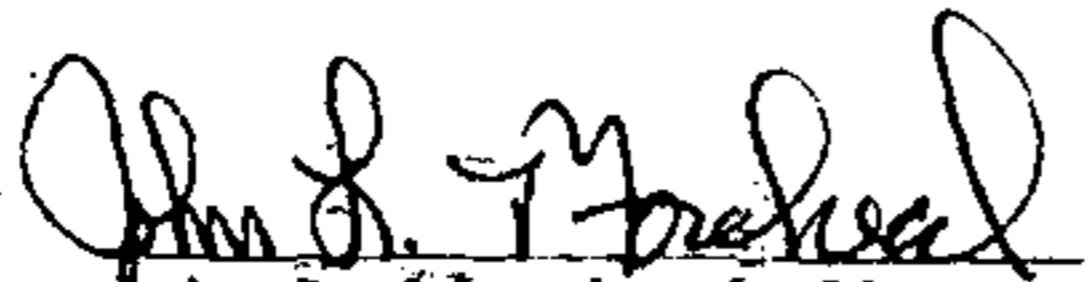
**BEFORE ME THE UNDERSIGNED AUTHORITY PERSONALLY CAME AND APPEARED, JOHN L. MOREHEAD, who said:**

On October 6, 1999, Ernie Levy, Investigative Audit Manager, Dupree Parker, Senior Investigative Auditor I, and John Morehead, Senior Investigative Auditor I met with Mr. Floyd Degueyter, owner and CEO of CLM Equipment. The purpose of the meeting was to find out if Mayor Charles Langlinais had paid for equipment that he (Langlinais) used during the construction of his (Langlinais') new home and to discover Mr. Degueyter's knowledge of a contract that he had entered into with Mayor Langlinais.

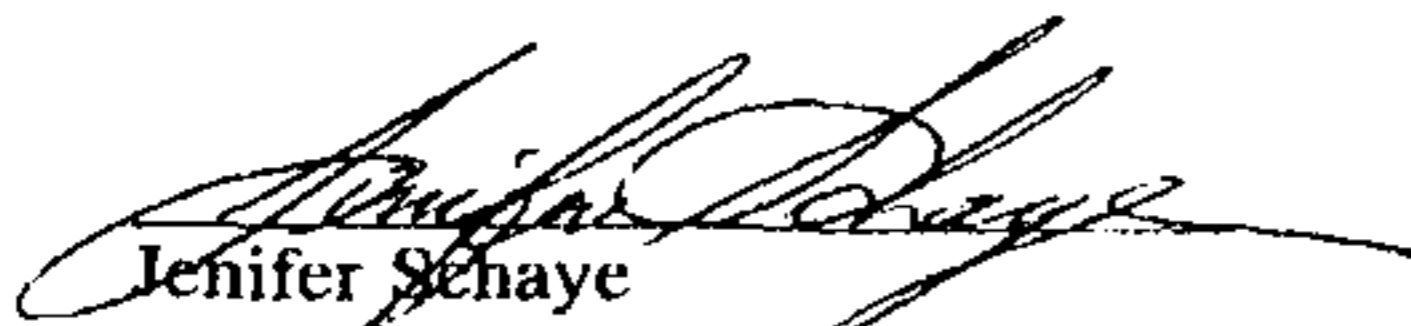
During the meeting, Mr. Degueyter stated that he has loaned equipment to Mayor Langlinais. Mr. Degueyter stated that he just as soon not worry about charging friends for the use of equipment, because it would be sitting idle otherwise. Mr. Degueyter stated that he did not know how much Mayor Langlinais owes for the equipment that he (Langlinais) used while building his (Langlinais') home nor could he recall what specific pieces of equipment Mayor Langlinais had used. Mr. Degueyter informed us that a former employee was supposed to keep track of the equipment that Mayor Langlinais used. The person currently filling the position vacated informed us that he had no records indicating the equipment used by Mayor Langlinais or the amount of time it was used. Mr. Degueyter did recall that Mayor Langlinais had used a backhoe.

Mr. Degueyter stated that Mr. Mitchel Scimemi had done some work for him. Mr. Degueyter further stated that he has never paid Mr. Scimemi for any of the services he provided because Mr. Scimemi wanted the use of equipment as payment for services rendered. Mr. Degueyter added the comment that he loans equipment to good customers almost every week.

Mr. Degueyter informed us that he was aware of the contract that he had entered into with Mayor Langlinais. Mr. Degueyter added that he did not see any reason to have the contract but Mayor Langlinais insisted on having it. Mr. Degueyter further added that he really did not have a need for the cypress logs that the contract provided but hauled them to his camp anyway. Mr. Degueyter also confirmed that he and Mayor Langlinais sought approval of the contract from District Attorney Harson.

  
John L. Morehead, CPA  
Senior Investigative Auditor

**SWORN AND SUBSCRIBED BEFORE ME this 14<sup>th</sup> day of February 2000.**

  
Jenifer Schaye  
Attorney At Law  
My commission expires at death.

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**Attachment IV**  
**Legal Provisions**





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# Legal Provisions

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The following legal citations are referred to in the Findings and Recommendations section of this report:

**R.S. 14:67** provides, in part, that theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations.

**R.S. 14:72** provides, in part, that forgery is the false making or altering, with intent to defraud, of any signature to, or any part of, any writing purporting to have legal efficacy. Issuing or transferring, with intent to defraud, a forged writing, known by the offender to be a forged writing, shall also constitute forgery.

**R.S. 14:134** provides, in part, that malfeasance in office is committed when any public officer or public employee shall (1) intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; (2) intentionally perform any such duty in an unlawful manner; or (3) knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him or to perform any such duty in an unlawful manner.

**R.S. 14:138** provides, in part, that payroll fraud is committed when (1) any person shall knowingly receive any payment or compensation, or knowingly permit his name to be carried on any employment list or payroll for any payment or compensation from the state, for services not actually rendered by himself, or for services grossly inadequate for the payment or compensation received or to be received according to such employment list or payroll; (2) 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.

**R.S. 42:1111(B)** provides in part that no public servant shall receive anything of economic value from a vendor.

**R.S. 42:1112(B)** provides in part that no public servant shall participate in a transaction involving the governmental entity in which any member of his immediate family has a substantial economic interest.

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

**R.S. 42:1116** provides 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 provide himself, any other public servant, or other person with any thing of economic value.

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

**Article 7, Section 14 of the Louisiana Constitution** provides 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.