

LEGISLATIVE AUDITOR

STATE OF LOUISIANA



NATCHITOCHE PARISH POLICE JURY

AUDIT REPORT
ISSUED AUGUST 4, 2004

**LEGISLATIVE AUDITOR
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August 4, 2004

**HONORABLE CHRIS PAIGE, PRESIDENT,
AND MEMBERS OF THE
NATCHITOCHE PARISH POLICE JURY**
Natchitoches, Louisiana

We have conducted an audit of the Natchitoches Parish Police Jury (Police Jury) in accordance with Title 24 of the Louisiana Revised Statutes. Our audit was performed to determine whether a juror had improperly contracted with the Police Jury through a construction contract.

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

The accompanying report presents our finding and recommendations as well as management's response. Copies of this report have been delivered to the District Attorney for the Tenth Judicial District, Louisiana State Board of Ethics, and others as required by state law.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve J. Theriot".

Steve J. Theriot, CPA
Legislative Auditor

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Natchitoches Parish Police Jury Vice-President Profited From Police Jury Construction Contract

Mr. Gary McElwee, owner of BMC, Inc., contracted with the Police Jury to finish the interior of the Highway Department building. Mr. McElwee submitted a bid proposal to the Police Jury in the amount of \$72,682. On December 17, 2003, on a motion by board vice-president, Mr. Tom Collier, the board accepted and awarded the contract to BMC, Inc.

Mr. McElwee subcontracted the finish work on the Highway Department building. Mr. Collier, owner of Collier and Son, Inc., who sells retail flooring to residential and commercial customers, submitted to Mr. McElwee a bid proposal to install the flooring. The bid in the amount of \$2,780 was accepted by Mr. McElwee. We obtained a comparable bid from a Natchitoches competitor of Collier and Son, Inc., which indicated that Mr. Collier's bid proposal was a fair price for the services performed.

According to Mr. Collier, he began having concerns about performing as a subcontractor on the Highway Department building project. Mr. Collier stated that he sought the advice of the Honorable Van H. Kyzar, District Attorney for the Tenth Judicial District. Mr. Kyzar stated that he advised Mr. Collier not to involve himself with the flooring contract because of his position with the Police Jury.

Mr. Collier stated he decided to take Mr. Kyzar's advice and not participate in the flooring contract. Mr. Collier then suggested to Mr. McElwee that Mr. Jackie Baker (a former employee of Collier and Son, Inc.) install the flooring; Mr. McElwee agreed. Mr. Baker stated that he never spoke to Mr. McElwee concerning the flooring contract. According to Mr. Collier, he instructed Mr. Baker on the requirements and specifications of the flooring contract and on follow-up work after Mr. McElwee's inspection of the flooring installation.

- Mr. Baker laid carpet, vinyl tile, and vinyl base trim in the Highway Department building on March 3 and 4 of 2004.
- Mr. Baker picked up the flooring materials from Collier and Son, Inc. He did not sign an invoice or pay for the material. Collier and Son's cost for the material used by Mr. Baker at the Highway Department building was \$1,084.25.
- Mr. Collier provided two employees from Collier and Son, Inc., to assist Mr. Baker in installing the flooring at the Highway Department building. The employees worked one day each and were paid by Collier and Son, Inc. Each employee was paid \$108 for eight hours of work.
- Mr. Baker was paid a total of \$331 by Mr. Collier; Mr. Collier gave Mr. Baker \$60 cash then gave him a check from Collier and Son, Inc., for \$271. Therefore, the total cost of Mr. Collier's employees and Mr. Baker's labor on the flooring contract was \$547.

According to Mr. Collier, he picked up the check made payable to Baker Flooring from Mr. McElwee's office and deposited the check in the amount of \$2,585.40 into his Collier and Son, Inc., business account. According to Mr. McElwee the check was \$194.60 less than Mr. Collier's original bid. Mr. Baker did not provide liability insurance so Mr. McElwee provided the insurance and deducted the amount from the bid price. According to Mr. Baker, he never spoke to Mr. McElwee concerning payment nor did he receive or endorse the check. Less the cost of material and labor, Mr. Collier's profit from the flooring installation work was \$954.15.¹

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





RECOMMENDATIONS

The Police Jury should implement procedures to ensure all jurors and employees of the Police Jury comply with the Louisiana Code of Governmental Ethics. This can be accomplished by jurors annually signing statements acknowledging their understanding and compliance with Louisiana ethics statutes and vendors certifying their compliance as part of their contract with the Police Jury. The Police Jury should also refer this information to the Louisiana Ethics Board.





BACKGROUND AND METHODOLOGY

The Natchitoches Parish Police Jury (Police Jury) is the governing authority for Natchitoches Parish and is a political subdivision of the State of Louisiana. Eleven jurors representing the various districts of Natchitoches Parish govern the Police Jury. The jurors serve four-year terms, which expire in January 2008.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.









POLICE JURY OF NATCHITOCHE PARISH

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CHRIS PAIGE
PRESIDENT

July 7, 2004

CATHERINE HAMILTON
PARISH ADMINISTRATOR

TOM COLLIER, JR.
VICE-PRESIDENT

WENDY DAVIS
PARISH TREASURER

MEMBERS:

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PAT TODD, SR.

DISTRICT 2
CHRIS PAIGE

DISTRICT 3
J.D. GARRETT

DISTRICT 4
ALICE BARRIOS

DISTRICT 5
WILLIAM HYMES

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Mr. Steve J. Theriot, CPA
Legislative Auditor
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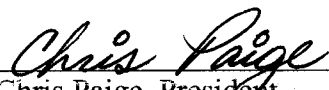
Dear Mr. Theriot:

In response to the Legislative Auditor's finding, the Natchitoches Parish Police Jury will implement procedures to ensure all jurors and employees will comply with the Louisiana Ethics Statutes. All jurors, employees and vendors will certify their compliance by annually signing statements acknowledging their understanding and compliance with the Louisiana Ethic Statutes.

Mr. Tom Collier has reimbursed the Jury the sum of \$2,585.40 from the flooring contract for the cost of materials, labor and profit he made from the flooring installation work.

With kindest regards, I am

Sincerely,


Chris Paige, President
Natchitoches Parish Police Jury

/ch