



Report Highlights

City of Bogalusa

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Why We Conducted This Audit

We began our audit after receiving numerous complaints regarding the City of Bogalusa's (City) use of public funds. In addition, state law requires the City's annual audit to be completed within six months of the close of its fiscal year. The City has not submitted its 2022 annual audit, which was due on June 30, 2023.

What We Found

City Used American Rescue Plan Act Funds to Improperly Pay Bonuses to City Employees and Officials

Former City Mayor Wendy O'Quin Perrette authorized the issuance of bonus payments to City employees and officials totaling \$468,125 on December 30, 2022. These payments appear to be prohibited bonuses, as the City officials and some employees are either not eligible workers and/or the payments were not tied to actual work performed. The payment of bonuses may have violated the Louisiana Constitution, which prohibits the donation of public funds, the Bogalusa City Charter, and state law.

City Did Not Comply with the Local Government Budget Act

The City may have violated state law and the City Charter since it could not provide records to demonstrate that it properly adopted budgets in a timely manner for fiscal years ended December 31, 2023 and 2024.

Possible Violations of the City Charter

During the course of our audit, we reviewed several actions taken by the City's Administration to ensure its compliance with the City's Charter. According to documentation available for these actions, we determined: (1) the Administration failed to submit contracts to the City Council (Council) for approval; (2) the Administration failed to obtain Council approval for director's salaries and its reorganization plan to hire new positions; and (3) commissions created by the Council were dissolved without Council action. In addition, we found that the City failed to reduce certain contracts (public works) to writing as required by state law and hired contractors who did not have the appropriate licenses required by state law.

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What We Found (Cont.)

Possible Donation of City Funds

From January 2022 to September 2023, the City appears to have donated public funds totaling \$37,600 to at least five organizations without proper documentation and/or cooperative endeavor agreements to demonstrate the receipt of equivalent value for the amounts expended. During the same period, it appears that the City paid certain employees \$20,686 in overtime payments for hours not worked. Because the City cannot demonstrate the receipt of equivalent value for funds provided to other organizations or for overtime hours not worked, City management may have violated the Louisiana Constitution, which prohibits the donation of public funds, and state law.

Improper Leave Payouts

Payroll records indicate the City issued 21 payouts for accumulated unused vacation and sick leave hours totaling \$368,132 between October 2022 and April 2024. According to both City policy and the Department of Public Works (DPW) union contract, any unused vacation hours are to be paid to employees at the end of the calendar year or their next employment anniversary year. Based on payroll records, it appears the City allowed employees to carry over and accumulate unused vacation leave hours. As such, the City made 10 payments for accumulated vacation hours totaling \$212,075 in violation of its own vacation policy and the DPW union contract terms. In addition, it appears that the City issued sick leave payouts totaling \$12,751 to two employees while they were still employed. City policy only allows for payment of unused sick leave upon termination of employment.

Flawed Request for Proposals Process

The City contracted with O&R Services and Supplies, LLC (O&R) to provide mosquito control services over a 12-week period beginning in July 2023. A review of the proposals obtained by the City shows O&R member Virgil Rayford, Jr. submitted another vendor's (Vendor 2) proposal to the City, as O&R's own but for a higher price. In addition, it appears Mr. Rayford submitted false documentation to the City, including a certificate of liability insurance and a licensing certification to demonstrate O&R's ability to perform the contract. Although O&R's proposal was nearly identical to Vendor 2's proposal, but with a higher price, the City scored O&R's proposal higher and awarded the contract to O&R. Further, the City paid \$6,088 to O&R for which no services were provided. By providing false documentation to the City and receiving payment for services not provided, Mr. Rayford may have violated state law.

Retirement Contributions

City Failed to Produce Records in Possible Violation of State Law

Misclassification of City Workers as Independent Contractors

Delinquent Utility Accounts

City Vehicle Not Marked in Accordance with State Law

Ethics - Assistance to Certain Persons After Termination of Public Service

Noncompliance with Fiscal Review Plan