

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Madison Parish School Board
Tallulah, Louisiana

January 26, 2000



Investigative Audit

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

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Madison Parish School Board

January 26, 2000



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

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

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January 26, 2000

**MR. SAMUEL DIXON, SUPERINTENDENT,
AND MEMBERS OF THE MADISON
PARISH SCHOOL BOARD**
Tallulah, Louisiana

Transmitted herewith is our investigative report on the Madison Parish School Board. 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 finding and recommendation, as well as your response. Copies of this report have been delivered to the Madison Parish School Board; the Honorable James D. Caldwell, District Attorney for the Sixth 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 cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

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{MADISON}

Executive Summary

Investigative Audit Report Madison Parish School Board

The following summarizes the finding and recommendation as well as management's response that resulted from this investigation. Detailed information relating to the finding and recommendation may be found at the page number indicated. Management's response may be found at Attachment II.

School Board Makes Excessive Payments to Contractors

(Page 1)

Finding:

On five construction jobs awarded to Mr. Billy Dew, owner of Dew Construction and Debra Construction, the Madison Parish School Board (School Board) paid at least \$67,144 above fair market value. Mr. Dew submitted fraudulent bidding documents appearing to be from competitors, billed the School Board more than once for the same services, and substantially overcharged the School Board on the resulting jobs. Furthermore, Mr. Samuel Dixon, who assumed the duties of superintendent in June 1996, appears to have attempted to direct business to Mr. Dew.

Recommendation:

We recommend that management for the Madison Parish School Board design and implement procedures to ensure that taxpayers receive fair market prices through competitive bidding. This information has been provided to the District Attorney for the Sixth Judicial District of Louisiana and the United States Attorney for the Western District of Louisiana.

Management's Response:

Management disagrees with the finding (see Attachment II for entire response).

Background and Methodology

The Madison Parish School Board is comprised of eight elected members and provides public education for the children of Madison Parish. The School Board operates seven schools within the parish.

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

Finding and Recommendation

SCHOOL BOARD MAKES EXCESSIVE PAYMENTS TO CONTRACTORS

On five construction jobs awarded to Mr. Billy Dew, owner of Dew Construction and Debra Construction, the Madison Parish School Board (School Board) paid at least \$67,144 above fair market value. Mr. Dew submitted fraudulent bidding documents appearing to be from competitors, billed the School Board more than once for the same services, and substantially overcharged the School Board on the resulting jobs. Furthermore, Mr. Samuel Dixon, who assumed the duties of superintendent in June 1996, appears to have attempted to direct business to Mr. Dew.

ROOFING AT MCCALL JUNIOR HIGH SCHOOL

School Board records indicate that the School Board received two bids to re-roof the south building at McCall Junior High, the lower of which was \$39,899 from Dew Construction. On October 24, 1996, the School Board awarded the contract to Dew Construction.

On December 6, 1996, Dew Construction billed the School Board \$20,884 for work Mr. Dew claimed was not covered in the original contract. This amount was broken down into two items: \$9,634 to remove bad sections of the roof and make repairs and \$11,250 for capping off asbestos over the gym roof “. . . by applying asphalt and fiber glass before installing new roof. . . .”

Mr. Dew subcontracted the work to Coleman Brothers' Roofing. Mr. James Coleman, co-owner of Coleman Brother's Roofing, informed us that he and his crew performed this work. He stated that they did not disturb the existing roof but only removed the gravel and then re-roofed. Mr. Coleman stated that neither Mr. Dew nor any of Mr. Dew's workers performed any work on this project.

Mr. Coleman informed us that no special work was done on the roof as a result of the presence of asbestos. Furthermore, Mr. Coleman told us that neither Mr. Dew nor anyone else informed him that there was asbestos on the gym's roof. We contacted officials at the Louisiana Department of Environmental Quality (DEQ) who informed us that although asbestos-containing material was present in the existing roof, the installed roofing would not require any additional work or special handling.

Based on the information provided to us, Dew Construction billed and was paid by the School Board \$20,884 for additional work that was neither necessary nor performed.

ROOF REPAIR AT MCCALL HIGH SCHOOL

School Board records contain two bids to re-roof the auditorium at McCall Senior High School-- Dew Construction's bid for \$37,450 and Bubba's Roofing & Fencing bid for \$40,500. Dew Construction was awarded the contract for \$37,450 on April 14, 1997.

The work was actually performed by Bubba's Roofing & Fencing, the owner of which is Mr. Ellis Worthington. Mr. Worthington informed us that he subcontracted the work from Dew Construction. He was paid \$8,080 by Debra Construction, which is also owned by Mr. Dew. Mr. Dew provided us with records indicating that Dew Construction purchased \$5,721 in roofing materials for the auditorium. Mr. Worthington confirmed that these were all of the materials needed for the roofing job. The total cost to Mr. Dew for the roofing work was therefore \$13,801. This resulted in a profit of \$23,649 (63% of the contracted amount). Estimates provided to us for materials and labor for this work ranged from \$20,700 to \$25,875. Based on the high estimate of \$25,875, the School Board paid 145% of fair market value.

ASBESTOS ABATEMENT AT MCCALL HIGH SCHOOL

On April 22, 1998, the School Board awarded a contract for \$71,000 to Asbestos Tech to remove floor tiles containing asbestos. Though the contract was awarded to Asbestos Tech, which is owned by Mr. Moses Jackson, Superintendent Dixon informed us that he negotiated the contract price directly with Mr. Billy Dew. Mr. Moses Jackson stated that his negotiations on the job were with Mr. Dew, not officials from the School Board.

Mr. Jackson subcontracted with Dew Construction for part of the job. According to Mr. Jackson, his crew performed the asbestos abatement on the auditorium's floor tiles and Mr. Dew's crew removed the auditorium seats, put down the new floor tile, and then reinstalled the seating. Mr. Jackson stated that he only received \$15,000 for this work. He further stated that Mr. Dew suggested that they use his (Dew's) bank to cash the School Board's check to Asbestos Tech. He then went with Mr. Dew to the bank where \$15,000 was converted to a cashier's check and given to him (Jackson). He stated that Mr. Dew kept the remaining amount.

The estimates we obtained from independent contractors for this job ranged from \$37,500 to \$46,200. Therefore, based on the high estimate of \$46,200, the School Board paid 154% of fair market value.

ELECTRICAL UPGRADES AT TALLULAH AND WRIGHT ELEMENTARY SCHOOLS

School Board records contain only one bid, \$49,460 from Jackson & Fontenot, to install electrical outlets at Tallulah and Wright Elementary Schools. Jackson & Fontenot was awarded the contract. Mr. Billy Dew told us that he actually performed the work on all School Board projects awarded to Jackson & Fontenot. He stated that he paid Mr. Andy Jackson, owner of Jackson & Fontenot, a portion of the profit on each job.

Mr. Charles Davis, owner of Davis Electric, informed us that Mr. Dew subcontracted the labor portion of this work to him. He explained that the work consisted of installing six electrical outlets in each classroom at the two schools. He added that Mr. Dew provided all the materials. Mr. Davis estimated the total costs of materials for this project to be approximately \$12,860. He added that he received \$11,485 from Mr. Dew for his work. Mr. Davis also stated that Mr. Dew provided a helper, Mr. Ernest Williams, to assist him. Based on Dew Construction records we examined, it appears Mr. Williams was paid \$3,533 by Dew Construction during the time period this work was performed. Therefore, it appears Mr. Dew made a profit of approximately \$21,582 (43% of the contracted amount).

We were able to find one individual who would give us an estimate on this work. He provided that the cost would range from \$36,800 to \$40,875 for materials and labor. Based on the high end of this estimate, the School Board paid 121% of fair market value.

AIR CONDITIONING REPAIR AT MCCALL HIGH SCHOOL

Dew Construction was awarded a \$30,000 contract on January 12, 1998, to re-roof the cafeteria at McCall Senior High School. Dew Construction then subcontracted this work to Bubba's Roofing & Fencing. Dew Construction subsequently billed the School Board an additional \$1,500 to repair the trunk line on four air conditioner units to prevent leaking into the cafeteria.

The owner of Bubba's Roofing & Fencing, Mr. Ellis Worthington, explained that he moved the air conditioning units to complete the roofing work on the cafeteria. This caused a leak at the point where the duct work entered the building. Mr. Worthington stated that he repaired the leak by sealing it with silicone. In addition, Mr. Worthington said he constructed a sheet metal cap for each of the units as an additional safeguard. Mr. Worthington stated that someone else must have covered his caps with asphalt. He added that he did not bill nor was he paid for fixing the leak. Mr. Worthington's estimate for the cost of the repair was approximately \$200 for materials and labor. Since Dew Construction billed \$1,500 for the repair, the School Board was charged 750% of fair market value.

HANDICAP RAMP AT TALLULAH HIGH SCHOOL

In February 1998, the School Board obtained three quotes to construct one handicap ramp at Tallulah High School. These quotes were from Dew Construction, \$7,400; Ernest Williams, \$10,250; and Raymond Wayne, \$10,650.

The three typed quotes were identical in wording and style. Bettye Moore, an employee of the City of Tallulah, confirmed that she typed all three quotes at the direction of Mr. Billy Dew.

Although Mr. Ernest Williams could not be located for an interview, records indicate that he worked for Mr. Billy Dew during this time. Mr. Raymond Wayne Dew, brother of Mr. Billy Dew, stated that he did not bid on the handicap ramp at Tallulah High School. He further explained that his brother (Billy) often brought him quotes to sign and that he (Raymond) did not

always read what he was signing. In another matter unrelated to the School Board, Mr. Raymond Dew informed us that his brother, Billy, made a decision to leave his last name "Dew" off of the letterhead that was used for invoices.

Mr. Billy Dew stated that he had all three quotes typed up and that he instructed his brother as to the range to be quoted. He further explained that Superintendent Dixon had told him to get three quotes. Mr. Dixon stated that he often told Billy Dew to ask other contractors to submit bids for School Board jobs. He further stated that he would not be surprised if Mr. Dew delivered, not only his own, but also his competitors' bids to the School Board.

MAJOR RENOVATIONS AT TALLULAH HIGH SCHOOL

On July 8, 1996, the School Board voted to accept the low bid from Davis Construction for major renovations at Tallulah High School. The School Board's records indicate that Davis Construction submitted a bid for \$210,000 and Jackson & Fontenot and Dew Construction submitted a bid for \$220,000.

Mr. James Davis, owner of Davis Construction, explained that before the board meeting, Superintendent Dixon called and told him to fax his bid to the School Board. Mr. Davis stated he hurriedly put together a bid somewhere in the range of \$225,000 to \$250,000, which he faxed to Mr. Dixon. According to Mr. Davis, several days later Mr. Dixon phoned again to say that a fax was not acceptable and that he (Davis) would have to turn in a sealed bid at the School Board's office. Mr. Davis stated that he then prepared the \$210,000 sealed bid that was subsequently accepted by the School Board.

During a meeting with us on December 7, 1999, Superintendent Dixon stated that he did not place a call to Mr. Davis before the School Board's July 8, 1996, meeting. He further stated, "Why would I call someone I don't even know?" We then asked Mr. Dixon if a review of the School Board's phone records would show a phone call from him to Mr. Davis. Mr. Dixon then responded that he could have called Mr. Davis since he frequently speaks to contractors. Mr. Dixon further explained that any call to Mr. Davis would not have been to request that Davis fax a bid to him.

School Board telephone records identify a 9:20 a.m. phone call from the School Board office to Mr. Davis on June 21, 1996, one day after the project was advertised in *The News-Star*. In addition, Mr. Davis' telephone records indicate that a fax document was sent from his office to the School Board's fax number on June 27, 1996, at 2:09 p.m.

Mr. Davis informed us that he knew his bid bond was not adequate so he went to the School Board office and met with Superintendent Dixon. This was about three days after the School Board had awarded him the job. Mr. Davis stated that he intended to exchange a new bid bond in the correct amount for the old one. Mr. Davis said that Superintendent Dixon would not exchange the bonds. According to Mr. Davis, Superintendent Dixon told him that he (Dixon) intended to keep the first bond, cash it in, and disqualify Davis's bid on the project. Mr. Davis explained that at this point, he asked Superintendent Dixon if he could see the first bond. Once

Superintendent Dixon handed him the original bond, he told Superintendent Dixon he was withdrawing his bid and he left with both bonds.

During the July 15 School Board meeting, Superintendent Dixon informed the board that the bid bond submitted by Mr. Davis was not adequate, and, as a result, the bid by Davis could be considered non-responsive. Superintendent Dixon then told the board, "We contacted Davis, made him aware, and he withdrew his bid." The July 15 board minutes reveal that the board voted to accept the withdrawal of Davis Construction's bid.

Superintendent Dixon then informed the board that when more than one company submits a joint bid, all contractors taking part in that bid must be licensed. Dew Construction is not a licensed contractor. Therefore, based on the advice of counsel, Superintendent Dixon stated that the bid of Jackson & Fontenot and Dew was disqualified. The board then declared the renovations an emergency and the project was subsequently divided into phases.

School Board records for Phase I indicate that bids were received from Dew Construction for \$21,500; Thomas Construction for \$27,600; and Brooks Construction for \$29,200.

Mr. Richard Thomas, owner of Thomas Construction, stated that he never bid on any projects for the School Board and that the signature on the bid is not his. Mr. Thomas added that Mr. Billy Dew sometimes brought him papers to sign and that he would sign them so Mr. Dew could get jobs. Mr. Thomas further stated that he never gave Mr. Dew permission to use his name other than when he (Thomas) signed papers for Mr. Dew.

Mr. Oscar Brooks, owner of Brooks Construction, stated that although he knows Mr. Billy Dew, he did not submit the bid in question. Mr. Brooks stated that he has never bid on a job for the School Board and the signature on the bid is not his.

On July 31, 1996, Dew Construction was awarded a \$27,100 contract that included a \$5,584 increase to the company's original bid. The increase was to cover the cost of work not included in the original specifications.

School Board records for Phase II contain bids from Dew Construction for \$48,990; Charles Keyes Contractors for \$55,495; and Boss Construction for \$59,750. The contract was awarded to Dew Construction.

Mr. Charles Keyes stated that Mr. Billy Dew brought him the bid form, asked him to fill it out, and told him what amount to bid. Mr. Keyes explained that Mr. Billy Dew promised him money for filling out the bid form; however, according to Mr. Keyes, Mr. Dew never paid him.

Mr. Ed Johnson, owner of Boss Construction, stated that he signed the bid in his company's name and would have performed the work had he won the job. Mr. Johnson said he found out about the job from Mr. Dew, who gave him the bid form. He said that once he completed the bid form, he gave it to Mr. Dew to be returned to the School Board. Mr. Johnson said that although it is not his normal practice to have a competitor turn in one of his bids, he did this because of the

bid deadline. In addition, Mr. Johnson stated that he had been in business since 1970 and that this was the only bid he ever submitted to the School Board.

The remaining three phases were contracted to either Dew Construction or Jackson & Fontenot. The total cost incurred for all five phases was \$293,363. Each phase costing \$50,000 or more, which required a licensed contractor, was awarded to Jackson & Fontenot. Jackson & Fontenot is a licensed contractor.

From July 1996 through June 1999, the School Board paid \$639,199 and \$255,698 to Dew Construction and Jackson & Fontenot, respectively.

CONCLUSION

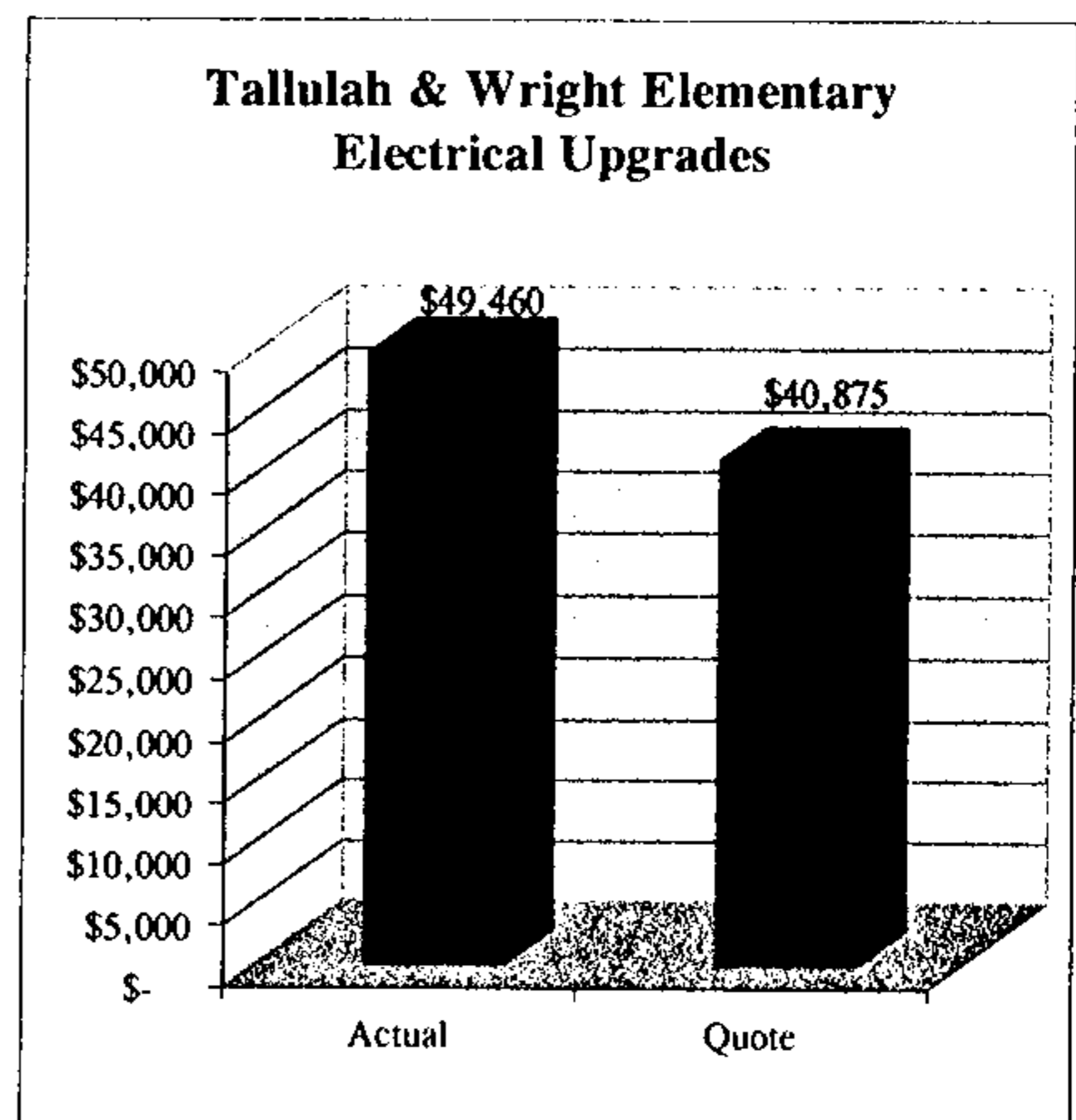
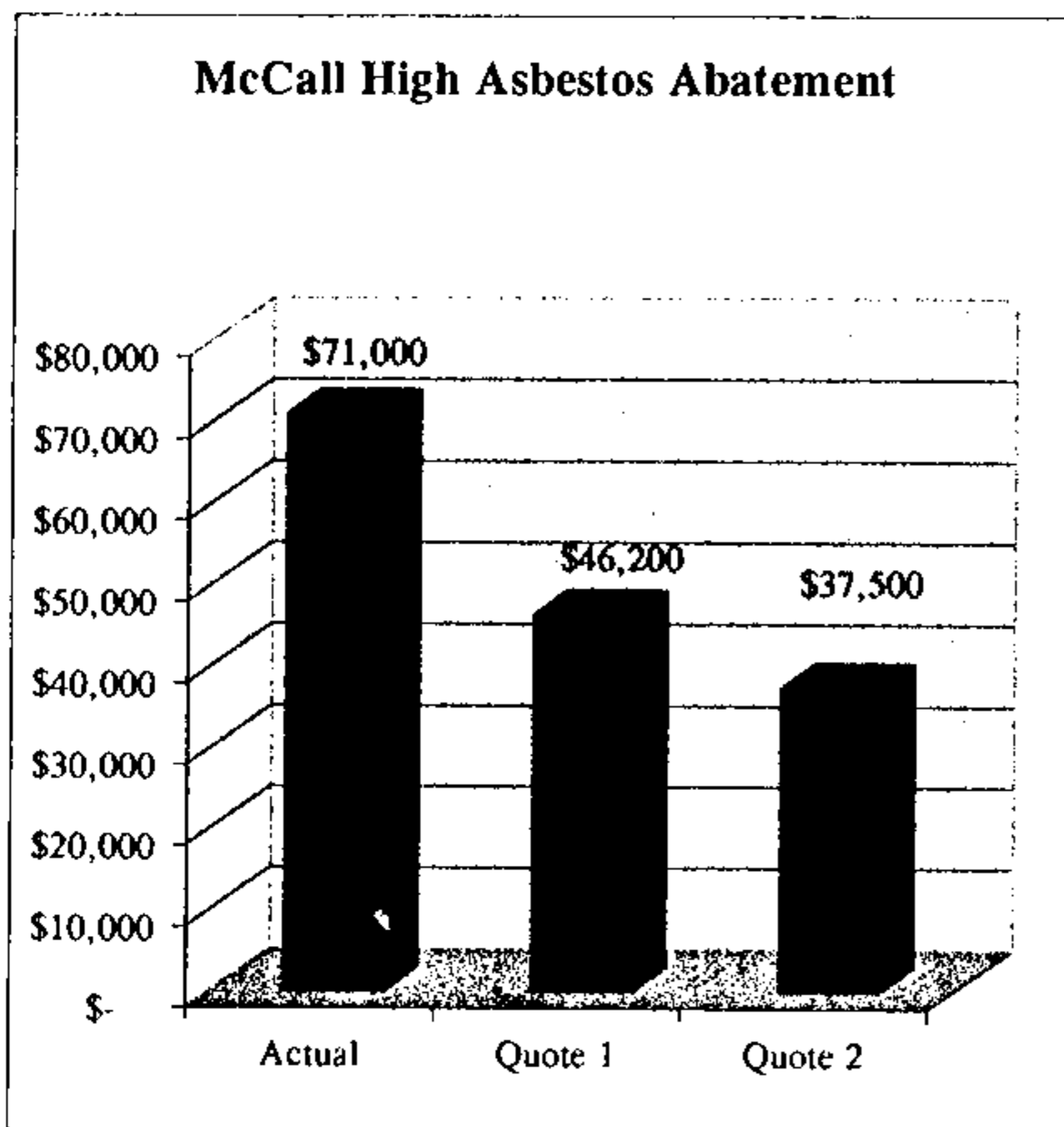
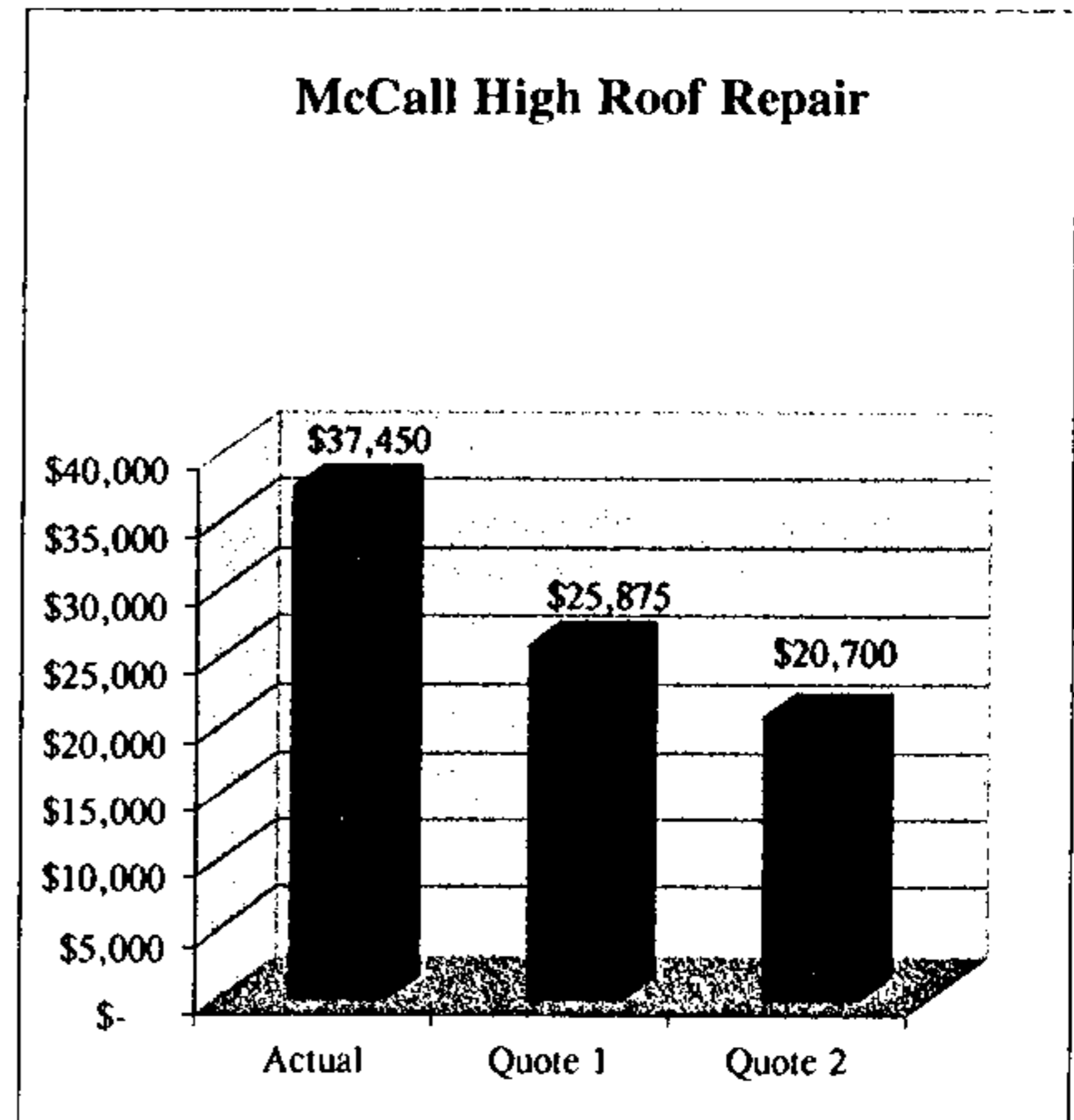
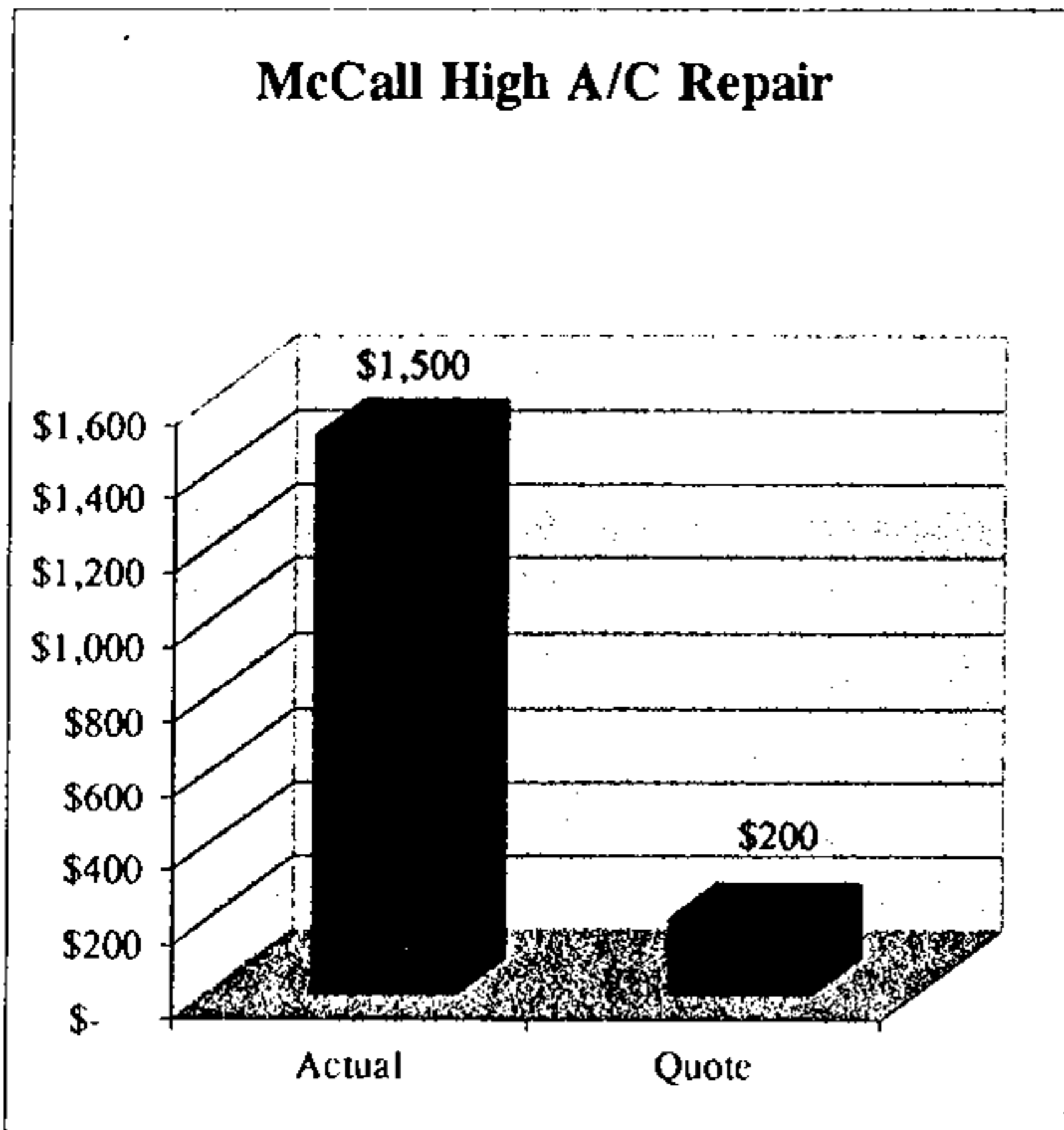
These actions indicate possible violations of the following:

- R.S. 14:67, "Theft"
- R.S. 14:72, "Forgery"
- R.S. 14:133, "Filing False Public Records"
- R.S. 14:134, "Malfeasance in Office"
- R.S. 42:1461(A), "Obligation Not to Misuse Public Funds"
- 18 U.S.C. §666, "Theft from Federal Programs"
- R.S. 38:2212, "Bid Law"

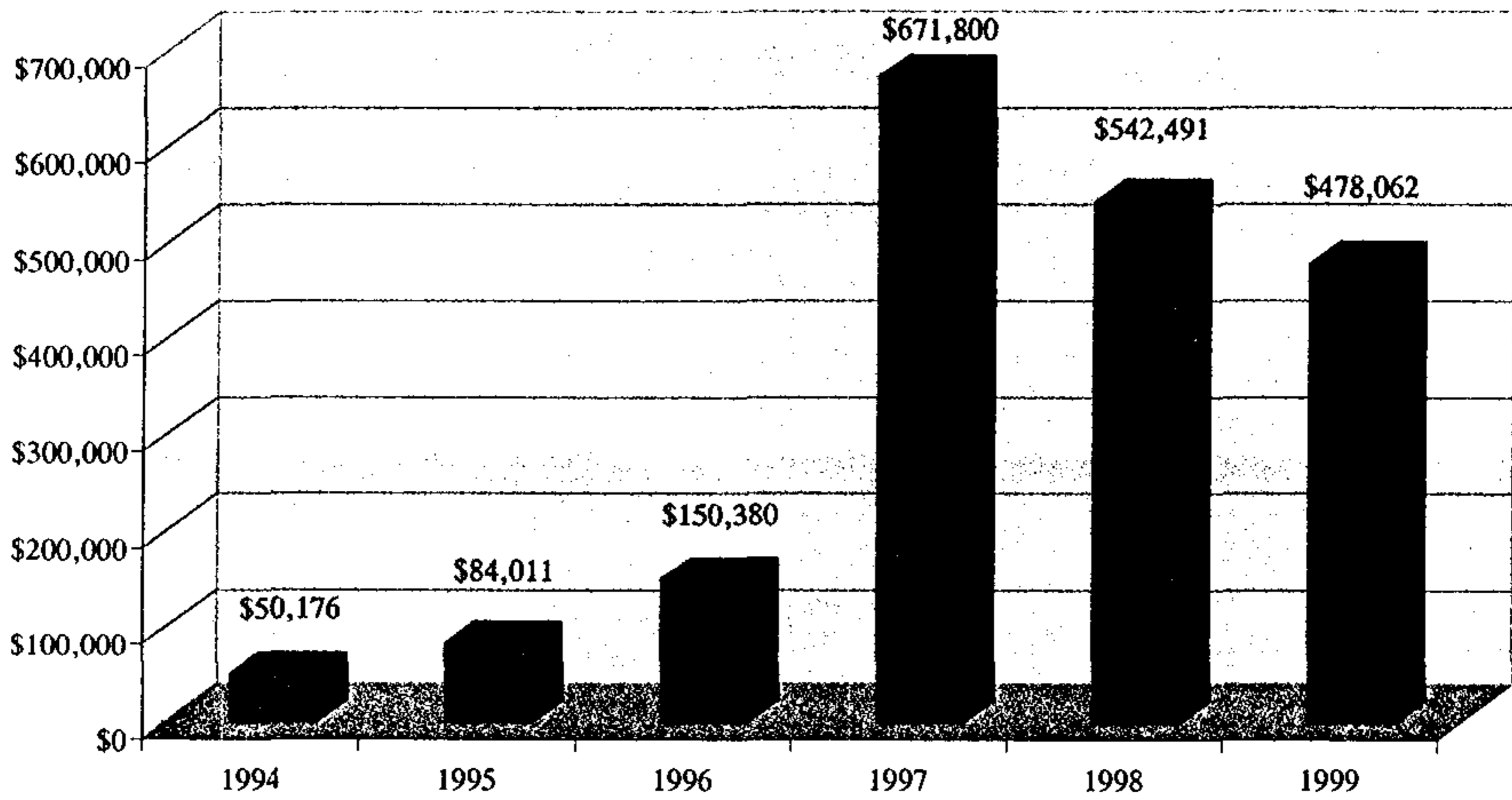
We recommend that management for the Madison Parish School Board design and implement procedures to ensure that taxpayers receive fair market prices through competitive bidding. This information has been provided to the District Attorney for the Sixth Judicial District of Louisiana and the United States Attorney for the Western District of Louisiana.

Attachment I
Graphical Information

Graphical Information



Capital Expenditures by Fiscal Year



School Board Expenditures Fiscal Years 1997-1999



■ Dew Construction Contracts ■ Jackson & Fontenot Contracts ■ Other Contracts

Attachment II
Management's Response



Madison Parish School Board

Post Office Box 1620
Tallulah, Louisiana 71284-1620
(318) 574-3616

Board President:
James Williams
Superintendent:
Samuel Dixon

January 19, 2000


Office of Legislative Auditor
Daniel G. Kyle, PH.D., CPA, CFE
Post Office Box 94397
Baton Rouge, LA 70804-9397

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Dear Sir:

Transmitted herewith is the response of the Madison Parish School Board and Superintendent Samuel Dixon to the investigative report on the Madison Parish School Board.

Respectfully,


Samuel Dixon, Superintendent

ck

Enclosure

Management's Response

The Madison Parish School Board and Superintendent Samuel Dixon absolutely deny any wrongdoing of any kind, whatever, on any and all allegations so insinuated by the Legislative Auditor and his staff. The School Board and the Superintendent cannot reflect on any possible contractor misconduct, but if same occurred, it was totally outside the consent or knowledge of either of them. The Legislative Auditor has found no criminal conduct on the part of the Madison Parish School Board or Superintendent Samuel Dixon. Allegations that such are "possible violations" are unfounded and irresponsible. More particular responses are in this attachment.

It is noted that in all cases, the actual work was performed as agreed, in a timely and good workman-like manner. Quality of work has not been questioned.

The Legislative Auditor's report makes several references to "fair market prices". We question the amounts used. Were these quotes obtained from contractors? Did those providing quotes visit the actual worksites? (In the exit interview on December 7, 1999 Superintendent Dixon was told by the Legislative Audit Staff that persons providing the quotes did not visit the sites.) Were they familiar with all aspects of the project as it originally existed? Or - were "ballpark" numbers generated - amounts which easily could have been far off the mark. It appears that contractors were willing to quote excellent prices to the Legislative Audit Staff. Where were these people when the bidding took place - why didn't they bother to submit this alleged price in the form of a bid?

ROOFING AT McCALL JUNIOR HIGH SCHOOL

Dew Construction did, in fact, perform additional work that was not stipulated in the roofing replacement contract, but was an addendum to this contract. Sections of the roof over the Boys' and Girls' dressing rooms were badly deteriorated - one to the point where a section of the roof was exposed directly to the climatic conditions due to the fact that a section of the roof had begun to collapse. Both the Principal of the school and School Board Maintenance personnel can attest that these sections were removed and replaced.

Based upon the Contractor's observance of actual construction of the original roofing, he advised us that he believed that the roof contained asbestos (this was later confirmed by the Louisiana Department of Environmental Quality). In the interest of safety, we followed the contractor's recommendation that this material be sealed with asphalt. This work was subsequently completed. Written statements provided to the Madison Parish School Board absolutely contradict the contention by the Legislative Auditor's report which states that they were told that no special work was done on the roof.

ROOF REPAIR AT McCALL HIGH SCHOOL

Sincere efforts were made to obtain the most favorable price for this work - this work was advertised and bids were accepted - even though this is not required for work under \$100,000. The lowest bid was accepted - is the Legislative Auditor suggesting that this is not correct - is he

imposing additional requirements? Based upon estimates by School Board Maintenance Personnel, we believed this bid to be reasonable.

ASBESTOS ABATEMENT AT McCALL HIGH SCHOOL

Although declared an emergency by the School Board, a request for bids was advertised and three other contractors were contacted – Dew Construction was the only contractor who expressed interest in the project. Dew indicated that he had been authorized to represent and contract for Asbestos Tech. This assertion was confirmed by Moses Jackson, owner of Asbestos Tech. Moses Jackson personally appeared at the Madison Parish School Board office and signed a contract for the negotiated price in the presence of Superintendent Samuel Dixon. Work was carried on around the clock. Superintendent Dixon confirmed with his consultant that the asbestos removal portion, alone, of the contract could not possibly have been done for the amount the Legislative Auditor alleges was paid to the Asbestos Tech. As the project involved much more work than asbestos removal alone, our consultant indicated that the agreed-upon price was reasonable. The asbestos abatement alone was estimated to cost from twenty-five to thirty thousand dollars.

ELECTRICAL UPGRADES AT TALLULAH AND WRIGHT ELEMENTARY SCHOOLS

According to written documentation provided by the engineer who drew the plans and specifications for this work, the total cost to complete was estimated at \$60,000. The contract price of \$49,460 is an obvious saving of 18% over this estimate.

AIR CONDITIONING REPAIR AT McCALL HIGH SCHOOL

While Worthington did attempt to repair the leak, water continued to leak into the cafeteria. The roof was subsequently replaced. However, water continued to leak through the air conditioning unit. As observed by Madison Parish School Board maintenance personnel, Billy Dew and two of his technicians subsequently worked a full day to complete repairs and modifications which then stopped the leakage.

HANDICAP RAMP AT TALLULAH HIGH SCHOOL

At no time did Superintendent Dixon ask or insinuate that Dew should submit false quotes. Superintendent Dixon did ask that Dew prepare bid specifications which would comply with OSHA requirements for the project.

The report alleges that Superintendent Dixon told Billy Dew to submit quotes from other contractors, yet when Dew was confronted – in the presence of a witness – Dew emphatically stated that he did not state to the Legislative Audit Staff that Superintendent Dixon had told him to get three quotes. Dew further attested to the fact that Superintendent Dixon had often asked him (Dew) to make available work known to other contractors. (Other contractors have, in fact, contacted the Madison Parish School Board regarding available work, but when they learned of the Insurance and Workmen's Insurance requirements, they were not interested) Dew further stated that it was his decision, alone, to solicit the quotes submitted by Raymond Wayne and Ernest Williams.

The report erroneously states that Superintendent stated that he would not be surprised if Mr. Dew delivered, not only his own, but also his competitors' bids to the School Board. Superintendent

Dixon's statement was, in fact, that he would not be surprised if Dew brought in not only his bid, but also a bid from Jackson & Fontenot.

MAJOR RENOVATIONS AT TALLULAH HIGH SCHOOL

At least two false statements are made in the report by the Legislative Auditor. First, the report refers to a meeting on December 13, 1999. This is incorrect. This was the exit interview and was conducted on December 7, 1999 at 2:00 p.m. Second, the report refers to Superintendent having stated that he did not place a call to Mr. Davis before the School Board's July 8, 1996 meeting. This date was not mentioned at all by Superintendent Dixon.

Additionally, in the exit interview Superintendent Dixon objected to language in the Executive Summary insinuating that he had attempted to direct business to Billy Dew at which point Mr. Ernest Levy, Investigative Audit Manager, responded that the statement was there because of the statement Dew made regarding the obtaining of quotes for the handicap ramp at Tallulah High School. Furthermore, the Legislative Audit Staff informed Mr. Dixon that the report was prepared only to show that Billy Dew was "ripping off" the School Board.

This work was advertised in the *Madison Journal* on June 12, 19, and 26. The project was also advertised in the *Monroe News Star* with the intended effort of attracting additional bidders. The notice specifically stated that the bids were to be hand delivered or sent by certified mail. There was no reason to tell Davis to fax a bid. When the bids were opened, Davis' bid was the lowest; however, his 5% Bid Bond was not in order. Upon the advice of the School Board's attorney, the Board rejected all bids.

Mr. Davis attempted to deliver his Bid Bond later; however, when told that all bids had been rejected and that he could re-bid, he became enraged, cursed, and snatched his materials from Superintendent Dixon's hand and left.

Despite the assertion of Davis, Superintendent Dixon placed only one call to Davis on June 21.

With the opening of school less than one month away, the Board, at its July 15 meeting voted to declare an emergency due to the extremely poor - and possibly life-threatening - conditions of the stadium. The project was divided into phases, the first being work that could be done without having to obtain approval of the Fire Marshall. This included the ticket booth, restrooms, concession stand and ramps.

The remaining work was divided into phases to allow James Braswell, Engineer, adequate time to prepare the drawings and specifications and obtain approval of the Fire Marshall. Lowest quotes were accepted and the work was completed.

LEGISLATIVE AUDITOR'S ADDENDUM TO MANAGEMENT'S RESPONSE

Management in its response noted that the meeting described in the Legislative Auditor's report as taking place on December 13, actually occurred on December 7. That date did appear in the preliminary draft; however, it was subsequently corrected in our final report.

Attachment III
Legal Provisions

Legal Provisions

The following legal citations are referred to in the Finding and Recommendation section of this report:

R.S. 14:67 provides 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 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.

R.S. 14:133 provides that filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, any forged document, any wrongfully altered document, or any document containing a false statement or false representation of a material fact.

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. 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.

18 U.S.C. §666 provides, in part, that theft concerning programs receiving federal funds occurs when an agent of an organization, state, local, or Indian tribal government or any agency thereof embezzles, steals, obtains by fraud, or otherwise intentionally misapplies property that is valued at \$5,000 or more and is owned by or under control of such organization, state, or agency when the organization, state, or agency receives in any one year period, benefits in excess of \$10,000 under a federal program involving a grant contract, or other form of federal assistance.

R.S. 38:2212 provides, in pertinent part, that all public work exceeding the contract limit to be done by a public entity shall be advertised and let by contract to the lowest responsible bidder who had bid according to the contract, plans, and specifications as advertised, and no such public work shall be done except as provided in this Part.

