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October 18, 2006

Honorable Michael Grimmer, Parish President,
and Members of the Livingston Parish Council
Post Office Box 335
Livingston, Louisiana 70754

We have performed a limited review of financial records of the Livingston Parish Council (Council). This review was performed to determine the propriety of certain allegations received indicating improper contractual agreements regarding the construction of the South Branch Library in Livingston, Louisiana. The scope of our work was significantly less than that required under *Government Auditing Standards* for an audit of the Parish's financial statements; therefore, we are not offering an opinion on the Parish's financial statements or the Parish's system of internal control nor assurance as to compliance with laws and regulations. The results of our review are listed below for your consideration.

During the November 10, 2005, council meeting, the Council accepted the lowest bid for constructing the South Branch Library. According to Parish records, this bid was submitted by Blount General Contractors (Blount) for \$1,846,000. The contract between the Council and Blount establishes that site preparation costs were included in the bid. Consequently, Blount hired Varter Inc., owned by Mr. Tommy Terral, to prepare the site by removing unusable dirt and supplying the appropriate dirt. However, according to Mr. Terral, he was not able to find dirt in the immediate area that met the specifications set by the architect. Mr. Terral was referred to Wagner's Dirt Service (WDS) by a third party and afterward subcontracted with WDS.

Council records illustrate that Mr. Charles Wagner is a member of the Parish Council and voted to accept the contract with Blount. Councilman Wagner's son, Eddie Wagner, is the owner of WDS. Although Councilman Wagner has no ownership interests in WDS, the transaction may violate Louisiana Revised Statute (R.S.) 42, Section 1113(A) of the Governmental Ethics Code because of the relationship between the councilman and his son.

R.S. 42:1113(A) states, in part, that "no public servant . . . or member of such public servant's immediate family, or legal entity in which he has 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." Therefore, the prohibition would include a contract with the principal contractor and any subcontractor.

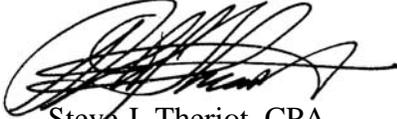
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R.S. 42:1113(A) focuses on the public servant's agency and its authority over the contract and the ownership/economic interest of the family member. The present facts indicate the principal contract is under the direct supervision of the Council. Also, Councilman Wagner's son is the sole owner of the business benefiting from this contractual relationship.

We recommend contractors disclose all subcontractors to the Parish Council and the Parish Council certify compliance with the Louisiana Ethics law before approving any contracts. We are providing a copy of this letter to the Louisiana Board of Ethics and we suggest that the Council contact the Board of Ethics and ask if a violation of the Code of Ethics has in fact occurred.

I trust this information will assist you in operations of the Parish. Should you have any questions, please contact me at (225) 339-3839 or Mr. Daryl Purpera at (225) 339-3807.

Sincerely,



Steve J. Theriot, CPA
Legislative Auditor

GC:DD:DGP:dl

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Office of the President

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Parish President

JOHN P. GABEL, III, CPA, N.P.
Director of Finance

WAYNE MARTIN
Director DPW

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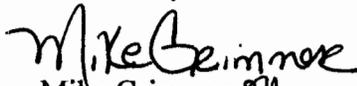
Office of Legislative Auditor
Steve J. Theriot, CPA
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Mr. Theriot,

In reference to your letter dated September 20, 2006, and more specifically to Councilman Charles Wagner, the Livingston Parish Council will require all contractors to disclose all sub-contractors to my office in the future. All contracts awarded on behalf of Livingston Parish Government, will be certified to the best of our ability in compliance to The Louisiana Board of Ethics policies prior to final approval.

If you have any additional questions please feel free to contact me at 225-626-2266.
Until then, **GOD BLESS!**

Yours truly,


Mike Grimmer
Parish President