

Public Release Investigation

2016 – 0041

Contract Administration and Compliance

OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH



PUBLIC RELEASE INVESTIGATION

CONTRACT ADMINISTRATION & COMPLIANCE

2016-0041

ISSUED 2/15/2017

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JPOIG 2016-0041

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OFFICE OF INSPECTOR GENERAL
JEFFERSON PARISH

DAVID N. McCLINTOCK
INSPECTOR GENERAL



Date: 02/15/2017

To: The Citizens of Jefferson Parish

From: The Jefferson Parish Office of Inspector General

Re: Synopsis of JPOIG 4th Hospital Monitoring Supplemental: Contract Compliance

Please find attached the Jefferson Parish Office of Inspector General's (JPOIG) investigative report addressing contract administration and compliance. This report addresses concerns related to the Parish's third and most recent engagement of Nemzoff & Company. Nemzoff & Company was engaged in April 2016 for post-closing transaction services related to the West Jefferson Medical Center lease. Nemzoff has been paid \$350,000 to date under the current contract, and approximately \$1.5 million across the three engagements.

This report identifies many ongoing concerns that persist despite similar previous findings and recommendations relating to professional services contracts. They include:

- Vague contract language doesn't clearly establish what Nemzoff must do
- Nemzoff failed to deliver required work products
- Nemzoff received automatic monthly payments, regardless of performance
- Nemzoff overstepped his authority, compromising Parish procurement
- The engagement has suffered from ineffective management

While this contract improves upon previous Nemzoff contracts, it fails to connect compensation with deliverables. Additionally, the Parish's contract management fails to ensure the vendor delivers required services while also compensating Nemzoff for services outside the contract scope. Paying for services for which the vendor was not retained is a form of waste.

Finally, Councilwoman Cynthia Lee-Sheng and Councilman Chris Roberts took steps to direct the vendor in writing to cooperate with the JPOIG's efforts to provide oversight through monitoring. Despite this direction, the vendor persists in subverting this office's oversight, as detailed in the report. This vendor's flagrant disregard for the JPOIG should be of concern to all.

The JPOIG provided the confidential draft report to Parish Council members, the Yenni administration and the parish attorney to allow for receipt of comments and responses. The following was received:

Councilwoman Lee-Sheng responded individually to all four of the JPOIG’s findings. In summation, Councilwoman Lee-Sheng wrote that Parish authorities “went to great lengths to draft a comprehensive contractual agreement,” which in her view contains “a defined scope of

Responses Received

- Parish President Michael S. Yenni,
- Councilman Chris Roberts, At-Large “A” ¹
- Councilwoman Lee-Sheng, At-Large “B”
- Councilman Ricky J. Templet, District 1
- Councilman Paul D. Johnston, District 2
- Councilman Mark D. Spears, Jr., District 3
- Councilman E. Ben Zahn, III, District 4 ²
- Councilwoman Jennifer Van Vrancken, District 5

services with benchmarks for deliverables.” She also explained that the Parish involved its Internal Auditor, Tommy Fikes, in contract management to address the JPOIG’s earlier concerns. She acknowledged there were “deviations” from contractually established benchmarks that resulted from “circumstances manifesting outside the control of the Jefferson Parish Council” and the hospital district and that “[i]t is the intention of this Council to memorialize those deviations in the form of a comprehensive single Amendment, which will memorialize all associated changes.” Lastly, she cites complications in the post-closing period noting “at one point there were discussions of the parish owing in excess of \$20 million,” an amount she stated Nemzoff helped reduce to an estimated \$2.9 million.

The JPOIG acknowledges that Councilwoman Lee-Sheng pledged in her response to continue cooperation with this office. The JPOIG looks forward to assisting in further improvement of professional services contract management. Councilwoman Lee-Sheng’s response is attached in full.

In closing, the JPOIG remains concerned that the management of this contract represents an ends-justifies-means approach to professional services. The failure to tie payments to deliverables has caused the Parish to deliver all payments under the contract without receiving required deliverables.

Respectfully,

David N. McClintock

David McClintock
Inspector General

cc:
Parish President Michael S. Yenni
Keith A. Conley, Chief Operating Officer
Chairwoman Cynthia Lee-Sheng, At-Large “B”

¹ Ms. Lee-Sheng was council chair at time of delivery; that title turned over to Mr. Roberts on 01/01/2017.

² Councilman Zahn was elected as Mayor of Kenner and resigned during the comment period.

Councilman Chris Roberts, At-Large "A"
Councilman Ricky J. Templet
Councilman Paul D. Johnston
Councilman Mark D. Spears, Jr.
Councilwoman Jennifer Van Vrancken
Michael J. Power, Parish Attorney
Alan Gandolfi, Director of Research and Budget
Timothy Palmatier, Finance Director



OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH

DAVID N. McCLINTOCK
INSPECTOR GENERAL



EXECUTIVE SUMMARY

The Jefferson Parish Office of Inspector General (“JPOIG”) issues the following investigative report related to the Parish Council’s current engagement of Nemzoff & Company, LLC (“Nemzoff”) for professional services. The Parish has paid Nemzoff an approximate total of \$1.5 Million over a 34-month period under three separate engagements.

On 03/16/2016, the Parish Council authorized the re-engagement of Nemzoff to provide post-closing services following the transaction with LCMC Health (“LCMC”) to lease West Jefferson Medical Center. Two documents totaling approximately 600 pages with attachments set out the lease parties’ respective obligations. These documents are (1) a Cooperative Endeavor Agreement (“CEA”) and (2) a Master Hospital Lease Agreement (“Lease”).

The present report presents a factual analysis of the current Nemzoff contract. Further, the report offers findings and recommendations within the context of prior JPOIG reports on professional-services contracts, including comments from Parish officials on those reports.

The JPOIG has previously recommended that the Parish:

- Identify professionals possessing requisite expertise, certifications and licensure with whom the Parish may engage to ensure performance of obligations and representation;
- Develop scope of work with measurable outcomes for each contract that includes tasks that align with objectives;
- Develop a budget and establish adequate internal controls to prevent waste;
- Use best practices for retaining, directing and compensating for professional services.

JPOIG analysis of the current contract performance and administration revealed the following concerns:

- Vague contract language doesn’t clearly establish what Nemzoff must do
- Nemzoff failed to deliver required work products
- Nemzoff received automatic monthly payments, regardless of performance
- Nemzoff overstepped his authority, compromising Parish procurement
- The engagement has suffered from ineffective management

The JPOIG has made 4 findings and associated recommendations based upon the above concerns, which are elaborated more fully within the report.

FINDING #1: THE PARISH RENDERED PAYMENT TO NEMZOFF WITHOUT RECEIVING DEFINED SCOPE OF SERVICES AND DELIVERABLES

The defined scope of services included:

- comprehensive strategic analysis of Lease documents;
- written direction and advice to HSD1 regarding compliance with Lease documents;
- recommended protocols, policies, procedures incorporating industry standards;
- recommendations regarding the governance and management of HSD1;
- assessment of available options and recommendations for a permanent governance;
- proposed and necessary recommended resources to complete all post-closing administrative and financial matters

The Parish has paid Nemzoff \$300,000 to date even though it did not receive the above deliverables. Best practices would marry compensation with satisfactory receipt of deliverables required under the contract. Payment to Nemzoff is subject to the Managers' review and approval under the contract terms, but the contract is silent as to whether they are to receive Nemzoff's work product or what constitutes approval. There is no evidence that the Managers collectively or in any coordinated fashion assessed Nemzoff's work for contract compliance.

Recommendation: The Parish should ensure all contract payments are tied to delivery of the services as set forth in the contract. Contracts should clearly state that payments are contingent on receipt of deliverables in a form and manner consistent with industry professionals.

FINDING #2: PARISH FAILED TO ADEQUATELY DEFINE DELIVERABLES REQUIRED OF VENDOR

The Nemzoff contract is approximately 11 pages and sets forth, with reasonable specificity, the scope of services and anticipated deliverables. These deliverables included:

- "comprehensive review,"
- "strategic analysis,"
- "recommended protocols," and
- "monthly written reports on all Work underlying this Agreement."

Nothing precluded the Parish from clarifying the composition and delivery form for the expected work product. Further, nothing precluded withholding of payment until Nemzoff provided the work product in a form and manner consistent with industry professionals. Having engaged Mr. Nemzoff to provide these services, the Parish is now left without a meaningful written document to support future management and oversight of the 45-plus-year lease.

Recommendation: The JPOIG recommends that:

1. "Managers" document their purposeful review and assessment of all deliverables to ensure contract compliance;
2. "Managers" possess the authority to withhold payment or take other action to ensure satisfactory receipt of services prior to payment;
3. Contracts adequately set forth the composition or delivery form

FINDING #3: VENDOR ACTIONS OR PARISH INACTION THAT UNDERMINE JPOIG OVERSIGHT

JPCO §2-155.10(19) provides that it “shall be the duty of every parish officer, employee, department, agency, special district, board, and commission; and the duty of every contractor, subcontractor, and licensee of the parish... to cooperate with the inspector general in any investigation, audit, inspection, performance review...”

During this engagement, Nemzoff refused at times to comply with JPOIG requests without intervention and/or direction by one or more Parish officials. Further, the vendor specifically urged the Parish Council to deny the JPOIG’s access to information. This conduct represents a breach of the Section 17 of Nemzoff’s contract and a violation of JPCO §2-155.10.

Retaining a vendor who violates parish ordinance regarding JPOIG oversight and urges the Parish Council to do the same is an unacceptable offense to the public’s trust.

Recommendation: The JPOIG recommends that the Parish consider purposeful efforts by vendors to avoid or obfuscate oversight by the Office of Inspector General or other entities with defined oversight roles as cause for contract termination.

FINDING #4. USE OF THE INTERNAL AUDITOR TO REVIEW INVOICES FOR PAYMENT

The JPOIG found that the Parish called upon the Internal Auditor to review invoices, an action that (1) is not a function of audit; and (2) one for which he was wholly unqualified to take since he was not involved in the post-closing of WJMC transaction advice, the project for which professional services were retained.

Internal Audit’s duties are defined by JPCO §2-162, Department of Internal Audit and do not include “approval” of vendor invoices. The Department of Internal Audit is responsible for “audit activities” and performing “financial and operational audits.” The Institute of Internal Audit defines “internal audit” as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Approving invoices is not a duty or responsibility of the Department of Internal Audit. Approving invoices is not consistent with the obligations of internal auditor under standards published by the Institute of Internal Auditors.

Recommendation: The JPOIG recommends that the Parish cease using the Internal Auditor for purposes of authorizing invoice for payments. Further, the Parish should ensure the Internal Audit function operates in a manner consistent with the principals of the Institute of Internal Audit.



OFFICE OF INSPECTOR GENERAL
JEFFERSON PARISH

DAVID N. McCLINTOCK
INSPECTOR GENERAL



Date of Report: 02/15/2017	INVESTIGATION PUBLIC RELEASE	Case 2016-0041
Timeframe: 4/2016-11/2016	Case Agent: SA Ben Myers	Status: Final
<u>Subject of Investigation</u>		
<ul style="list-style-type: none"> • Third contractual engagement with consultant Nemzoff & Company LLC 		

I. INTRODUCTION

This is an investigative report related to the Parish Council’s current engagement of Nemzoff & Company, LLC (“Nemzoff”) for professional services. This is Nemzoff’s third engagement with the Parish, bringing the total costs incurred for Nemzoff’s services over a 34-month period to approximately \$1.5 Million. The Parish Council is scheduled to consider an extension of Nemzoff’s current engagement for an additional \$150,000, or \$25,000 per month for six months.¹

Pursuant to JPCO §2-155.10(11) (a), the Jefferson Parish Office of Inspector General (“JPOIG”) initiated a contract compliance review of Nemzoff’s engagement in light of recommendations made by the JPOIG regarding procurement, oversight, management and compensation for professional services set out in the JPOIG’s 3rd Supplemental Hospital Monitoring Memorandum.²

A. Parish contracts with Nemzoff & Company LLC

Nemzoff & Company LLC (“Nemzoff”) is presently engaged to provide professional services post-closing of the Parish’s transaction with Louisiana Children’s Medical Center (“LCMC”) for West Jefferson Medical Center (“WJMC”). For the reader’s reference, the scope of services and costs associated with Nemzoff’s engagements by the Parish are summarized below:

¹ Jefferson Parish Council Meeting Agenda, 12/7/2016, Item 212.

² On or about 08/23/2013, the JPOIG began monitoring the Council’s efforts to secure a lessee for the hospitals. The decision to do so stemmed from the complexity of the transaction and its long-term impacts on healthcare for Jefferson Parish. The JPOIG has since issued four Monitoring Memorandum, each of which contained separate findings and specific recommendations. These can be accessed via the following links or generally by visiting the JPOIG’s webpage at www.JPOIG.net:

- [JPOIG Memorandum published on 11/22/2013](#)
- [JPOIG 1st Supplemental Memorandum published on 05/21/2014](#)
- [JPOIG 2nd Supplemental Memorandum published on 07/14/2014](#)
- [JPOIG 3rd Supplemental Memorandum published on 7/6/2016](#)

1. The Parish Council engaged Nemzoff in February of 2014 at a cost of \$125,000 to analyze offers for the lease of the Parish's hospitals.
2. The Parish Council engaged Nemzoff a second time in June of 2014 at a cost of \$1,083,693.98 to provide health care financial advisory and other related services pertaining to the Parish's negotiations with LCMC Health ("LCMC") for West Jefferson Medical Center ("WJMC").³
3. Finally, the Parish Council engaged Nemzoff in April of 2016 to provide post-closing professional services following the consummated lease transaction with LCMC for WJMC at a cost not to exceed \$350,000.

This report focuses on the deliverables and management of the third engagement.

B. JPOIG Hospital Monitoring

The JPOIG has published four (4) reports in the course of its ongoing monitoring of the Parish Council's actions to secure lease partner(s) for the Parish's two public hospitals, WJMC and East Jefferson General Hospital (EJGH). Most recently, the JPOIG published its 3rd Supplemental Hospital Monitoring Memorandum, which focused on and identified deficiencies in oversight and management of consultants -- including Nemzoff -- engaged to negotiate the transaction with LCMC. Based upon a comprehensive review and analysis of those processes, the JPOIG made the following recommendations for future oversight and management:

1. identify and categorize mutual obligations, the Parish's obligations to LCMC and LCMC's obligation to the Parish, as set forth in the lease and CEA;
2. identify residual issues from the WJMC transaction, including satisfaction of outstanding liabilities;
3. identify professionals possessing requisite expertise, certifications and licensure with whom the Parish may engage to ensure performance of obligations, resolution of residual issues and representation;
4. develop scopes of work with measurable outcomes for each professional contracted which includes tasks that align with objectives;
5. develop and adopt a budget detailing anticipated cost of management and oversight related to the WJMC transaction and establish adequate internal controls to guard against waste or inefficiencies; and

³ Under Resolution No. 122709 (04/09/2014), the Parish Council authorized the WJMC board to negotiate a lease of its assets and property with Louisiana Children's medical Center ("LCMC"). The Parish Council delegated responsibility for negotiating the transaction to a "Primary Negotiating" team under Resolution No. 128283 (04/30/2014), as amended. The law firm of Hogan Lovells, whose engagement was authorized under Resolution No. 122824 (04/30/2014), was assigned to the Primary Negotiation Team as counsel under the charge to "negotiate all of the necessary agreements" with LCMC and to submit agreements "to the Council in complete form... for ratification." See Resolution No. 122709. Under Resolution No. 122965 (06/11/2014), Nemzoff & Company, LLC ("Nemzoff") was engaged to provide "health care financial advisory services, and other related services, to the Council." Nemzoff was a delegated representative on the Primary Negotiation team in the role of "Health care financial advisor..." See Resolution 122967 (06/11/2014). Nemzoff contract, which originally called for a flat fee of \$650,000, was amended to provide for an hourly rate via Resolution No. 123044 (06/18/2014) which resulted in invoices totally \$1,083,693.98.

6. use best practices for professional services contracts that include, but are not limited to, establishing a clear procedure regarding who the retained professionals take direction from; who, how and when reports or deliverables are due; the specific invoicing elements required; an invoice approval and payment process; fee structures for any travel and other expenses; and termination provisions that support the Parish’s interest.

Council Chairwoman Cynthia Lee-Sheng provided the only response to the JPOIG’s recommendations. In her response, the Councilwoman made the following statement on the re-engagement of Nemzoff & Company:

the Council entered into a new agreement with Nemzoff & Company, LLC. In an effort to address concerns raised by your office in the Report the Council took the following measures:

- (i) Included a defined scope of services in the new agreement;
- (ii) Included defined deliverables by which performance under the agreement is to be measured...
- (iii) Alleviated the billing issues associated with the previous agreement by negotiating a lump-sum contract with a defined contract cap;
- (iv) Addressed the issue of travel expenses by negotiating an agreed upon per-diem...;
- (v) Required supervision of Mr. Nemzoff’s services by a panel...

II. SCOPE

This report presents an analysis of the current Nemzoff professional services contract. The report further assesses the parish’s contract administration efforts against prior JPOIG recommendations and responses to previous JPOIG reports on similar issues.

III. BACKGROUND

Acronyms

JPOIG	Jefferson Parish Office of Inspector General	CEA	Cooperative Endeavor Agreement
Nemzoff	Nemzoff & Company, LLC (“Nemzoff”)	WJH	West Jefferson Holdings
LCMC	Louisiana Children’s Medical Center		
HSD1	Hospital Service District in which the WJMC is located. Westbank	WJMC	West Jefferson Medical Center
HSD2	Hospital Service District in which the EJGH is located. Eastbank	EJGH	East Jefferson General Hospital

A. Overview of Transaction with LCMC for WJMC

Jefferson Parish owns two public hospitals, WJMC and EJGH. Each are situated in hospital service districts, Hospital Service District No. 1 (“HSD1”) and Hospital Service District No. 2 (“HSD2”), respectively.⁴ The Parish has acted over the past several years to facilitate privatization of the

⁴ JPCO §17-18 provides the “parish council acting as governing authority of Jefferson Parish Hospital and Health Services District, Jefferson Parish Hospital Service District No. 1, and Jefferson Parish Hospital Service District No. 2 shall conduct respective hospital service districts business at an appropriate time during the parish council meeting as indicated on the meeting agenda.” See also Atty. Gen. Op. 13-0189.

hospitals. The JPOIG began monitoring these actions as of 08/23/2013 and subsequently the JPOIG issued reports on the efficacy and efficiency of these actions, including the negotiations with LCMC for control of WJMC.⁵

The Parish Council on 04/09/2014 authorized negotiations with LCMC for WJMC, and approved a finalized lease transaction on 02/23/2015.⁶ The terms called for transfer of WJMC assets to a newly formed company, West Jefferson Holdings, LLC (“WJH”), whose sole member is LCMC. WJH assumed control of the hospital, all affiliated health care services and other related assets upon closing of the transaction. The process also included the assumption of certain WJMC liabilities.

The transaction details and respective obligations are set forth in two separate documents:

1. a Cooperative Endeavor Agreement (“CEA”) and
2. a Master Hospital Lease Agreement (“Lease”). The transaction closed on 09/30/2016 and WJH assumed control of WJMC the next day.

These documents, primarily but not exclusively, are generally referred to as the “Lease documents.”

1. Cooperative Endeavor Agreement

The CEA details all important terms and conditions related to the WJMC transaction. While the terms and conditions for the lease of the physical facilities is addressed in the Master Hospital Lease agreement, the lease of the properties is one of several critical terms addressed in the CEA. Other important terms and conditions detailed in the CEA and attachments, which total 515 pages, include the following by way of example:

- WJH structure and Organization
The parties agree that the WJMC board of directors will transfer and be seated on the WJH governing board, along with certain officers and LCMC representatives.
- Master Hospital Lease
The parties agree to enter into a Lease under which WJH will have the right to occupy WJMC property for health care operations as well as assume control of hospital operations for a term of 45 years.
- \$225 Million Up Front Payment
The Parish will receive \$225 million when the transaction closes. This amount includes \$200 million in pre-paid rent for the lease term, which is 45 years.
- Closing and Adjustments
The Parish agrees to satisfy outstanding bonds and each party agrees to make certain adjustments at closing.
- Capital Commitments
WJH agrees to spend \$340 million or more for capital improvements and program expansion in the first 15 years. Within 90 days of the anniversary of closing date, WJH will

⁵ [JPOIG 3rd Supplemental Memorandum published on 07/6/2016](#)

⁶ Resolutions 1122709 (04/09/2014) and 124412 (02/23/2015).

provide Capital Commitment Reports evidencing compliance.

- Representations and Warranties
Both parties make certain commitments regarding representations and warranties.
- Interim Covenants Prior to Closing
Both parties agree to notify the other of certain communications prior to closing the transaction.
- Financial Responsibility
Both parties make certain commitments regarding their respective financial responsibility.

2. Master Hospital Lease.

Under the terms of the lease, LCMC, through WJH, will have the right to occupy WJMC facilities for 45 years with two consecutive options to renew for an additional 15 years each. Assuming compliance with attendant terms and conditions, LCMC, through WJH, will have the right to occupy WJMC for as long as 75 years. The terms and conditions of the lease are set out in an 89-page agreement. They include:

- Rent
The WJH agrees to pay in advance total rental payment of \$200 Million for occupancy under the initial 45 year term of the lease.
- Use
The WJH agrees the property will be used solely for hospital, medical business offices, medical staff offices, medical clinics and related facilities.
- Subletting and Assignment
WJH agrees not to assign, transfer, sell, encumber or sub-let acquired assets of WJMC without prior written consent of the Parish.
- Improvements and Alterations by WJH
WJH is permitted to make alterations and improvements to leased premises.
- Operations, Maintenance, Repair, Security and Other Services
WJH agrees to be responsible for procuring and maintaining all services and equipment necessary or required to adequately operate the leased premises.
- Utilities
WJH agrees to pay for furnishing of utilities.
- Insurance
WJH agrees to secure and maintain certain insurance coverages, including by way of example a comprehensive public liability insurance policy.
- Casualty
Provides for relative rights and obligations in the event of any damage or destruction of leased premises.
- Hazardous Materials
WJH agrees to assure compliance with environmental laws.

3. Negation of Transaction

The negotiated agreements are the work of a team of individuals. Initially, the Parish Council authorized the hospital board to negotiate the transaction, and the board retained the law firm of Hogan Lovells to negotiate on its behalf. The Parish Council then reversed its authorization, assumed responsibility for negotiating the transaction and formed a negotiating team that included Hogan Lovells attorneys as well as Nemzoff. The Parish paid a total of \$3,945,163.56 to these primary consultants between 04/2014 & 09/2015.⁷

<u>Consultant Activity Through Completion</u>				
	Hours Reported	Number of Invoices	Invoiced Amount	Net Payments
Hogan Lovells	<u>5,298.40</u>	<u>19</u>	<u>\$ 2,862,691.81</u>	<u>\$ 2,861,469.58</u>
Nemzoff	<u>1,646.00</u>	<u>24</u>	<u>\$ 1,086,464.55</u>	<u>\$ 1,083,693.98</u>
Total	<u>6,944.40</u>	<u>43</u>	<u>\$ 3,949,156.36</u>	<u>\$ 3,945,163.56</u>

B. Nemzoff & Company Engagement Post Closing Transaction

The Parish Council on 03/16/2016 authorized the re-engagement of Nemzoff to provide post-closing transaction services, and a contract with Nemzoff was executed on 04/22/2016. *See Attachment A.* Evaluating contract compliance requires understanding of the scope of services, schedule of compensation and prescribed oversight.

Scope of Services

Under the terms of Nemzoff’s third engagement with the Parish, the following services were to be performed:

Initial Work

The Initial Work required under the contract calls for Nemzoff to perform a comprehensive review and strategic analysis of the “Lease Documents,” including audited financials completed subsequent to the transaction closing, or 10/1/2015. The Initial Work also calls for Nemzoff to provide written direction and advice regarding compliance.⁸

Phase I Work, Post Closing Contractual Issues

Phase I Work provides that Nemzoff will complete a comprehensive review and strategic analysis of the Lease Documents and Phase I Work within the first 120 days of the contract. Phase I Work requires Nemzoff to provide ongoing documentation regarding Lease obligations, recommended protocols and policies, and recommendations regarding implementation.⁹

Phase II Work , Advisory & Monitoring Services

⁷ The Parish Council engaged other professionals to provide expert advice through existing Parish Contracts as a new engagement. While these additional professionals provided counsel at an additional cost, they were not assigned a position on the Negotiation Team.

⁸ Nemzoff Contract, 04/22/2016, Section 3.1.

⁹ Nemzoff Contract, 04/22/2016, Section 3.2.

Phase II Work is only to begin upon “completion of the Phase I Work.” Phase II Work requires Nemzoff to provide on-going advisory and monitoring services regarding LCMC obligations on a month-to-month basis. Work includes monitoring of LCMC compliance with lease terms.¹⁰

The above scope of services covers three bodies of work and correlating schedules:

Title	Schedule	Deadline
Initial Work	No due date or time frame	N/A
Phase I Work	Due within 120 days	8/20/2016
Phase II Work	To last no longer than six months	1/17/2016

Terms of Compensation – Capped at \$350,000

Nemzoff has been paid \$300,000 under the contract as of 11/18/2016, excluding per-diems. This amount includes all payments due for Initial Work and Phase I Work as well as some payments for Phase II Work.¹¹

For the Initial Work and Phase I Work, which was to be completed within 120 days, the contract provides for monthly compensation in the amount of \$50,000 beginning on April 18, 2016. Nemzoff has received four payments of \$50,000 which represents all payments due under the contract for Initial Work and Phase I Work.

For Phase II Work, the contract provides for monthly payments in the amount of \$25,000 for a period not to exceed six months. Nemzoff has received four payments of \$25,000 for Phase II Work.

Oversight and Management of Engagement.

Under the contract, all “work underlying this Agreement shall be performed in cooperation” with a four-person committee of certain parish officials who are collectively called the “Managers.” Additionally, all “requests plans, reports, requests for travel reimbursements, etc. shall be processed through” the Managers.¹² The Managers are identified as the:

- Chief Operating Officer,
- Finance Director,
- Director of the Parish Council Research and Budget Office and the
- Parish Attorney (or representative of the Parish Attorney’s Office).

While the contract does not specifically require that Nemzoff submit work performed under the contract to the Managers, the contract provides that compensation shall be paid upon “review and reasonable approval of the Managers” for specific services required under the contract. The JPOIG is unaware of any coordinated or collective action by the Managers to direct, approve, reject or evaluate Nemzoff’s work to ensure timeliness and relevant to the contract scope.¹³

¹⁰ Nemzoff Contract, 04/22/2016, Section 3.3.

¹¹ Nemzoff Contract, 04/22/2016, Section 5.2

¹² Nemzoff Contract, 04/22/2016, Section 2.

¹³ Nemzoff Contract, 04/22/2016, Section 5.2.

IV. DATA ANALYSIS

The following analysis considers the existence, quality and utility of deliverables received from Nemzoff. Specifically, the analysis includes:

- An assessment of Nemzoff’s actions, advice and representations and whether such actions, advice or representations complied with contract requirements.
- A determination of whether the actions strayed from Nemzoff’s scope of authority.
- The validity of payments made to Nemzoff, and whether the Parish compensated Nemzoff for services rendered in a manner compliant with the contract.

A. Contract Compliance with Defined Scope of Services

The professional services required under the contract are divided into three sections: (1) Initial Work; (2) Phase I Work; and (3) Phase II Work. Each section identifies deliverables, such as written recommendations, or work activities, such as advice and monitoring. However, the contract does not define certain contract terms that describe required deliverables, such as “comprehensive review” or “strategic analysis.” In the absence of such definitions, the JPOIG assesses compliance against reasonable expectations for professional services of a complex nature commensurate with Nemzoff’s compensation.

1. Initial Work

The Initial Work provision requires Nemzoff to provide the Parish Council with the following deliverable:

a comprehensive review and strategic analysis of the Lease Documents, associated audited financial statements completed subsequent to the October 1, 2015 closing date, and ancillary journal entries prepared by the District, and shall provide a written direction and advice to JPHSD1 to insure timely compliance and maximization of JPHSD1’s rights regarding the calculation of Working Capital, (hereinafter, the “Initial Work”), as contemplated and defined in **Section 4.4(c) of the February 26, 2015 Cooperative Endeavor Agreement** comprising part of the Lease Documents; (emphasis supplied)¹⁴

Comprehensive review and strategic analysis: The Lease documents, including the Cooperative Endeavor Agreement, represent more than 600 pages of terms, conditions and attachments. To date, Nemzoff has not provided the Parish with any written document identified as a “comprehensive review and strategic analysis of the Lease Documents.” “Comprehensive” is reasonably understood to mean complete, including all or nearly all elements or aspects of something. Nemzoff did not prepare a “comprehensive” review of all or nearly all of the obligations and deadlines set forth in the Lease documents.

A “strategic analysis” is reasonably understood to be a process of researching and developing strategy for a business and its operational environment.¹⁵ At a minimum, a “strategic analysis” of Lease documents should be a written document that identifies goals, objectives and a plan of

¹⁴ Nemzoff Contract, 04/22/2016, section 3.1.

¹⁵ <http://www.businessdictionary.com/definition/SWOT-analysis.html>

implementation. The product should serve as a road map for the Parish to conduct oversight and ensure compliance for the 45-year lease term. Nemzoff has not provided any such work product.

Written advice to ensure timely compliance with Section 4.4: Section 4.4 of the Cooperative Endeavor Agreement is captioned as “Closing and Post-Closing Adjustments.” In three pages, it details the respective obligations regarding (1) Closing Balance Sheet and Estimated Adjustment Schedules; (2) Estimated Adjustment; (3) Closing Balance Sheet and Preliminary Schedules; (4) Objection to Closing Balance Sheet and Preliminary Schedules; (5) Response to Balance Sheet Objection. Each of these obligations has an associated deadline.

The contract requires Nemzoff to provide written direction to ensure compliance with Section 4.4. Despite commenting on these topics in monthly emails and suggesting the retention of other experts, Nemzoff did not provide written direction to the Parish for compliance with Section 4.4 at a level commensurate with a governmental professional services contract.

Instead of receiving a comprehensive review of Lease documents and a written compliance plan, the Parish received monthly emails from Nemzoff. The monthly emails may satisfy a separate contract provision, “Reporting,” but the “comprehensive review” and “written direction” are separately defined deliverables. Further, the emails received do not reflect Nemzoff’s original work as the contract anticipates. Rather, Nemzoff is either relaying information to the Parish Council provided to him by others, such as LCMC, or Nemzoff is suggesting that the Parish Council engage a professional to perform the work covered by Nemzoff’s contract. *See Attachment B.* The below Nemzoff communications are an example:

05/05/2016

Nemzoff wrote, “There are now a total of \$4.7MM of audit adjustments that are in our favor. All of them were identified by LCMC and brought to our attention.” Nemzoff also wrote, “The Hospital is not doing well for the first six months. I will not bore you with the details, but it is very bad... Tim and I will be meeting with them (LCMC) to go over details. We are also trying to retain the services of the attorney that EJH uses for this stuff, who is apparently a national expert in the field...”

05/17/2016

Nemzoff writes regarding the Parish Council engaging services for Net Working Capital, “The SOQ for the Net Working Capital firm is also out and we are all working closely with LCMC to jointly pick a firm. On that note, as previously mentioned, LCMC has identified \$4.7MM of audit adjustments, all of which are in our favor. So the information I gave you before when I said we owe them about \$12.8MM ... Accounts Payable has now changed.”

2. Phase I Work, Post Closing Contractual Issues

Nemzoff was obliged under Phase I Work to provide the following deliverables within 120 days of contract execution:

recommended, protocols, policies, procedures incorporating industry standards and best practices applicable to government entities, including but not limited to GASB (Government Accounting Standard Board), and shall include advice and recommendations regarding the timely implementation of all relevant terms and

conditions related to the initial Hopspital Lease Term as defined in the Lease Documents. The Phase I Work shall also detail the Firm’s advice regarding governance and management of JPHSD1 as it relates to the Lease Documents, and shall also outline additional staffing needs and professional services required to insure substantial compliance with the standards and obligations contained in the lease Documents and the CEA.¹⁶

In addition to recommended protocols, policies and procedures, Nemzoff also was to provide advice regarding available options and recommendations for permanent governance structure for JPHSD1. Further, he was to provide advice in the following non-exclusive areas:

1. Net working capital
2. Unfunded reserve accruals for pending and undiscovered malpractice
3. Unfunded reserve accruals for employee pension
4. Certification of Medicare/Medicaid cost reports
5. Release and use of escrow funds
6. Billings and associated payments for transition patients
7. Dispute resolution contemplated in lease
8. LCMC capital expenditures
9. Charity care
10. Community benefit payments
11. Performance guaranty payments
12. Other “financial and administrative services required” by lease
13. On-going documentation

The deadline for completing Phase I Work was 08/20/2016. On 08/19/2016, the JPOIG formally requested from Nemzoff copies of his (1) written direction and advice to JPHSD regarding compliance; (2) recommended protocols, policies, procedures incorporating industry standards; (3) recommendations regarding the governance and management of JPHSD1; (4) assessment of available options and recommendations for a permanent governance; (5) proposed and necessary recommended resources to complete all post-closing administrative and financial matters. *See Attachment C.*¹⁷

Nemzoff replied to JPOIG’s request, without complying, as follows: “I am represented by counsel. His name is Ernest Badway.” On 08/29/2016, Ernest Badway provided documents to the JPOIG, and wrote “Nemzoff & Co., LLC (“Nemzoff”) has received permission to provide your office with documents its possession to satisfy your request of August 19, 2016 (“request”). I am attaching those documents.”¹⁸ The response contained copies of Nemzoff’s monthly emails to the Parish Council, including those previously cited and an additional email dated 08/22/2016, or two days after the JPOIG request. The emails total approximately 19 pages. The response also included

¹⁶ Nemzoff Contract, 04/22/2016, Section 3.2.

¹⁷ Nemzoff Contract, 04/22/2016, Section 17 requires Nemzoff to cooperate with the Inspector General and to comply JPCO §2-155.10, *Inspector General*.

¹⁸ Email of 08/29/2016, 10:35 AM from Ernest Badway to David McClintock.

approximately 100 pages of internet research on various foundations, such as Colorado Trust. *See Attachment D.*

The JPOIG’s request encompassed all work product required under Initial Work and Phase I Work. The JPOIG accepted the response as the totality of Nemzoff’s work product pursuant to the request. The response showed no evidence of the defined deliverables required under the contract and for which Nemzoff was compensated.¹⁹

Contained in the response was an email Nemzoff wrote to the Parish Council dated two days after the JPOIG request. The email directs the Parish Council to websites of nonprofit foundations. Nemzoff wrote, “The websites for Foundations are also highlighted. These websites are a wealth of information as to how each Foundation functions, how they give out money and what their criteria are for applicants.” He concluded that “we do not think you should make any changes in the current structure. The current structure as you know, is that you are all in charge of this District and for the next six months, I will continue to assist you in dealing with issues that come up, along with the Administration and the Parish Attorney’s office. Given the other issues that are on the table, we see no immediate need to spend any on staff.” Nemzoff’s advice does not satisfy a deliverable required by the contract, and the substance of the advice is incongruent with the parties’ obligations under the Lease documents.

Based upon Nemzoff’s response, the Parish Council did not receive the following defined deliverables:

- written direction and advice to JPHSD regarding compliance;
- recommended protocols, policies, procedures incorporating industry standards;
- recommendations regarding the governance and management of JPHSD1;
- assessment of available options and recommendations for a permanent governance;
- proposed and necessary recommended resources to complete all post-closing administrative and financial matters.

The Parish Council paid Nemzoff \$200,000 between April and August of 2016, which represents \$50,000 per month. For this, the Parish received approximately 19 pages of email correspondence and 100 pages of internet research.

3. Phase II Work, Post Closing Contractual Issues

Nemzoff was not to begin Phase II Work until completion of Phase I Work. After completing Phase I Work, Nemzoff was to provide on-going advisory and monitoring services regarding the parties’ obligations and covenants within the Lease documents beginning in August and ending in January. Phase II Work included but was not limited to providing advice in eight specific areas:

1. Implementation of Phase I	5. Retired WJMC Pension Fund
2. Capital Expenditures	6. Coordination of health needs

¹⁹ Open source, New Orleans Advocate:

http://www.theadvocate.com/search/?l=25&sd=desc&s=start_time&f=html&t=article%2Cvideo%2Cyoutube%2Ccollection&app=editorial&q

3. Charity care required by lease	7. Coordination of other service Commitments
4. Community Benefit funds and Performance Guaranty	8. Coordination of any and all other financial, performance and operational requirements

As stated above, Nemzoff failed to complete Phase I Work. He therefore should not have begun delivering services covered by Phase II Work. Nevertheless, Nemzoff has been paid for Phase II Work.

4. Reporting Requirements

In addition to the Initial Work, Phase I Work and Phase II Work, Nemzoff was to provide monthly reports:

Firm shall provide JPHSD1 monthly written reports on all Work underlying this Agreement, including but not limited to the Initial Work, Phase I Work and Phase II Work. Said monthly written reports shall be organized and detailed, in a form reasonably acceptable to JPHSDI and shall be due on or before the 3rd day following the close of each calendar month of the Term.²⁰

The JPOIG observed 10 Nemzoff emails that he represented as monthly status reports. The table below lists the email subject lines verbatim (typos included in first entry) in chronological order.

Subject line	Date
Monthly status report for the month ended ended March 31, 2015	05/31/2016
Status Report. Some good news for a change ²¹	05/05/2016
Monthly Status Report #2	05/17/2016
Status Report 3	06/16/2016
Status report 4	07/17/2016
Status Report 5	08/18/2016
Foundations	08/22/2016
Status report Six	09/18/2016
Status Report 7	10/15/2016
Status Report 8 --- Relax Its a short one	11/16/2016

The monthly reports are due on the 3rd calendar day of each month. The subject line in the first email clearly indicates that it is intended as the monthly status report for the month that ended 3/31/16, which is the date of the email. The opening sentence reiterates the email is to “serve as our monthly report.” The opening sentences in four additional emails also clearly indicate they are intended as the monthly reports. But, unlike the first email, the subsequent emails do not state in the subject lines or opening sentences the specific monthly report they are intended to represent.

²⁰ Nemzoff Contract, 04/22/2016, Section 3.5.

²¹ This “second email” is titled “status report” in the subject line, but, unlike others containing that phrase in the subject line it does not clearly indicate in the opening sentence that it is intended as the required monthly report. Instead, the author refers to it as a “brief update,” and accordingly the email as a whole is more abbreviated than other emails. If it is intended to serve as the required monthly report, the third email may serve as the status report due 06/03/2016, more than two weeks in advance of the due date. If the second email is merely an additional update, then the third email, serving as the report for the month ending 04/30/2016 is two weeks late. Because the intent of the second email is unclear, the timeliness of the third email is remains unclear.

Nemzoff sent each of the monthly emails to every Parish Council member²², as well as other recipients. The recipient list changed with each dispatch. The emails describe a variety of Nemzoff’s activities that relate to contract topics. However, the emails show little evidence of Nemzoff’s original work as the Parish’s healthcare advisor.

Nemzoff delivered his first original work product on 11/16/2016, two months prior to contract expiration and two weeks before the Parish Council published notice of its intent to consider an extension. Attached to his email on that date was a five-page document titled “Transaction Monitoring Checklist” and sub-labeled “Sample Report.” It contains a list of 16 components of the lease and CEA in need of compliance monitoring, as shown below.

Cooperative Endeavor Agreement				
Transaction Description	Summary Description	Current Status	Due Date	Completion Date
Performance Consideration <i>Section 3.3 (d)</i>	WJH is required to pay the District \$6,667,000 in each of the first three years if the EBDIT margin of the hospital hits 7.5%	A report is due from LCMC by the end of November as to how the hospital performed. It is clear that for the first year they were not at 7.5%	November 30, 2016, 2017 and 2018	Not completed
Net Working Capital <i>Section 4.4</i>	Reconciliation of NWC based on the September 30, 2015 balance sheet	E&Y is being engaged to assist in this effort.	This work was due in March of 2016 but was not completed	Estimated completion date will be March 31, 2017
Transition Patients Payments <i>Section 3.10</i>	WJH is required to pay us for our share of the services rendered to patients prior to closing for patients who were in the hospital as of the closing	E&Y has also been engaged to work on this	The work was due in March of 2016 but was not completed	Estimated completion date will be March 31, 2017
Transaction Description	Summary Description	Current Status	Due Date	Completion Date
Community Benefit Payments <i>Section 10.7</i>	WJH is required to pay the District an additional \$1,250,000 as part of this requirement	They are up to date on their payments	\$750,000 is due on January 31, 2017. \$500,000 is due on January 31, 2018	January 31, 2018
Community Services Collaborative <i>Section 10.11 (h)</i>	The District and WJH are required to utilize this partnership to conduct joint planning	There was an initial meeting of the CSC a few months ago. Another one is being scheduled	Ongoing	Ongoing
LEASE				
Operations <i>Section 7.1</i>	WJH is required to maintain all licenses, permits and accreditations necessary to operate the hospital	Annual Status and Compliance Report should be requested	Ongoing	Ongoing

The checklist does not meet any “comprehensive” standard as set forth in the contract provisions, as Nemzoff acknowledged in the email: “This is not a list of all of the things we need to watch. It is a list of the most important ones,” he wrote. Notably, Nemzoff reiterated the checklist is “a sample report.”

²² Councilman Ben Zahn’s personal email was included in the first status report.

B. Representative on the Community Services Collaborative

1. Scope of Work, General Conditions

In addition to work required under Initial Work, Phase I Work and Phase II Work, Nemzoff was designated to be the Parish's representative on the "Community Services Collaborative" pursuant to Section 3.4 of his contract:

(a) represent JPHSD1 in all communications with Lessee, West Jefferson Holdings, LLC, Louisiana Children's Medical Center, and Children's Hospital of New Orleans; (b) acts as JPHSD1's representative on the Community Service Collaborative as defined in the Lease Documents; and coordinate with legal counsel . . .(d) coordinate with other Parish resources as needed; (e) coordinate with the Jefferson Parish Administration as required; (f) coordinate with the Jefferson Parish Council as governing authority for Jefferson Parish Hospital Service District No. 1 Notwithstanding the firm acknowledges that it may not legally obligate or otherwise bind HPHSD1, except by express authorization by adopted Council Resolution.

Phase II Work includes Nemzoff providing "advice regarding coordination of the health needs of JPHSD1 and identifying additional needs and defining the steps to satisfy and achieve the same." This provision designates Nemzoff as HSD1's "Interim Representative" on the CSC.

While the Parish no longer serves as a health-care provider on the Westbank, the Parish may still wish to identify unmet needs in that area – particularly those that WJH chooses not to provide. The agreed-upon process for the Parish, via HSD1, to expend transaction proceeds on those needed services is established in the "Community Services Collaborative" (CSC) process that is in effect for the entire 45-year lease term.²³ The CSC comprises representatives of HSD1 and WJH,²⁴ and sets forth a process for the parties to work collaboratively and non-competitively.

The core of the CSC agreement is a process that would permit HSD1 to provide health services "not otherwise available and accessible in the Westbank Community or that is required to ensure that the citizens of the Westbank Community have adequate availability and access to health care related services". The parish must take the following steps to furnish additional healthcare services via HSD1:

- Completion of a Community Health Needs Assessment (CHNA) based on generally recognized industry criteria
- Provide notice of the CHNA and the service proposal to WJH through the CSC
- Obtain agreement among CSC membership (via membership meeting) on existence of unmet need
- Obtain a written agreement addressing the unmet need (Action Plan)

²³ The partnership agreement was executed 09/24/2015 and will remain in effect unless mutually terminated or it is otherwise rendered unlawful.

²⁴ Although LCMC/Newco is the named participant with HSD1 a separate partnership agreement names WJH as the entity representing LCMC/Newco.

2. Nemzoff's Unauthorized Actions, "Scope of Work, General Conditions"

Some of Nemzoff's actions as the HSD1 representative to the CSC fell within the firm's contractual authorization. These included attending CSC meetings and advising the Council of WJH's position as it pertained to the CSC. However, Nemzoff strayed from his authorized role when he unilaterally contacted Tulane University and subsequently engaged in communications with a potential CHNA provider.

Nemzoff's authority extended only to communications with Lease partners, the CSC and various Parish authorities. Lastly, he had no authority to bind or obligate without a Council resolution. Equally significant is that the contract does not authorize decisions or actions beyond representing HSD1 before the listed entities.

Nemzoff lacked authority to contact potential CHNA providers. Nemzoff's authority was limited to advice, interaction with the CSC, the Parish and legal advisors. Nevertheless, Mr. Nemzoff contacted the Tulane University School of Public Health and Tropical Medicine, and proceeded with a series of actions that fell squarely outside his firm's parameters. Critically, Mr. Nemzoff led Parish officials to believe they might work on the CHNA in partnership with Tulane as a non-profit institution. The individuals that Mr. Nemzoff invited into the CHNA process were university professors who later formed a for-profit corporation called Elysian Health, LLC, which is unaffiliated with Tulane.²⁵ *See Attachment E.*

3. Nemzoff's Actions Impaired Proper Procurement

In brief, the Parish can enter into a Cooperative Endeavor Agreements (CEAs) with other public entities and non-profits, such as Tulane. The Parish cannot enter into a CEA with a for-profit entity. To secure services of a for-profit, the Parish must engage in a competitive selection process. The engagements are separate and present their own opportunities and risks.

Mr. Nemzoff referred to individuals who formed Elysian Health as the "Tulane Group" or other derivations. The group was led by Mark Diana, a professor with Tulane's Department of Global Health Management and Policy. But Nemzoff's representations created confusion among Parish officials, and therefore compromised the integrity of any anticipated procurement.

Nemzoff engaged in numerous communications with Professor Diana, often jointly with certain Parish officials during a nearly 10-week period between 06/01/2016 and 08/18/2016. He also arranged direct access to Parish officials for the Tulane professors to meet regarding a CHNA. Communications reflect close coordination with the "Tulane group," and Parish officials knew that a non-competitive CEA with Tulane was permissible. Parish officials learned that the engagement was not with Tulane, but with Elysian Health, when they received Elysian Health's proposal. The Parish could not proceed with the intended CEA because Elysian Health is a for-profit entity. Thus, the Parish had to begin anew with a competitive process to obtain "Statement of Qualifications" from all qualified providers.

Nemzoff remained engaged in the process even after the transition to an SOQ. Five responded to the SOQ, and four were accepted for evaluation. Elysian Health was one of the four, and it

²⁵ Elysian Health, LLC, Charter #42352795K filed with the Louisiana Secretary of State on 08/05/2016.

received the evaluation committee's highest ranking. Nemzoff provided assessments as a nonvoting member to the evaluation committee.²⁶

The communications from Mr. Nemzoff outlined below demonstrate how the Parish arrived the Elysian Health recommendation. The JPOIG believes that nearly all of the following communications strayed beyond Nemzoff's contracted scope.

4. Excerpts of Nemzoff's Communications

06/01/2016

The process of contacting Tulane's School of Public Health began with an email as follows:²⁷

Hello. My name is Joshua Nemzoff. I am the advisor to the Jefferson Parish Hospital Services District One. As you may know my client has in excess of \$100MM in net proceeds as a result of leasing West Jefferson Medical Center to LCMC.

We may be in need of some of the resources of the School of Public Health. I would therefore like to speak with the Dean of the School if that would be possible. My Contact information is below.

06/08/2016

Nemzoff writes to Dr. Buekens of the Tulane University School of Public Health and Tropical Medicine as follows:

I am the financial advisor to the Jefferson Parish Hospital Service District One which recently leased West Jefferson Medical Center to the Louisiana Children's Medical Center. As a result of that transaction, JPHSD1 now has in excess of \$100MM in funds that need to be spent in the District for health care.

...

I believe that your program has some resources that could assist us in determining how to prioritize/ration these funds and get the greatest possible benefit for the Community.

06/16/2016

Ultimately, after meeting with the CSC, Nemzoff recommended to Parish Council members in "Status Report 3" that the Parish Council should unilaterally proceed with the CSC, a permissible action under the CSC agreement.²⁸ Nemzoff went beyond his authority when he began to pursue the CHNA on HSD1's behalf. Nemzoff also stated in Status Report 3 that "Fortunately, you have a nationally known Public Health School there at Tulane. I therefore reached out to the Dean of the School and copied Mike Yenni and Cynthia Lee-Sheng on the emails, and inquired as to their interest in helping us solve this problem."

²⁶ Email of 09/25/2016 7:03 PM, Nemzoff to Councilman Johnson, et al, Subject: Comments on submissions for the Health Needs SOQ.

²⁷ Email of 06/01/2016 7:27 PM, Nemzoff to mcdupre@tulane.edu, Subject: Request for assistance JPHSD1.

²⁸ Email of 06/16/2016 8:42 PM, Nemzoff to Councilwoman Lee-Sheng, et al, Subject: Status Report 3.

07/13/2016

Nemzoff writes in an email to Councilman Paul Johnston and Johnston's aide Bryan St. Cyr: "The Parish Attorney does not believe we need to do an RFP for this project and we can hire Tulane if the price and terms are acceptable."²⁹

07/17/2016

In Nemzoff's Status Report #4 he indicates that three Tulane faculty members met with "a large team from the Parish" and that the faculty members were preparing a proposal to conduct a more detailed needs assessment.³⁰

08/03/2016

Nemzoff states in an email to Council Chairwoman Lee-Sheng and Councilman Johnston that: "The Tulane folks will have a proposal to us in the next 10 days."³¹

In an email chain from 08/10/2016 an included remnant dated 08/03/2016 reflects that Nemzoff writes to Mark Diana, as follows:³²

Hi Mark

It was a pleasure speaking with you today. With respect to the distribution of your proposal, which you said would be ready in the next couple of weeks, I am not sure who should be receiving a copy. I would address it to Cynthia as the Chairwoman of the District and to Paul Johnston also a Member of the District and send it to them. They can decide who they want to distribute it to. Josh

This email indicates the close nature in which Mr. Nemzoff is working with Mr. Diana and, alarmingly, his unilateral action to direct the proposal to a subset of the Parish Council. The Nemzoff contract does not authorize Mr. Nemzoff to control information in this manner.

08/05/2016

Dr. Diana emailed a proposal dated 08/05/2016 from Elysian Health, LLC – a private consulting firm not legally affiliated with Tulane University of which Dr. Diana is a member – to conduct a CHNA for a fee of \$385,340.³³

08/11/2016

Nemzoff writes to the entire Council and others a status email that contains the following CHNA related information:³⁴

5. "I sent all of you the Tulane proposal. . . ."
6. "As I have said for over a year now, you can not make an educated decision on how to spend the money on health care unless you know what the problem is and the Tulane study is designed to tell you exactly what the problem is."

²⁹ Email of 07/13/2016 8:34 PM, Nemzoff to Councilman Johnson, Subject: Unknown – Email remnant.

³⁰ Email of 07/17/2016 8:27 PM, Nemzoff to Councilwoman Lee-Sheng, et al, Subject: Status report 4.

³¹ Email of 08/03/2016 9:49 PM, Nemzoff to Councilwoman Lee-Sheng and Councilman Johnston, Subject: FYI.

³² Email of 08/03/2016 7:41 PM, Nemzoff to ---, Email remnant in chain.

³³ Email of 08/10/2016 11:43 AM, Nemzoff to Council et al, contained in email chain an undated. The proposal is attached as a pdf entitled: JPHSD1_Final Proposal.pdf

³⁴ Email of 08/11/2016 12:28 PM, Nemzoff to Council et al, Subject: Tulane and the pension issue.

08/17/2016

In an email from Nemzoff to Jacques Molaison, a senior assistant parish attorney, Nemzoff opines on the Elysian Health proposal terms:³⁵

My comments are attached

A few thoughts.

...

3. they can not and should not have to account for their time on an hourly basis. that is begging for trouble
4. the section on reporting to the IG seems to be a bit crazy. he is not the client.
5. their monthly summary of work should be general not detailed. I have no monthly summary of any type that goes with my bill. Their monthly reports should be ok.

In this email Nemzoff attempts to address matters of JPOIG oversight, including attempts to establish criteria for paying Elysian Health.

08/18/2016

In Status report #5 Nemzoff writes to the entire Council regarding the Tulane proposal as follows:³⁶

3. As I had indicated in executive session, Tulane's faculty members were going to submit a bid to conduct a needs assessment for the West bank with respect to health matters. Based on a number of factors, it has been suggested that you go out to an SOQ for these services and It is my understanding that a resolution was presented today to get that approved at your next meeting.

08/24/2016

The Parish Council, via Resolution No. 127733, authorized the Parish to solicit for Statements of Qualification (SOQs) from persons or firms who are interested in conducting a community healthcare assessment for the Westbank of Jefferson Parish. *See Attachment F*. Included in the ranking criteria was the following:

7. Preference given to a person or firm's association with an accredited University; (10 points)

Subsequently submissions to the SOQ were received from four firms: HPSA, Ascent Health, Elysian Health, and LPHI.

³⁵ Email of 08/17/2016 11:06 AM, Nemzoff to Jacque Molaison, Senior Parish Attorney, Subject: Re: Elysian CEA.

³⁶ Email of 08/18/2016 9:41 PM, from Nemzoff to Council et al, Subject: Status Report 5.

09/25/2016

Mr. Nemzoff reviewed and evaluated the five accepted SOQ proposals and provided his thoughts via email (while excluding the JPOIG in the distribution).³⁷ The following excerpts summarize Mr. Nemzoff's perspective:

The Elysian firm is a new firm that apparently was formed when Dr Diana realized the magnitude of this engagement and enlisted the support of four of his colleagues. As I understand it, they all have done extensive consulting through their individual LLC's and decided to form Elysian as a billing conduit.

...

Elysian is NOT Tulane. It is a private firm that is owned by some Tulane faculty members, so we are not contracting with Tulane if they are selected, just their professors. Having said that from a functional and expertise point of view, were we to contract with Tulane, we would end up dealing with the exact same people.

...

The scope of work that Elysian presented as well as their comments when some of the Council members met with them indicate that they believe something much more detailed than a CHNA is required.

...

The scope in the Elysian proposal is dramatically more detailed than any of the others.

...

Assuming Elysian does not have any conflicts, I think they are the likely choice. If they have conflicts also then we need to rethink this.

10/03/2016

The SOQ evaluation committee forwards their scoring result to the Council Chair Lee-Sheng reflecting the highest score for Elysian Health, LLC. *See attachment G.*

The vast majority of Mr. Nemzoff's actions and representations to engage the "Tulane group" and ultimately the for-profit Elysian Health, LLC fell squarely outside his firm's limited contractual authority.

To date the Parish Council has not taken action to formally select Elysian Health, LLC or any other vendor.

C. Cooperation with the JPOIG

Section 17 of Nemzoff's contract provides that he is to "cooperate with the inspector general in any investigation, audit, inspection, performance review, or hearing pursuant to JPCO 2-155.10(19)." Thus, the compliance requirement rests in law, as Nemzoff affirmatively acknowledged when signing his contract, which recites the law. Notwithstanding the above Nemzoff has engaged in unusual efforts to subvert the JPOIG's oversight function during the course of this engagement.

³⁷ Email of 09/25/2016 7:03 PM, from Nemzoff to Council et al, Subject: Comments on submissions for the Health Needs SOQ.

09/18/2016, Nemzoff writes:

Ernst & Young has scheduled their presentation for October 19, 2016 and they have requested that it should be in Executive Session. As we have discussed before, You all need to decide who should be in that meeting. My only suggestion is that the participants should be limited to an as needed basis and that the IG should be excluded from this meeting.

Nemzoff attended a CSC meeting at LCMC’s facilities in his role as representative to the group on 5/03/2016. Nemzoff did not notify the JPOIG of the meeting; nor did any other Parish representative acting in official capacity. IG McClintock managed to attend after last-minute notification by a concerned parish employee.

Nemzoff also subsequently sought leeway from Parish Council members to refuse compliance with JPOIG monitoring initiatives, including JPOIG requests for notification of meetings and conference calls consistent with monitoring efforts over the previous 20 months. Councilman Chris Roberts directed Nemzoff to cooperate with the JPOIG in a 05/09/2016 email, and Nemzoff agreed to do so. Nemzoff indicated in an email to the JPOIG the following day that all future correspondence should be sent through his representative.³⁸ Additionally, Parish Council Chair Cynthia Lee-Sheng forwarded written direction to Nemzoff on 05/11/2016 to reiterate compliance. *See Attachment H.*

Nemzoff has been repeatedly informed that parish ordinance as well as his own contract require cooperation with the JPOIG, regardless of any direction to the contrary from individual Parish Officials. This conduct from Parish vendor who has received more than \$1.5 million in compensation should concern all.

D. Oversight of Consultant Services & Payment

The individuals presently filling the Manager positions are Chief Operating Officer Keith Conley, Finance Director Tim Palmatier, Parish Attorney Mike Power and Alan Gandolfi, who is director of Parish Council research/budget office.

Nemzoff had received four Phase I payments of \$50,000 each and four Phase II payments of \$25,000 each as of the date of this draft report³⁹. The payment dates are as shown in the adjacent table.

Nemzoff’s contract provides that payment shall be made “Upon review and reasonable approval by the Managers”. The contract does not define specifically what the Managers are to review and approve, nor does the contract require Nemzoff to submit invoices. The JPOIG was unable to locate any purposeful

Payment	Remittance Date	Phase
\$50,000	4/26/2016	I
\$50,000	5/20/2016	I
\$50,000	7/1/2016	I
\$50,000	7/19/2016	I
\$25,000	9/8/2016	II
\$25,000	9/18/2016	II
\$25,000	10/18/2016	II
\$25,000	11/18/2016	II

³⁸ Email of 05/10/2016 4:05 PM, from Nemzoff to IG McClintock, Subject: Re: JPOIG Information Request.

³⁹ Nemzoff received an additional \$1,500 per diem on 5/20/2016

review of Nemzoff's deliverables by the Managers, individually or jointly. The payments appear to occur automatically, without regard to whether Nemzoff completed the required work.

The rudimentary process by which administrative staff facilitate Nemzoff's payments do not reflect "review and reasonable approval" by the designated Managers. Various administration officials have approved payments to Nemzoff based on the firm's invoices, which uniformly list "Professional Services" as the service provided. The invoices include no other description of the work performed.

The JPOIG observed invoices, remittances and related documentation pertaining to the first six Nemzoff payments under this contract. Internal Auditor Tommy Fikes approved all the invoices. Mr. Molaison affirmatively approved the first two invoices via emails. Mr. Fikes referred to Mr. Molaison's approval of the third invoice in an email. The final three invoices were apparently approved via signatures on the invoice. Mr. Fikes' signature is clearly legible; another signature on the invoices is not. Approving vendor invoices is not an activity which is consistent with the role or responsibility of the Parish Internal Auditor and conflicts with applicable professional standards.⁴⁰ The Institute of Internal Auditors (IIA) implementation guide for the independence and objectivity standard 1100 states,

"It is also recommended that the (CAE) not have operational responsibilities beyond internal audit, as these other responsibilities may, themselves, be subject to audit."

The publication Government Audit Standards, otherwise known as the "Yellow Book" is published by the federal General Accounting Office, and provides guidance and standards for governmental internal auditors. Chapter 3.14 regarding threats to independence states, "Threats to independence may be created by a wide range of relationships and circumstances. Auditors should evaluate the following broad categories of threats to independence when threats are being identified and evaluated..." One of these broad categories is the "Management participation threat - the threat that results from an auditor's taking on the role of management or otherwise performing management functions on behalf of the entity undergoing an audit".

Further, Mr. Fikes is not a designated Manager. As a Parish Attorney's Office representative, Mr. Molaison can be considered a Manager. The other three Managers were not involved in approving the payments.

V. FINDINGS AND RECOMMENDATIONS

The JPOIG makes the following findings and recommendations considering the above data analysis:

⁴⁰ Mr. Fikes duties are defined by JPCO §2-162, Department of Internal Audit and do not include "approval" of vendor invoices. The Department of Internal Audit is responsible for "audit activities" and performing "financial and operational audits." The Institute of Internal Audit defines "internal audit" as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Approving invoices is not a duty or responsibility of the Department of Internal Audit. Approving invoices is not consistent with the obligations of internal auditor under standards published by the Institute of Internal Auditors.

Finding #1: The Parish rendered payment to Nemzoff without receiving defined scope of services and deliverables

The defined scope of services included:

- comprehensive strategic analysis of Lease documents;
- written direction and advice to HSD1 regarding compliance with Lease documents;
- recommended protocols, policies, procedures incorporating industry standards;
- recommendations regarding the governance and management of HSD1;
- assessment of available options and recommendations for a permanent governance;
- proposed and necessary recommended resources to complete all post-closing administrative and financial matters.

The Parish did not receive the above deliverables as required by contract. The Parish has received approximately 19 pages of emails, identified as status reports, and a list of websites for ideas. Additionally, the Parish received, albeit late, a five-page Transaction Monitoring Checklist, which is indicative of analysis and strategy. Still, it is not remotely representative of a “comprehensive review” or “strategic analysis” commensurate with the terms of the contract. For this, the Parish has paid Nemzoff \$300,000 to date.

Best practices would marry compensation with satisfactory receipt of deliverables required under the contract. Payment to Nemzoff is subject to the Managers’ review and approval, but the contract is silent as to whether they are to receive Nemzoff’s work and what constitutes approval. There is no evidence the Managers collectively or in any coordinated fashion assessed Nemzoff’s work for contract compliance.

Further, the JPOIG previously issued recommendations to the Parish that its professional service contracts include measurable outcomes and tasks aligned with objectives. The Parish Council Chairwoman specifically represented that Nemzoff’s current engagement considered these recommendations and contained a defined scope of services.

Recommendation: The JPOIG continues to recommend the Parish ensure that all contract payments are tied to delivery of the services as set forth in contracts. Contracts should clearly state that payments are contingent on receipt of deliverables in a form and manner consistent with industry professionals.

The Parish contracted for services, did not receive the services, but paid for them anyway. The JPOIG considers this a textbook example of government waste.

Finding #2: Parish failed to adequately define deliverables required of vendor

The Nemzoff contract is approximately 11 pages and sets forth, with reasonable specificity, the scope of services and anticipated deliverables. These deliverables included:

- “comprehensive review,”
- “strategic analysis,”
- “recommended protocols,” and

- “monthly written reports on all Work underlying this Agreement.”

The contract did not specifically define the composition or delivery form of the expected work product, but nothing precluded the Parish from clarifying these terms. Additionally, nothing precluded the parish from withholding payment until Nemzoff provided required products in a form and manner consistent with professional standards. Despite engaging Nemzoff to provide these services, the Parish is left without a “comprehensive review,” “strategic analysis,” “recommended protocols,” or written document to support its future management of the 45-plus-year WJMC lease.

The terms set forth as bullet points above are not without meaning among professionals in multiple industries, including professionals retained to support the Parish’s hospital lease efforts. Nemzoff unilaterally chose to send monthly narrative emails to various recipients who may have included, but did not necessarily include, all of the individuals designated as contract “Managers.” Similarly, he sent links for foundation websites where the Parish Council could “get ideas.”

Recommendation: The JPOIG recommends that:

1. The Parish ensure that contract “Managers” document their purposeful review and assessment of all deliverables to ensure contract compliance;
2. “Managers” possess the authority to withhold payment or take other action to ensure satisfactory receipt of services prior to payment;
3. Contracts adequately set forth the composition or delivery forum

Finding #3: Vendor actions or Parish inaction that undermine JPOIG oversight

JPCO §2-155.10(19) provides that it “shall be the duty of every parish officer, employee, department, agency, special district, board, and commission; and the duty of every contractor, subcontractor, and licensee of the parish... to cooperate with the inspector general in any investigation, audit, inspection, performance review...”

Nemzoff agreed to comply with the above provision under Section 17 of the contract. As a Parish contractor, he had an affirmative obligation to cooperate with the JPOIG in its ongoing hospital monitoring efforts. During this engagement, Nemzoff refused, at times, to comply with JPOIG requests without intervention and/or direction by Parish officials. Further, he specifically urged the Parish Council to deny the JPOIG’s access to information. This conduct represents a breach of the Section 17 of Nemzoff’s contract and a violation of JPCO §2-155.10.

The Parish Charter establishes the JPOIG as “a full-time program of investigation, audit, inspections and performance review of parish government to assist in improving operations and deterring and identifying fraud, waste, abuse, and illegal acts and to provide increased accountability of parish government...”. Retaining a vendor who violates parish ordinance regarding JPOIG oversight and urges the Parish Council to do the same is an unacceptable offense to the public’s trust.

Recommendation: The JPOIG recommends that the Parish consider purposeful efforts by vendors to avoid or obfuscate oversight by the Office of Inspector General or other oversight entities as cause for termination.

Finding #4. Use of the Internal Auditor to review invoices for payment

The JPOIG found that the Parish called upon Tommy Fikes, the Internal Auditor, to review invoices, an action that (1) is not a function of audit; and (2) one for which he was wholly unqualified since he was not involved in the post-closing of WJMC transaction advice, the project for which professional services were retained.

Internal Audit's duties are defined by JPCO §2-162, Department of Internal Audit and do not include "approval" of vendor invoices. The Department of Internal Audit is responsible for "audit activities" and performing "financial and operational audits." The Institute of Internal Audit defines "internal audit" as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Approving invoices is not a duty or responsibility of the Department of Internal Audit. Approving invoices is not consistent with the obligations of internal auditor under standards published by the Institute of Internal Auditors.

This practice is also not in compliance with IIA's implementation guide for the independence and objectivity standard 1100 which reads as follows:

It is also recommended that the [internal auditor] not have operational responsibilities beyond internal audit, as these other responsibilities may, themselves, be subject to audit.

The publication Government Audit Standards, otherwise known as the "Yellow Book" is published by the federal General Accounting Office, and provides guidance and standards for governmental internal auditors. Chapter 3.14 regarding threats to independence states:

Threats to independence may be created by a wide range of relationships and circumstances. Auditors should evaluate the following broad categories of threats to independence when threats are being identified and evaluated... [One of these broad categories is the] "Management participation threat - the threat that results from an auditor's taking on the role of management or otherwise performing management functions on behalf of the entity undergoing an audit".

The JPOIG has previously issued a finding and recommendation that the Parish use best practices for professional service contracts. These include establishing a clear procedure regarding direction, how and when deliverables are due, specific invoicing and approval for invoicing and payment process. The Parish Council Chairwoman represented that Nemzoff's current engagement considered these recommendations and alleviated the billing issues associated with previous engagements.

Recommendation: The JPOIG recommends that the Parish cease using the Internal Auditor for purposes of authorizing invoice for payments. Further, that the Parish ensure the Internal Audit function is able to operate in a manner consistent with the principals of the Institute of Internal Audit.

Nemzoff & Co.
contract



AGREEMENT

BETWEEN

THE PARISH OF JEFFERSON

AND

NEMZOFF & COMPANY, LLC

THIS AGREEMENT, (the "Agreement") is made and entered into on this 22nd day of April, 2016 by and between the Jefferson Parish Hospital Service District No. 1, (hereinafter, "JPHSD1"), Parish of Jefferson, State of Louisiana, herein represented by Cynthia Lee-Sheng, Chairman of the Jefferson Parish Council, as governing authority of JPHSD1, duly authorized to act by Resolution No. 126499, adopted on the 17th day of February 2016, and Resolution No. 126754 adopted on the 16th day of March, 2016, and Nemzoff & Company, LLC, (hereinafter referred to as "Firm"), duly authorized to do and doing business in the State of Louisiana, represented herein by Joshua Nemzoff, its Chief Executive Officer. JPHSD1 and Firm may be referred to herein as "Party," individually, and "Parties," collectively.

WITNESSETH

WHEREAS, pursuant to Resolution 122465 adopted on the 19th day of February 2014, the Jefferson Parish Council as governing authority of JPHSD1, and Firm entered into that certain Agreement dated February 19, 2014 for the audit and review of hospital suitors for JPHSD1 f/d/b/a West Jefferson Medical Center; and

WHEREAS, pursuant to Resolution 124412 adopted on the 23rd day of February 2015, the Jefferson Parish Council as governing authority of JPHSD1 approved a Master Lease Agreement dated October 1, 2015, Cooperative Endeavor Agreement February 26, 2015, and associated ancillary agreements among Louisiana Children's Medical Center, West Jefferson Holdings, LLC, and Children's Hospital of New Orleans, and JPHSD1, and affecting the assets, liabilities, covenants and conditions more particularly described therein and pertaining to the comprehensive lease of West Jefferson Medical Center. The Cooperative Endeavor Agreement, Master Lease Agreement and associated ancillary agreements shall hereinafter be referred to as the "Lease Documents" and shall be incorporated herein by reference; and

WHEREAS, in furtherance of the obligations contained in the Lease Documents, the Jefferson Parish Council as governing authority of JPHSD1, desires to further contract with Firm to provide the Scope of Work hereinafter defined; and

WHEREAS, Firm and JPHSD1 agree to be bound by the mutual and reciprocal covenants and obligations contained herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged as evidenced by the respective signatures of the Parties hereto, JPHSD1 and Firm agree as follows:

1. **Preambles.** The foregoing preambles to this Agreement are accepted as true and correct by the Parties and are incorporated herein by reference as if fully stated herein in their entirety.

2. **Administration of Agreement.** All Work underlying this Agreement shall be performed in cooperation with a committee comprised of the Chief Operating Officer for the Parish of Jefferson, the Finance Director for the Parish of Jefferson, a Director from the Office of Research and Budget for the Jefferson Parish Council, and the Parish Attorney for the Parish of Jefferson, or his designee as the case may be, collectively the “Managers.” All Firm requests, plans, reports, requests for travel reimbursements, etc. shall be processed through the Managers for approval by the Jefferson Parish Council as governing authority of JPHSD1.
3. **Scope of Services.** The Scope of Services for this Agreement shall include the Initial Work, Phase I Work, Phase II Work, and General Conditions (hereinafter, collectively referred to as the “Work”), as hereinafter defined.

3.1 Initial Work. Firm shall complete a comprehensive review and strategic analysis of the Lease Documents, associated audited financial statements completed subsequent to the October 1, 2015 closing date, and ancillary journal entries prepared by the District, and shall provide written direction and advice to JPHSD1 to insure the timely compliance and maximization of JPHSD1’s rights regarding the calculation of Working Capital, (hereinafter, the “Initial Work”), as contemplated and defined in Section 4.4 (c) of the February 26, 2015 Cooperative Endeavor Agreement comprising part of the Lease Documents;

3.2 Phase I Work, Post Closing Contractual Issues. Within the first one-hundred twenty (120) days of the Term, as defined in Section 4.1, Firm shall complete a comprehensive review and strategic analysis of the Lease Documents and shall provide JPHSD1 with ongoing documentation with respect to the obligations of JPHSD1 and Louisiana Children’s Medical Center, West Jefferson Holdings, LLC, and Children’s Hospital of New Orleans regarding compliance with the terms of the Lease Documents as needed.. For the purposes of this Agreement, said comprehensive review, strategic analysis and related documentation regarding implementation shall be referred to as the “Phase I Work.” The Phase I Work shall detail and contain recommended protocols, policies, procedures incorporating industry standards and best practices applicable to governmental entities, including but not limited to GASB (Governmental Accounting Standard Board), and shall include advice and recommendations regarding the timely implementation of all relevant terms and conditions related to the initial Hospital Lease Term as defined in the Lease Documents. The Phase I Work shall also detail the Firm’s advice regarding the governance and management of JPHSD1 as it relates to the Lease Documents, and shall also outline additional staffing needs and professional services required in order to insure substantial compliance with the standards and obligations contained in the Lease Documents and the CEA.

The Phase I Work to be provided by Firm hereunder shall include, but in no way be limited to advice regarding the following:

- (a) Available options and recommendations for a permanent governance structure for JPHSD1, which shall include but not be limited to defined roles and authorities governing the Board of JPHSD1 to the extent that the Parish Council desires to continue the existence of such Board, additional staffing requirements for JPHSD1, defined processes by which the Board of JPHSD1 shall interact with any additional required staff, best practices for decision making by the Jefferson Parish Council as governing authority of JPHSD1, defined communication between the Jefferson Parish Council, the Board of JPHSD1, and such additional staff as may be required, and best-practices for interaction

with third-parties seeking funds; and (b) Necessary and recommended resources to complete all post-closing administrative and financial matters referenced in the Lease Documents, including but not limited to: (1) Net Working Capital requirements, as contemplated by the Lease Documents; (2) written protocols, procedures and recommended industry standards/best-practices for unfunded reserve accruals for pending and undiscovered medical malpractice claims for JPHSD1; (3) written protocols, procedures and recommended industry standards/best practices for unfunded reserve accruals for the Retired West Jefferson Medical Center Employees Pension Fund, and development of sound investment strategies to minimize JPHSD1's financial exposure and maximize return on investments; Additionally, Firm shall interface and cooperate, at JPHSD1's request, with JPHSD1's designated pension fund contractor AON Hewitt; (4) written protocols, procedures and recommended industry standards/best practices for audit and certification of the Medicare/Medicaid cost reports and associated look-back, as required by the Lease Documents and by law; (5) written protocols, procedures and recommended industry standards/best practices for those services currently being provided to JPHSD1 by West Jefferson Holdings, LLC, pursuant to the Transition Services Agreement as part of the Lease Documents; (6) written protocols, procedures and industry standards/best practices for the release of and associated application/use of any escrowed funds pursuant to the Lease Documents; (7) written protocols, procedures and industry standards/best practices for billings and associated payments for Transition Patients as defined in the Lease Documents; (8) written protocols, procedures, and industry standards/best practices for any dispute resolutions contemplated in the Lease Documents; (9) written protocols, procedures, industry standards/best practices for Capital Expenditures by West Jefferson Holdings, LLC, Louisiana Children's Medical Center, and New Orleans Children's Hospital, as required by the Lease Documents; (10) written protocols, procedures and industry standards/best practices for Charity Care as required by the Lease Documents; (11) written protocols, procedures and industry standards/best practices for Community Benefit Payments as required by the Lease Documents; (12) written protocols, procedures and industry standards/best practices for Performance Guaranty Payments as required by the Lease Documents; and (13) written protocols, policies and procedures for other such financial and administrative services required by the Lease Documents.

3.3 Phase II Work, Advisory & Monitoring Services. Following completion of the Phase I Work, Firm shall provide on-going advisory and monitoring services regarding the obligations and covenants contained in the Lease Documents on a month-to-month basis for a period not to exceed six (6) months. During this Phase II of the Scope of Work, Firm shall additionally provide on-going advisory and monitoring services to JPHSD1 to assure compliance with the operational standards and obligations, and financial requirements and obligations of West Jefferson Holdings, LLC, Louisiana Children's Medical Center, and Children's Hospital of New Orleans as established in the Lease Documents. For the purposes of this Agreement, this phase of the Scope of Work shall be referred to as the "Phase II Work." Phase II Work shall include but not be limited to: (a) advice regarding the implementation of the Phase I Work by JPHSD1; (b) advice regarding the Capital Expenditures required by the Lease Documents; (c) advice regarding the Charity Care required by the Lease Documents; (d) advice regarding the payments of Community Benefit funds and Performance Guaranty funds as required by the Lease Documents; (e) advice regarding the Retired West Jefferson Medical Center Employees Pension Fund and the work being performed by the JPHSD1's designated contractor for day-to-day operations of that Fund, AON Hewitt; (f) advice regarding

coordination of the health needs of JPHSD1 and identifying additional needs and defining the steps to satisfy and achieve the same; (g) advice regarding coordination of any and all other stated service commitments required by the Lease Documents; and (h) advice regarding coordination of any and all other financial, performance and operational requirements defined in the Lease Documents.

3.4 Scope of Work, General Conditions. During the Term of this Agreement, Firm shall: (a) represent JPHSD1 in all communications with Lessee, West Jefferson Holdings, LLC, Louisiana Children's Medical Center, and Children's Hospital of New Orleans; (b) act as JPHSD1's Interim Representative on the Community Service Collaborative as defined in the Lease Documents; and (c) coordinate with legal counsel, both internal and external. Parties acknowledge that Firm is not able to provide legal advice. To the extent that legal services or advice are required in Firm's completion of the Work, Firm shall coordinate such request through JPHSD1; (d) coordinate with other Parish resources as needed; (e) coordinate with the Jefferson Parish Administration as required; (f) coordinate with the Jefferson Parish Council as governing authority for Jefferson Parish Hospital Service District No. 1. Notwithstanding the foregoing, Firm acknowledges and agrees that it may not legally obligate or otherwise bind JPHSD1, except by express authorization by adopted Council Resolution.

3.5 Reporting Requirements. Firm shall provide JPHSD1 with monthly written reports on all Work underlying this Agreement, including but not limited to the Initial Work, Phase I Work and Phase II Work. Said monthly written reports shall be organized and detailed, in a form reasonably acceptable to the JPHSD1 and shall be due on or before the 3rd day following the close of each calendar month of the Term.

4. Operations.

4.1 Term. The term of this Agreement shall be for ten (10) months, commencing on the ___th day of March, 2016, and shall expire at midnight January ___th, 2017, unless otherwise extended pursuant to written amendment ratified by Council as the governing authority of JPHSD1.

4.2 Locations. Firm shall provide all Work from its corporate location and will travel to Jefferson Parish as requested by JPHSD1, subject to the travel per-diem defined in Section 5.1 below..

4.3 Hours. Firm shall maintain such hours as necessary to meet the requirements of this Agreement and complete the Work.

4.4 Efficient and High Quality Operation. Firm shall maintain an operation which is efficient and of a level of quality equal to or greater than industry standards.

4.5 Products and Necessities. Except as where otherwise provided herein, Firm shall furnish all working capital, services, inventory, personnel, materials, tools, machinery, equipment and other items necessary to perform Firm's Work under this Agreement.

4.6 Advertisement and Use of Parish Names or Logos. Firm shall not advertise its services rendered for Jefferson Parish without prior written consent of JPHSD1.

4.7 Licenses and Permits. Firm shall obtain and keep at its own expense all federal, state and local licenses and permits required to be in its name in connection with this Agreement.

4.8 Compliance with Law, Rules and Regulation. Firm shall comply with all applicable laws, rules and regulations.

4.9 Duty and Responsibilities. Firm owes to JPHSD1 a duty to perform Firm's obligations under this agreement with integrity and good faith and in a manner that is in the best interests of the JPHSD1, and consistent with the terms of this Agreement and the Lease Documents.

5 Financial Matters.

5.1 Operating Expenses. Firm is responsible for the payment of all operating expenses required as a result of providing services herein. To the extent JPHSD1 requires Firm to travel, Firm shall be entitled to a per-diem rate of one thousand five hundred and 00/100 dollars (\$1,500.00), which shall cover all travel expenses, including but not limited to airfare, ground transportation, lodging, meals and all other travel related expenses. For the purposes of this Agreement, the stated per-diem assumes that Firm shall spend only one night in the Jefferson Parish area, and will not be required to take any flights into New Orleans International Airport with departure times prior to 10:00 a.m. or departure times after 6:00 p.m. Parties acknowledge and agree that the per-diem for the second and any following day(s) of additional travel in a single trip shall enjoy a per-diem in the amount of five hundred and 00/100 dollars (\$500.00) per day, which shall likewise cover ground transportation, lodging, meals and all other travel related expenses.

5.2 Payments. Upon review and reasonable approval by the Managers, JPHSD1 shall pay Firm as follows:

Initial Work & Phase I Work. For the Initial Work and Phase I Work, JPHSD1 shall pay Firm the sum total of Two Hundred Thousand and 00/100 Dollars, payable in four (4) equal monthly installments of Fifty Thousand and 00/100 dollars (\$50,000.00) per month, commencing on April 18, 2016, and thereafter due on or before the 18th day of each of the three succeeding months.

Phase II Work. For each one-month period comprising the Phase II Work defined in Section 3.3 above, JPHSD1 shall pay Firm the sum of Twenty-Five Thousand and 00/100 Dollars per month for a period, not to exceed six (6) months, commencing on August 18, 2016, and thereafter due on or before the 18th day of the five succeeding months.

Payment Cap. The contract cap for this Agreement shall not exceed the sum of Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000), exclusive of travel reimbursement as provided herein.

Appropriation Dependency. This Agreement is contingent upon the appropriation of funds by the Jefferson Parish Council as governing authority of JPHSD1. If the Jefferson Parish Council fails to appropriate sufficient monies to provide for the continuation of this Agreement, the Agreement shall terminate on the last day of the fiscal year for which funds were appropriated. Such termination shall be without penalty or expense to JPHSD1 except for payments which have been earned prior to the termination date. Termination of this Agreement by the Jefferson Parish Council as governing authority of JPHSD1 under the provision of this section shall not constitute an event of default. The decision to fund or not to fund this Agreement for the next fiscal year will be made by the Parish Council as governing authority for JPHSD1 in its unfettered discretion based upon what the Parish Council believes to

be in the best interests of JPHSD1. The Parish Council as governing authority for JPHSD1 may in its discretion opt not to fund this Agreement for any subsequent fiscal year or years for any reason.

6 Records, Accounts and Reports.

6.1 Books and Records. Firm shall maintain adequate books of account with respect to its services, in accordance with generally accepted accounting principles (GAAP) in a form and method acceptable to JPHSD1, within Jefferson Parish for a period not to exceed three (3) years after termination of this Agreement. Firm shall permit JPHSD1 and the Manager and JPHSD1's agent and Manager's agents from time-to-time within forty-eight (48) hours written notice, to inspect, copy and audit during Firm's normal business office hours, the books and records pertaining to the services provided under this Agreement. JPHSD1's and Manager's right to audit, inspect, and make copies of Firm's records shall be at the sole expense of JPHSD1.

6.2 Periodic and/or Annual Reports. At any time during the Term, upon the request of JPHSD1, Firm shall within fifteen (15) days measured from the receipt of written notice, prepare and/or produce a written report of the results of operations, as it pertains to this Agreement, which shall be prepared in accordance with generally accepted accounting principles (GAAP). The report must be prepared and certified by an independent certified public accounting firm. Any and all costs for the report shall be borne by JPHSD1.

7 Personnel.

7.1 Employees. Firm shall employ, train and supervise personnel with appropriate qualifications and experience and in sufficient numbers to provide all Work required under this Agreement. All persons engaged by Firm shall be the sole and exclusive employees of Firm and shall be paid by Firm. Firm shall pay all applicable social security, unemployment, workers' compensation and other employment taxes.

7.2 Appropriate Personnel. Firm shall provide only trained personnel. Firm's employees shall conduct themselves at all times in a proper and respectful manner. If JPHSD1 determines that any employee of Firm is unsatisfactory in any material respect, JPHSD1 shall request Firm to exclude the employee or employees from work under this contract, and Firm shall so comply with such request.

7.3 Non-Discrimination. Firm shall not discriminate against any employee or applicant for employment because of age, race, creed, sex, color national origin, or disability.

7.4 Substitution of Personnel. Firm acknowledges that this Agreement is contingent upon the personnel defined in Firm's written proposal, and that if during the term of this Agreement, Firm is unable to provide those defined personnel, Firm shall substitute personnel which shall meet or exceed the requirements stated herein. A detailed resume of qualifications and justifications shall be submitted to JPHSD1 for approval prior to each personnel substitution request, said approval not to be unreasonably withheld conditioned or delayed.

8 Termination or Suspension. The terms of this Agreement shall be binding upon the Parties hereto until the work has been completed and accepted by the JPHSD1, but this Agreement may be terminated under any or all of the following conditions:

- a. By mutual agreement and consent of the Parties hereto.
- b. By the Parish Council as governing authority for JPHSD1 as a consequence of the

failure of Firm to comply with the terms or quality of work in a satisfactory manner, proper allowance being made for circumstances beyond the control of Firm, provided JPHSD1 shall give Firm written notice of any such failure and ten (10) days (or more if authorized in writing) to cure any such failure.

- c. By either Party upon failure of the other Party to fulfill its obligation as set forth in the Agreement.
- d. By JPHSD1 for convenience by issuing Firm thirty (30) days written notice.

9 **Notice.** Any communications to be given hereunder by either Party to the other shall be deemed to be duly given if set forth in writing and personally delivered or sent by mail, registered or certified, postage prepaid with return receipt requested, as follows:

JPHSD1: Honorable Cynthia Lee-Sheng
 Council Chairman
 Jefferson Parish Council
 200 Derbigny Street, Suite 6200
 Gretna, Louisiana 70053

FIRM: Joshua Nemzoff, CEO
 Nemzoff & Company, LLC
 360 Covered Bridge Road
 New Hope, Pennsylvania 18938

9.1 Written notices hereunder delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated five (5) days after deposit in the mail, postage prepaid, certified, in accordance with this Paragraph.

10 **Independent Contractor.** While in the performance of services or carrying out the obligations under this agreement, Firm shall be acting in the capacity of independent contractor and not as employee of JPHSD1 or the Parish of Jefferson, and not as partner of, or joint venturer of JPHSD1 or the Parish of Jefferson. JPHSD1 nor the Parish of Jefferson shall not be obliged to any person, firm or corporation for any obligations of Firm arising from the performance of their services under this Agreement.

The Parties hereto acknowledge and agree that JPHSD1 shall not:

- a. withhold federal or state income taxes;
- b. withhold federal social security tax (FICA);
- c. pay federal or state unemployment taxes for the account of Firm; or
- d. pay workers' compensation insurance premiums for coverage for Firm.

10.1 Firm agrees to be responsible for and to pay all applicable federal income taxes, federal social security tax (or self-employment tax in lieu thereof) and any other applicable federal or state unemployment taxes.

10.2 Firm agrees to indemnify and hold JPHSD1 and the Parish of Jefferson harmless from any and all federal and/or state income tax liability, including taxes, interest and penalties, resulting from JPHSD1 and the Parish of Jefferson's treatment of Firm as an independent contractor. Firm further agrees to reimburse JPHSD1 and the Parish of Jefferson for any and all costs it incurs, including, but not limited to, accounting fees and legal fees, in defending itself against any such liability.

11 **Insurance.** Prior to commencing the Work, Firm shall secure and maintain at its expense such insurance that will protect it, and Jefferson Parish Hospital Service District No. 1 and

the Parish of Jefferson, from claims claims for bodily injury, death or property damage which may arise from the performance of services under this Agreement. All certificates of insurance shall be furnished to JPHSD1, and shall provide that insurance shall not be canceled without notice of cancellation given to the Parish of Jefferson, in writing, on all of the required coverage provided to Jefferson Parish. All notices will name Firm, and identify the Council Resolution approving the terms of this Agreement. JPHSD1 may examine the policies at any time and without notice.

11.1 All policies and certificates of insurance of the firm shall contain the following clauses:

- a. Firm insurers will have no right of recovery or subrogation against Jefferson Parish Hospital Service District No. 1 and the Parish of Jefferson, it being the intention of the Parties that the insurance policy so affected shall protect all Parties and be the primary coverage for any and all losses covered by the below described insurance.
- b. Jefferson Parish Hospital Service District No. 1 and the Parish of Jefferson shall be named as additional insured as regards to general liability and automobile liability with respect to negligence by Firm.
- c. The insurance company(ies) issuing the policy or policies shall have no recourse against Jefferson Parish Hospital Service District No. 1 and the Parish of Jefferson for payment of any premiums or for assessments under any form of policy.
- d. Any and all deductibles in the below described insurance policies shall be assumed by and be at the sole risk of Firm.

11.2 Prior to the execution of this Agreement, Firm shall provide to JPHSD1 at its own expense, proof of the following insurance coverage required by this Agreement by insurance companies authorized to do business in the State of Louisiana. Insurance is to be placed with insurers with an A.M. Best Rating of no less than A:VI.

- a. In the event Firm hires workers within the State of Louisiana it shall obtain Workers' Compensation Insurance. As required by Louisiana State Statute exception, employer's liability shall be at least \$1,000,000.00 per occurrence when work is to be over water and involves maritime exposures; otherwise this limit shall be no less than \$500,000.00 per occurrence.
- b. Commercial General Liability Insurance with a Combined Single Limit of at least \$1,000,000.00 per occurrence for bodily injury and property damage.
- c. Business Automobile Liability Insurance with a Combined Single Limit of \$1,000,000.00 per occurrence for bodily injury and property damage, unless otherwise indicated. This insurance shall include coverage for bodily injury and property damage.

All certificates of Insurance shall be furnished to JPHSD1 under this Agreement upon request and shall provide that the insurance may not be cancelled without sixty (60) days' notice to the JPHSD1. The JPHSD1 may examine the policies upon request, but there is no duty for the JPHSD1 to approve all insurance policies prior to commencing the Work. Insurance is to be placed with insurers with an AM Best rating of not les

11.3 All policies of insurance, as defined in Section 11.2a-c above, shall meet the requirements of Jefferson Parish Hospital Service District No. 1 and the Parish of Jefferson prior to the commencing of any Work. JPHSD1 has the right but not the duty to approve all insurance policies prior to commencing of any work. If at any time any of the said policies shall be or becomes unsatisfactory to JPHSD1 as to form

or substance, or if a company issuing any such policy shall be or become unsatisfactory to JPHSD1, Firm shall promptly obtain a new policy, submit the same to JPHSD1 for approval and submit a certificate thereof as provided above.

11.4 Upon failure of Firm to furnish, to deliver and maintain such insurance as above provided, this contract, at the election of JPHSD1 through the Jefferson Parish Council as governing authority of JPHSD1, may be forthwith declared suspended, discontinued or terminated. Failure of Firm to take out and/or to maintain insurance shall not relieve Firm from any liability under the contract, nor shall the insurance requirements be construed to conflict with the obligation of Firm concerning indemnification.

- 12** **Indemnification.** Firm shall indemnify and hold harmless JPHSD1 and the Parish Of Jefferson against any and all claims, demands, suits, costs, liabilities or judgments for sums of money, and fines or penalties asserted by any person, firm or organization for loss of life or injury or damages to person or property, to the extent caused by the negligent acts, errors, and/or omissions by Firm, its agents, servants or employees, while engaged upon or in connection with the services required to be performed by Firm under this Agreement. Further, Firm hereby agrees to indemnify JPHSD1 and the Parish of Jefferson for all reasonable expenses and attorney's fees incurred by or imposed upon JPHSD1 and Parish of Jefferson in connection therewith for any loss, damage, injury or other casualty pursuant to this section. Firm further agrees to pay all reasonable expenses and attorney's fees incurred by JPHSD1 and the Parish of Jefferson in establishing the right to indemnity pursuant to the provisions of this Section.
- 13** **Non-exclusivity.** Firm acknowledges and agrees that the rights and obligations conferred and contained herein shall be non-exclusive in nature, and JPHSD1 makes no representations or warranties to the contrary.
- 14** **Covenant against Contingent Fees.** Firm warrants that it has not employed or retained any company or person, other than a bona-fide employee working solely for Firm, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than bona-fide employees working solely for Firm, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, JPHSD1 through its governing authority, the Jefferson Parish Council, shall have the right to annul this Agreement without liability.
- 15** **Assignment.** This Agreement shall be binding upon the successors and assigns for the Parties hereto. This Agreement being for the personal services of Firm, shall not be assigned or subcontracted in whole or in part by Firm as to the services to be performed hereunder without the written consent of the Jefferson Parish Council as governing authority of JPHSD1, in the Council's sole discretion.
- 16** **Governing Law and Jurisdiction.** This Agreement shall be deemed to be made under the laws of the State of Louisiana, and for all purposes shall be interpreted in its entirety in accordance with the laws of said State. Firm hereby agrees and consents to the jurisdiction of the courts of the State of Louisiana over its person. The Parties hereto agree that the sole and exclusive jurisdiction and venue for any suit or proceeding brought pursuant to this contract shall be the 24th Judicial District Court for the Parish of Jefferson, State of Louisiana.
- 17** **Inspector General.** It shall be the duty of every parish officer, employee, department,

agency, special district, board, and commission, and the duty of every contractor, subcontractor, and licensee of the parish, and the duty of every applicant for certification of eligibility for a parish contract or program, to reasonably cooperate with the inspector general in any investigation, audit, inspection, performance review, or hearing pursuant to JPCO 2-155.10(19). By signing this document, every corporation, partnership, or person contracting with JPHSD1, whether by cooperative endeavor, intergovernmental agreement, bid, proposal, application or solicitation for a parish contract, and every application for certification of eligibility for a parish contract or program, attests that it understands and will abide by all provisions of JPCO 2-155.10.

- 18 **Severability.** If any provision of this Agreement is held invalid by a Court of competent jurisdiction, such provision will be deemed amended in a manner which renders it valid, or if it cannot be amended, it will be deemed to be deleted. Such amendment or deletion shall not affect the validity of any other provisions of this Agreement.
- 19 **Entire Agreement and Amendment.** This Agreement represents the entire Agreement between JPHSD1 and Firm. This Agreement may only be amended in writing by authority of a Jefferson Parish Council Resolution in its capacity as governing authority of JPHSD1, and must be signed by both the Council Chairwoman or in her absence the Vice-Chairman, and Firm.
- 20 **Louisiana Enhanced Ability to Compete.** Firm acknowledges and agrees that the LSA-R.S. 46:1071, et. seq., Louisiana's Enhanced Ability to Compete applies to the subject matter underlying this Agreement, and that any and all Work, Work product, and details of said Work underlying this Agreement shall be confidential as between the parties, except upon written consent of JPHSD1. Firm acknowledges and agrees that violation of this provision shall be grounds for immediate termination of this Agreement upon receipt of written notice in accordance with the Notice provisions contained herein.

[Remainder of page intentionally left blank, signature page to follow]

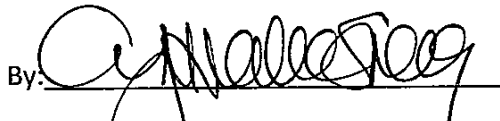
IN TESTIMONY WHEREOF, this Agreement is fully executed in four (4) originals, the day and year first above written.

Witnesses:

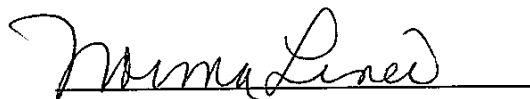
JEFFERSON PARISH HOSPITAL SERVICE DISTRICT
NO. 1, PARISH OF JEFFERSON, STATE OF
LOUISIANA



Printed Name: Deshine Parker

By: 

Cynthia Lee-Sheng, Chairwoman
Jefferson Parish Council



Printed Name: Norma Liber

Witnesses:

NEMZOFF & COMPANY, LLC



Printed Name: John Kelley

By: 

Joshua Nemzoff, CEO



Printed Name: Gina McPark



JEFFERSON PARISH

Office of the Parish Attorney

Michael S. Yenni
Parish President

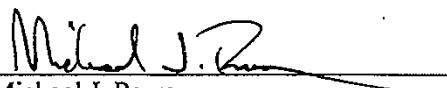
Michael J. Power
Parish Attorney
Jeremy D. Dwyer
Deputy Parish Attorney

CERTIFICATION

In compliance with Jefferson Parish Code of Ordinances § 2-890, I certify that the proposed contract described below has been reviewed by the Parish Attorney's Office and it is my legal opinion that the proposed contract complies with all current legal requirements for such contract under federal, state and parish law. However, compliance with Jefferson Parish Code of Ordinances § 2-895.1, 2-925.2 and 2-933.5 cannot be determined due to the lack of an enforcement procedure in the ordinances. This Office has not reviewed any technical specifications of any contract and this certification applies only to the legal terms of the contract. This certification is made in reliance upon the certification of the requesting Department's Director that the Parish is in compliance with all grant requirements, as well as certification of the Department of Finance regarding the availability of funds, and the legality of all financial transactions pursuant to Jefferson Parish Charter § 4.02(A)(5).

Contract Description: Ratifying an Agreement between the Parish of Jefferson and **Nemzoff & Company, LLC** to provide consulting services to Jefferson Parish Hospital Service District No. 1 at an amount not to exceed Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00), exclusive of travel reimbursement.

Parish Council Approval: Resolution No. 126757 adopted on 30th day March 2016.


Michael J. Power
Parish Attorney, Jefferson Parish

Sworn to and subscribed before me,
Notary Public on the 21st day of
April, 2016.

Signature

Printed Name

Notary or Bar Roll Number

Jeremy D. Dwyer
Notary Public No. 68241
LA Bar No. 28346
Parish of Jefferson, State of LA
My Commission is Issued for Life

Statement of Qualifications

AFFIDAVIT

STATE OF Pennsylvania

PARISH/COUNTY OF Bucks

BEFORE ME, the undersigned authority, personally came and appeared: Joshua Nemzoff, (Affiant) who after being by me duly sworn, deposed and said that he/she is the fully authorized CEO of Nemzoff & Co. LLC (Entity), the party who submitted a Statement of Qualifications (SOQ) to Advisory work on the WCMJ Lease. (Briefly describe the services the SOQ will cover), to the Parish of Jefferson.

Affiant further said:

Campaign Contribution Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Attached hereto is a list of all campaign contributions, including the date and amount of each contribution, made to current or former elected officials of the Parish of Jefferson by Entity, Affiant, and/or officers, directors and owners, including employees, owning 25% or more of the Entity during the two-year period immediately preceding the date of this affidavit or the current term of the elected official, whichever is greater. Further, Entity, Affiant, and/or Entity Owners have not made any contributions to or in support of current or former members of the Jefferson Parish Council or the Jefferson Parish President through or in the name of another person or legal entity, either directly or indirectly.

Choice B X there are **NO** campaign contributions made which would require disclosure under Choice A of this section.

Affiant further said:

Debt Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Attached hereto is a list of all debts owed by the affiant to any elected or appointed official of the Parish of Jefferson, and any and all debts owed by any elected or appointed official of the Parish to the Affiant.

Choice B X There are NO debts which would require disclosure under Choice A of this section.

Affiant further said:

Solicitation of Campaign Contribution Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Attached hereto is a list of all elected officials of the Parish of Jefferson, whether still holding office at the time of the affidavit or not, where the elected official, individually, either by telephone or by personal contact, solicited a campaign contribution or other monetary consideration from the Entity, including the Entity's officers, directors and owners, and employees owning twenty-five percent (25%) or more of the Entity, during the two-year period immediately preceding the date the affidavit is signed. Further, to the extent known to the Affiant, the date of any such solicitation is included on the attached list.

Choice B X there are NO solicitations for campaign contributions which would require disclosure under Choice A of this section.

Affiant further said:

Subcontractor Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Affiant further said that attached is a listing of all subcontractors, excluding full time employees, who may assist in providing professional services for the aforementioned SOQ.

Choice B X There are **NO** subcontractors which would require disclosure under Choice A of this section.

Affiant further said:

That Affiant has employed no person, corporation, firm, association, or other organization, either directly or indirectly, to secure the public contract under which he received payment, other than persons regularly employed by the Affiant whose services in connection with the construction, alteration or demolition of the public building or project or in securing the public contract were in the regular course of their duties for Affiant; and

[The remainder of this page is intentionally left blank.]

That no part of the contract price received by Affiant was paid or will be paid to any person, corporation, firm, association, or other organization for soliciting the contract, other than the payment of their normal compensation to persons regularly employed by the Affiant whose services in connection with the construction, alteration or demolition of the public building or project were in the regular course of their duties for Affiant.

Signature of Affiant

Joshua Wemzoff

Printed Name of Affiant

SWORN AND SUBSCRIBED TO BEFORE ME

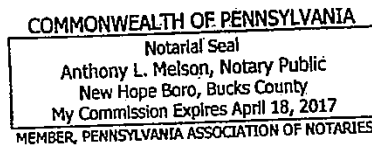
ON THE 20 DAY OF April, 2016.

Anthony L. Melson
Notary Public

Anthony L. Melson
Printed Name of Notary

1110149
Notary/Bar Roll Number

My commission expires 4/18/17.





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/20/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Karen Junod 6456 Lower York Rd New Hope, PA 18938-5696	CONTACT NAME: KAREN JUNOD PHONE (A/C, No, Ext): 215-862-5490 FAX (A/C, No): 215-862-3853 E-MAIL ADDRESS: KAREN@KARENJUNOD.COM	
	INSURER(S) AFFORDING COVERAGE	
INSURED NEMZOFF & CO LLC 360 COVERED BRIDGE RD NEW HOPE, PA 18938	INSURER A: State Farm Fire and Casualty Company	NAIC # 25143
	INSURER B: State Farm Mutual Automobile Insurance Company	25178
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MAOE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			98-CX-V852-9	03/26/2016	03/26/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
<input type="checkbox"/>	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
<input type="checkbox"/>	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
<input type="checkbox"/>	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
							\$108,800

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CONSULTANT

CERTIFICATE HOLDER Jefferson Parish Hospital Services District One 200 Derbigny Street Gretna, LA 70053	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--

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On motion of **Mr. Johnston**, seconded by **Ms. Lee-Sheng**, the following resolution was offered:

RESOLUTION NO. 126757

A resolution ratifying an Agreement between the Parish of Jefferson and **Nemzoff & Company, LLC** to provide consulting services to Jefferson Parish Hospital Service District No. 1 at an amount not to exceed Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00), exclusive of travel reimbursement. (Parishwide)

WHEREAS, pursuant to Resolution No. 126499, adopted February 17, 2016 the Jefferson Parish Council authorized the Parish Clerk to advertise for the submittal of a Statement of Qualifications for consulting services to the Jefferson Parish Hospital Service District No. 1; and

WHEREAS, pursuant to Resolution No. 126754 adopted March 16, 2016 the Jefferson Parish Council selected Nemzoff & Company, LLC to provide consulting services to the Jefferson Parish Hospital Service District No. 1.

NOW THEREFORE, BE IT RESOLVED by the Parish Council of Jefferson Parish, State of Louisiana, acting as governing authority of said Parish:

SECTION 1. That the Professional Services Agreement between the Parish of Jefferson and **Nemzoff & Company, LLC** to provide consulting services to Jefferson Parish Hospital Service District No. 1 at an amount not to exceed the sum of Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00), exclusive of travel reimbursement, is hereby ratified.

SECTION 2. That the term of the contract shall be for ten (10) months, commencing on March 18, 2016.

SECTION 3. That all costs associated with this agreement shall be charged to **Account No. 96010-9600-7331**.

SECTION 4. That the Chairman of the Jefferson Parish Council, or in his absence the Vice-Chairman, is hereby authorized to execute any and all documents necessary to give full force and effect to this resolution.

The resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: 5 NAYS: None ABSENT: (2) Templet, Roberts

The resolution was declared to be adopted on this the **30th day of March, 2016**.

Nemzoff emails



1. Monthly status report for the month ended ended March 31,2015

From: Nemzoff, Joshua <josh@nemzoff.net>
To: CynthiaLeesheng <CynthiaLeesheng@jeffparish.net>, RTemplet <RTemplet@jeffparish.net>, MSpears <MSpears@jeffparish.net>, PJohnston <PJohnston@jeffparish.net>, Ben Zahn <[REDACTED]@cox.net>, JVanVrancken <JVanVrancken@jeffparish.net>, CRoberts <CRoberts@jeffparish.net>
Cc: JMolaison <JMolaison@jeffparish.net>, TPalmatier <TPalmatier@jeffparish.net>, KConley <KConley@jeffparish.net>, AGandolfi <AlanGandolfi@jeffparish.net>, WFortenberry <WFortenberry@jeffparish.net>, MPower <MPower@jeffparish.net>, David N McClintock <dmclintock@jpoig.net>, Atkinson, Meaghan L <meaghan.atkinson@hoganlovells.com>, Gary Faber <gary.faber@aonhewitt.com>, Michael Petrauskas <Mike.Petrauskas@aonhewitt.com>
Hidden recipients: croberts@jeffparish.net, kconley@jeffparish.net, alangandolfi@jeffparish.net, pjohnston@jeffparish.net, cynthialeesheng@jeffparish.net, mspears@jeffparish.net, jennvanv@jeffparish.net, tpalmatier@jeffparish.net, mpower@jeffparish.net, wfortenberry@jeffparish.net, rtemplet@jeffparish.net, jmolaison@jeffparish.net
Sent Date: Mar 31, 2016 19:36:27
Subject: Monthly status report for the month ended ended March 31,2015
Attachment:

Members of JPHSD1

As per Section 3.5 of our contract with JPHSD1, this email will serve as our monthly report on the status of our work. I am sending this to you and copying the four "Managers" as defined in our contract as well as Meaghan and Bill. You should of course feel free to share this email as you see fit. It is not for public dissemination.

I started work on this project on March 18th, 2015. I have been in close communication with Jacques and Tim on various matters as well as Bill Fortenberry. I have also been in contact with AonHewitt and with Hogan Lovells. Here is where we stand:

1.



2.

[REDACTED]

[REDACTED] Tim and I received the auditors draft numbers for September 30, 2015 today and we are scheduled to review the draft on Monday. We have not determined [REDACTED]

[REDACTED]

[REDACTED] Once Tim and I review the data that we received today, we will provide you with additional updates.

3. Bill Fortenberry has informed [REDACTED]

[REDACTED]

Bill obtained these numbers from a firm called Sigma that worked for the hospital and also does work for the Parish. It appears that this firm has worked for the hospital for a number of years. [REDACTED]

[REDACTED]

4. Aon Hewitt has determined [REDACTED]

[REDACTED]

[REDACTED] I have asked your pension attorneys and AonHewitt to look into [REDACTED]

[REDACTED]

[REDACTED]

5. [REDACTED]

[REDACTED] For that reason, I have asked Aon Hewitt to submit a proposal for your approval to do some work at looking at what your options [REDACTED]

[REDACTED]

Moving forward, you should be aware of the fact that Hogan Lovells is still under contract to you and I have been in touch with Meaghan on all of these issues. She will of course be the point person on any legal matters and I will handle all of the non legal stuff. [REDACTED]

[REDACTED] As a final note, I have been working very closely with Jacques and he has been doing an excellent job helping to coordinate many of these tasks. He is doing a great job for you. If any of you have any questions please feel free to call me. If you are upset about anything that has happened I would like to take this opportunity to throw Jacques under the bus and let you know that whatever it is, its his fault:;) Josh

--

Joshua Nemzoff
Josh@nemzoff.net
215 862 4404 Office
[REDACTED] Cell
www.nemzoff.net

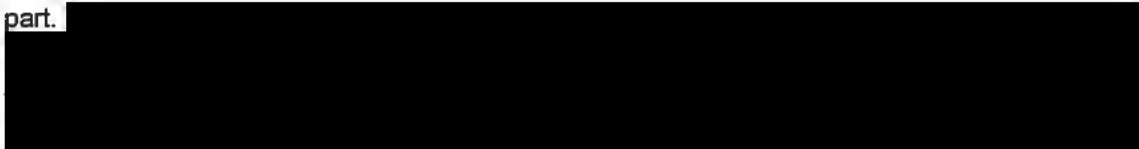
1. Status Report. Some good news for a change

From: Nemzoff, Joshua <josh@nemzoff.net>
To: CLeesheng <CLeesheng@jeffparish.net>, RTemplet <RTemplet@jeffparish.net>, MSpears <MSpears@jeffparish.net>, PJohnston <PJohnston@jeffparish.net>, CRoberts <CRoberts@jeffparish.net>, BenZahn@JeffParish.net <BenZahn@jeffparish.net>, JennVanV <jennvanv@jeffparish.net>
Cc: MYenni <myenni@jeffparish.net>, KConley <KConley@jeffparish.net>, TPalmatier <TPalmatier@jeffparish.net>, Jacques Molaison <JMolaison@jeffparish.net>, Atkinson, Meaghan L. <meaghan.atkinson@hoganlovells.com>, MPower <MPower@jeffparish.net>
Hidden recipients: croberts@jeffparish.net, cleesheng@jeffparish.net, kconley@jeffparish.net, BZahn@jeffparish.net, ACardwell@jeffparish.net, pjohnston@jeffparish.net, benzahn@jeffparish.net, mspears@jeffparish.net, tpalmatier@jeffparish.net, mpower@jeffparish.net, rtemplet@jeffparish.net, jmolaison@jeffparish.net
Sent Date: May 05, 2016 22:07:51
Subject: Status Report. Some good news for a change
Attachment:

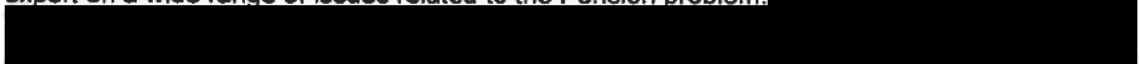
JPHSD1 Members

Everything on the project is going well. I thought I would give you a brief update on some items to cheer up your day.

1. There are now a total of \$4.7MM of audit adjustments that are in our favor. All of them were identified by LCMC and brought to our attention. This was a significant act of good faith on their part.

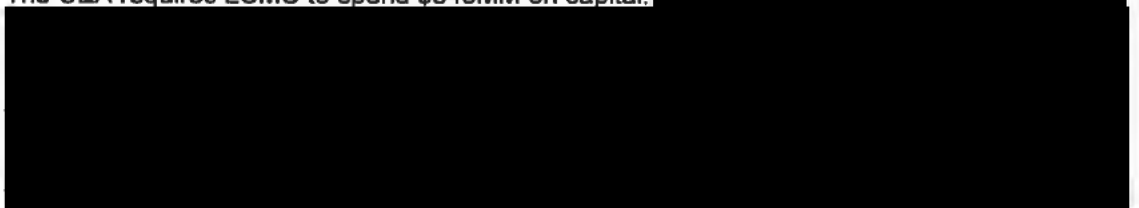


2. Meaghan and I are working with Jane Armstrong who is your local counsel and also a pension expert on a wide range of issues related to the Pension problem.



3. The CEA requires LCMC to maintain the hospital's current charity care policies or something comparable. These are the policies the hospital maintains in dealing with patients who can not afford to pay. LCMC has informed us, and we will of course document appropriately, that they have not only maintained the current policy but in fact have significantly expanded it.

4. The CEA requires LCMC to spend \$340MM on capital.



5.

[REDACTED]

Tim

and I will be meeting with them to go over the details. We are also trying to retain the services of the attorney that EJG uses for this stuff.

[REDACTED]

That is all for tonight. Almost all good news. A pleasant change from prior updates. Please call me if you have any questions. Josh

--

Joshua Nemzoff
Josh@nemzoff.net
215 862 4404 Office
[REDACTED] Cell
www.nemzoff.net

1. Monthly Status Report #2

From: Nemzoff, Joshua <josh@nemzoff.net>
To: CLeesheng <CLeesheng@jeffparish.net>, RTemplet <RTemplet@jeffparish.net>, MSpears <MSpears@jeffparish.net>, PJohnston <PJohnston@jeffparish.net>, CRoberts <CRoberts@jeffparish.net>, BenZahn@JeffParish.net <BenZahn@jeffparish.net>, JennVanV <jennvanv@jeffparish.net>, Jacques Molaison <JMolaison@jeffparish.net>, Atkinson, Meaghan L. <meaghan.atkinson@hoganlovells.com>, TPalmatier <TPalmatier@jeffparish.net>, MYenni <myenni@jeffparish.net>, KConley <KConley@jeffparish.net>, MPower <MPower@jeffparish.net>, Hospitalmonitoring@jpoig.net, Jane Armstrong (1244) <jane.armstrong@phelps.com>, Gary Faber <gary.faber@aonhewitt.com>
Hidden recipients: croberts@jeffparish.net, cleesheng@jeffparish.net, kconley@jeffparish.net, BZahn@jeffparish.net, ACardwell@jeffparish.net, pjohnston@jeffparish.net, benzahn@jeffparish.net, mspears@jeffparish.net, tpalmatier@jeffparish.net, mpower@jeffparish.net, rtemplet@jeffparish.net, jmolaison@jeffparish.net
Sent Date: May 17, 2016 13:22:01
Subject: Monthly Status Report #2
Attachment:

JPHSD1 Members

This is the second monthly report under my contract. Please feel free to share this document as you see fit. That does not include the Advocate. As all of you know, there has been a great deal of activity related to the WJMC lease. The following information provides an overview of where we are.

1. The pension liability [REDACTED]

[REDACTED] I have been working with Jane Armstrong who is your pension attorney, Aon Hewitt and Meaghan. [REDACTED]

2. It is my understanding that the selection process is well under way to retain a forensic CPA firm. Please be advised that I provided some input to Jacques on the SOQ and will be glad to assist him if he needs any help on the actual contract. [REDACTED] not seen any of the bids and I am not involved in any way with the selection process. This was all by mutual agreement. The issue that you all need to deal with is who is this firm going to report to and will they provide status reports. That is all up to you, but I am pretty sure that the firm you select does not realize that any information that they send to you the client is highly likely to be leaked. And given the nature of their work, that could be a very large problem.

3. The SOQ for the Net Working Capital firm is also out and we are all working closely with LCMC to jointly pick a firm. On that note, as previously mentioned, LCMC has identified \$4.7MM of audit adjustments, all of which are in our favor. So the information I gave you before when I said we owe them about \$12.8MM

Accounts Payable has now changed.

4. The CEA has a section that deals with Performance Payments. They will have to pay us \$6.7MM a year for three years if the EBDIT of the hospital hits 7.5%. EBDIT as you may recall is a secret acronym that we all use to confuse our clients. It stands for Earnings Before Depreciation, Interest and Taxes. What it really means is this is how much cash a hospital generates before it pays for debt service (principal and interest), buys equipment and pays its taxes (which non profits don't pay any way so who cares).

But I digress. So back to

Performance payments.

If any of you have any questions about this information, please let me know. Josh

--

Joshua Nemzoff
Josh@nemzoff.net
215 862 4404 Office
Cell
www.nemzoff.net

1. Status Report 3

From: Nemzoff, Joshua <josh@nemzoff.net>
To: CLeesheng <CLeesheng@jeffparish.net>, CRoberts <CRoberts@jeffparish.net>, MSpears <MSpears@jeffparish.net>, PJohnston <PJohnston@jeffparish.net>, RTemplet <RTemplet@jeffparish.net>, BenZahn@JeffParish.net <BenZahn@jeffparish.net>, JennVanV <jennvanv@jeffparish.net>, Jacques Molaison <JMolaison@jeffparish.net>, Atkinson, Meaghan L. <meaghan.atkinson@hoganlovells.com>, TPalmatier <TPalmatier@jeffparish.net>, MYenni <myenni@jeffparish.net>, KConley <KConley@jeffparish.net>, MPower <MPower@jeffparish.net>, Hospitalmonitoring@jpoig.net, Gary Faber <gary.faber@aonhewitt.com>, Jane Armstrong (1244) <jane.armstrong@phelps.com>, Eric Atwater <eric.atwater.2@aonhewitt.com>, JZapata <JZapata@jeffparish.net>, BSTCyr <BSTCyr@jeffparish.net>, David N. McClintock <dmcclintock@jpoig.net> tpalmatier@jeffparish.net
Hidden recipients:
Sent Date: Jun 16, 2016 20:43:15
Subject: Status Report 3
Attachment: wjmc rating S&P.pdf

JPHSD1 Members

As per the terms of my contract, this is the third status report. This report is confidential. Please do not share with anyone outside of the Parish. There are a number of things that are all going on at the same time. Please be advised as follows;

1. Jane Armstrong, AonHewitt and I will be there next week to go over the Pension options. Which means that Jane and AonHewitt will be giving the presentation and I will be providing free english translations.



2. The contract with E&Y is being negotiated and most issues have been resolved. Jacques has a few legal points that need to get fixed and hopefully that can get done before your meeting so you can vote to go forward. If that occurs, E&Y is all set to start.

- 3.



[REDACTED] Therefore a new SOQ is going out to deal with this matter and it has a much more specific scope that very few firms will be able to meet, which is good for us.

4. I sent all of you the Community Health Needs Assessment a few weeks ago. It is a very lengthy document that clearly indicates the needs of the community which are staggering. Essentially what you have is a massive public health problem. There are thousands of people on the west bank that do not have access to the health care services they need. Although I do have a Masters in Public Health from a very nice school in Harlem, that was a long time ago. So I understand the issues, but I would not hold myself out as an expert. Fortunately, you have a nationally known Public Health School there at Tulane. I therefore reached out to the Dean of the School and copied Mike Yenni and Cynthia Lee-Sheng on the emails, and inquired as to their interest in helping us solve this problem. The problem is of course, how do we best allocate the money we have to deal with meeting the health needs of the population. They responded very quickly and they are eager to help. We are in the process of setting up an initial meeting in July to kick things off.

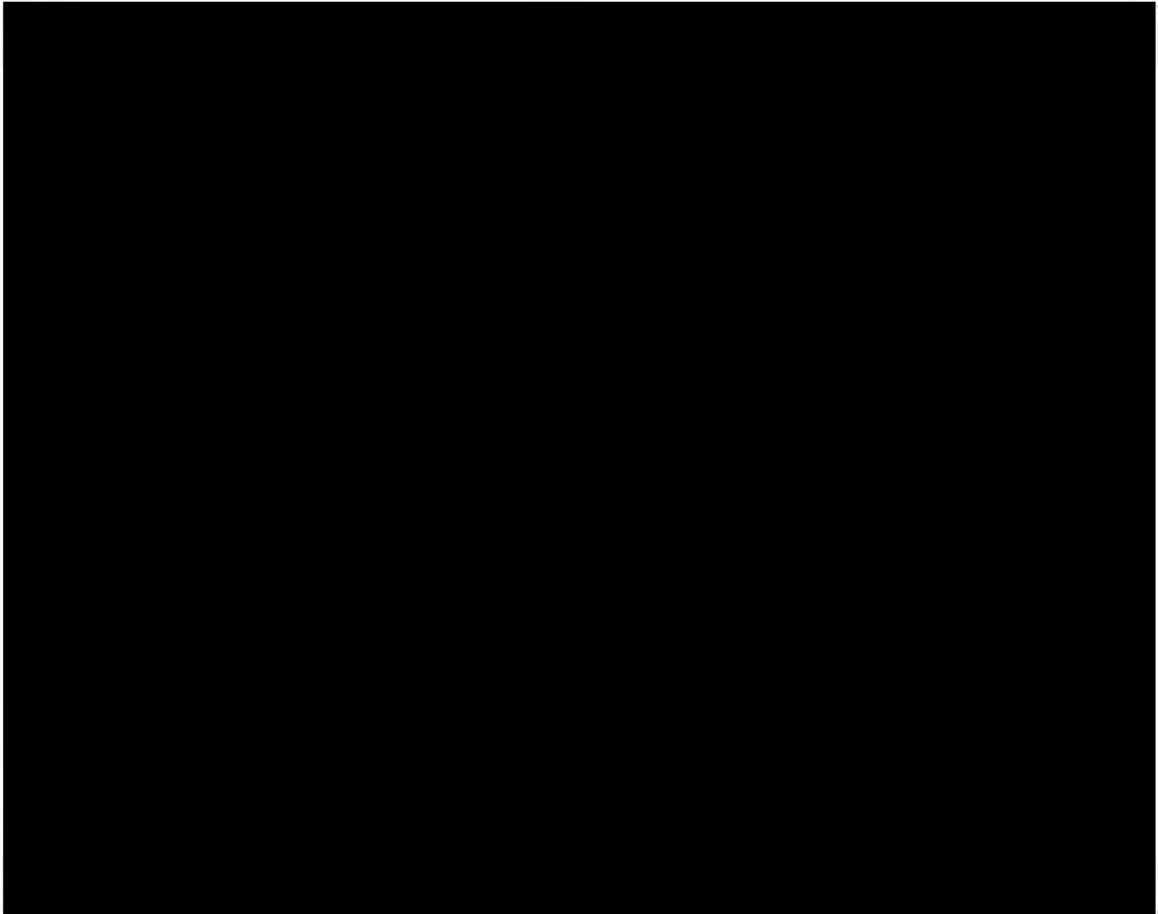
5. [REDACTED] the pension plan

[REDACTED]

This is not my issue and not my

responsibility,

6. [REDACTED]



I look forward to seeing you all next week. Please call me if you have any questions about this report. Josh

--

Joshua Nemzoff
Josh@nemzoff.net
215 862 4404 Office
[REDACTED] Cell
www.nemzoff.net

1. Status report 4

From: Joshua Nemzoff <josh@nemzoff.net>
To: CLeesheng <CLeesheng@jeffparish.net>, MSpears <MSpears@jeffparish.net>, CRoberts <CRoberts@jeffparish.net>, JVanVrancken <JVanVrancken@jeffparish.net>, BZahn <BZahn@jeffparish.net>, RTemplet <RTemplet@jeffparish.net>, PJohnston <PJohnston@jeffparish.net>, myenni@jeffparish.net, MPower@jeffparish.net, KConley@jeffparish.net, Tim Palmatier <TPalmatier@jeffparish.net>, Jacques Molaison <JMolaison@jeffparish.net>, meaghan.atkinson@hoganlovells.com, Hospitalmonitoring@jpoig.net, BSTCyr@jeffparish.net, JZapata <JZapata@jeffparish.net>
Hidden recipients: cleesheng@jeffparish.net, jzapata@jeffparish.net, jennvanv@jeffparish.net, bzahn@jeffparish.net, rtemplet@jeffparish.net, jmolaison@jeffparish.net, croberts@jeffparish.net, bstcyr@jeffparish.net, kconley@jeffparish.net, ACardwell@jeffparish.net, pjohnston@jeffparish.net, mspears@jeffparish.net, tpalmatier@jeffparish.net, mpower@jeffparish.net
Sent Date: Jul 17, 2016 20:27:30
Subject: Status report 4
Attachment:

JPHSD1 Members

As per the terms our contract this email is our fourth status report. It is not for public disclosure. Please keep this information confidential. There are a number of things that have occurred over the past 30 days that merit your attention. I will list the easier things first.

1. 

[REDACTED]

2. E&Y's contract is all set based primarily on the fine efforts of Mr. Molaison. I believe the plan is for you all to approve their contract at your next meeting.

3. Apparently no one bid on the SOQ for audit services for the year ended 12/31/14 and the stub period ended 9/30/15. This as you all know is the Net Working Capital Issue. Based on my conversations with Jacques [REDACTED]

4. On July 7th three faculty members from Tulane's School of Public Health met with a large team from the Parish to talk about their thoughts on the Community Health Needs Assessment that was completed for WJMC last year and to go over some of their thoughts as to the current situation on the West Bank with respect to the availability , affordability and accessibility of health care services. [REDACTED]

[REDACTED] It was their advice, which I certainly agree with,

5. [REDACTED]

[REDACTED] already know, but If Jacques could prepare [REDACTED] necessary to make this change, you may want to do that.

6. All of you are aware that Aon Hewitt and Jane Armstrong made a very detailed presentation with respect to some of the options that you have regarding the pension. [REDACTED]



Please let me know if you have any questions regarding this report. Josh

Joshua Nemzoff

josh@nemzoff.net

www.nemzoff.net

 cell

(215) 862-4404 office

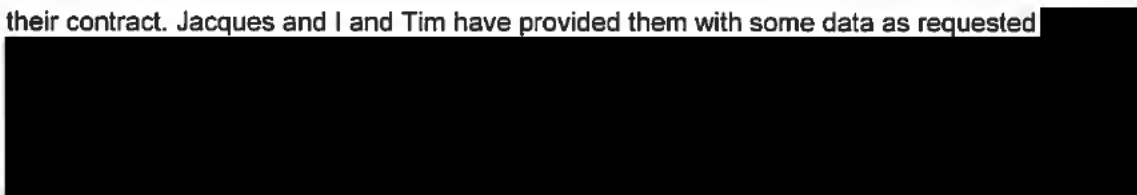
1. Staus Report 5

From: Nemzoff, Joshua <josh@nemzoff.net>
To: CLeesheng <CLeesheng@jeffparish.net>, PJohnston <PJohnston@jeffparish.net>, RTemplet <RTemplet@jeffparish.net>, CRoberts <CRoberts@jeffparish.net>, MSpears <MSpears@jeffparish.net>, BenZahn@JeffParish.net <BenZahn@jeffparish.net>, JennVanV <jennvanv@jeffparish.net>, MYenni <myenni@jeffparish.net>, KConley <KConley@jeffparish.net>, MPower <MPower@jeffparish.net>, TPalmatier <TPalmatier@jeffparish.net>, Jacques Molaison <JMolaison@jeffparish.net>, Hospitalmonitoring@jpoig.net, David N. McClintock <dmccclintock@jpoig.net>, Atkinson, Meaghan L. <meaghan.atkinson@hoganlovells.com>, BSTCyr <BSTCyr@jeffparish.net>, JZapata <JZapata@jeffparish.net>
Hidden recipients: cleesheng@jeffparish.net, jzapata@jeffparish.net, rtemplet@jeffparish.net, jmolaison@jeffparish.net, croberts@jeffparish.net, bstcyr@jeffparish.net, kconley@jeffparish.net, BZahn@jeffparish.net, pjohnston@jeffparish.net, ACardwell@jeffparish.net, benzahn@jeffparish.net, mspears@jeffparish.net, tpalmatier@jeffparish.net, mpower@jeffparish.net
Sent Date: Aug 18, 2016 21:41:05
Subject: Staus Report 5
Attachment:

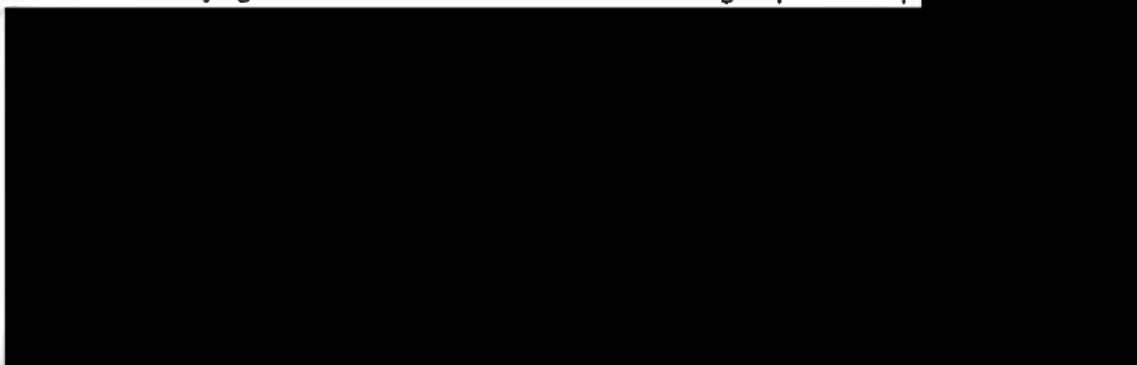
JPHSD1 Members

As per the terms of our engagement, this is our fifth status report, it is not for public distribution so please keep it as confidential as you can. We are moving forward on a variety of issues as follows.

1. EY is conducting their work and will present their findings in about six or seven weeks as per their contract. Jacques and I and Tim have provided them with some data as requested



2. We have been trying to find a firm to work on the Net Working Capital true up.



[REDACTED]

3. [REDACTED] Tulane's faculty members were going to submit a bid to conduct a needs assessment for the West bank with respect to health matters. [REDACTED] number of factors, it has been suggested that you go out to an SOQ for these services and it is my understanding that a resolution was presented today to get that approved at your next meeting.
4. It is my understanding that Aon Hewitt is going to be proceeding with an analysis of what the pension liability [REDACTED]

[REDACTED]

Should you have any questions about this information please call me. Josh

--

Joshua Nemzoff
Josh@nemzoff.net
215 862 4404 Office
[REDACTED] Cell
www.nemzoff.net

1. Fwd: Foundations

From: Nemzoff, Joshua <josh@nemzoff.net>
To: CLeesheng <CLeesheng@jeffparish.net>, PJohnston <PJohnston@jeffparish.net>, MSpears <MSpears@jeffparish.net>, RTemplet <RTemplet@jeffparish.net>, CRoberts <CRoberts@jeffparish.net>, BZahn <BZahn@jeffparish.net>, JennVanV <jennvanv@jeffparish.net>, MYenni <myenni@jeffparish.net>, KConley <KConley@jeffparish.net>, MPower <MPower@jeffparish.net>, Jacques Molaison <JMolaison@jeffparish.net>, JZapata <JZapata@jeffparish.net>, BSTCyr <BSTCyr@jeffparish.net>, Hospitalmonitoring@jpoig.net, TPalmatier <TPalmatier@jeffparish.net> jzapata@jeffparish.net

Hidden recipients:

Sent Date: Aug 22, 2016 10:42:41

Subject: Fwd: Foundations

Attachment: [Paso Del Norte Health Foundation SNAPSHOT.pdf](#)
[Rose Community Foundation SNAPSHOT.pdf](#)
[Colorado Trust SNAPSHOT.pdf](#)
[The Rapides Foundation SNAPSHOT.pdf](#)
[The City of Muskogee Foundation SNAPSHOT.pdf](#)
[Space Coast Health Foundation SNAPSHOT.pdf](#)
[The Moses Foundation SNAPSHOT.pdf](#)
[The Memorial Foundation SNAPSHOT.pdf](#)
[The Degen Foundation SNAPSHOT.pdf](#)
[Kansas Health Foundation SNAPSHOT.pdf](#)
[Foundations.xlsx](#)

JPHSD1 Members

As I had indicated to you back in May, we have been working on a database of "Foundations" that can be used as a best practices guide for the future Governance, Management, staffing and professional service needs of the District going forward. The attached email is the latest version of that data base. All of these Foundations were non profit hospitals that were sold or leased to a for profit and then became Foundations. We only used Foundations that have been in existence for at least five years. If you go to the spread sheet and hover over the red dot next to each foundation, it will tell you the history of the deal. The websites for the Foundations are also highlighted. These websites are a wealth of information as to how each Foundation functions, how they give out money and what their criteria are for applicants. In each of the GuideStar documents you will find the Foundation's IRS Form 990, which is in essence their tax returns. These documents have salary information for the staff and also a list of who they are giving money to. We have reviewed all of this data and we would direct your attention to the Quantum Foundation web site. This Foundation in our opinion represents the best practices for how a Foundation should function. This is the model that we think you should use at some point in the future. I have personally been in touch with the Chairman of the Board of this Foundation and its CEO. They would be glad to come

and speak with you at some point as to how they function, what they have learned and what they believe is the best way to run a foundation. I should note that this foundation is a "perpetuity" model meaning that they plan to be there forever, so they maintain a principal balance in excess of \$100MM and they spend the excess.

Please feel free to review all of this information. Once you do, you will quickly realize that they all function in a very similar fashion. Although we have worked with Foundations for decades and are very much aware of how they operate, we thought you should see some real examples so that you can make your own decisions. Based on this information, our advise to you for your consideration is as follows.

At this point in time, we do not think you should make any changes in the current structure. The current structure as you know, is that you are all in charge of this District and for the next six months, I will continue to assist you in dealing with issues that come up, along with the Administration and the Parish Attorney's office. Given the other issues that are on the table, we see no immediate need to spend any money on staff. Going forward, we believe that it would be a serious mistake for you to place any type of board between you and the money. We would suggest that you immediately dissolve the current board structure which you did at closing, but apparently it was some how reconstituted after I left in September. None of the Foundations on this list have anyone in control of how to spend the money except for one board. There is no advisory board making these decisions and there is no CEO making them.

So with respect to Governance, You should remain the Governing body and not have any other boards in place. As far as management is concerned, right now you do not need to be spending

If you complete the health needs assessment SOQ process, and move forward with the implementation phase, we believe that you will find out that the staff and management of the District may in fact be significantly more focused on health care experts, possibly including physicians, nurses and public health experts. For right now those decisions can not be made. Once you do staff up, given the information in this database, you will find that none of the CEO's have any ability to decide how to spend the money and when you hire a CEO they should not be able to do that either.

I have said this to you before, but I know you are all busy so I will repeat it to remind you. We have been dealing with Foundations for more than 35 years. It would be impossible for me to accurately tell you what happens when you have \$100MM of cash and the public become aware of the fact that you plan to give it away. Every one will be after all of you. They will be after all of you plus Mike Yenni, Keith, Tim, everyone., They will talk to your wives and husbands, they will corner you in Church, they will go after Chris at the ice cream store, they will try to bribe you, they will try everything to get at this money. And they will do it seven days a week all day every day. If you do not have the policies and procedures in place similar to what Quantum has done, you will all find your self in a very difficult position.

Please call me if you have any questions. Josh

----- Forwarded message -----

From: **Laura Taylor** <ltaylor@nashvillenetworking.com>
Date: Mon, Aug 22, 2016 at 10:06 AM
Subject: FWD: Foundations
To: Joshua Nemzoff <josh@nemzoff.net>

Laura Taylor
LTaylor@NashvilleNetworking.com
[REDACTED] cell

----- Original Message -----

Subject: FWD: Foundations
From: "Laura Taylor" <ltaylor@nashvillenetworking.com>
Date: 5/19/16 10:44 am
To: "Joshua Nemzoff" <josh@nemzoff.net>

Josh,

The last file in the attached files is an Excel spreadsheet. Open it up first, the PDF files are just backup.

Thanks!

Laura Taylor
LTaylor@NashvilleNetworking.com
[REDACTED] cell

----- Original Message -----

Subject: Foundations
From: "Laura Taylor" <ltaylor@nashvillenetworking.com>
Date: 4/13/16 7:41 pm
To: "Joshua Nemzoff" <josh@nemzoff.net>

Laura Taylor
LTaylor@NashvilleNetworking.com
[REDACTED] cell

--

Joshua Nemzoff
Josh@nemzoff.net
215 862 4404 Office
Cell
www.nemzoff.net

1. Status report Six

From: Nemzoff, Joshua <josh@nemzoff.net>
To: CLeesheng <CLeesheng@jeffparish.net>, BZahn <BZahn@jeffparish.net>, PJohnston <PJohnston@jeffparish.net>, MSpears <MSpears@jeffparish.net>, RTemplet <RTemplet@jeffparish.net>, CRoberts <CRoberts@jeffparish.net>, JennVanV <jennvanv@jeffparish.net>, MYenni <myenni@jeffparish.net>, KConley <KConley@jeffparish.net>, MPower <MPower@jeffparish.net>, TPalmatier <TPalmatier@jeffparish.net>, Jacques Molaison <JMolaison@jeffparish.net>, BSTCyr <BSTCyr@jeffparish.net>, JZapata <JZapata@jeffparish.net>, TSWilken <TSWilken@jeffparish.net>
Hidden recipients: tswilken@jeffparish.net, cleesheng@jeffparish.net, jzapata@jeffparish.net, bzahn@jeffparish.net, rtemplet@jeffparish.net, jmolaison@jeffparish.net, croberts@jeffparish.net, bstcyr@jeffparish.net, kconley@jeffparish.net, ACardwell@jeffparish.net, pjohnton@jeffparish.net, mspears@jeffparish.net, tpalmatier@jeffparish.net, mpower@jeffparish.net
Sent Date: Sep 18, 2016 20:55:51
Subject: Status report Six
Attachment:

JPHSD1 members

As per our contract this email will serve as Status Report Six. This report is confidential and should not be shared.

During the past month, things have been moving very well. We are making progress on a number of issues as follows.

1. First let me congratulate all of you on the fact that your bill paying process actually paid my bill on time for the first time in 31 months. You all have paid me late more times than any other client I have ever had, but things are looking up and you are all still BFF's. So thank you for your prompt payment.
2. Ernst & Young has scheduled their presentation for October 19, 2016 and they have requested that it should be in Executive Session. As we have discussed before, You all need to decide who should be in that meeting. My only suggestion is that the participants should be limited to an as needed basis and that the IG should be excluded from this meeting. (see below). In order to figure out who should be there, I would suggest for your consideration the following. I think Cynthia, Paul, Mike Power should get on a call with Greg Crouse the lead partner to go over everyone's thoughts as to who should attend. As you all know, none of us have any idea what will be presented except for Greg. In the event that there are material issues that come up and given the problems we have had with confidentiality a call like this may be of value.
3. With respect to the IG, as all of us know, he has gone out of his way to be highly critical of all of you and of me every chance he gets. His request for data from me has resulted in my reporting him to the State Ethics Committee. All of his actions and all of our reactions could potentially be

written off as reasonable minds may differ, but I doubt it. His last efforts as they relate to the SOQ for a firm to conduct a needs assessment are another matter. The issue of establishing an analysis of need on the West bank has been discussed in great detail by many of you and your advisors and the decision was made unanimously by you to go out for an SOQ. There are many people that worked on that SOQ, including Bryan, Tiffany, Jacques and myself and probably others that I am not aware of. The SOQ was sent to 24 Public Health Schools and 10 Private consulting firms. But apparently that was not good enough for the IG, so he unilaterally went out and contacted multiple other parties for the purpose of soliciting a bid from them. Here is how I see this folks. You have been paying me a huge amount of money to give you advice. I think I have done a good job. I have been in the health care field for 38 years and actually have a Masters of Public Health degree from Columbia University (a yankee school from up north). So it is not like I do not understand the issues which is why I advised you to look at Public Health Schools. But the IG who has no health background and no experience in health care felt the need to step in and solicit submissions even though 34 organizations had been contacted. Oddly enough, one of the private firms he contacted actually suggested that he should talk to public health schools to get the best expertise. You can not make this stuff up and if any of you think I am, think again, I have the emails to prove it. Your IG is out of control. I can not put it more simply than that. And given the magnitude of what EY is working on and the potential impact of their findings, I would respectfully request that the IG be removed from any further involvement in anything that has to do with the hospital deal. If he decides to go out and find new bidders because he thinks all of us are idiots and 34 firms is not enough, can you imagine what he would do if EY presents some volatile issues? He is reckless and irresponsible as it relates to this matter. I am absolutely amazed that he would do something like this.

4. With respect to the Net Working Capital issue

EY would be working for you

5. It appears there were five submissions for the SOQ for a health needs assessment. All of them are private firms and one is the group that we talked to before, which is a private firm made up of all faculty members at Tulane. Jacques and his team are looking at the submissions tomorrow to make sure they all filled out the forms correctly and are not disqualified. Once that has occurred they will be scored and ready for your approval at the October 5 meeting.

If any of you have any questions about this report, please let me know. Josh

--

Joshua Nemzoff
Josh@nemzoff.net
215 862 4404 Office
[REDACTED] Cell
www.nemzoff.net

1. Status Report 7

From: Nemzoff, Joshua <josh@nemzoff.net>
To: CLeesheng <CLeesheng@jeffparish.net>, BZahn <BZahn@jeffparish.net>, PJohnston <PJohnston@jeffparish.net>, RTemplet <RTemplet@jeffparish.net>, MSpears <MSpears@jeffparish.net>, CRoberts <CRoberts@jeffparish.net>, JennVanV <jennvanv@jeffparish.net>, MYenni <myenni@jeffparish.net>, KConley <KConley@jeffparish.net>, MPower <MPower@jeffparish.net>, TPalmatier <TPalmatier@jeffparish.net>, Jacques Molaison <JMolaison@jeffparish.net>, BSTCyr <BSTCyr@jeffparish.net>, JZapata <JZapata@jeffparish.net>, Gregory A Crouse <gregory.crouse@ey.com>, Atkinson, Meaghan L. <meaghan.atkinson@hoganlovells.com>
Hidden recipients: kconley@jeffparish.net
Sent Date: Oct 15, 2016 21:56:34
Subject: Status Report 7
Attachment: [WJMC SFY 2016.pdf](#)
[WJMC LINCCA Payment pdf](#)
[WJMC \\$19MM payout pdf](#)

JPHSD1 Members

As per the terms of my contract, this email represents status Report 7. It is confidential. Please do not share it. And it is very long so I would not try and read this on your phone. During the past month there have been a number of issues that you should be aware of. The last one of which is quite important and should be of concern to all of you.

1. Your Selection Committee has agreed that Elysian Health had the best submission for the Health Needs SOQ. In order to move forward, you will need to vote on their selection at your convenience.

2. [REDACTED] E&Y
help us determine what the Net Working Capital Number

[REDACTED]

this work

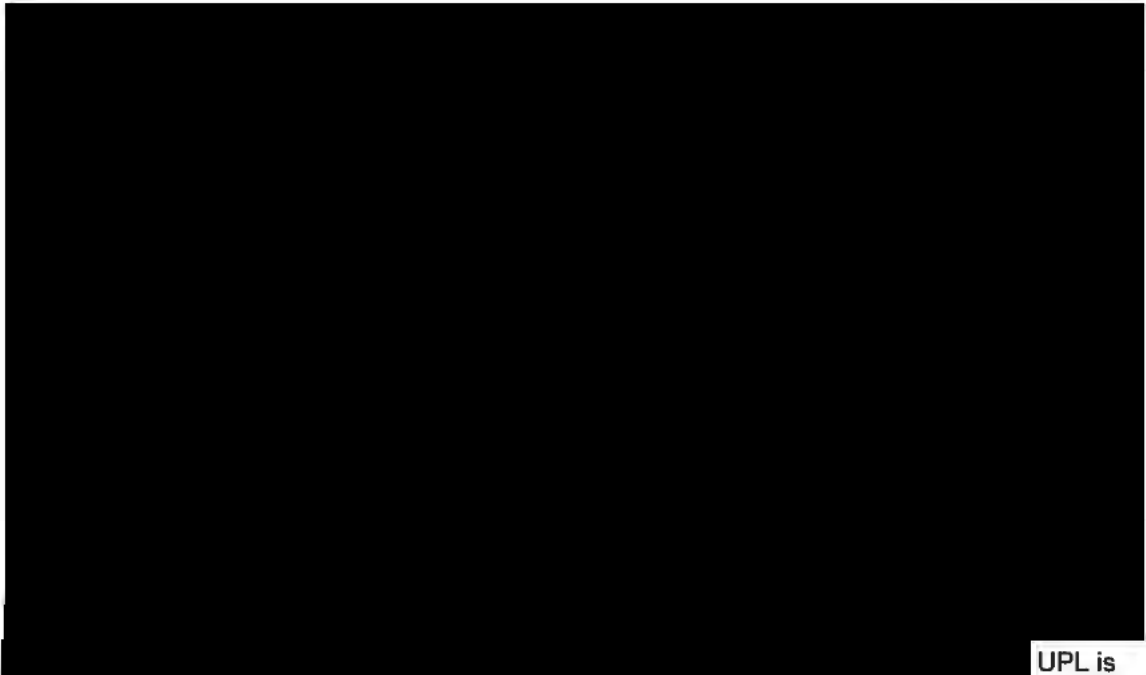
I think you should hire E&Y to do

3. Tim sent a memo out about the current status of the pension.

4. The Parish Attorneys office had a meeting with a very nice lady named [REDACTED] and referred her to me to talk about what to do with the money that you have

5.

6.



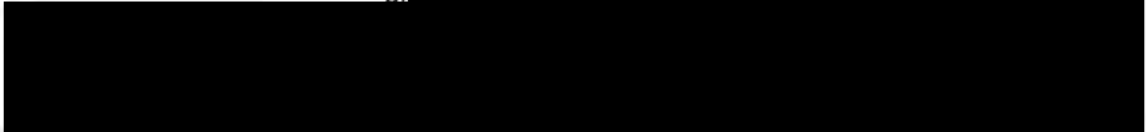
UPL is

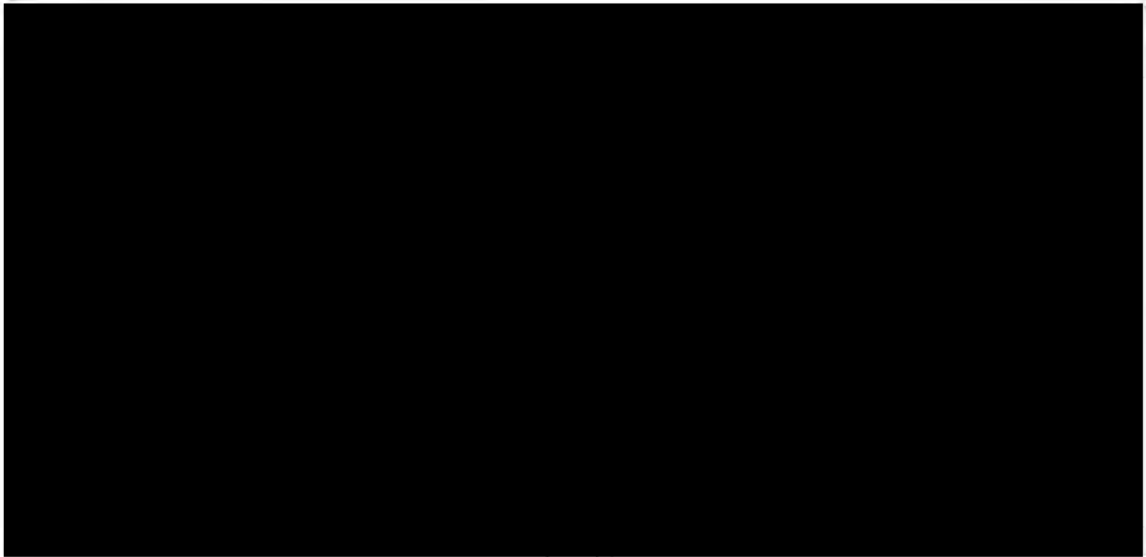
the "Upper Payment Limit" funds from Medicaid. A brief primer. Medicare is for old people and is 100% federal. Medicaid is for poor people, disabled people and some children and is shared 50/50 between the state and the feds. UPL is a Medicaid program and has other names in many states, but it is also known as the "DISH payment" or the "Disproportionate Share program. The theory is that if you are a hospital that has a disproportionately large share of indigent patients you will get some extra money from the Medicaid program. This is a matching program so if the state tells the feds we had \$80MM of DISH activity, the feds will match a portion of that money. Every state has a variation of this program and they differ in some ways from state to state, but the theory is all the same. So for a few years now, a dozen or more hospitals have been using this program.



Now would be a good time to get a drink or take a couple of aspirin, especially if any of you were foolish enough to try and read one of my reports on a cell phone. So we have this complicated program which none of us understood

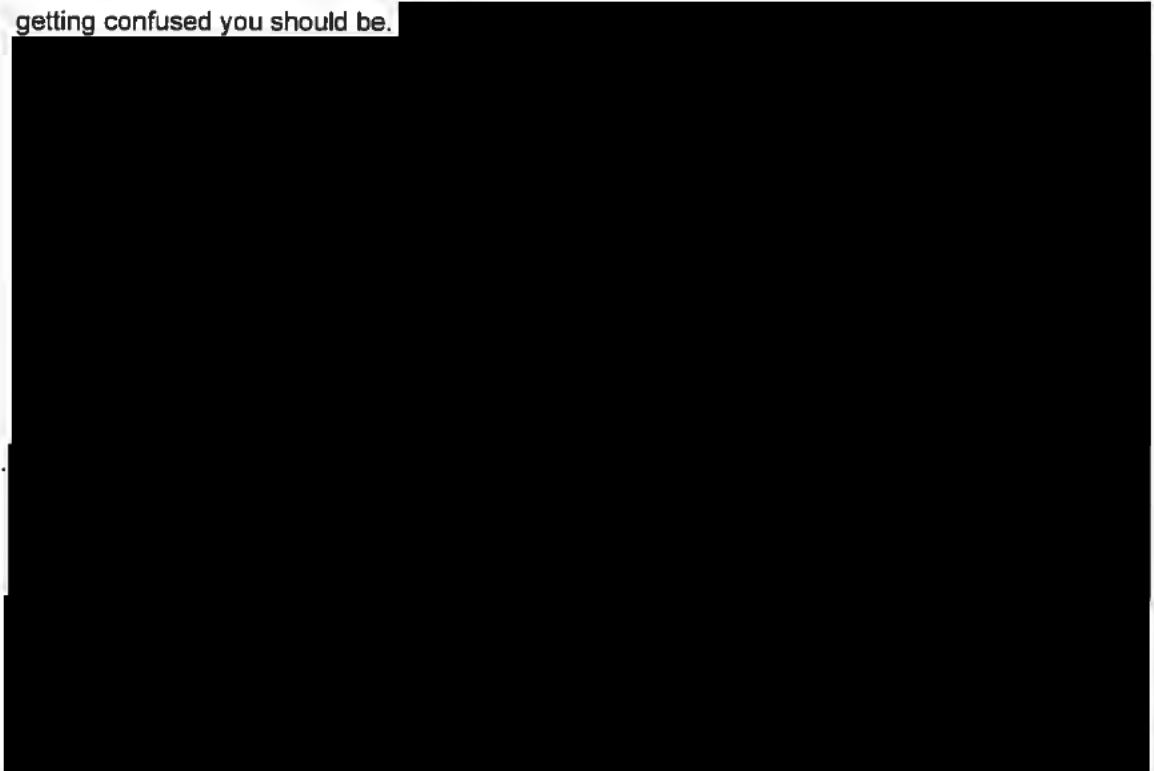
As a result we hired Lane Sisung,

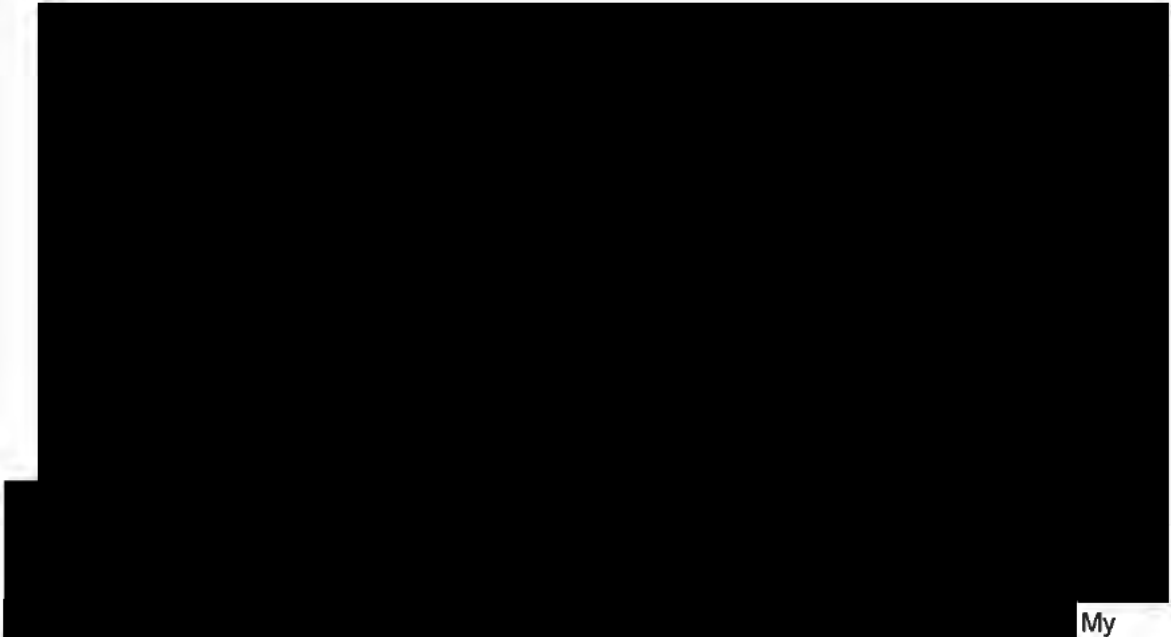




7. On May 20, 2016 Tim sent me the attached SFY document which he found. Scroll down to the last page and you will see that the Department of Health sent the hospital a document and said they had "earmarked" \$19.3MM for them. We do not know the date of this document and had never seen it before. I asked Tim to find out what happened and if it was ever paid. [REDACTED] [REDACTED] the hospital paid the State \$7.3MM on August 31, 2015 a month before closing. I asked Tim to find out if we ever got the money and that led to his obtaining the third document which shows the state paid the \$19.3MM out to these five insurance companies acting as intermediaries and they then paid it to the hospital (In other words they gave it to LCMC) over the time period July 31, 2015 to July 1, 2016. If you are getting confused you should be. [REDACTED]

8.





My

apologies for the long report. I know it has been a painful read. Hope you all have a great weekend. Josh

--

Joshua Nemzoff
Josh@nemzoff.net
215 862 4404 Office
[REDACTED] Cell
www.nemzoff.net

1. Status Report 8 --- Relax Its a short one

From: Nemzoff, Joshua <josh@nemzoff.net>
To: CLeesheng <CLeesheng@jeffparish.net>, CRoberts <CRoberts@jeffparish.net>, RTemplet <RTemplet@jeffparish.net>, MSpears <MSpears@jeffparish.net>, PJohnston <PJohnston@jeffparish.net>, JennVanV <jennvanv@jeffparish.net>, BZahn <BZahn@jeffparish.net>, MYenni <myenni@jeffparish.net>, KConley <KConley@jeffparish.net>, MPower <MPower@jeffparish.net>, TPalmatier <TPalmatier@jeffparish.net>, Jacques Molaison <JMolaison@jeffparish.net>, BSTCyr <BSTCyr@jeffparish.net>, JZapata <JZapata@jeffparish.net>, Atkinson, Meaghan L. <meaghan.atkinson@hoganlovells.com>
Hidden recipients: mspears@jeffparish.net
Sent Date: Nov 16, 2016 21:32:46
Subject: Status Report 8 --- Relax Its a short one
Attachment: TMC pdf

I know what you were thinking. Not another Status Report. Sorry but its in my contract. A few quick things because I know you guys are all very busy. Again I am just giving you advice. That is my job. You folks are the decision makers.

1. [REDACTED] the pension issue. [REDACTED]
2. [REDACTED]

3. E&Y is off and running on the forensic stuff. I think their contract to work on the Net Working Capital is up for approval at your next meeting.

I have attached for your review a Transaction Monitoring Checklist (TMC) for the material items in the CEA and the Lease. This report will be sent to you all every month and updated as needed. This is a sample report. It is in fact factual, but if you want me to make any changes to the format and add or delete any items, please let me know. The purpose of the TMC is to provide all of you and your staff with an executive level document to track the most important aspects of this deal. This is not a list of all of the things we need to watch. It is a list of the most important ones. If anyone on this email, thinks we should add or delete anything, please let me know. Except all the lawyers. They are not allowed to comment because they will turn this into a forty five page document.

See that wasn't so bad was it? Hope you all have a great holiday. Josh

Joshua Nemzoff
Josh@nemzoff.net
215 862 4404 Office
[REDACTED] Cell
www.nemzoff.net

JPOIG request to
Nemzoff





OFFICE OF INSPECTOR GENERAL
JEFFERSON PARISH



DAVID N. McCLINTOCK
INSPECTOR GENERAL

REQUEST FOR RECORDS

Date: August 19, 2016

TO: Josh Nemzoff SENT VIA CERTIFIED MAIL AND/OR
Nemzoff & Co LLC BY: Electronic Mail
josh@nemzoff.net

The office of inspector general is authorized by law to audit, evaluate, investigate, inspect and engage in prevention activities with regard to Jefferson Parish government, its departments, agencies, boards, commissions and of any individual, partnership, corporation, or organization involved in any financial or official capacity with parish government. JPCO 2-155.10(11).

Per JPCO 2-155.10(12), the inspector general shall have access to all records, information, data, reports, plans, projections, matters, contracts, memoranda, correspondence, audits, reviews, papers, books, documents, computer hard drives, e-mails, instant messages, recommendations, and any other material of the parish council, office of the parish president, all parish departments, agencies, boards, commissions, or of any individual partnership, corporation, or organization involved in any financial or official capacity with parish government that the inspector general deems necessary facilitate an investigation, audit, inspection or performance review.


In accordance with the above authority and terms of your agreement with the Parish dated April 16, 2016, you are called upon provide copies of materials, records, data and information as described and set forth in Appendix A. Please forward copies of the requested material electronically to hospitalmonitoring@jpoig.net or via ordinary mail to the address below:

**Jefferson Parish Office of Inspector General,
5401 Jefferson Highway, Suite C,
Jefferson, Louisiana 70123**

on or before Noon time on the 26th day of August, 2016

The materials, records, data and information sought are relevant and/or otherwise material to the performance of the duties of the Jefferson Parish Office of Inspector General as authorized under La.R.S. 33:9613. Any material, records, data and information compiled by the Jefferson Parish Office of Inspector General in an investigation, examination, audit, inspection or performance review is confidential and privileged and not subject to disclosure under the Louisiana Public Records Law, La.R.S. 44:1 *et seq.*

If you have any questions regarding this request, please do not hesitate to contact me directly at (504) 736-8962 (Ext. 233)


Brian S. Smith
Dep. Inspector General- Inv.

APPENDIX "A"

You are hereby called upon to provide copies of the following materials, records, data and information:

- A. Please provide a copy of your written direction and advice to JPHSD regarding compliance and maximization of JPHSD's rights regarding calculation of Working Capital and supporting documentation of your comprehensive review and strategic analysis of Lease Documents, associated audited financial statements completed subsequent to the October 1, 2015 closing date.
- B. Copy of recommended protocols, policies, procedures, incorporating industry standards and best practices applicable to government entities, including but not limited to GASB (Government Accounting Standard Board), and advice and recommendations regarding the timely implementation of all relevant terms and conditions related to the initial Hospital Lease Term as defined in the lease Documents.
- C. Copy of any recommendations regarding the governance and management of JPHSD1 as it relates to the Lease Documents, and outline of additional staffing needs and professional services required in order to insure substantial compliance with standards and obligations contained in Lease Documents and the CEA.
- D. Copy of assessment of available options and recommendations for a permanent governance structure for JPHSD1, including the defined roles and authorities governing the Board of JPHSD1.
- E. Copy of proposed necessary and recommended resources to complete all post-closing administrative and financial matters referenced in the Lease Documents, including but not limited to:
 - (1) Net Working Capital requirements, as contemplated by the Lease Documents;
 - (2) written protocols, procedures and recommended industry standards/best-practices for unfunded reserve accruals for pending and undiscovered medical malpractice claims for JPHSD1;
 - (3) written protocols, procedures and recommended industry standards/best practices for unfunded reserve accruals for the Retired West Jefferson Medical Center Employees Pension Fund, and development of sound investment strategies to minimize JPHSD1's financial exposure and maximize return on investments; Additionally, Firm shall interface and cooperate, at JPHSD1's request, with JPHSD1's designated pension fund contractor AON Hewitt;
 - (4) written protocols, procedures and recommended industry standards/best practices for audit and certification of the Medicare/Medicaid cost reports and associated look-back, as

required by the Lease Documents and by law;

(5) written protocols, procedures and recommended industry standards/best practices for those services currently being provided to JPHSD1 by West Jefferson Holdings, LLC, pursuant to the Transition Services Agreement as part of the Lease Documents;

(6) written protocols, procedures and industry standards/best practices for the release of and associated application/use of any escrowed funds pursuant to the Lease Documents;

(7) written protocols, procedures and industry standards/best practices for billings and associated payments for Transition Patients as defined in the Lease Documents;

(8) written protocols, procedures, and industry standards/best practices for any dispute resolutions contemplated in the Lease Documents;

(9) written protocols, procedures, industry standards/best practices for Capital Expenditures by West Jefferson Holdings, LLC, Louisiana Children's Medical Center, and New Orleans Children's Hospital, as required by the Lease Documents;

(10) written protocols, procedures and industry standards/best practices for Charity Care as required by the Lease Documents;

(11) written protocols, procedures and industry standards/best practices for Community Benefit Payments as required by the Lease Documents;

(12) written protocols, procedures and industry standards/best practices for Performance Guaranty Payments as required by the Lease Documents; and

(13) written protocols, policies and procedures for other such financial and administrative services required by the Lease Documents.

From: [Badway, Ernest E.](#)
To: dmclintock@jpoig.net
Subject: RE: Jefferson Parish Office of Inspector General Vendor Records Request
Date: Monday, August 22, 2016 11:02:00 AM

Mr. McClintock

Here we go again. Please instruct your underlings in proper ethical behavior. They may not contact a represented person. If it is done again, I will report you to the proper authorities.

Please be guided accordingly.

Ernest E. Badway
Fox Rothschild LLP
(212) 878-7986 (NY)
(973) 994-7530 (NJ)
(cellphone)
Twitter: @ebadway

-----Original Message-----

From: Joshua Nemzoff [josh@nemzoff.net]
Received: Monday, 22 Aug 2016, 10:20AM
To: Brian Smith [bsmith@jpoig.net]
CC: Badway, Ernest E. [EBadway@foxrothschild.com]
Subject: Re: Jefferson Parish Office of Inspector General Vendor Records Request

Hi Brian. I assume that you are not an attorney so when I tell you I am represented by counsel you may not be aware of what that means. Ernie will explain it to you. Appreciate your understanding. Josh.

Sent from my iPhone
Joshua Nemzoff
josh@nemzoff.net
www.nemzoff.net
[REDACTED] Cell
215 862 4404 Office

On Aug 22, 2016, at 11:18 AM, Brian Smith <bsmith@jpoig.net> wrote:

Mr. Nemzoff,
Thank you for your acknowledgement of receipt of our request for records. We look forward to receiving documents in response to our request on or before August 26, 2016 per the Request for Records attached to our original communication. Your cooperation is appreciated, and of course, you may designate whomever you choose to provide such documents in response.

Thank you again,

Brian

Brian Smith
Deputy Inspector General-Investigations
Office of Inspector General-Jefferson Parish, Louisiana
5401 Jefferson Highway, Suite C
Jefferson, LA 70123
504-736-8962

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From: Joshua Nemzoff [<mailto:josh@nemzoff.net>]

Sent: Friday, August 19, 2016 4:43 PM

To: Brian Smith <bsmith@jpoig.net>

Cc: hospitalmonitoring@jpoig.net; Badway Ernest Edward <EBadway@foxrothschild.com>

Subject: Re: Jefferson Parish Office of Inspector General Vendor Records Request

Hi Brian. I am represented by counsel. His name is Ernest Badway. Have a nice day.
Josh

Sent from my iPhone

Joshua Nemzoff

josh@nemzoff.net

www.nemzoff.net

Cell

215 862 4404 Office

On Aug 19, 2016, at 5:39 PM, Brian Smith <bsmith@jpoig.net> wrote:

Mr. Nemzoff,

Please see the attached Vendor Records Request from our office.

Kindly,

Brian Smith
Deputy Inspector General-Investigations
Office of Inspector General-Jefferson Parish, Louisiana
5401 Jefferson Highway, Suite C
Jefferson, LA 70123
504-736-8962

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<Nemzoff 08192016 Records Request.pdf>

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From: [Badway, Ernest E.](#)
To: dmcclintock@jpoig.net
Cc: [MPower](#); [CLeesheng](#); [KConley](#); [MYenni](#); [PJohnston](#); [BZahn](#)
Subject: RE: Jefferson Parish Office of Inspector General Vendor Records Request
Date: Monday, August 29, 2016 10:35:46 AM
Attachments: [JN00001 to JN00128-C2.pdf](#)

Mr. McClintock:

I have not received a response to my previous email message below so I am assuming you have acknowledged the improper conduct of your employee and taken steps to correct the matter.

In any event, Nemzoff & Co., LLC (“Nemzoff”) has received permission to provide your office with documents in its possession to satisfy your request of August 19, 2016 (“Request”). I am attaching those documents responsive to your Request to this email as Bates stamped Nos. JN00001 to JN00128.

Nonetheless, I have to point out 2 items that deserve mention. Initially, during my review of both your Request and the responsive documents, I discovered that all of the information you requested of Nemzoff has been *previously* provided to you. You and/or your office have been copied on all emails and been provided with the documents and other information you now inquire about in your Request.

Ordinarily, one would view this as a simple oversight by your office, however, the second point I must raise with you is more troubling. As I reviewed the Request and records as well as a timeline of events, it appears that every time Nemzoff raises an issue of malfeasance and/or negligence against a particular party, you seem to make inquiries of Nemzoff. Rest assured, it is not every time Nemzoff uncovers something, but only certain individuals, who, apparently, may have some connection to you or your office. We trust that you will be forthcoming and have some legitimate explanation for this unfortunate series of coincidences.

Finally, if you have any questions, please direct them to me.

Ernest E. Badway
Fox Rothschild LLP
212-878-7986 (NY)
973-994-7530 (NJ)

Twitter: @ebadway

Blog: <http://securitiescompliancesentinel.foxrothschild.com/>

From: Badway, Ernest E.
Sent: Monday, August 22, 2016 12:01 PM
To: dmcclintock@jpoig.net
Subject: RE: Jefferson Parish Office of Inspector General Vendor Records Request

Mr. McClintock

Here we go again. Please instruct your underlings in proper ethical behavior. They may not contact a represented person. If it is done again, I will report you to the proper authorities.

Please be guided accordingly.

Ernest E. Badway
Fox Rothschild LLP
(212) 878-7986 (NY)
(973) 994-7530 (NJ)
(cellphone)
Twitter: @ebadway

-----Original Message-----

From: Joshua Nemzoff [josh@nemzoff.net]

Received: Monday, 22 Aug 2016, 10:20AM

To: Brian Smith [bsmith@jpoig.net]

CC: Badway, Ernest E. [EBadway@foxrothschild.com]

Subject: Re: Jefferson Parish Office of Inspector General Vendor Records Request

Hi Brian. I assume that you are not an attorney so when I tell you I am represented by counsel you may not be aware of what that means. Ernie will explain it to you. Appreciate your understanding. Josh.

Sent from my iPhone

Joshua Nemzoff

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Cell

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Thank you again,

Brian

Brian Smith
Deputy Inspector General-Investigations
Office of Inspector General-Jefferson Parish, Louisiana
5401 Jefferson Highway, Suite C
Jefferson, LA 70123
504-736-8962

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To: Brian Smith <bsmith@jpoig.net>

Cc: hospitalmonitoring@jpoig.net; Badway Ernest Edward <EBadway@foxrothschild.com>

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Kindly,

Brian Smith

Deputy Inspector General-Investigations

Office of Inspector General-Jefferson Parish, Louisiana

5401 Jefferson Highway, Suite C

Jefferson, LA 70123

504-736-8962

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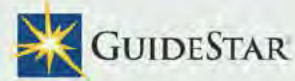
<Nemzoff 08192016 Records Request.pdf>

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Nemzoff
representative
Guidestar internet
research response to
JPOIG



GUIDESTAR[®] Premium Pay As You Go REPORT



GuideStar Report Generated For: *COLORADO TRUST*

Report Generated On: April 13, 2016 at 8:08 PM ET

EIN: 84-0994055

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*Denotes data that is available with purchase of Premium Report

Content Included with Premium Report Purchase

✓2014 Financial Charts

✓Forms 990 for fiscal year(s):

- 2014
- 2013
- 2012
- 2011
- 2010

✓Officer, Director, Key Employee and Highest Paid Employee Data for fiscal year(s):

- 2014
- 2013
- 2012
- 2011
- 2010

GuideStar Premium Report for *COLORADO TRUST*

EIN: 84-0994055

Report Generated: April 13, 2016



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CONFIDENTIAL

JN00001

General Information

COLORADO TRUST
 1600 Sherman St
 Denver, CO 80203
<http://www.coloradotrust.org/>
 EIN: 84-0994055

Telephone: 303 -837-1200

Contact Information

Gwyn Barley, Director of Community Partnerships and Grants
gwyn@coloradotrust.org
 303 -837-1200 tel



This is a Bronze level GuideStar Nonprofit profile, demonstrating this organization's commitment to transparency.

[Learn more about the GuideStar Nonprofit Profile](#)

Preview

Affiliation Type: **Included with Premium Report Purchase** [\(Add to Cart\)](#)

At-A-Glance

IRS Subsection: **Included with Premium Report Purchase** [\(Add to Cart\)](#)
 NTEE Codes: T20 (Private Grantmaking Foundations)
 Assets: \$458,876,351
 Income: \$8,395,267
 Expenses: \$19,922,709
 Liabilities: \$12,752,934
 Areas Served: The Colorado Trust serves the people of Colorado.
 Ruling Year: 1985

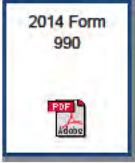



Mission

Advancing the health and well-being of the people of Colorado.

Forms 990 Received from the IRS

 <p>2014 Form 990</p>	 <p>2013 Form 990</p>	 <p>2012 Form 990</p>	 <p>2011 Form 990</p>	 <p>2010 Form 990</p>
click to download	click to download	click to download	Included with Premium Report Purchase Add Premium Report to Cart	Included with Premium Report Purchase Add Premium Report to Cart

Forms 990T Received from the IRS

 <p>2014 Form 990</p>	 <p>2014 Form 990</p>	 <p>2013 Form 990</p>	 <p>2012 Form 990</p>	 <p>2011 Form 990</p>
click to download	click to download	click to download	Included with Premium Report Purchase Add Premium Report to Cart	Included with Premium Report Purchase Add Premium Report to Cart

Annual Report(s)

 <p>2013 Annual Report</p>
click to download

Mission Statement

This information was provided to GuideStar by COLORADO TRUST

Advancing the health and well-being of the people of Colorado.

Preview

Health Equity Advocacy

This information was provided to GuideStar by COLORADO TRUST

Category: None

Population Served: None

Program Description:

Health equity cannot be achieved without addressing social, economic and environmental determinants and challenges. Over the past seven years, the collective work of The Colorado Trust's staff and grantees in working toward advocacy for policy change.... **Full Text Included with Premium Report Purchase** ([Add to Cart](#))

Program Success Monitored by:

Social Policy Research Associates is conducting an independent evaluation of the Health Equity Advocacy Strategy.

Data & Information

This information was provided to GuideStar by COLORADO TRUST

Category: None

Population Served: None

Program Description:

Data are essential to create health equity. By monitoring the inequities in health outcomes and social determinants, we will have the ability to inform stakeholders, evaluate implementation and build accountability. The Trust will work with partne.... **Full Text Included with Premium Report Purchase** ([Add to Cart](#))

Community-based Participatory Grantmaking

This information was provided to GuideStar by COLORADO TRUST

Category: None

Population Served: None

Program Description:

The Colorado Trust has a long-standing commitment to all Coloradans, particularly individuals and families who are most vulnerable. Partnering with communities, we can increase opportunities for all Coloradans, especially the most vulnerable individu.... **Full Text Included with Premium Report Purchase** ([Add to Cart](#))

Overview

Number of Employees: Information Not Available

Chief Executive Profile

Ned Calonge M.D.

Ned Calonge, MD, serves as President and CEO of The Colorado Trust. Prior to joining The Colorado Trust in 2010, Dr. Calonge served as the Chief Medical Officer of the Colorado Department of Public Health and Environment. He also served as the Chief of the Department of Preventive Medicine for the Colorado Permanente Medical Group and was a family physician for 10 years. His current academic appointments include serving as Associate Professor of Family Medicine, Department of Family Medicine, University of Colorado Denver School of Medicine (UCD) and Associate Professor of Preventive Medicine and Biometrics, UCD Colorado School of Public Health. Dr. Calonge is a member and past President of the Colorado Medical Board, which licenses and regulates physicians. He teaches epidemiology, biostatistics and research methods at the University of Colorado Schools of Medicine and Public Health. Calonge is a member of the Delta Dental Foundation Board, a member and past chair of the Board of Directors for LiveWell Colorado, and a member of the Board of Directors for the Colorado Health Institute. Nationally, Dr. Calonge is the immediate past chair of the United States Preventive Services Task Force and a member of the Centers for Disease Control and Prevention's (CDC) Task Force on Community Preventive Services. He is chair of the CDC's Evaluating Genomic Applications for Practice and Prevention (EGAPP) Workgroup, and is a consultant for and past member of the Advisory Committee on Heritable Disorders in Newborns and Children in the Maternal and Child Health Bureau in the Health Resources and Services Administration. Dr. Calonge earned a BA in Chemistry from The Colorado College, an MPH from the University of Washington and an MD from the University of Colorado.

Board Chair

R.J. Ross

Board Leadership Practices



Board Orientation & Education Does the board conduct a formal orientation for new board members and require all board members to sign a written agreement regarding their roles, responsibilities, and expectations?	Response Not Provided
CEO Oversight Has the board conducted a formal, written assessment of the chief executive within the past year?	Response Not Provided
Ethics & Transparency Have the board and senior staff reviewed the conflict-of-interest policy and completed and signed disclosure statements within the past year?	Response Not Provided
Board Composition Does the board ensure an inclusive board member recruitment process that results in diversity of thought and leadership?	Response Not Provided
Board Performance Has the board conducted a formal, written self-assessment of its performance within the past three years?	Response Not Provided

Officers, Directors, Trustees, Foundation Managers

[Prior Year Officers, Trustees and Key Employee Data included in the Premium Report for 2011, 2010](#)

Fiscal Year Ending December 31, 2014

Name	*Title	*Compensation
BRUCE N. CALONGE, MD	*	*
DEBRA L. DEMUTH	*	*
GAY COOK CZOPEK	*	*
JOHN HOPKINS	*	*
WARREN JOHNSON	*	*
DON MARES	*	*
JENNIFER PAQUETTE	*	*
REV. ROBERT J. ROSS	*	*
GAIL SCHOETTLER	*	*
COLLEEN SCHWARZ	*	*
ALAN SYNN	*	*
WILLIAM WRIGHT	*	*
CHRISTINE NOEL	*	*
CHARLOTTE PETERSEN	*	*
JASON S. SIMON	*	*
GUICHO PONS	*	*
CHRISTY WOOD	*	*

* Included with Premium Report Purchase [\(Add to Cart\)](#)



Fiscal Year Ending December 31, 2013

Name	*Title	*Compensation
BRUCE N. CALONGE, MD	*	*
DEBRA L. DEMUTH	*	*
GAY COOK CZOPEK	*	*
JOHN HOPKINS	*	*
WARREN JOHNSON	*	*
DON MARES	*	*
JENNIFER PAQUETTE	*	*
REV. ROBERT J. ROSS	*	*
GAIL SCHOETTLER	*	*
COLLEEN SCHWARZ	*	*
ALAN SYN	*	*
CHRISTINE NOEL	*	*
CHARLOTTE PETERSEN	*	*
JASON S. SIMON	*	*
JAMES TAUCHER	*	*
CHRISTY WOOD	*	*

* Included with Premium Report Purchase [\(Add to Cart\)](#)

Fiscal Year Ending December 31, 2012

Name	*Title	*Compensation
Bruce N. Calonge, MD	*	*
Debra L. DeMuth	*	*
Gay Cook Czopek	*	*
Patricia D. Baca Ed.D.	*	*
John Hopkins	*	*
Jennifer Paquette, CFA	*	*
Rev. Robert J. Ross	*	*
Gail S. Schoettler, Ph.D.	*	*
Colleen Schwarz, MBA	*	*
Alan Synn, MD	*	*
Reginald L. Washington, MD	*	*
Christine Wooldridge	*	*
William W. Jennings, Ph.D.	*	*
Jason S. Simon, CFA	*	*
James R. Taucher, CPA	*	*
Charlotte Petersen	*	*

* Included with Premium Report Purchase [\(Add to Cart\)](#)

Preview

Fiscal Year Ending December 31, 2011

Name	*Title	*Compensation
Bruce N. Calonge, MD	*	*
John L. Samuelson	*	*
Gay Cook Czopek	*	*
Patricia D. Baca Ed.D.	*	*
John Hopkins	*	*
Jennifer Paquette, CFA	*	*
Rev. Robert J. Ross	*	*
Gail S. Schoettler, Ph.D.	*	*
Colleen Schwarz, MBA	*	*
Alan Synn, MD	*	*
Reginald L. Washington, MD	*	*
William Wright, MD	*	*
Robert Hochstadt, CPA/PFS	*	*
William W. Jennings, Ph.D.	*	*
Scott Simon, CFA	*	*
James R. Taucher, CPA	*	*

* Included with Premium Report Purchase [\(Add to Cart\)](#)

Fiscal Year Ending December 31, 2010

Name	*Title	*Compensation
Irene M. Ibarra	*	*
Bruce N. Calonge, MD	*	*
John L. Samuelson	*	*
Gay Cook Czopek	*	*
William N. Maniatis, MD	*	*
Kathryn A. Paul	*	*
Robert J. Ross	*	*
Stephen B. Clark	*	*
Patricia D. Baca Ed.D.	*	*
Gail S. Schoettler, Ph.D.	*	*
William G. Wright, MD	*	*
Jennifer Paquette	*	*
Reginald L. Washington, MD	*	*
Linda F. Pihlak	*	*
William W. Jennings, Ph.D.	*	*
Robert W. Hochstadt	*	*
William G. LaJoie	*	*
James R. Taucher	*	*

* Included with Premium Report Purchase [\(Add to Cart\)](#)

Highest Paid Employees & Compensation

[Prior Year Highest Paid Employee Data included in the Premium Report for 2011, 2010](#)

Fiscal Year Ending December 31, 2014

Name	*Title	*Compensation
GWYN BARLEY	*	*
NANCY CSUTI	*	*
JULLIAN KESNER	*	*
PHILLIP CHUNG	*	*
DEIDRE JOHNSON	*	*

* Included with Premium Report Purchase [\(Add to Cart\)](#)

Fiscal Year Ending December 31, 2013

Name	*Title	*Compensation
CHRISTIE MCELHINNEY	*	*
GWYN BARLEY	*	*
NANCY CSUTI	*	*
JOANNE JOHNSON	*	*
SCOTT DOWNES	*	*

* Included with Premium Report Purchase [\(Add to Cart\)](#)

Fiscal Year Ending December 31, 2012

Name	*Title	*Compensation
Gwyn Barley	*	*
Christie McElhinney	*	*
Nancy Cauti	*	*
Joanne Johnson	*	*
Scott Downes	*	*

* Included with Premium Report Purchase [\(Add to Cart\)](#)

Fiscal Year Ending December 31, 2011

Name	*Title	*Compensation
Christie McElhinney	*	*
Nancy Csuti	*	*
Joanne Johnson	*	*
Scott Downes	*	*
Matt Sundeen	*	*

* Included with Premium Report Purchase [\(Add to Cart\)](#)

Fiscal Year Ending December 31, 2010

Name	*Title	*Compensation
Nancy Csuti	*	*
Christie McElhinney	*	*
Joanne Johnson	*	*
Matt Sundeen	*	*
Scott Downes	*	*

* Included with Premium Report Purchase ([Add to Cart](#))

Preview

Kansas Health Foundation	Steve Coen	President & CEO	316-262-7676
The Degen Foundation	Thomas H. Webb, Jr.	Executive Director	479-755-6891
The City of Muskogee Foundation	Ernie Gilder	Chairman	918-577-6562
The Memorial Foundation	Scott Perry	President	615.822.9499
The Quantum Foundation	Eric M. Kelly	President	561.832.7497
The Moses Taylor Foundation	LaTida Smith	President & CEO	570-207-3731
Space Coast Health Foundation	Johnette Gindling	Executive Director	(321) 241-6600
Colorado Trust	Ned Calonge, MD	President & CEO	303-837-1200
Rose Community Foundation	Sheila Bugdanowitz	President & CEO	303.398.7401
Rapides Foundation	Joseph R. Rosier, Jr.	President & CEO	318-443-3394
Paso del Norte Health Foundation	Tracy Yellen	President & CEO	915-218-2615
Baptist Community Ministries			
The Assisi Foundation of Memphis			
Winter Park Health Foundation			
Archstone Foundation			

309 E Douglas Ave Wichita, KS 67202
7600 Taylor Ave Fort Smith, AR 72916
2932 Nw 122nd Street Oklahoma City, OK 73120
100 Bluegrass Commons Suite 320 Hendersonville, TN 37075
2701 N. Australian Ave., Suite 200 West Palm Beach, FL 33407
150 N. Washington Ave., 6th Floor, Scranton, PA 18503
6905 N Wickham Rd Ste 301 Melbourne, FL 32940
1600 Sherman St Denver, CO 80203
600 S Cherry St Ste 1200 Denver, CO 80246
1101 4th St Ste 300 Alexandria, LA 71301
221 N Kansas St Ste 1900 El Paso, Texas 79901

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[Website](#)

Elysian Health LLC
charter document



Tom Schedler
Secretary of State

State of Louisiana
Secretary of State



COMMERCIAL DIVISION
225.925.4704

Fax Numbers
 225.932.5317 (Admin. Services)
 225.932.5314 (Corporations)
 225.932.5318 (UCC)

Name	Type	City	Status
ELYSIAN HEALTH, LLC	Limited Liability Company	NEW ORLEANS	Active

Previous Names

Business: ELYSIAN HEALTH, LLC
Charter Number: 42352795K
Registration Date: 8/5/2016

Domicile Address

5900 TCHOUPITOULAS ST.
 NEW ORLEANS, LA 701152147

Mailing Address

5900 TCHOUPITOULAS ST.
 NEW ORLEANS, LA 701152147

Status

Status: Active
Annual Report Status: In Good Standing
File Date: 8/5/2016
Last Report Filed: N/A
Type: Limited Liability Company

Registered Agent(s)

Agent:	MOLLYE DEMOSTHENIDY
Address 1:	5900 TCHOUPITOULAS ST.
City, State, Zip:	NEW ORLEANS, LA 701152147
Appointment Date:	8/5/2016

Officer(s)

Additional Officers: No

Officer:	CHESTNUT HEALTH CARE CONSULTING, LLC
Title:	Member
Address 1:	5900 TCHOUPITOULAS ST.
City, State, Zip:	NEW ORLEANS, LA 701152147

Officer:	A-MAX CONSULTING, LLC
Title:	Member

Address 1:	2020 METAIRIE COURT
City, State, Zip:	METAIRIE, LA 70001
Officer:	HMP CONSULTING, LLC
Title:	Member
Address 1:	916 E. WILLIAM DAVID PKWY
City, State, Zip:	METAIRIE, LA 70005
Officer:	MARK DIANA
Title:	Member
Address 1:	181 CHATEAU LATOUR DR.
City, State, Zip:	KENNER, LA 70065
Officer:	JULIE HERNANDEZ
Title:	Member
Address 1:	917 ESPLANADE AVE.
Address 2:	UNIT 6
City, State, Zip:	NEW ORLEANS, LA 70116

Amendments on File (1)

Description	Date
Appointing, Change, or Resign of Officer	9/14/2016

[Print](#)

Jefferson Parish
Council Resolution
127733 (08/24/2016)



On motion of **Mr. Roberts**, seconded by **Ms. Lee-Sheng**, the following resolution was offered:

RESOLUTION NO. 127733

A resolution authorizing the Parish Clerk to advertise for submittals of Statements of Qualifications from persons or firms who are interested in conducting a community healthcare assessment for the Westbank of Jefferson Parish. (Council District 2)

WHEREAS, the Parish of Jefferson desires to study the community health needs on the Westbank of Jefferson Parish; and

WHEREAS, the Parish of Jefferson has a need to identify the ease of access to healthcare of its citizens on the Westbank of Jefferson Parish; and

WHEREAS, the services of a qualified firm to study and report the community health needs and any associated access to healthcare issues are required in order to insure that the needs of the citizens of the Westbank are met; and

WHEREAS, the Parish of Jefferson desires to select a person or firm through a solicitation of Statements of Qualifications from persons or firms interested in conducting a community health assessment for the Westbank of Jefferson Parish;

NOW THEREFORE BE IT RESOLVED by the Jefferson Parish Council of Jefferson Parish, Louisiana, acting as governing authority of Jefferson Parish Hospital Service District No. 1:

SECTION 1. That the Parish Clerk be and is hereby authorized to advertise for submittals of Statements of Qualifications from persons or firms, who are interested in conducting a community healthcare assessment for the Westbank of Jefferson Parish.

SECTION 2. That the person or firm submitting a Statement of Qualifications shall have the following minimum qualifications:

1. The person, or at least one principal of the firm, shall have at least five (5) years' experience in providing consulting services that include community health assessments and related reporting;
2. The person, or at least one principal of the firm, shall have at least five (5) years' experience in the medical/healthcare field.

SECTION 3. That the following ranking criteria shall be used to evaluate the statements of the persons or firms interested in conducting the community healthcare assessment for the citizens of the Westbank of Jefferson Parish.

1. Experience in and understanding of community healthcare; (25 points)
2. Professional training and experience of the persons or firm assigned to the project, generally and in relation to the subject matter expertise required for this project; (25 points)
3. Past performance by the persons or firm on projects with similar criteria; (10 points)
4. Person or at least one principal of firm previously published in national journal; (10 points)
5. Capacity for timely completion of the work, taking into consideration the person or firm's current and projected workload and professional and support staff; (10 points)
6. Provide a suggested fee schedule relative to the services to be used for negotiation purposes; (10 points)
7. Preference given to a person or firm's association with an accredited University; (10 points)

SECTION 4. That the evaluation committee shall be comprised of Tim Palmatier, Director of Finance, Deon Green, Director of Legal Analysis, and Alan Gandolfi, Director of Research and Budget, who shall all be voting members, and a representative of the Parish Attorney's office who shall be a non-voting member.

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: 7

NAYS: None

ABSENT: None

This resolution was declared to be adopted on this the **24th day of August, 2016.**

THE FOREGOING IS CERTIFIED
TO BE A TRUE & CORRECT COPY



EULA A. LOPEZ
PARISH CLERK

JEFFERSON PARISH COUNCIL

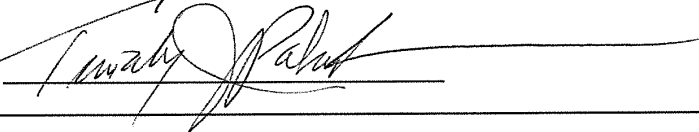
Community Health
Needs Assessment
selection committee
scores



EVALUATION COMMITTEE - INDIVIDUAL SCORE SHEET

EVALUATION COMMITTEE DATE: 9/30/16

EVALUATION COMMITTEE MEMBER - Printed Name: Timothy Palmatier

EVALUATION COMMITTEE MEMBER - Signature: 

SOQ					
A resolution authorizing the Parish Clerk to advertise for submittals of Statements of Qualifications from persons or firms who are interested in conducting a community healthcare assessment for the Westbank of Jefferson Parish.					
EVALUATION CRITERIA TECHNICAL, QUALIFICATIONS, AND EXPERIENCE (Maximum of 100 Points)	Maximum Points	Ascent Health Consulting, LLC	Elysian Health, LLC	HPSA Acumen, Inc.	Louisiana Public Health Institute (LPH1)
Experience in and understanding of community healthcare; (25 points)	25	20	25	20	25
Professional training and experience of the persons or firm assigned to the project, generally and in relation to the subject matter expertise required for this project; (25 points)	25	15	25	20	15
Past performance by the persons or firm on projects with similar criteria; (10 points)	10	10	10	10	10
Person or at least one principal of firm previously published in national journal; (10 points)	10	10	10	0	10
Capacity for timely completion of the work, taking into consideration the person or firm's current and projected workload and professional and support staff; (10 points)	10	10	10	10	10
Provide a suggested fee schedule relative to the services to be used for negotiation purposes; (10 points)	10	10	10	10	0
Preference given to a person or firm's association with an accredited University; (10 points)	10	0	5	0	5
COMMITTEE MEMBER TOTALS	Maximum Total Points Insert	75	95	70	75

This information can be found in the Advertised Resolution

EVALUATION COMMITTEE - INDIVIDUAL SCORE SHEET

EVALUATION COMMITTEE DATE: 9-30-16

EVALUATION COMMITTEE MEMBER - Printed Name : Deon Green

EVALUATION COMMITTEE MEMBER - Signature : Deon A Green

SOQ					
A resolution authorizing the Parish Clerk to advertise for submittals of Statements of Qualifications from persons or firms who are interested in conducting a community healthcare assessment for the Westbank of Jefferson Parish.					
EVALUATION CRITERIA TECHNICAL, QUALIFICATIONS , AND EXPERIENCE (Maximum of 100 Points)	Maximum Points	Ascent Health Consulting, LLC	Elysian Health, LLC	HPSA Acumen, Inc.	Louisiana Public Health Institute (LPH1)
Experience in and understanding of community healthcare; (25 points)	25	25	25	25	25
Professional training and experience of the persons or firm assigned to the project, generally and in relation to the subject matter expertise required for this project; (25 points)	25	20	25	20	20
Past performance by the persons or firm on projects with similar criteria; (10 points)	10	7	6	7	10
Person or at least one principal of firm previously published in national journal; (10 points)	10	10	10	0	10
Capacity for timely completion of the work, taking into consideration the person or firm's current and projected workload and professional and support staff; (10 points)	10	7	10	5	5
Provide a suggested fee schedule relative to the services to be used for negotiation purposes; (10 points)	10	10	10	10	0
Preference given to a person or firm's association with an accredited University; (10 points)	10	5	5	0	5
COMMITTEE MEMBER TOTALS	Maximum Total Points Insert	84	91	67	75

This information can be found in the Advertised Resolution

EVALUATION COMMITTEE - INDIVIDUAL SCORE SHEET

EVALUATION COMMITTEE DATE: September 30, 2016

EVALUATION COMMITTEE MEMBER - Printed Name : Alan M. Gandolfi

EVALUATION COMMITTEE MEMBER - Signature : 

SOQ					
A resolution authorizing the Parish Clerk to advertise for submittals of Statements of Qualifications from persons or firms who are interested in conducting a community healthcare assessment for the Westbank of Jefferson Parish.					
EVALUATION CRITERIA TECHNICAL, QUALIFICATIONS , AND EXPERIENCE (Maximum of 100 Points)	Maximum Points	Ascent Health Consulting, LLC	Elysian Health, LLC	HPSA Acumen, Inc.	Louisiana Public Health Institute (LPH1)
Experience in and understanding of community healthcare; (25 points)	25	18	25	18	23
Professional training and experience of the persons or firm assigned to the project, generally and in relation to the subject matter expertise required for this project; (25 points)	25	14	25	15	23
Past performance by the persons or firm on projects with similar criteria; (10 points)	10	5	10	5	10
Person or at least one principal of firm previously published in national journal; (10 points)	10	10	10	10	10
Capacity for timely completion of the work, taking into consideration the person or firm's current and projected workload and professional and support staff; (10 points)	10	7	10	0	8
Provide a suggested fee schedule relative to the services to be used for negotiation purposes; (10 points)	10	10	10	10	0
Preference given to a person or firm's association with an accredited University; (10 points)	10	4	8	0	7
COMMITTEE MEMBER TOTALS	Maximum Total Points Insert	68	98	58	81

DG
Professional
Research
Consultants

This information can be found in the Advertised Resolution

Council Chair Lee-Sheng letter to Nemzoff





CYNTHIA LEE-SHENG
COUNCILWOMAN AT-LARGE
DIVISION B
JEFFERSON PARISH

EASTBANK
1221 ELMWOOD PARK BLVD, SUITE 1018
JEFFERSON, LOUISIANA 70123
OFFICE: (504) 736-6016

May 11, 2016

WESTBANK
200 DERBIGNY STREET, SUITE 6200
GRETNA, LOUISIANA 70053
OFFICE: (504) 364-2624

Mr. Joshua Nemzoff, CEO
Nemzoff & Company, LLD
360 Covered Bridge Road
New Hope, Pennsylvania 18938

Dear Mr. Nemzoff:

Please accept this as your authorization/direction to include the Jefferson Parish Inspector General in all written communications generated by your office in regard to the contract between the Parish of Jefferson and Nemzoff & Company, LLC dated April 22, 2016. I also ask that you include the Inspector General in any pre-scheduled telephone conference calls with Parish representatives or other parties involved with the reconciliation process.

This direction is being made in accordance with requirements in the Parish Code of Ordinances and with the provisions of Paragraph 17 of the April 22 contract.

Thank you for your anticipated cooperation and please feel free to express any concerns you may have directly to the Parish Attorney's Office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cynthia Lee-Sheng".

Cynthia Lee-Sheng
Chairwoman, Jefferson Parish Council

Councilwoman
Cynthia Lee-Sheng
response





CYNTHIA LEE-SHENG

COUNCILWOMAN AT-LARGE

DIVISION B

JEFFERSON PARISH

EASTBANK
1221 ELMWOOD PARK BLVD, SUITE 1018
JEFFERSON, LOUISIANA 70123
OFFICE: (504) 736-6016

January 27, 2017

WESTBANK
200 DERBIGNY STREET, SUITE 6200
GRETNA, LOUISIANA 70053
OFFICE: (504) 364-2624

Mr. David N. McClintock
Inspector General
Office of the Inspector General
5401 Jefferson Highway, Suite C
Jefferson, Louisiana 70123

Mr. McClintock,

This is a response to your office's report entitled 4th Supplemental Hospital Monitoring Contract Administration and Compliance. I appreciate the opportunity to provide a response.

Finding #1: The Parish Rendered Payment to Nemzoff Without Receiving Defined Scope of Services and Deliverables.

Response: The Parish Council as governing authority for Jefferson Parish Hospital Service District No. 1 went to great lengths to draft a comprehensive contractual agreement between the District and Nemzoff & Company, LLC. The ensuing April 22, 2016 Agreement contains a defined scope of services with benchmarks for deliverables. I have been informed that the drafts of this contract were delivered to your office electronically for your review as well as the final version prior to execution and that no objection by your office was mentioned.

These consulting services, despite being intangible by their very nature, were captured in the April 22, 2016 Agreement, which contain required written work product and benchmarks for completion. To this end however, there have been deviations from those benchmarks due to circumstances manifesting outside of the control of the Jefferson Parish Council and/or the Jefferson Parish Hospital Service District. It is the intention of this Council to memorialize those deviations in the form of a comprehensive single Amendment, which will memorialize all associated changes.

Further, Council members as well as their staff members were in routine contact with the Managers defined in the April 22, 2016 Agreement, and Nemzoff & Company, LLC regarding the services being provided and delivered. Similarly, the Managers were communicating daily with one another at multiple intervals regarding the services being

page 2
January 27, 2017
David N. McClintock

delivered by Nemzoff & Company, LLC. The Managers and Council were both acutely aware of the payments required under the April 22, 2016 Agreement, and the Managers adhered to the invoice processing previously incorporated for the prior Nemzoff Agreement which was instituted because of prior concerns raised by your office. That review includes Parish Attorney review, Internal Audit review, and Finance review.

Finding #2: The Parish Failed to Adequately Define Deliverables Required of Vendor.

Response: The April 22, 2016, Agreement between the Jefferson Parish Hospital Service District No. 1 and Nemzoff & Company, LLC was a heavily negotiated document. To date, Nemzoff & Company has provided the Jefferson Parish Council as governing authority for Hospital Service District No. 1 a total of ten (10) monthly written status reports summarizing the services rendered, detailing those elements reviewed, suggested strategies, and recommended protocols. Additionally, Mr. Nemzoff is in daily contact with Jacques Molaison and Tim Palmatier via telephone and conference calls and prolific emails, who in turn keep the Council and Administration up to date on developments.

Finding #3: Vendor Actions or Parish Inaction That Undermine JPOIG Oversight.

Response: The Council, both during Executive Session when the issue was brought to our attention, and in written form thereafter, directed Mr. Nemzoff to copy the OIG on all correspondence.

I will continue to work with your office to assure that you have all documents you need to monitor these lease proceedings. Please let me know what I can do to further assist in this regard.

Finding #4: Use of the Internal Auditor To Review Invoices For Payment.

My recollection of these events is that due to concerns you raised during executive session regarding review of invoices it was suggested that the internal auditor review invoices prior to payment. The use of the Jefferson Parish Internal Auditor for processing invoices was a practice instituted previously on the prior Nemzoff Agreement with the District in a specific effort to allay your concerns and in direct response to prior issues raised by your office.

In conclusion, I would like to add that the lease of our public hospitals has been a long and complicated endeavor. The lease process and negotiation of one of Jefferson Parish's largest assets, West Jefferson Medical Center, has not been undertaken before. I have always felt that because of the uncommon nature of this transaction and

page 3
January 27, 2017
David N. McClintock

the large amount of financial resources at stake, it was and still is imperative that Jefferson Parish is represented by someone who is highly regarded and nationally experienced in this unique type of hospital lease transaction.

The post-closing period of this lease agreement was as integral a part of the transaction as the negotiation period. There were multiple accounts that needed reconciliation, including funds in transit and working capital adjustments in an amount that either the parish would receive or owe. There were no less than 40 adjusting journal entries for the 9/30/15 financials and 70 adjusting journal entries for the 12/31/15 financials. At one point there were discussions of the parish owing in excess of \$20 million dollars due to post-closing activities. With the hard work and focus of our own management team as well as Nemzoff and Company, I am told that amount has now been reduced to an estimate of \$2.9 million dollars. Therefore, the payment to Nemzoff and Company has generated a valuable return to the residents of Jefferson Parish.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cynthia Lee-Sheng', with a large, stylized initial 'C'.

Cynthia Lee-Sheng
Councilwoman At Large, Division B
Jefferson Parish