



OFFICE OF INSPECTOR GENERAL
JEFFERSON PARISH

DAVID N. McCLINTOCK
INSPECTOR GENERAL



Date: 10/30/2020

To: The Citizens of Jefferson Parish

From: David McClintock, Inspector General

Re: JPOIG Investigation 2017-0017, Lafreniere Park Concert Events

Please find attached the Jefferson Parish Office of Inspector General's (JPOIG) Investigation Report # 2017-0017, Lafreniere Park Concert Events.

The objective of the investigation was to assess expenditures of public funds and/or funding for certain events occurring at Lafreniere Park for fraud, waste, or abuse, as well as, to evaluate certain conduct for potential violations of policy, procedure and law. The primary focus of the report was the funding of the Uncle Sam Jam concert events and other concert events at Lafreniere Park by the Parish. In addition, the collection and sharing of revenue generated from these events with private entities was also considered.

A Confidential Draft Report was issued on 07/30/2020 to Parish recipients for consideration and response. These recipients included the Parish Councilmembers, the Parish President, and other Parish officers and directors. There were two responses received from the Parish.

A (Redacted) Confidential Draft Report was issued on 09/11/2020 to Non-Parish recipients for consideration and response. These recipients included the Patrons of Lafreniere and others. There were two responses received from Non-Parish recipients.

The report contains nine specific findings and makes related recommendations. The findings, recommendations, and responses to the report are summarized below.

Findings

The report reached the following findings:

1. The Parish funded concert events at Lafreniere through the Patrons of Lafreniere ("Patrons") opposite to the terms of the Cooperative Endeavor Agreement (CEA) between the Parish and the Patrons;
2. The Parish did not receive the full benefit of revenue generated from fundraising activities at Lafreniere Park due to mismanagement and lack of controls over funds;
3. Private entities profited from events at Lafreniere Park without Parish Council approval;
4. Council District 4 office should not manage contract between the Parish and the Patrons;
5. Noncompliance with Patrons' CEA, Section 1 – Services, Fundraising for capital improvements;

6. Noncompliance with Patrons' CEA, Section 1 – Reimbursement;
7. Noncompliance with Patrons' CEA, Section 9 – Reports;
8. Noncompliance with CEA, Section 10 – Cost and Collection Records; and
9. Noncompliance with Patrons' CEA, Section 21 – General, Cooperation with JPOIG.

Recommendations

Parish Council

The JPOIG made numerous recommendations to the Parish Council relative to funding concert series at Lafreniere Park through the Parish's CEA with the Patrons.

- The JPOIG recommended the Parish seek proposals from event promoters and establish specific parameters for events regarding entertainment, sponsorship, vendors and promotions.
- The JPOIG recommended that the Parish cease funding the concert series through the CEA with the Patrons. Various private entities were permitted to generate revenue during concert events without approval of the Parish Council.
- The JPOIG recommended that the Parish Council cease permitting the Patrons to collect cash revenue generated at Lafreniere Park from activities and events funded in part or in whole with Parish funds.
- Finally, the JPOIG recommended that management and supervision of Patrons activities and events at the Park be placed with the Administration and not with Council District 4. The JPOIG found that contract management falls under the supervision of the Administration and not with a single Council office.

Administration

The JPOIG also made numerous recommendations to the Administration.

- The JPOIG recommended that the Administration develop a list of approved vendors from which the Parish may select to provide food and beverage services for events at Lafreniere Park through competitive request for proposals.
- The JPOIG further recommended that the Administration, through the Finance Department, implement policy and procedure to enforce proper contract management by an appropriate department or officer.
- The JPOIG also recommended that the Administration seek an independent audit of the Patrons' current bank accounts and make demand for reimbursement of expenses incurred by the Parish due to events held by the Patrons.
- Finally, the JPOIG recommended that the Administration cease permitting the Patrons to collect cash revenue generated at Lafreniere Park from activities and events funded by the Parish.

Responses

In accordance with the draft report process the JPOIG received four (4) responses:

Parish Recipients

1. Councilman Dominick Impastato, who currently represents Council District 4, but who did not represent Council District 4 during the period of review covered by the report, and
2. Parish President Cynthia Lee-Sheng.

Non-Parish Recipients

3. Jack P. Rizzuto, who was appointed to serve as Councilman to Council District 4 during a portion of the period covered by the report, and
4. The Patrons of Lafreniere Park.

Council District 4's Response

Council District 4 responded to the report on 09/15/2020. In the response, Councilman Impastato's Office agreed with the findings and recommendations that, to the extent possible, cash transactions should be eliminated at Lafreniere Park. Councilman Impastato recommended that the Lafreniere Park Director develop procedures for handling cash at the park. Councilman Impastato also agreed with the findings and recommendations regarding compliance with the CEA relative to reports. He recommended that the Lafreniere Park Director ensure that all reporting requirements be adhered to, especially those required to be timely submitted to the Internal Auditor.

Councilman Impastato's Office disagreed with the recommendation that the Parish cease funding events at Lafreniere Park through the Patrons, and further, he disagreed with the recommendation that Council District 4 refrain from managing the contract for events at Lafreniere Park funded through the Patrons. Councilman Impastato states that events at Lafreniere Park are funded by Council District 4 with Hotel/Motel tax allocated to the district. For this reason, the Councilman maintains that oversight by Council District 4 is necessary.

Councilman Impastato agreed that contracts would fall under supervision of the Parish President and stated that Council District 4 will work with Park management to ensure review and approval occurs prior to invoices being paid. Councilman Impastato also disagrees with the recommendation to cease funding events through the Patrons, and further, disagrees with the need for a competitive Request for Proposal process to secure services contracts. He states that sufficient parameters have been set and/or are being implemented. Additionally, the Councilman indicates that with the future implementation of controls and the elimination of cash transactions, there are sufficient procedures and protocols to ensure adequate oversight and accountability.

Finally, Councilman Impastato Office's disagreed with the report's last finding relative to the lack of cooperation by the Patrons with the JPOIG's investigation.

Administration's Response

The Administration responded to the report on 10/08/2020. The Administration notes that policies and procedures have been implemented to eliminate the use of cash at Lafreniere Park and that safeguards have been implemented. The Administration is committed to working with the Council, if it chooses, to amend the CEA with the Patrons to restrict the use of cash at Parish funded events.

Responding further, the Administration stated that the Office of the Parish Attorney, Electronic Information Systems (EIS), Accounting, Research and Budget all play extensive roles in contract management and monitoring. These Parish offices are currently working together to confect a draft set of policies and procedures for contract management and monitoring, to include identifying contract monitors. The Administration stated that it will continue to work with Council District 4 and the Patrons of Lafreniere to identify available funds resulting from Patrons fund-raising activities. The Administration will coordinate with Council District 4 to maintain a list of ongoing and desired projects for the park from which Patrons can choose, if funds are available.

Finally, the Administration responds to the report's last finding relative to the lack of cooperation by the Patrons with the JPOIG's investigation. The Administration acknowledged the independence of the JPOIG, and in that respect, any advocacy on behalf of the JPOIG would be responsibility of the JPOIG.

Jack P. Rizzuto (Council District 4 representative 02/24/2017-11/01/2017)

Mr. Jack Rizzuto responded on 10/06/2020. Mr. Rizzuto was appointed by the Governor to represent Council District 4 and served as Councilman from 02/24/2017 through 11/01/2017. Mr. Rizzuto's term as Councilman for District 4 does coincide with a portion of the reporting period.

In his response, Mr. Rizzuto is critical of the facts contained in the report. Specifically, Mr. Rizzuto states that he was careful in his interactions with the Patrons and did not treat the board as if they were operating a quasi-government entity. Mr. Rizzuto acknowledged that he "called the emergency board meeting" because the Uncle Sam Jam "Event was on a fast track to becoming an unmitigated disaster." Mr. Rizzuto states that he called for the resignation of Patrons' Chairman, "it was obvious that he would not be able to get the job done." In his response, Mr. Rizzuto states that he was following an established procedure concerning District 4 oversight of the Uncle Sam Jam event and that he reduced cost of the event by more than 2/3rds.

Patrons of Lafreniere Park

The Patrons of Lafreniere Park (Patrons) responded on 10/09/2020. In the Patrons response to the report, it was acknowledged that the purpose of the entity is to improve the park. The Patrons "submit that they operate, to a certain extent, at the will and whim of the Jefferson Parish Council." Because the Park is in District 4, the Patrons state that the Councilman, whomever it may be, "exerts the most influence over The Patrons and its ability to raise funds and participate in projects that raise funds for the beautification of the park."

Responding to Finding No. 1 specifically, the Patrons state that it is not equipped, as a volunteer organization, to handle large events at the park. The Patrons agrees with the recommendation that funding of the concert series at Lafreniere Park should be by the Parish. Further, the Patrons state that funding and awarding of third-party contracts should not go through any non-profit organization, including the Patrons. Jefferson Parish should handle these public contracts. The Parish should issue requests for proposals from sponsors and contractors of these events following established procurement policies.

Responding to Finding No. 2 specifically, the Patrons acknowledge that the documentation for events was lacking, “We did not have the capacity to produce these public events.” The Patrons agreed with the JPOIG’s finding.

The Patrons also accepted Findings Nos. 3, 4 and 6. Generally, the Patrons accept that, where no parish funds are used, the Parish Council develop a means for Lafreniere Park to be rented, in whole or in part, for functions on a fee basis. The Patrons further acknowledge that Council District 4 effectively acted as the contract administrator for the CEA between the Patrons and the Parish by approving invoices submitted by the Patrons. The Patrons further emphasize that, the councilman directed and approved vendors contracted by The Patrons for concert events in the park, essentially using the Patrons as a conduit.”

The Patrons disagree with Findings Nos. 5 through 9. The Patrons state that they are ready to work with the Parish President and the Administration to fund capital improvements and recreational programming at the Park. The Patrons welcome established public procedures that study, assess, identify and prioritize capital improvements. The Patrons reiterate in response to Finding No. 8 that, as a voluntary board of citizens, it did not have the capacity to manage concerts adequately. Finally, the Patrons maintain that the Patrons cooperated with the JPOIG’s investigation.

Conclusion

This report focuses on the actions of the Parish, Parish officials, and the Patrons of Lafreniere Park related to the funding and hosting of concert events. However, and notwithstanding the individual officials, persons, or entities discussed, the report examines how branches of Parish government, the Administration and Council districts, can cross functions with each other as well as with non-profit entities, such as the Patrons.

Parish government functions most efficiently and effectively, reducing the risk of waste or abuse, when boundaries between the functions of the Council and those of the Administration, to include departments within the Administration, are respected. When boundaries are actively maintained, internal controls can be optimized and expectations can be clearly communicated to entities doing business with the Parish. We hope this report raises awareness to the risks brought by lack of clarity, aides in identifying opportunities to reinforce controls and assists in the development of an increasingly robust contract management program. The expenditure of public funds should, and must, remain under the purview of the Department of Finance who should have all the tools

necessary to ensure accountability and validation of expenditures in accordance with prudent governance.

Sincerely,



David McClintock
Inspector General

OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH



PUBLIC INVESTIGATION REPORT

LAFRENIERE PARK CONCERT EVENTS

2017-0017

INVESTIGATION
ISSUED 10/30/2020



OFFICE OF INSPECTOR GENERAL
JEFFERSON PARISH

DAVID N. McCLINTOCK
INSPECTOR GENERAL



Date of Report: 10/30/2020	PUBLIC INVESTIGATION REPORT	Case: 2017-0017
Timeframe: 01/01/2013 – 12/31/2017		Investigation By: Paul Lumpkin
<u>Subject of Investigation</u>		
<ul style="list-style-type: none"> • Lafreniere Park Concert Events 		

INTRODUCTION

Pursuant to JPCO §2-155.10(11) (a), the Jefferson Parish Office of Inspector General (“JPOIG”) initiated an investigation into allegations of financial mismanagement and abuse relating to funding for Lafreniere Park and events at Lafreniere Park. The investigation was initiated based upon external information.

This investigation was conducted in accordance with the Association of Inspectors General (“AIG”) Standards for Investigations.

OBJECTIVES

The JPOIG’s objectives for this investigation were to:

1. Assess expenditures of public funds and/or funding for Lafreniere Park and certain events occurring at Lafreniere Park for fraud, waste or abuse; and
2. Evaluate conduct for potential violations of policy, procedure, and law.

SCOPE AND METHODOLOGY

The scope of this investigation included public dollars expended by Jefferson Parish (“Parish”) for events at Lafreniere Park, revenue generated from events at Lafreniere Park, and expenditures of monies generated from events at Lafreniere Park. The time period for this investigation is 01/01/2013 through 12/31/2017.

To accomplish these objectives, the following were completed:

- Reviewed information contained in the Jefferson Parish finance system, including invoices and payments;
- Reviewed the contract(s) between Jefferson Parish and the Patrons of Lafreniere (“Patrons”);
- Reviewed transactions related to Lafreniere Park by the Patrons;
- Conducted interviews; and
- Reviewed open source information.

Acronyms

Patrons Patrons of Lafreniere

JPOIG Jefferson Parish Office of Inspector General

CEA Cooperative Endeavor Agreement

Events Spring and Fall concerts and Uncle Sam Jam

Parish Jefferson Parish

USJ Uncle Sam Jam

BACKGROUND

Lafreniere Park is a 155-acre park situated in Metairie. The park has numerous amenities, including a jogging trail, picnic shelters, playground equipment, a splash park and a carousel. It also serves as a venue for events throughout the year. These include concert events, sporting, and other public service events. The Park receives \$1.2 Million dollars from the Parish which is generated from taxes appearing on residents’ water bill.

The Patrons of Lafreniere, Inc. (“Patrons”) is a non-profit entity organized under state law.¹ On 06/05/1997, the Parish entered into a Cooperative Endeavor Agreement (“CEA”) with the Patrons to raise funds for the improvement of the park.² The CEA did not have a term or date of expiration. However, the Parish entered into a new CEA with the Patrons on 09/11/2012. It contained similar provisions as the original. The 2012 CEA provided for a two-year term and expired on 07/05/2014.³ Then, the Parish entered into another CEA with the Patrons under similar terms as the original. This CEA had a 2-year term, from 07/24/2014 through 07/25/2016.⁴ This term was extended by an additional 2 years, from 7/24/2016 through 7/24/2018.⁵

The Patrons were managed by a board of directors. The Patrons’ elected officers. The table below shows the individuals elected to the positions of President, Secretary and Treasurer for the period 2013 through 2017.

Table #1 Positions held by Patron Board Members			
Year	President	Secretary	Treasurer
2013	Bob Emery	Ginger Crawford	Paul Navarro
2014	Bob Emery	Ginger Crawford	Paul Navarro/Dawn Conrad
2015	Chad Pitfield	Ginger Crawford	Dawn Conrad
2016	Chad Pitfield	Jackie Madden	Dawn Conrad, Bob Emery & Chad Pitfield
2017	Bob Ebberman & Bob Emery	Ginger Crawford	Bob Emery

Under the terms of the various CEAs, the Patrons agreed that “net funds so raised are to be expended on public improvements contributions for capital improvements and recreational programming at the Park.”⁶ The Patrons may not engage in any fund raising activities for any

¹ The Patrons is organized for charitable, educational, and entertainment purposes for the benefit of Lafreniere Park, which serves the community. Patrons is registered as a 501(c) 3 with the Internal Revenue Service.

² Attachment A, Cooperative Endeavor Agreement, dated 06/05/1997.

³ Attachment B, Cooperative Endeavor Agreement, dated 09/11/2012.

⁴ Attachment C, Cooperative Endeavor Agreement, dated 5/18/2015

⁵ Attachment C, Amendment No. 4 to CEA dated 03/30/2016.

⁶ Attachment A, Cooperative Endeavor Agreement, dated 06/05/1997.

project which has not been approved by the Parish per the terms of the CEA.⁷ Finally, the Patrons agreed to reimburse the Parish for any expenses incurred by the Parish as a result of the Patrons' fund raising activities in a manner similar to other organizations or individuals utilizing the Park, to include by way of example Parish employee time.

DATA REVIEW & ANALYSIS

Between 2013 and 2017, each CEA was amended numerous times by the Parish to authorize and/or direct certain events be held at the Park. Because of these events, revenue was raised by the Patrons. However, the Patrons also received funding and staff support from the Parish. From 01/01/2013 through 12/31/2017, the Parish funded the Patrons at least \$510,776.25 for events at Lafreniere.⁸

The JPOIG investigation was centered on the CEA, as amended, and focused on the three major events at the Park: (1) the Spring Concert Series, (2) the Fall Concert Series, and (3) the annual Uncle Sam Jam concert ("USJ"). By amendments to the CEA, these events are sponsored by the Patrons and approved by the Parish. The results of the examination are detailed below.

A. CEA COMPLIANCE

Under the CEA with the Parish, the Patrons agreed to provide a "recreational facility of the highest quality."⁹ To achieve this, the Patrons were to: (1) conduct fundraising for capital improvements; (2) reimburse the Parish for expenses the Parish incurred with the activity; (3) report to the Parish about the activities.

As a result of this investigation, the JPOIG found that the Patrons' activities did not result in improvements to the Park equal or comparable to expenditures; the Patrons did not reimburse the Parish for expenses incurred because of Patrons' activities and, the Patrons received more funding from the Parish than the Patrons raised for the Park. Finally, the Patrons did not report regularly to the Parish about its activities as required by the CEAs.

1. Funding for park improvements

Section 1 of the CEAs between the Parish and the Patrons reads as follows:

The Organization [Patrons] shall, in accordance with charter and by-laws, provide funding to PARISH for capital improvements and recreational programming at the Park.

From 2013 through 2017, the Patrons generated in excess of \$300,000 in revenue from events and activities at the park.¹⁰ From this revenue, the Patrons delivered capital improvements to the park valued at \$40,492.00.¹¹

⁷ Attachment A, Cooperative Endeavor Agreement, dated 06/05/1997.

⁸ See Table # 5 below.

⁹ Attachment A, Cooperative Endeavor Agreement, dated 06/05/1997.

¹⁰ The total revenue raised includes revenue generated from concerts series, Patrons' gala, membership fees and lease payments.

¹¹ Attachment D, Email from B McGuinness to JPOIG Special Agent Paul Lumpkin dated 08/11/2018. Patrons records reflect the actual cost for the water fountain to be \$7,785 and not \$5,000 as identified in the attachment.

Table #2 Donations to the Park		
Year	Project	Amount
2015	Creation of labyrinth	\$20,000
2015	Water fountains	\$7,785
2016	Azelea planting	\$2,500
2016	Recycling bins	\$2,000
2017	Copeland stage redesign	\$7,227
2017	Disc golf course	\$980
	Total	\$40,492

The initial purpose of the CEA with the Patrons was to provide the means for a non-profit to conduct fund raising activities for capital improvements to Lafreniere. However, the outcome reveals few capital improvements have been made. The authorization and production of the concert series during the period of review resulted in the Patrons receiving and expending substantial sums of money. This effort did not result in substantial capital improvements to the park equal or greater than the money expended.

2. Reimbursement

Section 1 of the CEAs between the Parish and the Patrons reads as follows:

Organization [Patrons] shall reimburse the Park for additional operational expenses incurred in connection with its fundraising activities at the same cost per man power that is charged to all other corporations, organizations, or individuals utilizing Park services and/or facilities.¹²

The JPOIG reviewed transactions by the Patrons, reviewed Parish records and conducted interviews to determine whether the Parish received reimbursement from the Patrons. The JPOIG learned that expenses were incurred by the Parish because of the Patrons' activities and sponsored events.

By way of example, the JPOIG examined costs related to the Uncle Sam Jam ("USJ"). For this event, the Parish incurred expenses such as generator usage, fuel, utilities, Parish employee hours and police detail. Of these, certain expenses cannot be easily calculated, such as generator usage, fuel, and utilities i.e. energy and water.

The JPOIG estimated expenses incurred based solely upon a calculation of hours worked by police detail and Parish employees during the event.¹³ Based upon an estimation of these expenses, the JPOIG identified expenses incurred by the Parish of at least \$96,263.07 because of Patrons' events. See Table 3. On 09/08/2014, the Patrons paid \$3,750 on for "Event Detail" at Lafreniere Park.¹⁴ Other than 09/08/2014, there is no record the Patrons reimbursing the Parish from 2013 through 2017.

¹² Attachment B and C.

¹³ Cost incurred by the Parish for employees was based upon information provided by Park Manager Barry McGuinness of number of employees working and hourly rate, including any overtime. It does not include actual payroll cost to the Parish which would include related taxes and benefits.

¹⁴ The Lafreniere Park Manager Barry McGuinness stated that he did not seek reimbursement from the Patrons for expenses incurred by the Parish.

Table # 3 Parish's Portion of Event Cost - All						
	2013	2014	2015	2016	2017	Total
Police Detail	\$4,845.00	\$11,955.00	\$12,150.00	\$11,347.50	\$7,620.00	\$47,917.50
Parish Emp. Salary	\$8,880.66	\$9,018.14	\$13,366.76	\$6,206.90	\$14,623.11	\$52,095.57
Payments by Patrons	\$ -	\$(3,750.00)	\$ -	\$ -	\$ -	\$(3,750.00)
TOTAL	\$13,725.66	\$17,223.14	\$25,516.76	\$17,554.40	\$22,243.11	\$96,263.07

Under the terms of the CEA, the Patrons were required to reimburse the Parish for additional operational expenses incurred in connection with its activities at the same cost per staff time that is charged to all other corporations, organizations, or individuals utilizing Park services and/or facilities. Between 2013 and 2017, the JPOIG found only one instance of the Patrons providing reimbursement to the Parish in the amount of \$3,750.00. Except for this instance, the Patrons did not reimburse the Parish for expenses as specified in the CEAs.

3. Report to the Parish

Section 9 of the CEAs between the Parish and the Patrons reads as follows:

ORGANIZATION shall furnish narrative reports to the Jefferson Parish Director of Internal Audit detailing the amounts of and reasons for all expenditures of funds allocated under this Agreement. All such reports shall be furnished quarterly”¹⁵

According to the Parish Internal Auditors and Patrons’ Chairman, the Patrons did not provide narrative reports to the Parish. The JPOIG questioned the Parish Internal Auditors and neither recalled receiving narrative reports from the Patrons. Mr. Ben Perez, who became the Patrons Chairman on 01/01/2018, confirmed in writing that he did not recall any reports being provided to the Parish.¹⁶

Based upon information provided, the JPOIG concluded that the Patrons did not furnish narrative reports to the Parish from 2013 through 2017. In the absence of these reports, the Parish is without a detailed narrative of fundraising activities, expenditures for activities and reasons for expenditures. These narrative reports represent a financial control, and the lack of reports indicates a failure to exercise proper oversight by the Parish.

B. OVERSIGHT AND ACCOUNTABILITY – REVENUE AT LAFRENIERE

Under CEAs between the Patrons and the Parish, the Patrons agreed to perform various fundraising activities. For example, revenue was generated for the Patrons through a lease to Plum Street Snoball for concessions at the park. Revenue was also generated during concert events: (1) the fall concert series; (2) the spring concert series and (3) Uncle Sam Jam (“USJ”). This section looks at the revenue generated at Lafreniere Park by the Patrons.

¹⁵ Attachment B and C.

¹⁶ Attachment E, E-mail from Parish Internal Auditor to JPOIG Special Agent Paul Lumpkin, dated 08/10/2018 and E-mail from Ben Perez to JPOIG Special Agent Paul Lumpkin, dated 08/21/218.

1. Revenues from Concession Stand

On 09/11/2012, the Patrons and the Parish entered into a CEA which permitted the Patrons to have use of Lafreniere Park facilities, including but not limited to, the Lafreniere Park pavilion and Lafreniere Park concession stands.¹⁷

Based upon available information, the Patrons entered into a lease agreement on 10/30/2012 with Plum Street Snoballs (“Plum Street”) to be the sole operator of the Lafreniere Park concession stand. The term of the lease was one year and one month (13 months) beginning in December 2012. Plum Street agreed to pay the Patrons \$1,500 per month, lease payments due on the 1st of every month.¹⁸

The JPOIG analyzed rent payments from 02/2013 through 12/2017. Analysis shows that the Patrons failed to deposit lease payments in a timely manner and/or no deposits are reflected. In some instances, lease payments were deposited 5 months after the check was dated and payment was due. Further, the JPOIG found four instances where lease payments were not deposited into the Patrons’ bank account. There is no accounting by the Patrons of lease payments for 07/2013, 12/2013, 08/2014 and 11/2017, representing a total of \$6,000.¹⁹

The JPOIG interviewed the owners of Plum Street.²⁰ According to the owners, lease payments were timely paid by check and delivered to the Patrons at the Lafreniere Park office. According to Plum Street’s records, the November 2017 lease payment did not clear the bank, but records were unavailable as to the other three months. Based upon this information, the JPOIG concluded that Patrons either failed to collect and or failed to properly deposit \$6,000 in lease payments from Plum Street.²¹

After 10/10/2018, the Parish, not the Patrons, began collecting lease payments on the concession stand. The Council passed a resolution selecting WP Snoballs, LLC (Plum Street) to operate the concession stand at Lafreniere Park for two years with a one-year renewal options under RFP No 0385.²² Plum Street will pay the Parish \$2,000 a month in rent.

2. Revenues from Sponsorship Fees

The JPOIG reviewed available documentation for the years 2013 through 2017 to analyze revenue generated from sponsorship fees related to concert events. Sponsorship fees are money paid by private entities to the Patrons to support events at Lafreniere Park. With the exception of the 2013 Spring concert series, the Patrons’ records reflect revenue generated from sponsorship

¹⁷ Attachment B, Cooperative Endeavor Agreement, dated 09/11/2012.

¹⁸ Attachment F, Unexecuted lease between Patrons and Plum Street Snoballs, dated 10/30/2012. An executed copy of the lease could not be located.

¹⁹ JPOIG reasonably assumed the months mentioned above were the months where rent was missing. Plum St. did not always write the month that the rent was for on the check. However, when the JPOIG reviewed total rent payments to the Patrons from 2/7/2013 through 12/31/2017 JPOIG confirmed that 4 months were never deposited to the Patrons bank account.

²⁰ Claude and Donna Black

²¹ JPOIG identified 4 instances where checks were not deposited into the Patrons bank account. Monthly lease payment owed is \$1,500 which equals \$6,000 in unaccounted revenue due Patrons.

²² See Resolution 132342, passed 10/10/2018.

fees across all years reviewed. However, the JPOIG cannot validate whether all sponsorship fees were deposited due to a lack of documentation.

The JPOIG found attached to the Patrons’ meeting minutes a document titled, “Lafreniere Live Spring 2013 thru 5/15/2013 3 Concerts” which identifies the “sponsors.”²³ See the picture to the right. While the document reflects sponsorship fees, there is no record showing the Patrons received the fees. The JPOIG found that \$5,000 of the \$7,500 reflected in the minutes was received by Live at Lafreniere, Inc.(“Live at Lafreniere”), a private, for profit business.

LAFRENIERE LIVE SPRING 2013 THRU 5/15/13 3 CONCERTS		
<u>Income</u>		
<u>Sponsors</u>		
Beer	Crescent Crown	\$5,000.00
Liquor	Glazer	\$2,000.00
Wine	Glazer	\$ 500.00
TOTAL:		\$7,500.00

Figure 1 Patrons Minutes 06/05/2013

The JPOIG contacted Crescent Crown Distributing (“Crescent Crown”) and Southern Glazer Wine & Spirits (“Glazer”). Glazer could not confirm whether it was a sponsor nor could it locate any documentation regarding sponsorship fees paid in connection with the 2013 Spring concert series.²⁴ Crescent Crown confirmed that they sponsored the event with a check of \$5,000 made payable to Live at Lafreniere.

The JPOIG validated that the check was deposited into the account of Live at Lafreniere.²⁵ Live at Lafreniere was controlled by board of directors who included Adolph Federico, Timothy Kilbride and Barry McGuinness.²⁶ Mr. Federico and Mr. Kilbride are private businessmen. In 2013, Mr. McGuinness was a Parish employee working as the East Bank Recreation Administrator for the Department of Parks and Recreation. According to Adolph Federico, the money represented funds that his company solicited on behalf of the spring concert series. He kept the money because it was owed to him from prior events hosted by Live at Lafreniere, Inc.

Based upon information gathered, the JPOIG could not find any authority to support the financial arrangement whereby Live at Lafreniere, Inc. profited from events at Lafreniere Park.

3. Revenues from Event Vendors

JPOIG analyzed available data for revenue generated from vendors selling food, art and other items during Spring and Fall concert series as well USJ for the years 2013 through 2017.

Vendors were charged a flat fee for a booth or food truck location. Fees ranged from \$50 to \$500 depending on the event and type of vendor. The Patrons accepted check, money order or

²³ Attachment G, Patrons meeting minutes.

²⁴ JPOIG notes that ownership of the company was transferred during the relevant time period.

²⁵ Refer to Attachment H. JPOIG further noted that the check was mailed to an address associated with Jim Besslemen’s business.

²⁶ Attachment I, Live at Lafreniere, Inc. Articles of Incorporation.

cash payments from vendors. Generally, payments were received by the Patrons' President, Vice-President or Treasurer. Some vendors paid in cash. More often, vendors paid with a check or money order. Due to lack of documentation and controls, the JPOIG could not determine whether vendors who owed fees paid them, whether the Patrons received fees from vendors, or whether fees were properly deposited and accounted for.

There were 6 concert series events in the Spring of 2013. A document related to the 2013 Spring concert series shows a vendor was charged \$500. When asked, the vendor stated that he gave \$500 cash to Mr. Jim Besselman. Mr. Besselman was not the Patrons' President, Vice-President or Treasurer. Rather, he was a private businessman who provided beverages for events at Lafreniere. There is no record of the \$500 being received by the Patrons or that it was deposited into the Patrons' bank account.

There were 2 concert series events in the Fall of 2013. The JPOIG could not verify whether vendors were present for these events. There was no record of the Patrons receiving vendor fees from these events.

There were 2 concert series in the Fall of 2015, October 1st and October 8th. Pictures from the events show food trucks and other vendors. The JPOIG identified seven vendors at these events, representing potentially \$700 in vendors' fees owed to the Patrons.²⁷ However, there was no record of the Patrons receiving vendor fees from these events.²⁸



Figure 2 Fall Concert 10/08/2015

²⁷ Based upon information provided by Patrons, Patrons determined vendor fees to be anywhere from \$50-\$500 per event.

²⁸ Check from sponsors and donors were deposited into the bank. However, checks from vendors as well as cash were not deposited.



Figure 3 Fall Concert 10/08/2015

According to former Patrons' President Bob Emery, there were one to three food vendors for smaller events and five to six food vendors for larger events. Mr. Emery confirmed he was generally the person in charge of collecting vendor fees. The JPOIG interviewed selected vendors and most confirmed that Mr. Emery was the point of contact for vendor fees. Mr. Emery stated that he would take the money home, keep it separate and deposit the cash into the bank as soon as possible. Chad Pitfield, who also served as an officer for the Patrons' Board, may have collected vendor fees.

Below is a flyer for the Spring 2017 Lafreniere Live Concert event promoting food and drink vendors. Only \$577 cash was deposited into the Patrons bank account in the spring of 2017.



Figure 4 Lafreniere Concerts Promotion 2017

There were three events, Fall 2013, Fall 2015, and Spring 2017 where vendor fees could not be accounted for and multiple events where the JPOIG could not validate if all the fees owed were collected.

4. Revenues from Beverage Sales

Cash revenue was generated from beverage sales during concert events. Patrons permitted an outside vendor(s) to be the provider(s) of beverages and beverage supplies during the review period.²⁹ There existed insufficient documentation for the JPOIG to reconcile how much revenue was generated from beverage sales and whether all revenue was appropriately accounted for and deposited.

Revenue from beverage sales along with other revenue generated by events would have been collected and/or held by the President or Treasurer of the Patron's Board of Directors for deposit. During the relevant time period, the individuals holding these offices are identified in *Table #1*. The JPOIG learned that beverages and supplies were provided by private business persons through agreements made by certain members of the Patrons' officers, including those listed. According to persons involved in the transactions, the revenue generated from beverage sales was split 50/50 between the Patrons and the provider(s). However, the Patrons' Board did not approve this arrangement, and not all Patrons' Board members were informed that revenue generated from beverage sales was being shared with private businesses.

The JPOIG investigation found that Jim Bessleman provided beverages for the concert series and USJ between the Spring of 2013 and the Fall of 2014. Event attendance suggests revenue from beverage sales would have been earned. There are no record reflecting cash deposits for the 2013 fall concert series and the 2014 spring concert series which would reasonably be related to beverage sales.

Between the Spring of 2015 and Fall of 2017, Erik Youngblood of Central Catering provided beverages for event(s). According to Mr. Youngblood, he provided non-alcoholic beverages and paper supplies for the events at Lafreniere from his business, Central Catering, inventory. Neither the Patrons nor Mr. Youngblood were able to produce any records supporting expenses incurred or associated with the non-alcoholic beverages and paper supplies.

Southern Eagle, through Mr. Youngblood, provided beer, wine and water. Southern Eagle delivered the product to Lafreniere for the event(s), and it retrieved any unopened product at the close of the event. Then, Southern Eagle invoiced Mr. Youngblood for the product used.

Essentially, Mr. Youngblood (or someone from his staff) and a Patrons' representative (Chad Pitfield, Patrons' President) would estimate the cost of the products that were supplied by Mr. Youngblood. After estimating the cost of products supplied by Mr. Youngblood, Mr. Youngblood and a Patrons' representative added to the estimated cost any amount owed to Southern Eagle to determine the beverage cost. Mr. Youngblood acknowledged that he sometimes took the funds home and then gave Mr. Pitfield the Patrons' portion of the beverage profits at a later date. All sales were cash only.

There were 2 concert series events in the Fall of 2015, October 1st and October 8th. See pictures below showing attendance at Fall Concert Series, 10/01/2015.

²⁹ From 2013 through 2014, the beverage vendor was Jim Bessleman, a private businessman. From 2015 through 2017, the vendor was Erik Youngblood, private businessman.



Figure 5 Fall Concert 10/01/2015

Mr. Youngblood's records show that he received \$1,397.01 and \$2,232.44 on or about October 1st and 8th, 2015, respectively. While the dates, invoice types and amounts coincide with events at Lafreniere, Mr. Youngblood did not definitively confirm that these amounts were related to events at Lafreniere. Assuming they were, the Patrons' records should reflect receiving a proportionate amount based upon the 50/50 revenue sharing agreement. There is no record of the Patrons' receiving cash for beverage sales as one would expect.

There were three concerts events in the Fall of 2016, September 29th and October 6th & 12th. For these events, Mr. Youngblood's records do not show revenue from beverage sales. The Patrons records show \$300 in cash being received which may be related to beverage sales, but it could be related to vendor fees.

There were five concerts in the Spring of 2017: March 23rd & 30th, April 6th & 20th, and May 11th. Pictures below are from April 20th and May 11th, 2017



Figure 6 Spring Concert 04/20/2017 and 05/11/2017

Mr. Youngblood's records show he received a total of \$27,312.05 in the days following Spring concerts. While the dates, invoice types and amounts coincide with events at Lafreniere, Mr. Youngblood would not or could not definitively confirm that these amounts were related to events at Lafreniere. Considering the data and timing in totality the JPOIG believes the funds were related and that the Patrons' records should reflect receiving a proportionate amount based upon the 50/50 revenue sharing agreement. According to Patrons' records, the Patrons received \$577 in cash which may be related to beverage sales.

From 2013 through 2017, the Patrons' records show cash deposits which may have included revenues generated from beverage sales. The beverage sales revenue was split 50/50 between Patrons and the provider. However, there is inadequate records on cost of goods, so profits on beverage sales cannot be accurately calculated. Assuming the agreement to split beverages sales 50/50 was reasonable, there was not sufficient documentation to permit a proper review of revenue generated from beverage sales at concert events held by the Patrons at Lafreniere.

5. Revenues from Parking Fees - USJ

Effective 2016, the Patrons began collecting a parking fee of \$5.00 per vehicle for the USJ event.³⁰ At the time, Chad Pitfield was the President of the Patrons. Mr. Pitfield agreed on an arrangement with the Carrollton Carnival Club, through its President Erik Youngblood, for the club members to collect the parking fees.³¹ As described above, Mr. Youngblood was also the beverage provider for events and split revenue generated from beverage sales with the Patrons.

The Carrollton Carnival Club is non-profit corporation located in New Orleans and parades under the name Krewe of Carrollton. Mr. Pitfield is a participating rider in the club. There is no documentation evidencing that the Patrons' Board approved the cash sharing arrangement between Chad Pitfield and the Mr. Youngblood.

According to Mr. Youngblood, the Carrollton Carnival Club received \$2,500 and \$2,200 from parking fees for the USJ event held in 2016 and 2017, respectively. The amount received was verbally agreed upon between Mr. Pitfield and Mr. Youngblood and was not based upon a split or percentage.

Mr. Youngblood explained that at the conclusion of the USJ in 2017, he left with approximately \$40,850 in cash. He later gave the Patrons' portion to Mr. Pitfield.³² Patrons' records reflect that the Patrons received \$15,693 in cash following the 2017 USJ event. Of the \$15,693 deposited, records attribute \$4,055 to beverage sales and \$10,044 to parking fees.

Due to the lack of documentation and controls, the JPOIG was unable to reconcile revenue received from parking fees and/or whether the Patrons received revenue owed. The JPOIG was able to conclude that a portion of revenue generated from a Patrons' sponsored event, USJ, was

³⁰ Starting in 2016 Parish Council passed a resolution to allow the Patrons to collect a \$5.00 per vehicle parking fee for USJ. Resolution 127323.

³¹ Eric Youngblood is the same individual who provided beverages through his business, Central Catering, and/or through his business connection in which he shared a 50/50 split with the Patrons'. The Patrons' Board did not authorize this revenue sharing either.

³² Mr. Youngblood stated that he started his register that day with \$11,000 in cash. Based on available documentation, the JPOIG could not verify Mr. Youngbloods assertions.

donated to a Carrollton Carnival Club without authorization from the Board or approval of the Parish Council.

6. Unaccounted for revenue due Patrons

Based upon available documentation, the JPOIG estimates there to be roughly \$26,000 in revenue for which there is no accounting. The basis for the estimated loss is shown in the table below.

<i>Table #4</i> Unaccounted Revenues		
Event/Entity	Amount	Notes
Plum St Rent	\$6,000.00	
Live at Lafreniere Spring-Sponsorship	\$7,500.00	
Spring 2013 Vendor Fees	\$500.00	
Fall 2015 Vendor Fees	\$700.00	
Fall 2013 Beverage Sales	\$1,944.00	Spring 2013 brought in \$5,832 through 6 events. Fall had 2 events. JPOIG took the average of the 6 spring events and applied that average to the 2 fall events.
Spring 2014 Beverage Sales	\$6,876.00	Fall 2014 brought in \$4,584 through 4 events. Spring 2014 had 6 events. JPOIG took the average of the 4 fall events and applied that average to the 6 spring events.
Fall 2015 Beverage Sales	\$1,114.00	Spring 2015 brought in \$3,342 through 6 events. Fall had 2 events. JPOIG took the average of the 6 spring events and applied that average to the 2 fall events.
Fall 2016 Beverage Sales	\$1,671.00	There were no spring events in 2016. Fall had 3 events. JPOIG took the average of the 6 spring events in 2015 and applied that average to the 3 fall events.
TOTAL	\$26,305.00	

C. OVERSIGHT AND ACCOUNTABILITY – FUNDING TO LAFRENIERE

Between 2013 and 2017, the fall concerts, spring concerts and USJ cost a total of \$777,917.01. The cost was covered by Parish funding and Patrons’ revenue. The Parish Council approved 15 separate amendments to the CEA between the Parish and the Patrons which allocated a total of \$535,000 to fund events at Lafreniere.³³ The Patrons received \$510,776.25 in Parish funds as show in the below table.

³³ The concert series did not begin in 2013. Prior to 2013, the fall and spring concerts were sponsored by Live at Lafreniere Inc., a private entity. Also sometime prior to 2013, Uncle Sam Jam (“USJ”) was held at Lafreniere Park. Its original sponsor(s) is unknown.

During this same time period, the Patrons’ raised \$212,432.34, but it spent an additional \$267,140.76 to fund the total cost of the events. The Parish funding for these events is shown below.

<i>Table #5</i> Parish Funding - All Events						
	2013	2014	2015	2016	2017	Total
Spring	\$14,260	\$12,300	-	-	-	\$26,560
USJ	\$20,000	\$40,816	\$150,000	\$210,000	\$60,000	\$480,816
Fall	\$3,400	-	-	-	-	\$3,400
Total	\$37,660	\$53,116	\$150,000	\$210,000	\$60,000	\$510,776

1. Parish funding to Patrons for spring and fall concert events

Between 2013 and 2017, the spring and fall concerts cost a total of \$106,252.28. Funding to cover the cost consisted of Parish funding to the Patrons and the money raised by the Patrons. In this time frame the Parish awarded \$29,960 and the Patrons raised \$50,403 for a total of \$80,363. The Patrons expended an additional \$25,889.28 to cover the cost of the event. This depleted revenue held by Patrons which would have otherwise been available for capital projects at the park.

2. Parish funding to Patrons for Uncle Sam Jam (“USJ”)

Between 2013 and 2017, the USJ cost a total of \$671,664.73. Funding to cover the cost consisted of Parish funding to the Patrons and money raised by the Patrons. In this time frame the Parish awarded \$480,816.25 and the Patrons raised \$162,029.34 for a total of \$642,845.59. The Patrons expended an additional \$28,891.14 to cover the cost of the event. This depleted revenue held by Patrons which would have otherwise been available for capital projects at the park.

The Patrons raised \$162,098.34 from activities related to USJ that included the following:

- vendor fees,
- political and corporate sponsorships,
- beverage sales,
- VIP ticket sales,
- car parking fees, and
- T-shirt sales.

Hosting an event such as USJ requires substantial resources and funding. The JPOIG analysis of the Parish and Patrons’ expenditures for the event are shown in tables below. See Tables 6 & 7.

Table #6	Uncle Sam Jam 2013 - 2017					
	2013	2014	2015	2016	2017	Total
Revenues						
Art Sales	\$-	\$85.25	\$-	\$-	\$-	\$85.25
ATM Fees	\$-	\$-	\$36.00	\$366.00	\$104.00	\$506.00
Beverage Sales	\$8,419.72	\$4,067.37	\$8,455.00	\$-	\$4,055.00	\$24,997.09
Car Parking Fee	\$-	\$-	\$-	\$17,435.00	\$10,045.00	\$27,480.00
Corporate Sponsorship	\$500.00	\$-	\$13,200.00	\$33,000.00	\$10,300.00	\$57,000.00
Donations	\$-	\$-	\$300.00	\$20.00	\$-	\$320.00
Parish Funds	\$20,000.00	\$40,816.25	\$150,000.00	\$210,000.00	\$60,000.00	\$480,816.25
Political Sponsorship	\$-	\$3,000.00	\$3,750.00	\$1,500.00	\$5,650.00	\$13,900.00
Refund	\$-	\$-	\$2,500.00	\$-	\$-	\$2,500.00
T-Shirt Sales	\$-	\$4,607.00	\$-	\$150.00	\$-	\$4,757.00
Ticket Sales	\$-	\$-	\$1,250.00	\$2,750.00	\$-	\$4,000.00
Vendor Fees	\$2,400.00	\$5,900.00	\$4,971.00	\$7,020.00	\$6,193.00	\$26,484.00
Total Revenues	\$31,319.72	\$58,475.87	\$184,462.00	\$272,241.00	\$96,347.00	\$642,845.59
Expenditures						
Advertising	\$-	\$-	\$-	\$-	\$2,475.00	\$2,475.00
Barricades for stage	\$-	\$-	\$-	\$2,875.45	\$-	\$2,875.45
Catering for Artist	\$-	\$-	\$3,072.09	\$5,260.00	\$-	\$8,332.09
Fees	\$-	\$-	\$-	\$1,200.00	\$-	\$1,200.00
Fire Department	\$-	\$-	\$1,500.00	\$1,258.00	\$-	\$2,758.00
Fireworks	\$15,000.00	\$15,000.00	\$17,000.00	\$15,000.00	\$20,000.00	\$82,000.00
Food and Beverage	\$2,090.30	\$-	\$-	\$-	\$-	\$2,090.30
Hotel	\$-	\$-	\$3,811.00	\$9,067.80	\$-	\$12,878.80
Ice	\$-	\$-	\$1,110.00	\$1,062.00	\$1,295.00	\$3,467.00
Insurance	\$1,326.03	\$507.18	\$3,134.17	\$3,129.25	\$943.65	\$9,040.28
Miscellaneous	\$1,701.81	\$1,011.50	\$240.00	\$2,500.00	\$504.60	\$5,957.91
Misting System	\$-	\$-	\$-	\$-	\$-	\$-
Patrons Banner	\$-	\$-	\$-	\$-	\$-	\$-
Performance	\$5,100.00	\$48,250.00	\$92,100.00	\$143,500.00	\$33,900.00	\$322,850.00
Police Detail	\$-	\$3,750.00	\$-	\$-	\$-	\$3,750.00
Production Company	\$360.00	\$12,414.59	\$10,746.56	\$19,332.48	\$400.00	\$43,253.63
Promotional Product	\$-	\$1,642.61	\$-	\$-	\$-	\$1,642.61
Rental Equipment	\$-	\$1,105.00	\$691.55	\$-	\$-	\$1,796.55
Signs	\$-	\$5,286.41	\$1,437.99	\$6,190.11	\$3,916.77	\$16,831.28
Supplies	\$-	\$-	\$391.36	\$-	\$-	\$391.36
Tent Rental	\$-	\$-	\$-	\$639.00	\$-	\$639.00
Trailer Rental	\$-	\$-	\$5,485.00	\$2,171.97	\$-	\$7,656.97
Transportation	\$-	\$2,071.75	\$2,352.00	\$3,057.00	\$-	\$7,480.75
Trash	\$750.00	\$-	\$-	\$1,109.00	\$500.00	\$2,359.00
T-Shirts	\$-	\$1,896.87	\$2,082.37	\$996.00	\$907.50	\$5,882.74
VIP Tent	\$-	\$221.95	\$939.06	\$-	\$-	\$1,161.01
Stage, Lighting, Audio	\$5,000.00	\$8,175.00	\$30,000.00	\$69,910.00	\$9,810.00	\$122,895.00
Total Expenditures	\$31,328.14	\$101,332.86	\$176,093.15	\$288,258.06	\$74,652.52	\$671,664.73
Net Profit/(Loss)	\$(8.42)	\$(42,856.99)	\$8,368.85	\$(16,017.06)	\$21,694.48	\$(28,819.14)

In addition to the above expenditures by the Patrons, the JPOIG identified additional costs incurred by the Parish for staff time and security details totaling more than \$69,000 over the five-year period of review for the USJ event alone.

	2013	2014	2015	2016	2017	Total
Police Detail	\$2,385.00	\$7,500.00	\$9,255.00	\$10,387.50	\$6,300.00	\$ 35,827.50
Parish Emp. Salary	\$5,083.61	\$5,942.32	\$10,833.25	\$5,587.56	\$10,033.39	\$ 37,480.13
Payments by Patrons		\$(3,750.00)				\$ (3,750.00)
Total	\$7,468.61	\$9,692.32	\$20,088.25	\$15,975.06	\$16,333.39	\$ 69,557.63

Because the Parish did not seek reimbursement from the Patrons the \$69,557.63 represents additional funding to the Patrons for the costs of these events. This additional funding is not captured or identified by the Parish in a transparent manner because these costs are absorbed by the Parks and Recreation Department, Lafreniere Park.³⁴

3. Parish funding to Patrons bypassed Parish Procurement

In its original terms, the CEA did not anticipate that the Patrons would receive Parish funding. Rather, the CEA anticipated that the Patrons would raise funds for the park. Whatever the reason for the evolution, concert events came to Lafreniere. These early events were the by-product of agreements between the Patrons, and/or individual Board members, and private entities. At the point in time in which the Parish began funding the cost of these events, the original purpose of the CEA with the Patrons was overshadowed, and the Patrons became a pass-through entity for Parish funds to select vendors, e.g. bypassing Parish procurement policies and controls. Funding to the Patrons by the Parish was more than double that of any revenue generated by the Patrons.

a. Top Vendors

Of the \$777,917.01 expended on concert events at Lafreniere, seventy-seven (77%) percent was expended on vendors without consideration for competitive pricing.³⁶

During the period of review. Event Producers and The Sound Source were selected and tasked with providing all musical instruments and audio for the artist, lighting to put on the show, staging enhancements, power, labor, and video if needed. The costs increased as the USJ event grew in scale and prominence of the acts booked. See Table #9.

Expenses	Amount	%
Buisson Creative	\$130,203.63	17%
Event Producers	\$104,600.00	13%
The Sound Source ³⁵	\$85,326.00	11%
J&M Displays	\$52,000.00	7%
Performer A	\$50,000.00	6%
Performer B	\$50,000.00	6%
Performer C	\$40,000.00	5%
The William Credo Ag	\$39,900.00	5%
Pyrotec Fireworks	\$30,000.00	4%
JBI	\$20,250.00	3%
Total	\$602,279.63	77%

³⁴ The JPOIG identified other costs which were absorbed by the Parish through the Dept. of Parks and Recreation, Lafreniere Park, because of the concert events. One identified example is \$30,000 paid to Event Producers in 2013 for staging and audio. In subsequent years, the Parish funded the Patrons who paid Event Producers.

³⁵ Included in the table is the amount to install permanent lighting and audio equipment for the concert stage.

³⁶ Not included in the table, there was a check written to Keith Quick, who is the owner of Event Producers.

1. Event Producers

Event Producers provided sound, staging, and audio for USJ 2013, 2015, 2016 for a combined cost of \$104,600.00.

Event Producers invoiced the Patrons for work performed. Then, the Patrons passed the cost along to the Parish by requesting reimbursement. Keith Quick of Event Producers confirmed that he outsourced work for the USJ events, and he charged the Patrons. When he invoiced the Patrons, sometimes he chose to pass along the cost without a mark-up and sometimes he added a mark-up:

Year	Event	The Sound Source	Event Producers
2013	Uncle Sam Jam		\$5,000.00
2014	Uncle Sam Jam	\$8,175.00	
2015	Uncle Sam Jam		\$30,000.00
2016	Uncle Sam Jam		\$69,600
2017	Uncle Sam Jam	\$9,810.00	
Sub Total		\$17,985.00	\$104,600
Combined Total			\$122,585

- 2013 USJ - Event Producers outsourced 38% of billed items to the Patrons. Event Producers did not markup outsourced work.
- 2015 USJ – Event Producers outsourced 63% of billed items to the Patrons. Event Producers did not markup outsourced work.
- 2016 USJ - Event Producers outsourced 80% of billed items to the Patrons. Event Producers marked up outsourced items by \$24,959.88.

Event Producers outsourced a significant portion of its work to other vendors. The work outsourced were key components that were needed to put on the event (i.e. video, audio, labor, staging and structure, support equipment). The mark-up represented a hidden cost that neither the Patrons nor the Parish were necessarily apprised of or approved of.

b. Procurement of sound system through Patrons

On 07/11/2017 the Council passed a resolution approving a CEA with the Patrons to provide permanent lighting and audio equipment for the concert stage at Lafreniere Park at a cost not to exceed \$50,000.³⁷

According to Mr. Kilbride, owner of the Sound Source, he was asked to attend a meeting by Patrons’ President Chad Pitfield. At the meeting, there were at least four other vendors. The scope of the work was explained and all were asked to submit a proposal. The Patrons selected the Sound Source as the vendor to install the permanent lighting and audio.

The work was performed by the Sound Source. Then, the Sound Source submitted Invoice No. 2325, the Patrons for the work. The JPOIG requested supporting documentation from the Sound Source for the invoiced amount on or around August 2018. After many months of seeking support, the JPOIG determined that Sound Source included a mark up of 54% to the material

³⁷ Attachment J, Cooperative Endeavor Agreement, dated 07/11/2017.

costs resulting in a differential between actual costs and the invoiced amount of \$25,699.17.³⁸ The following observations were noted:

- No support could be provided for two line items on the invoice
 - 1 Truss 12' Aluminum Triangle: The item was not purchased for the Patrons, rather taken from The Sound Source's inventory.
 - Technician labor.
- Mr. Kilbride billed the Patrons \$2,318 for shipping. However, back up demonstrated that shipping charges were \$171.51, resulting in a \$2,146.49 difference.³⁹

D. PARISH COUNCIL DISTRICT 4 DIRECTING PATRONS

Lafreniere Park is situated within the boundaries of Council District 4. During the period of this review, Council District 4 was represented by two individuals: Ben Zahn (01/01/2013 to 01/01/2017) and Jack Rizzuto (02/24/2017 to 11/01/2017).⁴⁰

The reader may recall that prior to 2013, the fall and spring concerts were sponsored by Live at Lafreniere Inc., a private entity. Further, that Uncle Sam Jam (“USJ”) events were held at Lafreniere Park prior to 2013, although the original sponsors are unknown.⁴¹ Nevertheless, the 2013, the Parish began funding fall and spring concert series as well as the Uncle Sam Jam (“USJ”) events through the Patrons.

At the point in time in which the Parish began funding concert events at Lafreniere, the Patrons began receiving and acting at the direction of Council District 4 as to vendor selection, promoters, scale of events, and matters of governance.

Table #10 Uncle Sam Jam 2013-2017			
Year	Councilman	Promoter	Sound, Staging,
2013	Ben Zahn	Jim Hazo	Event Producers
2014	Ben Zahn	Greg Buisson	The Sound Source
2015	Ben Zahn	Greg Buisson	Event Producers
2016	Ben Zahn	Greg Buisson	Event Producers
2017	Jack Rizzuto	Chuck Credo	The Sound Source

The JPOIG’s investigation showed vendors and promoters were selected based upon the will of the Council District 4 representative and not that of the Patrons. Council District 4 also received and approved invoices for reimbursement. Patrons received reimbursement from the Parish through the Finance Department acting on the direction of Council District 4.⁴²

³⁸ Attachment K, Procurement of sound system by Patrons and analysis of supporting documentation.

³⁹ Mr. Kilbride stated that if he purchases inventory in bulk that certain vendors waive shipping cost. Any shipping cost billed to clients are realized as a profit center because he chooses to purchase additional inventory rather than pay for shipping.

⁴⁰ Councilman Ben Zahn was elected to serve 01/01/2013 to 01/01/2017. Councilman Jack Rizzuto was appointed to serve from 2/24/2017 to 11/01/2017. Councilman Dominick Impastato was elected to serve 11/01/2017 to present.

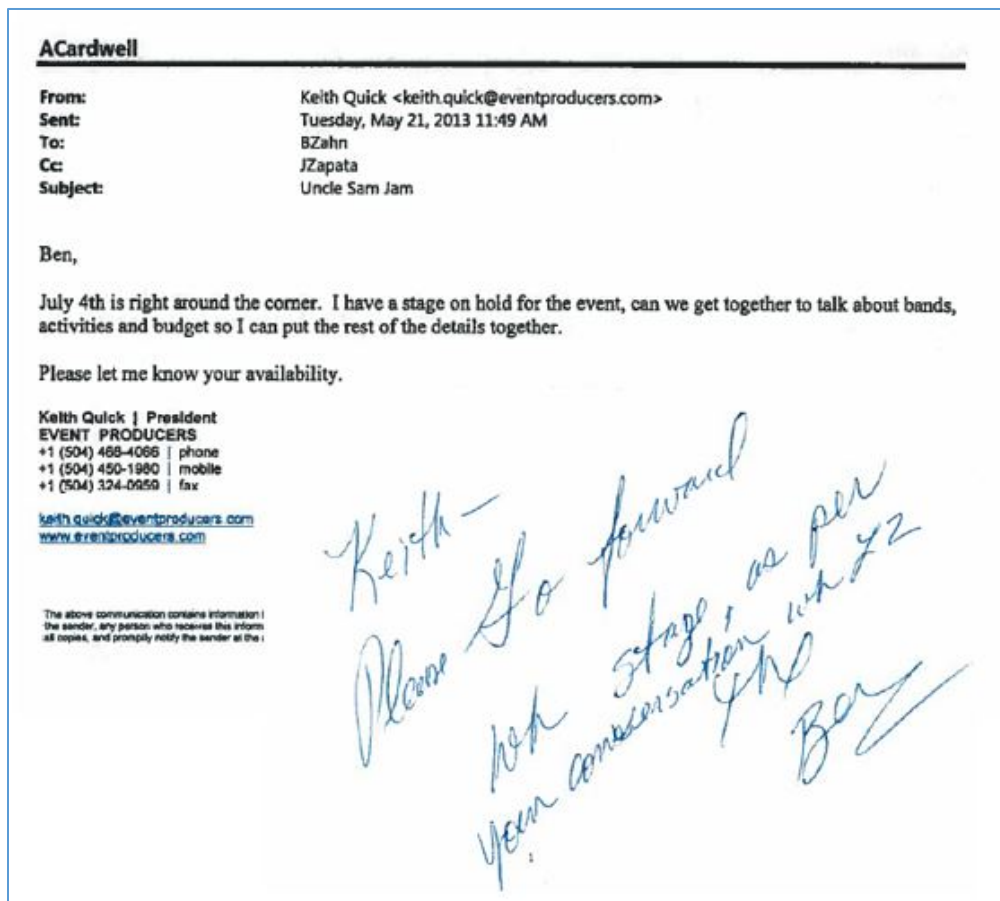
⁴¹ Whether or not these concert series and USJ operated to benefit Lafreniere or that of private entities is not within the scope of this investigation.

⁴² Attachment L, E-mails between Councilman Ben Zahn’s staff to Patrons’ vendors, 5/21/2013 through 6/21/2016.

1. Vendor Selection for Concerts – Sound Staging and Lighting

The Councilperson representing Council District 4 selected the sound staging and lighting vendors for concert events at Lafreniere park. Then, the Councilperson would direct, or the Patrons would otherwise accept, the vendor selected by the Councilperson. The Parish would fund the expense.

In 2013, Event Producers, owned by Keith Quick, provided the sound stage and lighting for USJ. According to Mr. Quick, he was approached by Councilman Ben Zahn. Mr. Quick identified his points of contact for USJ 2013 as Councilman Ben Zahn, Council District 4 Aide and Greg Buisson. During this time, Greg Buisson, also known as Buisson Creative Strategies, was Councilman Zahn's campaign manager and election consultant.⁴³ Mr. Quick confirmed that the President of the Patrons was introduced to him, but he had very little interaction with him relating to concert events. Emails demonstrate that Councilman Zahn directed and/or approved work by Event Producers.⁴⁴ See Councilman Ben Zahn hand written note on an email from Keith Quick approving proposed work.



⁴³ Louisiana Ethics Administration, Ben Zahn Campaign Finance Reports, 2013-2017.

⁴⁴ Attachment L, E-mails between Councilman Zahn's office to Patrons' vendors, 5/21/2013 through 6/21/2016

The next year, Patron's President, Bob Emery, sought approval from Councilman Zahn for The Sound Source to provide sound stage and lighting because Event Producers was unavailable.⁴⁵ The Sound Source, owned by Tim Kilbride, was selected to provide sound stage and lighting for USJ per approval by Councilman Zahn.

In 2015 and 2016, Event Productions, owned by Keith Quick, returned to provide sound, stage and lighting. On 06/14/2016, Event Producers' owner, Keith Quick, writes to Greg Buisson and Councilman Zahn, "Greg and Ben, Attached is an itemized price for adding video at Uncle Sam Jam. Sorry for the confusion yesterday. I always get in trouble when I quote numbers off the top of my head!"⁴⁶

The above is representative of direction given by Councilman Zahn to the Patrons' regarding selection of vendors who were the contracted under the auspices of the Patrons.

2. Promoter and Talent Selection for Concerts

The Councilperson representing Council District 4 also selected the vendor to coordinate or promote the events at Lafreniere park. Then, the Councilperson would direct, or the Patrons would otherwise accept, the vendor selected by the Councilperson, and the Parish would fund the expense. The cost of each event hosted by each promoter differs significantly.

Beginning in 2014, national talent was acquired for the USJ event. The acts were selected by Mr. Buisson to meet Councilman Zahn's expectations for expanding the USJ event. According to Mr. Buisson, Councilman Zahn's personal desire and ambition was to rethink the purpose of the USJ event.⁴⁷ The Patrons' attention was directed toward retaining Buisson Creative Consulting.

In 2014, Bob Emery was the President of the Patrons. According to Mr. Emery, Councilman Zahn chose Mr. Buisson to coordinate the 2014 USJ. Mr. Emery stated that prior to the 2014 USJ he had not really known Mr. Buisson nor does he really know him now. Councilman Zahn's office gave the direction to use Mr. Buisson. Mr. Emery met with Mr. Buisson's about the event at Mr. Buisson's office.

The Parish provided funding of \$40,816.25 to the Patrons for the 2014 USJ from which Mr. Buisson was paid \$12,414.59. Mr. Buisson paid \$5,879.43 for talent accommodations and related expenses from the \$12,414.59. The balance represents the fee retained by Mr. Buisson as talent procurement and management fees, as well as, for marketing materials. The Patrons paid for the talent directly.⁴⁸

The Parish provided funding of \$150,000 to the Patrons for the 2015 USJ from which Mr. Buisson was paid \$97,746.56. Mr. Buisson paid \$89,352.56 to talent, talent accommodations and related expenses. The balance represents the fee retained by Mr. Buisson as talent procurement and management fees, as well as, for marketing materials.⁴⁹

⁴⁵ Attachment L, Email from Bob Emery to Councilman Ben Zahn, dated 06/24/2014.

⁴⁶ Attachment L, Email from Keith Quick to Greg Buisson and Councilman Ben Zahn, dated 06/14/2016.

⁴⁷ Attachment M, Greg Buisson memo dated 04/19/2018.

⁴⁸ Buisson paid for certain riders associated with the talent contracts, such as food and hotel.

⁴⁹ Additional talent was paid directly by the Patrons.

The Parish provided funding of \$210,000 to the Patrons for the 2016 USJ from which Mr. Buisson was paid \$19,642.48. Mr. Buisson paid \$3,848.69 for talent related expenses and marketing. Mr. Buisson retained a fee of \$14,000 for talent acquisition, and the balance represents marketing design fees. Unlike previous years, the Patrons executed the contract for talent and paid the talent directly.⁵⁰

Councilman Jack Rizzuto was sworn in to represent Council District 4 on 02/24/2017. That year, Bob Ebberman was the President of the Patrons. According to Mr. Ebberman, Councilman Rizzuto chose Chuck Credo to coordinate USJ.

The Parish provided funding of \$60,000 to the Patrons for the 2017 USJ from which Mr. Credo was paid \$33,900. Mr. Credo paid \$32,494.60 to talent and related expenses. The balance represents the fee retained by Mr. Credo as talent procurement and management fees.

The above demonstrates that the scale and cost of USJ was more reflective of the desires of the Councilman representing Council District 4 than the Patrons, who were represented to be sponsoring the event. Under Councilman Zahn, the cost of USJ was as great as \$210,000. The event was scaled back at the direction of Councilman Rizzuto to \$60,000.

3. Reimbursement by Parish and management of funds by Patrons

a. 2017 Uncle Sam Jam T-Shirts

For the period of review, the Patrons typically solicited sponsorship fees for promotional t-shirts. In 2017, the USJ t-shirts were imprinted with the following sponsors: Bryan Subaru, Jefferson Financial Credit Union, Regions Bank, Henry and Pat Shane, GEICO of New Orleans, Dot's Diner, Discount Income Tax, Bayou Tree Services, Mayor Ben Zahn, East Jefferson General Hospital and the Jefferson Parish Council. The Patrons' records reflect at least in \$10,300.00 from sponsors, excluding the Jefferson Parish Council.⁵¹

When Councilman Rizzuto saw the t-shirts, he asked the Patrons' where was his name. The Patrons answered that the Jefferson Parish Council appeared on the shirt. The shirts were not sold, according to Patrons' officers, at Councilman Rizzuto's direction.

The Patrons spent \$907.50 to purchase the t-shirts that were never offered for sale.

b. Duplicate Payments and Non-payment

For the period of review, Council District 4 received and approved invoices from the Patrons for reimbursement. The Patrons received reimbursement from the Parish through the Finance Department acting on the direction of Council District 4.

The CEA did not designate Council District 4 to manage the contract, and payments are a function of the Administration. The JPOIG determined that Council District 4 did not sufficiently review invoices or monitor requests for reimbursement to ensure integrity of payments.

⁵⁰ The talent contracts were executed by the Patrons' President Chad Pitfield.

⁵¹ Attachment N, Patrons Records 2017 USJ T-Shirts. There is a \$300 discrepancy between Patrons' records. The Patrons' minutes show \$10,600 in sponsorship fees.

The JPOIG identified a double payment made by the Patrons in the amount of \$335.13.⁵² On 08/19/2014 the Patrons paid Garrity Print Solutions \$335.13, check #1043. On the same day, the Patrons paid Buisson Creative Strategies \$2,307.24, check #1046. Back up support from Buisson Creative Strategies revealed that the invoice billed to the Patrons included the same Garrity Print Solutions amount of \$335.13 resulting on a double payment by the Patrons.

There were also two instances where the Patrons received Parish funds based on invoices from third-parties, but there was no document showing the third-parties received the payments:

- On 07/03/2014, the Parish paid \$2,066.25 to the Patrons for a Graphic Visions In Print Publishing (“Graphic Visions”) invoice. JPOIG analysis did not reveal any associated payment to Graphic Visions by the Patrons.
- In 2015, the Patrons submitted an invoice to the Parish for Event Producers in the amount of \$37,132.19 for services related to USJ 2015. The Parish paid the Patrons \$37,132.19. However, records show that the Patrons only paid \$30,000 to Event Producers. Mr. Keith Quick of Event Producers stated that Chad Pitfield, then President of Patrons, approached him saying the Patrons only had \$30,000 to pay Event Producers. Mr. Quick accepted the lesser amount. Thus, the Patrons were over-reimbursed by \$7,132.19.

Based on the above, the JPOIG identified \$9,533.57 in Parish funds received by the Patrons for reimbursement of expenses which are not supported by payments made.

The duplicate payments and non-payments reflect a breach or break in internal controls which would otherwise have captured issues with payments because of Council influence. In an e-mail dated 09/07/2016, the Assistant Director of Finance writes to a Council District 4 staff member, “It took me quite some time to figure it out.” The Assistant Director was speaking to payments made to Patrons. It was suggested that:

In the future, it would be very helpful if there was a new contract with the Patrons for each event instead of amending the same contract over and over. It is much harder to keep track of what the intended purpose was and what was spent when everything gets lumped together.⁵³

4. Council District 4 Influencing Patrons’ Governance

During the investigation, certain Patrons members related to the JPOIG that sometime after the election of Councilman Zahn to District 4 the Patrons came under the control/and influence of Council District 4 by way of funding and direction.

After Councilman Zahn was elected to be the Mayor of Kenner in 2016, some members of the Patrons Board, including the President, wanted to scale down USJ. Then, Councilman Jack Rizzuto was appointed to represent District 4. Councilman Rizzuto began directing the Patrons in

⁵² Attachment O, Buisson Creative Invoice, dated 07/03/2014 and Garrity Printing Invoice, dated 06/24/2014.

⁵³ Attachment P, E-mails to and from Council District 4 and Parish Accounting Department, dated 07/19/2017-09/07/2017.

a manner not dissimilar to that of Councilman Ben Zahn. However, Councilman Rizzuto extended his influence to Board governance.⁵⁴

At Councilman Rizzuto's insistence, the Patrons held an emergency board meeting. According to the minutes of the meeting and interviews with Board members, Councilman Rizzuto asked that Bob Ebberman resign as Patrons' President. At the meeting, Councilman Rizzuto represented that the CEA between the Parish and the Patrons would be cancelled if Mr. Ebberman remained as President. The Patrons' Meeting Minutes of 06/15/ 2017 reports the following:

Councilman Rizzuto then addressed the board reiterating his fiduciary responsibility in handling of public funds with regard to the donation of the proposed budget requested by the chairman of the patrons for Uncle Sam Jam. The lack of response of leadership by the chairman and the time constraints to adequately support the event prompted the councilman's vote of no confidence, and Councilman Rizzuto asked for the resignation, although he acknowledged that it should be a board action.⁵⁵

Mr. Ebberman resigned, and Mr. Bob Emery became President of the Patrons.⁵⁶

On 09/13/2017, Councilman Rizzuto met with the JPOIG. Councilman Rizzuto confirmed that an emergency meeting of the Patrons was held on his request. He also confirmed that he would not fund the CEA with the Patrons if Mr. Ebberman was President.⁵⁷

Sometime thereafter, documents and interviews indicate that Councilman Rizzuto attempted to cause the Patrons By-Laws to be rewritten and have himself elected to be the President of the Patrons after serving his time on the Parish Council⁵⁸ In an email dated 08/28/2017 sent to Councilman Rizzuto's private email (@bellsouth.net"), Councilman Rizzuto is forwarded "amended By-Laws" for the Patrons.⁵⁹ Mr. Emery confirmed that Councilman Rizzuto was interested in joining the Patrons and being President, but the Patrons did not give way to the influence.

The events captured above reflect a belief by Councilman Rizzuto that he possessed authority over the Patrons. and the Patrons' actions under Councilman Rizzuto indicate that they were expected to and did act at the will of Council District 4.

⁵⁴ Attachment Q, E-mails to and from Council District 4 regarding Patrons' governance, dated 08/29/2017-09/11/2017.

⁵⁵ Attachment Q, E-mails to and from Council District 4 regarding Patrons' governance, dated 08/29/2017-09/11/2017.

⁵⁶ Attachment Q.

⁵⁷ Not recorded, internal notes of the meeting.

⁵⁸ Attachment Q.

⁵⁹ Attachment Q.

CONCLUSION

While Councilman Rizzuto's direction and influence over the Patrons' can be seen in governance, the expectation that the Patrons act at the direction of District 4 Councilmember predates Councilman Rizzuto.

The Patrons is not a quasi-governmental board or an extension of the Parish. Rather, it is an independent non-profit entity whose purpose is to raise funds for the capital improvement of Lafreniere Park. The influence exercised over the Patrons, including vendor selection and governance, by a single elected official to Council District 4 is inconsistent with the autonomous nature of the Patrons as well as that of the Parish Council.

The actions of the Parish and the Patrons during the period of this report resulted in the Patrons becoming engaged in activities associated with concert series and the USJ.

Between 2013 and 2017, the fall concerts, spring concerts and USJ cost a total of \$777,917.01. The cost was covered by Parish funding and Patrons' revenue. The Parish Council approved 15 separate amendments to the CEA between the Parish and the Patrons which allocated a total of \$535,000 to fund events at Lafreniere.

During this same time period, the Patrons' raised \$212,432.34, but it spent an additional \$267,140.76 to fund the total cost of the events, representing a depletion of \$54,708 to the Patrons funds. Importantly, the Patrons only expended \$40,492 in capital improvements at Lafreniere during the same period. The purpose of the CEA between the Parish and the Patrons was for the Patrons to engage in fund raising for capital improvement to the Park.

In the course of business within the Parish, contracts are managed by the Administration, and with that comes the normal flow of invoices, reimbursements and the associated internal controls built into the system. When that same management is conducted by legislators or their assistants, these systems break down and internal controls are compromised. The best solution to avoid these issues, both the influence asserted by the officials and the wasteful expenditures, is for the Parish Council to ensure that contracts, including CEA's, are properly managed by the Administration in the normal course of business.

The time period for this investigation is 01/01/2013 through 12/31/2017. During the pendency of this investigation, the Parish entered into another CEA with the Patrons. The JPOIG recognizes that the most recent CEA addresses issues, in part, that are discussed in this report. Notwithstanding the new CEA, the Findings and Recommendations made in this report remain relevant.

FINDINGS AND RECOMMENDATIONS

Finding # 1: Parish funded concerts events at Lafreniere Park through the Patrons opposite to the terms of the CEA

Condition:

Under the CEA, the Parish had a reasonable expectation of receiving the benefit from the Patrons' fundraising for the Park which was at least equivalent to the use of the Park facilities under the CEA.⁶⁰ The CEA anticipated the Parish receiving the benefit of fundraising by the Patrons not the Patrons receiving funding from the Parish.

Between 2013 and 2017, the fall concerts, spring concerts and USJ cost a total of \$777,917.01 of which \$510,776.25 was Parish funds.⁶¹ When total cost is compared to Parish funding, it is clear that the Parish, not the Patrons, sponsored concert events at Lafreniere. The Patrons effectively served as a pass-through for the Parish sponsor concert events. However, the CEA between the Parish and the Patrons did not anticipate the Patrons receiving Parish funding.

Based upon interviews and review of Patrons' records, the JPOIG determined that the Patrons did not, as an organization, possess the requisite controls and administrative capabilities to receive, expend, and account for Parish funds in the manner commensurate with the amount of funding being provided to the Patrons. As one example, the Council passed a resolution approving a CEA with the Patrons on 01/11/2017 to provide permanent lighting and audio equipment for the concert stage at Lafreniere Park at a cost to not exceed \$50,000.⁶² Patrons contracted with the Sound Source owned by Mr. Kilbride to perform the work. The JPOIG requested back-up documentation to support the amount charged. The documentation showed a marked up of 54%, the difference between actual costs and the invoiced amount was \$25,699.17.

Finally, the CEA, as amended, between the Parish and the Patrons did not set forth with reasonable specificity what the Parish expected to receive in exchange for funding concert series and/or any limitations on how Parish funds would be expended.

Recommendations

The JPOIG recommends that the Parish Council:

1. Cease funding concert series at Lafreniere Park through the Patrons; and
2. Seek request for proposals from event producers and contract for the services previously achieved through the CEA with the Patrons and/or otherwise engage in a CEA with a non-profit entity who has experience with event productions; and
3. Establish specific parameters for the event regarding entertainment, sponsorship, vendors, and promotion; and

⁶⁰ Attachment B and C.

⁶¹ The concert series did not begin in 2013. Prior to 2013, the fall and spring concerts were sponsored by Live at Lafreniere Inc., a private entity. Also, sometime prior to 2013, Uncle Sam Jam ("USJ") was held at Lafreniere Park. Its original sponsor(s) is unknown.

⁶² Resolution 128551.

4. Establish procedures and protocols to ensure adequate oversight and accountability for revenue and costs.

Finding # 2: Parish did not receive full benefit of revenue generated from fundraising at Lafreniere Park due to mismanagement and lack of controls over funds.

Condition:

The Patrons agreed to perform various fundraising events for the purpose of raising money for contributions for capital improvements and recreational programming at the Park.⁶³

Based upon available documentation, the JPOIG estimated there to be \$26,000 in revenue for which there is no accounting. This figure includes \$6,000 in lease payment from Plum Street which are unaccounted, e.g. missing. It also includes \$8,700 in sponsorship and vendor fees for which records suggest were charged but never received by the Patrons. The balance, or \$11,300, represents an estimate of lost revenue from beverage sales.⁶⁴

Recommendations

The JPOIG recommends that the Administration:

1. Establish a list of approved vendors from which the Parish can select to provide food and beverage services for events at Lafreniere Park through competitive request for proposals.

Finding # 3: Private entities profited from events at Lafreniere Park without Parish Council approval

Condition:

Section 1- Services:

ORGANIZATION, at its option, and subject to Parish approval, will be allowed to hire outside contractors to assist ORGANIZATION in fundraising activities in lieu of utilizing Parish personnel; however, ORGANIZATION shall assume and be responsible for the hiring of such contractors pursuant to this section.

ORGANIZATION must provide PARISH with advance notice of its intention to hire such outside contractors and provide PARISH with all documents required of PARISH contractors prior to PARISH approval of said outside contractors.⁶⁵

Patrons did not give notice to the Parish that it was contracting with private entities. The Patrons' contracted with private entities without Parish approval.

In 2013, the Patrons permitted Live at Lafreniere, Inc. to produce spring concert series. Live at Lafreniere solicited and received money from private vendors, e.g. \$5,000 from Crescent Crown, for the event. Live at Lafreniere profited from events at the Park under the auspices that it was to benefit the Park. That same year, the Parish provided funding of \$13,900 to Patrons for the concert series.

⁶³ Attachment B and C.

⁶⁴ This amount does not include any questionable the expenditure of \$510,776.25 of Parish funds.

⁶⁵ Attachment B and C.

Beginning in 2016, the Patrons, through its President, entered an agreement with the Carrollton Carnival Club, through its representative, for the Carrollton Carnival Club to collect parking fee of \$5.00 per vehicle for the USJ event.⁶⁶ The parking fees were shared between the Carrollton Carnival Club and the Park under no specific split or percentage. In 2017, the Carrollton Carnival Club representative left Lafreniere Park with \$40,850 in cash. That same year, the Parish providing funding of \$210,000 to the Patrons for the USJ event.

Between 2013 and 2017, beverages were provided and sold during concert events through arrangements between individual business owners and individual Patrons' officers. Revenue generated from beverage sales at concert events were split 50/50 between private businesses who provided beverages and the Park.

Recommendations

The JPOIG recommends that the Parish Council:

1. Cease permitting the Patrons to collect cash revenue generated at Lafreniere Park from activities and events funded in part or in whole with Parish funds;
2. Where no Parish funds are used, exercise a means for Lafreniere Park to be rented, in whole or in part, for functions on a fee basis. The Parish collect and receive revenue generated from parking fees for events at Lafreniere Park or otherwise consider potential revenue when entering any agreement to lease Park.

Finding # 4: Council District 4 should not manage contract

Condition:

The Parish Council is the legislative and policy making body of the Parish.⁶⁷ The Parish Council approves contracts and any amendments to contracts.⁶⁸ The Parish President is the chief administrative officer for the Parish.⁶⁹ The Parish President is responsible for supervising all parish departments which includes the Finance and Accounting Departments. Except for the purpose of inquiry, the Council and its members shall deal with administrative officers and employees solely through the Parish President.⁷⁰

Other than expenses directly related to the Council District office's operations, no individual Councilmember is empowered to approve payments made on contracts that are approved by the Parish Council. Payments made under contracts, as well as procurement, is a function which falls under the authority of the Parish President.

The Council District 4 Councilmember effectively acted as the contract administrator for the CEA between the Patrons and the Parish by approving invoices submitted by the Patrons. The Council District 4 Councilmember directed and/or approved vendors contracted by Patron for

⁶⁶ Starting in 2016 Parish Council passed a resolution to allow the Patrons to collect a \$5.00 per vehicle parking fee for USJ. Resolution 127323.

⁶⁷ Jefferson Parish Charter §2.01.

⁶⁸ Jefferson Parish Charter §4.02

⁶⁹ Jefferson Parish Charter §3.03.

⁷⁰ Jefferson Parish Charter §4.02

concert events at the Park.

Recommendations

The JPOIG recommends that individual Parish Councilmembers:

1. Refrain from engaging in contract management of contracts which fall under the supervision of the Parish President.

The JPOIG recommends that the Administration:

1. Direct that the Finance Department implement policy and procedure to enforce proper contract management by an appropriate department or officer.

Finding # 5: Noncompliance with CEA, Section 1- Services, Fundraising for capital improvements.

Condition:

Section 1- Services:

The ORAGNIZATION shall, in accordance with its charter and by-laws provide funding to PARISH for capital improvements and recreational programming.⁷¹

Section 1, Services further provides that the Parish agrees to provide a list to the Patrons annually of projects, programming and other items for which the Parish is making a funding request to the Patrons. The list shall be in order of priorities as determined by the Parish.

Under the terms of the CEAs, the Patrons agreed to engage in fund raising activities for capital improvements to the Lafreniere Park. The reason for the CEA was, in part, based upon the idea that the Parish had “a reasonable expectation of receiving the benefit from” the Patrons’ fundraising “which is equivalent to the use of the Park facilities” by the Patrons.

The JPOIG identified approximately \$300,000 in revenue generated by the Patrons from activities at Lafreniere Park during the period of review. From this revenue, the Patrons delivered capital improvements to the park valued at \$40,492.

Recommendations

The JPOIG recommends that the Administration:

1. Order an independent audit of the Patrons bank accounts; and
2. Study, assess, identify and prioritize capital improvements needed at Lafreniere Park.
3. Make demand upon the Patrons, based upon identified funds, for capital improvements to the Park and/or seek reimbursement of capital improvements funded by the Parish as a result of events held at Lafreniere Park by the Patrons.

⁷¹ Attachment B and C.

Finding # 6: Noncompliance with CEA, Section 1- Reimbursement

Condition:

Section 1- Services:

ORGANIZATION shall reimburse the Park for additional operational expenses incurred in connection with its fundraising activities at the same cost per man power that is charges to all other corporations, organizations, or individuals utilizing Park services and/or facilities.⁷²

Between 2013 through 2017, the JPOIG found only one instance of the Patrons providing reimbursement to the Parish in the amount of \$3,750.00. Except for this instance, the Patrons did not reimburse the Parish for expenses as specified in the CEAs. the JPOIG identified expenses incurred by the Parish of up to \$96,263.07 because of Patrons' events. This estimation is based upon a calculation of hours worked by police detail and Parish employees during the event.⁷³

Recommendations

The JPOIG recommends that the Administration:

1. Order an independent audit of the Patrons bank account; and
2. Make a demand for reimbursement of expenses incurred by the Parish due to events held by the Patrons.

Finding # 7: Noncompliance with CEA, Section 9- Reports

Condition:

Section 9- Reports:

ORGANIZATION shall furnish the Jefferson Parish Council with minutes of all meetings, any change or amendment to the ORGANIZATION's By-Laws and quarterly treasurer's report, which reflects a statement of the ORGANIZATION's income and expenditure of funds.

ORGANIZATION shall furnish narrative reports to the Jefferson Parish Director of Internal Audit detailing the amounts of and reasons for all expenditures of funds allocated under the Agreement. All such reports shall be furnished quarterly.⁷⁴

The above language was amended between the 2012 CEA and 2015 CEA. The 2012 CEA required narrative reports to the Parish Council and the Director of Internal Audit. The 2015 CEA removed the requirement to furnish narrative reports to the Council was removed.

⁷² Attachment B and C.

⁷³ Cost incurred by the Parish for employees was based upon information provided by Park Manager Barry McGuinness of number of employees working and hourly rate, including any overtime. It does not include actual payroll cost to the Parish which would include related taxes and benefits.

⁷⁴ Attachment B and C.

Based upon available information, including interviews with key individuals with the Patrons and the Parish, the JPOIG determined that the Patrons did not provide narrative reports as required by the CEAs. Had these reports been provided, the Parish should have been informed of how the revenue generated from events at Lafreniere Park was being collected, shared and split private entities without any accounting or oversight. In the absence of these reports, the Parish is without a detail of fundraising activities, expenditures for activities and reasons for expenditures.

Recommendations

The JPOIG recommends that the Parish Council:

1. Amend future CEAs to require quarterly reports be sent to the Parish Council and the appropriate department within the Parish;
2. Require that the Director of Internal Audit be copied on the reports;
3. Establish a system and responsible person to evaluate the information contained in the narrative report for the purpose of determining whether the Patrons are complying with the terms of the CEA.

Finding # 8: Noncompliance with CEA, Section 10 - Cost and Collection Records

Condition:

Section 10- Cost and Collection Records:

The PARISH shall be entitled to audit the books, documents, papers and records of ORGANIZATION and any subcontractors which are reasonably related to this Agreement.

ORGANIZATION shall require all of its subcontractors to maintain all books, documents, papers, accounting records and other evidence pertaining to funds collected and shall make such materials available at their respective offices at all reasonable times during the Agreement ...⁷⁵

The Patrons received revenue from (1) lease of concession stand to Plum Street, (2) sponsorship fees charged to sponsors of concert series; (3) vendor fees from food truck vendors; (4) revenue from beverage sales at concert events; and (5) parking fees from USJ.

From 2013 through 2017, the Patrons' records, such as minutes showing \$5,000 sponsorship fee from Crescent Crown, and various deposits to Patrons accounts reflect revenue earned. However, there was inadequate information maintained as to either expenses or sources of revenue across all activities by the Patrons at the Park.

Cash revenue generated at the Park was collected and held by private businesses, and thereafter, given to a Patrons' Officer who held it for some amount of time. There are no records of total cash collected and total cash deposited that can be reconciled with revenue generating activity.

⁷⁵ Attachment B and C.

The JPOIG determined that the books, documents, papers accounting records and other evidence was not maintained by the Patrons in such a manner as to adequately support an audit of revenue generated by the Patrons for Lafreniere Park under the CEA.

After 10/10/2018, the Parish, not the Patrons, began collecting lease payments on the concession stand. The Council passed a resolution selecting W P Snoballs, LLC (Plum Street) to operate the concession stand at Lafreniere Park.

Recommendations

The JPOIG recommends that the Administration:

1. Cease permitting the Patrons to collect cash revenue generated at Lafreniere Park from activities and events funded in part or in whole with Parish funds;
2. Accept responsibility for collecting cash revenue generated at Lafreniere Park and provide for adequate controls.

Finding # 9: Noncompliance with CEA, Section 21 – General, Cooperation with JPOIG

Section 21 – 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 cooperate with the Inspector General in any investigation, audit, inspection, performance review, or hearing pursuant to this chapter.⁷⁶

The JPOIG requested information from the Patrons regarding Patrons fundraising activities, accounting, meetings and records. Certain Patrons’ officers refused to cooperate and/or delayed cooperating. As a result, the JPOIG sought relief from the 24th Judicial District Court. The failure to cooperate resulted in the JPOIG time and resources due to the lack of cooperation, to include \$934.94 in court costs.⁷⁷

Recommendation:

The JPOIG recommends that Administration:

1. Seek reimbursement of court costs incurred by the JPOIG on behalf of the JPOIG from the Patrons for breach of its obligation to cooperate under the terms of the CEA.

⁷⁶ Attachment B and C.

⁷⁷ In re Matter Under Investigation by the Jefferson Parish Office of Inspector General, 24th JDC No. 776-768, Div “J”.