



**Jefferson Parish Office of Inspector General**



# **Security Services Follow-up**

**Audit Report 2023-0002**

**October 25, 2023**

**Kim Raines Chatelain, Inspector General**

## TABLE OF CONTENTS

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EXECUTIVE SUMMARY.....	1
BACKGROUND .....	2
FOLLOW-UP FINDING #1: CONTRACT MODEL.....	4
FOLLOW-UP FINDING #2: CONTRACT OVERSIGHT .....	6
FOLLOW-UP FINDING #3: LABOR INVOICES .....	8
FOLLOW-UP FINDING #4: EQUIPMENT INVOICES .....	10
FOLLOW-UP FINDING #5: IMPROPER SALES TAX CHARGES .....	12
FOLLOW-UP FINDING #6: CONTRACT OVERBILLINGS .....	14
FOLLOW-UP FINDING #7: SUBCONTRACTOR AGREEMENTS .....	15
FOLLOW-UP FINDING #8: SECURITY SERVICES PLAN .....	17
OBJECTIVES, SCOPE, & METHODOLOGY .....	19
PARISH & NON-PARISH ENTITY COMMENTS.....	20

## EXECUTIVE SUMMARY

On 04/23/2020, the Jefferson Parish Office of Inspector General (JPOIG) issued an audit titled *Security Services Contracting*. The audit resulted in eight findings pertaining to Jefferson Parish’s (Parish) Security Services Contract with New Era Information Technologies, LLC (New Era). In 2022, the JPOIG conducted a follow-up audit. The objective of the follow-up audit was to determine if the Parish resolved the findings noted in the initial audit by implementing corrective actions. The scope period was 01/01/2021 through 12/01/2022.

The original audit resulted in eight (8) findings. As shown in Table 1, the JPOIG determined that one (1) finding was resolved; four (4) findings were partially resolved, and three (3) findings were not resolved. The JPOIG notes that the original audit was issued under a previous Administration and Director of Security.

*Table 1: Finding Status Summary*

Finding #	Finding Description	Status
1	The Security Services Contract did not establish: (1) limits or criteria for security equipment and materials; (2) labor rates; and (3) invoicing, billing, and payment requirements.	Partially Resolved
2	The Parish did not effectively utilize existing controls to ensure that vendors do not exceed established contract sub-cap limits.	Not Resolved
3	VEC did not provide support for labor costs to New Era, and New Era did not request any support for VEC’s invoices.	Partially Resolved
4	VEC did not provide support for equipment costs to New Era, and New Era did not request any support for VEC’s invoices.	Partially Resolved
5	New Era billed the Parish for sales taxes for security equipment and materials purchased by VEC.	Partially Resolved
6	The Parish Administration approved invoices for equipment and labor costs that exceeded the rates stipulated in the contract.	Not Resolved
7	Contractors were not required to provide evidence of a written agreement with subcontractors defining their business relationship and responsibilities.	Not Resolved
8	The Director of Security did not provide comprehensive recommendations on security measures at Parish facilities or oversee and administer the contract between Jefferson Parish and the security equipment company.	Resolved

## BACKGROUND

### Acronyms

The JPOIG used the following acronyms in this report.

JPOIG	Jefferson Parish Office of Inspector General	RFP	Request for Proposal
New Era	New Era Information Technologies, LLC	SSC	Security Services Contract
Parish	Jefferson Parish	VEC	Vector Electric and Controls Systems
CSC	Computer Services Contract		

### Security Services Contracting (#JPOIG 2017-0027)

On 04/23/2020, the JPOIG published an audit of security services. The audit objectives were to evaluate whether the Parish management of the security services contracts assured compliance with material elements and terms; audit invoices and payments; and procurement processes. The scope period was 01/01/2016 through 08/31/2018. New Era provided security services under two separate contracts:

1. (Amended) Computer Services Contract (CSC) with New Era

The Parish contracted for security services with New Era via an amendment to an existing computer services contract with New Era. New Era provided security services under the amended contract from 02/16/2016 to 12/31/2016.<sup>1</sup>

2. Security Services Contract with New Era

The Parish executed a contract with New Era to provide security services subsequent to an advertised Request for Proposal (RFP). New Era provided security services under the contract from 12/05/2016 to 12/05/2019.

The audit resulted in eight findings. The draft report was issued to the Parish President and Councilmembers on 10/24/2019.<sup>2</sup> The draft report was also issued to New Era and Vector Electric and Controls Systems (VEC) on 02/26/2020. The Parish President and New Era responded. The JPOIG did not receive any other responses.

In 2022, the JPOIG conducted a follow-up audit. The objective of the follow-up audit was to determine if the Parish resolved the findings noted in the initial audit by implementing corrective actions. The scope period was 01/01/2021 through 12/01/2022.

<sup>1</sup> The amendment was the subject of a separate JPOIG report published 08/10/2017, *Security Services Contracting*, JPOIG #2016-0006.

<sup>2</sup> Parish President Michael S. Yenni, Councilwoman Cynthia Lee-Sheng, Councilman Keith A. Conley, Councilman Ricky J. Templet, Councilman Paul D. Johnston, Councilman Mark D. Spears, Jr., Councilman Dominic Impastato, Councilwoman Jennifer Van Vrancken.

## **2022 Security Services Contract Timeline**

On 10/09/2020, the Parish Council adopted Resolution 134556 which authorized an amendment to the security services contract with New Era to extend the contract by one year.<sup>3</sup> On 10/09/2020, the Parish Council adopted Resolution No. 136807 which authorized the execution of another contract with New Era to continue the original contract until 12/04/2021 or “when a new contract is in effect, whichever is earlier.”

On 09/15/2021, the Parish Council adopted Resolution No. 138292 which authorized the Purchasing Department to advertise an RFP from firms interested and qualified in providing equipment and maintenance for the existing security system for the Security Division. The Purchasing Department advertised RFP 430 and received submissions.<sup>4</sup> On 02/16/2022, the Council voted to cancel RFP 430 and issue a new RFP. The Council passed Resolution No. 139346 on 03/23/2022 extending a security services contract with New Era until 12/31/2022.

On 07/27/2022, the Parish Council adopted Resolution No. 140122 which authorized the Purchasing Department to advertise for an RFP from firms interested and qualified in providing equipment and maintenance for the Security Division’s existing security system. The Purchasing Department advertised RFP 443 and received submissions.

On 10/26/2022, the Parish Council adopted Resolution No. 140637 which selected In-Telecom Consulting, LLC. On 11/16/2022, the Parish Council adopted Resolution 140824 approving a contract with In-Telecom Consulting, LLC. On 12/01/2022, In-Telecom executed a two-year contract with the Parish to provide security services.

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<sup>3</sup> Resolution 134556, approved amendment number 1 to extend term for one year and increase cap by \$968,563.

<sup>4</sup> RFP 430 was advertised pursuant to Resolution No. 138292. The Evaluation Committee met on 11/17/2021 and scored New Era’s proposal with the highest score of 396 points out of 400. On 02/16/2022, the Council voted to cancel RFP 430 and issue a new RFP to address additional concerns raised by the Council.

## FOLLOW-UP FINDING #1: CONTRACT MODEL

### Initial Finding #1:

The Parish Council approved the computer services contract with the Contractor, New Era. The contract did not:

1. Establish limits or criteria for security equipment and materials;
2. Establish rates for labor and materials; and
3. Establish any invoicing, billing and payment requirements.

The Parish Council approved the security services contract with the Contractor, New Era. The contract did not:

1. Establish dynamic pricing for security equipment and materials in the technology sector that routinely sees price reductions and new model availability.
2. Establish invoicing and billing requirements necessary to validate work performed by job.

### JPOIG Recommendation #1:

The Parish Administration should ensure that future negotiated contracts include:

1. Limits or criteria for all equipment and materials, which in this specific case was security equipment;
2. Established rates for labor and materials;
3. Established invoicing, billing, and payment requirements; and
4. Dynamic pricing where equipment costs and capability are reasonably expected to change during the contract.

### Parish Administration Response #1:

Recommendation **Accepted** by the Parish Administration.

“Agree...The Administration is presently reviewing and anticipating extensive changes to the specifications and contract language for the SSC...It is also anticipated that future contracts for security services will identify the vendor by a bid process rather than through an RFP.”<sup>5</sup>



Finding #1 Summary: Inefficient/Ineffective Contract Model

Finding Status: PARTIALLY RESOLVED

### Follow-up Audit Results #1:

The JPOIG obtained all amendments to the SSC and noted the Parish Council amended the SSC four times from 12/05/2016 to 05/19/2022. However, the terms and conditions of the SSC continued in substance from the original agreement, but the amendments did not establish:

- limits or criteria for all equipment and materials, which in this specific case was security equipment;

<sup>5</sup> Refer to Appendix A.

- rates for labor and materials;
- invoicing, billing, and payment requirements; and/or
- dynamic pricing where equipment costs and capability are reasonably expected to change during the contract.

On 08/10/2022, the Parish issued RFP 0443. The RFP required each bidder to list the cost of all new equipment to be installed on as needed basis and related incidental materials.<sup>6</sup> In-Telecom established the equipment prices in its bid proposal, but the prices are subject to change based on market fluctuations (i.e., dynamic pricing). Per discussion with the Security Division, they will evaluate the dynamic pricing annually to determine if price adjustments are appropriate. The JPOIG also noted that the RFP established labor rates and invoicing, billing, and payment requirements. The RFP stated:

The proposer shall address and send the invoice to the Department of Security pursuant to the payment terms negotiated in the contract. Payments will be made by the Department of Security or requesting Department no earlier than thirty (30) days after receipt of a properly executed invoice, and approval by the Department of Security. Invoices shall include the contract and order number, using department and product or service purchased. Each invoice for the maintenance contract, embedded technician services and new equipment installations shall include a brief written narrative describing the work accomplished the invoice period showing man hours/labor cost by job position and work tasks being billed during the invoice period. Invoices submitted without the referenced documentation will not be approved for payment until the required information is provided.<sup>7</sup>

The RFP language provides sufficient contractor requirements to support the materials purchased, services rendered, and invoicing, billing, and payment requirements.

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<sup>6</sup> RFP 443 Appendix B, Issued by Jefferson Parish. August 10, 2022. p.34-36.

<sup>7</sup> RFP 443 Appendix B, Issued by Jefferson Parish. August 10, 2022. p.19.

## FOLLOW-UP FINDING #2: CONTRACT OVERSIGHT

### Initial Finding #2:

The Parish does not effectively utilize existing controls to ensure that vendors do not exceed established contract sub-cap limits. The CSC and the SSC included established contract deliverables as shown in the following tables.

Contract Terms for New Era Technologies (CSC, Amendment #2)					
Term	Deliverable 1	Deliverable 2	Deliverable 3	Rate @	Total Annual Caps
February – December 2016	Equipment Installation	Service and Maintenance	Embedded Technician Hours	\$95/ hour	
Totals	\$600,000	\$160,000	975	34,125	\$794,125

Contract Terms for New Era Technologies (SSC)					
Start Date	Deliverable 1	Deliverable 2	Deliverable 3	Rate @	Total Annual Caps
12/2016	Equipment Installation	Service and Maintenance	Embedded Technician Hours	\$95/ hour	
Year 1	\$750,000	\$187,688	325	\$30,875	\$968,563
Year 2	\$750,000	\$187,688	325	\$30,875	\$968,563
Year 3	\$750,000	\$187,687	325	\$30,875	\$968,562
Year 4	\$2,250,000	\$563,063	975	\$92,625	\$2,905,688

### JPOIG Recommendation #2:

The Parish Administration should ensure that the Purchasing Department utilizes the ability within the Parish’s financial management system (AS400) system to establish contract sub-caps using pre-designated dollar limits whenever applicable.

### Parish Administration Response #2:

Recommendation **Accepted** by the Parish Administration.

Agree. The Financial Management System can track “Tasks” Which can be used as “sub-caps” ...The Tasks include contracted costs of one or more elements of a contract, all of which contribute to the overall contract cap, but which can be monitored individually.<sup>8</sup>



Finding #2 Summary: Lack of Adequate Contract Oversight  
Finding Status: NOT RESOLVED

<sup>8</sup> Refer to Appendix A.



**Follow-up Audit Results #2:**

The JPOIG inspected twenty-five New Era invoices and noted that none of the invoices segregated, totaled, or otherwise identified which line-item expense correlated with the respective deliverable.

The JPOIG also reviewed the AS400 Parish Financial Management System and noted that the Parish established eleven sub caps in AS400. Six of the eleven sub cap amounts agreed with deliverable amounts in the SSC Contract, but the descriptions did not clearly identify which contract year those applied. The remaining five tasks either did not identify the deliverable or the amount did not agree to the contract amount. Per discussion with Parish officials, although a vendor cannot be paid more than the overall contract amount, the sub caps can be exceeded in AS400, and it is the Department's responsibility monitor sub cap limits.

## FOLLOW-UP FINDING #3: LABOR INVOICES

### Initial Finding #3:

VEC did not provide the job cost data to New Era, and New Era did not request any support for VEC's invoices. New Era invoiced the Parish based upon VEC's invoices, plus an upcharge. The Parish paid New Era \$1,131,578 in labor costs for both contracts without adequate support for hours worked and labor rates charged.

### JPOIG Recommendation #3:

The Security Department Director and the Finance Director should cease to approve for payment without proper supporting documentation for labor hours worked and billed.

### Parish Administration Response #3:

Recommendation **Accepted** by the Parish Administration.

Agree...Since February 2017, the contractor has utilized a "ticketing" system to receive and track requests for security services. A "ticket" is generated by the requesting department which details the problem to be addressed, to which the contractor then may add comments regarding services performed to remedy the problem.<sup>9</sup>



Finding #3 Summary: Inadequate Support for Labor invoices

Finding Status: PARTIALLY RESOLVED

### Follow-up Audit Results #3:

The JPOIG selected 25 New Era invoices submitted to the Parish during the scope period and requested the subcontractor invoices that supported each New Era invoice. Neither the Director of Security nor the Accounting Department maintained the subcontractor invoices and could not provide them to the JPOIG. Therefore, the JPOIG could not determine if the selected New Era labor charges on the invoices were properly supported and accurate.

On 08/10/2022, the Parish issued RFP 443. The RFP required that:

[e]ach invoice for the maintenance contract, embedded technician services and new equipment installations shall include a brief written narrative describing the work accomplished the invoice period showing man hours/labor cost by job position and work tasks being billed during the invoice period. Invoices submitted without the referenced documentation will not be approved for payment until the required information is provided.

The RFP language provided sufficient requirements of the contractor to support the services rendered. The JPOIG also obtained the 12/01/2022 executed contract and noted the RFP requirements were incorporated by reference. However, the JPOIG did not verify if In-Telecom

<sup>9</sup> Refer to Appendix A.

Consulting, LLC's invoices contained the information required in the RFP because this was outside of the scope period.

## FOLLOW-UP FINDING #4: EQUIPMENT INVOICES

### Initial Finding #4:

VEC did not provide the job cost data to New Era, and New Era did not request any support for VEC's invoices. New Era invoiced the Parish based upon VEC's invoices, plus an upcharge of 21%. The Parish paid New Era \$139,446 in upcharges on equipment and materials across both contracts in excess of contract requirements.

### JPOIG Recommendation #4:

The Security Department Director and the Finance Director should cease to approve invoices for payment without proper supporting documentation for equipment costs billed.

### Parish Administration Response #4:

Recommendation **Accepted** by the Parish Administration.

Agree...In the future, the vendor will be instructed to include the required detail on the individual invoices as an additional means of verification.<sup>10</sup>



### Finding #4 Summary: Inadequate Support for Equipment Invoices

Finding Status: **PARTIALLY RESOLVED**

### Follow-up Audit Results #4:

The JPOIG selected 25 New Era invoices submitted to the Parish during the scope period and requested the subcontractor invoices that supported each New Era invoice. Neither the Director of Security nor the Accounting Department maintained the subcontractor invoices and could not provide them to the JPOIG. Therefore, the JPOIG could not determine if the selected New Era equipment charges on the invoices were properly supported and accurate.

On 08/10/2022, the Parish issued RFP 443. The RFP required each bidder to list the cost of all new equipment to be installed on as needed basis and related incidental materials.<sup>11</sup> The JPOIG also obtained the 12/01/2022 executed contract and noted the RFP requirements were incorporated by reference. In-Telecom established the equipment prices in its bid proposal, but the prices are subject to change based on market fluctuations (i.e., dynamic pricing). Per discussion with the Security Division, they will evaluate the dynamic pricing annually to determine if price adjustments are appropriate.

Per discussion with the Director of Security Services, department directors review and approve the Job Acceptance Checklist, which lists all equipment purchased and used on each job site. The Security Division also reviewed quotes, invoices, and purchase orders to ensure it agreed with the contracted rate. The Security Division then submitted these documents to the appropriate department for review and payment. If the Department notes discrepancies or errors on the invoice, the contractor must correct the invoice prior to any acceptance or payment.

<sup>10</sup> Refer to Appendix A.

<sup>11</sup> RFP 0443 Attachment B, Issued by Jefferson Parish. August 10, 2022. p.34-36.

Although the RFP language provides sufficient contractor requirements to support the materials purchased, the JPOIG did not verify if In-Telecom's invoices contained the information required in the RFP because this was outside of the scope period.

## FOLLOW-UP FINDING #5: IMPROPER SALES TAX CHARGES

### Initial Finding #5:

The Parish paid a total of \$14,257 for sales tax on equipment purchased. New Era billed the Parish for sales tax paid for security equipment and materials purchased by VEC. New Era possessed a tax exemption certificate which was not provided to VEC or otherwise utilized for Parish purchases.

### JPOIG Recommendation #5:

The JPOIG recommends that the Council ensure that all approved contracts include requirements that vendors do not pay state and local taxes on purchases.

The JPOIG recommends that the Parish Attorney's Office incorporate requirements into all "contract forms" and otherwise assure that the contract requires vendors to ensure purchases made on behalf of the Parish are not subject to state and local taxes.

### Parish Administration Response #5:

Recommendation **Rejected** by the Parish Administration.

Disagree. The Administration believes that the use of the word "improperly" in this finding is misleading.... In order to extend the sales tax exemption to vendors similar to the CSC and SSC vendor would require a change in a long-standing Parish policy, after due consideration of the possible ramifications to other taxing authorities which currently benefit from sales taxes.<sup>12</sup>



Finding #5 Summary: Improper Sales Tax Charges

Finding Status: PARTIALLY RESOLVED

### Follow-up Audit Results #5:

On June 7, 2021, the Parish asserted that the "Department of Purchasing began designating projects as 'sales tax exempt' in all bid advertisements effective 10/01/2020. The Department of Accounting tracks sales tax savings through a Sales Tax Exemption reporting form which each contractor must complete and submit to the Department prior to final payment."

The JPOIG selected 25 New Era invoices submitted to the Parish during the scope period and noted none of the New Era invoices contained sales taxes. However, the JPOIG also requested the subcontractor invoices that supported each New Era invoice. Neither the Director of Security nor the Accounting Department maintained the subcontractor invoices and could not provide them to the JPOIG. Therefore, the JPOIG could not determine if the subcontractor invoices contained sales taxes that were then included on the New Era invoices.

The JPOIG inspected RFP 443 and noted that Section 1.23 stated that "Jefferson Parish is exempt from paying sales taxes under Louisiana Revised Statute 47:301(8)(c). All prices for purchases of supplies and materials by Jefferson Parish shall be quoted exclusive of State and Parish taxes."

<sup>12</sup> Refer to Appendix A.

The RFP language is consistent with the Administration's assertion. The JPOIG did not verify if In-Telecom's invoices contained sales taxes because this was outside of the scope period.

## FOLLOW-UP FINDING #6: CONTRACT OVERBILLINGS

### Initial Finding #6:

The Parish Administration approved invoices for payments totaling \$7,795 for equipment and labor costs that were in excess of labor and equipment rates stipulated in the contract.

### JPOIG Recommendation #6:

The Security Director and the Finance Director should establish controls within their respective departments to prevent the Parish from paying contractors more than the contract prices and limits on labor, materials, and equipment.

### Parish Administration Response #6:

Recommendation **Accepted** by the Parish Administration.

Agree. Over the past 12 months steps have been taken by the Security and General Services Departments to ensure that incorrect billings are rejected. The process now in place is as follows.

The security department first performs a security needs assessment at the facility followed by a walk-through with the contractor to ensure a complete understanding of the scope of work and equipment expected. An estimate is then prepared by the contractor and submitted to the requesting department for review, revision if required, and approval. A final walk-through is performed by the Security Department following completion of the project prior to approval of final payment. Working with the Department of Homeland Security we have established a D.H.S. Dashboard app that aids in establishing security protocol and improvements. Working with Director West, perimeter security will be enhanced, and updated and additional surveillance cameras are being installed.<sup>13</sup>



Finding #6 Summary: Contract Overbillings  
Finding Status: NOT RESOLVED

### Follow-up Audit Results #6:

Per discussion with the Director of Security Services, department directors reviewed and approved the Job Acceptance Checklist, which lists all equipment purchased and used on each job site. The Security Division also reviewed quotes, invoices, and purchase orders to ensure it agreed with the contracted rate. The Security Division then submitted these documents to the appropriate department for review and payment. If the department noted any discrepancies or errors on the invoice, the contractor must correct the invoice prior to any acceptance or payment.

The JPOIG inspected twenty-five New Era invoices and noted that twenty-two invoices contained 139 line-item expenses that were either more than the contracted amount or were not included in the contract. Disallowed expenditures totaled \$293,310.

<sup>13</sup> Refer to Appendix A.



## FOLLOW-UP FINDING #7: SUBCONTRACTOR AGREEMENTS

### Initial Finding #7:

Contractors must submit affidavits to identify subcontractors for Parish contracts, however, contractors are not required to provide evidence of a written agreement with subcontractors defining their business relationship and responsibilities as it applies to the Parish prime vendor contract.

### JPOIG Recommendation #7:

All approved Parish contracts should require the prime contractor to provide evidence of a written subcontractor agreement prior to the subcontractor engaging in any work with the prime.

### Parish Administration Response #7:

Recommendation **Rejected** by the Parish Administration.

Disagree. JPOIG apparently sought documents for review from the contractor who advised that they did not possess such documents and referred the JPOIG to their subcontractor. The finding is based on contract language requiring the contractor to ‘...maintain adequate books of account with respect to its services...,’ and we do agree that the contractor should have been in possession of all documents pertaining to services. We disagree, however, that the solution is to require contractors to have written contracts imposing specific requirements on their subcontractors. Ultimately the contractor is responsible for fulfilling all terms and conditions of the contract, and how the contractor chooses to do that is not and should not be of concern to the Parish. It is sufficient to provide for consequences in the event of any contractor default in performance.<sup>14</sup>



### Finding #7 Summary: Subcontractor Agreements

Finding Status: NOT RESOLVED

### Follow-up Audit Results #7:

JPCO §2-923 (a) states the following:

(a) All persons or firms who are under contract awarded on a non-bid basis with Jefferson Parish or with any of its agencies, divisions or special districts or who submit responses to any request for submittals to contract on a non-bid basis with Jefferson Parish or with any of its agencies, divisions or special districts must identify all subcontractors and persons, excluding full time employees of the firm, who would assist in providing services or materials under the contract or who would share in any fees, commissions or other remuneration under the contract, unless exempt under section 2-923(e). Each such subcontractor or person shall submit all documents and information required by this section. Substitutions or subsequent addition of subcontractors or other persons to the contract must be ratified by

<sup>14</sup> Refer to Appendix A.

council resolution. The person or firm under contract shall provide to the council detailed justification of the need for any such additional subcontractor or person. With each invoice submitted, the person or firm holding said non-bid contract shall acknowledge that no subcontractors or other persons have been added to the contract without prior council approval by resolution.<sup>15</sup>

Although the JPCO §2-923 (a) required Parish Council approval for any substitutions or additions of subcontractors, it did not require a written agreement between the prime and subcontractor.<sup>16</sup>

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<sup>15</sup> JPCO §2-923(a).

<sup>16</sup> Per discussion with the Director of Security, In-Telecom Consulting, LLC did not have any subcontractors. The JPOIG inspected In-Telecom's bid proposal and noted it did not list subcontractors.

## FOLLOW-UP FINDING #8: SECURITY SERVICES PLAN

### Initial Finding #8:

The Director of Security did not provide comprehensive recommendations on security measures at Parish facilities or oversee and administer the contract between Jefferson Parish and the security equipment company.

### JPOIG Recommendation #8:

The Parish Council Should consider amending 2-515.16 to include a requirement that “the Director of Security develop and maintain a confidential Parish–wide security plan for critical infrastructure and other facilities.”

The Parish Administration should:

1. Ensure through management and oversight measures that the Director of Security performs the duties pertaining to security recommendations and contract management as required by ordinance.
2. Broaden the duties of the Director of Security to develop and maintain a confidential Parish–wide security plan for critical infrastructure and other facilities as deemed necessary.
3. Expand the cost allocation plan to include all estimated contractor costs on a department-by-department basis (including the Parish Council) that coincides with the accepted confidential Parish–wide security plan for critical infrastructure facilities, and other facilities as deemed necessary.

### Parish Administration Response #8:

Recommendation **Accepted** by the Parish Administration.

Agree. The Security Department has already begun the process of creating “Security Districts” for the management of Critical Infrastructure/Key Resources (CIKR) and it is reasonably anticipated that a complete and manageable system will be developed and implemented as soon as practical.<sup>17</sup>



Finding #8 Summary: Security Services Plan

Finding Status: RESOLVED

### Follow-up Audit Results #8:

The JPOIG inquired of the Director of Security and noted that Department directors must turn in a monthly security assessment to the Director of Security for his review.<sup>18</sup> The JPOIG judgmentally selected the months of April 2021, December 2021, and February 2022 and obtained all monthly assessments which totaled 196. The JPOIG noted the assessments established an informal baseline level of security for each department (e.g., lighting, physical barriers, etc.).

<sup>17</sup> Refer to Appendix A.

<sup>18</sup> Department directors or their designated personnel included community centers, head start programs, transportation, recreation, juvenile, pumping stations, and water treatment facilities.

These assessments contained a description of the security measure (e.g., alarm system – functioning properly), an assessment of “acceptable” or “not acceptable,” and any deficiencies noted. The monthly and annual security assessments allow for recommendations to be shared between department managers and the Security Division. All recommendations were compiled on the yearly inspection and sent to the Director of Security for review.<sup>19</sup>

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<sup>19</sup> On December 7, 2022, the JPOIG issued its Water Department Security Follow-up Audit. The JPOIG’s testwork on that audit also pertained to this finding. The JPOIG incorporated the testwork via reference to that audit. *Water Department Security Follow-up Audit*, Jefferson Parish Office of Inspector General. Issued 12/07/2022. pgs. 4/5.

## **OBJECTIVES, SCOPE, & METHODOLOGY**

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### **Objectives, Scope & Methodology**

The JPOIG conducted a follow-up audit of the security services contract. The objective of the follow-up audit was to determine if the Parish resolved the findings noted in the initial audit by implementing corrective actions. The three (3) categories of finding status are defined as:

Resolved	The auditee implemented corrective actions that resolved the finding noted in the original report.
Partially Resolved	The auditee implemented corrective actions, but the corrective actions did not fully resolve the finding noted in the original report.
Unresolved	The auditee did not implement actions that resolved the finding noted in the original report and/or rejected the recommendation(s) in the original report.

The scope period of the follow-up audit was 01/01/2021 through 12/01/2022. To accomplish the follow-up audit objective, the JPOIG:

1. Conducted interviews with the Security Department Director.
2. Obtained and reviewed policies, procedures, and other documents.
3. Reviewed relevant Parish Ordinances.
4. Performed detailed analysis of information from AS400.

Our follow-up did not observe or test implementation of the new procedures; thus, we make no determination as to their effectiveness, which would require a new audit with full testing.

### **Auditing Standards**

The JPOIG conducted this follow-up audit in accordance with the Quality Standards for Offices of Inspector General.<sup>20</sup>

### **Legal Authority**

The authority to perform this follow-up audit is established in Jefferson Parish Code §2-155.10 and La. R.S. 33:9613.

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<sup>20</sup> “Quality Standards for Offices of Inspector General,” *Principles and Standards for Offices of Inspector General* (Association of Inspectors General, 2014).

## PARISH & NON-PARISH ENTITY COMMENTS

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Pursuant to the Jefferson Parish Code of Ordinances, the JPOIG must provide a copy of the report or recommendations to:

[a] person in charge of any parish department, agency, board, commission, the parish president, the parish council, or any member of the parish council or person in charge of any parish department [and these persons] shall have thirty (30) working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation.<sup>21</sup>

On 06/07/2023, the JPOIG distributed a Draft Report to the Parish entities who were the subject of the audit so they would have an opportunity to comment on the report prior to the public release of this Final Report. The JPOIG received those comments on 07/25/2023. The JPOIG attached the Parish comments to the report.

The JPOIG must also provide non-Parish individuals or entities with:

a copy of the report after thirty (30) working days and [those individuals or entities] shall have twenty (20) working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation.<sup>22</sup>

On 06/07/2023, the JPOIG distributed a Draft Report to the non-Parish entities who were the subject of the audit so they would have an opportunity to comment on the report prior to the public release of this Final Report. The JPOIG did not receive comments.

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<sup>21</sup> JPCO §2-155.10 (9)(b).

<sup>22</sup> JPCO §2-155.10 (9)(c).



# JEFFERSON PARISH

## OFFICE OF THE PARISH PRESIDENT

CYNTHIA LEE SHENG  
PARISH PRESIDENT

July 25, 2023

**Via Electronic Mail**

Kim Raines Chatelain  
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990 N. Corporate Drive, Suite 300  
Jefferson, LA 70123

Re: Administration Response to Office of Inspector General (“JPOIG”)-Jefferson Parish-Security Services Contract Follow-up Audit Report

Ms. Chatelain:

In accordance with Jefferson Parish Code of Ordinances Section 2-155.10(9), the Administration respectfully submits this response to the above-referenced JPOIG Follow-up Audit Report. In connection with the above-referenced matter, my staff met with Department of Purchasing to discuss your Follow-up Audit Report. As a result of your original Audit, this Administration, in conjunction with the Parish Council, took measures and further developed policies that have addressed the issues raised in the original Audit.

The findings identified in the Follow-up Audit Report are addressed in detail below.

**Finding No. 1: The Security Services Contract did not establish: (1) limits or criteria for security equipment and materials; (2) labor rates; and (3) invoicing, billing, and payment requirements.**

RFP 443 and the resulting Contract with In-Telecom resolve these issues.

**Finding No. 2: The Parish did not effectively utilize existing controls to ensure that vendors do not exceed established contract sub-cap limits.**

The Administration’s Contract Administration Policy implemented in January 2021, RFP 443 and the resulting contract resolve this issue.

**Finding No. 3: The subcontractor did not provide the job cost data to the contractor, and the contractor did not request any support for the subcontractor’s invoices.**

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As stated in the Follow-up Audit Report, RFP 443 requires proper documentation supporting payment of invoices. The Contract Monitor is responsible for oversight of the resulting contract as required in the Contract Administration Policy.

**Finding No. 4: The subcontractor did not provide the job cost data to the contractor, and the contractor did not request any support for the subcontractor's invoices.**

*See Response No. 3 above.*

**Finding No. 5: The contractor billed the Parish for sales taxes for security equipment and materials purchased by VEC. The Contractor did not provide it to the subcontractor.**

As stated in the Follow-up Audit Report, the Administration revised its policy designating certain projects as tax-exempt.

**Finding No. 6: The Parish Administration approved invoices for equipment and labor costs that exceeded the rates stipulated in the contract.**

Because each invoice is directed to the Security Department, the Contract Monitor verifies that the prices are in accordance with the contract.

**Finding No. 7: Contractors were not required to provide evidence of a written agreement with subcontractors defining their business relationship and responsibilities.**

As stated in the Follow-up Audit Report, the current contractor does not have subcontractors and the current RFP ordinance does not require a contractor to provide written agreements with sub-contractors, if any.

**Finding No. 8: The Director of Security did not provide comprehensive recommendations on security measures at Parish facilities or oversee and administer the contract between Jefferson Parish and the security equipment company.**

As stated in the Follow-up Audit Report, this finding has been resolved.

Thank you for your assistance, and for providing us an opportunity to respond.

If you have any questions, please contact me at your earliest convenience.

Sincerely,



Cynthia Lee Sheng  
Parish President





# JEFFERSON PARISH

## OFFICE OF THE PARISH PRESIDENT

CYNTHIA LEE SHENG  
PARISH PRESIDENT

cc: Mr. Steve LaChute, Chief Operating Officer  
Ms. Cherreen Gegenheimer, Interim Deputy Chief Operating Officer  
Honorable Ricky Templet, Councilman at Large, Div. A  
Honorable Scott Walker, Councilman at Large, Div. B  
Honorable Marion Edwards, Councilman, Dist. 1  
Honorable Deano Bonano, Councilman, Dist. 2  
Honorable Byron Lee, Councilman, Dist. 3  
Honorable Dominick Impastato, Councilman, Dist. 4  
Honorable Jennifer Van Vrancken, Councilwoman, Dist. 5  
Ms. Peggy Barton, Parish Attorney  
Mr. David Courcelle, Deputy Parish Attorney  
Timothy Palmatier, Director of Finance

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