

STATE OF LOUISIANA LEGISLATIVE AUDITOR

City of Monroe
Monroe, Louisiana

December 16, 1999



Investigative Audit

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

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City of Monroe

December 16, 1999



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

**Daniel G. Kyle, Ph.D., CPA, CFE
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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
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December 16, 1999

THE HONORABLE ABE E. PIERCE, MAYOR,
AND MEMBERS OF THE CITY COUNCIL
Monroe, Louisiana

Transmitted herewith is our investigative report on the City of Monroe, Department of Community Affairs. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our finding and recommendation, as well as your response. Copies of this report have been delivered to the City of Monroe; the Honorable Jerry L. Jones, District Attorney for the Fourth Judicial District of Louisiana; the United States Attorney for the Western District of Louisiana; and others as required by state law.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

AFB/dl

[MONROE]

Executive Summary

Investigative Audit Report City of Monroe

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

City Pays Excessive Amounts to Contractors

(Page 1)

Finding:

From January 1997 through August 1998, Mr. Anderson Jackson, then director of the Department of Community Affairs (Department) of the City of Monroe (City), submitted at least 362 fraudulent quotes and invoices to the City's accounting department resulting in payments totaling \$649,591 for 169 jobs. Of this amount, \$546,323 was paid to four contractors: Mr. Billy Dew, Mr. LaSone Williams, Mr. Charles Webb, and Mr. Robert Glover. Based on independent quotes and cost estimates that we received on 21 of the 59 jobs performed by Mr. Dew, the City paid \$77,770 (67%) in excess of market value. If you apply this percentage to all the payments Mr. Dew received, the City may have paid as much as \$219,427 in excess of market value for the 59 jobs. In addition, based on quotes and estimates provided for other jobs performed by the other three vendors, it appears that the City may have paid as much as \$68,348 in excess of market value for these jobs. This indicates that these four vendors may have been paid as much as \$287,775 in excess of market value for work performed.

Recommendation:

The City should ensure that current addresses are maintained for all vendors conducting business with the City. We recommend that the City develop policies and procedures to ensure that all checks issued by the City are mailed directly to the party intended. In no case, should checks be returned to the department incurring the expense. The City should also ensure that proper quotes and estimates are obtained before issuing any payments.

Background and Methodology

The Department of Community Affairs for the City of Monroe operates and maintains the City's parks, recreation centers, golf courses, civic center, the Masur Museum, and the Louisiana Purchase Gardens and Zoo. Mr. Anderson S. Jackson, III, served as director of Community Affairs from August 1996 until his resignation in April 1999.

The Office of Legislative Auditor received information from the City of Monroe Police Department alleging improprieties concerning construction jobs awarded to various contractors.

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

The result of our investigation is the finding and recommendation herein.

Finding and Recommendation

CITY PAYS EXCESSIVE AMOUNTS TO CONTRACTORS

From January 1997 through August 1998, Mr. Anderson Jackson, then director of the Department of Community Affairs (Department) of the City of Monroe (City), submitted at least 362 fraudulent quotes and invoices to the City's accounting department resulting in payments totaling \$649,591 for 169 jobs. Of this amount, \$546,323 was paid to four contractors: Mr. Billy Dew, Mr. LaSone Williams, Mr. Charles Webb, and Mr. Robert Glover. Based on independent quotes and cost estimates that we received on 21 of the 59 jobs performed by Mr. Dew, the City paid \$77,770 (67%) in excess of market value. If you apply this percentage to all the payments Mr. Dew received, the City may have paid as much as \$219,427 in excess of market value for the 59 jobs. In addition, based on quotes and estimates provided for other jobs performed by the other three vendors, it appears that the City may have paid as much as \$68,348 in excess of market value for these jobs. This indicates that these four vendors may have been paid as much as \$287,775 in excess of market value for work performed.

City policy states that all jobs costing over \$1,000 but less than \$30,000 are required to have three quotes. Before a payment is issued by the City, a check request form with all invoices and required quotes must be turned in to the accounting department by the department incurring the expense.

Mr. Anderson Jackson stated that he took care of getting all of the required quotes and estimates for construction work in his department. According to Mr. Jackson, the quotes in the City's files are exactly the way he obtained them from the contractors. Mr. Jackson stated that the contractors prepared their own quotes and that he never retyped or instructed anyone to type quotes on behalf of the contractors.

Mr. Curtis Heard, financial analyst for the Department, stated that he prepared the check request forms for the Department. Mr. Heard stated that Mr. Jackson would give him the quotes and invoices that he then attached to the check requests. Mr. Heard further stated that he assumed that all of the amounts on the quotes were competitive amounts since Mr. Jackson is a licensed general contractor.

Based on interviews with contractors and City employees, we determined that at least 362 fraudulent quotes and invoices were submitted to the City resulting in payments totaling \$649,591. These fraudulent quotes consisted of (1) quotes prepared and signed by someone other than the contractor listed on the quote, though the contractor had knowledge that his name was being used, (2) quotes from contractors who stated that they had no knowledge that their name was used on a quote, and (3) multiple quotes from contractors using different names. In some cases, the contractor's name and signature were misspelled on the invoice, quote, and

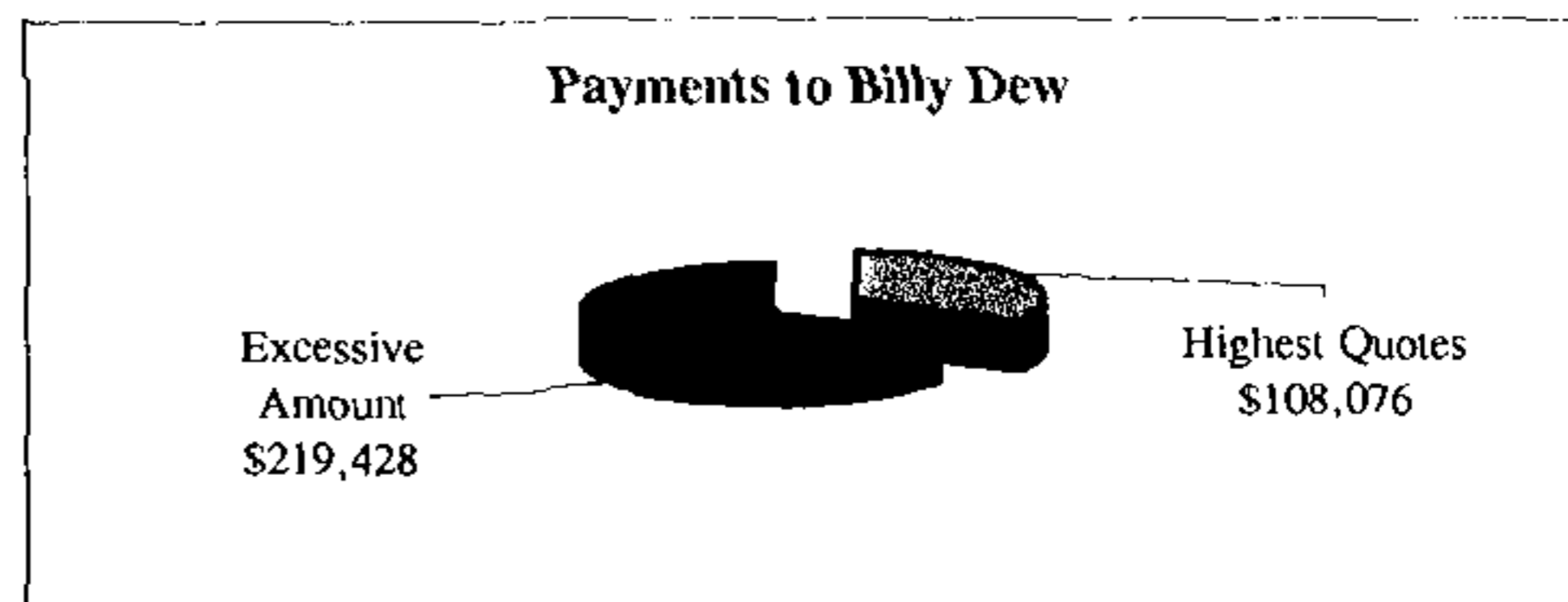
cancelled check. Some contractors stated that Mr. Jackson instructed them to turn in two additional quotes or to turn in multiple quotes using different names. Many contractors stated that Mr. Jackson prepared the quotes and invoices for them to sign. The use of these fraudulent quotes circumvented the City bid policy and allowed the spending of hundreds of thousands of dollars of public money without competitive bids.

Ms. Sharmon Hill, education director at the zoo, stated that she has typed thousands of documents for Mr. Jackson, including documents containing job descriptions and amounts. Ms. Hill explained that she printed these documents on letterhead given to her by Mr. Jackson and that she signed contractors' names to some of these documents at the direction of Mr. Jackson.

Of the \$649,591 in payments related to the fraudulent quotes and invoices, \$546,323 was paid to Mr. Billy Dew, Mr. LaSone Williams, Mr. Charles Webb, and Mr. Robert Glover. We were informed that the majority of the checks payable to these four individuals were hand delivered by the City's accounting department to either Mr. Jackson or Mr. Heard. Mr. Heard stated that he forwarded all of these checks to Mr. Jackson's office.

PAYMENTS TO BILLY DEW

During the period February 1997 through July 1998, Mr. Billy Dew, owner of Dew Construction and Debra Construction, was paid \$327,504 by the City for work he performed using his two business names and the names of his employees. Mr. Dew stated that he actually performed all of the work that



was billed under his business names and his employees' names. He further stated that Mr. Jackson said it was legal for him to bill for the work under his employees' names and instructed him to purchase letterhead in the names of the employees. Mr. Dew stated that he purchased letterhead in the names of Mr. Willie Reeves, Mr. Roy Wilson, and Mr. Raymond Wayne. According to Mr. Dew, he gave the letterhead to Mr. Jackson and that Mr. Jackson took care of typing the quotes and invoices. Mr. Jackson told us that he dealt directly with Mr. Dew's employees. We interviewed Mr. Dew's employees whose names appear on the quotes and invoices. They informed us that they did not submit any quotes or invoices to Mr. Jackson or to the City.

Of the 362 fraudulent quotes and invoices submitted to the City, 284 used the names of Mr. Dew's employees. As noted earlier, the City required three quotes on all jobs over \$1,000 and under \$30,000. The using of Mr. Dew's employees' names on quotes circumvented the City's policy by making it appear that more than one contractor was providing competitive quotes for each project. All of the quotes supporting the payments to Mr. Billy Dew were fraudulent. Because competitive quotes, as required by City policy, were not obtained for any of the jobs performed by Mr. Dew, we obtained quotes and estimates from local contractors

totaling \$39,101 for 21 of Mr. Dew’s 59 jobs. The City paid Mr. Dew a total of \$116,871 (299% of fair market value) for these 21 jobs. Therefore, of the \$116,871 paid to Mr. Dew, at least \$77,770 or 67% of these payments were excessive. When this percentage is applied to the total amount paid to Mr. Dew, it appears that Mr. Dew was paid at least \$219,427 above fair market value. (See Attachment III, pages 1-6 for photographs.)

Mr. Dew informed us that he did not inflate any of the invoices or quotes that were submitted to the City. When asked if Mr. Jackson inflated the invoices, Mr. Dew nodded “yes.” When asked if he had to give any money to Mr. Jackson in return for getting these jobs, Mr. Dew stated that he would be in trouble whether he told us the truth or not.

Mr. Dew was also paid a total of \$49,000 for work that was either not performed, not completed or was performed by another contractor. As an example, Mr. Dew was paid for hanging wallpaper in the conference hall of the civic center. According to three different City employees, this work was actually performed by Mr. Jackson and at least two City employees. One of those city employees stated that Mr. Jackson paid him in cash for his share of the work.

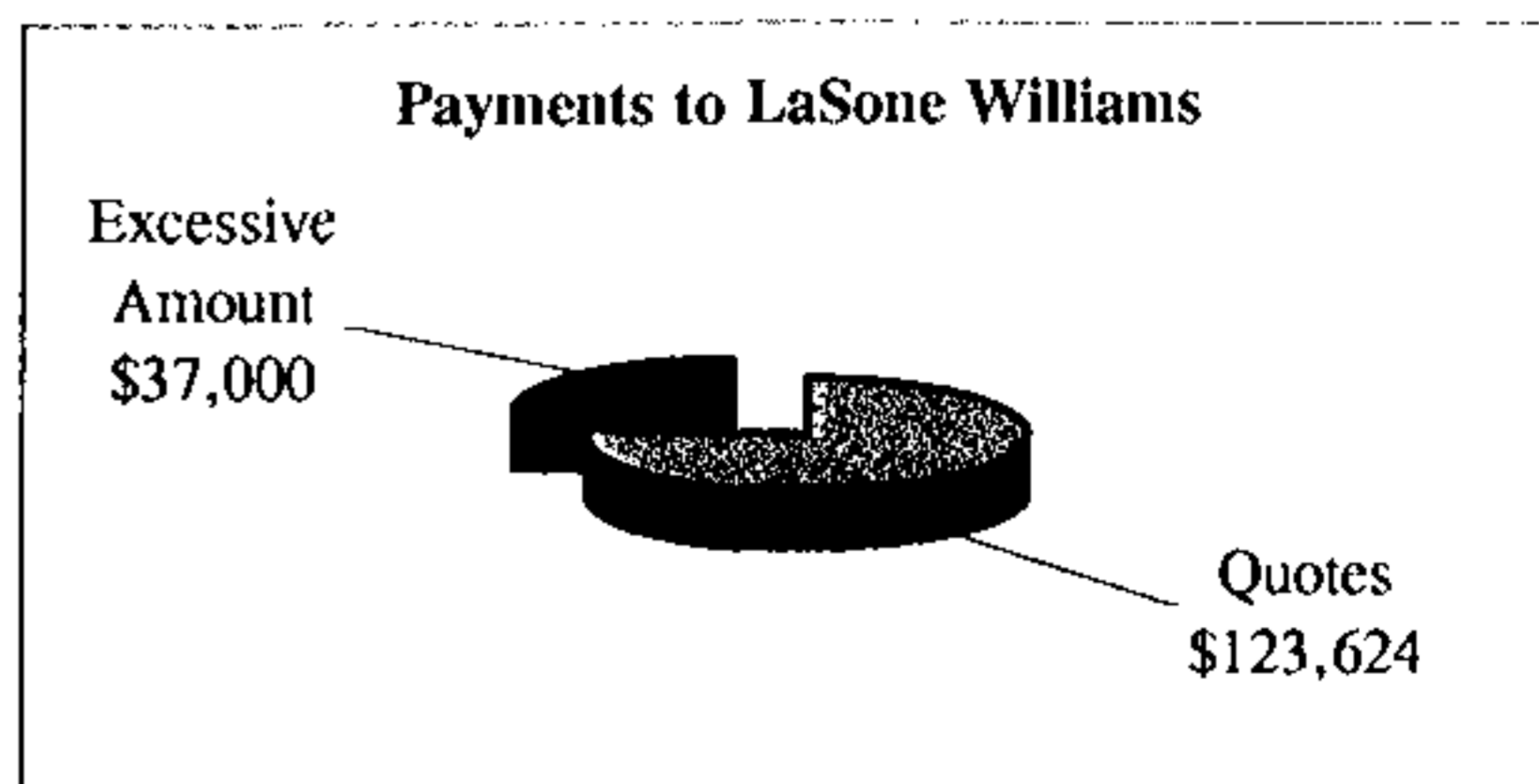
We also learned that Mr. Jackson and Mr. Dew had a private business relationship from at least May 1996 through October 1998. Mr. Dew stated that he and Mr. Jackson worked together building a restaurant in Tallulah and on several jobs for the Madison Parish School Board. According to Mr. Dew, Mr. Jackson contracted the jobs and he (Dew) performed all of the work. Mr. Dew stated that he had to pay Mr. Jackson in exchange for using Jackson & Fontenot’s name and contractor’s license on these jobs.

Also we obtained records from Mr. Dew that indicate that he only reported gross income of \$548,950 on his 1997 federal income tax return. We obtained 1099s that were issued by various public entities for work performed by Mr. Dew. These 1099s indicate that Mr. Dew should have reported at least \$729,545 as his gross income from the City and other public entities. This amount does not include any income that Mr. Dew may have received from private sources. Therefore, it appears that Mr. Dew did not report at least \$180,595 of his gross earnings.

In addition, Mr. Dew’s bank records indicate that he deposited only \$143,672 of the payments he received from the City. Therefore, Mr. Dew converted \$181,332 of these payments to cash.

PAYMENTS TO LASONE WILLIAMS

During the period May 1997 through September 1998, Mr. LaSone Williams was paid \$160,624 for work he performed using at least four different names. Of the quotes attached to the payment requests for Mr. Williams, 39 of the 55 quotes were in the names of Mr. Billy Dew’s employees. In addition, on three occasions, the quotes were in other names used by Mr. Williams.



Mr. Williams stated that he was paid \$21,590 by the City to disassemble bleachers at Bernstein Park, sandblast, paint, and reinstall the bleachers in the livestock pavilion at the civic center. Mr. Williams stated that he did not have help from any other contractors with these bleachers. However, City records indicate that Mr. Roy Wilson, a Billy Dew employee, was paid \$8,890 for the same work performed by Mr. Williams. Mr. Jackson first stated that Mr. Williams performed the work on these bleachers. When asked why Mr. Wilson was paid \$8,890 to work on the bleachers, Mr. Jackson stated that Mr. Wilson actually tore down the bleachers and Mr. Williams did the rest of the work. Mr. Wilson informed us that he did no work on these bleachers.

Mr. Williams received a total of \$37,490 to remove blown down and dead trees on nine different occasions from Chennault Park, Robinson Place Park, the zoo, and the civic center. Included in this amount was \$1,780 paid to Mr. Williams on July 7, 1998, to remove a tree from the lemur island at the zoo. This tree has yet to be removed. Mr. Williams stated that he was originally supposed to remove the entire tree but was later told to trim the tree only; however, Mr. Williams was paid as though the entire tree was removed. (See Attachment III, page 6 for photographs.)

Estimates that we received indicate that Mr. Williams was paid at least \$37,000 in excess of market value for the work he performed between May 1997 and September 1998.

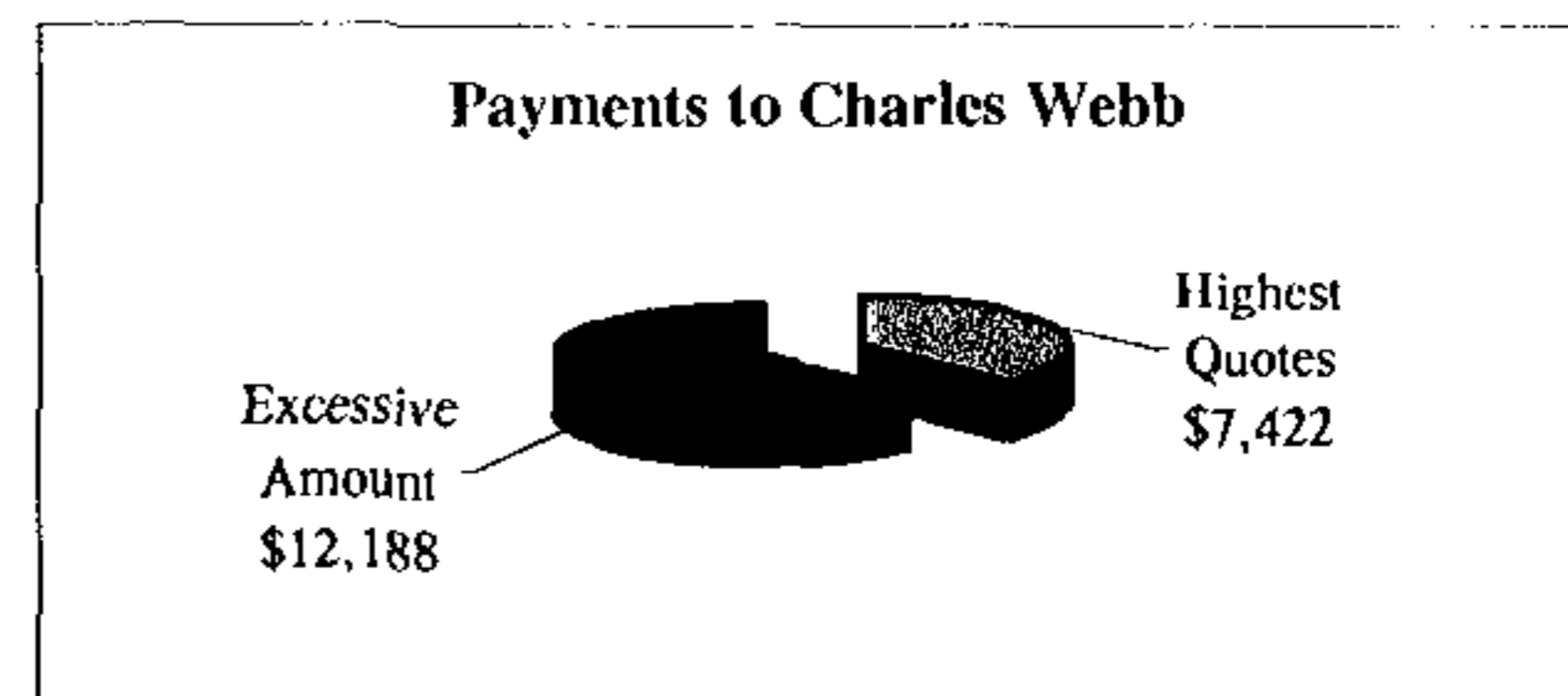
PAYMENTS TO CHARLES WEBB

During the period March 1997 through September 1997, Mr. Charles Webb, owner of Webb Flooring Service, was paid \$21,095 for six flooring jobs (three carpet installations and three vinyl flooring jobs) within the Department. Attached to each payment request for Mr. Webb are an invoice and two fraudulent quotes. Of the 12 quotes attached to these

payments, six are from employees of Mr. Billy Dew and two are from independent contractors who stated that they have never turned in quotes to the City. Four other quotes were submitted under the names of two of Mr. Webb's former employers. Each employer stated that they have never submitted quotes to the City.

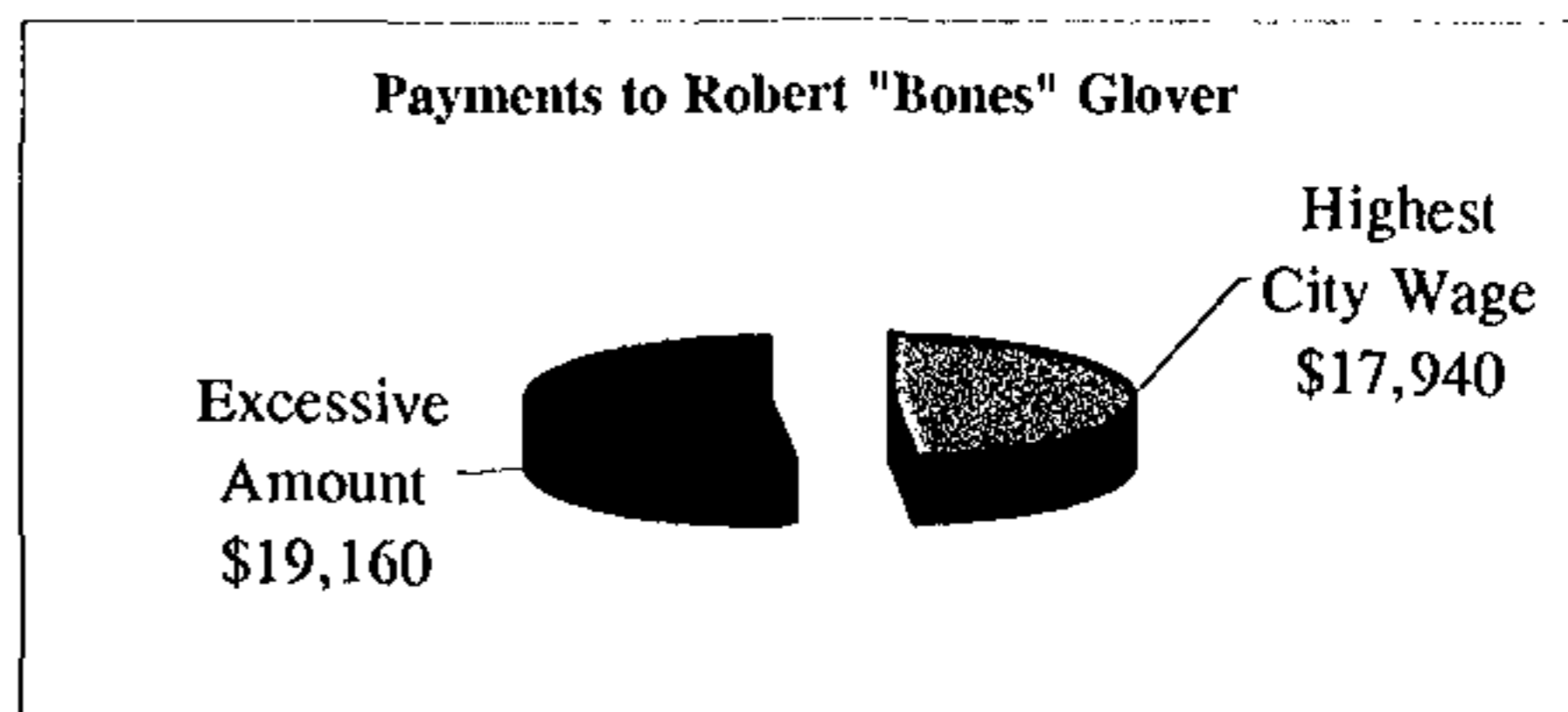
One of Mr. Webb's former employees stated that he worked with Mr. Webb on at least four of these jobs. According to this employee, Mr. Webb stated that he had to "grease Mr. Jackson's bearings" in order to get work with the Department.

Mr. Webb installed carpet on three different occasions at the civic center. The quality of the carpet appears to be the same on all three jobs. Mr. Webb charged \$18.66 per yard on one job and charged \$47.45 per yard on the other two. The total of the quotes we received for five of the six jobs (excluding the \$18.66 per yard carpet job) was \$7,422. The City paid Mr. Webb \$19,610 (265% of fair market value) for these five jobs. Therefore, Mr. Webb was paid at least \$12,188 more than the fair market value for these five jobs.



PAYMENTS TO ROBERT GLOVER

During the period March 1997 through November 1997, Mr. Robert "Bones" Glover, owner of Bones Welding Service, received \$37,100 for welding services at the zoo. Mr. Glover stated that he was paid a fixed rate of \$1,700 to \$2,500 every two weeks for the work he did at the zoo. This would be \$21.25 to \$31.25 per hour. City records indicate that the highest paid full-time city welders only receive \$11.50 per hour or \$920 every two weeks. Therefore, during the same time period, the City's highest paid full-time welder would have received no more than \$17,940. The City paid Mr. Glover \$37,100 (207% of fair market value). Therefore, Mr. Glover was paid \$19,160 above fair market value.



Mr. Glover stated that he submitted invoices to the City after the work was actually performed. Mr. Jackson stated that Mr. Glover was a contract laborer and he did not know why Mr. Glover submitted invoices. Attached to most of the payment requests for Mr. Glover were an invoice and two quotes. The invoices submitted by Mr. Glover are vague and do not specifically or accurately identify the work actually performed.

CONCLUSION

Based on the information gathered during our investigation, we determined that the City paid these four contractors \$287,775 in excess of market value for various jobs. The majority of the 362 fraudulent quotes and invoices submitted to the City's accounting department through the Department of Community Affairs were actually created by a City employee at the direction of Mr. Jackson. These quotes and invoices were used to obtain and secure payments from the City totaling at least \$649,591. The majority of these fraudulent quotes and invoices were attached to payments to Mr. Billy Dew, Mr. LaSone Williams, Mr. Charles Webb, and Mr. Robert Glover. Of the \$546,323 paid to these four individuals, quotes and estimates indicate that at least \$287,775 was above fair market value. In addition, most of the checks payable to these individuals were delivered to Mr. Jackson by either the accounting department or Mr. Heard.

By providing fraudulent quotes and invoices to the City to obtain and secure inflated payments, the above named individuals may have violated one or more of the following:

- R.S. 14:26, "Criminal Conspiracy"
- R.S. 14:67, "Theft"
- R.S. 14:72, "Forgery"
- R.S. 14:118, "Public Bribery"

- R.S. 14:134, “Malfeasance in Office”
- R.S. 14:141, “Prohibited Splitting of Profits”
- R.S. 14:230, “Money Laundering”
- R.S. 42:1115, “Gifts”
- R.S. 42:1116, “Abuse of Office”
- R.S. 42:1461(A), “Obligation not to Misappropriate”
- 18 U.S.C. §371, “Conspiracy to Commit Offense or to Defraud United States”
- 18 U.S.C. §666, “Theft Concerning Programs Receiving Federal Funds”
- 18 U.S.C. §1001, “False Statement”
- 18 U.S.C. §1951, “Hobbs Act”
- 26 U.S.C. §7201, “Federal Income Tax Evasion”

The City should ensure that current addresses are maintained for all vendors conducting business with the City. We recommend that the City develop policies and procedures to ensure that all checks issued by the City are mailed directly to the party intended. In no case should checks be returned to the department incurring the expense. The City should also ensure that proper quotes and estimates are obtained before issuing any payments.

This information has been provided to both the District Attorney for the Fourth Judicial District of Louisiana and the United States Attorney for the Western District of Louisiana.

Attachment I
Management's Response



**OFFICE OF THE MAYOR
MONROE, LOUISIANA**

**ABE E. PIERCE, III
MAYOR**

**P.O. BOX 123
MONROE, LA 71210-0123
(318) 329-2310**

December 9, 1999

Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

I am writing this letter to issue the official response of the City of Monroe to the recommendations made by your office as a result of your investigative report.

The City of Monroe has cooperated fully with the Legislative Auditors Office on all phases of the investigation when requested.

The City of Monroe has implemented the following recommendations suggested by your office in the report:

1. That current addresses are maintained for all vendors conducting business with the city.
2. That all checks issued by the city will be mailed directly to the party due payment.
3. That checks will not be returned to the department incurring the expense.
4. The city will ensure that proper quotes and estimates are obtained before issuing any payments.

The City of Monroe pledges its continued cooperation with the investigation should there be a need for our assistance.

Sincerely,

Handwritten signature of Abe E. Pierce, III in cursive.

Abe E. Pierce, III
Mayor

Handwritten signature of Robert E. Stevens in cursive.

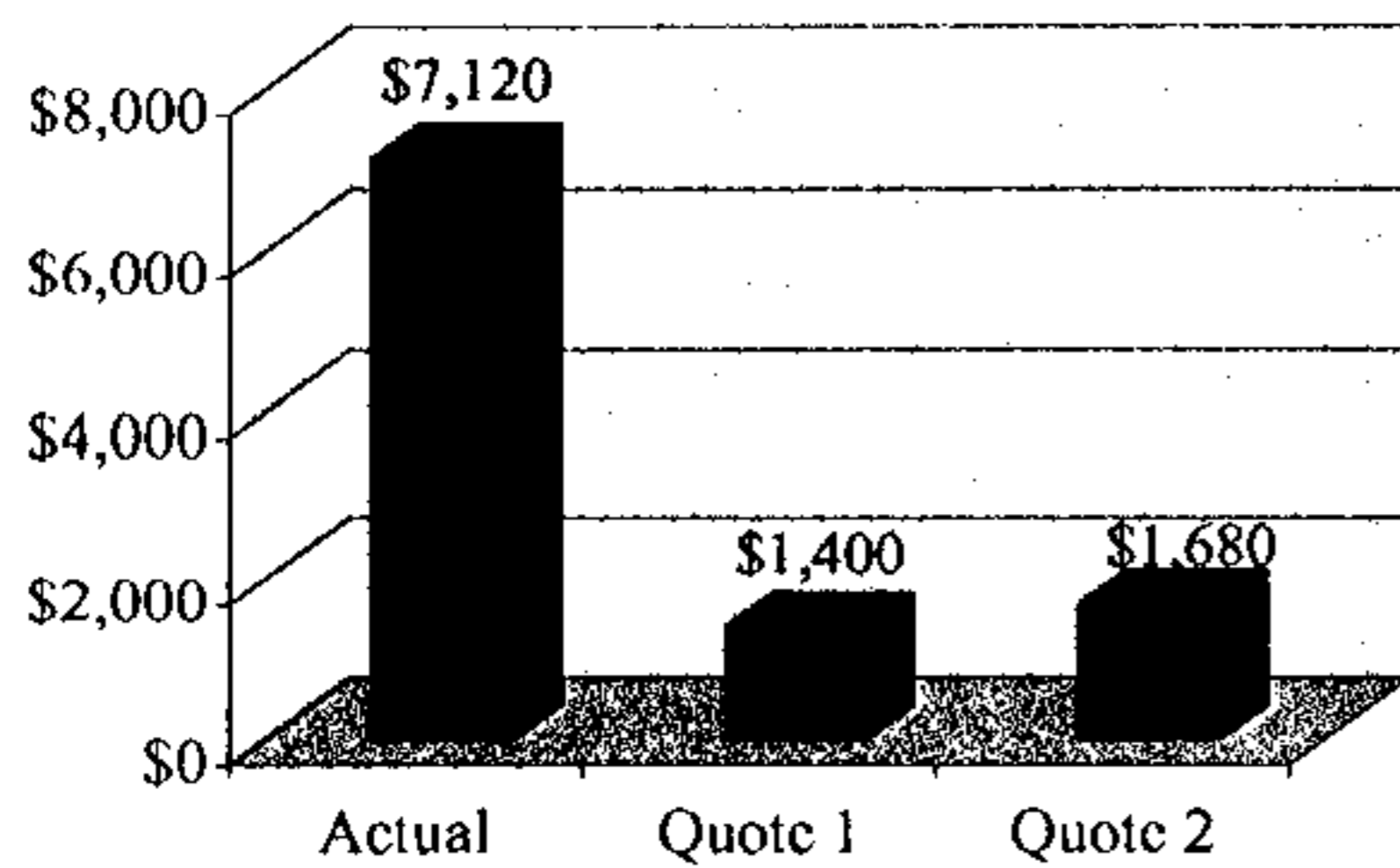
Robert E. Stevens
Monroe City Council, Chairman

Attachment II

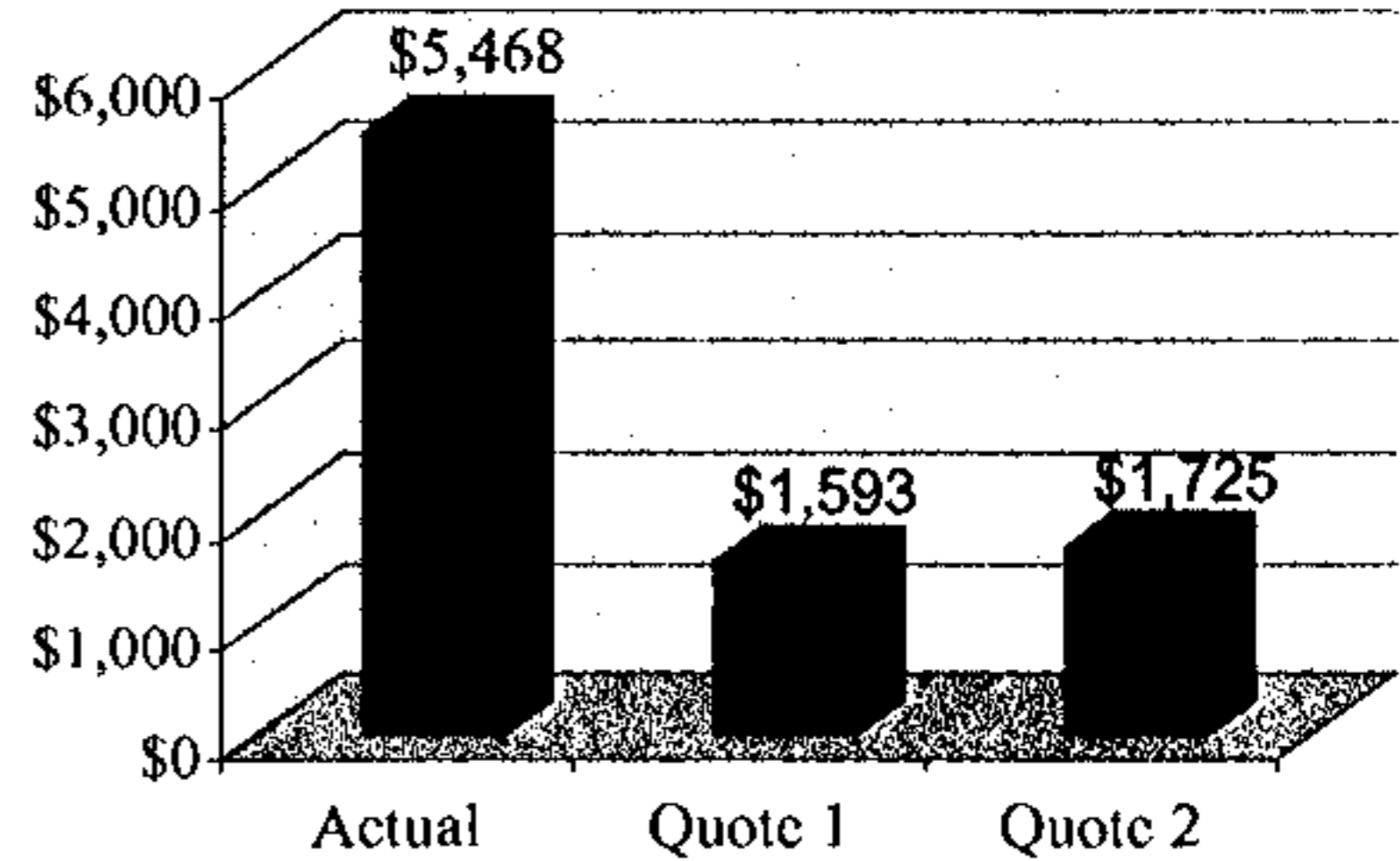
Graphs

Payments to Billy Dew

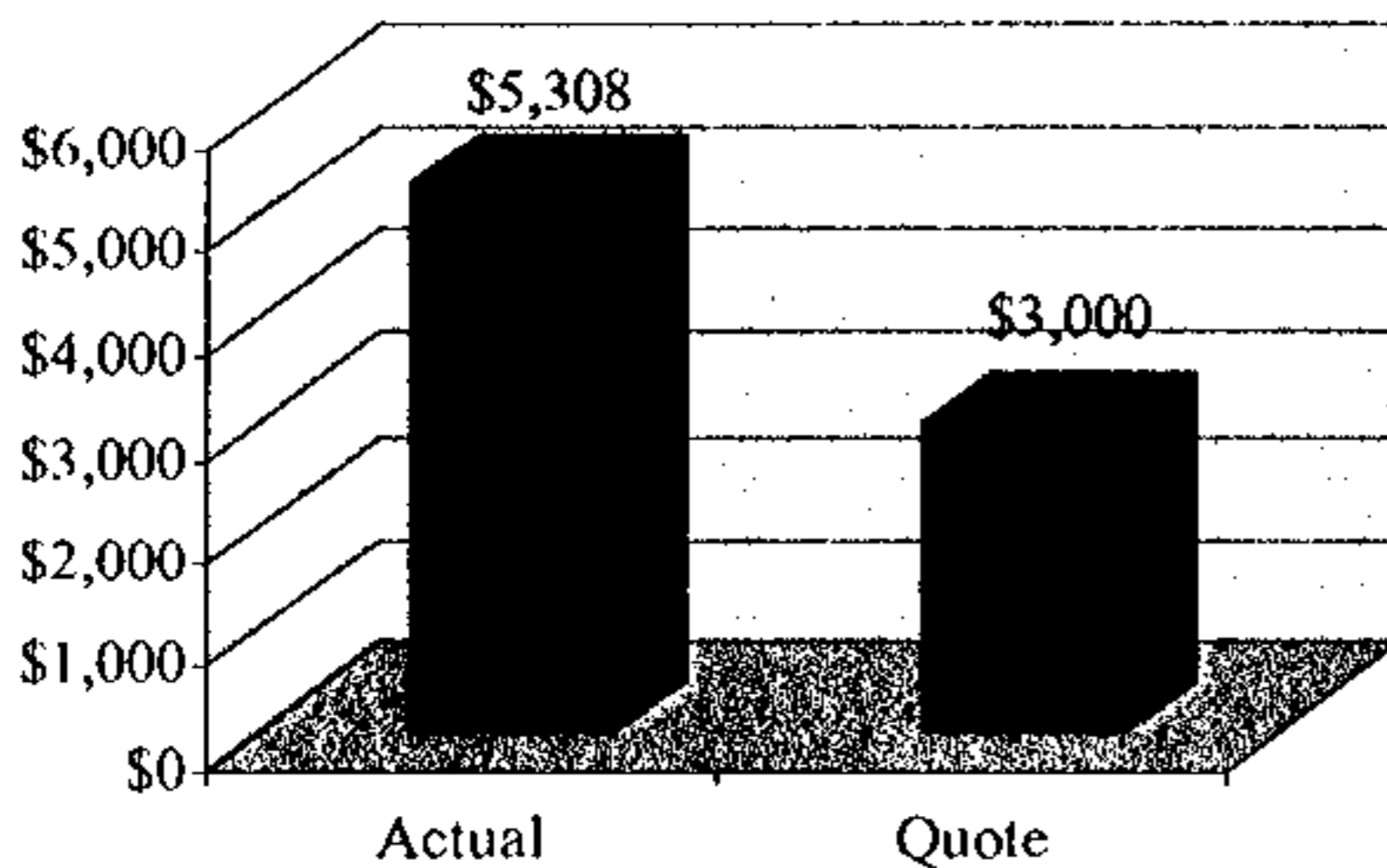
Wallpaper in the Conference Hall of the Civic Center



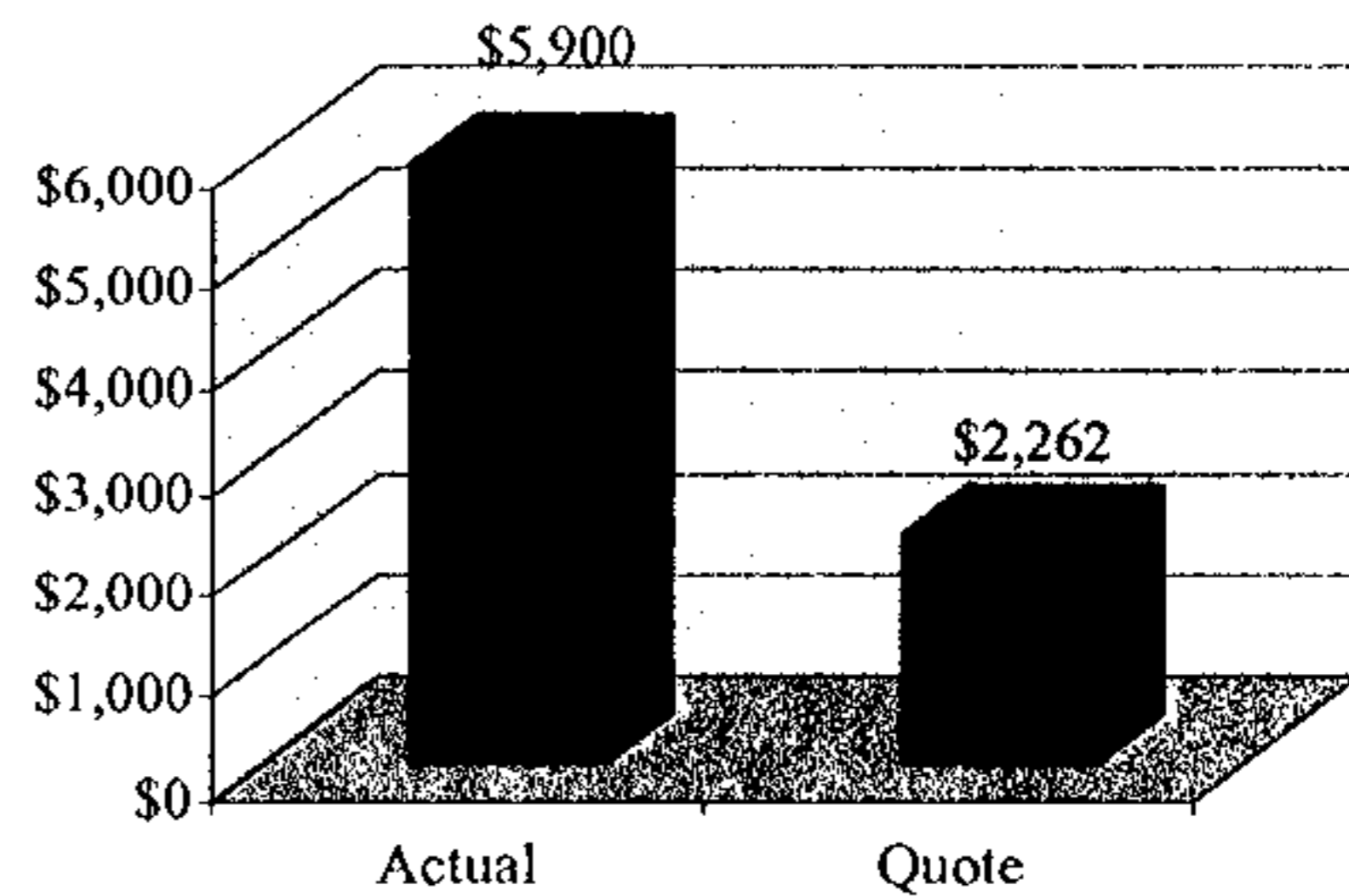
Painting Exterior of Chennault Maintenance Building



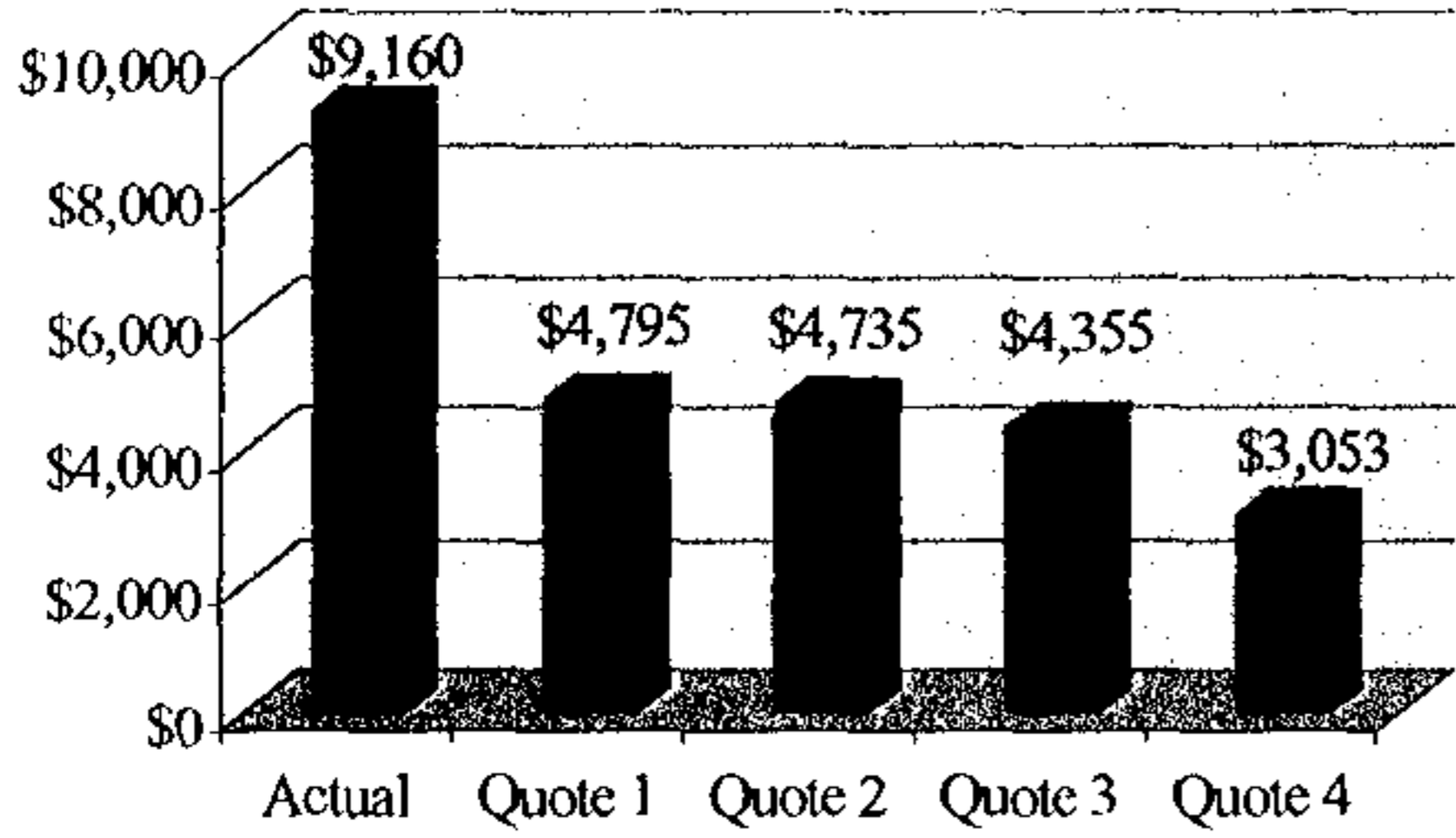
Air Conditioning in the Maintenance Building at Chennault Park



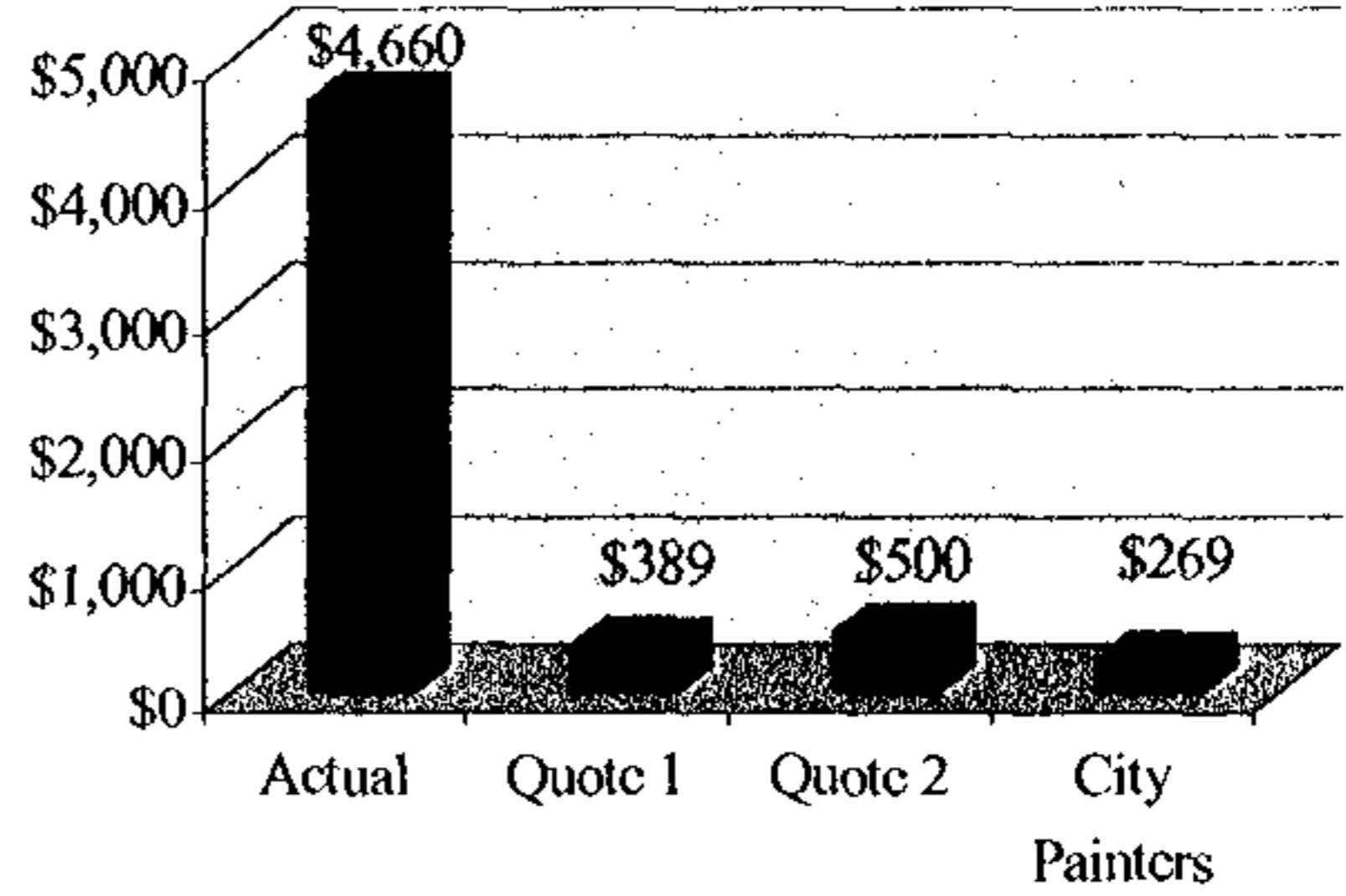
Electrical Work in the Maintenance Building at Chennault Park



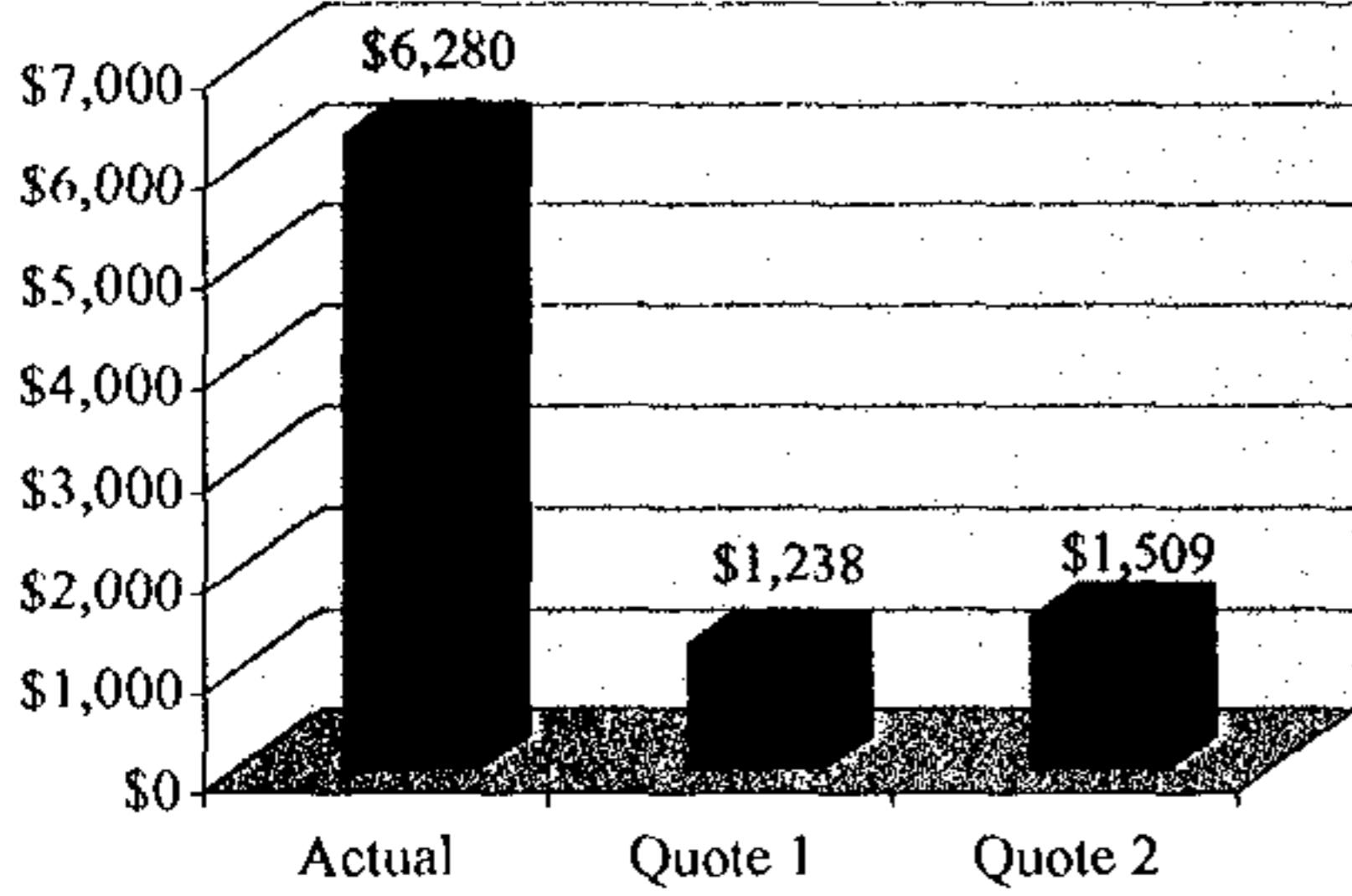
Sheetrock Work in the Maintenance Building at Chennault Park



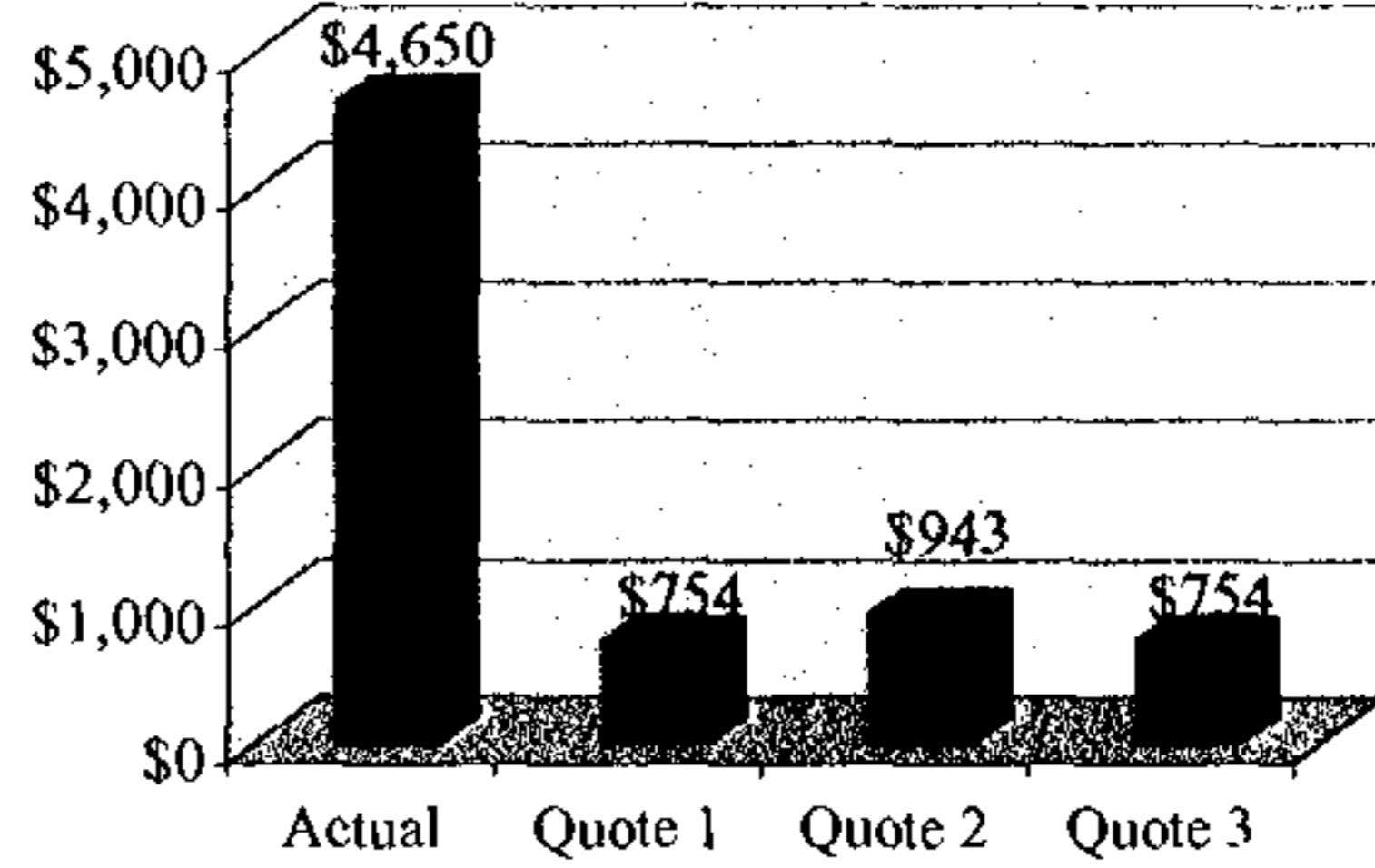
Painting Work at Marbles Recreation Center



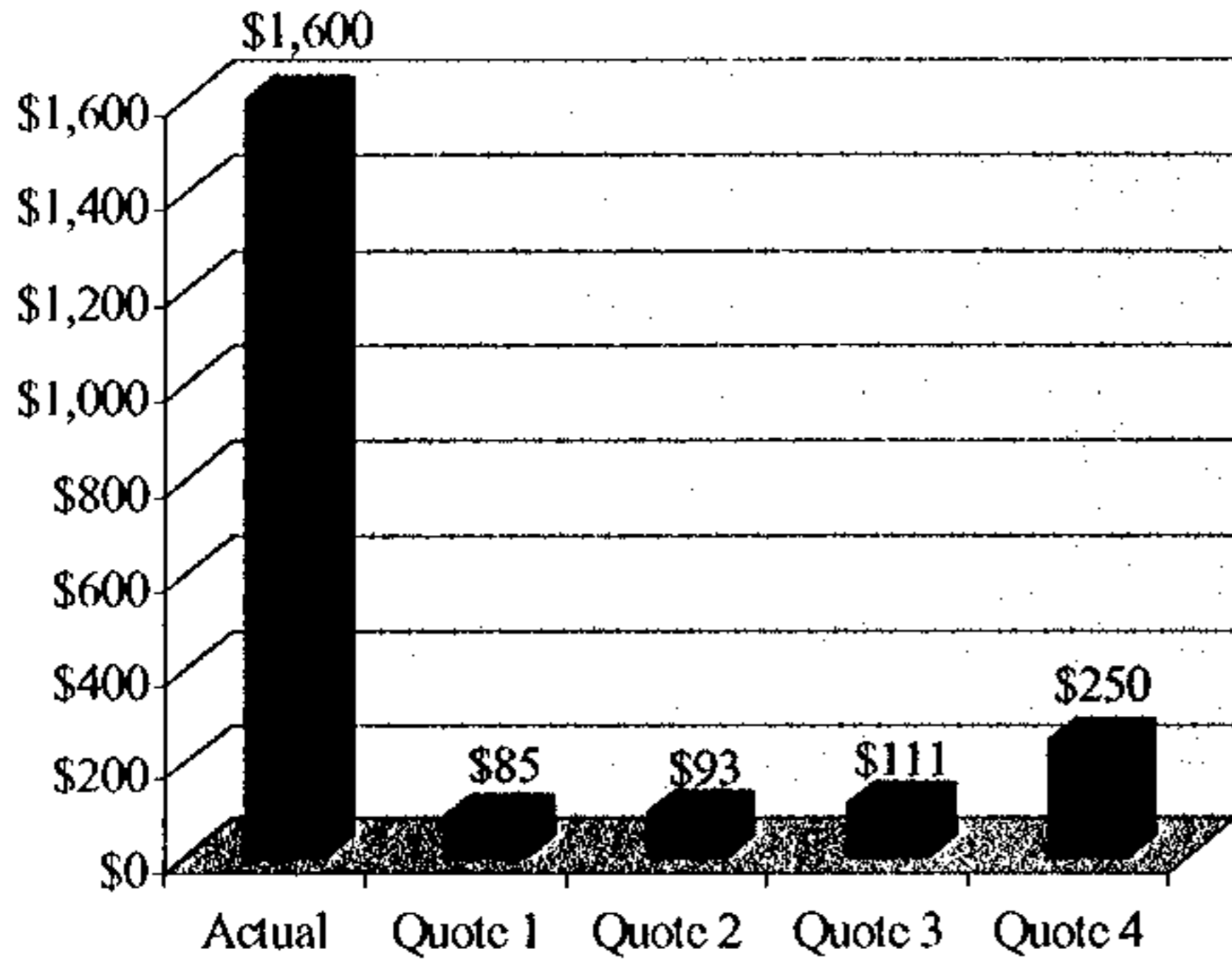
Fence Built at Chennault Park



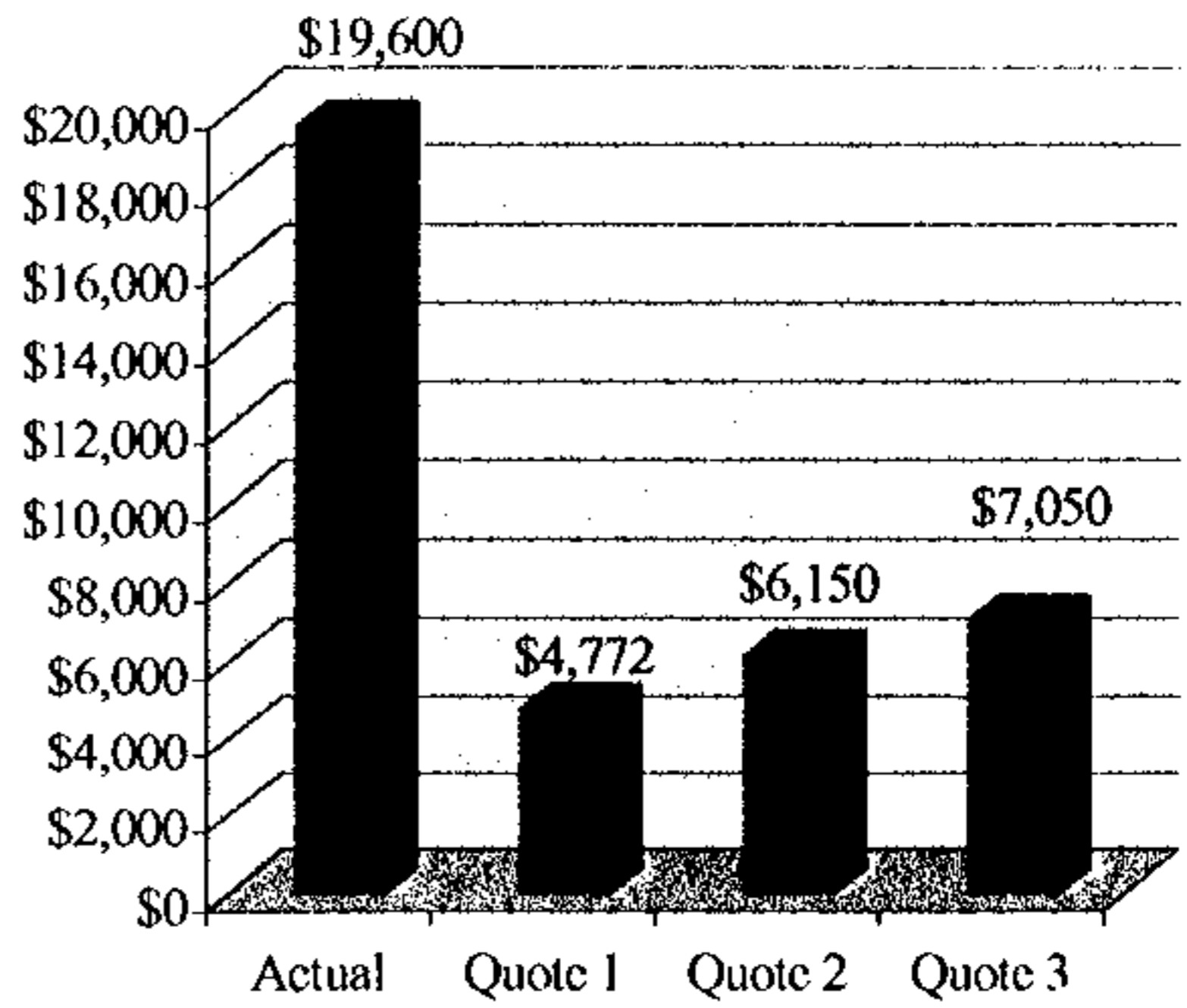
Sidewalk Built at Benoit Recreation Center



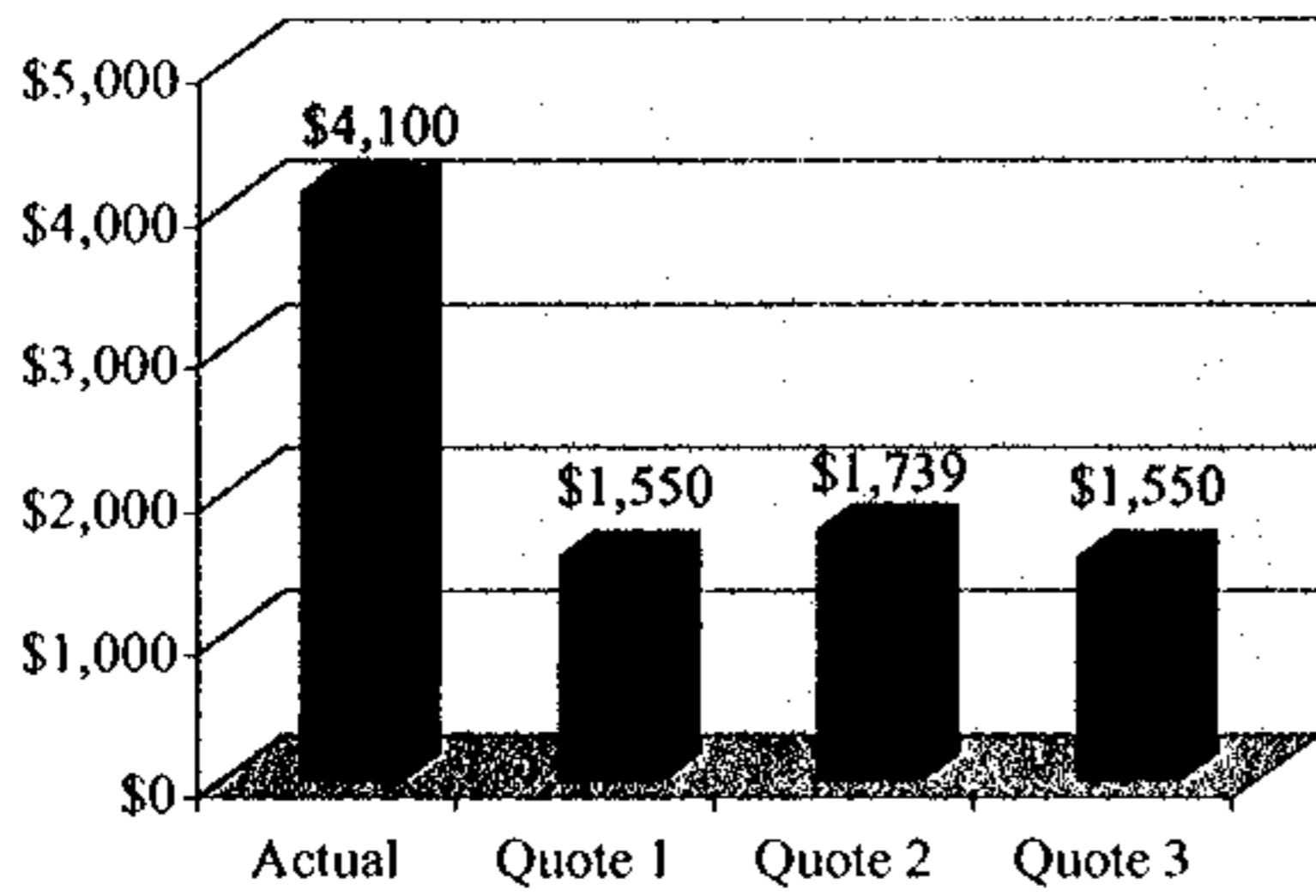
Concrete Work at Masur Museum



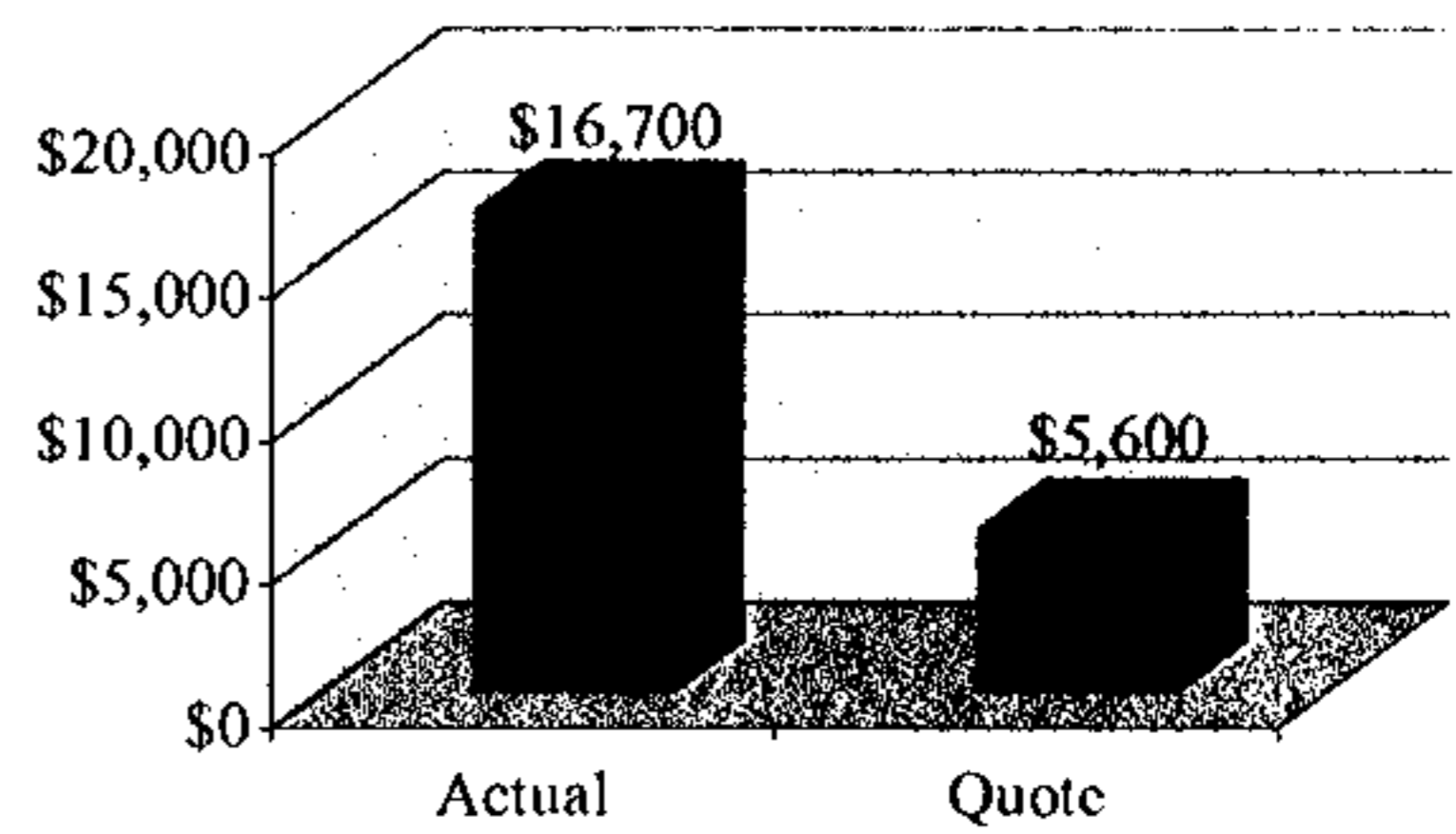
Painting Work at Forsythe Park



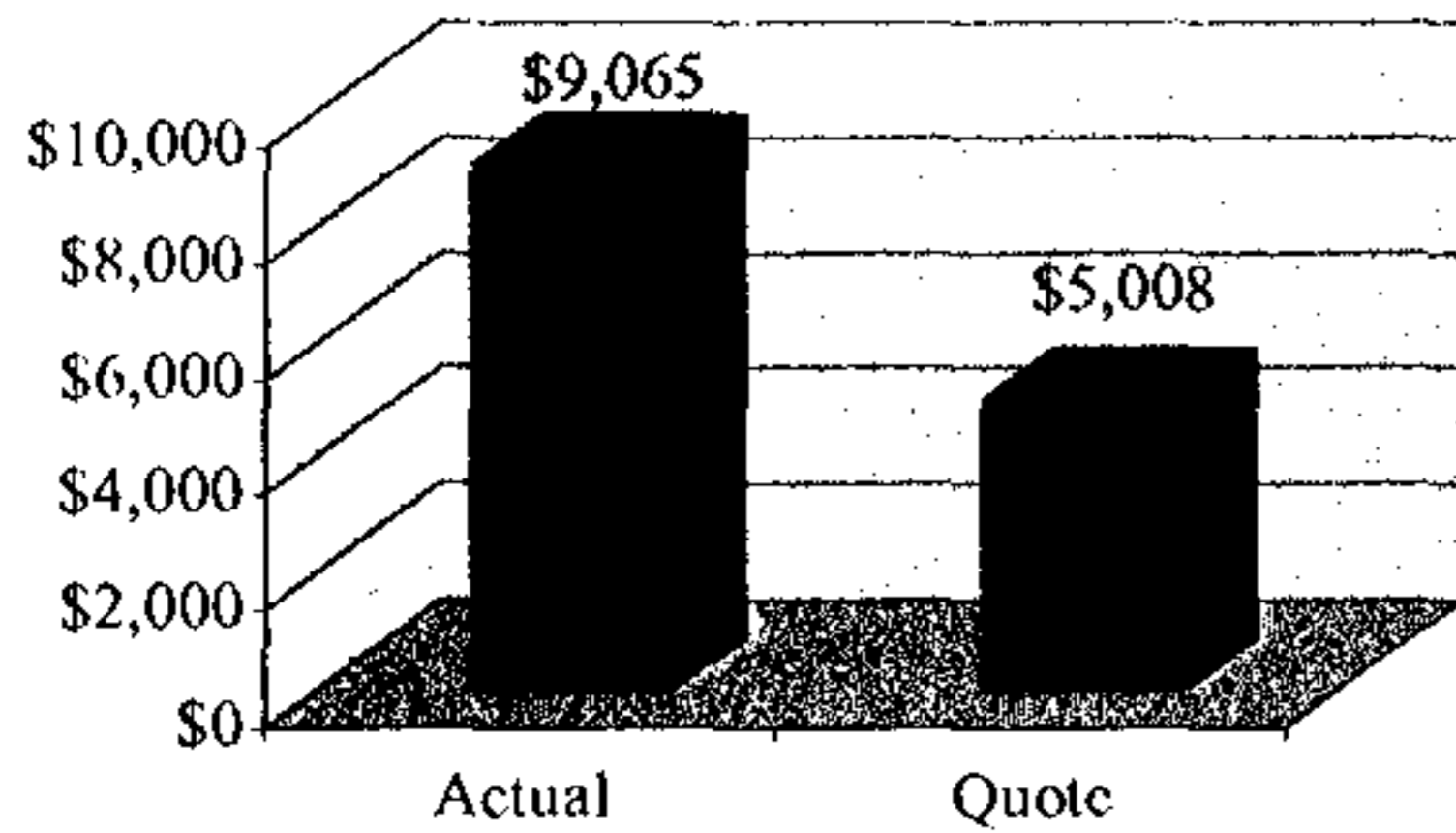
Concrete Work at Chennault Park



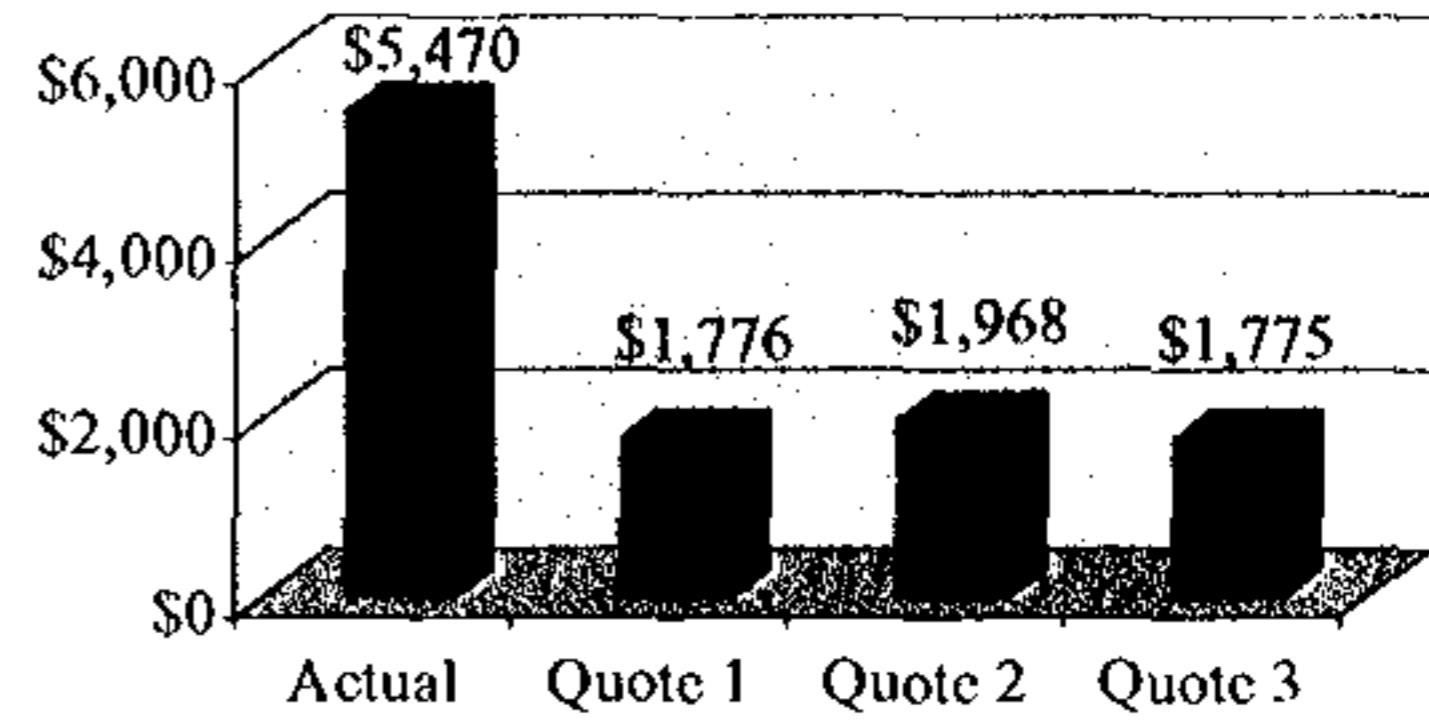
Arena Striping in the Civic Center



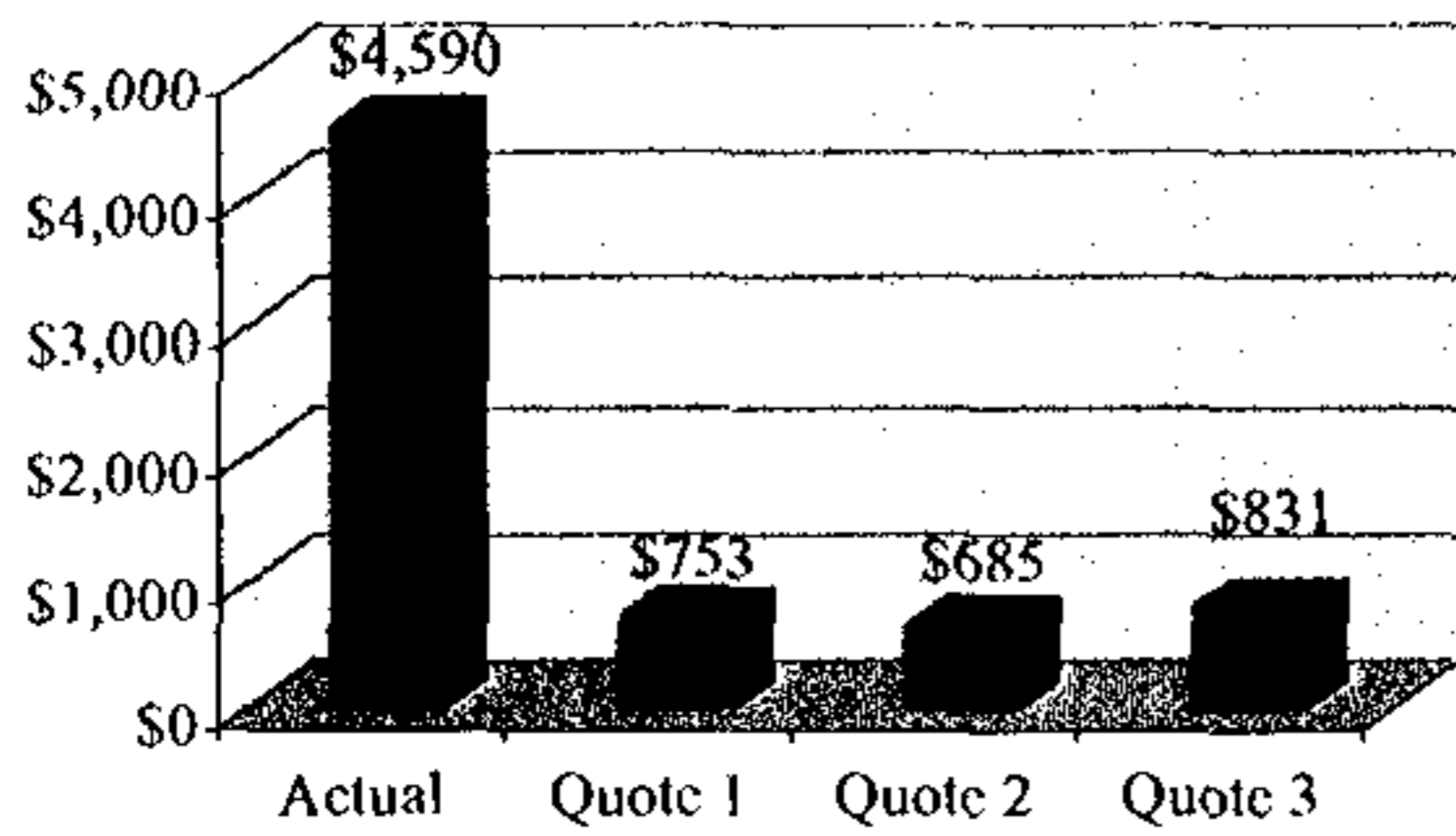
Robinson Place Park Electrical and Air Conditioning Work



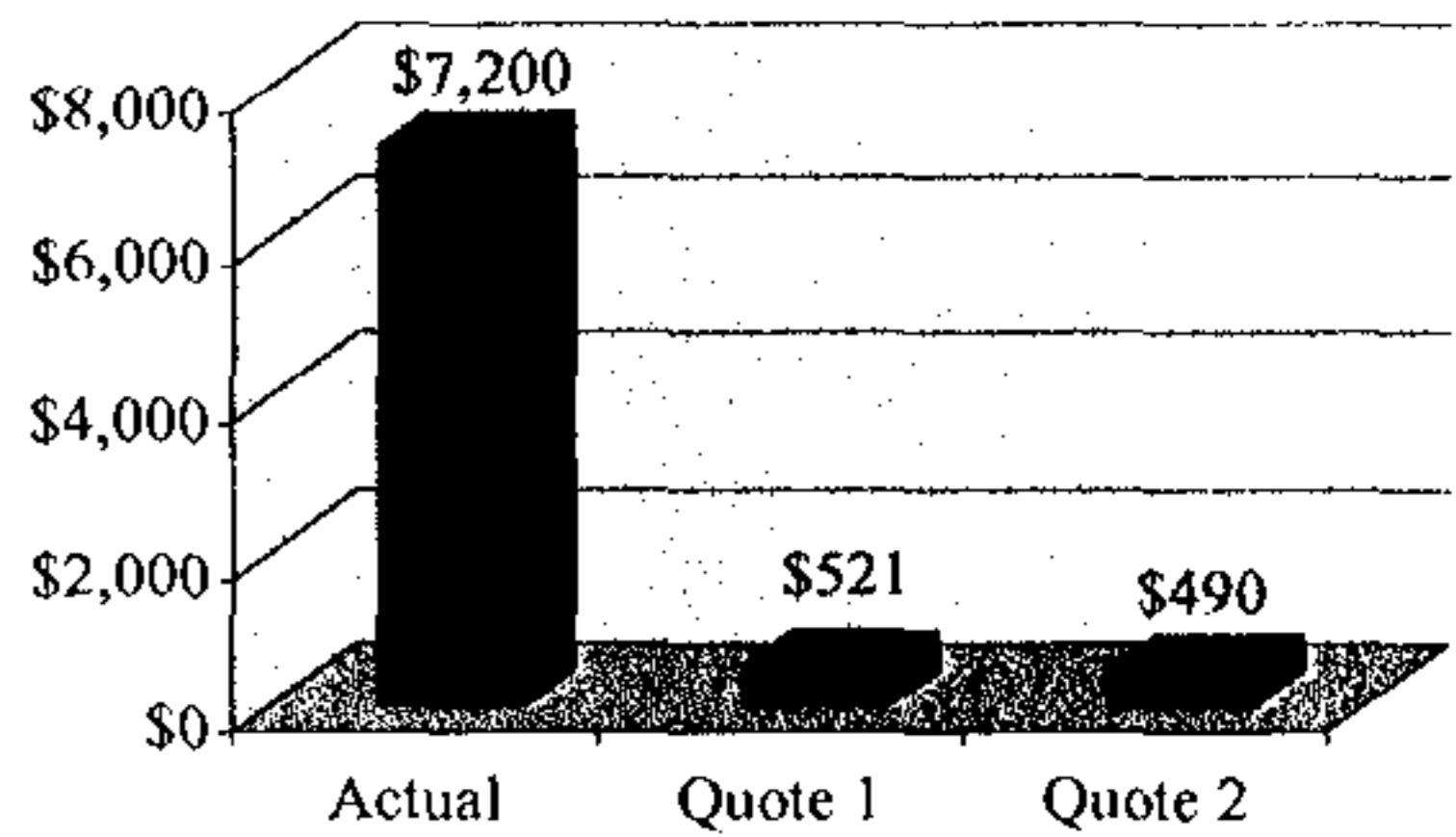
Sheetrock and Painting Work at Robinson Place Park



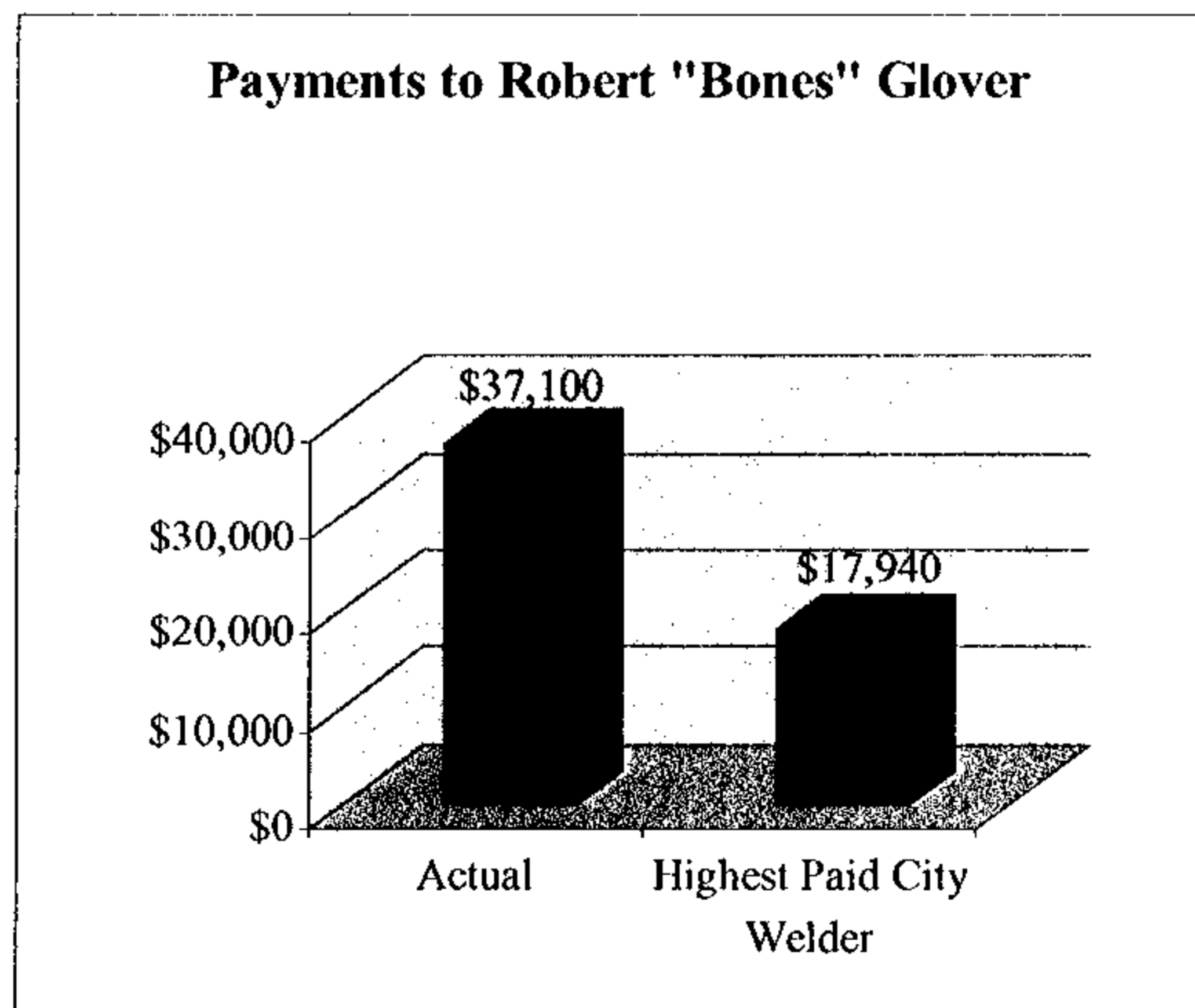
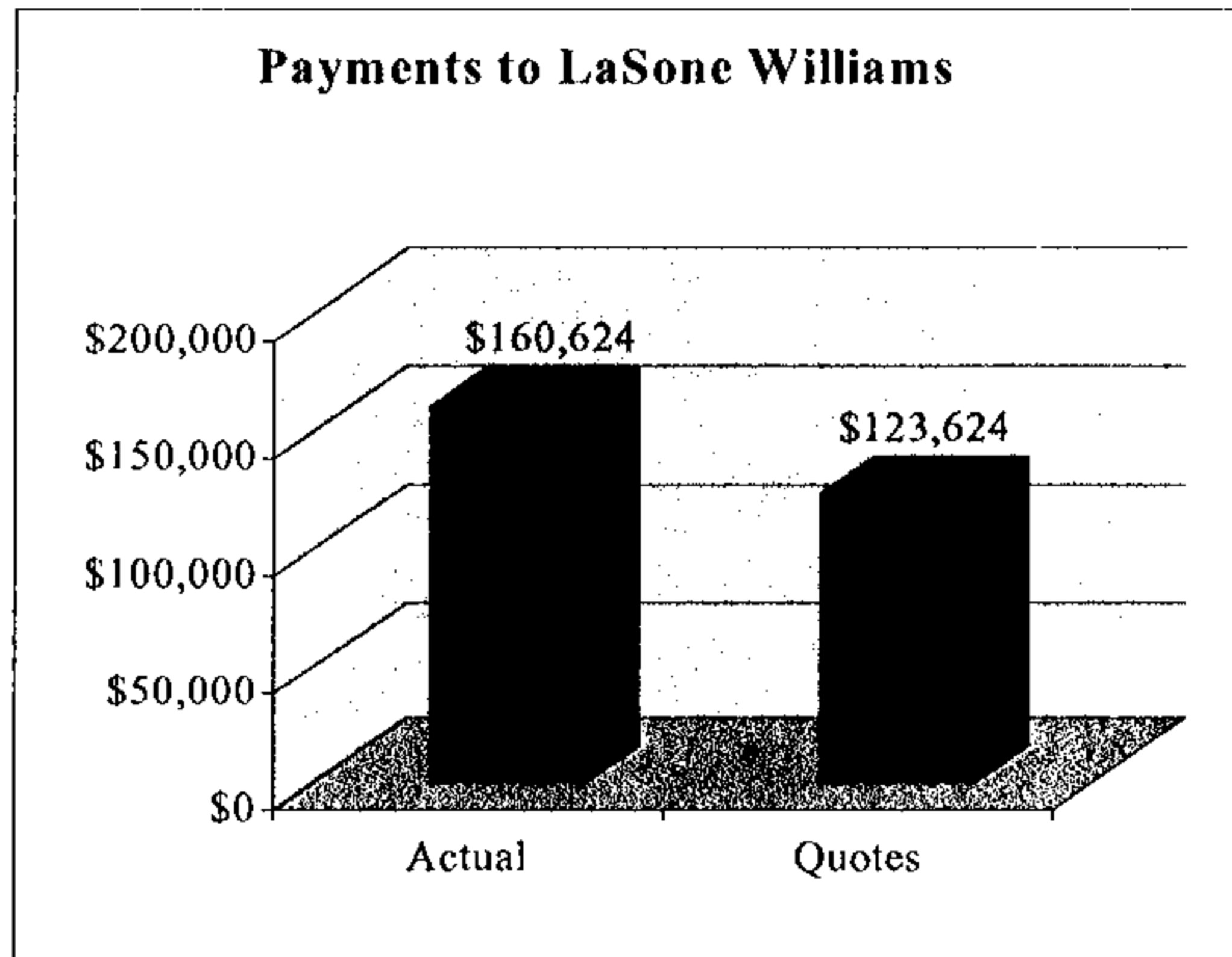
Sheetrock Work in the Education Building at the Zoo



Brick Retainer Wall at Chennault Park

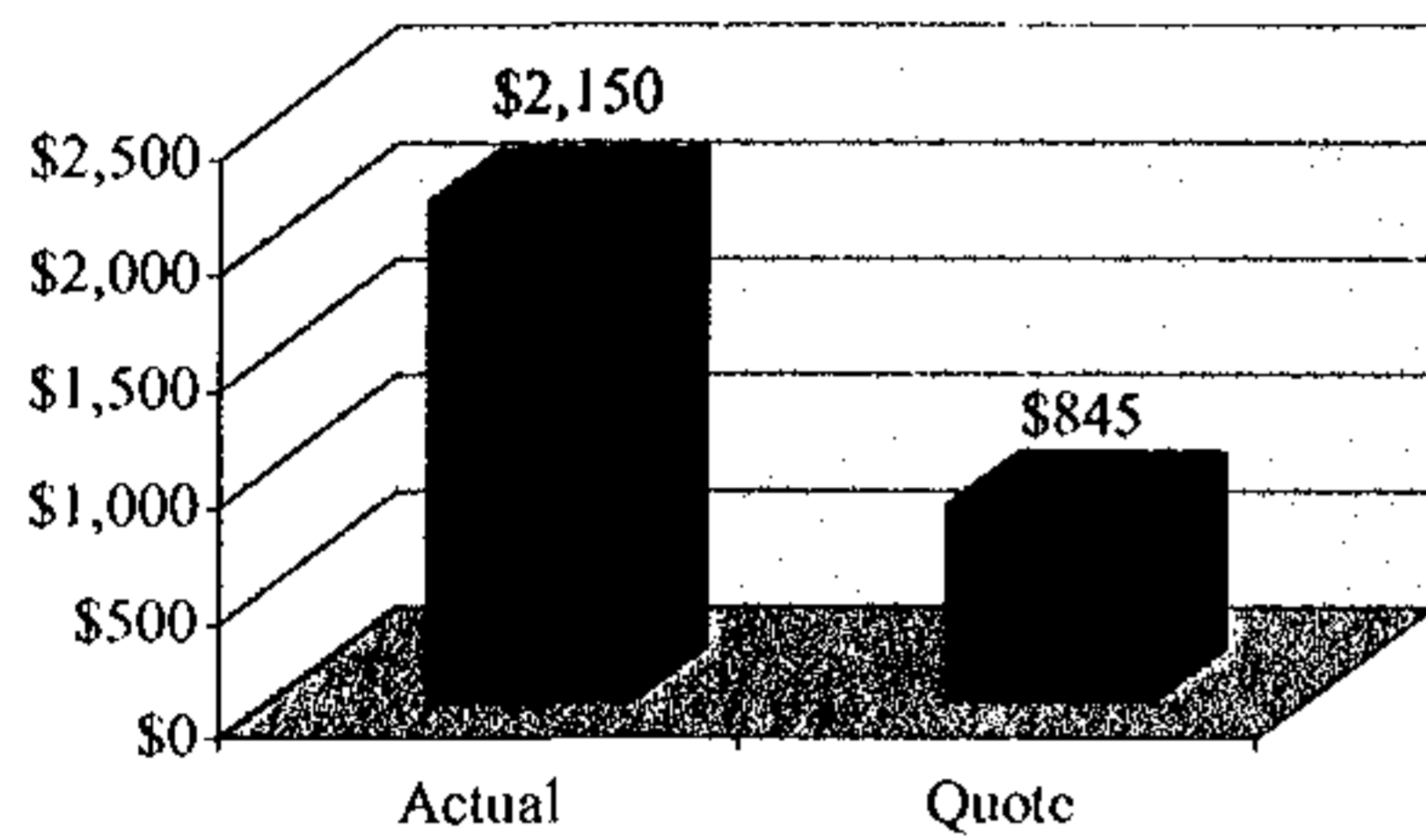


Payments to LaSone Williams and Robert "Bones" Glover

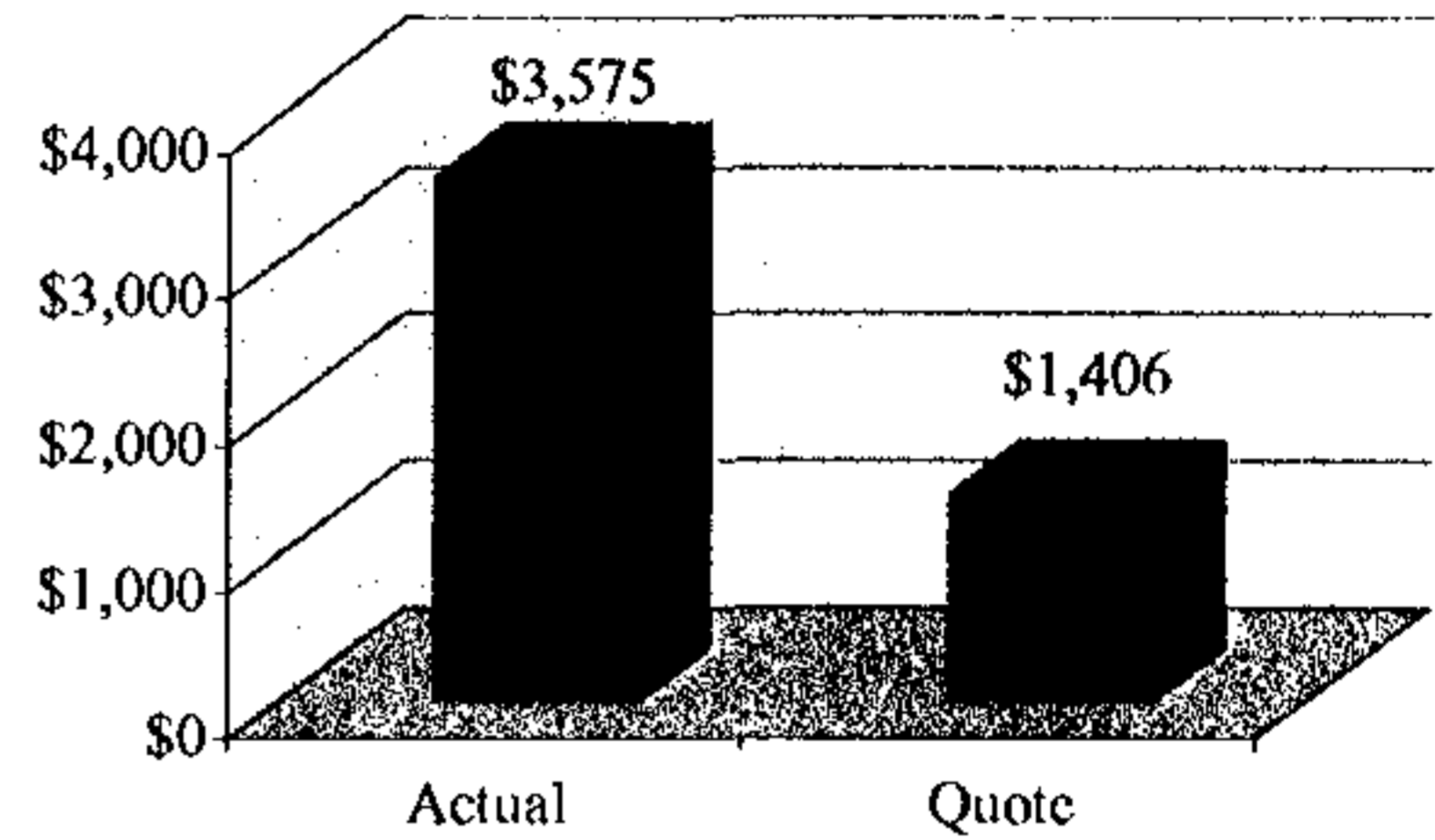


Payments to Charles Webb

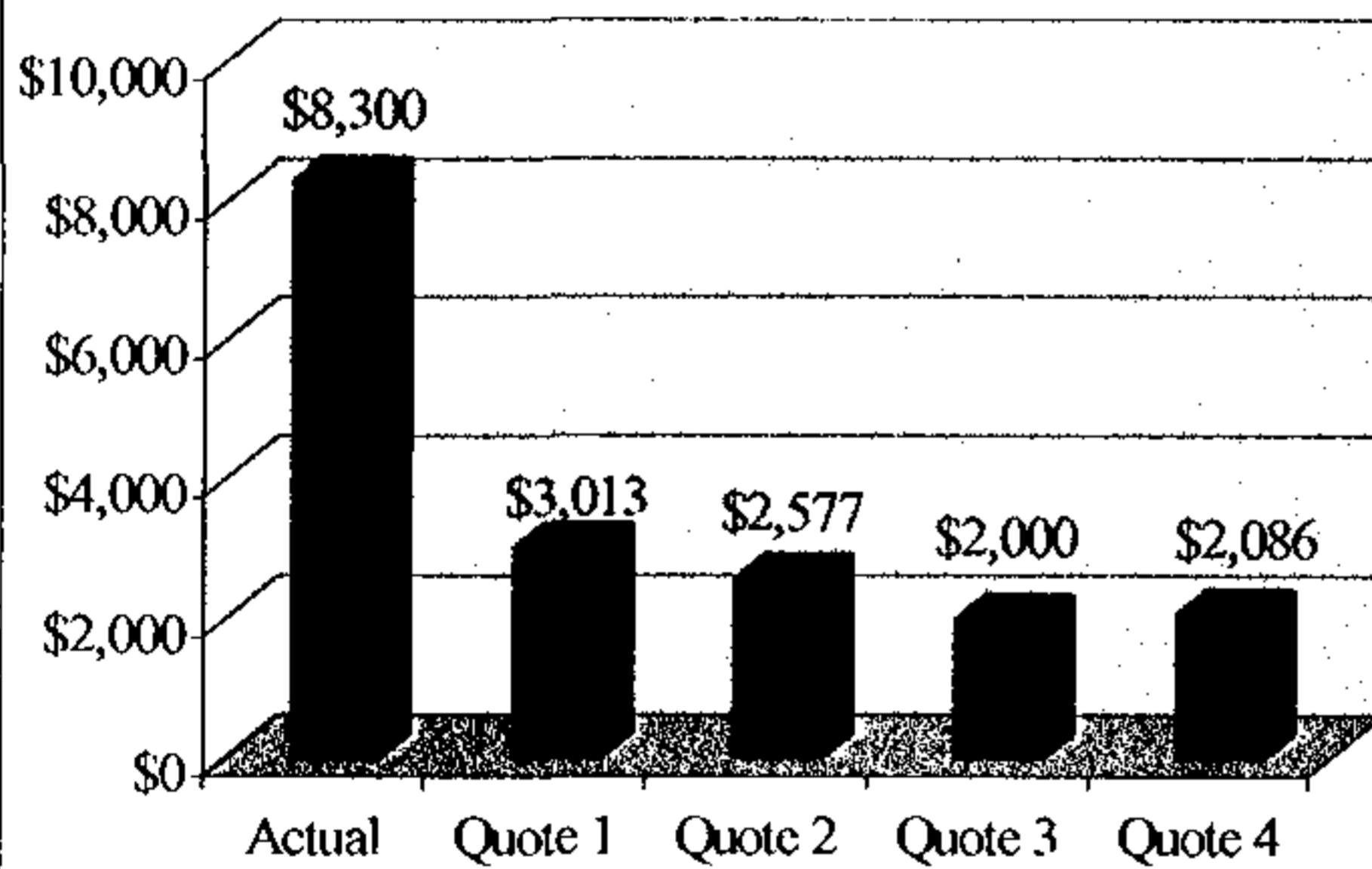
Carpet Installation in the Civic Center Theater



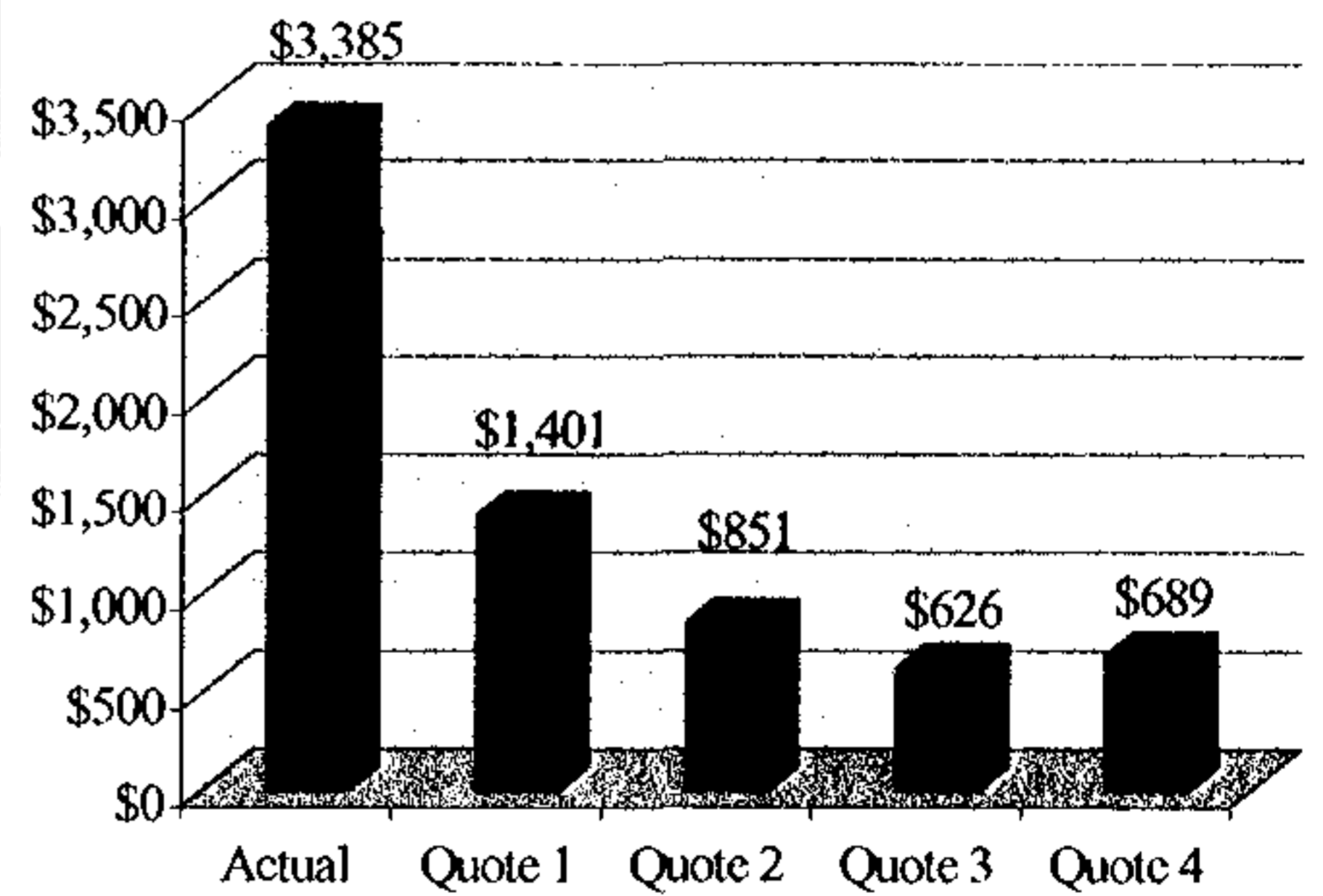
Carpet Installation in the Civic Center Conference Hall

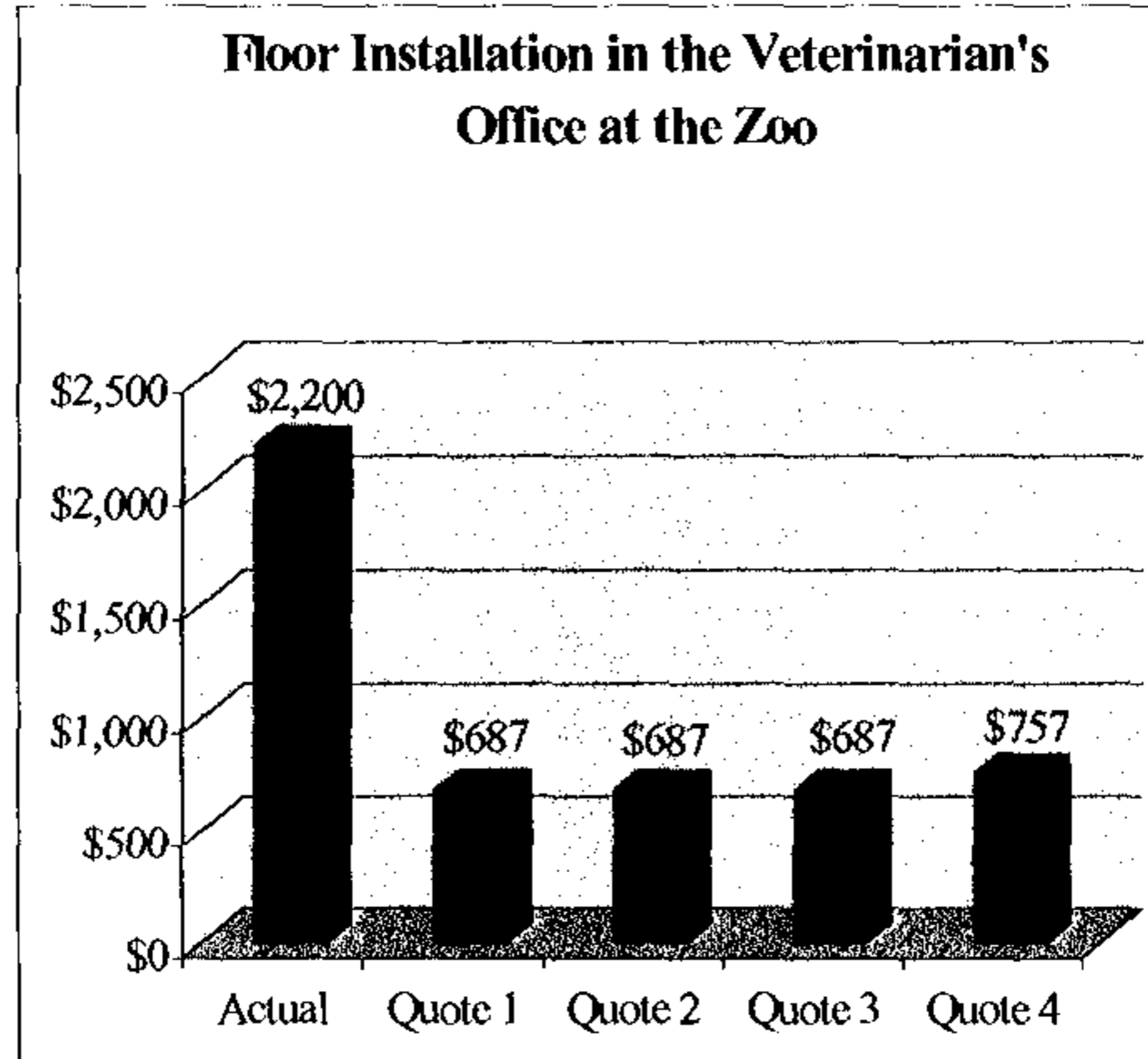


Floor Installation in the Maintenance Building at Chennault Park



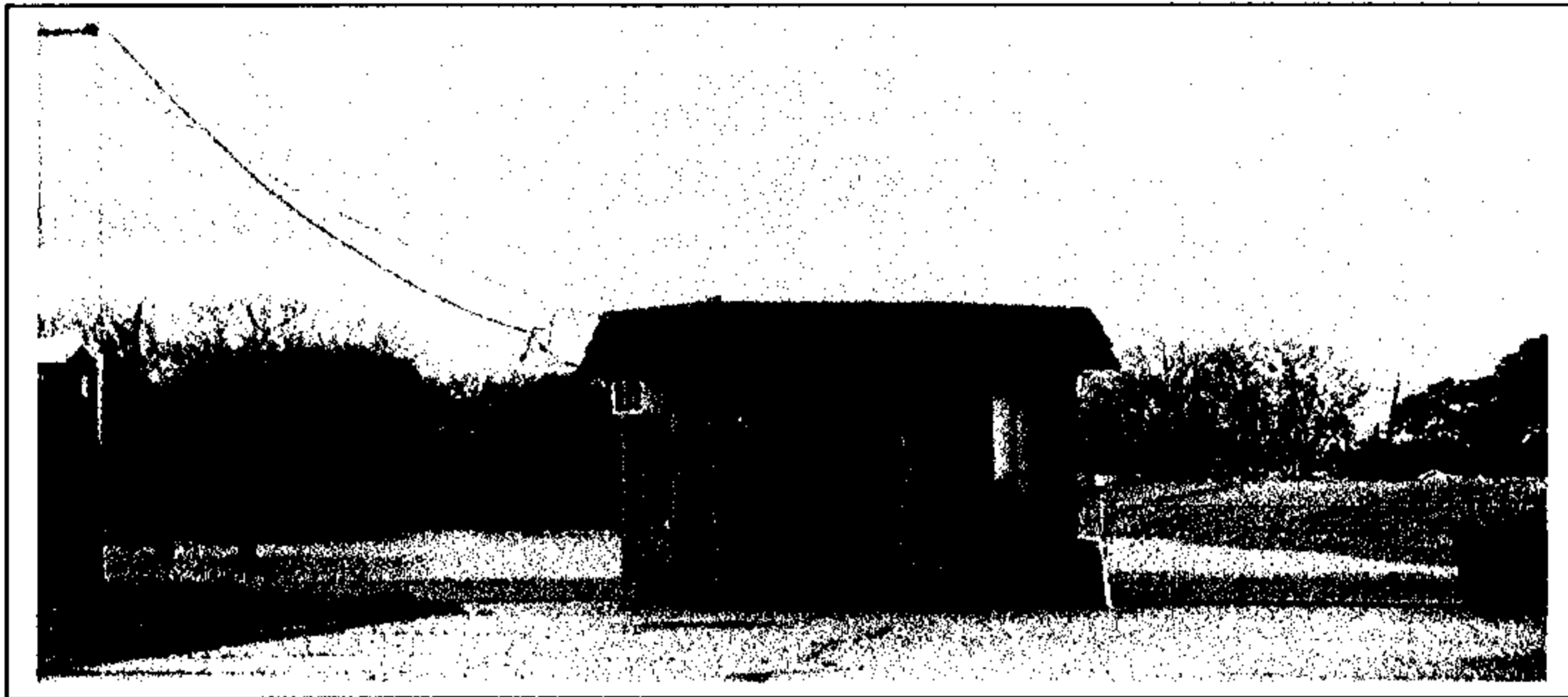
Floor Installation in the Bathrooms at the Zoo



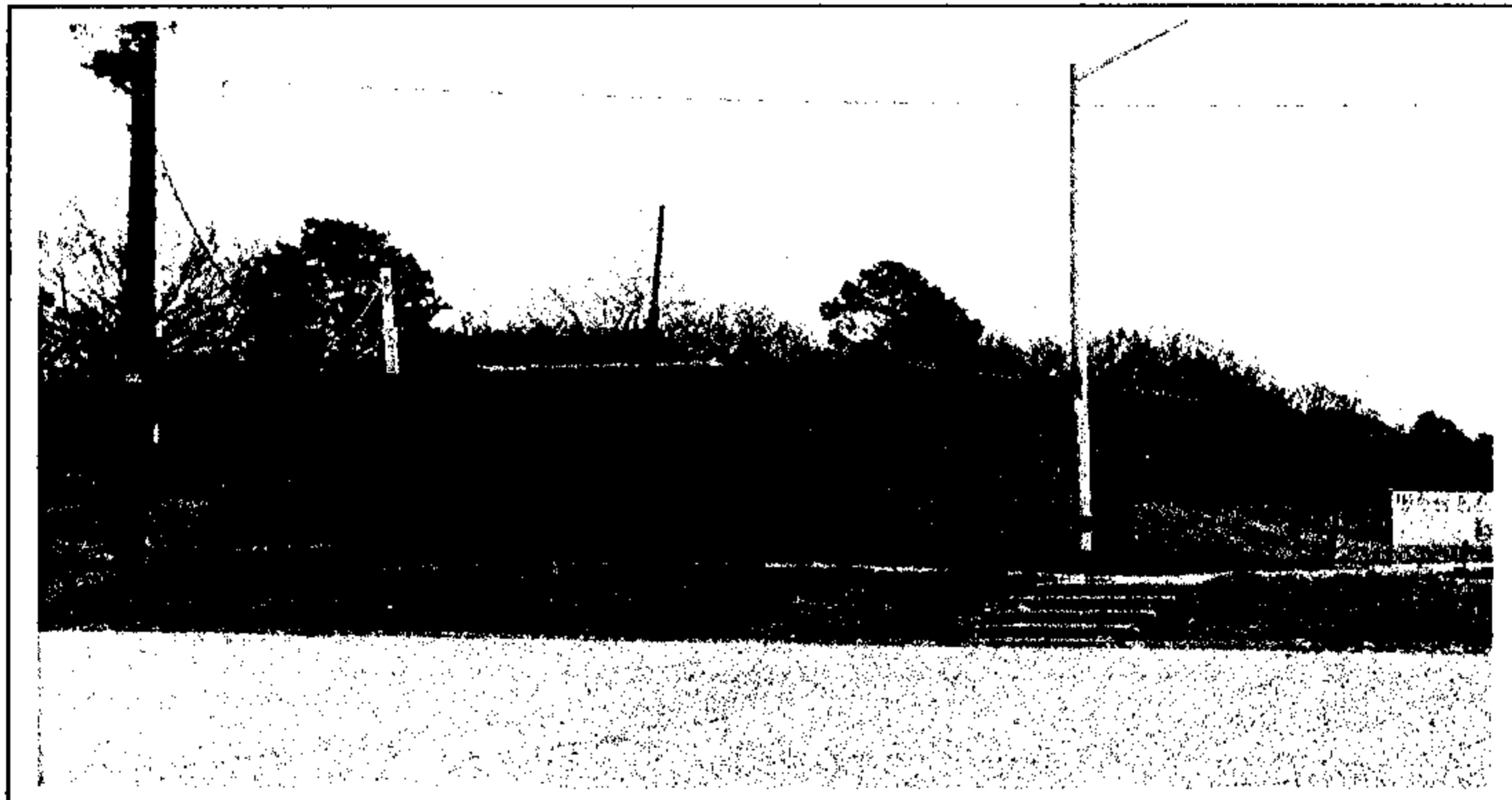


Attachment III
Photographs

Photographs

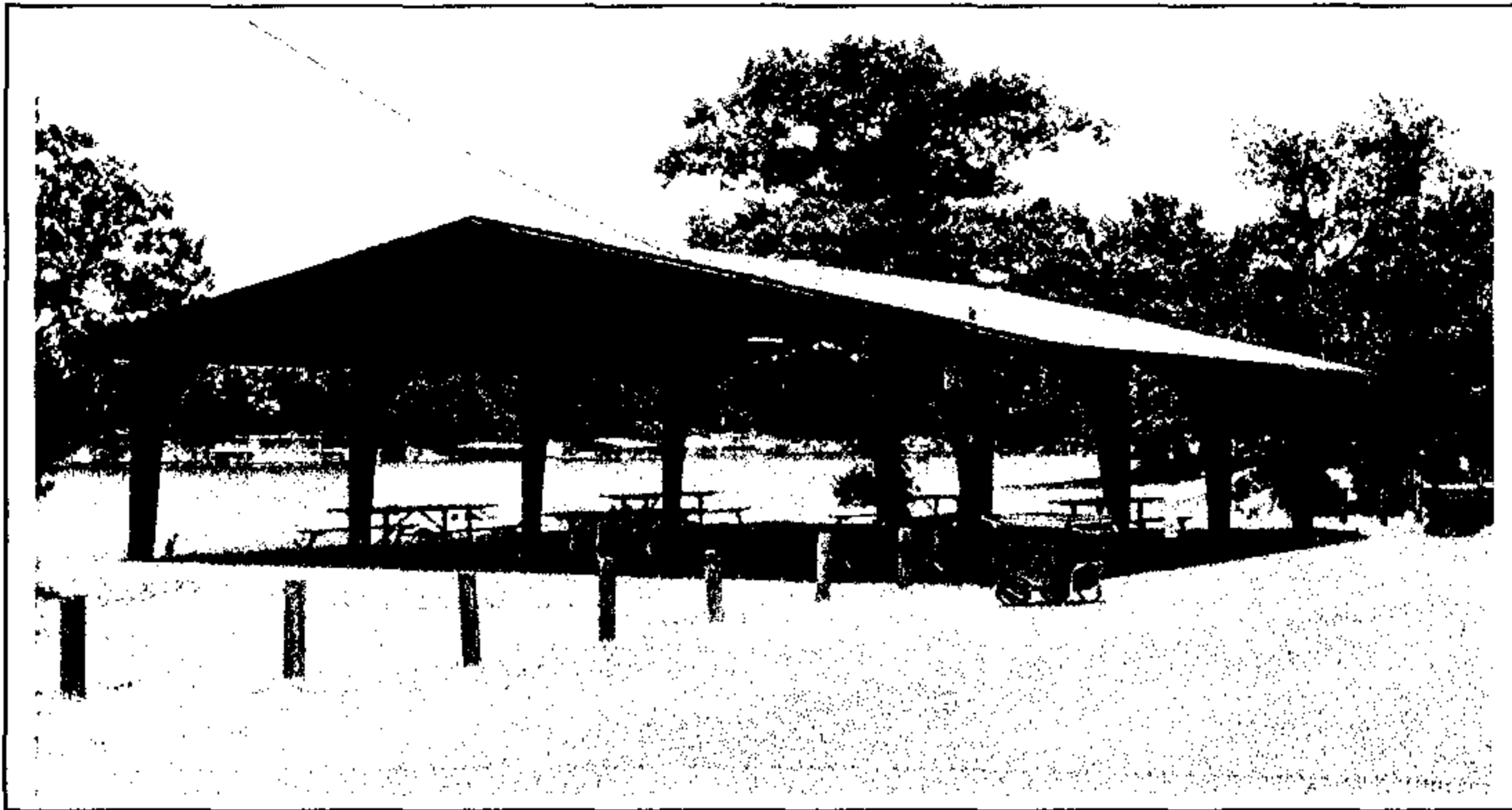


Forsythe Park - Ticket Booth



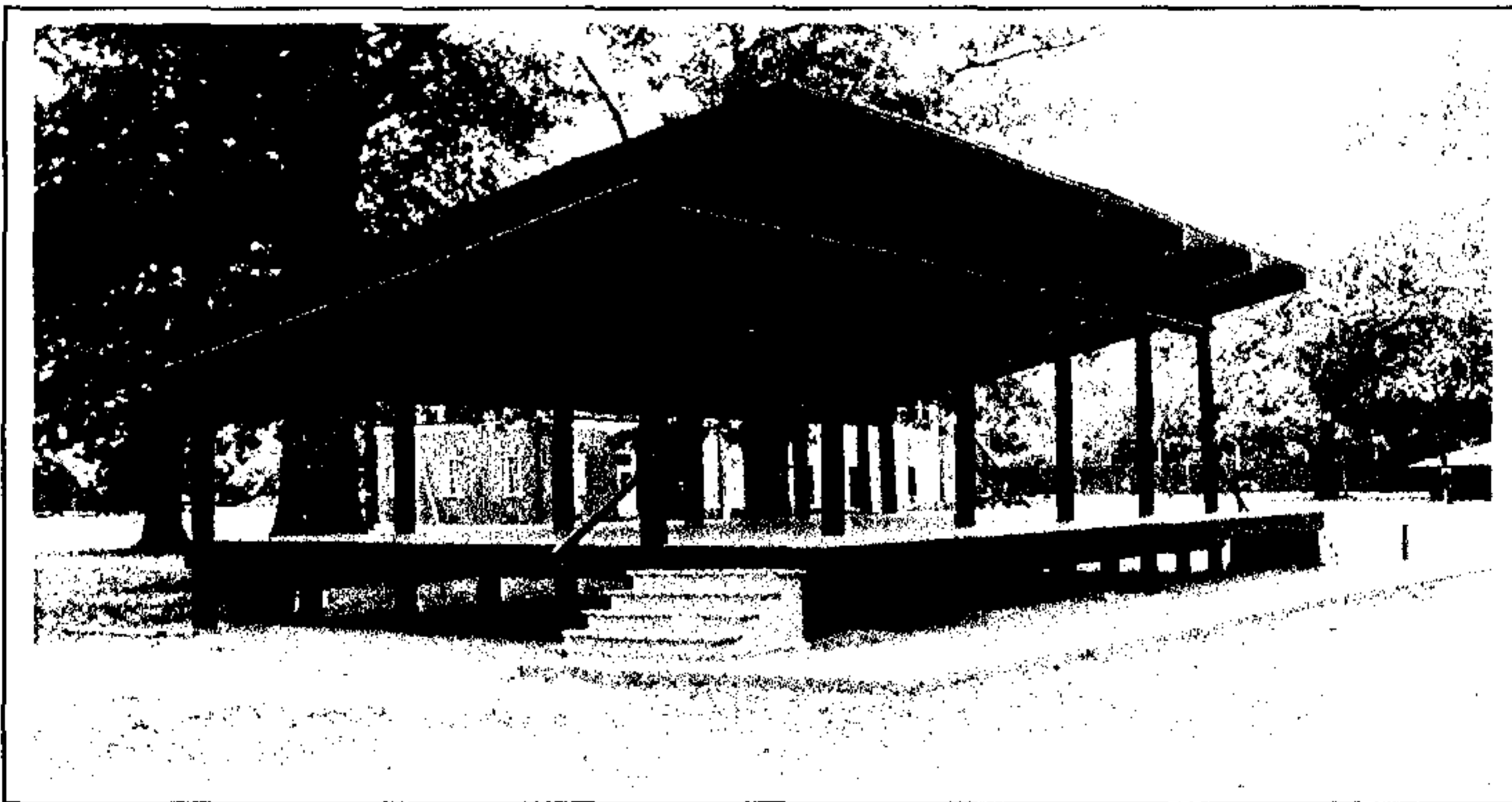
Forsythe Park - Restrooms by the Ticket Booth

Mr. Billy Dew was paid \$7,800 to paint the ticket booth and restrooms by the ticket booth. This payment was made in the name of his employee, Mr. Willie Reeves. Our quotes and estimates show that this should have cost between \$1,570 and \$2,316.

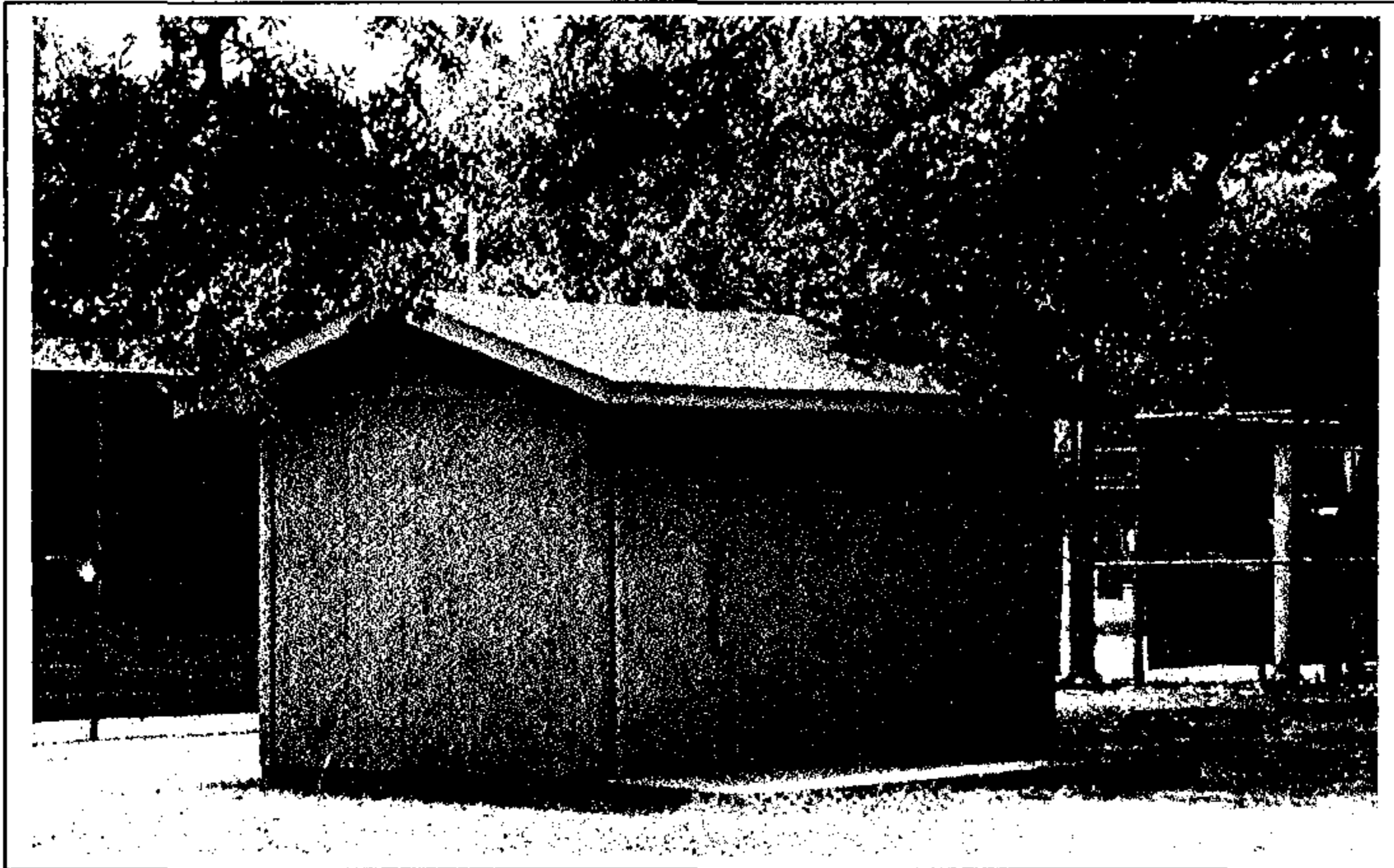


Forsythe Park - Picnic Pavilion

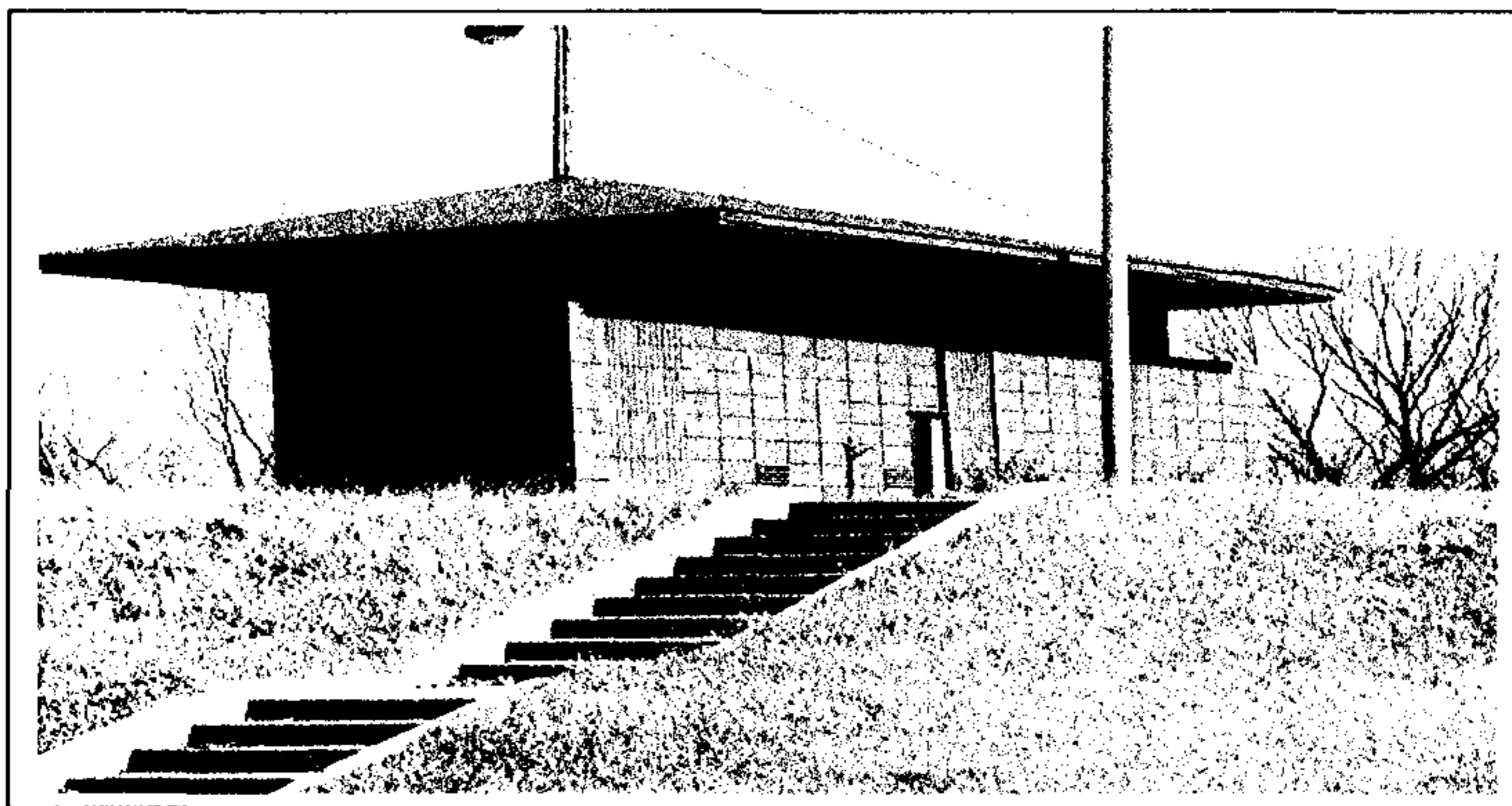
Mr. Billy Dew was paid \$1,900 to paint the picnic pavilion. This payment was in the name of his employee, Mr. Roy Wilson. Our quotes and estimates show that this work should have cost between \$567 and \$1,396.



Forsythe Park - Bandstand

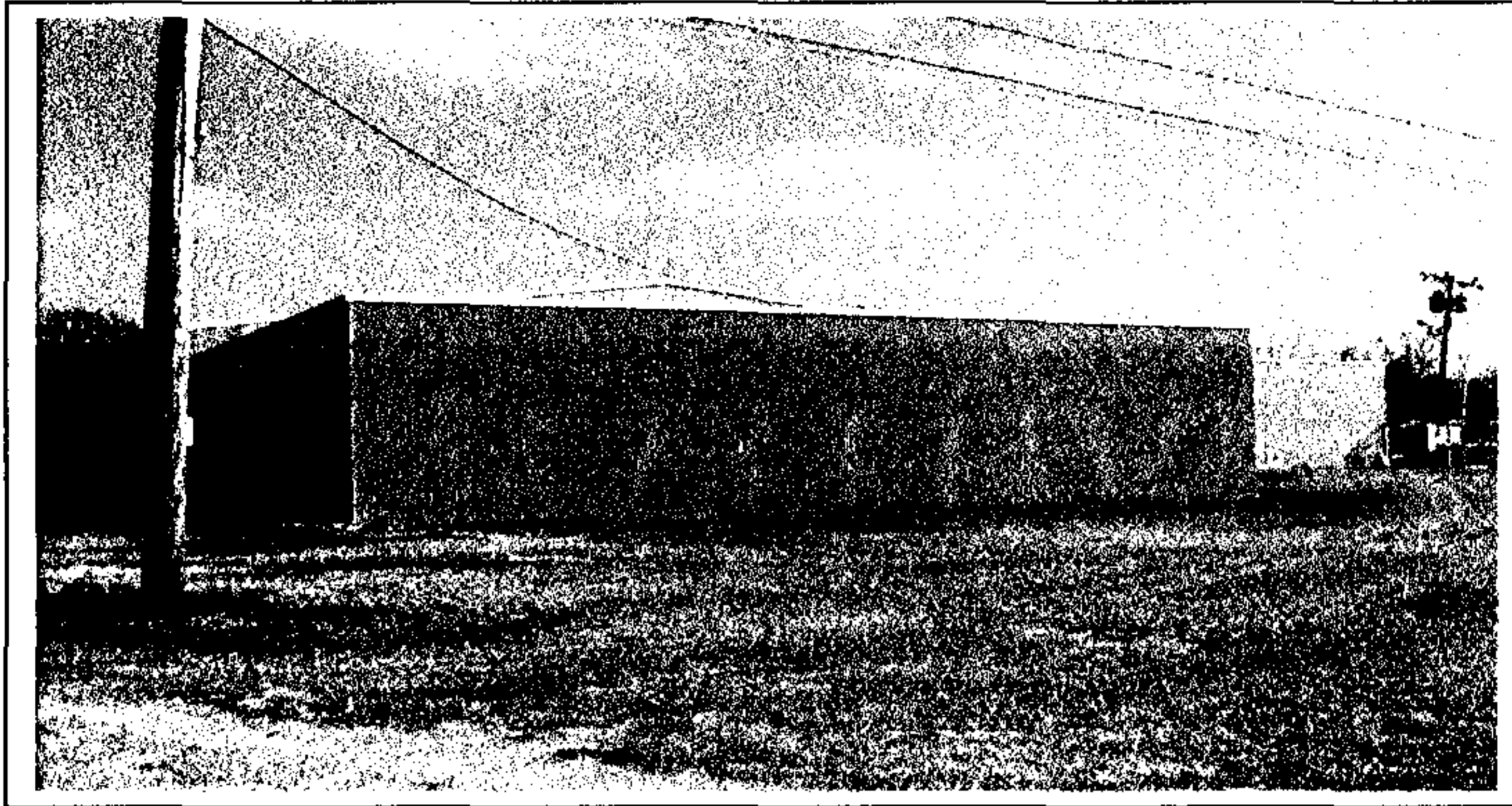


Forsythe Park - Restroom at the Tennis Courts

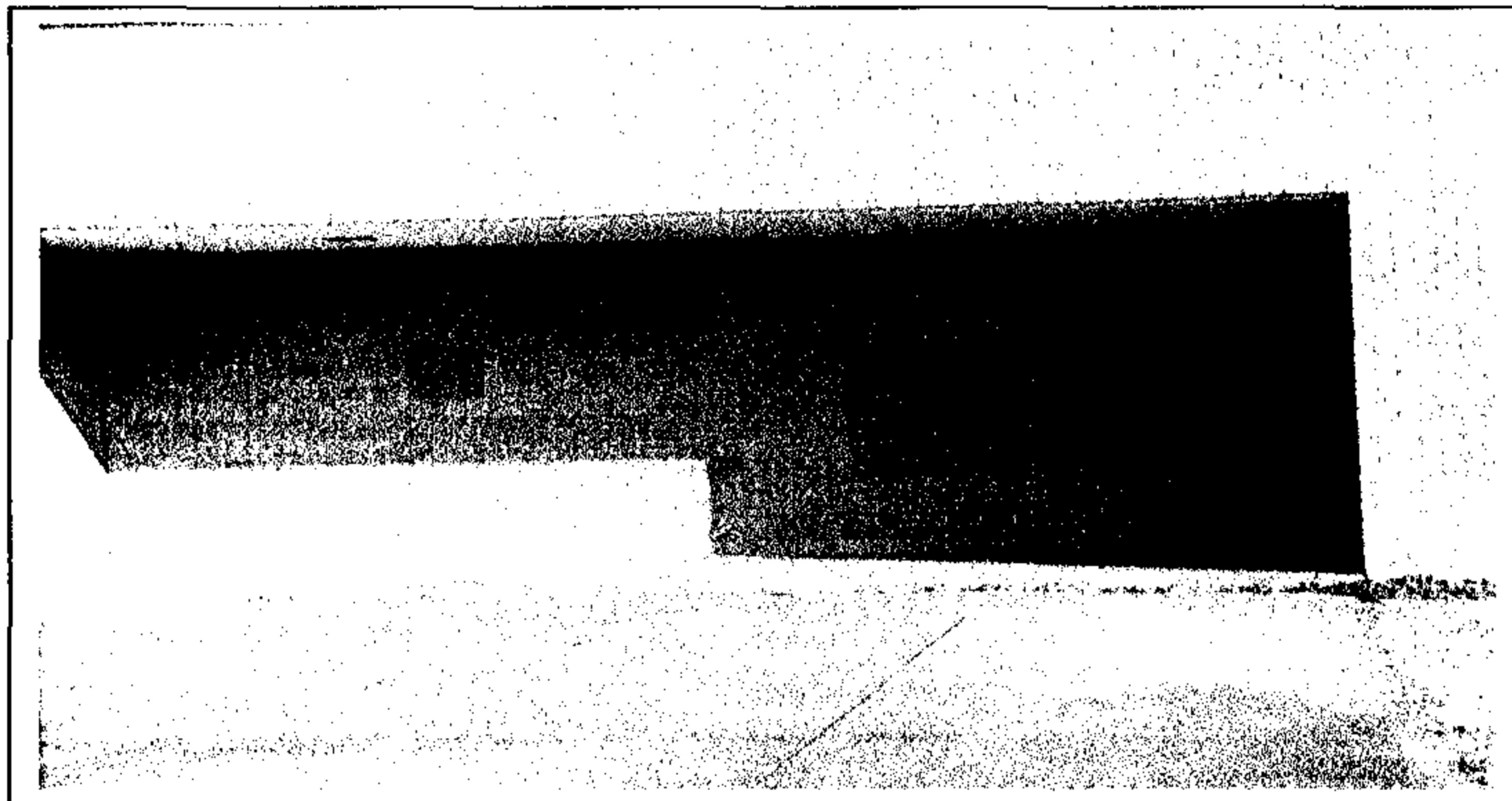


Forsythe Park - Restroom at the Reservoir

Mr. Billy Dew was paid \$9,900 to paint the bandstand, restrooms by the tennis courts, and the restrooms at the reservoir. This payment was in the name of Mr. Dew's employee, Mr. Raymond Wayne (Dew). Our quotes and estimates show that this work should have cost between \$2,635 and \$3,638.

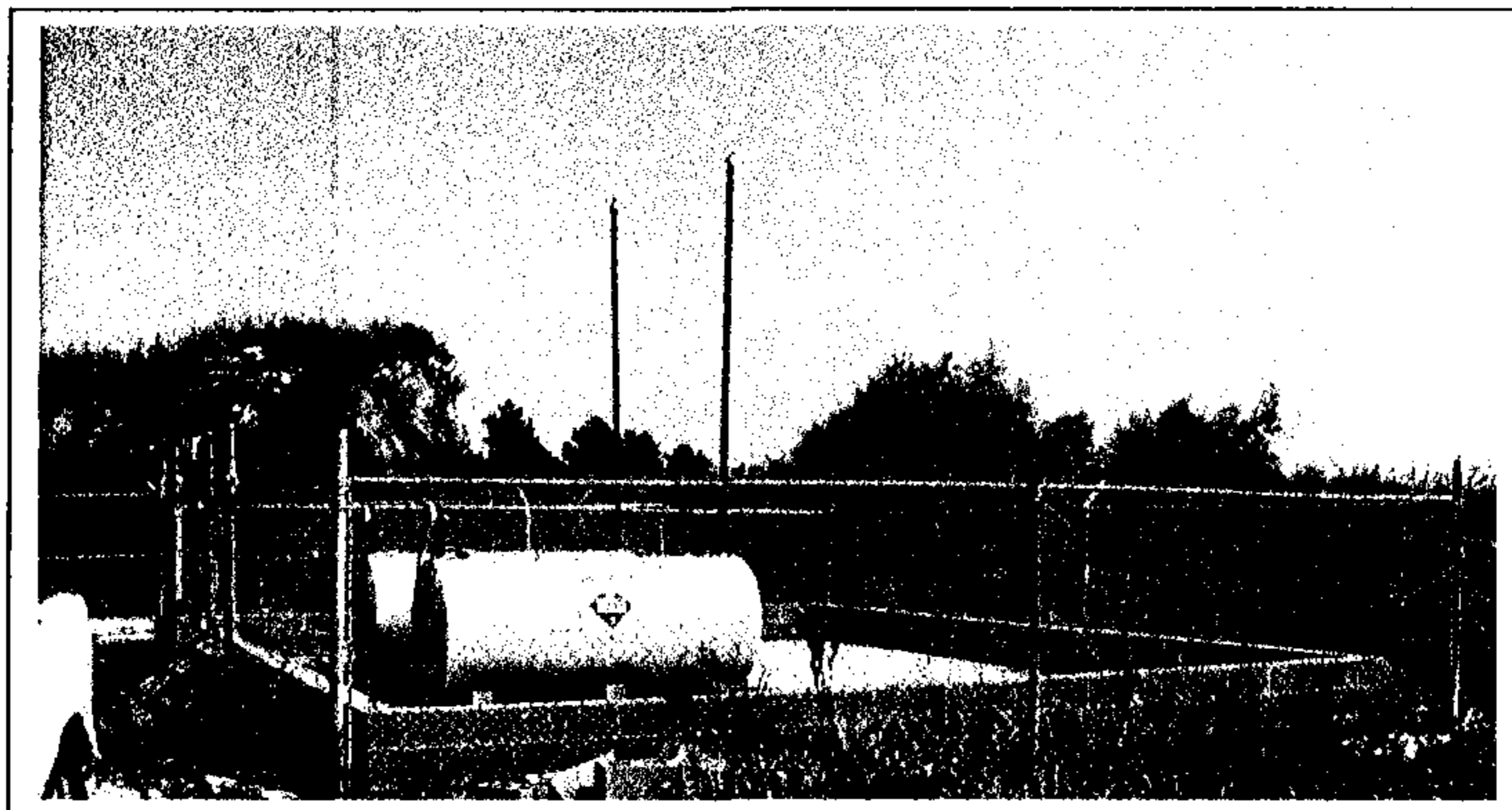


Marbles Recreation Center - North Wall Painted to Cover Graffiti

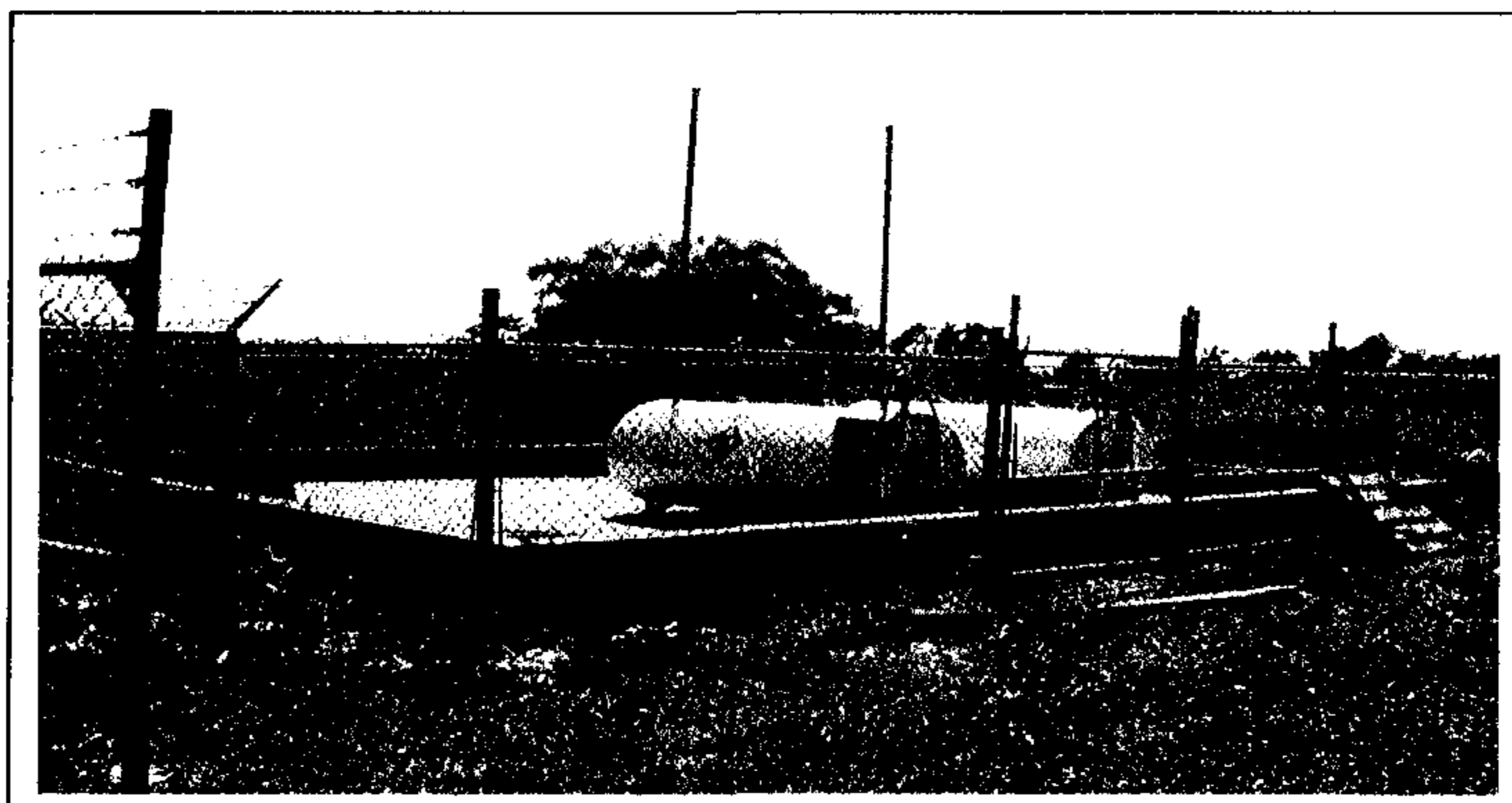


Marbles Recreation Center - A Portion of Wall Painted to Cover Graffiti

Mr. Dew was paid \$4,660 to paint over the graffiti on these two walls. The payment for this work was to his employee, Mr. Roy Wilson. Our quotes and estimates show that a paint contractor would have charged between \$389 and \$500. If performed by the City's painters, this work would have cost approximately \$269.



Chennault Park Fuel Tanks - Brick Retainer Wall and Concrete Slab



Chennault Park Fuel Tanks - Brick Retainer Wall and Concrete Slab

Mr. Dew was paid \$4,100 for the concrete slab and \$7,200 for the concrete block retainer wall. The payment for the concrete slab was to Mr. Dew's employee, Mr. Ernest Williams and the payment for the retainer wall was to Dew Construction. Our quotes and estimates show that the concrete slab should have cost between \$1,550 and \$1,739. The retainer wall should have cost between \$490 and \$521.



Benoit Recreation Center - Sidewalk at the Softball Complex

Mr. Dew was paid \$4,650 for constructing this sidewalk at the Benoit Recreation Center. The payment was to Mr. Dew's employee, Mr. Roy Wilson. Our quotes and estimates show that this work should have cost between \$754 and \$943.



Louisiana Purchase Gardens and Zoo - Lemur Island

Mr. LaSone Williams was paid \$1,780 to remove this tree from the lemur island. Mr. Williams stated that he was originally supposed to remove the tree but was later told to trim the tree only. Mr. Williams was paid as though the entire tree was removed.

Attachment IV
Legal Provisions

Legal Provisions

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

R.S. 14:26 provides that criminal conspiracy is the agreement or combination of two or more persons for the specific purpose of committing any crime; provided that an agreement or combination to commit a crime shall not amount to a criminal conspiracy unless, in addition to such agreement or combination, one or more of such parties does an act in furtherance of the object of the agreement or combination.

R.S. 14:67 provides that theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations.

R.S. 14:72 provides that forgery is the false making or altering, with intent to defraud, of any signature to, or any part of, any writing purporting to have legal efficacy.

R.S. 14:118 provides that public bribery is the giving or offering to give, directly or indirectly, anything of apparent present or prospective value to any public officer, public employee, or person in a position of public authority with the intent to influence his conduct in relation to his position, employment, or duty. The acceptance of, or the offer to accept, directly or indirectly, anything of apparent present or prospective value, under such circumstances, by any public officer, public employee, or person in a position of public authority shall also constitute public bribery.

R.S. 14:134 provides, in part, that malfeasance in office is committed when any public officer or public employee shall:

- (1) intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee;
- (2) intentionally perform any such duty in an unlawful manner; or
- (3) knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him or to perform any such duty in an unlawful manner.

R.S. 14:141 For the purposes of this section, splitting of profits, fees or commissions means the giving, offering to give, receiving or offering to receive, directly or indirectly, anything of apparent present or prospective value by or to a public officer or public employee or to any fund or fiduciary existing for the benefit of or use by such public officer or employee, when such value is derived from any agreement or contract to which the state or any subdivision thereof is a party.

R.S. 14:230 Money Laundering provides that it is unlawful for any person knowingly to do any of the following:

- (1) Conduct, supervise, or facilitate a financial transaction involving proceeds known to be derived from criminal activity, when the transaction is designed in whole or in part to conceal or disguise the nature, location, source, ownership, or the control of proceeds known to be derived from such violation or to avoid a transaction reporting requirement under state or federal law.
- (2) Give, sell, transfer, trade, invest, conceal, transport, maintain an interest in, or otherwise make available anything of value known to be for the purpose of committing or furthering the commission of any criminal activity.
- (3) Direct, plan, organize, initiate, finance, manage, supervise, or facilitate the transportation or transfer of proceeds known to be derived from any violation of criminal activity.
- (4) Receive or acquire proceeds derived from any violation of criminal activity, or knowingly or intentionally engage in any transaction that the person knows involves proceeds from any such violations.
- (5) Acquire or maintain an interest in, receive, conceal, possess, transfer, or transport the proceeds of criminal activity.
- (6) Invest, expend, or receive, or offer to invest, expend, or receive, the proceeds of criminal activity.

R.S. 42:1115 provides that no public servant shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or employee of any person who has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency.

R.S. 42:1116 provides that no public servant shall use the authority of his office or position, directly or indirectly, in a manner intended to compel or coerce any person or other public servant to provide himself, any other public servant, or other person with any thing of economic value.

R.S. 42:1461 provides that officials, whether elected or appointed, by the act of accepting such office assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property or other thing of value belonging to the public entity in which they hold office.

18 U.S.C. § 371 “Conspiracy to commit offense or to defraud United States” states that if two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined under this title or imprisoned not more than five years, or both.

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

18 U.S.C. § 1001 “False Statement” states in part that whoever knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement, shall be fined not more than \$10,000 or imprisoned not more than five years or both.

18 U.S.C. § 1951 “Hobbs Act” states in part that whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by robbery or extortion or attempts or conspires so to do, or commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of this section shall be fined under this title or imprisoned not more than twenty years, or both.

26 U.S.C. § 7201 provides, in part, that any person who willfully attempts in any manner to evade any tax imposed by the Internal Revenue Code or the payment thereof shall, in addition to other penalties provided by law, be guilty of a felony.

