



State of Louisiana

**OFFICE OF
STATE INSPECTOR GENERAL**

WEST JEFFERSON LEVEE DISTRICT

COMMISSIONER

RONALD JONES

Report by

Inspector General Bill Lynch

Prepared for

Governor M. J. "Mike" Foster, Jr.

April 29, 2002

File No. 1-02-0033



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West Jefferson Levee District Commissioner Ronald Jones

A commissioner of the West Jefferson Levee District proposed using his position on the board to steer levee board contracts to a private company he was attempting to create.

Ronald Jones, the commissioner, acknowledged in an e-mail that he “was working to try and get the organization some work using my position at the levee board.”

Mr. Jones later asserted that he was “blowing smoke” and his statements were all false.

Background

The West Jefferson Levee District is responsible for drainage, flood control and water resources development in the portion of Jefferson Parish on the west side of the Mississippi River. The levee district is also responsible for constructing and maintaining levees and drainage systems within its district. The levee district may buy, sell or exchange property, enter into contracts and perform any acts necessary to carry out its assigned duties.

Currently the U.S. Army Corps of Engineers is conducting a large scale hurricane protection project on the west bank of the Mississippi river in Jefferson, Orleans, and Plaquemines parishes. The entire project is estimated to cost approximately \$300 million. The State Department of Transportation and Development is the lead non-federal sponsor for the project.

Included in the project is \$260 million for work in the area governed by the levee district.

The levee district contracted in May, 1995, with a joint venture engineering firm to perform all engineering services required by the levee district’s participation in the Corps of Engineers project.

Mr. Jones was first appointed as a commissioner to the levee district in 1992.

Levee district commissioners are appointed by the governor and serve at his pleasure.

Improper Actions

Mr. Jones attempted to persuade co-workers to form an engineering company, advising them by e-mail that he would use his position on the levee board to obtain work for the group. Mr. Jones also stated in an e-mail sent to the group that a deal at the levee board had been worked out which would allow him to choose levee board contractors.

Mr. Jones is an employee of a New Orleans area ship building company. All six individuals he attempted to help organize are also employees of the ship building company, with five of those individuals holding engineering degrees.

In an e-mail communication dated Sept. 27, 2000, Mr. Jones informed the six co-workers the initial meeting of the group would take place that day at 5:30 p.m. According to Mr. Jones, three of the six individuals attended the meeting. Nothing was resolved except to meet again.

On the following day, according to levee board minutes, Mr. Jones introduced a motion to defer action on a vote amending the existing engineering contract. The amendment included \$427,200 for bidding services, construction administration, and a resident project representative for a pump station which was ready for bid and construction. His motion failed to pass and the contract was amended.

Mr. Jones said he thought he could get \$29,950 of these funds disbursed to other contractors. These funds are included in the section of the contract amendment titled "resident project representative."

However, levee district Executive Director Jerry Spohrer stated none of the money could be split from the contract.

Mr. Jones sent an e-mail to the six co-workers Sept. 29, 2000, the day after the levee district meeting, in which he said:

"I was working to try and get the organization some work using my position at the levee board however, at last night's board it blew apart and it does not appear that this will happen. It is not dead but it is definitely dying."

The second meeting of the group was held in early October, 2000. Shortly after this meeting, according to the six individuals Mr. Jones tried to organize, three members of

the group dropped out. The remaining members of the group talked for several more months before disbanding in the spring of 2001.

Four members of the group said they were certain Mr. Jones would not be an owner of the proposed company, while two felt Mr. Jones would be. All six members agree the idea of forming a company never got beyond the talking stage.

Mr. Jones sent another e-mail to the group on Oct. 18, 2001, saying:

“Well, I had worked out a deal at the levee district for me to select the company to do the construction management for our 100 million dollar flood protection project which is referred to as the East of Harvey Canal Westbank Hurricane Protection Project.

“Oh well, I awarded the construction management project to some good ole white boys about six weeks ago for 1 million dollars. Ya have a nice day ya hear.”

Mr. Jones general explanation of his actions is that he tries to help people. He said that he is aware of the large volume of work in the area that could be bid. Mr. Jones said he would not have owned any part of the new company. However, Mr. Jones further stated that he and the company could have formed joint ventures to bid on projects other than those of the levee board.

Mr. Jones stated his motion to defer a vote made during the Sept. 28, 2000, board meeting was intended to allow other engineering firms a chance to bid on the construction administration portion of the amendment. Mr. Jones said the six co-workers could not have bid on this contract without having formed a company. Mr. Jones said he does not think it is good to allow the firm which designed the project to oversee its own work during construction.

Mr. Jones said the Sept. 29, 2000, e-mail he sent to the group was just “blowing smoke.” He said he cannot do the things stated in the e-mail. He said his statements were not true as he is only one vote on the board.

Mr. Jones stated the Oct. 18, 2001, e-mail was sent due to his frustration that he had discussed opportunities with people who could not agree on anything. He said the statements he made in the e-mail are false and again he was simply “blowing smoke.” He said there is no deal with other commissioners to allow him to select a company to provide construction management. The board currently has a contract for engineering services.

Mr. Jones stated the phrase “good ole white boys” was not intended to be taken seriously. He said if he had made the statement during the course of a conversation, everyone would know he was not serious.

Levee board commissioners said no deals have been made with Mr. Jones allowing him to select contractors. Commissioners state Mr. Jones has questioned the levee board’s engineering firm about its use of subcontractors.

Conclusions:

1. Ronald Jones misused his authority as a member of the levee board when, in the course of trying to organize a group of co-workers into a business venture, he told them he could use the power of his office to steer business to them.
2. Mr. Jones’ unsolicited role in trying to convince his co-workers to join in this venture, taken together with his actions, creates the appearance that he had some type of personal interest in the venture.

Recommendation:

1. The Governor should take appropriate action.

IG Comment:

Mr. Jones states in his response, “With regards to your mention of my motion to defer a motion for the Sept. 28, 2000 board meeting, I suspect the correct year is 2001.”

The date used in this report is correct as supported by the Sept. 28, 2000, board minutes.

WEST JEFFERSON LEVEE DISTRICT

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The following is my response to the draft proposal prepared by the Inspector General draft report, file number 1-02-0033 as follows:

1. Yes, I did meet with six people and discussed possible business opportunities with the West Jefferson Levee District. However, I would like to state that I have meet with many concerning doing business with the district as it is one of the things that board members regularly have to do in the discharge of their duties. This group also discussed other business opportunities that had nothing to do with the levee district.
2. At no time did I ever state that I would be a part of any organization that they would form. However, I did tell the group that if they did not do any business with the district that I might be able to joint venture with them on other projects and help write proposals.

I understand that two of the six stated otherwise, these are lies.

3. The term "we" is not to be confused with meaning that I would be a part of any organization, the "we" only refers to the collective group getting together.

The above is my general statements towards this particular situation.

The following is my response to the details of the report as written by Mr. Duvall as follows:

With regards to your mention of my motion to defer a motion for the Sept. 28, 2000 board meeting, I suspect the correct year is 2001.

My response:

The West Jefferson Levee District passed a resolution years ago in 1994 expressing a desire to do business with several engineering firms. It is these firms that I believe should be given the opportunity to do the construction management and inspection. I have lobbied long and hard for such to occur with no results as I truly believe that no company should be allowed to inspect their own design. This should be done by others hopefully, those that we selected in 1994. Please see the copy of the resolution. I have argued this for over seven years to compete works among all of the firms mentioned in the resolution.

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With regards to your mention of my "frustration" being the basis of the October 18, 2001 e-mail.

My response:

The use of the word "frustration" is the wording of Mr. Duvall, not Ron Jones. However, the entire content of the e-mail was intended to be a prank, "blowing smoke" and not to be taken seriously by the recipients. Four recipients received it as such and two took exception.

With regards to the phrase "good ole white boys".

My response:

I often use terms such as "good ole white boys", "good ole black boys", "good ole Chinese boys", etc., etc. It is just a phrasing that I often use and it is not intended to mean anything or offend anyone.

Conclusion

With regards to point 1 of the conclusion.

My response:

It would be closer to the truth to say that all of the engineering at the West Jefferson Levee District is "steered" to the politically connected West Jefferson Engineering Services without competition and the high cost that goes with it, I oppose this 100%.

With regards to point 2 of the conclusion

My action at the levee district are consistent with my actions over the course of my ten years on this board. My personal interest at the levee district is to make every effort to assure that all qualified firms are given the proper opportunity to engage the business process at the levee district, not one group as the district has been prone to do with regards to engineering services.

I had no personal stake or interest in this group that was never formed or any other group that desires to do business with the district.