

**STATE OF LOUISIANA**

**OFFICE OF  
STATE INSPECTOR GENERAL**



**LOUISIANA STATE  
BOXING AND WRESTLING COMMISSION**

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**File No. 1-05-0005**

**STATE OF LOUISIANA**  
**OFFICE OF**  
**STATE INSPECTOR GENERAL**



**LOUISIANA STATE**  
**BOXING AND WRESTLING COMMISSION**

**Sharon B. Robinson, CPA**  
**State Inspector General**

*KBB*  
*JTR*

**Approved by:**  
**Governor Kathleen Babineaux Blanco**

**April 26, 2005**

**File No. 1-05-0005**



*State of Louisiana*  
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COMMISSIONER OF ADMINISTRATION

April 26, 2005

Honorable Kathleen Babineaux Blanco  
Governor of the State of Louisiana  
P. O. Box 94004  
Baton Rouge, LA 70804-9004

Dear Governor Blanco:

This report presents the results of our investigation of allegations at the Louisiana State Boxing and Wrestling Commission. The report discloses instances of commission members' noncompliance with applicable state laws, rules, and regulations. In addition, it includes 23 recommendations that, if properly implemented, should help to improve the commission's operations. I must point out that four of the seven commission members were appointed in July 2004; therefore, the issues presented in this report pre-date them.

We provided drafts of the report to commission members and several responses are included in the report appendix.

We appreciate the commission members' cooperation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sharon B. Robinson".

Sharon B. Robinson, CPA  
State Inspector General

Enclosure

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# Louisiana State Boxing and Wrestling Commission

## Summary of Findings

Anthony “Buddy” Embanato, chairman of the Louisiana State Boxing and Wrestling Commission, improperly received at least \$6,940 in duplicate compensation pay and travel reimbursement. (See page 6)

Mr. Embanato used his position as chairman in an attempt to intimidate a wrestling promoter he believed complained to the Office of State Inspector General regarding commission activities. (See page 9)

The Louisiana State Boxing and Wrestling Commission may have violated the state’s open meetings law and the state’s Administrative Procedure Act. (See pages 11 and 12)

The Louisiana State Boxing and Wrestling Commission may have violated its governing statute and published rules by:

- failing to maintain a central office in New Orleans as required by state law. The commission presently does not have a central office. (See page 16)
- failing to maintain its records at a central location. (See page 17)
- requiring boxing promoters to pay for physicians at boxing events. (See page 18)
- allowing a deputy commissioner to serve as both a deputy commissioner and boxing referee/judge at boxing events. (See page 19)
- allowing wrestling promoters to use emergency medical technicians instead of physicians at wrestling events. (See page 20)

The commission has engaged in the following questionable business practices:

- Negotiating arbitrary fees with boxing promoters for boxing officials. (See page 21)

State Boxing and Wrestling Commission

Page 2

- Not reporting \$27,920 in compensation for boxing officials to the Internal Revenue Service for calendar year 2004. (See page 23)
- Engaging in questionable accounting practices related to receipts and disbursements of funds for boxing official compensation. (See page 24)
- Not keeping a full and true record of its receipts and expenditures. (See page 25)

Additionally, Russell Naquin, deputy commissioner, received more than \$3,000 in compensation from the commission that was not reported to the Internal Revenue Service as income. (See page 28)

Mr. Naquin failed to remit \$375 to the commission in deputy commissioner fees he received from wrestling promoters. (See page 29)

It should be noted that four of the seven members were appointed to the commission in July 2004, and another commissioner was appointed in February 2005. Many of the findings in this report originated years prior to these commissioners being appointed.

## Background

The State Boxing and Wrestling Commission has sole and full discretion, authority, management, regulation, and control of all boxing and wrestling contests or exhibitions, professional and amateur, held within the State of Louisiana. The commission was formerly known as the State Athletic Commission. The name of the commission was changed with Acts 1982, No. 239. From 1936 to 1982, the State Athletic Commission was entrusted with the regulation of boxing and wrestling.

LSA-R.S. 4:61 to 4:85 creates and governs the commission.

The Office of the Governor has oversight of the commission.

The commission is comprised of seven members all of whom are appointed by the governor. Five members are appointed from each Public Service Commission district and two members from the state at large. The current commissioners are as follows:

1. Anthony "Buddy" Embanato, chairman, member for 17 years, chairman since July 2004
2. Oscar Shoenfelt, secretary/treasurer, appointed to the commission in July 2004
3. Larry Scrubbs, vice chairman, appointed to the commission in July 2004
4. Bobby Dupre, appointed to the commission in July 2004
5. Fielding Lewis, member for 10 years and the chairman before Mr. Embanato
6. Deirdre Gogarty, appointed to the commission in July 2004
7. John Green, appointed to the commission in February 2005

Annual salaries for commission members are set by state statute as follows:

Chairman, \$10,000

Vice Chairman, \$6,400

Secretary, \$7,200

Four other members, \$4,300 each

Commissioners are not to receive their salary if payment of the salaries exceeds available commission funds. Payment of salaries shall not be made to commissioners who fail to attend regular meetings, except if excused by the chairmen for good cause. The reduction of salary for failure to attend meetings shall be based on total salary for the year divided by the total number of regular meetings in the year.

State Boxing and Wrestling Commission

Page 4

The Louisiana Legislative Auditor performs financial audits of the commission and has not been able to render an opinion on the validity of the commission's biannual financial statements from fiscal year 1997 through fiscal year 2002.

## Scope and Methodology

The Office of State Inspector General received information from the Office of the Governor that the Louisiana State Boxing and Wrestling Commission overcharged a wrestling promoter commission fees and taxes. This information raised concerns that the commission may have violated state law. On October 22, 2004, the Office of State Inspector General began an investigation of the allegations.

The procedures performed during this investigation consisted of (1) interviewing officials of the commission; (2) interviewing other persons as appropriate; (3) examining selected commission records; (4) performing observations; and (5) reviewing applicable state laws and regulations.

The Office of State Inspector General's review was limited to financial activities between July 1, 2003 to January 31, 2005. However, documentation supporting commission disbursements from July 1, 2003 to June 30, 2004 were not available because the Legislative Auditor was conducting a financial audit of the commission for this period.

## Duplicate Payments to Mr. Embanato

Chairman Embanato received at least \$6,940 of duplicate compensation pay and travel expenses. Additionally, by receiving these payments, Mr. Embanato may have violated the state statute governing the commission and state ethics law governing public servants.

Mr. Embanato improperly received \$5,400 in compensation from boxing promoters for event coordinator fees while he received a salary as a commissioner of \$6,650 from July 2003 to January 2005. The functions performed as an event coordinator are the same as the duties required of the commission.

In addition, Mr. Embanato improperly received \$1,540 for travel expenses from boxing promoters for the same period. The travel expenses were in relation to the boxing events where he served as a boxing event coordinator. Mr. Embanato also received travel reimbursements from the commission for at least four of the same boxing events held in 2004.

LSA-R.S. 4:61 (E) prohibits commission members from employment in connection with boxing or wrestling events while serving on the commission. It states in part, "...No member of the commission shall be connected with professional or amateur boxing or wrestling either as promoter, associate promoter, agent, employee, manager, publicity agent or professional better, second, fighter or wrestler during his tenure as a member of the commission."

Event promoters issued checks payable to the Louisiana State Boxing and Wrestling Commission for coordinator fees. Mr. Embanato in turn wrote himself a commission check for his duplicate compensation and deposited the promoters' checks into the commission's checking account.

By receiving compensation from an outside source while performing his commission duties, Mr. Embanato may have violated the part of the Code of Governmental Ethics, that concerns ethical standards for public servants, at LSA-R.S. 42:1111 Payment from nonpublic sources. This ethical provision states, "No public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position..."

In addition, LSA-R.S. 42:1113 (B) states, "Other than a legislator, no appointed member of any board or commission, member of his immediate family, or legal entity in which he has a substantial economic interest shall bid on or enter into or be in any way interested

State Boxing and Wrestling Commission

Page 7

in any contract, subcontract, or other transaction which is under the supervision or jurisdiction of the agency of such appointed member.”

Mr. Embanato said he receives compensation from boxing promoters for appointing and coordinating boxing officials to boxing events. The boxing officials include referees, judges, timekeepers, corner inspectors, wrap inspectors, and doctors. He said his fee also includes overseeing fighter weigh-ins, making sure every participant is licensed, and the monitoring of the actual fights.

However, the functions Mr. Embanato listed above are the functions of the Boxing and Wrestling Commission. State law provides that commission members are to receive an annual salary if funds are available.

Mr. Embanato said he would not do the event coordinator functions for free. He said the practice of charging boxing promoters for the coordinator fees has been done by the commission for 10 or 12 years.

In addition to receiving travel reimbursements from the commission, Mr. Embanato also billed travel expenses to promoters in relation to the boxing events he worked as a boxing event coordinator. Mr. Embanato received these payments in conjunction with the compensation he received from promoters.

The following schedule details payments to Mr. Embanato for travel in relation to four boxing events:

<b>Date of Boxing Event</b>	<b>Travel Reimbursed by the Commission</b>	<b>Travel Paid by Boxing Promoters</b>
July 31, 2004	\$187.20	\$150.00
August 7, 2004	251.00	150.00
August 21, 2004	158.64	150.00
August 28, 2004	108.32	150.00
<b>Total</b>	<b>\$705.16</b>	<b>\$600.00</b>
<b>Total Paid to Mr. Embanato for Travel</b>		<b>\$1,305.16</b>

Mr. Embanato received reimbursement from the commission for round trip mileage and meal costs incurred before, during, and after the events.

Additionally, the commission failed to report the duplicate compensation received by Mr. Embanato to the Internal Revenue Service.

*Recommendations:*

1. Mr. Embanato should reimburse the applicable boxing promoters \$6,940 in duplicate payments received between July 2003 and January 2005.
2. The commission should develop policies for members to follow that are aligned with state law.
3. The commission should research similar payments made to Mr. Embanato and other commissioners prior to July 2003 or after January 2005 and recover reimbursement from those individuals.

## Attempted Intimidation

In a November 12, 2004 telephone conversation between Mr. Embanato and Edgar Lee, a wrestling promoter, Mr. Embanato attempted to intimidate Mr. Lee because Mr. Embanato believed Mr. Lee complained to the Office of State Inspector General. The intimidation threatened to cause the cancellation of a wrestling event Mr. Lee had scheduled for November 13, 2004.

According to Mr. Lee, he was told by Russell Naquin, deputy commissioner for the commission, to call Mr. Embanato. On November 12, 2004, Mr. Lee called Mr. Embanato and recorded the conversation.

In the conversation, Mr. Embanato told Mr. Lee that he and Mr. Lee had a problem because he believed Mr. Lee complained to the Office of State Inspector General regarding the commission's rules.

Mr. Embanato told Mr. Lee, in the past, the commission has "stretched rules" pertaining to Mr. Lee's wrestling events, particularly commission rules requiring the presence of physicians at wrestling events. Then Mr. Embanato told Mr. Lee that the commission would follow the strict rule of the law with regards to Mr. Lee's upcoming wrestling event.

Mr. Lee explained to Mr. Embanato that Mr. Naquin had told him the week before that he could have an emergency medical technician (EMT) instead of a physician at the November 13 event. Mr. Embanato then told Mr. Lee that he instructed Mr. Naquin to allow an EMT instead of a physician. However, Mr. Embanato told Mr. Lee this directive had changed, and Mr. Lee must have a physician present at the event, instead of an EMT. Mr. Embanato told Mr. Lee, if he did not have a physician at the event, then Mr. Lee would not have a show.

Mr. Embanato told Mr. Lee he could have had a physician or an ambulance with an EMT at the event, but now he [Mr. Lee] had to have both a physician and an ambulance.

Additionally, Mr. Lee stated he obtained a physician for the event. Mr. Embanato required Mr. Lee to have the physician call him because the physician was not a commission approved physician and he would have to approve the physician.

Mr. Embanato then instructed Mr. Lee to call the Office of State Inspector General and to tell the office that Mr. Lee did not have anything to do with the complaint filed. Mr. Lee

stated to Mr. Embanato he did not file a complaint but Mr. Embanato told him he was being accused of filing the complaint.

On December 8, 2004, when questioned about the conversation by the Inspector General's investigator, initially Mr. Embanato said he did not recall having talked with Mr. Lee in November 2004. He said the latest conversation he recalled having with Mr. Lee was in August 2004.

When Mr. Embanato was told the November conversation with Mr. Lee was recorded, he said he talked with Mr. Lee because Mr. Lee was not respecting the authority of Deputy Commissioner Naquin. He said he barely remembered the conversation and could not recall the specifics. However, the recorded conversation had no mention of Mr. Naquin's authority.

Mr. Embanato has denied he wanted Mr. Lee to contact him because of the complaint to the Office of State Inspector General. The recorded conversation does not agree with Mr. Embanato's claim.

*Recommendation:*

4. The chairman and all commission members should perform their duties within the guidelines of state statute and all properly established rules and regulations.

## Open Meetings Law Violation

The commission may have violated the state open meetings law when Mr. Embanato conducted a telephone vote in regard to commission rule changes.

State law governing open meetings (LSA-R.S. 42:4.1 *et seq.*) requires public officials to perform public business in an open and public manner. This law was created to ensure that the public is informed about the performance of public officials and decisions made by public officials.

Louisiana State Attorney General Opinion No. 02-0106 states, "Any participation via telephone, whether it is to obtain a quorum or to allow voting by non-present board members is a violation of the open meetings law."

On December 9, 2004, Mr. Embanato went to the Office of the State Register for assistance in promulgating new emergency rules for the commission. After drafting the rules, Mr. Embanato was informed by an employee of the State Register the commission had to vote on the proposed rules.

While at the State Register, Mr. Embanato used his cell phone to call five of the seven commission members individually. Mr. Embanato said he went through every rule with each commissioner. Mr. Embanato said all the commissioners he talked with voted 'yes' for the new rules. The editor for the Office of the State Register witnessed the event.

### Recommendation:

5. The commission should comply with all aspects of the state open meetings law; specifically, holding public meetings to properly promulgate its rules and regulations.

## Administrative Procedure Act Violations

The Commission may have violated the Administrative Procedure Act:

- when it did not promulgate emergency rules as required.
- by enacting an emergency rule for wrestling events that is contrary to state law with regards to commission taxes and expenses.
- when it set arbitrary fees for wrestling events without promulgating the fees as required.

### Emergency Rules Not Properly Promulgated

The commission may have violated state law by not permanently promulgating 11 emergency rules as required by the state's Administrative Procedure Act (LSA-R.S. 49:950 *et seq.*)

On May 14, 1998, the commission enacted the following emergency rules:

- Rule 304: Deposits: Closed Circuit and Pay-Per-View Television Rebroadcasting
- Rule 314: Prohibited Ring Official Assignments
- Rule 315: Judges and Referees
- Rule 316: Hold Harmless and Indemnity Agreement
- Rule 317: Judging Methods and Procedure
- Rule 318: Rounds, Duration and Intermission
- Rule 321: Fouls, Deductions of Points Because of a Foul and Accidental Fouling
- Rule 328: Event Approval
- Rule 335: Compensation of Officials
- Rule 353: Penalties and Sanctions
- Rule 522: Wrestling Event Deposits

The Administrative Procedure Act provides a set of procedures state agencies must follow in order to promulgate administrative rules. Paramount in the Act is oversight by the various legislative committees to ensure agencies make rules that do not violate the public trust. Also, the Act ensures the public can voice opinions regarding approval or disapproval of any proposed rule changes and these opinions must be communicated to the appropriate oversight committee.

## State Boxing and Wrestling Commission

### Page 13

Emergency rules are only valid for 120 days after the effective date of the rule. During the 120-day period, state agencies must follow the Administrative Procedure Act to properly make the emergency rule permanent. If the emergency rule is not promulgated as a permanent rule within the 120-day period, then the emergency rule expires.

The commission did not formally adopt the above emergency rules as permanent rules within the 120-day time frame. Therefore, the rules expired on September 11, 1998. The commission enforced these rules until December 2004, more than six years after expiration.

### Commission Rule Contradicts State Law

Not only has the commission been enforcing emergency rules which have been expired for six years, one rule, Rule 335 'Compensation of Officials' is contrary to state law.

The commission promulgated Emergency Rule 335 'Compensation of Officials' as an emergency rule on May 14, 1998. The rule required wrestling promoters and producers to pay for all commission officials (including deputy commissioners) and physicians required at wrestling events.

However, LSA-R.S. 4:67 (A) states, "...every club licensed and entitled to any of the privileges by virtue of this Chapter shall pay to the commission a tax of 5 percent of the gross receipts of each contest or exhibition..."

The statute further states, "...in cities of less than two hundred thousand, the commission may appoint a deputy commissioner and a doctor, whose compensation shall be fixed by the commission and paid out of the tax of 5 percent referred to above."

As an example, on July 23, 2004, Bayou State Wrestling and Entertainment staged a charity wrestling event, and had gross gate receipts of \$572. Bayou State paid the commission \$400 for taxes and deputy commissioner fees. In addition, Bayou State paid a physician \$100. The \$400 paid to the commission consisted of \$200 for commission taxes and \$200 for the cost of the deputy commissioner to oversee the event.

Bayou State should have only paid the commission the tax of five percent of the gross gate receipts, which was \$28.60. By law, the commission was responsible for paying for the deputy commissioner and the physician of the \$28.60 tax for this event. The commission overcharged Bayou State \$471.40.

Mr. Embanato said he was aware of the fees charged to Bayou State and stated this was normal. He explained the five percent tax for small wrestling events would not cover the

expenses related to the deputy commissioner compensation (pay and travel expenses). Mr. Embanato said the commission would lose money on small wrestling events if the commission had to pay for the deputy commissioner.

#### Arbitrary Fees for Wrestling Events

The commission set fees for wrestling events that were not promulgated in accordance with the Administrative Procedure Act, and therefore may be illegal.

The fees are commission taxes and deputy commissioner fees for wrestling events and it appears the commission arbitrarily sets the fees.

The Administrative Procedure Act states that agencies must:

- “Adopt rules of practice setting forth the nature and requirements of all formal and informal procedures available.” [LSA-R.S. 49:952 (2)]
- “Make available for public inspection all rules, preambles, responses to comments, and submissions and all other written statements of policy or interpretations formulated, adopted, or used by the agency in the discharge of its functions and publish an index of such rules, preambles, responses to comments, submissions, and interpretations on a regular basis.” [LSA-R.S. 49:952 (3)]

Not only were these provisions of the Administrative Procedure Act not followed, but also the commission’s published rules do not list a fee structure for deputy commissioner services or indicate any minimum commission tax amount for wrestling events. As a result, fees appear to be arbitrarily set by the commission through its chairman.

For example, the commission charged Bayou State \$200 for commission taxes and \$200 for deputy commissioner fees for the July 23, 2004 event. However, the commission charged New South Wrestling Alliance \$75 for commission taxes and \$175 for deputy commissioner fees for a September 25, 2004 event. Neither of the fees are set based on an established fee schedule.

When asked about the fees, Mr. Embanato stated the commission implemented an emergency rule, which set minimum tax rates and fees for deputy commissioners for wrestling events. Mr. Embanato said the Bayou State event was the first event that the minimum tax and deputy commissioner fee was charged.

Mr. Embanato said deputy commissioner fees were set according to how far the deputy commissioner had to travel for a wrestling event. He said if the deputy commissioner did

not have to travel far from his home to the event, then the fee would be \$100; if the deputy commissioner had to travel far from his home to the event, then the deputy commissioner fee would be \$200. Again, there is no published fee schedule.

*Recommendations:*

6. The commission should seek assistance in amending its enabling statutes to meet current situations and financial demands.
7. Commission members should be adequately educated concerning the stipulations and processes of the Administrative Procedure Act.
8. The commission should ensure that all of its rules are properly promulgated in accordance with the Administrative Procedure Act.
9. The commission should cease collecting all fees it is improperly collecting from wrestling events until its rules are properly promulgated.

## Failure To Maintain A Central Office

The commission has failed to maintain an office in New Orleans as required by state law.

LSA-R.S. 4:61(C) states, "The commission shall be domiciled in and shall maintain an office in the city of New Orleans..."

The commission has not had a bona fide office in New Orleans for 10 years.

Currently, the commission does not maintain an office in New Orleans, nor does it have a central office anywhere. The commission maintains a rented storage room in New Orleans, which the commission, as stated through its chairman, believes satisfies the domicile law. The financial condition of the commission may not be sufficient to support a central office.

### Recommendations:

10. The commission should seek assistance in amending the current law requiring that it maintain a central office or obtain and maintain a bona fide central office in New Orleans as required by state law.
11. The commission should seek assistance in amending its enabling statutes to allow it to generate more funding.

## Failure To Maintain Records

The commission has failed to maintain its records at a central location as required by state law.

LSA-R.S. 4:63 (A) states, "The secretary of the commission shall keep a full and true record of all its proceedings, receipts, and expenditures; preserve at its office all its books, documents, and papers..."

The commission's financial records are maintained in various locations throughout the state. Mr. Embanato maintains the commission's licensing lists in Monroe. The commission's accountant has some of the commission's financial information in Metairie. Oscar Shoenfelt, secretary/treasurer, has commission documents, such as commission minutes and receipts, in Baton Rouge. Until December 2004, Alvin Topham, former commissioner, held commission records in Lake Charles, and according to the commission's accountant, some of these records are missing.

By not maintaining its records in a central location, the commission has had difficulty in retrieving commission documentation for audits by the Office of State Inspector General and the Legislative Auditor. For example, the commission said it had a problem retrieving records from former Commissioner Topham. According to commission officials, Mr. Topham was released from the commission in July 2004 and had custody of the commission's fiscal year 2004 financial information until December 2004.

### Recommendation:

12. The commission should seek assistance in amending its current statute or maintain all of its records at a central office in New Orleans as required by state law.

## Physician Fees for Boxing Events

The commission may have violated state law when it charged boxing promoters fees for physicians.

State law and commission regulations state a physician must be present at all boxing events to examine fighters and render any other service required by the commission.

LSA-R.S. 4:67 (A) states, "...every club licensed and entitled to any of the privileges by virtue of this Chapter shall pay to the commission a tax of 5 percent of the gross receipts of each contest or exhibition..."

This statute further states, "...in cities of less than two hundred thousand, the commission may appoint a deputy commissioner and a doctor, whose compensation shall be fixed by the commission and paid out of the tax of 5 percent referred to above."

Between January 2004 and January 2005, the commission has charged boxing promoters \$6,375 in fees for physicians from all boxing events. The records maintained by the commission did not separate fees between cities with populations of more than 200,000 from cities with populations of less than 200,000. During this time frame, we were able to determine that there were four boxing events from August 2004 to November 2004. Two of the events were held in Kinder; one event was held in Marksville; and one event was held in Shreveport. According to the 2000 census Shreveport had a population of 200,145; Kinder had a population of 2,148; and Marksville had a population of 5,537.

### Recommendation:

13. The commission should seek assistance to amend the current law or discontinue the practice of charging boxing promoters for physicians in cities where boxing events are held with a population of 200,000 people or less.

## Deputy Commissioner/Event Referee

The commission may have violated state ethics law when it allowed Russell Naquin to serve as both a deputy commissioner for wrestling events and as a referee/judge at boxing events under the jurisdiction of the commission.

Mr. Naquin has been a deputy commissioner since July 2004 overseeing wrestling events in Louisiana. This is a paid position with the commission.

Mr. Naquin has also been compensated by promoters, through the commission, for services he has rendered as both a boxing referee and judge for six boxing events since July 2004, while simultaneously acting in his capacity as deputy commissioner.

The Code of Governmental Ethics at LSA-R.S. 42:1112 (A) states, "No public servant...shall participate in a transaction in which he has a personal substantial economic interest of which he may be reasonably expected to know involving the governmental entity."

As an official of the commission, Mr. Naquin is a public employee and a public servant. When he works as a referee and judge at boxing events he may be engaged in a "transaction" under this ethics provision where he has a "substantial economic interest" in violation of the ethics law.

To the extent Mr. Naquin believes that his duties as deputy commissioner and his work as a referee/judge somehow merge into one job serving the commission, but merely partially paid by the promoters, it would then appear to be a violation of the ethics law at LSA-R.S. 42:1111. This provision states, "No public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position..."

### Recommendation:

14. The commission should discontinue the practice of allowing deputy commissioners to serve as boxing referee and judge or get an advisory opinion from the state Ethics Board.

## Relaxing of Physician Rules

The commission has allowed wrestling promoters to use an emergency medical technician (EMT) instead of a medical doctor at wrestling events in violation of its rules.

Louisiana Administrative Code at 46: §325 (A) states, "Each contestant must be examined at weighing-in time, and should be examined prior to entering the ring by a commission physician. The physician shall certify in writing over his signature as to the contestant's physical condition to engage in such contest. The physician (and in the case of certain contracts two physicians) shall be in attendance during the contest, prepared to deal with any emergency which may arise."

Joey LeBella, wrestling promoter, stated he has promoted four wrestling events from July 2004 to December 2004 where he used an EMT instead of a physician. He said Deputy Commissioner Naquin was present at the events and had full knowledge that physicians were not present.

In the November 12, 2004 conversation between Edgar Lee and Buddy Embanato, Commission Chairman Embanato said, "I've been trying to make it easy on ya'll to have wrestling and stretch some rules." Mr. Embanato told Mr. Lee "We let you either have an ambulance or a doctor, either one."

Mr. Lee told Mr. Embanato that Mr. Naquin said all that was needed was an EMT with a respirator for Mr. Lee's November 13, 2004 event. Mr. Embanato responded by saying "You know why he told you that? Because I told him to tell you that. We were trying to help you cut expenses."

Prior to being confronted with a recorded conversation between he and Mr. Lee, Mr. Embanato said he has never relaxed the rules pertaining to doctors at wrestling events. He said all wrestling and boxing events must have doctors at ringside. Mr. Embanato said he has never allowed a wrestling promoter to substitute an EMT for a physician at a wrestling event.

### Recommendation:

15. The commission should enforce all of its laws and rules.

## Payments to Boxing Officials

The commission has failed to comply with its rules and its governing statute regarding payments to boxing officials.

For the most part, the commission's rules and enabling statute are silent on payments paid to boxing and wrestling officials. The statute refers to promoters paying expenses and a 5% tax from receipts but does not define the expenses. Additionally, the commission has not established a fee list or promulgated an administrative rule concerning fees paid to boxing officials.

Commission rule found at LAC 46: §315 A (4) states in part, "The referee or referees are to be appointed by the commission and the commission must approve their compensation in advance." (emphasis added)

LSA-R.S. 4:67 (A) states in part, "...further, in cities of less than two hundred thousand, the commission may appoint a deputy commissioner and a doctor, whose compensation shall be fixed by the commission and paid out of the tax of five percent..."

Instead of approving compensation, the commission, through Chairman Embanato, selects boxing officials and negotiates fees with boxing promoters for costs related to these boxing officials for prospective boxing events. These fees have not been promulgated and are not listed within the commission's administrative rules.

Mr. Embanato said fee amounts negotiated by him and boxing promoters for boxing officials depend on the following factors:

- Where the event is going to be held
- How many fights are going to be held within an event
- Whether the fight is a championship fight or not

In other words, the fees are arbitrarily set and change from boxing event to boxing event.

Additionally, by selecting boxing officials, negotiating their fees, and paying them, the commission may have made them employees. As employees, the state would be responsible for the various employment related liabilities. According to Mr. Embanato there are no written agreements establishing the boxing officials as independent contractors.

*Recommendation:*

16. The commission should seek assistance in amending its enabling statute or discontinue the practice of setting fees paid to boxing officials.

## Unreported Compensation to Boxing Officials

The commission has failed to report \$27,920 in boxing official compensation to the Internal Revenue Service for calendar year 2004. The boxing officials were paid from the commission's checking account.

The payment method used by the commission has created confusion between the commission's chairman and accountant as to the employment status of the boxing officials.

The enabling statute for the commission allows it to collect a 5% tax of gross receipts from event promoters. Additionally, the statute refers to expenses being paid by the promoters. However, the commission has collected other expenses in some instances.

Gene Lemoine, accountant for the commission, believes boxing officials are not employees of the commission. He said the commission merely acts as a pass through for payments by boxing promoters to boxing officials. He believes boxing officials work for the boxing promoters and not the commission. Mr. Lemoine said he has never reported boxing official compensation to the federal government and feels it is the responsibility of the promoters.

However, Chairman Embanato believes boxing officials are employees of the commission because he appoints the officials.

Since the commission appoints and pays boxing officials, the Internal Revenue Service may consider them employees of the commission.

Non-compliance with federal tax laws may have exposed the commission (state) to the tax liability along with penalties and interest.

### Recommendation:

17. The commission should follow the federal tax laws concerning compensation it has paid to individuals.

## Accounting Practices

The confusion created by the commission concerning the employment status of boxing officials has created problems in its accounting practices with regards to receipt for and payments to boxing officials.

The commission receives payments from boxing promoters for costs related to boxing officials and records these payments in an income account called Shows. The accountant records the receipts as an increase to the commission's cash account and income account. However, when the commission pays the boxing officials, he does not record an expense but merely reduces the cash and income accounts.

Mr. Lemoine said the reason he accounts for receipts and disbursements for boxing officials in this manner is because he does not consider receipts for boxing officials as income and disbursements to boxing officials as expenses to the commission. He said the commission pays boxing officials for boxing promoters.

### Recommendation:

18. The commission should properly account for income and expenses relative to boxing officials.

## Unsupported Transactions

The commission has not kept a full and true record of its receipts and expenditures as required by state law. The commission has received \$15,385 from boxing promoters and paid \$8,585 to boxing officials, which are not supported by documentation to substantiate these transactions.

LSA-R.S. 4:63 (A) states, "The secretary of the commission shall keep a full and true record of all its proceedings, receipts, and expenditures..."

### Unsupported Receipts

Of documentation reviewed for six boxing events from July to November 2004, four did not have sufficient documentation to support \$15,385 of deposits related to these events.

For example, a review of commission accounting records supporting a \$4,735 bank deposit dated August 30, 2004 indicated funds deposited were seemingly for boxing official fees, boxing licenses, and commission taxes for a boxing event held on August 28, 2004.

The deposit slip notated three separate checks from a promoter being deposited. The deposit slip is detailed below:

<b>Description</b>	<b>Amount of Check</b>
Bayou Prom SF	\$1,500
Bayou – Lic	\$575
Bayou Off. Fees	\$2,660
<b>Total Deposit</b>	<b>\$4,735</b>

Copies of three checks are attached to the deposit slip as support; however, the checks attached to the deposit slip did not match payer descriptions or amounts notated on the deposit slip. The checks are detailed below:

<b>Check Payer</b>	<b>Check Date</b>	<b>Check Amount</b>
Eagle Communications	November 9 (No Year)	\$500
Eagle Communications	November 9 (No Year)	\$2,175
Paragon Casino	August 20, 2004	\$1,500
<b>Total</b>		<b>\$4,175</b>

The two checks written by Eagle Communications to the commission were actually deposited on November 17, 2004, pertaining to licenses and fees for a November 9, 2004 boxing event. The check written by Paragon Casino to the commission was actually deposited on August 23, 2004, related to fees for an August 22, 2004 boxing event.

As for the deposited funds from the other three events reviewed, the commission did not have adequate documentation but only had copies of the checks deposited attached to the deposit slip.

Unsupported Payments to Boxing Officials

A review of commission disbursements for six boxing events from July to November 2004 revealed four of the events did not have documentation to support \$8,585 of commission checks written to boxing officials.

The only support the commission had for these disbursements were the cancelled checks that accompanied commission bank statements for the respective time periods.

**Recommendations:**

19. The commission should establish a system which provides sufficient documentation in its records to support all commission receipts and disbursements. At a minimum, such documentation should include:
  - Documents showing the boxing promoter and the commission agreed on a specific amount pertaining to the boxing officials.

- Commission invoice to the promoter detailing the prospective payments to officials, taxes, and licenses.
  - Documents detailing commission licenses (i.e., boxing licenses and promoter licenses) sold and issued. The documentation should show the amount of the licenses and who received the licenses.
  - Documents such as contracts and ticket receipts showing that a boxing event actually took place.
  - Documents showing the boxing officials actually worked the event. Both a commission official and the respective boxing official should verify and sign the document.
20. The commission should direct the secretary to establish and maintain accurate records of the commission's receipts and expenditures. The commission should also require regular financial reports from the secretary.

## Mr. Naquin's Unreported Pay

For calendar year 2004, Mr. Naquin received \$3,325 in compensation from the commission that was not reported as income by the commission to the Internal Revenue Service.

Mr. Naquin is employed by the commission as a deputy commissioner. Additionally, the commission appoints and pays Mr. Naquin as a Referee/Judge for boxing events, and is therefore responsible for reporting Mr. Naquin's compensation to the Internal Revenue Service.

Mr. Naquin's compensation for calendar year 2004 that was paid by the commission is detailed below:

<b>Purpose</b>	<b>Amount</b>
Referee/Judge for Boxing Events	\$2,425
Deputy Commissioner for Wrestling Events	\$900
<b>Total Compensation</b>	<b>\$3,325</b>

By not complying with federal tax laws, the commission has exposed the state to possible taxes, penalties, and interest liabilities.

### Recommendation:

21. The commission should follow all applicable federal tax laws.

## Un-remitted Fees by Mr. Naquin

Mr. Naquin may have violated the commission's enabling statute when he failed to remit at least \$375 of deputy commissioner fees he received from wrestling promoters for wrestling events. The commission never accounted for these fees.

LSA-R.S. 4:67 (C) (1) states, "The taxes provided for by this Section shall constitute a special fund, which shall be disbursed as provided in this Chapter."

LSA-R.S. 4:67 (C) (2) states, "All expenses necessary to maintain the office of the commission and to carry on all of its business and affairs are also allowed from this fund."

Mr. Naquin represented the commission at two wrestling events, where he received cash from promoters for commission taxes, licenses, and deputy commissioner fees for the respective wrestling events. A review of commission records revealed Mr. Naquin remitted only the commission taxes and license fees to the commission and not the deputy commissioner fees for the two events. There was no record of this compensation to Mr. Naquin in the commission's general ledger from July 2004 to December 2004.

### Recommendations:

22. Mr. Naquin should give the commission a full accounting of all fees he has not remitted to the commission. He should then make full restitution of the un-remitted amounts.
23. The commission should implement controls that will ensure full accounting for all funds received for boxing and wrestling events. At a minimum, the controls should include:
  - Promoters should make all payments by instruments other than cash.
  - The commission should issue itemized invoices detailing licensing fees and taxes charged to wrestling promoters.
  - The commission invoices should be sequentially numbered and carbonized so multiple copies of the invoices can be distributed.

- Both the promoter and the deputy commissioner should sign the commission invoice.
- The deputy commissioner should notate on the invoice all amounts received from the promoter.
- The deputy commissioner should give a copy of the invoice to the promoter.
- The deputy commissioner should deposit all funds received into the commission's bank account by the next banking day after receipt.
- The deputy commissioner should submit bank deposit slips with the corresponding invoice to the commission secretary treasurer.
- The secretary treasurer should ensure that all bank deposits match invoice amounts.

## Report Responses

The following individuals have responded to this report. Their responses are attached.

1. A. L. "Buddy" Embanato, chairman, Louisiana State Boxing and Wrestling Commission
2. John Green, Jr., commission member, Louisiana State Boxing and Wrestling Commission
3. Oscar L. Shoenfelt, III, secretary/treasurer, Louisiana State Boxing and Wrestling Commission
4. Gene Lemoine, accountant, Louisiana State Boxing and Wrestling Commission
5. Russell Naquin, deputy commissioner, Louisiana State Boxing and Wrestling Commission

**Louisiana State Boxing  
& Wrestling Commission**

P. O. Box 13126  
Monroe, LA 71213  
(318) 382-4529 Office  
(318) 382-4628 Fax

April 21, 2005

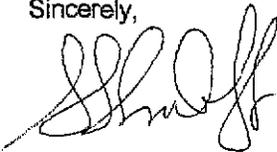
Office of State Inspector General  
Sharon B. Robinson, CPA  
P. O. Box 94095  
Baton Rouge, LA 70804-9095

Dear Madam:

Enclosed is my response to File No 1-05-0005. The response consists of seventeen (17) pages.

I am faxing a copy and sending the original by regular mail. If I can provide you with any additional information please contact me.

Sincerely,



A. L. "Buddy" Embanato, Jr.  
Chairman

## **Response of A. L. "Buddy" Embanato, Jr. to Findings of the Inspector General 's Office**

### **Duplicate Payments to Mr. Embanato:**

In the late 1990's (must look at the minutes) the Commission voted to pay a Commissioner \$300.00 to do the work of event coordinator. The reasons for this were that it was very time consuming to attend and supervise the boxing events. When the Commission was formed and the original revised statutes were promulgated in 1974 most boxing events were in the New Orleans area.

The Commission chose the amount of \$300.00 due to the amount of work that the event coordinator was required to perform. So that the Inspector General can understand, the event coordinator is not at all involved in any of the commercial aspects of the show; his sole purpose is to insure that all of the regulations and rules of the Commission are followed at the boxing event. This is why the event coordinator had to be a member of the Commission. The event coordinator arrives the morning of the weigh-in, which is at least one day before the fight. He issues licenses to all parties, conducts the weigh-in and assists the doctor. He must then get with the promoter to decide the bout order & check the records of the fighters to make sure there are no mismatches.

After the weigh in and the issuance of the licenses, the event coordinator must prepare the various documents for the show, including but not limited to: Judges' assignments, referees' assignments, corner inspectors, wrap inspectors, timekeepers, scorecards, tally sheets, physicians' report, license fees report, & invoice for promoter. It is during this period of time that the event coordinator insures that all of the officials are properly scheduled for each bout; and that each of the officials knows their various responsibilities.

The next day (around 10:00 a.m.) he must check to see if the ring is in compliance with Commission standards; that the dressing rooms are in proper order and that the ringside area is properly arranged for the various officials. When the show he is responsible for making sure that all aspects of the match take place according to Commission regulations. His primary purpose is to maintain an accurate accounting of each scorecard and ensure that all boxers are ready to enter the ring. When the show has ended he must complete the result sheet accurately, this must be sent to Fight Fax, Inc. within 24 hours of the show (Mohamed Ali Act). His day ends as early as 11:30 pm, but usually around 12:30 am. He can then go home either that day or the next (usually the next).

The financial figures quoted in the IG's findings are incorrect. In 2004 I was paid \$2,270.00 in salary. There were 13 boxing events @ \$300 each (\$3,900.00) for a total of \$6,170.00. I was entitled to a total of \$8,200.00 for the year. As you can

see this is \$2,030.00 short of my entitled salary. At no time was I paid \$300.00 for any wrestling or mixed martial arts event.

At the present time the Commission owes me over \$10,000.00 in unpaid salaries. The Commission shows these salaries as accrued, and I feel that with adequate time I can show that I have been under paid and not overpaid. The Commission has had this payment schedule in effect for many years. The Legislative Auditor has been advised of these payments for a number of years. At the last audit I discussed these payments with the auditors and stated that I had been told by the previous chairman that these payments were legal. At the next meeting I am going to ask the Commission for a resolution to seek an opinion on this matter and until the opinion is rendered I have suspended this payment to a Commissioner.

### **Travel Reimbursements:**

When I was questioned about the travel, I told Mr. Roberts that the promoter sometimes had to pay for rooms, meals, & mileage for some referees. This was contingent upon the length of travel. If you check the expense report Mr. Roberts is quoting from, you will notice that there were no lodging charges for the referees & judges. However, there are charges for my mileage and food.

### **Attempted Intimidation:**

During my conversation with Mr. Lee I told him that we had "stretched", "relaxed", or modified the rule concerning the physician (see attached minutes) but because the Inspector General had received a complaint the Commission had decided to suspend the new rule and if he didn't follow the rules we would not allow him to produce anymore shows. The reason for the doctor calling me was that I was not familiar with the doctor he has obtained and therefore I needed to talk to him. In the past we have had promoters try to use a chiropractor.

Although I have not been provided with either a copy of the tape in question or a transcript of the tape, I can say that I did not intend in any way to intimidate Mr. Lee. The Commission has a statutorily imposed duty to stop any events, which do not comply with the statute. I merely wanted Mr. Lee to understand that his failure to comply with all of the rules would lead to his show being cancelled.

In order to alleviate any allegations that I am predisposed to be against Mr. Lee or any of the other wrestlers or wrestling in general, I have delegated all authority regarding mixed martial arts to John Green, Jr., who was appointed to the Commission in February of 2005. Since he was appointed after these alleged events I feel this will provide a neutral person to deal with wrestling issues.

## **Open Meetings Law Violation:**

On 12/8/04 Mr. Pat McGenity & I met with the people at the O I G in their office. During this meeting we were told that we had some issues with our rules. I was told to call the Office of The State Register. The next day I did so and went to their office at 8:45 am. I met with Mrs. Catherine S. Brindley. I discussed the issues with her. She then called Mr. Roberts and asked him what were the problems with our Commission. She then helped me resolve the alleged violations indicated by Mr. Roberts after several hours of work I asked her what I had to do next. She said that I could call each member, by phone, and read them the changes and ask for them to vote yes or no on the changes. She also told me to make notes on the phone calls. I did as she suggested (Mr. Roberts has a copy of these notes). After the votes I went to the Governor, Attorney General, Speaker of the House, & Senate's offices and left a copy of the Emergency Rules with each and asked for their signature on my copy. I have attached a copy of the rule concerning the Procedure for adoption of rules. Please see attached email from Ms. Catherine Brindley.

## **Administrative Procedure Act violations:**

The emergency rules in question were enacted in May of 1998; prior to the appointment of the current Commission and prior to the time the I was made chairman. It is admitted that, due to the failure of the prior Commission to properly promulgate these rules, the current Commission has improperly acted according to those rules.

The allegation that there were improper amounts charged is also correct given the fact that the rules from May of 1998 were not properly promulgated and the statutes which the Commission has to operate from are twenty-five years old.

It is denied that myself or other members of the Commission in any way singled out wrestlers or wrestling. Any appearance that the fees were arbitrary is due merely to the Commission's misapplication of the unpromulgated statutes and had to do with the distance to be traveled by the Commission representative. There was never a deliberate attempt to single out any particular organization. This was all due to the fact that under the 1974 statutes there was no fee schedule for anyone other than a physician.

We agree with the recommendations of the IG's office. The Commission has taken action in compliance with all four of these recommendation, including:

1. The correct promulgation of rules;
2. The cessation of collecting fees at wrestling events other than those authorized specifically by statute; and

3. New legislation, to be discussed by Mr. Green, to update the outdated revised statutes.

### **Failure To Maintain A Central Office:**

The statement contained herein is true. The Commission lacks the finances to maintain an office in New Orleans. The Commission has accepted the recommendations of the IG's office and has taken action to resolve these problems statutorily as can be seen from Mr. Green's report.

### **Failure To Maintain Records:**

The statement contained herein is true. The record keeping of previous Commissions were inherited by the current Commission, and we are altering those procedures. The Commission has accepted the recommendations of the IG's office.

### **Physician Fees for Boxing Events:**

We agree with the findings of the IG's office regarding the payment of physician's fees by promoters. See Mr. Green's response.

### **Deputy Commissioner/Event Referee:**

The Commission will seek a ruling from the Ethics Board as to whether or not Mr. Naquin's behavior violates the revised statutes.

### **Relaxing of Physician Rules:**

The Commission discussed at its 6/10/04 meeting the possibility of relaxing the rules concerning the physician & ambulance at a wrestling event. On 8/12/04 the Commission voted to allow the wrestling promoters to have only an ambulance present at the events provided the event location was no more than 5 minutes away from a hospital (see attached minutes). When I received information that people had complained about this, we suspended this practice immediately.

We accept the recommendations of the IG. The rules pertaining to all events are going to be followed to the letter in the future.

## **Payments to Boxing Officials:**

When Mr. Roberts questioned me about the fees for a boxing event I explained to him that the total amount was contingent upon several factors:

4. Number of bouts;
5. Size of the venue;
6. Was it televised?;
7. Women's championship fights;
8. Men's championship fights;
9. Sanctioning body involvement:

I have attached the fee schedules that I had on file.

The Commission has accepted the Recommendation of the IG pertaining to this finding.

## **Unreported Compensation to Boxing Officials**

These findings will be answered by Gene Lemoine, the accountant for the Commission and by Mr. Russell Naquin, and by Mr. Green.

This having been said the Commission accepts the Recommendation of the IG's office and will follow all rules pertaining to federal tax laws.

## **Accounting Practices:**

These findings will be answered by Gene Lemoine, the accountant for the Commission and by Mr. Green.

This having been said the Commission accepts the Recommendation of the IG's office and will follow all rules pertaining to federal tax laws.

## **Unsupported Transactions:**

Bayou Promotions \$1500.00 = sanctioning fee for the Paragon Casino  
(Indian Casino – Marksville, LA)

Bayou Promotions Lic. Fees \$575.00 = fees taken out of the purse of each boxer for his or her license along with their seconds & managers.

Bayou Promotions Officials Fees \$2660.00 = the amount they paid to pay the officials for their boxing show.

Bayou Prom SF \$1500.00. This is the sanctioning fee (SF) for the bouts held on and Indian Reservation. We cannot charge taxes but we can charge a sanctioning fee.

Bayou – Lic \$575.00. This represents license fees withheld from the boxers purses at an event.

Bayou Off. Fees. This represents the amount paid to the boxing officials (referees, judges, timekeepers, etc.) for a boxing event.

Eagle Communications. This \$500.00 amount is for a promoter's license.

Eagle Communications. This \$2,175.00 represents the amount paid to the officials for their services for a boxing event.

Paragon Casino. This \$1,500.00 is the amount of a sanctioning fee for and Indian Casino.

We have always given the promoter an invoice for the disbursements made to the officials at a boxing event (see sample invoice attached).

The Commission is now obtaining receipts for the checks paid to the officials. The Commission is also preparing detailed receipts indicating the work performed by the official and the amount paid.

The Commission accepts each of the recommendations made by the IG's office. There is agreement that the procedures and documentation requirements inherited by the existing Commission are antiquated and need to be amended.

## **Mr. Naquin's Unreported Pay**

Mr. Naquin and Mr. Green are both providing responses to this finding.

Beyond this, we agree that the Recommendations of the IG's office are accurate and will be followed by the Commission.

## **Un-remitted Fees by Mr. Naquin**

Mr. Naquin will provide the response to the findings of the IG's office.

By way of response, it must be pointed out the Mr. Naquin is not a member of the Commission which was appointed by the Governor. The members of the Commission knew any actions taken by Mr. Naquin. Any suggestion that he has misappropriated any funds for his own use are inappropriate. Any suggestion that Mr. Naquin has behaved in any manner not approved by the Commission fails to take into account Mr. Naquin's relationship to the Commission. To be clear, any amounts retained by Mr. Naquin were approved by the Commission, any failure in accounting is the fault of the antiquated statutes and regulations of the Commission.

The Commission will follow the Recommendations of the IG's office to the following extent:

22. We will have Mr. Naquin account for any fees he has not remitted to the Commission. However for the reasons set forth above we disagree with the suggestion that he should repay any un-remitted amounts, unless, in the unlikely event it is found that he received money without the permission of the Commission.

23. Payment in monies other than cash is not always feasible, as the Commission cannot always rely on a check issued being good. To the extent feasible we will accept checks from those promoter who have shown reliability. The other recommendations made herein are acceptable and will be implemented by the Commission.

**Boxing & Wrestling Commission  
Meeting of June 10, 2004  
Minutes**

Bobby Dupre – present

Larry Scrubbs – absent

Fielding Lewis – present

Buddy Embanato, Jr. – present

Dierdre Gogarty – present

Oscar Shoenfelt, III – present

Joey Short – present

A discussion by Buddy Embanato, Jr. was held to familiarize the new members with the procedures of the commission. There was a discussion on amending the boxing and wrestling statute to eliminate need for a physician at ringside for wrestling matches in the future. There was also a suggestion that the venue of the commission be moved to Baton Rouge, especially regarding venue for filing a suit against the commission.

The usual meeting time will be the second Thursday of each month. Pending fights were discussed. The next fight is in Lafayette, May 18, 2004, between 7:00 p.m. – 7:30 p.m.

**Boxing & Wrestling Commission  
Meeting of August 12, 2004  
Baton Rouge, LA  
Minutes**

Bobby Dupre – present

Larry Scrubbs – present

Fielding Lewis – absent

Buddy Embanato – present

Dierdre Gogarty – present

Oscar Shoenfelt, III – absent

After a lengthy discussion concerning having a physician and an ambulance at a wrestling event, Bobby Dupre moved to allow a wrestling promoter to have only an ambulance with a licensed paramedic ringside provided the event is within 5 minutes from a hospital. Dierdre Gogarty seconded it. The motion passed.

The following upcoming shows were discussed and approved.

Upcoming shows:	8/21/04	Paragon Casino	Bayou Promotions
	8/26/04	State Palace Theater	Ed Mendy
	8/28/04	Grand Casino	Bayou Promotions

The usual meeting time will be the second Thursday of next month.

The meeting was adjourned

**Louisiana State Boxing &  
Wrestling Commission**

<b>Promoter:</b>	<b>Promoters Name</b>	<b>Date:</b>	<b>xxxx</b>
<b>Location:</b>	<b>Location of Event</b>	<b>Permit #:</b>	<b>xxxx</b>

**Officials Fees**

	<b>Official</b>	<b>Dues:</b>	<b>Champ:</b>	<b>Rate:</b>	<b>Travel:</b>	<b>Total:</b>	<b>Ck. #</b>
1	Event Cordinator			\$0.00	\$150.00	\$450.00	
2	Referee			\$0.00	\$100.00	\$225.00	
3	Referee			\$0.00	\$100.00	\$225.00	
4	Referee			\$0.00	\$100.00	\$225.00	
5	Referee			\$0.00	\$100.00	\$225.00	
6	Referee						
7	T/keeper			\$0.00	\$50.00	\$150.00	
8	C/Knock			\$0.00	\$50.00	\$150.00	
9	Inspector						
10	Inspector						
11	Corner Inspector			\$0.00	\$0.00	\$85.00	
12	Corner Inspector			\$0.00	\$0.00	\$85.00	
13	Wrap Inspector			\$0.00	\$0.00	\$85.00	
14	Wrap Inspector			\$0.00	\$0.00	\$85.00	
15	Ringside Doctor #1			\$0.00	\$0.00	\$250.00	
16	Ringside Doctor #2			\$0.00	\$0.00	\$225.00	
<b>Total Officials:</b>							<b>\$2,465.00</b>

<b>Taxes</b>	<b>Amt.</b>	
Taxes for T. V. Contract	\$0.00	<b>\$0.00</b>

**License Applications**

\*\*\*\*\*See Attached List\*\*\*\*\*  
(List on page 2)

<b>One check for Officials Fees</b>	<b>\$2,465.00</b>
<b>One check for T. V. Tax</b>	<b>\$0.00</b>
<b>One Check for License Fees</b>	<b>\$1,150.00</b>

<b>Total Due Commission</b>	<b>\$3,615.00</b>
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**LOUISIANA STATE BOXING & WRESTLING COMMISSION**  
P. O. Box 13126 Monroe, LA 71213  
Phone (318) 362-4529

**GATE RECEIPTS and TAX REPORT**  
Louisiana State Boxing & Wrestling Commission

The undersigned, complying with the provisions issued under Louisiana Revised Statutes of 1974, Title 4 - Chapter 3, Sections 61 et seq, as amended, makes the following report

I. Name of Club: \_\_\_\_\_  
II. Date of contests: \_\_\_\_\_

IV. Numbers of tickets sold and gross proceeds thereof:			Ticket Price	
<b>Set No.</b> _____	<b>Ringside</b>	_____		<b>Gross Receipts</b>
Total Manifest _____				
No. Sold _____		@ _____		\$ _____
No. Not Sold _____				
<b>Set No.</b> _____	<b>Reserved</b>	_____		
Total Manifest _____				
No. Sold _____		@ _____		\$ _____
No. Not Sold _____				
<b>General Admission:</b>				
	No. Sold	Not Sold	Total \$	
_____	_____	_____	_____	
_____	_____	_____	_____	
_____	_____	_____	_____	
_____	_____	_____	_____	
_____	_____	_____	_____	
	Total General Adm.		_____	
			<b>TOTAL RECEIPTS</b>	\$ _____
			<b>STATE AND CITY TAX</b> _____ %	\$ _____
			<b>BALANCE</b>	\$ _____
			<b>L.a. State Boxing &amp; Wrestling Tax 5%</b>	_____
			<b>Permit Fee</b>	_____
			<b>TOTAL DUE COMMISSION</b>	_____

By: \_\_\_\_\_  
**PROMOTER**

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
**COMMISSIONER IN CHARGE**

no contest other than the foregoing has been held by the undersigned since rendering its last report to the Louisiana State Boxing and Wrestling Commission.  
**WITHIN 24 HOURS AFTER CONTEST, ORIGINAL REPORT MUST BE MADE with the Louisiana State Boxing & Wrestling Commission Sec.-Tres, Lake Charles, La., accompanied by a certified check, cashier's check, or post office money order, made payable to the Louisiana Boxing & Wrestling Commission. AND A COPY TO YOUR BOOKING OFFICE**

**Buddy Embanato**

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**From:** "Catherine Brindley" <Catherine.Brindley@LA.GOV>  
**To:** <aembanato@jam.rr.com>  
**Sent:** Monday, March 21, 2005 2:16 PM  
**Subject:** Emergency Rule Reference in APA

## LEGISLATION

State Legislature

2003 Regular Session

Administrative Procedure Act (R.S. 49:950 et seq.)

Editor's Note: The following Act is the finished version of the APA as stored in the House of Representatives' Database.

## Title 49. STATE ADMINISTRATION

## §953. Procedure for adoption of rules

B.(1) If an agency finds that an imminent peril to the public health, safety, or welfare requires adoption of a rule upon shorter notice than that provided in Subsection A of this Section and within five days of adoption states in writing to the governor of the state of Louisiana, the attorney general of Louisiana, the speaker of the House of Representatives, the president of the Senate, and the Department of the State Register, its reasons for that finding, it may proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, to adopt an emergency rule. The provisions of this Paragraph also shall apply to the extent necessary to avoid sanctions or penalties from the United States, or to avoid a budget deficit in the case of medical assistance programs or to secure new or enhanced federal funding in medical assistance programs. The agency statement of its reason for finding it necessary to adopt an emergency rule shall include specific reasons why the failure to adopt the rule on an emergency basis would result in imminent peril to the public health, safety, or welfare, or specific reasons why the emergency rule meets other criteria provided in this Paragraph for adoption of an emergency rule.

(2) Notice of the emergency rule shall be mailed to all persons who have made timely request of the agency for notice of rule changes, which notice shall be mailed within five days of adoption of the emergency rule. The office of the state register may omit from the Louisiana Register any emergency rule the publication of which would be unduly cumbersome, expensive, or otherwise inexpedient, if the emergency rule in printed or processed form is made available on application to the adopting agency, and if the Louisiana Register contains a notice stating the general subject matter of the omitted emergency rule, the reasons for the finding of the emergency submitted by the agency, and stating how a copy thereof may be obtained.

(3) The validity of an emergency rule or fee may be determined in an action for declaratory judgment in the district court of the parish in which the agency is located. The agency shall be made a party to the action. An action for a declaratory judgment under this Paragraph may be brought only by a person to whom such rule or fee is applicable or who would be adversely affected by such rule or fee and only on the grounds that the rule or fee does not meet the criteria for adoption of an emergency rule as provided in Paragraph (1) of this Subsection. The court shall declare the rule or fee invalid if it finds that there is not sufficient evidence that such rule or fee must be adopted on an emergency basis for one or more of the reasons for adoption of an emergency rule as provided in Paragraph (1) of this Subsection. Notwithstanding any other provision of law to the contrary, the emergency rule or fee shall remain in effect until such declaratory judgment is rendered. The provisions of R.S. 49:963 shall not apply to any action brought pursuant to this Paragraph. The provisions of this Paragraph are in addition to R.S. 49:963 and shall not limit any action pursuant to R.S. 49:963.

(4)(a) Within sixty days after adoption of an emergency rule or fee, an oversight subcommittee of either house may conduct a hearing to review the emergency rule or fee and make a determination of whether such rule or fee meets the criteria for an emergency rule or fee as provided in Paragraph (1) of this Subsection and those determinations as provided in R.S. 49:968(D)(3). If within such time period an oversight subcommittee finds

4/7/2005

an emergency rule or fee unacceptable, it shall prepare a written report containing a copy of the proposed rule or proposed fee action and a summary of the determinations made by the committee and transmit copies thereof as provided in R.S. 49:968(F)(2).

(b) Within sixty days after adoption of an emergency rule or fee, the governor may review such rule or fee and make the determinations as provided in Subparagraph (a) of this Paragraph. If within such time period the governor finds an emergency rule or fee unacceptable, he shall prepare a written report as provided in Subparagraph (a) and transmit copies thereof to the agency proposing the rule change and the Louisiana Register no later than four days after the governor makes his determination.

(c) Upon receipt by the agency of a report as provided in either Subparagraph (a) or (b) of this Paragraph, the rule or fee shall be nullified and shall be without effect.

2004 Officials Fees			
Non Television Shows:			Television Shows
Small Shows:	Large Shows:		
Event Cord.	\$300.00	\$300.00	\$300.00
Referee	\$150.00	\$175.00	\$300.00
Judge	\$150.00	\$175.00	\$300.00
Judge	\$150.00	\$175.00	\$300.00
Judge	\$150.00	\$175.00	\$300.00
Judge	\$150.00	\$175.00	\$300.00
Timekeeper	\$150.00	\$175.00	\$300.00
Count for Knock	\$150.00	\$175.00	\$300.00
Corner Inspector	\$75.00	\$85.00	\$150.00
Corner Inspector	\$75.00	\$85.00	\$150.00
Wrap Inspector	\$75.00	\$85.00	\$150.00
Wrap Inspector	\$75.00	\$85.00	\$150.00
Main Doctor	\$275.00	\$300.00	\$300.00
2nd Doctor	\$225.00	\$250.00	\$275.00
<b>Total:</b>	<b>\$2,150.00</b>	<b>\$2,415.00</b>	<b>\$3,575.00</b>
There may be travel and rooms required for shows a long distance from the home of the ring personnel. This will be stated at the time of the application for show is presented to the commission.			

**Championship Fees**  
**Continental Championships of the Americas**  
**Effective as of November 01, 2003**

Promoter's fee.....\$1,500.00  
Champion fee.....300.00 or 1.5 % of purse, whichever is greater  
Challenger's fee.....250.00 or 1% of purse, whichever is greater

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Total.....\$2,050.00 / payable to WBC Americas  
(Or \$2,000.00 in the case of a vacant title)

**Belt fee:**  
due in case of a change of  
champions or a vacant title...\$550.00

**Officials' fees:**

Judge, no television	\$300.00
Judge, (ESPN, FOX, TLE, etc.)	\$400.00 (*)
Judge, (Major TV)	\$550.00
Referee, no television	\$400.00
Referee (ESPN, FOX, TLE, etc.)	\$500.00 (*)
Referee (Major TV)	\$650.00
Supervisor	\$300.00 (*)
Supervisor (Major TV)	\$350.00

The promoter shall also have the responsibility to pay round trip travel, lodging, and meals for all of the above listed officials if applicable.

**NORTH AMERICAN BOXING FEDERATION  
CHAMPIONSHIP BOUT SANCTIONING FEES**

Champion.....1% of contract pay or minimum of \$500.00  
 Champion membership fee..... 40.00  
 Champion manager membership fee..... 40.00  
 -----  
 \$580.00

Challenger.....3/4% of contract pay or minimum of \$450.00  
 Challenger membership fee..... 40.00  
 Challenger manager membership fee..... 40.00  
 -----  
 \$530.00

Promoter's fee.....1/3 of above sanction fees or minimums of:

No TV: \$1500.00  
 ESPN, Fox, Telemundo, etc.: \$2000.00  
 Showtime, HBO, PPV, etc.: \$2500.00

Promoter's membership fee: \$100.00

Belt (if vacant title or change of champions): \$500.00

Boxers' Life Insurance: \$116.00 (\$58.00 each)

Officials' fees:

	No TV	ESPN, Fox, etc.	HBO, Showtime, PPV
Judges (each)	\$300.00	\$450.00	\$800.00
Referee	\$400.00	\$550.00	\$1000.00

**IBF ELIMINATOR**

Promoter Annual Registration		\$2,000.00	
Promoter Fight Sanction		2,500.00	
Supervisor Stipend		500.00 USA (700 OOC*)	
Challengers		1,000.00 each	
Referee	minimum	1,000.00	
Judges	minimum	800.00 each	

**IBF/INTERCONTINENTAL**

	<b><u>REGULAR</u></b>	<b><u>VACANT</u></b>
Promoter Annual Registration	\$ 750.00	\$ 750.00
Promoter Fight Sanction	2,000.00	2,000.00
Supervisor Stipend	500.00 USA (700 OOC*)	
Champion Fight Sanction	500.00	
Challenger Fight Sanction	400.00	400.00 each
Referee	500.00	
Judges	400.00 each	
Belt	750.00	

**HEAVYWEIGHT**

Promoter Fight Sanction	\$2,500.00	\$2,000.00
Champion Fight Sanction	700.00	
Challenger Fight Sanction	600.00	600.00 each
Referee	800.00	
Judges	700.00 each	

**UNITED STATES REGIONAL:**

**IBF LATINO; YOUTH**

Promoter Annual Registration	\$ 300.00	\$ 300.00
Promoter Fight Sanction	500.00	500.00
Supervisor Stipend	500.00	500.00
Champion Fight Sanction	300.00	
Challenger Fight Sanction	200.00	200.00 each
Referee	250.00	
Judge	200.00	
Belt	750.00	

\* OOC - Out of Country

**To participate in a purse offer, all of the promoter's annual registration fees must be paid to the treasury at least 30 days prior to notification of the purse offering. Rules 2 D; 10 A 1.**

**In order to qualify for the fees listed on this Fee Schedule, the official must be a member of the IBF/USBA. No promoter shall be required to pay the fees listed above to a referee or judge who is not a member of the IBF/USBA.**

Louisiana State Boxing & Wrestling Commission  
P. O. Box 13126  
Monroe, LA. 71213

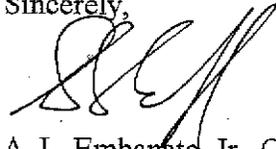
January 10, 2005

Paragon Casino Resort  
711 Paragon Place  
Marksville, LA 71351

Dear Sirs,

The Louisiana State Boxing & Wrestling Commission will oversee the fight for the Association of Boxing Commissions on 3/12/05 at The Paragon Casino Resort in Marksville, Louisiana. The fee for this sanctioning is \$1,500.00.

Sincerely,



A. L. Embarato, Jr., Chairman  
Louisiana State Boxing & Wrestling Commission

**JOHN GREEN, JR.**

Attorney At Law

**AAA LEGAL SERVICES, INC.**

1135 Hodges Street

Lake Charles, LA 70601

green@johnngreenjr-atty.com

Phone (337) 990-0060

Fax: (337) 990-0059

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April 21, 2005

VIA FACSIMILE (225) 342-6761

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Post Office Box 94095  
Baton Rouge LA 70804-9095

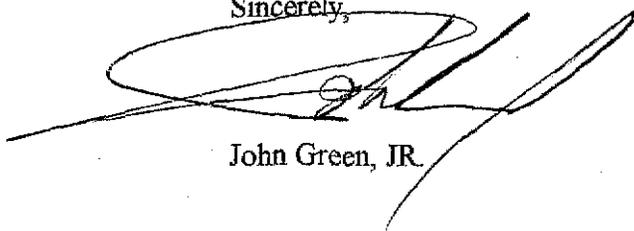
RE: File No. 1-05-0005

Dear Sharon:

Attached herewith please see my responses to the findings of the Inspector General's Office dated April 7, 2005. I will forward the same by mail.

If you have any questions, please do not hesitate to contact me at my office.

Sincerely,



John Green, JR.

JJ/dtm  
nclosure

## Reply to Findings of the Inspector General 's Office

### INTRODUCTION

My name is John Green, Jr. I was appointed to the Louisiana State Boxing and Wrestling Commission (Hereinafter "Commission") in February of 2005. As a prelude to my response to the Findings of the Inspector General (Hereinafter IG) I would like to make the following points:

1. The Commission is self funded and has been unable to seek legal counsel for many of the issues which should have been resolved in the past 25 years since the Revised Statutes were passed. This has led to people on the Commission who are essentially laymen making decisions regarding the promulgation of regulations and the interpretation of law, a task for which they are not well suited. This has led to the majority of the violations found by the IG's office.
2. I am a practicing attorney as is the current secretary. Although I initially anticipated there would be some resistance by the Commission as to my suggestions regarding changes I felt were required by statute and changes to the statutes themselves, the opposite has been the case. Each member of the Commission has exhibited a desire to clean up and modernize both the Revised Statutes and the existing regulations.
3. In my three months on the Commission, I have extensively researched the statutes and regulations common to the boxing and wrestling industry. With the exception of certain accounting practices which need to be addressed, the Commissions charges for officials, physicians, and event coordinator are in line with what is currently being done in the states with the extensive statutes and regulations on this subject. Although this does not excuse the fact that many of these charges were made without statutory authority, my view is that the actions of the Commission were in keeping with established boxing and wrestling conventions, and not with the intent to single out any specific individual or for any sort of personal gain.
4. I have made it my mission to update the Revised Statutes as well as those regulations relating to both wrestling and mixed martial arts. With the help and full support of my fellow Commissioners the 25 year old Revised Statutes have been rewritten and we now have a bill presented by Mr. Smiley

which is before this session of the legislature. I have also submitted a draft of regulations to wrestling and mixed martial arts to the Commission.

5. Much of the basis for the complaints against the Commission relate to the wrestling community. In meetings with representatives of the wrestling community and in listening to their statements before the Commission it is clear that their chief concern relating to the Commission is that they want the Commission to “deregulate” the wrestling industry and essentially allow them to do what they wish to do when they wish to do it. I refer the IG to the case of Bergeron v. State Boxing and Wrestling Commission wherein some of the very wrestlers making complaints against the Commission were involved in an event where a wrestler broke his neck and the State was successfully sued for the sum of roughly \$10,000,000.00. I therefore take with a grain of salt suggestions of impropriety made by certain members of the wrestling community and suggest that the IG’s office realize that many of these individuals have a vested, personal interest in maligning certain members of the Commission. This statement, of course, does not denigrate in any way many of the findings of the IG regarding improper charges and improper accountings in relation to wrestling events, but is meant to place some of the statements made to the IG in their proper context.
6. Attached for the perusal of the IG is a copy of the amended Revised Statutes to which I will refer in my responses.

#### **Duplicate Payments to Mr. Embanato:**

Most of the allegations contained in this finding are specific to salaries paid to Mr. Embanato for which the only comment I have is that I find it suspect given the financial condition of the Commission that any individual member has been overpaid. One finding of the IG which is clearly incorrect is:

“Commission members receive an annual salary for the services they provide on behalf of the state of Louisiana” (findings page 7).

I have still, as of the date of this writing, not received one dime of remuneration despite the fact that I have devoted thousands of dollars worth of time and effort.

The suggestion of the IG that Mr. Embanato's yearly salary compensates him, or any other Commissioner for his/their service to the state overlooks the reality that in most cases money is unavailable for the payment of these salaries.

This having been said, we have revised the existing statutes to keep step with what is being done in places such as Las Vegas, Nevada. Section 67 (C)(1) has been revised to permit a per diem to be paid to any Commissioner who is required "to travel to attend or organize or oversee any boxing, mixed martial arts or wrestling event".

We have also amended Section 79 to provide for the appointment of an events coordinator by the commission for any event. This person may be a commissioner; may charge no more than \$350.00; and shall be paid by the promoter. If the event coordinator is a Commissioner the payment shall be made to the Commission, not to the Commissioner. Under these statutes a Commissioner will collect his per diem from the Commission, not the promoter, from the amount paid for the event coordinator.

It should be noted that the payment of the per diem will be in addition to the current, woefully outdated, salary provided for the Commissioners. The idea behind this being that those Commissioners who take responsibility for an event and make sure that all of the rules and regulations are being followed should receive guaranteed compensation for their time. The IG will note that under both the previous statute and the suggested amendment, the salaries listed (as opposed to the per diem) will only be paid in the event that the money is available.

**Attempted Intimidation:**

The Commission was eager to respond to these allegations. Any intimidation by Mr. Embanato of any individual under the authority of the Louisiana State Boxing and Wrestling Commission would have been strongly chastised by the Commission. We do not condone any misuse of the authority granted to the individual Commissioners, notwithstanding the fact that Mr. Embanato is the Chairman.

I made requests to the IG's office on three separate occasions for either the transcript of the conversation in question or a copy of the tape. I specifically requested that these materials be delivered before April 14, 2005, the meeting which would follow the Summary of Findings but precede the required response. My intent for asking for these materials was to review them before the Commission and take whatever action we felt was necessary. Unfortunately, to date, I have not received either a copy of the tape or a transcript of this conversation.

On this subject, I do feel that the IG has failed to respond to what I considered to be a very reasonable request. I was named as a Commissioner well after the phone call in question was made and felt that I could have evaluated the evidence neutrally on behalf of the Commission. The inability to view the evidence at hand severely limits the Commission's ability to either respond to the allegations involved or to take action to censure any improper behavior by Mr. Embanato.

We have, however, not been idle as regards these allegations. Mr. Embanato is no longer involved in the scheduling, organizing or regulations of wrestling events, any more than any other Commissioner who is required to vote on certain issues. All duties regarding the wrestling and mixed martial arts events have been delegated to me as a new commissioner who is neutral towards the wrestlers involved. Additionally, Mr. Embanato has agreed not to initiate any contacts with the wrestling community and to refer any person who contacts him regarding wrestling events to me at my office. It should be noted that Mr. Embanato readily agreed to these changes and has not attempted to influence in any inappropriate way the decisions or actions of this writer relative to wrestlers or wrestling events.

#### **Open Meetings Law Violation:**

This action was taken before I was appointed as a Commissioner. I have reviewed the information contained in the findings of the IG and have discussed the events at one of our meetings with the other members of the Commission. The Commission's understanding is that these actions were approved by Catherine Brindley before they were affected by Mr. Embanato.

This problem, however, is illustrative of the problems set forth in my introduction under section (1). Although we have not done so as of this writing, the Commission intends to review the portions of the Administrative Procedures Act to insure that they are followed. In addition, the Commission has retained the services of a paralegal to insure that all future regulations are correctly promulgated. The paralegal in question has as her sole duties the legal promulgation of rules and regulations on behalf of the Commission.

### **Administrative Procedure Act Violations:**

The Commission was acting under the mistaken impression that certain rule promulgated in May of 1998 were still in effect when the new Commission was appointed in July of 2004. The IG correctly pointed out to Mr. Embanato sometime in either late 2004 or early 2005 that the Commission was operating under a set of rule and regulations which were invalid and possibly illegal, which apparently came as a great surprise to the Chairman as well as all other members of the Commission.

At the first meeting I attended, Catherine Brindley was present and the Commission was taking immediate action to properly promulgate a set of emergency rules. In addition, as noted in my response to the next preceding paragraph, the Commission has retained a paralegal to insure proper promulgation of future rules and regulations.

The Commission agrees with all three of the recommendations of the IG's office. As noted above and as can be seen by the attached Amended revised statutes, we have specifically provided for fees for officials, judges, referees which "shall be reasonable and customary for the size and location of the event" and which shall be paid for by the promoter.

### **Failure To Maintain A Central Office:**

This statement is true. In acceptance of the Recommendations of the IG the statutes have been amended to make the maintaining of an office discretionary rather than mandatory, see Section 61(d) attached. In addition, we have clarified many of the statutes to permit the collection of additional revenues to assist in generating more funding.

**Failure To Maintain Records:**

The findings herein are true. The handling of the records in this manner had been done for a dozen years before the appointment of the existing Commission. The Commission has taken action to insure that the statutory requirements are followed.

**Physician Fees for Boxing Events:**

We have revised Section 70 to allow for the payment of physicians in a "reasonable and customary" amount by the promoters. This should resolve any future problems.

**Deputy Commissioner/Event Referee:**

With all due respect to the IG's office, the Commission is unconvinced that the IG is correct on this issue. We will be seeking a ruling from the Ethics Board for clarification. Mr. Naquin is a deputy Commissioner, was not appointed by the Governor and has no monthly salary. We do not agree that Mr. Naquin is either a public employee or a public servant. We are not sure that his participation violates any statute.

If after the ruling from the Ethics Board it is found that Mr. Naquin activities are in some way violating statutory law, we will take appropriate action.

**Relaxing of Physician Rules:**

The Commission did, in fact, vote to relax the requirement for a physician to reduce the overhead on wrestling events. This vote was contrary to Section 70 which requires a physician at each show. The Commission has now been advised and understands that they are prohibited from making rules, either permanent or temporary that directly contradict the Revised Statutes.

In addition, the Commission will strictly enforce the Revised Statutes relative to not only the physician's attendance, but regarding all other matters as well.

### **Payments to Boxing Officials:**

Section 79 of the Revised Statutes has been amended to allow for the appointment of an events coordinator and to set forth the fees of the officials. Section 79 also makes it clear that it is the duty of the promoter to pay for these officials. I also incorporate herein by reference the discussion under the "Duplicate Payments to Mr. Embanato" portion of this response.

The amendment to this statute should resolve any future issues regarding this finding.

### **Unreported Compensation to Boxing Officials**

Sections 70 and 79 have been amended to make it clear judges, referees, physicians and other officials are independent contractors, not employees of the Commission. The Commission will insure that documentation is retained so that each individual receiving any payments from the Commission can be issued 1099 forms at the end of the year. This measure was addressed at the last meeting on April 14, 2005, and commencing on that date these records are going to be kept by the Commissioner attending the event.

Although this does not correct what has taken place in the past, it will prevent problems in the future.

### **Accounting Practices:**

As of April 14, 2005, the Commissioner attending each event will keep records which account for all income and expenses relative to boxing officials. This documentation will include the work performed by the official, all of the identifying information of the official, and the receipt for the payment. Each document will also have the signature of the promoter to verify that the services were rendered and the fees were paid.

As noted in next preceding section, the accountant for the Commission will issue 1099 forms to each official and will include receipts for officials as income and disbursement.

**Unsupported Transactions:**

This is part of the antiquated system inherited by the current Commission. The Commission agrees with the finding of the IG and accepts and will implement all of the recommendations.

**Mr. Naquin's Unreported Pay:**

The IG's findings on this issue are at least partially incorrect. The Commission was presented Mr. Naquin's 2004 tax returns and he did, in fact, report all of the income he earned from the Commission.

Please see the responses made in the next two preceding findings as to the issuance of 1099 forms in the future.

**Un-remitted Fees by Mr. Naquin**

A response to this finding will be made by Mr. Naquin and Mr. Embanato.

The Commission is not in agreement that Mr. Naquin should remit any fees as the amounts he retained were authorized by the Commission.

As noted at length above, the Commission agrees that additional accounting procedures are in order. Said accounting procedures were ordered on April 14, 2005.

Additionally, as to all issues of accounting, this writer met with the Legislative Auditor's Office along with the Chairman and our accountant to see how to better provide the documentation they required. The Commission is taking steps to deal with the concerns of the Legislative Auditor as well as the IG.

**Summary**

The existing Commission inherited a system which was in excess of 25 years old. Throughout the years the various Commissions took action to keep pace with the changing face of the sport without properly amending the Revised Statutes or regulations to correlate with their actions. In short, the previous Commissions, and

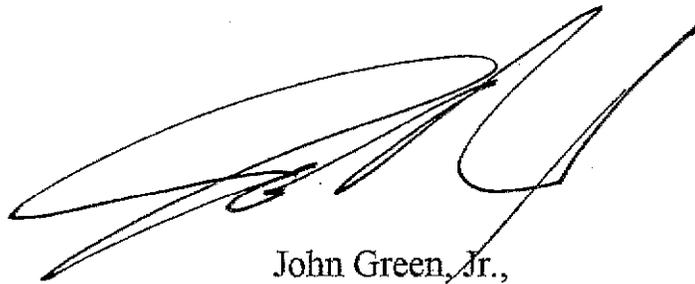
for some time, this Commission put the cart before the horse in its operation of the Louisiana State Boxing and Wrestling Commission.

It is denied that any of the actions taken by this Commission were done to purposefully disadvantage any particular group or individual. It is also denied that any of the actions complained of in the Findings were undertaken by any of the Commissioners or their agents out of any ill will or bad faith. There is also insufficient evidence that any of the Commissioners acted out of any desire for personal gain.

The present Commission has taken great strides to amend the Revised Statutes and to properly promulgate our rules and regulations. I am confident that we will continue to do so in the future.

Thanking you for your time and consideration, I am,

Sincerely,

A handwritten signature in black ink, appearing to be 'John Green, Jr.', written in a cursive style. The signature is positioned above the printed name.

John Green, Jr.,

**LOUISIANA REVISED STATUTES**  
**TITLE 4 AMUSEMENTS AND SPORTS**  
**CHAPTER 3. BOXING AND WRESTLING**

**§61. State Boxing and Wrestling Commission; domicile; authority**

A. There is hereby created a State Boxing and Wrestling Commission within the office of the governor. It shall consist of seven members, all of whom shall be appointed by the governor to serve at the pleasure of the governor making the appointment. Five members appointed by the governor shall be appointed, one from each Public Service Commission district and two from the state at large. Each appointment by the governor shall be submitted to the Senate for confirmation. The governor shall designate one member as chairman, one member as secretary, and one member as vice chairman. The secretary shall execute a bond of five thousand dollars, in favor of the state treasurer, for the faithful performance of the duties of his office. The premium of this bond shall be paid out of the commission funds.

B. The commission has sole and full discretion, authority, management, regulation, and control of all boxing, mixed martial arts and wrestling contests or exhibitions, professional as well as amateur, held, conducted or given within this state, and such other powers and duties specified in this chapter, and all other powers necessary and proper to enable it to execute fully and effectively all of the objects, purposes, duties and policies of this chapter. The commission shall have power in its discretion to declare forfeited the prize, remuneration or purse, or any part thereof, belonging to the contestants or one of them, or the share thereof of any manager if in its judgment, such contestant or contestants are not honestly competing or the contestant or manager of a contestant, as the case may be, has committed an act in the premises in violation of any rule, order or regulation of the commission.

C. No member of the commission shall be liable to civil action for any act performed in good faith in the execution of duties as a commission member.

D. The commission shall be domiciled in and may maintain an office Parish of East Baton Rouge, where and only where it may be sued. The commission may sue to enforce the provisions of this chapter in any of the courts in the state.

E. The commission may make any rules and regulations for the administration of its affairs as are not inconsistent with the terms and provisions of this Chapter. Four members of the commission constitute a quorum, and the concurrence of at least four members is necessary to render a decision, one of whom must be the chairman and one of whom must be the vice chairman or the secretary.

F. All members of the commission shall be persons of good moral character. No member of the commission shall be connected with professional or amateur boxing or wrestling either as promoter, associate promoter, agent, employee, manager, publicity agent or professional better, second, fighter or wrestler during his tenure as a member of the commission.

*Acts 1974, No. 553, §1. Amended by Acts 1977, No. 236, §1, eff. July 5, 1977; Acts 1980, No. 721, §1, eff. July 29, 1980; Acts 1985, No. 752, §1; Acts 1988, No. 576, §1, eff. Sept. 1, 1988; Acts 1993, No. 192, §1; Acts 2001, No. 8, §1, eff. July 1, 2001.*

*{{NOTE: SEE ACTS 1988, No. 576, §2.}}*

### **§63. Duties and authority of secretary of commission**

A. The secretary of the commission or persons he shall appointed and supervise shall keep a full and true record of all its proceedings, receipts, and expenditures; preserve all its books, documents, and records; prepare for service such notices and other papers required of him by the commission; and perform such other duties as the commission may prescribe. The secretary may, under the direction of the commission, issue subpoenas for the attendance of witnesses with the same effect as if issued by a court of record and may, under the direction of the commission, administer oaths in all matters pertaining to the duties of his office or the administration of the affairs of the commission. Disobedience of such subpoenas or false swearing before the secretary shall carry the same penalties under existing laws as in an action before a district court. The secretary or his duly authorized representative shall also serve as an inspector at the ringside of every contest to see that order is maintained and may eject any offending person and prefer charges against him for violation of any of the terms or provisions of this chapter or any of the rules and regulations of the commission.

B. The secretary or his duly authorized representative shall keep and preserve written minutes of all meetings and he or his representative shall give notice of all meetings called to all members of the commission within a reasonable time prior to the meetings.

C. The secretary or his duly authorized representative shall keep a record of the receipts at professional boxing and wrestling contests or exhibitions.

*Acts 1974, No. 553, §1.*

### **§64. Rules and regulations**

The commission may make rules and regulations governing all boxing, mixed martial arts and wrestling contests or exhibitions under its jurisdiction, the sale of tickets at such contests, or exhibitions, the promoters of such contests or exhibitions, and the contestants, their seconds and managers in such contests or exhibitions, and all other rules and regulations as the commission, in its discretion, deems necessary to carry out the purposes of this chapter. Should any case occur which may not be covered in this chapter or by the rules and regulations of the commission, it shall be determined by the commission, but only insofar as such determination is consistent with justice, the best interests of boxing, mixed martial arts and wrestling and with the powers and authority granted by this chapter. A copy of the pertinent rules and regulations of the commission shall be furnished to the contestants or their managers in contests or exhibitions subject to the jurisdiction of the commission. No such contest or exhibition shall be conducted, held or given except in accordance with the provisions of this chapter and the rules and regulations of the commission.

*Acts 1974, No. 553, §1.*

### **§65. Licenses; fees; bond**

A.(1) The commission may issue a promoter's licenses to hold, conduct, or give boxing, mixed martial arts or wrestling contests or exhibitions to any applicant, including in the case of corporations its officers and stockholders, who, in the discretion of the commission, has the financial responsibility, experience, character, and general fitness, to be such that the licensing of such applicant will be consistent with the public interest, convenience, or necessity and with the best interests of boxing, mixed martial arts or

wrestling generally and in conformity with this Chapter and the rules and regulations of the commission. Such licenses shall be issued for the calendar year, and the commission may require applicants therefor to submit their applications prior to the commencement of the calendar year. The holding of such a license shall not be construed to grant the licensee a vested right to have the license renewed the following calendar year. The number of licenses to be issued to hold, conduct, or give boxing or wrestling contests or exhibitions in any particular parish shall be determined by the commission, in its discretion consistent with the public interest, convenience, or necessity and with the best interests of boxing or wrestling generally.

(2) Before any such license is granted the applicant shall execute and file with the State Boxing and Wrestling Commission a bond of five thousand dollars in favor of the Louisiana State Boxing and Wrestling Commission, as a security of good faith and ability to abide by the terms and provisions of this Chapter, for which the commission secretary shall issue to the applicant a certificate of its filing and approval. In lieu thereof, a certified check will be acceptable, which amount shall be kept on deposit by the Secretary for the duration of the license period. This bond may be increased by the commission before approving the holding, conducting, or giving of any boxing, mixed martial arts or wrestling exhibition or contest, based upon the seating capacity of the hall or facility where said contest or exhibition is to be conducted. The following schedule shall govern the amount of the additional bond that may be required to be posted with the commission for the holding, conducting, or giving of a boxing, mixed martial arts or wrestling contest or exhibition:

BOND REQUIREMENTS	SEATING CAPACITY	BOND
(1)	0-999	\$ 5,000.00
(2)	1,000-2,999	\$15,000.00
(3)	3,000-5,999	\$30,000.00
(4)	6,000-9,999	\$40,000.00
(5)	10,000 or above	\$50,000.00

(3) The certificate shall be filed at the commission office in Baton Rouge with the application for the license. The commission may require a bond from clubs, with security, for the faithful performance of all contracts entered into and approved by the commission. At the discretion of the commission, the amount of the performance bond required of a club may equal but shall not exceed the total amount of all professional boxing contracts entered into by that club. In lieu thereof, a certified check will be acceptable. This bond shall be in addition to the bond of between five thousand dollars and fifty thousand dollars hereinabove required.

B. The commission may charge the following fees, or a lesser amount for licenses:

- (1) Boxing Promoters—\$500.00
- (2) Matchmakers—\$250.00
- (3) Referees—\$25.00
- (4) Managers—\$25.00
- (5) Announcers—\$25.00

- (6) Professional boxing contestants--\$25.00
- (7) Seconds--\$25.00
- (8) Professional wrestling contestants--\$25.00
- (9) Wrestling Promoters--\$250.00
- (10) Mixed Martial Arts Promoters--\$250.00
- (11) Other licenses--\$25.00

C. The commission may for cause, and after a hearing, revoke or suspend any license issued under the provisions of this Chapter, or may fine the holder of such license the sum of not more than one thousand dollars, or both, for any of the following reasons:

- (1) Violation of any provision of this Chapter;
- (2) Violation of any of the rules or regulations of the commission;
- (3) Finding that the licensee has committed an act detrimental to the interests of boxing, mixed martial arts or wrestling generally or to the public interest, convenience or necessity;
- (4) Finding that the licensee has been guilty of or attempted any fraud or misrepresentation in connection with boxing, mixed martial arts or wrestling; or
- (5) Finding that a licensee is under suspension or has had his boxing or wrestling license revoked in another jurisdiction.

*Acts 1974, No. 553, §1. Amended by Acts 1981, No. 747, §1; Acts 1988, No. 576, §1, eff. Sept. 1, 1988; Acts 1990, No. 640, §1; Acts 1993, No. 890, §1.*

#### **§66. Professional boxing contracts; permits**

A. Each club licensed to hold, conduct or give professional boxing contests or exhibitions shall furnish signed contracts to the commission as follows: (1) in the case of main event boxers, six days before the contest or exhibition; and (2) in the case of preliminary boxers, four days before the contest or exhibition. No such licensed promoting club, matchmaker, manager, boxer, or wrestler, may publicly announce or advertise that any bout or exhibition will take place unless such bout or exhibition has been formally approved by the commission.

B. Each club affected by the provisions of this chapter shall secure permits from the commission prior to holding any contest or exhibition. The commission shall not grant more than two permits a week to any club, nor shall the commission grant permits to more than one club in the same parish for the same date.

C. The commission may revoke permits for violation of any of the provisions of this chapter.

*Acts 1974, No. 553, §1.*

#### **§67. Gross receipts tax; deputy commissioners and doctors; disbursements**

A. For the maintenance of the commission, every club licensed and entitled to any of the privileges by virtue of this Chapter shall pay to the commission a tax of five percent of the gross receipts of each contest or exhibition, except amateur contests or exhibitions sanctioned by the commission. Notwithstanding any other provision of law, this Section shall be construed to apply to all facilities in the state in which contests or exhibitions are conducted or televised, except amateur contests and exhibitions sanctioned by the commission. Notwithstanding any other provision of this Section, the total amount to be paid to the commission by any club for any one live contest or exhibition only shall never exceed the sum of fifty thousand dollars, nor shall it be less than the sum of two-hundred and fifty dollars.

B. For the purpose of this Section, the total gross receipts of every individual, corporation, association, or club holding such contests, and upon which said five percentum or maximum amount is to be computed, shall include the gross price chargeable for the sale, lease, or other exploitation, or broadcasting, television, and motion picture rights of such contests, and without any deductions whatsoever for commissions, brokerage, distribution fees, advertising, or any other expenses, charges, and recoupments in respect thereto. Where a contest or exhibition is taking place at another area or place and is being televised to a club or theatre, such club or theatre shall be subject to the provisions of this Chapter, must apply to and be licensed by the commission, and shall pay the tax herein provided on the gross receipts of said paid commissions at said club or theatre.

C.(1) The taxes provided for by this Section shall constitute a special fund, which shall be disbursed as provided in this Chapter. The commission shall receive the following salaries: the chairman shall receive a salary of ten thousand dollars per annum; the vice chairman shall receive a salary of six thousand four hundred dollars per annum; the secretary shall receive a salary of seven thousand two hundred dollars per annum; the four other members of the commission each shall receive a salary of four thousand three hundred dollars per annum: said salaries to be paid from the moneys available in the special fund. If the money available in the special fund is insufficient to pay the maximum salaries herein authorized, such salaries shall be reduced proportionately and paid in such amounts as will not exceed the funds available in the special fund. The forgoing notwithstanding any commissioner who is required to travel to attend or organize or oversee any boxing, mixed martial arts or wrestling event shall be entitled to the payment of a per diem of eighty dollars per day; said amount being immediately due and payable to the commission member at the time of the given event. Said amount shall be in addition to the salaries set forth above.

(2) All expenses necessary to maintain the office of the commission and to carry on all of its business and affairs are also allowed from the fund. After the proper allocations of the moneys for the next fiscal year, the commission shall remit the remainder of the fund annually on June thirtieth to the general fund of the state.

(3) Payment of the salaries due under the provisions of this Subsection shall not be made to any member who fails to attend a regular meeting unless excused by the chairman for good cause. The reduction of salary for failure to attend a meeting shall be based on a share of the total salary due for the year divided by the total number of regular meetings in the year.

*Acts 1974, No. 553, §1. Amended by Acts 1978, No. 526, §1, eff. July 12, 1978; Acts 1979, No. 752, §1, eff. July 20, 1979; Acts 1982, No. 239, §1; Acts 1988, No. 576, §1, eff. Sept. 1, 1988; Acts 2002, No. 3, §1.*

#### **§68. Reports; payment of tax; counting of tickets; complimentary tickets**

Every club licensed and exercising any of the privileges conferred by this chapter or by any rules or regulations of the commission and subject to the payment of the gross receipts tax shall, within twenty-four hours after each contest, submit to the secretary of the commission a written report showing the actual number of tickets sold, the gross receipts therefrom, and the number of press and complimentary tickets. Each shall,

within twenty-four hours, pay to the commission the tax levied upon its gross receipts. The secretary of the commission, or a representative delegated by him, shall be present at the counting of the tickets, which shall be placed by the ticket-takers at each door of the building in which the exhibition is being held into a locked box which shall not be opened except in the presence of the secretary or his representative. The number and disbursement of complimentary tickets shall be regulated by the commission, provided, that in no case shall the number of such complimentary tickets exceed three hundred for each performance.

*Acts 1974, No. 553, §1.*

**§69. Failure to make report or remittance; unsatisfactory and false reports**

Whoever fails to make to the commission the report as provided in R.S. 4:68, or fails to make the remittance to the commission in the time limits set forth in R.S. 4:68, forfeits his license and the sum of five hundred dollars to the commission, which shall be recovered by suit filed by the commission. The money shall be remitted to the commission. Whoever makes a report which is unsatisfactory to the commission shall be suspended pending a hearing, at which time the commission may examine under oath its officers, and other witnesses. Should the report prove to be false the license is ipso facto forfeited.

*Acts 1974, No. 553, §1.*

**§70. Physicians and emergency medical personnel**

A. For each boxing, mixed martial arts or professional wrestling event the commission shall appoint a physician, competent and of good standing, who shall examine each contestant before the contestant enters the ring, and who shall say whether the contestant is in physical condition to participate as advertised. The physician shall be present at the ringside. The physician shall render such advice or service as the commission requests. The fees of the physician for each individual event shall be paid by the club promoting the event; and shall be reasonable and customary for the size and location of the event.

B. Each club promoting a boxing, mixed martial arts or professional wrestling event shall pay for and obtain the attendance of emergency medical personnel to include no less than two attendants and an ambulance who shall be in attendance throughout each event.

C. Any physician so appointed by the commission shall be an independent contractor of the commission, not an employee.

*Acts 1974, No. 553, §1.*

**§71. Buildings and structures; exceeding seating capacity in sale of tickets or issuance of invitations**

All buildings or other structures used for the purposes of this chapter shall be properly ventilated and provided with exits and fire escapes conforming with the laws, ordinances, and regulations of the city or parish. No club shall hold, conduct or give a boxing or wrestling contest or exhibition unless a certificate of the safety of the building or other structure has been issued by the city engineer and fire inspector. Any club which sells or causes to be sold more tickets, or gives out more invitations, than the seating

capacity of the building, structure, or arena, shall for the first offense be fined three hundred dollars and for a second offense five hundred dollars. The commission shall recover this money in the manner provided for in this chapter. For a second offense the club also forfeits its license.

*Acts 1974, No. 553, §1.*

#### **72. Proximity of seats to ring; Seating for the Commission**

There shall be no seats, except those provided for the press and timers, physicians, and commissioners, within four feet of the sides of the ring, or within six feet of the corners of the ring, except those approved by the commission. The club shall, without charge, provide seating for the commission as is necessary for the attendance of the commission and its staff, at each event.

*Acts 1974, No. 553, §1.*

#### **73. Publication of prices; tickets**

No club shall permit anyone to sell or exchange any ticket for seating reservations for more than the box office price. All press or complimentary tickets shall be marked complimentary on both coupons. The club shall see to the seating of every reserved seat ticket holder in the seat corresponding to the coupon held by the ticket holder.

*Acts 1974, No. 553, §1.*

#### **74. Admission of persons under sixteen**

No person under the age of sixteen shall be admitted to a contest unless accompanied by parent or guardian.

*Acts 1974, No. 553, §1.*

#### **75. Sham or fake contests or exhibitions**

Whoever conducts or is a party to any sham or fake boxing contest shall forfeit his license and shall not thereafter be entitled to receive any license pursuant to the provisions of this chapter, and further said person or persons shall be subject to fine as set forth in §65 (C) above. Participants in a professional wrestling event are exempt from section.

*Acts 1974, No. 553, §1.*

#### **76. Shamming or faking by contestants**

Any contestant who is guilty of a sham or fake boxing contest or mixed martial arts contest shall for the first offense be suspended immediately for a period of six months from participation in any contest in this state and for the second offense shall be totally disqualified from further participation in any contest given by any club licensed for that purpose. The referee, after warning three times the contestant he believes to be shamming or faking, shall disqualify the contestant and award the decision to the opposing contestant, and shall, moreover, prefer charges against the disqualified contestant before the commission. In such event, the club shall turn over to the secretary of the commission all monies payable to the disqualified contestant. If the referee believes both contestants to be shamming he shall, after warning both contestants three times, disqualify them and call the event "no contest", and prefer charges before the commission against both contestants. In such cases the club shall refund to all persons in exchange for their seat coupons sixty percent of the face value of such coupons if the

contest declared "no contest" is that scheduled and advertised as the main event and feature attraction, but the tax levied under this chapter shall be paid to the commission as in all other contests or exhibitions, and the balance shall be retained by the club to cover its expenses in promoting the contest or exhibition. Participants in a professional wrestling event are exempt from Section.

*Acts 1974, No. 553, §1.*

#### **§77. Contestants to be in city three days before contest; period between contests**

No contestant shall participate in a professional boxing contest who has not been in the city in which the contest is to be held at least three days before the contest or who has engaged in a contest within seven days from the date selected for the contest under the rules of the commission. However, the commission may waive the above provision of this chapter in all cases where the best interest of the public and the spectators is served.

The club conducting such contest shall notify the commission when the contestant arrives, and the commission may require the contestant to spar prior to the boxing contest.

*Acts 1974, No. 553, §1.*

#### **§78. Seconds**

No contestant shall have more than three seconds in his corner, and these seconds shall be required to remain in their corners. For the use of the seconds small stools or chairs shall be provided by the club. For any reason deemed to be sufficient by the commission, and made public, the commission may refuse permission to any individual to act as second.

*Acts 1974, No. 553, §1.*

#### **§79. Referees and judges and appointment of Event Coordinator**

The commission may grant to referees and judges licenses good for a period of one year. Referees and judges appointed shall not be suspended except on proof of connivance in fakes, failure to enforce the rules of the commission, or incompetency.

There is no appeal from the referee's and judges' ruling. Only residents of Louisiana are eligible to appointment and license as regular referees and judges, and shall have resided in the state for not less than six months before the date of the contest. Referees may give decisions in all contests so advertised. The appointment of judges is at the discretion of the commission.

This section does not prohibit the commission, at its discretion, from appointing a "name" referee, or one well known for his outstanding ability, to referee a special or championship match even though said referee is not a resident of Louisiana.

In addition, the commission may appoint an events coordinator for any boxing, mixed martial arts or wrestling event the commission deems necessary, which person may be a member of the commission. The fee for the event coordinator shall be paid by the club promoting the event in question, which amount shall not exceed three-hundred and fifty dollars per event. In the event that a commissioner has served as the events coordinator, the club shall issue payment to the commission, not the commissioner.

The fees for the Referees and Judges or other necessary officials for each individual event shall be paid by the club promoting the event in question and shall be reasonable and customary for the size and location of the event.

Any Referee, judge or other official appointed by the commission shall be considered an independent contractor of the commission, not an employee.

*Acts 1974, No. 553, §1.*

**§80. Representing contestant or sharing in purse; payment of purse**

A. No referee, club owner, club officer, club, or member of the commission shall represent any contestant or receive from a contestant any share of his purse. Any violation of this rule subjects the violator to forfeiture of his license.

B. Whenever the payment of a purse is in dispute, the commission may withhold all or any portion thereof pending a hearing on the disbursement thereof, or, in its discretion, may order the purse deposited in the registry of a court of competent jurisdiction.

*Acts 1974, No. 553, §1.*

**§81. Open betting or quoting of odds; insulting or abusive remarks**

There shall be no open betting or quoting of odds in the club or arena where the exhibition or contest is being held. Whoever does so shall be ejected.

There shall be no insulting or abusive remarks made by seconds, managers, or spectators and directed at the contestants. The officers of the club, and the attending member of the commission, shall at once eject persons who violate this or any other provision of this chapter.

*Acts 1974, No. 553, §1.*

**§81.1. Tough-man contest; prohibition**

A. For the purposes of this Chapter, "tough-man contest" shall mean any boxing match, wrestling event, or competition, or combination thereof, between two or more persons, whether professional or amateur, who use their hands, with or without gloves, or their feet, or both, in any manner unauthorized by the State Boxing and Wrestling Commission, and compete for money, financial prize, or any item of pecuniary or nonpecuniary value or compete at an event where a fee is charged whereby either participant may obtain pecuniary gain. The term "tough-man contest" shall not include, nor shall the provisions of this Section apply to any contest, competition, or exhibition of any of the recognized martial arts including karate, judo, kung fu, tae kwan do, jujitsu, kickboxing, or any substantially similar tradition.

B. No person shall conduct, promote, or in any manner participate in any tough-man contest or exhibition. Any person violating this Section as a participant, promoter, judge, or referee shall be subject to criminal charges and penalties as provided in R.S. 14:102.11.

*Added by Acts 1981, No. 747, §2; Acts 1995, No. 1275, §1.*

**§82. Noncompliance with chapter; penalty**

Whoever conducts, promotes, or in any manner participates in any boxing, mixed martial arts or wrestling contest or exhibition without first complying with the provisions of this chapter shall be fined not more than five hundred dollars.

*Acts 1974, No. 553, §1.*

**§82.1 Noncompliance with chapter; criminal penalty**

A. No person shall conduct, promote, or in any manner participate in any boxing, mixed martial arts or wrestling event or exhibition without the sanctioning of the

Commission. Any person violating this Section as a participant, promoter, judge, or referee shall be guilty of a misdemeanor and, upon conviction, shall be fined not more than one thousand dollars or imprisoned for not more than six months, or both.

B. A person convicted of a violation of the provisions of this Chapter may additionally be ineligible for licensure under the provisions of this chapter for a period of up to five years from the date of conviction.

### **§82.2 Noncompliance with chapter; injunction**

A. In addition to the actions and penalties otherwise provided for by this Chapter, the commission may cause to issue in any court of competent jurisdiction an injunction without bond enjoining any person from violating or continuing to violate the provisions of this Chapter.

B. In the suit for an injunction, the board may demand of the defendant a penalty of five hundred dollars for each violation, reasonable attorney fees, and the costs of court.

C. The judgment for penalty, attorney fees and court costs may be rendered in the same judgment in which the injunction is made absolute. If the commission brings an action against someone pursuant hereto and fails to prove its case, then it shall be liable to such person for the payment of his attorney fees and costs.

### **§83. Application of chapter**

The provisions of this chapter apply to amateur contests or exhibitions sanctioned by the commission except insofar as certain provisions of this chapter are applicable only to professional boxing, mixed martial arts or wrestling contests or exhibitions. No participant in or club promoting any such amateur contest or exhibition shall be liable for the payment of any tax or fee authorized by this chapter.

*Acts 1974, No. 553, §1.*

### **§84. Administrative procedure**

The commission's hearings, practice and procedure and rule and regulation making procedure are as provided in Title 49, Chapter 13, Administrative Procedure, R.S. 49:951 et seq., except as otherwise provided in this chapter.

*Acts 1974, No. 553, §1.*

### **§85. Definitions; construction**

As used in this Chapter:

- A. The word, "commission" means the State Boxing and Wrestling Commission;
- B. The word "club" means any club, corporation, association, or individual under the authority of the commission;
- C. The word "professional boxer" means any person who competes for a money prize or teaches, pursues or assists in the practice of boxing or wrestling as a means of obtaining a livelihood or pecuniary gain;

- D. The word "professional wrestler" means any person who does not qualify as an "amateur" and who participates in staged matches wherein no dangerous blow is intended to be struck and where there is a predetermined winner, whether or not the participant competes for a money prize or pecuniary gain;
- E. The word "mixed martial arts" means unarmed combat involving the use, subject to any applicable limitations set forth in this chapter, of a combination of techniques from different disciplines of the martial arts, including, without limitation, grappling, kicking and striking whether or not the participant competes for a money prize or pecuniary gain;
- F. The word "professional wrestling event" means any event which does not qualify as either a "mixed martial arts" "amateur" or boxing contest and which features in any way a "professional wrestler" and which qualifies as an "exhibition" under G(2.) Of this Section;
- G. The word "exhibition" means:
1. As applied to boxing and "mixed martial arts" events any exhibition of either sport; and
  2. As applied to professional wrestling event: bouts for entertainment purposes wherein there are no dangerous blows intended to be struck and the result of each bout is predetermined.
- H. The word "amateur" means:
1. Contests or exhibitions of unarmed combat or any combination thereof conducted by or participated in exclusively by any state accredited middle school or high school, college or university or by any association or organization of a state accredited middle school or high school, college or university, when each participant in the contests or exhibitions is a bona fide student in the state accredited middle school or high school, college or university;
  2. Exhibitions of Oriental unarmed self-defense in which no dangerous blow is intended to be struck;
  3. Any boxing contest or exhibition if it is registered and sanctioned by United States Amateur Boxing, Inc., or Golden Gloves of America as an amateur boxing contest or exhibition; or
  4. Any contest or exhibition which specifically has been named by the commission as an amateur event.
- F. Wherever the masculine gender is used, it also includes the feminine gender where applicable.

*Acts 1974, No. 553, §1.*

OSCAR L. SHOENFELT, III, L.L.C.

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336-4300

ATTORNEY AT LAW  
2109 PERKINS ROAD  
BATON ROUGE, LOUISIANA 70808  
E-MAIL: olslaw@cox.net

FACSIMILE  
(225) 336-4350

April 20, 2005

Ms. Sharon B. Robinson, CPA  
State Inspector General  
Post Office Box 94095  
Baton Rouge, LA 70804-9095

**VIA FAX & U.S. MAIL**

RE: Louisiana State Boxing  
& Wrestling Commission  
Your File No.: 1-05-0005

Dear Ms. Robinson:

Congratulations on your appointment as Inspector General.

Please find attached my responses as Secretary/Treasurer of the Boxing & Wrestling Commission to the comments that were directed to me as Secretary/Treasurer of the Boxing & Wrestling Commission. We have introduced legislation this session which should take care of most of the criticisms.

As always, I remain,

Very truly yours,

Oscar L. Shoenfelt, III

OLSIII/jlh

Attachments

**Failure to maintain records "at a central office as required by state law."**

**Response:**

Since there is no office I agree. I have been working to change this antiquated law since being appointed. (See minutes attached) We should have the location changed this session with our bill currently pending in the legislature. The legislation will allow the Commission to maintain an office in East Baton Rouge and be sued there. There is however the issue of how the commission can afford an office. Perhaps we can use an existing state office? I would like your help in obtaining additional funding for this purpose. How do you follow a state law if there is not sufficient funding?

I should note that there is apparently a storage facility in New Orleans.

I do not anticipate that any other member will not produce records such as Mr. Topham. The minutes reflect that we attempted to obtain the records through various means. It was not until I called him and threatened him with a subpoena that he produced the records. I had been told several times that the state auditor was going to do the same but this never occurred.

**"Unsupported Transactions"**

**Response:**

The complaint here seems to center on accounting principles. Someone may have incorrectly stapled some checks to the deposit slips. This was probably done when the records were copied and mailed to the accountant. I would assume the accountant would have caught this administrative error. The report does not say if my copies of the records or the originals with the accountant were reviewed. If the originals reviewed by the accountant were not properly stapled this could show that the accountant has not been reviewing the originals when transmitted. This would not seem possible since he has been giving almost monthly reports on our finances.

More central to the complaint and more problematic is the "opinion" that there is not sufficient documentation for deposits and disbursements. This is an accounting issue. Are cancelled checks sufficient documentation for disbursements? Apparently the Commission's accountant thinks so. Are deposit slips adequate documentation for deposits? Apparently, the Commission's accountant thinks so.

Mr. Roberts is obviously an accountant and has his opinions. Please advise as to his qualifications and expertise in these matters. I would suggest that the IG

office devise a proper accounting system which they feel is acceptable. We could even let the LA do the accounting if that is acceptable.

If we have funding we should look at hiring an accountant in Baton Rouge to review and set up a proper system assuming Mr. Roberts is correct. I would request Mr. Roberts set out specific forms and recommendations.

I should note that these practices are of a longstanding nature and have not been questioned by the LA or the IG until this time. In addition the more records kept the more time and money will be spent by the Commission in keeping records. Again additional funding may be needed to hire a new accountant to work on records.

I think it would be beneficial to hire an employee (Executive Director) to handle the paper work i.e. issuing of licenses. Of course financing is a problem and we will need to come up with a method to free up more revenues.

This commission is a working commission and very time consuming. The members are in effect volunteering most of their time. The salaries as outlined by the IG were passed in 1974 and with inflation the Chairman should be making \$41,576.27 and the Secretary \$29, 934.91(see attached). Last year I was paid around \$1200.

While I agree in some of the findings of the report I must say that some of the findings are merely opinions and lack an understanding of trying to do a job with limited time and resources. Since serving on the commission I have seen no evidence of fraud; only individuals working hard to help the State of Louisiana and boxing and wrestling in this State. In reality, our Commission under this Governor, has moved forward at the first opportunity to change the antiquated legislation of the past.

If possible I would like to know the amount of man hours and cost that were spent on this report and its investigation. I would also like a meeting with our accountant and the person performing this investigation to come up with an efficient and proper accounting system.

Boxing & Wrestling Commission  
Meeting of June 10, 2004  
Minutes

Bobby Dupre – present  
Larry Scrubbs – absent  
Fielding Lewis – present  
Buddy Embanato, Jr. – present  
Dierdre Gogarty – present  
Oscar Shoenfelt, III – present  
Joey Short – present

June 10, 2004

A discussion by Buddy Embanato, Jr. was held to familiarize the new members with the procedures of the commission. There was a discussion on amending the boxing and wrestling statute to eliminate need for a physician at ringside for wrestling matches in the future. There was also a suggestion that the venue of the commission be moved to Baton Rouge, especially regarding venue for filing a suit against the commission.

The usual meeting time will be the second Thursday of each month.

Pending fights were discussed. The next fight is in Lafayette, May 18, 2004, between 7:00 p.m. – 7:30 p.m.

## The Inflation Calculator

What cost \$10000 in 1974 would cost \$41576.27 in 2005.

Also, if you were to buy exactly the same products in 2005 and 1974, they would cost you \$10000 and \$2405.22 respectively.

Do you want to do another calculation?

---

This page was written and is maintained by S. Morgan Friedman

## The Inflation Calculator

What cost \$7200 in 1974 would cost \$29934.91 in 2005.

Also, if you were to buy exactly the same products in 2005 and 1974, they would cost you \$7200 and \$1731.76 respectively.

Do you want to do [another calculation?](#)

---

This page was written and is maintained by [S. Morgan Friedman](#)

LOUISIANA STATE BOXING AND  
WRESTLING COMMISSION

4513 LAKEWOOD DRIVE  
METAIRIE, LA. 70002  
504 455-4708

April 20, 2005

SHARON B. ROBINSON, CPA  
STATE INSPECTOR GENERAL  
STATE OF LOUISIANA  
SUITE 303  
224 FLORIDA STREET  
BATON ROUGE, LA. 94095

Dear MS. ROBINSON,

In reference to your letter of April 7, 2005 regarding the audit of the Louisiana State Boxing and Wrestling Commission, please find the official response relating to your findings on the audit.

**REFERENCE MATTER: ACCOUNTING PRACTICES**

We do concur with the findings of the Inspector General that receipts from Promoters will be recorded as income and that the compensation to the officials will be recorded as expenses.

Sincerely,



Gene Lemoine

LOUISIANA STATE BOXING AND  
WRESTLING COMMISSION

4513 LAKEWOOD DRIVE  
METAIRIE, LA. 70002  
504 455-4708

April 20, 2005

SHARON B. ROBINSON, CPA  
STATE INSPECTOR GENERAL  
STATE OF LOUISIANA  
SUITE 303  
224 FLORIDA STREET  
BATON ROUGE, LA. 94095

Dear MS. ROBINSON,

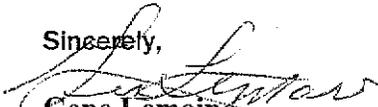
In reference to your letter of April 7, 2005 regarding the audit of the Louisiana State Boxing and Wrestling Commission, please find the official response relating to your findings on the audit.

**REFERENCE MATTER: UNREPORTED COMPENSATION TO BOXING  
OFFICIALS**

We do concur with the findings of the Inspector General that compensation to boxing officials should be reported on 1099's according to Federal Laws.

The State Boxing and Wrestling commission has implimated procedures to record and report these compensations on 1099's.

Sincerely,

  
Gene Lemoine

Response from Russell Naquin, Deputy Commissioner,  
Louisiana State Boxing and Wrestling Commission

Note: Mr. Naquin did not include his name on his response to the Office of Inspector General report.

TO: State of Louisiana  
DIVISION OF ADMINISTRATION

OFFICE OF STATE INSPECTOR GENERAL  
(225) 342-4262  
FAX (225) 342-6761

REFERENCE TO FILE No. 1-05-0005

As per your request, attached is the response to the draft report regarding my activities relative to the Louisiana State Boxing and Wrestling Commission.

1. **DEPUTY COMMISSIONER:** I was appointed by the commission as dty. commissioner to help with everything but boxing, Because of the new commission in place, there was no one else, with the knowledge and background, willing to do the job.
2. **RELAXING OF PHYSICIAN RULES:** Again as a new dty commissioner I was just doing what I was told by the commission.
3. **Mr. Naquin's unreported pay:** On 4/08/05 I filed my 2004 income tax and to the best of my memory, by law, I have until April 15 of each year to file my federal tax returns. Also, I did not **JUST FILE THE MONIES IN QUESTION** and a full copy of my 2004 tax returns are available to you upon request.
4. **UN-REMITTED FEES BY MR. NAQUIN:** As these were my first outings as Dty. Commissioner I was told that when I get paid in cash to simply take out my pay and deposit the rest and turn in the deposit slip and reports at the regular meeting of the commission. Since January 01, 2005, **all** of the monies are deposited and I am now paid by check at the regular meetings.

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