

STATE OF LOUISIANA

OFFICE OF STATE INSPECTOR GENERAL



LOUISIANA STATE UNIVERSITY FIRE AND EMERGENCY TRAINING INSTITUTE

Date Released:

July 19, 2006

File No. 1-06-0014

STATE OF LOUISIANA

OFFICE OF STATE INSPECTOR GENERAL



LOUISIANA STATE UNIVERSITY FIRE AND EMERGENCY TRAINING INSTITUTE

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

AK
7/19/06

**Approved by:
Governor Kathleen Babineaux Blanco**

July 11, 2006

File No. 1-06-0014

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State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE INSPECTOR GENERAL
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KATHLEEN BABINEAUX BLANCO
GOVERNOR

JERRY LUKE LEBLANC
COMMISSIONER OF ADMINISTRATION

July 11, 2006

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

Re: Case No. 1-06-0014

Dear Governor Blanco:

This report addresses serious concerns raised about the operations of the Louisiana State University (LSU) Fire and Emergency Training Institute (FETI). The report includes five recommendations that, if implemented, could help improve the FETI.

We provided a draft of the report to the LSU Vice Chancellor for Finance and Administrative Services and other affected parties. Their written responses are included as Appendix A.

Respectfully submitted,

Sharon B. Robinson, CPA
State Inspector General

SBR/dm

Enclosure

Executive Summary

Audit Initiation

On October 20, 2005, the Office of State Inspector General received an allegation that a Louisiana State University (LSU) Fire and Emergency Training Institute (FETI) employee improperly purchased an LSU-owned backhoe. Our office opened a case file based on the allegation but delayed our investigation to allow the LSU Campus Police time to conduct a criminal investigation.

On March 7, 2006, we met with LSU Campus Police Chief Ricky Adams who advised that his office received a complaint regarding the sale of the backhoe and had completed a criminal investigation into the complaint resulting in no criminal charges being filed. Our office then began an administrative investigation to determine the allegation's validity.

During the investigation, our office became aware that the same FETI employee in question directed the use of state resources for his personal benefit, which we also address in this report.

Summary of Findings

- In December 2003, Mr. Jimmie Robison, FETI Assistant Director, purchased an LSU-owned backhoe for \$500 cash in violation of state regulations. In addition, neither LSU nor Mr. Robison could prove Mr. Robison paid for the backhoe. After LSU administration was advised of the purchase, Mr. Robison was allowed to keep the backhoe.
- Mr. Jimmie Robison directed FETI employees to purchase an air conditioning unit and gasoline and to make a "hay spear" for his personal use in violation of state law. These items cost approximately \$1,000, not including related labor.

Background

Act 84 of the 1963 Legislative Session created the Louisiana State University Fire and Emergency Training Institute to equip, operate, and maintain an in-service fireman-training program. Act 32 of the 1970 Legislative Session authorized the training program to receive one-fourth of one percent of all fire insurance premiums paid in the state. FETI must use these funds solely for the expenses connected with the training program and the necessary facilities. In 1979, LSU was designated as the agency to conduct training for firemen on a statewide basis. FETI provides training to paid and volunteer fire service personnel as well as industrial fire and safety personnel and other emergency responders.

FETI's training center is located on 80 acres of land south of the main LSU campus on Nicholson Drive. The facility includes six classrooms, several buildings, and props used in training exercises.

Mr. Carrol Herring served as director of FETI from 1969 until 1981 and again from 1999 until the end of 2005. LSU appointed Mr. D. Jeffrey Gleason as director effective January 1, 2006. FETI reports to LSU's Office of Academic Affairs.

FETI has approximately 50 full-time employees, and its fiscal year 2006 operating budget is \$4.3 million. Funding sources include a percentage of fire insurance premiums, self-generated revenues, and state appropriated funds.

Scope and Methodology

We conducted our audit in accordance with *Principles and Standards for Offices of Inspector General* as promulgated by the Association of Inspectors General.

The scope of the investigation was limited to FETI's disposal of certain movable property in 2003, the purchase of items for an employee's personal benefit in 2005, and the use of FETI resources for an employee's personal use in 2005.

Our investigation consisted of:

1. Reviewing property control laws, rules and regulations;
2. Interviewing pertinent individuals;
3. Reviewing property control records, purchase invoices and other documents as we considered necessary.

Improper Sale of State Property

In December 2003, Mr. Jimmie Robison, FETI Assistant Director, purchased an LSU-owned backhoe for \$500 cash in violation of state regulations. In addition, neither LSU nor Mr. Robison could prove Mr. Robison paid for the backhoe. After LSU administration was advised of the purchase, Mr. Robison was allowed to keep the backhoe. Although LSU has policies and procedures governing movable property, management has not placed sufficient emphasis on ensuring pertinent FETA employees understand and adhere to property control regulations. As a result, an improper sale of an LSU-owned backhoe to an employee occurred.

Louisiana Administrative Code 34: § 501 (A) provides, in part, that no property of any agency shall be sold to any person or legal entity without the written permission of the commissioner through an approved State Property Transaction Form BF-11. In addition, management is responsible for establishing and maintaining an internal control system that ensures its assets are properly safeguarded against loss, theft, or misuse.

In August 2002, a 1978 Case Model 580C backhoe was transferred from the LSU's Office of Facility Services to FETI. FETI planned to use the backhoe as a fire training prop. Facility Services and FETI personnel completed Equipment Inventory Action Request forms transferring and scrapping the backhoe. LSU's property control manager then submitted BF-11 forms to the Louisiana Property Assistance Agency (LPAA) resulting in the backhoe being removed from LSU's property inventory.

The BF-11 forms submitted to LPAA indicated the backhoe was in "poor condition-front tires missing-will not run" and "will be cannibalized and then scrapped". However, according to Facility Services maintenance records and employees at Facility Services and FETI, the backhoe was in running condition at the time of transfer. Employees familiar with the backhoe estimate its value at \$5,000. Following its transfer to FETI, the backhoe was moved to various areas at FETI but was never used for training.

Our internet research shows similar equipment priced from \$9,000 to \$15,000. An example of a 1978 Case 580C backhoe is pictured below:



Sequence of Events

Mr. Carrol Herring, then FETI director, stated that in late 2003 or early 2004, Mr. Robison came to him and asked if he could sell the backhoe to a scrap man. Mr. Herring asked if the backhoe was of any use to FETI and Mr. Robison told him it was junk and of no use to FETI. Mr. Herring then approved the sale of the backhoe as scrap.

Mr. Herring said Mr. Robison later came to him and asked if he (Mr. Robison) could purchase the backhoe. Mr. Robison advised him that he had obtained an appraised value for the backhoe of \$500 and that LSU's Office of Property Management had approved the sale. Mr. Herring said Mr. Robison gave him \$500 cash for the backhoe but he did not give Mr. Robison a receipt. Mr. Herring stated he donated the cash to the Fire Marshal's Firefighters' Memorial Fund along with an additional \$60 to \$70 he and another employee put up. State Fire Marshal's records show that in early 2004, FETI donated \$567 to the Firefighters' Memorial Fund. We question the legality of public funds being donated to a memorial fund.

Mr. Herring stated he would not have allowed Mr. Robison to purchase the backhoe if he had not been advised that LSU's Office of Property Management had approved the sale. Mr. Herring did not verify this ruling with the Office of Property Management.

FETI did not obtain the Commissioner of Administration's written permission through LPAA to sell the backhoe to anyone, particularly its own employee, as state regulations require.

Mr. Robison acknowledged that he purchased the backhoe in December 2003. Mr. Robison said he paid Mr. Herring \$500 cash in February or March 2004, and Mr. Herring told him the money would be donated to the Firefighters' Memorial Fund set up through the State Fire Marshal's Office. Mr. Robison stated he advised Mr. David Newman, FETI's logistics manager, that Mr. Herring had approved him buying the backhoe and that he was going to pay Mr. Herring \$500. Mr. Newman denies Mr. Robison ever advised him he was going to buy the backhoe.

Mr. Robison stated he hired Crawler Supply Company of Baton Rouge to pick up the backhoe from FETI and to perform whatever repair work was needed. He also said this company charged him \$4,400 for repair work and for transporting the backhoe to Mr. Robison's home in DeQuincy, Louisiana. Mr. Robison stated he has spent an additional \$1,000 to \$1,500 for parts. Invoices provided by Mr. Robison indicate he spent at least \$5,000 for parts and service. Mr. Robison stated he was not contacted by any LSU administrator about the backhoe.

LSU's Investigation

According to Mr. Jim Fernandez, LSU Vice Provost for Academic Affairs, LSU Campus Police investigated the backhoe sale and found no criminal violations. Mr. Fernandez said Mr. Delwin LaCroix, LSU Assistant Director of Purchasing for Property Management, told him that no property control laws were violated. He said he was under the impression Mr. LaCroix had obtained approval from LPAA for Mr. Robison to keep the backhoe. He said had he been told the purchase was not legal, he would have fired Mr. Robison and retrieved the backhoe. Mr. Fernandez stated that due to budget cuts, Mr. Robison's position has been abolished.

According to Mr. LaCroix, he did not specifically tell Mr. Fernandez the backhoe sale did not violate any property control regulations and understands how Mr. Fernandez might have interpreted his statements as meaning no violation had occurred. He said he told Mr. Fernandez the backhoe was removed from inventory records and he did not know how it could be added back into the records. He said Mr. Fernandez may have interpreted this statement to mean Mr. Robison could keep the backhoe. Mr. LaCroix said he knows the purchase violates state property control regulations and that in hindsight, he should have been more direct when discussing this matter with Mr. Fernandez.

LPAA Receives Complaint

According to Mr. Floyd Rector, LPAA Compliance Office Supervisor, in October 2005, he received a complaint regarding the sale of the backhoe to Mr. Robison. He called Mr. LaCroix and asked him about the sale. Mr. LaCroix told Mr. Rector LSU Campus Police had investigated the matter but he was not sure of the outcome. Mr. Rector said he advised Mr. LaCroix that the backhoe had to be returned to LSU regardless of how much money Mr. Robison had spent on repairs.

Mr. LaCroix stated he did not recall the conversation with Mr. Rector. He said had Mr. Rector told him the backhoe had to be returned, he would have advised Mr. Fernandez of that fact.

Recommendations:

1. LSU Office of Property Management should immediately retrieve the backhoe from Mr. Robison. The backhoe should be placed back on FETI's inventory or delivered to LPAA as surplus property.
2. Management of LSU's Office of Academic Affairs should require all pertinent FETI employees to receive instruction in and adhere to property control regulations. All employees (especially FETI management) are responsible for following property control procedures that are designed to safeguard state property.
3. LPAA should audit FETI's property records to determine if other previously discarded movable property was processed in compliance with property control regulations.

State Resources Used for Personal Benefit

Mr. Jimmie Robison directed FETI employees to purchase an air conditioning unit and gasoline and to make a “hay spear” for his personal use in violation of state law. These items cost approximately \$1,000, not including related labor.

Article 7, Section 14 (A) of the Louisiana Constitution provides, in part, that the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. In addition, LSA-R.S. 42:1461 states that public officials and employees assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they hold office or are employed.

Management is also responsible for establishing and maintaining an internal control system that ensures its resources are properly safeguarded against loss, theft, or misuse.

Air-conditioning Unit and Gasoline Purchase

Following Hurricane Rita, Mr. Robison directed Mr. David Newman, FETI's logistics manager, to purchase an air conditioning unit and two 55-gallon drums of gasoline for Mr. Robison to use at his personal residence in DeQuincy, Louisiana. Mr. Carrol Herring, then FETI director, approved the purchases. Two FETI employees delivered the items to Mr. Robison using a FETI vehicle while on state time.

According to Mr. Herring, following Hurricane Rita, Mr. Robison called him and asked if he could borrow an air conditioning unit and some gasoline for a generator. Mr. Herring stated Mr. Robison needed some help during this time and he felt helping him was the right thing to do. He stated Mr. Robison used the air conditioning unit for about one week and used about 25 gallons of gasoline. He said Mr. Robison replaced the gasoline he used and returned it along with the air conditioning unit.

Mr. Robison stated he called Mr. Newman, whom he supervised, and told him to purchase an air conditioning unit and gasoline for his use in DeQuincy. Mr. Robison stated that in addition to the air conditioning unit and gasoline, a 55-gallon drum of water was delivered to him in DeQuincy. He said he used the air conditioning unit for five days and used about 30 gallons of gasoline. He said he replaced the gasoline and returned all items to FETI. Mr. Robison provided our office with a copy of the receipt, signed by Mr. Newman, indicating all items were returned.

Mr. Newman acknowledged Mr. Robison called him about the air conditioning unit and gasoline. Mr. Newman stated he was not comfortable purchasing the items for Mr. Robison so he went to Mr. Herring and advised him of what Mr. Robison had told him to do. Mr. Newman said that Mr. Herring told him to “make

it happen.” Mr. Newman stated that he signed a receipt acknowledging the items were returned.

FETI records show that on September 27, 2005, two 55-gallon drums of gasoline were purchased from Home Oil Company on FETI’s account totaling \$395. On the same date, a FETI credit card was used to purchase an air conditioning unit from Lowe’s for \$478. According to Mr. Newman, these are the items delivered to Mr. Robison. FETI vehicle records show that FETI employees delivered the items on state time to Mr. Robison in DeQuincy on September 28, 2005.

Fabrication of Hay Spear

Mr. Robison directed FETI employees to fabricate a hay spear for his personal use in violation of state law. The work, amounting to at least 12 man-hours, was performed on state time using state equipment and supplies. This action violates Article 7, Section 14 (A) of the Louisiana Constitution as well as LSA-R.S. 42:1461.

Mr. Robison admitted he had the employees fabricate the piece of equipment for him. He said that after Hurricane Rita, FETI employees had very little work to do. He needed a hay spear to carry large rolls of hay he personally owned. He gathered about 60 pounds of metal scrap from the FETI yard and directed the employees to fabricate the spear. He was aware one or more employees worked on the project while on state time using state-owned equipment and supplies. Mr. Robison stated he did not feel anything was wrong with having the employees work on this project. He stated he had recently purchased a new hay spear for \$91.

Two FETI employees admitted they worked on the project at the direction of Mr. Robison, their supervisor. Both employees stated a third employee also worked on the project. The third employee denies he performed any work but stated he was aware the hay spear had been fabricated by other employees. The two employees stated they worked approximately 12 man-hours on the project while on state time. They stated they used state-owned equipment and supplies such as a cutting torch, welding machine, and welding rods. Both employees felt they had to do the work because their supervisor directed them to do so.

Recommendations:

4. FETI should seek reimbursement from Mr. Robison for the cost of employees’ time and fuel used for the trip to DeQuincy, and reimbursement for the cost of employees’ time and materials used to fabricate the hay spear.
5. Management of LSU’s Office of Academic Affairs should strengthen its oversight of FETI by ensuring that FETI management understand and adhere to state laws and regulations designed to prevent misuse and/or abuse of state resources.

APPENDIX A

Responses

LSU Response



July 7, 2006

Ms. Sharon B. Robinson, CPA
Office of State Inspector General
Post Office Box 94045
224 Florida Street, Suite 303
Baton Rouge, LA 70804-9095
VIA FAX: 225.342.6761

Re: Case No. 1-06-0014

Dear Ms. Robinson:

This letter serves as LSU's official response to the draft audit report dated June 6, 2006 concerning the Office of State Inspector General's investigation of certain allegations at the LSU Fire and Emergency Training Institute (FETI). Response is being provided to the finding, investigation and recommendations for both issues: (1) Improper Sale of State Property and (2) State Resources Used for Personal Benefit.

Issue 1: Improper Sale of State Property

Finding

The report finding states "In December 2003, Mr. Jimmie Robison, FETI Assistant Director, purchased an LSU-owned backhoe for \$500 cash in violation of state regulations. In addition, neither LSU nor Mr. Robison could prove Mr. Robison paid for the backhoe. After LSU administration was advised of the purchase, Mr. Robison was allowed to keep the backhoe." We concur in part with this finding; we take exception to the last sentence. LSU first learned of the backhoe transaction through a confidential tip to LSU Police on 09/30/05. Immediately, LSU Police initiated an investigation. The result of this investigation was that no criminal charges would be sought. This decision was communicated to the Office of State Inspector General on 03/07/06. After such time, LSU determined that it would take no further action until the Office of State Inspector General had completed its investigation and issued a report.

Narrative

LSU does not concur with statements in the fourth paragraph of page 5 of the report concerning the condition of the backhoe at the time of transfer from Facility Services to FETI. Facility Services reported on the Equipment Inventory Action Request that the backhoe was in "poor condition will not drive front tires missing."

Ms. Sharon B. Robinson, CPA
July 7, 2006
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LSU has no knowledge that suggests otherwise nor are LSU Facility Services employees in a position to estimate a value for a circa 1978 backhoe.

On page 6, the report describes the sequence of events. LSU wants to reiterate that the University office responsible for property and equipment controls, the Office of Property Management, did not approve the sale of this equipment. However, based on a request from FETI the office did seek the approval of Louisiana Property Assistance Association (LPAA) to scrap the backhoe on August 21, 2002. LPAA granted approval on August 27, 2002 and thereafter, the Office of Property Management advised FETI to seek three competitive quotes from scrap dealers. At that time, LSU operating procedures required that the department complete the scrap transaction with no further involvement from the Office of Property Management. As a result of this transaction, LSU has changed its procedure on scrapping items in this category. The new policy reads as follows:

Office of Property Management will no longer request scrap approval for Heavy (Machinery) Equipment. Tractors, large mowers, backhoes, etc. will be requested only as items to be "Sold As Is/Where Is" or "Pick Up by LPAA" through State Property.

On page 7, the report details conversations between Mr. Fernandez and Mr. LaCroix. At the time of the conversations described in the report, Mr. LaCroix was not aware that Mr. Robison had obtained the backhoe through a sale of state property by FETI. Mr. LaCroix believed that FETI had scrapped the backhoe as he advised and as had been approved by LPAA. He was unsure how Mr. Robison took possession of it. Clearly, there was miscommunication between these two employees and LSU regrets that this occurred. As a result of this transaction, LSU's operating procedures now requires that LSU property management investigations be managed by the Office of the Vice Chancellor for Finance and Administrative Services.

Recommendations

No. 1 – LSU concurs with this recommendation. On June 16, 2006, LSU received a letter from Ms. Barthel, Director of the Office of General Services, instructing LSU to “make whatever arrangements are necessary to have the backhoe delivered to LPAA...” On June 27, 2006, Ms. Rose Mary Wilhelm, Executive Director of Procurement Services and Property Management, sent a letter to Mr. Burgess, attorney for Mr. Robison instructing him to return the backhoe to LPAA by June 30, 2006. We have confirmed that the attorney received the memo but as of this date, the backhoe has not yet been returned. A copy of this letter is attached hereto.

No. 2 – LSU concurs with this recommendation. On January 1, 2006, a new director, Mr. Jeff Gleason, was appointed. Mr. Gleason has a new management team

Ms. Sharon B. Robinson, CPA

July 7, 2006

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in place, including a new Business Manager starting this month. All FETI employees will be required to go through additional training on property control procedures that are designed to safeguard state property.

No. 3 – LSU concurs with this recommendation. LPAA is currently performing this audit.

Issue 2: State Resources Used for Personal Benefit

Finding

LSU concurs with this finding. LSU considers this finding serious and will take all appropriate steps to ensure that actions such as these do not occur.

Narrative

LSU has no comments.

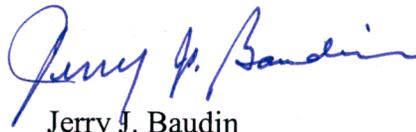
Recommendations

No. 4 – LSU concurs with this recommendation. LSU is determining the appropriate amount of reimbursement for these two activities and will seek reimbursement from Mr. Robison.

No. 5 – LSU concurs with this recommendation. Mr. Fernandez, a Vice Provost for Academic Affairs who has administrative responsibility for this area, is taking the necessary steps to ensure that FETI management understands its responsibilities in these areas.

LSU is appreciative of you and your staff's work on this investigation. As described above, the University is taking appropriate steps to ensure that actions such as these do not happen again.

Sincerely,



Jerry J. Baudin
Vice Chancellor for Finance
and Administrative Services

Attachment: Letter from Ms. Wilhelm to Mr. Burgess, attorney for Mr. Robison

xc: Mr. Fernandez
Mr. LaCroix
Mr. Wilhelm
Mr. Monday



June 27, 2006

Finance & Administrative
Services

FAX No. 337-478-8946

Office of Purchasing

Louisiana State University
213 Thomas Boyd Hall
Baton Rouge, LA 70803-3001

Mr. Roger G. Burgess
Baggett, McCall, Burgess, Watson and Gaughan
3006 Country Club Road
Lake Charles, Louisiana 70606

O 225-578-2176
F 225-578-2292
www.fas.lsu.edu/purchasing

Re: 1978 Case Backhoe, Serial No. 8978267, LSU Inventory No. 001065

Dear Mr. Burgess:

It is my understanding that the referenced backhoe is in the possession of your client, Jimmie Robison.

Please be advised that LSU has been instructed by the State of Louisiana, Division of Administration, Office of General Services, to have the referenced backhoe delivered to Louisiana Property Assistance Agency, 1059 Brickyard Lane, Baton Rouge, Louisiana on or before close of business June 30, 2006. A copy of their request is attached for your files.

Your attention to this matter will be appreciated.

Yours truly,

A handwritten signature in black ink that reads "Rose Mary Wilhelm". The signature is written in a cursive style with a large initial "R".

Rose Mary Wilhelm, CPPB
Executive Director of Procurement Services
and Property Management

RMW:vp

Enc.

C: Dr. Jerry J. Baudin, Vice Chancellor for Finance & Administrative Services
Ms. Susie Barthel, Director of the Office of General Services



Kathleen Babineaux Blanco
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF GENERAL SERVICES

Jerry Luke LeBlanc
COMMISSIONER OF ADMINISTRATION

A-06-126

June 16, 2006

Mr. Delwin LaCroix
Property Manager
LSU - Baton Rouge Campus
Thomas Boyd Hall
Baton Rouge, LA 70813

Dear Mr. LaCroix:

Be advised that the Office of State Inspector General's case number 1-06-0014 includes a finding referencing a backhoe that LSU Fire and Emergency Training Institute improperly sold to Mr. Jimmie Robinson. By virtue of this letter, I am instructing you to:

- Immediately add this asset back to FETI's inventory,
- Immediately create a transfer in Protégé to surplus that backhoe,
- Make whatever arrangements are necessary to have the backhoe delivered to LPAA, 1059 Brickyard Lane, Baton Rouge on or before close of business, June 30, 2006.

If you have any questions, please feel free to contact me at 225-342-6890.

Sincerely,

Susie Barthel, Director
Office of General Services

- c: D. Jeffrey Gleason, FETI Director
✓ Rose Mary Wilhelm, LSU Executive Director
Floyd Rector, LPAA Compliance Supervisor

LPAA Response



Kathleen Babineaux Blanco
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF GENERAL SERVICES

A-06-124

Jerry Luke LeBlanc
COMMISSIONER OF ADMINISTRATION

June 13, 2006

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

RE: Case # 1-06-0014

Dear Ms. Robinson:

I have reviewed the Office of State Inspector General's draft audit report on the Louisiana State University Fire and Emergency Training Institute (FETI) dated June 6, 2006. I completely concur with your finding entitled "Improper Sale of State Property." While I agree with the spirit of your recommendations for that finding, the specific corrective action plan that I recommend outlined below is stronger.

- The LSU Office of Property Management should immediately put the backhoe back on FETI's property inventory. They should then create a transfer for surplus in the state's asset management system, coordinate the backhoe's retrieval from Mr. Robinson, and deliver it to LPAA on or before June 30, 2006.
- All FETI employees including administrative and management staff should receive property control training from LPAA's Compliance section on or before July 30, 2006.
- LPAA will conduct a complete moveable property and fleet audit of FETI. Property records will be reviewed to determine if other previously discarded moveable property items were processed in compliance with moveable property rules and regulations. This audit will also include a complete physical inventory of this location. The audit will begin on June 26, 2006 and will have an anticipated completion date of July 7, 2006.
- LPAA will also conduct a random audit of other LSU locations to insure compliance of moveable property and fleet rules and regulations. Anticipated start date will be October 2, 2006.
- Copies of the LPAA audit reports will be forwarded to your office upon completion.
- LSU management should review the actions of the property manager in this case. Mr. LaCroix has been property manager for many years and should be well

Page two
Letter to Ms. Robinson
June 13, 2006

versed in moveable property rules and regulations. LSU management should notify both LPAA and the Inspector General's office of the corrective action planned.

If you have any questions or need additional information, please feel free to contact myself or Steve Bice at (225) 342-6890.

Sincerely,



Susie Barthel, Director
Office of General Services

Mr. Buddy Robison Response

June 21, 2006

Sharon B. Robinson, CPA
OFFICE OF STATE INSPECTOR GENERAL
224 Florida St, Ste. 303
P.O. BOX 94095
Baton Rouge, LA 70804-9095

Dear Ms. Robinson:

Most of the information you have provided in your report is either correct or outside my knowledge. However, some of your conclusions are either conjecture, misunderstanding, or based upon false information. The following information is a correct setting out of the facts surrounding the backhoe, the Rita incident, and the hay spear.

Backhoe as a Prop

The backhoe was donated with a forklift. There was never any intent to utilize the backhoe as a prop. There was intent to use the forklift as such, but the backhoe was intended for cannibalizing for parts and scrap.

No one could know this better than me. Though Carrol Herring would know as well, because he was my superior, I was the prop and the scrap "person-in-charge".

In addition, it would be ridiculous to conclude the backhoe was intended for use as a prop. Props are utilized for no other reason than to safely train firefighters. There was (and are) at least 17 hydraulic cylinders which would explode with catastrophic effect if heated in a fire. Furthermore, this unit had four very large rubber tires. It is against state law to burn rubber tires under any condition, including fire training.

In addition, there were at least 34 black rubber hoses when we got the backhoe. Our policy would prohibit the burning of this type of material, as well. As a result, no one ever considered using the backhoe as a prop. Being the person-in-charge of props, if anyone would know or could tell you the intended use, it would be me.

If it was your assumption that the notation of "prop" on the BFII, for these two pieces of equipment, meant that "prop" included the backhoe, your assumption is simply wrong. If you were told that by someone, that person is either totally unknowledgeable, or intentionally trying to mislead you. The idea that the backhoe was ever considered for use as a prop is ludicrous.

One last note on the error: Carrol Herring is the only person who could have or would have the authority to decide on what would be used as a prop, other than me. He directed me, as "prop man". Carrol's long-time experience and incredible competence would have guaranteed there was no consideration of this backhoe as a prop. I am confident that he will confirm there was no discussion or consideration ever, as to the use of the backhoe as a prop.

Purchase of Backhoe

I did not purchase the backhoe. How you could report otherwise, is inexplicable. Though I was dating Sandra Leone, we were not married and still are not married. She purchased the backhoe.

Your other errors have arisen because you apparently have not discussed the matter with Troy Austin. Troy was the fleet manager. It was his job to determine the utility of keeping scrap versus salvaging it. David Newman was, as logistics manager, in charge of inventory control. He had decision making authority to have the backhoe sold for scrap.

I was required, by LSU (FETI) policy to get approval from either Troy or David and then final approval from Carrol Herring on every sale of scrap made during the last 3 ½ years of my work at FETI. This time, as I had on occasions, I obtained approval from all three. They authorized the sell of the backhoe as scrap and authorized the purchase price of \$500.00. No one else sold scrap – just me! This is how it was done before I was trained. If the sale of the backhoe as scrap violated any other policy, which I doubt, it did not violate long-standing FETI policy.

Post Rita Assistance

Most of your understanding of the facts surrounding my use of a small window air-conditioner unit is accurate, enough. However, some of your conclusions are simply false.

I did not initiate any request for help! Troy Austin called and asked what I needed because he knew DeQuincy had been nearly destroyed. We were without power, water, or fuel. Troy was my friend and offered his help, not that of FETI.

When I learned that my needs were more critical than originally estimated, I did call to try to get more water and fuel. I could not get Troy but did talk with David Newman. I asked David to let Troy know I needed more than originally requested.

I do believe that David suggested the purchase of the window unit, setting out his needs for one in his FETI office. I wasn't there, so I don't know except from being told, but I believe under these extraordinary circumstances David and Troy sought and obtained permission from Carrol Herring to make the purchases to temporarily help me out.

I gladly accepted the help until I heard, through the grapevine, that somebody was upset by my colleagues helping me. I immediately returned everything, not wanting my friends and especially Carrol to get "chewed out".

The Hay Spear

The hay spear was produced at FETI at my direction. During this extraordinary time, I chose to have my welders do busy work because they sat around doing nothing for days. The total busy work added up to 12-14 hours during the lull, post-Rita. However, one 2 - 6 hours were spent on the spear. Cody Stutes and Miles Kirkland would be the only people to know how much

time they spent, but I know it wasn't 12 hours. I did volunteer to pay the state for the man-hours of busy work that benefited me. I will not pay for that which did not benefit me.

Sincerely,


Buddy Robison

RB

Mr. Carol Herring Response

June 12, 2006

Comments from Carrol L. Herring reference letter dated June 6, 2006 from Ms. Sharon D. Robinson.

Page 1 Paragraph 1- FETI employee did not improperly purchase an LSU owned backhoe.

Page 1 Paragraph 1 Summary of Findings- Incorrect. The \$500.00 was given in the presence of Ms. Carolyn Sharp who at the time was Department Secretary. A memo to the fact was put in the office file along with letter to Fire Marshal's office donating to the Fireman's Memorial Fund to put LSU FETI on a brick on the Memorial.

Page 1 Paragraph 2- The air condition unit was in the process of being purchased for David Newman's office. It along with gasoline was sent to help Jim Robinson. His place had been devastated by Hurricane Rita and we needed him back at FETI as we were involved in rescue work in New Orleans and Slidell after Hurricane Katrina. It was all properly signed out and returned approximately five days later. Using LSU truck to transport was the only means of helping Robinson. Most of our equipment was in New Orleans doing rescue work.

Page 3 Paragraph 1- LSU was designated as the agency to conduct statewide training in 1963 not 1979. That is when I was employed and started the program 1963-1981. I was appointed State Fire Marshal and served under three governors. I retired and was called back to FETI by the Chancellor as the program was rundown and not performing. I brought the program back from approximately 16 personnel and a \$1.5 million budget to approximately 59 personnel and \$4.3 million budget. I resigned 12/31/05. I will be 78 years of age August 13, 2006 and I gave Baton Rouge, LSU, and the State 57 years of dedicated service.

Page 3 Paragraph 3 Scope & Methodology- Interviews should have been done with Troy Austin who was Fleet Manager at the time and was the one who picked up the backhoe and can verify the condition at the time. It was never intended to be used as a prop that I know anything about. It was considered junk and scrap and was only to be used for parts to keep up the one backhoe we had. The parts were not interchangeable so it was never of any service to us. I have no knowledge of it ever being used or in working condition.

Page 5 Paragraph 1- The record of transfer of funds was made a part of the file in Ms. Carolyn Sharp's office, secretary of FETI. Also, transferred to the Firefighters Memorial at the Fire Marshal's office. Sale was not to an LSU employee.

Page 5 Paragraph 3- Never as a training prop. For scrap parts only.

Page 5 Paragraph 4- The first line is correct. Contact Troy Austin, Fleet Manager at the time. The last part of the sentence is incorrect as far as the last time I saw it and when the request was put in to scrap. The scrap man came out and gave a price of \$500.

Page 6 Paragraph 2- Five Hundred and Sixty Seven Dollars was given to a state office, State Fire Marshal, to be given to a state approved Memorial and partial funding from State was provided and placed on state property.

Page 6 Paragraph 4- As stated earlier, it was not sold to an employee and had been declared scrap. Money was delivered by Buddy Robinson, employee.

Page 7 Paragraph 1- I approved it to be sold for scrap. I had been informed that it had been cleared to dispose of as scrap by Mr. David Newman.

Page 10- Fabrication of hay spear. I have no knowledge of this. Your report was the first I heard of a hay spear.

Paragraph Recommendations- Time and fuel reimbursement. This was a time of extreme emergency due to Hurricane Rita for an employee who needed to return to work. This would not have happened under any other circumstances.

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