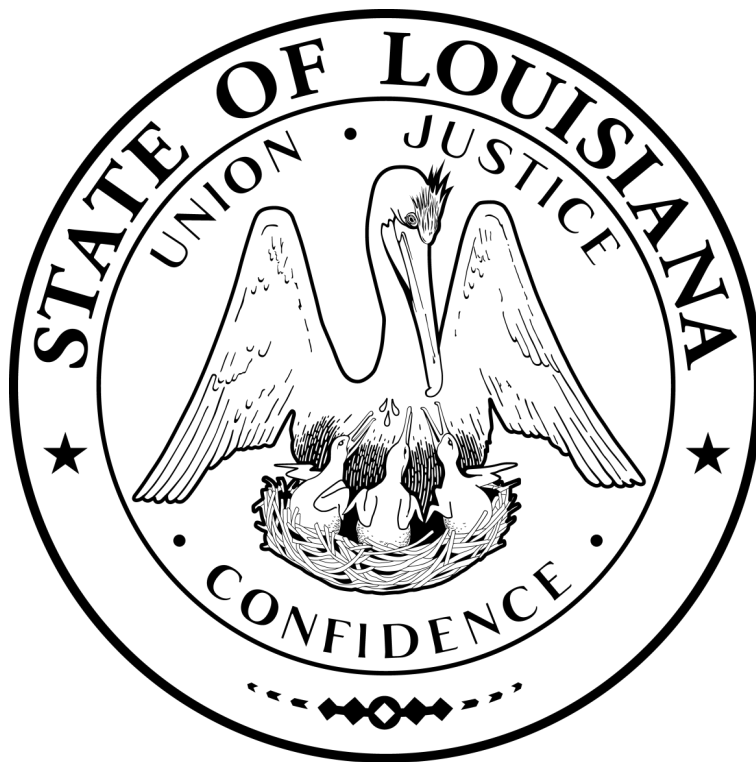


**OFFICE OF
STATE INSPECTOR GENERAL**

Stephen B. Street Jr., Inspector General



**Louisiana State Board of
Private Security Examiners (LSBPSE)**

May 8, 2023

OIG CASE NUMBER 22-0002-I

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JOHN BEL EDWARDS
GOVERNOR



STEPHEN B. STREET, JR.
STATE INSPECTOR GENERAL

State of Louisiana
Office of the Governor
Office of State Inspector General

May 8, 2023

Honorable John Bel Edwards
Governor of the State of Louisiana
PO. Box 94994
Baton Rouge, LA 70804-9004

Re: OIG Case Number 22-0002-I

Dear Governor Edwards:

The attached report details our investigation into certain actions of the Louisiana State Board of Private Security Examiners (LSBPSE) and certain employees of the board after the board's chief administrative officer, Fabian Blache III, was placed on Administrative Leave in July of 2021.

We provided a draft copy of this report to the LSBPSE, and its written response is included in the final report as Appendix A. Copies of the final report have also been provided to the East Baton Rouge Parish District Attorney's Office and the Louisiana Attorney General for further review and action as they deem appropriate.

There are additional LSBPSE matters not covered by this report that remain under investigation by OIG.

Respectfully Submitted,

A large, stylized handwritten signature in blue ink, followed by the initials "CIB" to the right.

Stephen B. Street, Jr., C.I.G.
Louisiana State Inspector General

SBS/ss
Attachment



State of Louisiana
Office of the Governor
Office of State Inspector General

EXECUTIVE SUMMARY

The Office of State Inspector General (OIG) began an investigation into certain actions of the Louisiana State Board of Private Security Examiners (LSBPSE) and certain employees of the board after the board's chief administrative officer, Executive Secretary Fabian Blache III, was placed on administrative leave in July 2021.

OIG's investigation revealed a failure by the board to oversee its executive secretary, and this lack of oversight was a major contributing factor in the improper use of LSBPSE funds. Further, the board appointed Bridgette Hull as executive secretary when she did not meet the qualifications for the job, and did so without posting the position or receiving applications from any qualified candidates.

Specifically, OIG's investigation revealed the following:

I. Overtime Payments

LSBPSE funds were improperly used to:

- Pay former Executive Secretary Fabian Blache III "overtime" to which he was not entitled in the amount of \$293,715.41.
- Pay former Executive Secretary Bridgette Hull "overtime" to which she was not entitled in the amount of \$9,573.80.

II. Bonus Payments

LSBPSE funds were improperly used to:

- Pay a “bonus” to Blache in the amount of \$12,361.00.
- Pay a “bonus” to Hull in the amount of \$5,950.67.

III. Annual Leave Payment

LSBPSE funds were improperly used to:

- Pay Blache an unauthorized “cash-in” of 80 hours of accrued leave time in the amount of \$4,616.00.

IV. Payments for South Africa Conference

Former Executive Secretary Blache accepted an invitation to be a speaker at an international private security conference hosted by the Private Security Industry Regulatory Authority (PSiRA) on July 3-4, 2019 in Johannesburg, South Africa. All of Blache’s expenses were to be covered by PSiRA. Records obtained by OIG show that Blache was paid twice for conference travel expenses. Specifically, records show that before the conference, Blache obtained \$5,127.86 in LSBPSE funds to cover the cost of airfare for round trip travel to South Africa for himself and his wife, who is not employed by the board. After returning from the conference, Blache also received a wire transfer in the amount of \$5,102.86 (the cost of the airfare minus a \$25.00 fee) from PSiRA, the host of the conference. As a result, Blache received \$5,127.86 to which he was not entitled.

The board should explore all legal avenues available to it to recover all funds improperly paid.

V. Employment Contract

The Board considered, and some members erroneously believed they had approved, an Employment Contract with a five-year term for Executive Secretary Blache, at a base salary of \$120,000 per year. Such a contract is not permitted. The executive secretary, a full-time employee, serves at the pleasure of the Board. La. R.S. 37:3275; LAC 46:LIX.103(H).

VI. Appointment of Bridgette Hull as Executive Secretary

On September 29, 2021 the LSBPSE voted to appoint Bridgette Hull as the executive secretary and chief administrative officer of the board.

Hull was initially hired by Executive Secretary Fabian Blache at LSBPSE on November 9, 2016 for a newly created part-time classified position of Administrative Coordinator/receptionist. Blache had “hired Ms. Hull from her prior occupation as an exotic dancer at a club which he frequented,” according to a letter to the board from an attorney who had been retained by Hull. Six months after being hired, she resigned her part-time position and was hired as administrative assistant to the executive secretary, an unclassified position for which there were no experience or educational requirements.

On March 2, 2018 Hull was placed on a supervisory plan. On March 29, 2018 Hull and Blache were both placed on administrative leave pending investigation of allegations of inappropriate conduct brought to the board by employees. Though Hull was returned to duty in May 2018, additional conditions were added to her supervisory plan.

Despite this history, the board appointed Hull as executive secretary after Blache was terminated in September of 2021 following additional allegations of misconduct. Only one board member present and voting dissented. This decision was made with no review of Hull’s background or qualifications for the position. Further, the decision was made without posting or advertising the position, publishing a job description, or receiving applications or resumes from any qualified candidates.

Hull was terminated by the board on September 8, 2022 after she was arrested on felony drug charges by the Livingston Parish Sheriff’s Office.

OIG requested to interview both Fabian Blache and Bridgette Hull. These requests were made via certified letters, return receipt requested. Though delivery of both letters was confirmed through signed return receipts, OIG received no response from Blache or Hull.

There are additional LSBPSE matters not covered by this report that remain under investigation by OIG.

BACKGROUND

The Office of State Inspector General (OIG) is authorized to examine and investigate the management and affairs of all departments, offices, agencies, boards, commissions, task forces, authorities and divisions of the executive branch of state government (“covered agencies”) concerning waste, inefficiencies, mismanagement, misconduct, abuse, fraud, and corruption, and to conduct all necessary investigations into the same. La. R.S. 49:220.21; La. R.S. 49:220.24B. The Louisiana State Board of Private Security Examiners is a covered agency.

The Private Security Regulatory and Licensing Law (La. R.S. 37:3270-3299) was enacted by Act 505 of the 1984 Regular Session of the Legislature which created the LSBPSE as an agency of state government in the Department of Public Safety and Corrections.

The board consists of nine members appointed by the governor for a term concurrent with the term of the governor appointing them. Members are required to have been actively engaged in the private security business for at least five years and each must be licensed or registered with the board or a corporate officer of a licensed company.

The board’s duties and responsibilities include examining all applicants to be licensed, issuing licenses and registration cards and investigating alleged violations of the law and regulations.

Applicable regulations, promulgated under the authority of La. R.S. 37:3270 et seq., are found in the Louisiana Administrative Code at LAC 46:LIX.101-907. The statutes and regulations set forth the qualifications and requirements for company licensure and security officer registration and provide for board-required training and disciplinary action.

An executive secretary appointed by the board is the chief administrative officer of the board and is to “perform such duties as may be prescribed by the board.” A full-time employee of the board, the executive secretary serves at the pleasure of the board. LAC 46:LIX.103(H).

As of May 2, 2023 there are 217 private security businesses licensed by the LSBPSE and 13,903 security officers registered with the board.

There are 48 instructors licensed as “classroom only” instructors and 50 instructors licensed as classroom *and* firearms instructors.

There are seventeen classified positions authorized for the board, of which twelve are vacant. There are two authorized unclassified positions, of which one is vacant.

The Louisiana State Board of Private Security Examiners receives no appropriation from the state general fund. The board and its activities are funded by the fees and fines paid by its licensed security companies and instructors and registered security officers, most of whom are Louisiana citizens.

Fabian Blache III served as executive secretary from March 2016 until September 21, 2021 when he was terminated by the board. He had been placed on administrative leave on July 6, 2021 pending an investigation of issues raised in a report of alleged misconduct from the board’s attorney.

Board records show that Blache had also been placed on administrative leave in 2018 pending an investigation of allegations of inappropriate conduct brought to the board by employees. By a vote of 5-4, he was returned to his duties by the board at the conclusion of a hearing held to review the allegations on April 30, 2018.

On July 6, 2021, after placing Blache on administrative leave pending investigation, the board appointed Bridgette Hull, who had previously served as executive assistant to Blache, as interim executive secretary. She served in that capacity until September 29, 2021 when the board voted to appoint her as executive secretary.

Hull was terminated by the board on September 8, 2022 after she was arrested on felony drug charges by the Livingston Parish Sheriff’s Office.

In December 2022 the board selected Carl F. Saizan Jr. who retired from the Louisiana State Police in 2021 after 38 years in law enforcement, to serve as executive secretary effective January 9, 2023.

INVESTIGATIVE FINDINGS

Overtime Payments

LSBPSE records show that between October 2017 and July 2021 Executive Secretary Blache was paid a total of \$293,715.41 in LSBPSE funds for “overtime.” As executive secretary he was not eligible to earn compensatory leave or be paid for “overtime.” The salary set by the board is the only compensation the executive secretary may receive.

Executive Order Number JBE 2016-75, *Rules and Policies on Leave for Unclassified Service*, issued by Governor John Bel Edwards on December 19, 2016 and effective January 1, 2017, provides, at Section 13(A)(5), that compensatory leave shall not be earned by the “executive director or equivalent chief administrative officer of all boards, commissions, and authorities operating within the executive branch who are appointed by a board, commission or authority.”

Records obtained from the board show that on September 26, 2016 Blache, the board’s chief administrative officer, sent an email to a Human Resources Consultant Specialist at State Civil Service regarding a “Compensation Question” in which he asked if he was entitled to overtime compensation when he has “worked in excess of 40 hours on days when state offices were closed.” A response emailed to him on September 29, 2016 cited Executive Order JBE 2016-48, which had been issued on August 5, 2016, and advised him “it appears that your position may not be eligible to earn overtime but we highly recommend that you verify this with your legal counsel.” In a subsequent email Blache acknowledged this response.

The pertinent part of JBE 2016-48 – Section 13(A)(5) - contains identical language to that cited above in JBE 2016-75 pertaining to the ineligibility of the chief administrative officer of a board to earn compensatory leave or be paid overtime.

Bridgette Hull served as executive secretary from September 29, 2021 until September 8, 2022. Board records show that between October 2021 and February 2022 she was paid a total of \$9,573.80 in LSBPSE funds for “overtime.” As executive secretary she was not eligible to earn compensatory leave or be paid for “overtime.”

Executive Secretary Bonus Payments

Board records show that while serving as executive secretary, Fabian Blache III was paid a “bonus” payment of \$12,361.44 on December 15, 2020 and that Bridgette Hull was paid a “bonus” payment of \$5,950.67 on December 9, 2021 while she held the position of executive secretary. There is no board policy authorizing such bonus payments to the executive secretary and neither payment was brought before the board for consideration.

Board records show that pursuant to policies previously approved by State Civil Service under Civil Service Rule 6.16.1, *Rewards and Recognition*, and Civil Service Rule 6.16.2, *Optional Pay*, the board’s classified employees received payments in 2019, 2020 and 2021. These policies apply only to classified employees.

Civil Service Rule 6.16.1 provides that an appointing authority may, at his discretion, implement a program of rewards and recognition for individual employees for significant achievement or employees who receive exceptional performance evaluations.

Civil Service Rule 6.16.2 provides that an appointing authority may, at his discretion, grant optional pay to permanent employees for the following reasons: (1) matching a job offer, (2) compression pay, (3) additional duties, (4) recruitment.

Programs under both rules must be implemented in accordance with written policies and procedures established by each agency which must receive advance approval from the Civil Service Commission.

Annual Leave Payment

On March 11, 2020 Governor John Bel Edwards issued a proclamation in which he declared a statewide public health emergency to exist “as a result of the imminent threat posed to Louisiana citizens by COVID-19.” In subsequent proclamations the governor ordered additional measures to be taken including closing of all public schools and certain business establishments. State offices remained open.

On March 17, 2020 Executive Secretary Blache sent an email captioned “Preparedness Time Buy-Out Option” to LSBPSE employees that stated in part:

In light of the unforeseen pressure on monthly budgets, with the need to stock up on food, sundries and personal protective items like soaps, sanitizers, Lysol, TP and other such items, I am taking it upon myself to authorize a one-time option to cash in up to 80 hours of Comp Time and/or Annual Leave.

Blache directed LSBPSE Administrative Coordinator Sharon Vallery to issue a check made payable to him in an amount equal to 80 hours of leave.

Vallery issued check number 041295 on the board's Hancock Whitney Bank checking account, which Blache also signed, dated March 18, 2020 payable to Blache in the amount of \$4,482.13 which was his hourly rate of pay of \$57.70 multiplied by 80 (minus Medicare withholdings.) Blache, an unclassified employee whose position at LSBPSE was that of chief administrative officer, was not eligible to receive any disbursement of annual leave except upon separation from service, nor did he have the authority to "authorize" any employee to "cash in" any amount of annual leave. See Executive Order Number JBE 2016-75, Section 10, *Disbursement of Accrued Annual Leave Upon Separation*.

No other LSBPSE employee took advantage of the "one-time option."

Minutes for meetings of the LSBPSE during calendar year 2020 show no discussion or board action regarding the pay-out of annual leave nor does the subject appear on any meeting agenda.

Records obtained from the board show that on January 11, 2019 Blache sent an email to an Employee Relations Consultant at State Civil Service in which he asked "In what instances can an employee cash out Annual leave or K-time?" A response emailed to him on the same day informed him that "the employee would only be eligible to be paid out up to 300 hours of annual leave when they separate from state service."

Payments for South Africa Conference

As detailed below, Executive Secretary Blache received \$5,127.86 to which he was not entitled in connection with his participation at a private security conference in South Africa.

On May 28, 2019 Executive Secretary Blache accepted an invitation to be the keynote speaker at an international private security conference hosted by the Private Security Industry Regulatory Authority (PSiRA) on July 3-4, 2019 in Johannesburg, South Africa. All of Blache's travel expenses were to be covered by PSiRA. Records obtained by OIG show that before the conference Blache obtained \$5,127.86 in LSBPSE funds to cover the cost of airfare for round trip travel to South Africa for himself and his wife, who is not employed by the board. After returning from the conference he received a wire transfer in the amount of \$5,102.86 (the cost of the airfare minus a \$25.00 fee) from PSiRA, the host of the conference.

Records reviewed by OIG show that on May 30, 2019 Blache booked airline flights through justfly.com, an online travel agency, for Fabian Peter Blache and Haley Autumn Perron for travel from New Orleans to Johannesburg, departing on June 29, 2019 and returning to New Orleans on July 8, 2019. An itinerary generated by justfly.com shows that \$5,127.86 was charged to an unknown account.

At Blache's direction, Administrative Coordinator Sharon Vallery wrote check number 039935, dated May 30, 2019, on an LSBPSE Hancock Whitney Bank checking account in the amount of \$5,127.86 made payable to Blache. Vallery and Blache signed the check. The check was deposited on the same date into a Capital One Bank account belonging to Blache.

Bank records show that on August 13, 2019 a direct deposit wire transfer in the amount of \$5,102.86 was made into Blache's personal checking account number xxxx9610 at Hancock Whitney Bank.

The wire transfer from PSiRA followed a series of emails between Blache and Oupa Mamabolo, Acting Deputy Director of Communications and Training for PSiRA, discussing reimbursement. Included were emails from Mamabolo to Blache on August 6, 2019 and August 8, 2019 stating that "payment has finally been processed" and that the processing of the payment was "done."

Before the conference, in an email dated May 29, 2019 Blache had advised Mamabolo that his wife would travel with him to the conference and that he (Blache) would "cover the cost of her flight." However, in an email dated June 19, 2019 Mamabolo informed Blache that PSiRA, the conference sponsor, had decided to fully reimburse Blache for the cost of his wife's flight in addition to Blache's flight.

In an email to Blache dated August 23, 2019 Vallery inquired as to whether Blache had received payment from PSiRA and Blache replied, by email, that he had not. As

stated above, the wire transfer payment had been deposited into his account on August 13, 2019.

Board files contain check number 1004 dated August 13, 2019, written on a checking account belonging to Blache and his wife, signed by Blache and made payable to the LSBPSE in the amount of \$2,563.50 which is one-half of the airfare expense for travel to South Africa. The memo line on the check reads “SA AIR PSIRA.” The check was never negotiated.

Minutes for the June 20, 2019 meeting of the LSBPSE show that board members congratulated Blache for being invited to be keynote speaker at the South Africa conference but reflect no mention of payment of any of Blache’s travel expenses related to the conference nor a request by Blache for the same.

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Investigation also revealed the following actions by the board:

Employment Contract

The board considered, and some board members erroneously believed they had approved, an Employment Contract¹ with a five-year term for Executive Secretary Blache. Such a contract is not permitted. The executive secretary, a full-time employee, serves at the pleasure of the board. La. R.S. 37:3275; LAC 46:LIX.103(H).

Board minutes show that at a board meeting held on June 30, 2020 Chairwoman Marian Pierre “introduced a proposed employment contract for Executive Director (sic) Fabian Blache III.” Discussion of the contract, which provided that it could be terminated by the board only for “cause” and also provided for a “base salary” of \$120,000 per year, followed. The minutes reflect that the board attorney’s opinion was that “the contract was lawful and proper.”

A board member asked for an example of a similar contract for another unclassified appointed agency head for comparison and then made a motion that the board attorney provide such an example after the attorney said that a motion was required. The motion failed. Board minutes show that Chairwoman Pierre then made a motion

¹ The board minutes refer to the document in question as an “Employment Contract,” but the document was titled “Employment Agreement.” For continuity purposes, the document is referred to herein as an “Employment Contract.”

to adopt the Employment Contract. Before the motion received a second, another board member made a motion to change the term of the proposed contract from three years (as drafted) to five years. The motion to amend the contract was approved by a vote of 6-2. However, no further votes are reflected in the minutes or on the audio recording of the meeting. There was no vote by the board to approve the proposed contract.

Following the meeting Chairwoman Pierre and Vice-Chairman Robinson signed the proposed Employment Contract on behalf of the board. Blache also signed.

The introduction of the proposed Employment Contract was preceded by a series of emails beginning on June 26, 2020 between Blache and Chairwoman Pierre, with copies to the board attorney, attaching copies of drafts of the Contract. According to the emails, revisions to the original draft were suggested by Pierre.

On the day before the board meeting – June 29, 2020 – Executive Assistant Bridgette Hull sent to all board members a copy of the proposed Employment Contract and a memo from Chairwoman Pierre praising Blache and recommending approval. Emails show that the memo was prepared by Blache and sent to Pierre with a note to “copy and past (sic) what is below into a new email to members – edit as you see fit.”

Appointment of Bridgette Hull as Executive Secretary

On September 29, 2021, eight days following its termination of Blache as executive secretary, the board voted to appoint Bridgette Hull as executive secretary and chief administrative officer of the board. Only one board member present and voting dissented. This decision was made with no review of Hull’s background or qualifications for the position. Further, the decision was made without posting or advertising the position, publishing a job description, or receiving applications or resumes from any qualified candidates.

Hull was hired on November 9, 2016 for a newly created part-time classified position of Administrative Coordinator/receptionist. Six months after being hired, she resigned her position and was hired as administrative assistant to the executive secretary, an unclassified position for which there were no experience or educational requirements.

After less than a year in that job, on March 2, 2018 Blache issued a written “Supervisory Plan” to Hull to address “a few important observations and concerns with respect to your performance of the past year.” These included her “struggle to make it to work on time” and excessive absences.

On March 29, 2018, Blache and Hull were both placed on administrative leave pending investigation of allegations of inappropriate conduct brought to the board by employees. A special meeting of the board was held on April 30, 2018 to review the report prepared by Equal Employment Opportunity investigators with the Department of Public Safety.

After the board voted to return Blache to his duties it instructed him to “give us a job description of Ms. Hull and her qualifications for that job (executive assistant), her work experience and that it was verified.” Apparently, the board records contained no information about Hull’s work experience or previous employment. Executive Secretary Blache had “hired Ms. Hull from her prior occupation as an exotic dancer at a club which he frequented,” according to a letter to the board from an attorney who had been retained by Hull.

Reference letters dated May 2018 were received by the board from three former employers, two of which pertained to employment in 2012 or before.

In a May 4, 2018 email Blache notified Hull that she was being taken off administrative leave and returned to her duties “contingent upon several factors which will be reduced to writing in the form of a supervisory plan.” Blache outlined the supervisory plan in a May 8, 2018 memorandum directed to Hull which, among other things, instructed her “to avoid sitting on anyone’s desk” and “you will sit in a chair in an appropriate manner” and “you will under no circumstances engage in any behavior that involves the revealing of any tattoos to anyone that are not naturally or normally visible in proper business attire.”

Despite this history, the board appointed Hull as executive secretary. Less than a year later, after her arrest on felony drug charges in Livingston Parish, Hull was fired by the board on September 8, 2022.

APPENDIX A

JOHN BEL EDWARDS
GOVERNOR



CARL F. SAIZAN, JR.
EXECUTIVE SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Board of Private Security Examiners

April 11, 2023

Stephen B. Street
Inspector General
Poat Office Box 94095
Baton Rouge, LA. 70804-9095

Re: OIG Case Number 22-0002-I

Dear Mr. Street,

On behalf of the State Board of Private Security Examiners, hereafter referred to as the “Board”, I respectfully submit the following report in response to the draft investigative report relating to the referenced State Office of Inspector General (OIG) Case Number 22-0002-I. Based on limited personal knowledge, the members of the current Board are relying on the accuracy of the information contained in the investigative draft report and therefore, have no basis on which to dispute those facts.

As the new Executive Secretary, I am writing to express my disappointment with the actions of prior Executive Secretaries as represented in the investigation conducted on the State Board of Private Security Examiners. It is inexcusable concerning the misappropriation of funds by both former Executive Secretaries and disappointing at the seeming lack of oversight by former board members, as well as their appointment of my predecessor who was not qualified to hold the position of Executive Secretary.

As a retired Major with the Louisiana State Police, and as the Executive Secretary of the Board, I completely understand the importance of maintaining the highest accountability and transparency standards at all government levels. The investigation underscores the need for greater oversight and scrutiny of the Board and the members entrusted with managing its affairs.

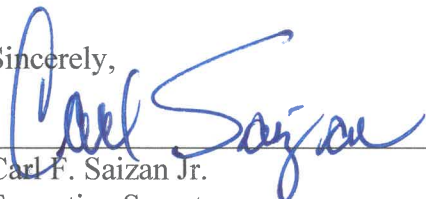
The Board commends your office for conducting a complete and comprehensive investigation into these matters. The Board will take all action necessary to ensure that such activities outlined in your report do not occur in the future.

The Board is committed to establishing policies, procedures, and processes that promote accountability and transparency in the agency. Even before being made aware of the findings of the investigation, the Board was already well underway correcting issues that were considered unethical, illegal; or violated state civil service rules, and/or rules that govern the private security industry.

Processes were undertaken to ensure that the events outlined in your report never occur again are outlined in attachment "A" to this letter.

Thank you for your thoroughness in the investigation into this matter and the opportunity to respond to the investigative draft of the report. Please do not hesitate to reach out to the Board with any further findings.

Sincerely,



Carl F. Saizan Jr.
Executive Secretary

Attachment "A"

The Board, with the assistance of its new Executive Secretary, fully understands and appreciates the need for strict payroll tracking and purchasing processes to ensure that all financial transactions are conducted with the utmost accuracy and transparency.

In response to your investigation as it relates to "Bonus Payments", "Annual Leave Payments", "Employment Contracts" and "Accounting Procedures", we outline our process for tracking all payroll transactions. The process will involve the following steps:

1. **Automated Timekeeping System:** We currently use an automated timekeeping system (Paychex Flex) that records the hours worked by each employee. We have determined that this system is not conducive to state civil service policies as it relates to the tracking of various types of leave, i.e., compensatory, annual, sick, FMLA, etc. Although we are currently in negotiations with two other payroll companies that can address all our payroll needs and are more in line with state civil service policies, we will continue to ensure that all hours worked are accurately recorded and that there is no opportunity for employees to manipulate their timesheets. Additionally, any overtime worked must be approved by the Executive Secretary and a detailed account of work performed has to be recorded by the employee working overtime. The weekly overtime report is then emailed to the Board, so they can see how much overtime is being expended weekly as well as the work being accomplished.
2. **Payroll Review and Approval:** Once records have been submitted, they are reviewed and approved by the Executive Secretary weekly. The Executive Secretary ensures that all calculations are accurate, and all hours worked are properly recorded in the appropriate categories to include supporting documentation, i.e., "Leave Slips – SF-6".
3. **Payroll Records Maintenance:** All payroll records will be maintained in an electronic format and will be accessible to designated personnel with administrative rights only. Additionally, printed copies of all timesheets and supporting documents will be maintained in a file cabinet in the locked file room. This will ensure that records are easily retrievable and that there is minimal access to those records.
4. **Periodic Audits:** Although the 2021 and 2022 Agreed Upon Procedures (AUP) audits were never completed, we are in the process of coordinating with Griffin and Furman LLC (CPA firm) to provide the necessary documents to complete those two audits. Also, we intend to coordinate with the Louisiana Legislative Auditor's (LLA) office and the firm it has assigned to conduct our annual audit to ensure those audits are performed within the timeline set forth by the LLA. Furthermore, we intend to conduct regular internal audits of payroll records to ensure that all entries are accurate and properly documented. These audits will be conducted by personnel who are not involved in the agency's payroll process. NOTE: Our contract with Griffin & Furman (Independent CPA firm) on behalf of the LLA also stipulates that they will conduct our 2023 fiscal year AUP.

5. **Annual Reports:** We will prepare and publish an annual report detailing all payroll transactions for the prior fiscal year. This report will be made available to all board members which will provide a transparent and comprehensive overview of all payroll transactions.
6. **Employment Contract:** The Board made it very clear that the Executive Secretary is a full-time salary employee who works at the pleasure of the Board and that under no circumstances is the Executive Secretary allowed to be paid overtime or enter into a contract with the Board. The Board made it further clear that at any point the Executive Secretary's services are no longer needed, the Board can terminate without cause.
7. **Bonus Payments:** The Board made it abundantly clear that an unclassified employee, specifically, the Executive Secretary, is prohibited from receiving bonus payments through the Rewards and Recognition program authorized under state civil service rule 6.16.1.
8. **Annual Leave Payments:** The Board made it abundantly clear that an unclassified employee, specifically the Executive Secretary, is prohibited from receiving annual leave payments. This prohibition is in place to ensure transparency and accountability in the use of annual leave and to prevent any perception of impropriety or misuse of public funds. Violation of this policy may result in disciplinary action up to and including termination.
9. **Accounting Procedures:** The Board hired Faulk and Winkler, a CPA firm, in February 2022, to consolidate and manage all income and expenses. The following process was implemented shortly after the CPA firm was operational. The Operating and Money Market Statements are emailed to the Certified Public Accountant (CPA) Faulk & Winkler by the 5th of each month. The bulk of the agency's purchases has been streamlined to be paid using the State of Louisiana LaCarte Purchasing Card (P-Card). Those invoices, payments, and receipts are then uploaded and processed utilizing the Bank of America Works program. The agency's Bank of America statement is emailed to CPA by the 10th of each month (and the CPA now has auditor access to the Bank of America Works program). The invoices that are paid using the P-Card or Electronic Fund Transfer (EFT) are marked as "Paid" including details of payment and then uploaded to Bill.com. The payroll reports are generated each Tuesday and emailed to the CPA. All invoices are uploaded to Bill.com weekly. The invoices that require payment generated and sent through Bill.com are uploaded to Bill.com for processing. Each Tuesday, the invoices that have been uploaded to Bill.com are processed by the CPA. The CPA codes the invoices to the proper general ledger accounts and then sends the invoices through the proper approval process. Anything under \$500 will be coded by the CPA and then sent to authorized LSBPSE staff members for approval and release of payment authorization. Anything \$500 and over will be coded by the CPA, approved by the authorized LSBPSE staff member, and sent to the LSBPSE Board Chairperson for approval and release of payment authorization. The LSBPSE Finance Committee

Chairperson has auditor access to Bill.com. The Executive Secretary and LSBPSE Finance Committee Chairperson both have access to view information and reports in QuickBooks Online. The issuing of printed checks by the staff member overseeing the human resources and payroll process is prohibited and all remaining blank checks have been shredded.

In response to your investigation, as it relates to “the appointment of the former Executive Secretary,” we would like to outline our new process for hiring an Executive Secretary. Our process involves the following steps:

- **Executive Secretary Appointment:** In September 2022, the Board formed an Executive Secretary Search Committee consisting of a chairperson and three board members and revised the process to select the new Executive Secretary to include the following requirements to apply for the position of Executive Secretary. “A suitably qualified executive secretary of the board will have, at a minimum, a bachelor’s degree in criminal justice, or a bachelor’s degree in business administration, from an accredited university; or at least five (5) years of consecutive full-time law enforcement experience. Additionally, a qualified candidate will be versed in licensure, certification, credentialing, curriculum development and maintenance, law and rule drafting, the legislative process, insurance vetting, workers’ compensation, application of laws and rules in a regulatory environment, and general human resource process and procedure. Experience in lieu of a degree will be considered. Must be able to pass a criminal background.” Furthermore, there was a vetting process where the search committee reviewed all applications and selected the top five (5). From there, all five (5) were offered the opportunity to interview before the search committee which had the responsibility to select the top three (3) which were to be presented to the full board to select the top candidate. This process was implemented for the selection of the new Executive Secretary, Carl F. Saizan, Jr.

Furthermore, we would like to add to this report our investigative and fine assessment process. and outline our new process for investigations in reference to company licenses and instructor licenses and show how the current Board is actively engaged in all aspects of licensing and the issuing of fines. Our process involves the following steps:

- **Investigative and Fine Assessment Process:** In April 2022, the Board hired a new attorney who established new protocols for handling licensure. Mandates were put in place requiring Board approval for issuance, suspension, and revocation of either a company license, qualifying agent license, or instructor license. Furthermore, the attorney established protocols requiring Board approval for all substantial fines assessed by the Executive Secretary, settlement agreements and all Cease-and-Desist Orders. Moreover, the agency has adopted the following process for handling investigations that result in substantial fines as they relate to egregious and non-egregious violations. The Board attorney will set the matter for an informal conference that may or may not progress into a settlement agreement. The respondent licensee and its attorney, if any, will appear before an investigative committee of the Board consisting of the Board attorney, investigative committee chair, and the Executive Secretary. The respondent and attorney are made aware of their right to a hearing (or appeal) per the Administrative Procedures Act. The matter at hand will be presented to the respondent licensee who will have an

opportunity to show that he is not in violation of the statutes or rules presented to him and his attorney. Given the response, an offer of settlement may be presented at that time. If the respondent licensee and his attorney are amenable to the terms of the agreement, the Board attorney will draft a consent agreement and forward it to the respondent licensee and attorney. If the consent agreement is signed, it will then be presented to the full Board for approval at the next scheduled board meeting. The matter will be settled without a hearing if the Board votes to accept the agreement. If the Board rejects the consent agreement an administrative complaint will be filed and a hearing scheduled with the Board attorney acting in the capacity of a prosecutor, the Board will be the Jury, and the respondent licensee and his attorney will appear and defend their position in the case.

In conclusion, the Inspector General's investigation of the State Board of Private Security Examiners has revealed actions by the former Executive Secretaries that have damaged the agency's reputation. We express our extreme displeasure with their actions and recognize the need to rebuild trust with the public and private security industry. We are committed to upholding ethical and moral standards in all aspects of our work and taking actions that demonstrate that our character is beyond reproach. We have implemented measures to ensure that such offensive actions never happen again, including increased oversight and accountability as well as proper civil service training for all employees. We are determined to restore the public's confidence in our agency and will work tirelessly to ensure that the private security industry in our state is regulated with the highest standards of professionalism, integrity, and accountability.

Sincerely,
Louisiana State Board of Private Security Examiners


By: Carl Saizan, Executive Secretary

Cc: Board members of the Louisiana State Board of Private Security Examiners
Celia Cangelosi, Board Attorney