



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

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## ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT

The St. Bernard Parish Port, Harbor and Terminal District has “control deficiencies” and “possible compliance issues” that management should address and resolve in the areas of professional service contracts, compensation and benefits of its executive director and take-home vehicles, a report from Legislative Auditor Daryl Purpera’s office said Monday.

In a letter to port Executive Director Robert Scafidel, the state auditor said members of his Advisory Services staff visited the port “to assess the propriety of certain matters that were reported to my office.” The letter outlines what auditors found and recommendations to “improve controls over the port’s financial operations,” as well as ways to implement good business practices and ensure the port’s compliance with the state Constitution and laws.

The report said that “controls over professional services contracts need to be strengthened” because as of May 22 of this year the port overspent its budget for the fiscal year, which ended in June, by almost \$115,000. The port had budgeted \$2 million for the fiscal year 2013-14 for professional services.

“Port records indicate that as of May 22, 2014, management had issued monthly payments totaling \$325,000 under written contracts without having documentation on the specific services that were rendered each month,” the state auditor said in the report. The contracts were for legal, legislative, governmental, consulting and public relations services.

The report pointed out that, as of May 22, the port paid two law firms a total of \$890,335 without having written contracts with the firms.

The report recommended port management to adopt and implement written policies and procedures for all professional services contracts in effect at the port and submit the contracts to legal counsel for review before signing them. Port management was also advised to review all professional services contracts and cancel those that are unnecessary if any; ensure the port is receiving competitive prices for all contracted professional services; stop making payments in advance of services performed; and enter into formal written contracts with the private law firms it has hired.

On the issue of pay and benefits for its executive director, the state auditor recommended that the board of commissioners that oversees the port “establish clear objectives which specify the performance requirements” for the position. The report also recommended that the board “conduct a salary and benefits survey of similar ports in Louisiana to find out what other (port)



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executive directors are receiving” and use that data in assessing the overall reasonableness of the St. Bernard port director’s pay and benefits package. It also said the board should set a written salary range and structure for the executive director’s position.

“The board of commissioners has granted sizeable pay increases and additional benefits to the executive director without preparing and conducting formal written evaluations of his job performance,” the report said. “Good business practices require that pay raises and merit increases be primarily based on work/job performance and that such performance is periodically evaluated and documented.”

The report said Scafidel acknowledged formal “performance evaluations are not being prepared and conducted” by the port’s board of commissioners. Port records show that Scafidel’s salary during the past six years has increased by \$63,965 -- from \$160,309 to \$224,274 -- and his pay “is set to automatically increase under his current employment contract.”

The report said that the board extended Scafidel’s contract one additional year, through June 30, 2015; gave him automatic 10 percent “merit increases” for 2013, 2014 and 2015; authorized him to have a driver; and granted him “a payment equivalent to 120 days . . . of accrued sick leave upon his resignation, death, removal or other termination of employment.” His salary is expected to be \$253,429 for the fiscal year ending June 30, 2015.

Purpera’s report said that the port’s take-home vehicles provided to Scafidel and six other employees did not bear a public license plate or a decal with the port’s name on the doors as state law requires.

The state auditor also said that port management should comply with the port’s personnel policies by conducting annual performance evaluations of personnel and by requiring all employees to maintain daily work attendance records.

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**On Twitter:** Control deficiencies, possible compliance issues, noted at St. Bernard Port, Harbor, and Terminal District.