



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

May 19, 2014

TOWN OF INDEPENDENCE

Independence Police Chief Frank Edwards and his police officers formed a non-profit organization to perform off-duty private security work for businesses but did not repay the town for the police equipment used in those details, according to a report released Monday by Legislative Auditor Daryl Purpera.

The investigative audit said the non-profit agency, incorporated in 2010, charged business clients \$20 to \$25 an hour, with the officers receiving \$16 an hour and the rest going to the non-profit organization, the Independence Police Reserve Division, but without town oversight. "Chief Edwards stated that the Reserve Division does not reimburse the town for use of town assets employed in the private security details," such as police vehicles, uniforms, fuel and equipment, the report said.

Edwards' role in forming the non-profit and deploying equipment without town oversight may "represent a conflict of interest" for the police chief. A copy of the report, with three other findings, was forwarded to the State Board of Ethics and the district attorney's office for the 21st Judicial District.

Edwards told auditors that the purpose of the division was to raise money for the town police department, and that was later expanded to community efforts like buying bicycles for school children. The report said the Reserve Division's articles of incorporation state that the organization's purpose is to engage "in any lawful activity."

Although the non-profit provides security details to local businesses, it does not have any written contracts to document the agreements, the report said. Records showed that the organization deposited \$140,219 into two Reserve Division bank accounts between July 2010 and January 2014, and \$116,537 can be tracked to checks paid by businesses hiring the off-duty details. "However, the remaining \$23,682 does not have any documentation to indicate the source of the revenue," the report said.

The division had no working agreement with the town, no written policies or procedures, no formal board meetings were held, no board minutes kept, and no budgets or written contracts could be located.

The report said that 43 town police officers who used police department equipment for paid private details may have violated state ethics laws. State law allows commissioned police to provide "traffic control or security services for a private employer when the services are in



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accordance with the policy of the town;” the policy was published in the official journal; and provides appropriate charges for the use of public vehicles, none of which was done. As a result, the officers may have violated the law by receiving pay from the Reserve Division for the private security services.

The report also said that the town’s fuel, vehicles and police equipment were used for the off-duty details outside of the town’s jurisdiction, which may be an illegal donation of goods and services and a violation of the state Constitution.

The non-profit agency conducted private security details for a bank in nearby Loranger that included providing police escort of cash deliveries to an automatic teller machine, and security for a pipeline company outside of the Independence town limits.

From August 2010 through April 2014, the town also did not disclose the private security detail activity and payroll to Risk Management Inc., the town’s workers’ compensation insurers. If the private security payroll had been reported, the company said in the audit report, the worker’s comp premiums “would have been increased” to provide coverage for the off-duty activities.

The state auditor recommended that the Town of Independence draft and approve an ordinance allowing the off-duty details, procedures be developed governing the details, the use of the non-profit agency be stopped, and the town should start charging “an appropriate fee” for the use of its equipment for the private police details.

The report also recommended that town-controlled bank accounts be established to receive the security detail’s revenues and disburse payments; written contracts established between the town and businesses desiring for use of the off-duty details; and have the Reserve Division reimburse Independence the cost of the fuel and equipment used for the private details.

For more information, contact:

Daryl G. Purpera, CPA, CFE
Legislative Auditor
225-339-3800

On Twitter: Independence Police Chief, police officers, formed non-profit to perform off-duty private security work for businesses.