

# TOWN OF WINNSBORO

INVESTIGATIVE AUDIT SERVICES

Issued February 21, 2024



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February 21, 2024

**THE HONORABLE ALICE WALLACE, MAYOR,  
AND THE MEMBERS OF THE BOARD OF ALDERMEN**  
Winnsboro, Louisiana

We are providing this report for your information and use. This investigative audit was performed in accordance with Louisiana Revised Statutes 24:513, *et seq.* to determine the validity of complaints we received.

The procedures we performed primarily consisted of making inquiries and examining selected financial records and other documents and do not constitute an examination or review in accordance with generally-accepted auditing or attestation standards. Consequently, we provide no opinion, attestation, or other form of assurance with respect to the information upon which our work was based.

The accompanying report presents our findings and recommendations, as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the Fifth Judicial District of Louisiana and others, as required by law.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

MJW:ch

TOWN OF WINNSBORO





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# EXECUTIVE SUMMARY

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## **Purchase of Gifts for Town Employees**

Winnsboro Mayor Alice Wallace approved the purchase of \$11,399 in outdoor griddles for Town employees as an "employee appreciation gift" in November 2022. In addition, the Town purchased \$737 in gift cards for employee of the month awards and paid \$1,836 for parties and celebrations from September 2021 to May 2023. By approving the purchase of gifts for employees, Mayor Wallace may have violated state law and the state constitution.



## **BACKGROUND AND METHODOLOGY**

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The Town of Winnsboro (Town) is located in Franklin Parish and has a population of 4,862 (2020 Census). The Town operates under the provisions of the Lawrason Act and has a mayor-board of aldermen form of government. The Town's mayor and five elected aldermen serve four-year terms. The Town provides public safety, utility services, streets, and administrative services to residents and businesses.

We initiated this audit to determine the validity of complaints we received regarding the Town's use of public funds. The procedures performed during this audit included:

- (1) interviewing Town employees and others, as appropriate;
- (2) examining selected Town documents and records;
- (3) gathering and examining third parties' documents and records; and
- (4) reviewing applicable state and federal laws and regulations.



## FINDING AND RECOMMENDATIONS

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### Purchase of Gifts for Town Employees

**Winnsboro Mayor Alice Wallace approved the purchase of \$11,399 in outdoor griddles for Town employees as an “employee appreciation gift” in November 2022. In addition, the Town purchased \$737 in gift cards for employee of the month awards and paid \$1,836 for parties and celebrations from September 2021 to May 2023. By approving the purchase of gifts for employees, Mayor Wallace may have violated state law<sup>1</sup> and the state constitution.<sup>2</sup>**

The Town’s records show there were purchases of gift cards, food, and other party-related items that were provided to employees as gifts. The Town’s policy manual does not address when an employee qualifies for a gift or the maximum value. Mayor Wallace told us the Town’s practice is to purchase gifts or gift cards for employee appreciation and food for employee birthdays and retirement.

#### Outdoor Griddles

Mayor Wallace signed and submitted a requisition form to the Town Clerk on November 9, 2022, to purchase 57 griddles totaling \$11,399.<sup>A</sup> The griddles were purchased by the Town Clerk using the Town’s debit card on November 11, 2022. The Mayor told us the griddles were purchased for the Town’s employees<sup>B</sup> as appreciation for their work since they did not receive overtime<sup>C</sup> for work performed from July to November 2022.

Mayor Wallace also said she contacted the Town’s independent auditor for advice prior to purchasing the outdoor griddles; however, the Town’s auditor emailed the Mayor and Town Clerk on November 29, 2022 and December 1, 2022 – after the purchase of the griddles – and said that he does not have a problem with the purchase of employee appreciation gifts for full-time permanent employees, and that the authorization should come from the Board of Aldermen. He further stated that state law allowed merit awards to full-time permanent employees to encourage and reward unusual and meritorious suggestions, actions, and accomplishments, but the award may not exceed \$2,000 cash or personal property valued at \$1,200. He also recommended the Town draft communication indicating the Town's intent to purchase awards for employees, state the per-unit value and the total value of the purchases, and submit the plan to the Board for approval.

Page 1 of the Town’s response to the purchase of the outdoor griddles states, *“The TOWN AUDITOR (Mr. Walker) explicitly ‘cleared it’ on December 29, 2022, by*

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<sup>A</sup> The Mayor obtained a \$1,700 refund for the Town on December 15, 2022, due to a subsequent sale by the retailer on the outdoor griddles.

<sup>B</sup> The 57 employees were assigned to administration, police, fire, and public works.

<sup>C</sup> The Town Clerk told us Town employees received compensatory time in lieu of cash payments.

*informing the Mayor that, in his view, (as per our discussions), the purchases were acceptable and 'would not require prior authorization from the council to purchase.'*" Our review of the documents indicated this language pertained to the funding source (sale of surplus assets or employee/personnel cost centers) to pay for the griddles, but did not address the necessity of Board approval for the merit awards Mr. Walker recommended in a December 1, 2022 email. In addition, page 2 of the response to the outdoor griddle purchase for employees states, *"...Mayor Wallace and the Town Clerk, Julia, contacted Brian Nevels with LLA's office and he told them he was not aware of any law prohibiting this purchase and that the griddle purchase was not considered 'malfeasance.'"*

In the December 1, 2022 email, Mr. Walker responded to a November 29, 2022, request from the Town Clerk for a "...written law in reference to employee appreciation..." Mr. Walker's response cited a state law that requires a governing body to adopt a plan to reward employees before granting any awards and states, *"What I suggest is that communication be drafted indicating the City's intent to purchase and award to employees...Submit to Council for approval..."* This email also stated, *"If you are unable to obtain an opinion from the City Attorney, you may want to reach out to legal department with the LLA."* The Mayor did not obtain Board approval as suggested by Mr. Walker, nor did she obtain an opinion from the Town Attorney.

Mr. Nevels was on vacation during late December 2022 and did not speak to the Mayor and Town Clerk as the response suggests. Mr. Nevels' records show the Mayor called him on March 8, 2023, to discuss the use of \$16,000 of funds from the sale of surplus assets and informed him that she gave Town employees appreciation compensation in December 2022. He informed the Mayor that one-time payments to employees are usually prohibited, then referred the employee appreciation compensation issue to the Town Auditor to consider during the Town's annual audit. The question to Mr. Nevels from the Mayor about the use of funds from the sale of surplus assets was forwarded to the LLA Legal Department.

The LLA Legal Department's records show an LLA attorney called the Mayor on March 13, 2023, and informed her that funds from the sale of surplus assets must have a Board-approved budget before the funds can be used, but the purchase of the outdoor griddles as an employee appreciation gift does not appear to be discussed.

State law<sup>3</sup> says that the governing body of any municipality shall have the authority to grant merit awards to full-time permanent employees of the municipality. Additionally, state law<sup>4</sup> provides that prior to the granting of any awards, the governing body may formulate, adopt, establish, and maintain a plan to encourage and reward unusual and meritorious suggestions, actions, procedures, and accomplishments by its employees, which promote economy and efficiency in performance of any function of the municipal government. The plan shall be reduced to writing and may be available for inspection to all municipal employees. Finally, state law<sup>5</sup> affords a cash award shall be for a sum not in excess of \$2,000,

and an award in the form of a corporeal movable shall have a fair market value not greater than \$1,200.

As previously mentioned, all employees received the griddles. Board minutes show a Board member questioned the purchase of griddles at a regular Board meeting held on December 28, 2022, stating that a merit award system should have come before the Board, and the Board did not approve a merit award system. After discussion, Mayor Wallace asked if the Board member would like a resolution brought forward to approve a merit award system, to which the Board member declined. No other action was taken by the Board regarding a merit award system.

### Gift Cards

The Mayor approved the purchase of seven gift cards totaling \$737 with a Town credit card for employee of the month awards from December 2022 to April 2023. She said that each month the Town recognizes an employee of the month and provides a gift card. Mayor Wallace further stated that she thought the prior administration did an employee of the month; however, a Town employee told us the employee of the month awards began during Mayor Wallace's administration.

Mayor Wallace also said that the Board approved the employee of the month. The Board minutes from November 21, 2022, show discussion of the employee of the month by Mayor Wallace, but do not indicate approval of gift cards or the employee of the month program by the Board.

Attorney General (AG) *Opinion 09-0238* states that public funds may be used to purchase plaques of moderate cost to honor exceptional employees without violating Article VII, Section 14 of the Louisiana Constitution. *AG Opinion 92-737* provides that a public entity could give plaques of moderate cost to employees for special recognition; however, the granting of gift certificates and savings bonds constituted prohibited donations under the state's constitution.

### Parties

Town funds were used to purchase \$1,836<sup>D</sup> in food and supplies for employee parties and celebrations from September 29, 2021 to May 19, 2023. Mayor Wallace told us the purchases were for employee birthday and retirement parties.

*AG Opinion 09-0238* states the AG's office has historically opined that the use of public funds for the payment of, or reimbursement for, meals or food served in conjunction with parties and other types of celebratory functions is improper under Article VII, Section 14(A) of the Louisiana Constitution.

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<sup>D</sup> One party supply purchase totaling \$496.64 occurred during the prior administration (9/29/21). Thirteen party supply purchases totaling \$1,339.39 occurred during the current administration (9/29/22 through 5/19/23).

If the Town uses public funds to pay a bonus or provide gift cards to its employees, it must consider that bonuses and gift cards are prohibited donations by La. Const. art. VII, § 14. AG *Opinion 22-0027*, on page 2, addresses prohibited donations and states, in part: "The Louisiana Supreme Court has held that a prohibited donation occurs 'when public funds or property are gratuitously alienated.' In light of the court's interpretation of this constitutional provision, this office has consistently opined that in order for the use of public funds to be permissible under the Constitution, the public entity must have the legal authority to make the expenditure and must show all of the following:

- (1) a public purpose of the expenditure or transfer that comports with the governmental purpose for which the public entity has legal authority to pursue;
- (2) that the expenditure or transfer, taken as a whole, does not appear to be gratuitous; and
- (3) that the public entity has a demonstrable, objective, and reasonable expectation of receiving something real and substantial in exchange for the expenditure or transfer of public funds."

The Town's response also addressed the Mayor's purchase of gift cards and parties for employees by stating it "*relied on Mr. Walker's email of December 1, 2022 and they misstated the advice/suggestions of the TOWN AUDITOR....*" However, the finding related to the purchase of gift cards and parties did not mention any emails from the Town Auditor, and we did not rely on them.

Finally, the Town's response includes a timeline of events about the purchase of the outdoor griddles and communication with the Town's Auditor, Mr. Walker. The Town's Auditor told us he never advised the Mayor she could purchase the outdoor griddles, and he did not realize the outdoor griddles were purchased until late December 2022. The timeline alleges numerous phone calls between Town officials and Mr. Walker from October 2022 to December 2022. However, Mr. Walker stated he first advised the Town on the matter in the December 1, 2022, email. He further told us he had one or two more phone conversations regarding the griddle purchase in close proximity to his December 29, 2022, email to the Mayor and Town Clerk.

Mayor Wallace stated that she was not aware it was improper to use Town funds for parties, and the Town will stop immediately. By approving the purchase of gifts for employees with public funds, Mayor Wallace may have violated state law<sup>1</sup> and the state constitution.<sup>2</sup>

### **Recommendations**

We recommend the Mayor and/or Board consult with legal counsel to determine the appropriate actions to take, including recovery of improper payments. In addition, the Mayor and Board should ensure that all practices, policies, and procedures resulting in the expenditure of public funds comply with the state constitution and state law.

## LEGAL PROVISIONS

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<sup>1</sup> **Louisiana Revised Statute (La. R.S.) 42:1461(A)** states, in part, “officials, whether elected or appointed ... by the act of accepting such office or employment 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.”

<sup>2</sup> **Article VII, Section 14(A) of the Louisiana Constitution** states, in part, “Prohibited Uses. Except as otherwise provided by this constitution, 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.”

<sup>3</sup> **La. R.S. 33:1891** states, “The governing body of any municipality shall have authority to grant merit awards to full-time permanent employees of the municipality in accordance with the provisions of this Part. Nothing herein shall be in conflict with Civil Service rules and regulations.”

<sup>4</sup> **La. R.S. 33:1892** states, “Prior to the granting of any awards, the governing body may formulate, adopt, establish, and maintain a plan to encourage and reward unusual and meritorious suggestions, actions, procedures, and accomplishments by its employees, which promote economy and efficiency in the performance of any function of the municipal government. The plan shall be reduced to writing and may be made available for inspection to all municipal employees.”

<sup>5</sup> **La. R.S. 33:1893** states, “Awards may be in cash or in the form of corporeal movables. An award in cash shall be for a sum not in excess of two thousand dollars. An award in the form of a corporeal movable shall have a fair market value not greater than twelve hundred dollars.”



## **APPENDIX A**

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Management's Response



**Law Office Of  
SAMUEL T. SINGER, PLC**

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*Samuel T. Singer, PLC*

6603 Main Street - Winnsboro, LA 71295  
Phone: (318) 435-9903  
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December 14, 2023

Michael J. "Mike" Waguespack, CPA  
Louisiana Legislative Auditor  
P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

**Re: Town of Winnsboro's Response to December 4, 2023 Draft LLA Report**

Dear Mr. Waguespack:

In reference to Mr. Harris' letter and enclosed draft of the audit report; Mayor Wallace, her staff, Mayor Pro-Tem Eddie Dunn, Mr. Corey J. LeJeune, LLA, Mr. Kevin Kelley, LLA and myself reviewed the draft report in detail and addressed all issues as to misstatements of or lack of documents and statements of material facts. (SEE ATTACHED TIME LINE).

(GRIDDLES)

The statement of facts contained in the first full paragraph of page 3 of 8 is misstated in that the report fails to include testimonial and documentary evidence that are "at the heart" of the issues presented. The failure to include said evidence and statements may lead the general public to reach an erroneous conclusion.

The report should include that Mayor Wallace and staff, acting on behalf of the Town, discussed (on at least four (4) occasions) the purchase of the griddles with the TOWN AUDITOR, Jonald Walker, prior to the purchase of the griddles. Also, the day after the purchase (November 12, 2022); Mayor Pro-Tem Eddie Dunn called the Town Clerk, Julia Jackson, to inquire about the purchase. She told him the purchase was "legal" because the TOWN AUDITOR had cleared it. Mayor Pro-Tem Eddie Dunn also informed Alderman, Rex McCarthy, of his conversation with the Town Clerk.

The TOWN AUDITOR (Mr. Walker) explicitly "cleared it" on December 29, 2022, by informing the Mayor that, in his view (as per our discussions), the purchases were acceptable and "would not require prior authorization from the council to purchase". The e-mail reads as follows:

"It is my understanding (from our discussions) that funds for the appreciation gifts were available in two manners, the sale of surplus assets and employee/personnel cost centers which has been budgeted. In my view,

based upon the total dollar amount of the transaction this transaction would be considered a normal operating expense in the general course of business for the Town and therefore wouldn't require prior authorization from the council to purchase.

If you require additional clarification or if there is anyone who would like to speak to me in more detail regarding the matter, please feel free to provide them with my contact information."

NOTE: The Town Clerk's e-mail to Mr. Walker on December 29, 2022 (10:38 A.M.) is attached.

Mr. Walker's e-mail on December 29, 2022 (11:00 A.M.) is attached.

The LLA auditors failed to read Mr. Walker's and the Town Clerk's December 29, 2022 e-mails and did not include statements of witnesses to Mayor Wallace's communications with Mr. Walker (before, shortly thereafter and after the purchase of the griddles) informing Mayor Wallace and staff that she had the authority to purchase the griddles and council approval was not necessary.

When "the issue of the purchase of the griddles being malfeasance" was brought by an alderman at the December 28, 2022 Council Meeting, Mayor Wallace and the Town Clerk, Julia, contacted Brian Nevels with LLA's office and he told them he was not aware of any law prohibiting this purchase and that the griddle purchase was not considered "malfeasance". He suggested Mayor Wallace and Julia refer to the TOWN AUDITOR, which they did immediately (SEE TIME LINE - after 12-28-22 and 12-29-22 and SEE ATTACHED E-MAILS).

#### (GIFT CARD & PARTIES)

The same reasons set forth above applies to the Town 1) awarding employees with public acknowledgment (with picture) of being the Employee of the Month, 2) awarding an employee on his/her birthday and retirement and 3) to show appreciation for an employee's 24/7 work ethics and dedication to the Town at his/her death. The TOWN AUDITOR had "no problem" with these purchases (SEE TIME LINE - 11-29-22 and SEE ATTACHED E-MAILS). Mr. Kelley and Mr. LeJeune relied on Mr. Walker's e-mail of December 1, 2022 and they misstated the advice/suggestions of the TOWN AUDITOR by including the following in their draft report: "and that he does not have a problem with the purchase of employee appreciation gifts for full time permanent employees and that authorization should come from the Board", if the funds to be used were from the sale of surplus property. The LLA auditor failed to mention the first two sentences in the 2<sup>nd</sup> Paragraph of the TOWN AUDITOR's e-mail:

"I'm unaware of anything that would specifically address your request. Likewise there is nothing that specially prohibits the purchase."

It also mentions that Board approval was "only" required if the funds to be used are from the sale of surplus property. In this case, the funds did not come from the sale of surplus property. (See TOWN AUDITOR's e-mail of December 1, 2022 and December 29, 2022.

Mayor Wallace and the Town Clerk, Julia Jackson, immediately contacted Mr. Walker/Ms. Rideaux for clarification and Mayor Wallace and staff were told that if the purchase was from “per fund” instead of surplus sale funds, council approval was not needed.

Finally, the Draft Audit Report failed to mention that the previous administration also purchased food for employees’ birthday and retirement; which the TOWN AUDITOR, a different auditing firm, had no problem with said purchases (2021 Audit). Mayor Wallace took office on July 1, 2022. The Draft Audit Report covered the period from September 29, 2021 to May 19, 2023.

In conclusion, Mayor Wallace/Town acted on the advise of the TOWN AUDITOR. Mayor Wallace nor anyone with the Town “misappropriated, misapplied, converted, misused, or otherwise wrongfully took 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.” In other words, Mayor Wallace personally received nothing in the transactions. The gifts, taken as a whole, did not appear to be gratuitous but were remunerative in nature. The TOWN AUDITOR, as well as Brian Nevels with LLA, was not aware of any law that prohibits the griddle purchase by the Town of Winnsboro on November 11, 2022 and the purchase was not considered “malfeasance”.

The Mayor/Town of Winnsboro respectfully request that the Preliminary Draft Report 1) be amended to include all relevant facts and correct statements of facts and 2) be amended to change the recommendations due to all the statements (testimonial and documentary evidence) and especially due to the December 29, 2022 Walker e-mail, which LLA auditors failed to mention in their report and due to the LLA’s misinterpretation of the December 1, 2022 Walker e-mail.

Sincerely yours,



**SAMUEL T. SINGER**  
**CITY ATTORNEY**

STS:jf

**ATTACHMENTS:**

1. Time Line
2. E-mails

**Approved By:**



**MAYOR ALICE WALLACE**  
**Mayor of Winnsboro**

**EXHIBIT "A"**

**TIME LINE**

## Timeline

Date	Call	E-mail	Parties Involved	Discussion and Outcome
Between 10-23-22 & 10-28-22	•		Mayor Wallace Julia Jackson Jamie McCarthy	Mayor Wallace & Jamie called Julia while she was attending a Clerk's Conference in Baton Rouge. This was the initial conversation regarding griddles. Decision was made to communicate with Jonald Walker (Town Auditor) regarding the legalities.
Between 10-23-22 & 10-28-22	•		Mayor Wallace Jamie McCarthy Jonald Walker	Mayor Wallace & Jamie called Jonald. Jonald was asked if griddles could be purchased with surplus sale funds and without Council approval. Jonald agreed to research this.
Between 10-23-22 & 10-28-22	•		Mayor Wallace Jamie McCarthy Jonald Walker	Jonald called back later the same day and stated surplus sale funds could be used for employee appreciation for full-time employees only.
Prior to 11-3-22	•		Mayor Wallace Julia Jackson Rhonda Rideaux	Mayor Wallace asked Julia to call Rhonda Rideaux regarding the legalities of purchasing flowers for a retiree's funeral service.
11-5-22				Retiree Youlandus Davis' funeral service occurred, and a flower bouquet had been provided by the Town. This act has been standard protocol for at least two prior administrations.
11-9-22	•		Mayor Wallace Julia Jackson Jamie McCarthy Bernice Robinson	Mayor Wallace asked Julia if she had purchased the griddles, and Julia replied, "no, not yet." Mayor Wallace then directed Julia to order them now. Julia stated that she needed a signed requisition form first, to which Mayor Wallace asked Julia to create. Mayor Wallace then approved/signed the requisition form.

## Timeline

				<p>Julia then went online to Sam's Club and placed the griddles in a virtual cart, received the total purchase amount, and then purchased.</p> <p>Julia then called Franklin State Bank to increase the daily limit to cover the purchase price of the griddles.</p> <p>Mayor Wallace, Jamie, &amp; Bernice were present.</p>
11-11-22	<ul style="list-style-type: none"> <li>•</li> </ul>		<p>Julia Jackson Jamie McCarthy Bernice Robinson</p>	<p>Sam's Club called Julia to verify griddle purchase (due to order size and online purchase) and to schedule pick-up date.</p> <p>Jamie &amp; Bernice were present.</p>
11-12-22			<p>Jamie McCarthy Russell Grant</p>	<p>Jamie &amp; Russell picked up griddles from Sam's Club.</p>
11-12-22	<ul style="list-style-type: none"> <li>•</li> </ul>		<p>Councilman Eddie Dunn</p>	<p>During a phone conversation with a friend (who worked at Sam's Club), Eddie was informed that the Town had purchased griddles for employees.</p>
11-12-22	<ul style="list-style-type: none"> <li>•</li> </ul>		<p>Councilman Eddie Dunn Julia Jackson</p>	<p>Eddie called Julia and asked if the griddle purchase was legal. Julia informed him that the Auditors had cleared it with the Mayor.</p>
11-12-22	<ul style="list-style-type: none"> <li>•</li> </ul>		<p>Councilman Eddie Dunn Councilman Rex McCarthy</p>	<p>Eddie called Rex and informed him of the griddle purchase, and that Julia had stated it was cleared with the Auditors.</p>

## Timeline

11-29-22		<ul style="list-style-type: none"> <li>• Mayor Wallace Julia Jackson Jamie McCarthy Jonald Walker Rhonda Rideaux</li> </ul>	<p>E-mail from Rhonda to Mayor Wallace, Julia, &amp; Jonald mentioned "conversations" regarding the purchase of flowers for a deceased employee, and that the Auditing Firm does not have a problem with the purchase. The e-mail further states the Firm does not have a problem with the purchase of the employee appreciation gifts bought with surplus funds for staff, excluding elected officials. Mayor Wallace, Julia, &amp; Jamie recall giving each other a "high five."</p>
11-29-22		<ul style="list-style-type: none"> <li>• Mayor Wallace Julia Jackson Jonald Walker Rhonda Rideaux</li> </ul>	<p>E-mail reply from Julia to Rhonda, Jonald, &amp; Mayor Wallace requesting documentation for future reference from the LLA Website/Written Law that references employee appreciation, to ensure the Town stays in compliance.</p>
12-1-22		<ul style="list-style-type: none"> <li>• Mayor Wallace Julia Jackson Jonald Walker Rhonda Rideaux</li> </ul>	<p>E-mail reply from Jonald to Mayor Wallace, Julia, &amp; Rhonda stating there is nothing that prohibits the purchases. The e-mail further states that merit awards can be provided to full-time employees as well as the benefits of doing such. These awards may not exceed \$2,000 cash or personal property with a fair market value of \$1,200. Jonald then recommends a draft communication be submitted to the Council for approval. Jonald further states that should an opinion not be obtained from the City Attorney, the LLA Legal Department could be utilized.</p>
After 12-1-22 e-mail		<ul style="list-style-type: none"> <li>• Mayor Wallace Julia Jackson Jamie McCarthy Russell Grant</li> </ul>	<p>Mayor Wallace told Julia that the 12-1-22 e-mail from Jonald did not match what he had previously stated before the griddles were purchased (draft communication submitted to the Council for approval). Mayor Wallace then directed Jamie &amp; Russell to "stand by" as the Town may need to return the griddles.</p>
After conversation above	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Mayor Wallace Julia Jackson Jonald Walker Rhonda Rideaux</li> </ul>	<p>Julia called Rhonda/Jonald regarding the discrepancy stated above. Rhonda/Jonald told Julia that if broken down "per fund" instead of with surplus sale funds, then Council approval is not needed.</p>

## Timeline

				<p>Julia walked to Mayor Wallace's office and placed Jonald on speaker phone during this call.</p>
12-15-22			<p>Mayor Wallace</p>	<p>Mayor Wallace received a \$1,700 refund on griddles due to price decrease.</p>
Prior to 12-20-22			<p>Julia Jackson Jonald Walker Rhonda Rideaux</p>	<p>Julia broke out griddles "per fund" for full-time employees per Rhonda/Jonald.</p>
12-23-22			<p>Mayor Wallace</p>	<p>Mayor Wallace distributed griddles to full-time employees.</p>
12-28-22			<p>Mayor Wallace Councilman Jerry Johnson Councilman Rex McCarthy</p>	<p>Jerry questioned the purchase of griddles during the Council meeting, and Rex stated that the griddle purchase was "malfeasance." Mayor Wallace asked the Council if a resolution should be brought forward to approve a merit award system, and the Council declined. There was no further action by the Council. Rex asked for something in writing from the Auditors.</p>
After 12-28-22	<ul style="list-style-type: none"> <li>•</li> </ul>		<p>Mayor Wallace Julia Jackson Brian Nevels</p>	<p>Mayor Wallace and Julia called Brian Nevels with LLA. Brian was not aware of any law prohibiting this purchase, and stated that the griddle purchase was not considered "malfeasance." Brian suggested Mayor Wallace and Julia refer to the Auditors.</p>

## Timeline

12-29-22		<ul style="list-style-type: none"> <li>•</li> </ul>	<p>Mayor Wallace Julia Jackson Jonald Walker Rhonda Rideaux</p>			<p>Mayor Wallace Julia Jackson Jonald Walker Rhonda Rideaux</p>	<p>E-mail from Julia to Mayor Wallace, Jonald, and Rhonda referenced a previous discussion regarding the purchase of appreciation gifts for employees. Initially a merit award program utilizing surplus funds was considered, but decided against. Instead, Jonald's suggestion was followed which used the mayor's authority to purchase griddles on a departmental basis, without council approval, as it was within the mayor's right as long as within budget. Julia also requested that Jonald provide confirmation in writing stating that his recommendation did not require Council approval, and to address the "malfeasance" allegation.</p>
12-29-22		<ul style="list-style-type: none"> <li>•</li> </ul>	<p>Mayor Wallace Julia Jackson Jonald Walker Rhonda Rideaux</p>			<p>Mayor Wallace Julia Jackson Jonald Walker Rhonda Rideaux</p>	<p>E-mail reply from Jonald to Mayor Wallace, Julia, and Rhonda referenced a previous discussion and then reiterated that it is acceptable for the Town to provide appreciation gifts/merit awards to employees. Jonald noted the dilemma employers face in today's competitive environment in the retention of quality staff. Jonald then referenced previous discussions regarding the two options-using surplus sale funds vs the per fund option, and his support of the latter option, reiterating it did not require prior Council authorization to purchase.</p>

**EXHIBIT "B"**

**E-MAILS**

**clerkjulia@winnsborola.net**

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**From:** Jonald Walker <jwalker@btcpas.com>  
**Sent:** Thursday, December 29, 2022 11:00 AM  
**To:** clerkjulia@winnsborola.net; Rhonda Rideaux; Mayor Wallace  
**Subject:** RE: Employee Appreciation

Mayor Wallace –

Yes, as we discussed, in my opinion (based upon my research of the questions posed to me) it is acceptable for the Town to provide appreciation gifts or merit awards to employees of the Town. The awards can be either monetary or non-monetary. State guidelines establish an annual cap amount on such matters.

As we discussed in our meeting, employers are facing challenging times in retaining good, quality staff. Often a municipality is not in a position to increase pay and compensation to be competitive with other employment opportunities that exist. Governmental entities must become creative in retaining and motivating staff while staying within rules and regulations established for governmental entities.

It is my understanding (from our discussions) that funds for the appreciation gifts were available in two manners, the sale of surplus assets and employee/personnel cost centers which has been budgeted. In my view, based upon the total dollar amount of the transaction this transaction would be considered a normal operating expense in the general course of business for the Town and therefore wouldn't require prior authorization from the council to purchase.

If you require additional clarification or if there is anyone who would like to speak to me in more detail regarding the matter, please feel free to provide them with my contact information.

Thanks

Jonald

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**From:** clerkjulia@winnsborola.net <clerkjulia@winnsborola.net>  
**Sent:** Thursday, December 29, 2022 10:38 AM  
**To:** Jonald Walker <jwalker@btcpas.com>; Rhonda Rideaux <rrideaux@btcpas.com>; Mayor Wallace <mayorwallace@winnsborola.net>  
**Subject:** Employee Appreciation

Mr. Walker,

Good morning.

As per the previous discussion with Mayor Wallace, Cal Pierce and I in reference to the purchasing of appreciation gifts for the Town of Winnsboro's employees, we discussed the following. First, we discussed a merit award program utilizing surplus funds but decided against implementing that particular type of program at this time. Instead, we followed your next suggestion, which was to use the mayor's authority to make the purchases on a departmental basis. Doing so, was within the mayor's right as long as she was within her budget and didn't require council approval.

The Town of Winnsboro has currently showed a cost savings in several areas to include overtime in the public works department in the amount of approximately \$12,500.00. However, our employees have continued to work

diligently, taking care of our Town's every need to the best of their ability. Our employees have once again passed 3 audits -City Court, Risk Management and FY End Annual Audit – with no findings. For those reasons and more, Mayor Wallace felt the employees were deserving of a token of appreciation.

At last night's meeting, it was questioned by one of the councilmen on how was the town able to purchase appreciation gifts. We were asked to get a letter from you stating that following your recommendations did not require council approval. Could you please send us something in writing to justify the mayor's authority to purchase the appreciation gifts and the correct terminology for these "appreciation gifts". The mayor did refer to them as "Merit Awards" but we have not yet implemented a Merit Award Program.

We have a councilman that is claiming this to be malfeasance in office. Could you send us something to show direct contradiction of what he is accusing, being that the mayor followed your recommendation?

Thank you,

*Julia G. Jackson, LCMC*

**Town Clerk**

**Town of Winnsboro**

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**clerkjulia@winnsborola.net**

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**From:** Jonald Walker <jwalker@btcpas.com>  
**Sent:** Thursday, December 1, 2022 11:01 AM  
**To:** clerkjulia@winnsborola.net; Rhonda Rideaux; Mayor Wallace  
**Cc:** Brooke Walker  
**Subject:** RE: City of Winnsboro - Authority to Purchases

Ms. Julia & Mayor Wallace –

My apologies for my delay in response. I've been tied up this week with our firm's trial annual peer review.

I'm unaware of anything that would specifically address your request. Likewise, there is nothing that specially prohibits the purchases. What I did find is the reference to merit awards. Merit awards can be proved to full-time permanent employees. They are used to reward to encourage and reward unusual and meritorious suggestions, actions procedures and accomplishments These awards promote economy and efficiency. An award may not exceed \$2,000 cash or a corporeal movable (personal property) with a fair market value of \$1,200. [R.S. 33:1891 et seq.]

What I suggest is that communication be drafted indicating the City's intent to purchase and award to employees. State the per unit value (can't exceed \$1,200) and the total value of the purchases. Submit to Council for approval (authorization to purchase should come from Council). If I remember correctly the funds to be used is from the sale

If the units are less than \$1,200, provided only to full-time permanent employees and approved by the purchase is approved by the Council I (as auditor) would have no issue with the matter.

If you are unable to obtain an opinion from the City Attorney, you may want to reach out to legal department with the LLA.

I hope this clarifies or help in some way.

Jonald

**From:** clerkjulia@winnsborola.net <clerkjulia@winnsborola.net>  
**Sent:** Tuesday, November 29, 2022 3:03 PM  
**To:** Rhonda Rideaux <rrideaux@btcpas.com>; Mayor Wallace <mayorwallace@winnsborola.net>  
**Cc:** Jonald Walker <jwalker@btcpas.com>  
**Subject:** RE: City of Winnsboro - Authority to Purchases

Ms. Rhonda,

Thank you for the response.

Mayor Wallace would like to know if there is anything on the LLA website or a written law in reference to employee appreciation that we can print and save in our files for future reference? Any information that you can provide in regards to this matter will be greatly appreciated.

Thank you all for everything that you do and all of the useful information you provide to help us stay in compliance with the law.

Respectfully,

*Julia G. Jackson, LCMC*

**Town Clerk**

**Town of Winnsboro**

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**From:** Rhonda Rideaux <[rrideaux@btcpas.com](mailto:rrideaux@btcpas.com)>  
**Sent:** Tuesday, November 29, 2022 12:43 PM  
**To:** [mayorwallace@winnsboro.net](mailto:mayorwallace@winnsboro.net)  
**Cc:** [clerkjulia@winnsborola.net](mailto:clerkjulia@winnsborola.net); Jonald Walker <[jwalker@btcpas.com](mailto:jwalker@btcpas.com)>  
**Subject:** City of Winnsboro - Authority to Purchases  
**Importance:** High

Good Morning Mayor,

As mentioned in our conversations regarding the purchase of flowers for a retired decreased employee of the City of Winnsboro.

Our firm doesn't have a problem with the purchase.

Nor does the firm have a problem with the purchase of the employee appreciation gifts bought for staff, excluding elected officials of the City of Winnsboro with surplus funds.

We appreciate the opportunity to be of service to the City of Winnsboro, LA.

Let us know if you need any additional information regarding this request.

Thanks,  
Rhonda

**Rhonda Rideaux**  
Director HR & Client Relations