



# Report Highlights

## Grant Parish School Board

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### Why We Conducted This Audit

The Louisiana Legislative Auditor (LLA) received complaints from the Grant Parish Sheriff's Office regarding emergency remediation and construction services provided to the Grant Parish School Board in the aftermath of Hurricane Laura and subsequent weather events. LLA initiated this investigative audit to determine the validity of these complaints.

### What We Found

#### **Contractor May Have Overbilled GPSB for Mold Remediation Services**

The Grant Parish School Board (GPSB) paid Benchmark Professionals LLC (Benchmark) \$4,008,782 to perform mold remediation services at GPSB facilities from September 29, 2020 to March 25, 2021, a roughly six-month period. Records show neither Benchmark nor its subcontractors were licensed to perform mold remediation services in Louisiana. Records further show Benchmark paid its subcontractors \$720,231 (17.9% of the \$4,008,782 amount) to perform what appears to be the entirety of the work; our review of records did not reveal any mold remediation work being performed by Benchmark itself. Records also show Mr. Edward Sieja - while serving as the project manager for GPSB's Construction Manager, Cimarron Underground Services, LLC (Cimarron) - recommended GPSB use Benchmark for the mold remediation. Mr. Sieja also contracted with Benchmark to act as Benchmark's sales representative, which entitled him to a commission from Benchmark for GPSB's mold remediation. Bank records show Benchmark member Mr. Justin Guzman directed \$1,865,056 of the contract payments to bank accounts he controlled, paid \$1,353,300 (33.7%) in sales commissions to Mr. Sieja, and paid Cimarron \$166,688 (4.1%) for amounts Benchmark owed Cimarron on unrelated projects. Mr. Guzman, Mr. Sieja, and others may have overbilled GPSB and split the proceeds, in violation of state and federal law, as well as GPSB's contracts with Benchmark.

#### **GPSB May Have Improperly Paid Contractor for Services Outside the Scope of Its Contracts**

GPSB paid Cimarron \$8,280,601, primarily for emergency remediation services, temporary rentals, and construction management services in response to Hurricane Laura and subsequent weather events from September 25, 2020 to June 22, 2022. Although Cimarron was not authorized to perform permanent repairs at GPSB facilities, it appears Superintendent Paxton Teddlie allowed Cimarron's Project Manager, Mr. Sieja, to direct permanent repairs up to \$3,286,923 under its emergency remediation services and temporary rental contracts on a time and materials (T&M) basis without competitive bidding or written contracts, against the advice of GPSB's attorney. By using the T&M basis without competitive bidding, Cimarron may have billed GPSB as much as \$2,311,576 more than the highest insurance cost estimates prepared for GPSB and/or Cimarron proposals for permanent repairs. Moreover, by performing permanent work without competitive bidding, written contracts, and cost estimates, Superintendent Teddlie, Cimarron employees, Mr. Sieja and Mr. Steve Hutchinson; Cimarron member, Mr. Chris Lang; and others may have violated Cimarron's contracts with GPSB and state and federal law.

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## What We Found (Cont.)

### **Contractor May Have Billed GPSB for Labor, Materials, and Equipment That Was Not Provided or Was Unnecessary**

Cimarron appears to have billed GPSB \$435,139 for labor, materials, and equipment not provided to GPSB or billed for greater amounts and/or durations than actually provided to GPSB from September 17, 2020 to September 20, 2021. This amount includes \$204,801 for labor hours when employees do not appear to have been present at GPSB job sites; \$28,155 for labor hours not approved by GPSB, which may not have been provided and, even if they were, were unnecessary; \$84,309 for metal pipe not used on GPSB job sites; and \$106,600 for equipment that was not present, unnecessary, or idle. In addition, it appears Cimarron billed GPSB up to \$11,274 for work also billed to GPSB by Benchmark. By billing for labor, equipment, and materials that were not provided and/or unnecessary, Cimarron employees/members and others may have violated Cimarron's contracts with GPSB and state and federal law.

### **Contractors Appear to Have Provided GPSB with False Quotes for Roofing Project**

GPSB paid Benchmark \$172,500 on August 19, 2021, for temporary roof work to install shrink wrap. Records show Mr. Sieja, Mr. Guzman, and another individual may have worked together to provide false quotes to GPSB to steer the work to Benchmark and ensure that GPSB documented a competitive process. Although Mr. Sieja submitted quotes on Cimarron's behalf, Benchmark apparently paid him a \$14,025 sales commission for the roofing project. By apparently working together to steer GPSB work to Benchmark, Mr. Sieja, Mr. Guzman, and others may have violated state and federal law.

### **Insurance Consultant May Have Acted Without Appropriate License and May Have Solicited Compensation from GPSB Vendor**

GPSB contracted with Mr. Joel Moore after Hurricane Laura to act as its insurance consultant, which purportedly included overseeing the development and implementation of reconstruction of damaged facilities. Mr. Moore also appears to have acted as a public adjuster on GPSB's behalf, without having a license to do so; moreover, as a public adjuster, he would be prohibited from having any other financial interest in GPSB's insurance claim. Mr. Moore further appears to have solicited additional compensation from Cimarron and two of GPSB's potential vendors in relation to prospective services for GPSB. If Mr. Moore performed public adjuster services for GPSB without a license and solicited additional compensation from a GPSB contractor and potential contractors, Mr. Moore and others may have violated state and federal law.

### **Architect Provided Designs to GPSB That Construction Manager Found Incomplete and Not Satisfactory; Architect Also Apparently Failed to Disclose Conflicts of Interest**

GPSB paid Ballard CLC, Inc. (Ballard) \$632,128 for work performed at the direction of Mr. Sieja, including \$462,519 billed in connection with designs to replace roofs at seven schools. Although Ballard billed GPSB for designs that were 100% complete, these designs were prepared before there was a defined scope of work for repairs, and Mr. Scott Gaspard, GPSB's current construction manager, determined they were "not satisfactory" and "very incomplete." Ballard further appears to have overbilled GPSB \$84,772 by not adjusting its final fees for work done on three roofs. It appears Ballard's officers, Mr. Bryan Butler and Mr. William Aldridge, may have had conflicting business interests with Mr. Sieja and Cimarron at the time Mr. Sieja brought in Ballard to provide architectural services to GPSB. These conflicts, which might have prohibited Ballard from providing services to GPSB, do not appear to have been disclosed to GPSB or waived in writing, as required by the Louisiana Administrative Code.