



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 23, 2013

LOUISIANA SEAFOOD PROMOTION AND MARKETING BOARD

The state Department of Wildlife and Fisheries and the Louisiana Seafood Promotion and Marketing Board were lax in controlling the spending of some of the \$30 million in seafood marketing and promotion money from the 2010 BP Deepwater Horizon explosion and oil spill, according to a report released Monday by Legislative Auditor Daryl Purpera's office.

The report -- requested by Lt. Gov. Jay Dardenne, who oversees the state's tourism promotion efforts -- said that the seafood board and the wildlife department lacked "effective oversight" in monitoring the money spent by the former executive director of the board and Gregory C. Rigamer and Associates Inc. of New Orleans, hired by the board and the department as the chief contractor for the \$15 million seafood marketing campaign.

The report said that the board's former executive director approved payments for sponsorship events "in excess of the limits previously authorized by the board." It pointed to a \$200,000 board-approved sponsorship for Super Bowl XLVII held in the Louisiana Superdome in February. However, the former executive director approved additional work that increased the funding by \$419,325, without seafood promotion board approval.

"The board staff and LDWF did not maintain adequate records to account for promotional merchandise associated with a sponsorship advertising agreement with the New Orleans Saints" that cost \$650,000, the report said. In exchange, the board received Superdome Club passes, parking passes, 16 season tickets to Saints games, "100 lithograph footballs, 10 autographed Drew Brees footballs, two autographed Drew Brees NFL helmets and one autographed Jonathan Vilma helmet."

The report said the board also received an additional \$15,000 in Saints jerseys and golf polo shirts as promotional merchandise. The department kept "some limited records for the receipt and disbursement of passes and season tickets. However, no records were maintained for the receipt and disbursement" of the football gear and promotional items.

The report recommended that the lieutenant governor's office, through the Department of Culture, Recreation and Tourism, better track benefits from sponsorship arrangements to ensure they are not used to improperly "to enrich board members and staff beyond their statutory compensation."



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The Legislature moved the seafood board from under the Department of Wildlife and Fisheries to the Department of Culture, Recreation and Tourism, overseen by the lieutenant governor, effective July 1, 2013. The contract with Rigamer's firm was terminated Nov. 2. The former executive director of the seafood promotion board, Ewell Smith, has been replaced.

As a result of the oil spill, which crippled the state's seafood industry, BP agreed to provide \$30 million to the seafood marketing program through the DWF Foundation. Of that \$30 million, \$15 million went to Rigamer's firm and subcontractors for advertising, promotion and marketing of Louisiana seafood; \$12.4 million to wildlife and fisheries for "administrative fees and support of the campaign;" and \$2.6 million was retained by the foundation for campaign expenses.

As of June 30, 2013, total disbursements for the seafood marketing program totaled \$16.8 million.

The report said Rigamer's company issued work orders to three subcontractors for various tasks including research, media advertising campaigns and promotional events. The seafood board retained the "ultimate oversight and approval authority over work performed" by all contractors, the report said.

The report, prepared by Purpera's financial audit services section, said the former executive director "had the ability to initiate task orders and approve invoices without additional oversight," and Rigamer's company did not "adequately monitor its subcontractors to ensure that requests for reimbursement" were in keeping with the work orders or contract terms.

For example, a subcontractor submitted invoices for 143 hours of writing services at the rate of \$125 an hour, when the firm's contract called for a \$100-an-hour rate, resulting in an overbilling of \$3,575. The report also said Rigamer's company billed the seafood board \$128,600 for expenses on work orders previously closed out.

The state auditor's report said Rigamer's firm increased subcontractors' budgets without approval of the board's then-executive director. The Executive Director had the authority to initiate orders for goods or services "with no requirement to provide justification (documentation) for the purpose, type of service and-or quantity of goods ordered."

The report said that the Department of Wildlife and Fisheries did not submit contracts worth \$20,000 or more related to the promotion campaign to the state Office of Contractual Review as state law requires. The seafood board did not make sure that "formal contracts" were executed or final reports obtained from sponsorship agreements.



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The report also said that neither the seafood board nor the state wildlife department assured that there was sufficient justification and documentation of some of the subcontractors' expenses. It said the board did not require Rigamer's firm to include contract provisions that travel expenses for subcontractors would be paid based on state travel regulations.

As a result, the report said, \$881 in alcohol was purchased in violation of state regulations; \$1,917 in mileage was not properly documented; the "board paid \$83 for a \$23 restaurant bill, which resulted in a \$60 tip without justification; and the seafood board reimbursed a subcontractor for expenses of one of its employees who took a limousine for \$278 when the equivalent taxi ride would have cost \$47.

For more information, contact:

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

On Twitter: LDWF, Seafood Promotion and Marketing Board lax in controlling the spending of some of the \$30 million from BP.