

GRANT PARISH SCHOOL BOARD

INVESTIGATIVE AUDIT SERVICES

Issued February 7, 2024

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

ASSISTANT LEGISLATIVE AUDITOR FOR INVESTIGATIONS
ROGER W. HARRIS, J.D., CCEP, CFI

INVESTIGATIVE AUDIT SENIOR MANAGER
GREGORY CLAPINSKI, CPA, CFE

SENIOR INVESTIGATIVE AUDITOR
THOMAS HORNE, CPA, CFE

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February 7, 2024

**DR. ERIN STOKES, SUPERINTENDENT
AND MEMBERS OF THE GRANT PARISH SCHOOL BOARD**
Colfax, 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 35th Judicial District of Louisiana, the United States Attorney for the Western District of Louisiana, and others as required by law.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/aa

GRANT PARISH SCHOOL BOARD



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EXECUTIVE SUMMARY

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.

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.

BACKGROUND AND METHODOLOGY

The Grant Parish School Board (GPSB) was created pursuant to Louisiana Revised Statute (La. R.S.) 17:51 to provide public education for children within Grant Parish. GPSB is authorized by La. R.S. 17:81 to establish policies and regulations for their own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. GPSB is comprised of eight members who are elected for four-year terms from eight districts. GPSB operates eight schools within the parish, with a total enrollment of 2,878 students.

Hurricane Laura made landfall in southwest Louisiana on August 27, 2020, causing extensive damage throughout western and north central Louisiana, including to GPSB facilities. As a result, GPSB held an emergency meeting on September 1, 2020, and voted to declare a state of emergency. The emergency declaration authorized GPSB Superintendent Paxton Teddlie to take immediate action to mitigate, repair, and restore any damage to GPSB facilities as a result of Hurricane Laura, without the necessity of complying with Louisiana's Public Bid Law, La. R.S. 38:2211, *et seq.* GPSB later approved a second emergency declaration on February 23, 2021, in response to damage caused by severe winter storms.

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

- (1) interviewing GPSB employees and officials;
- (2) interviewing other persons, as appropriate;
- (3) examining selected GPSB documents and records;
- (4) gathering and examining external parties' documents and records; and
- (5) reviewing applicable state and federal laws and regulations.

During our audit, we received assistance from the District Attorney for the 35th Judicial District of Louisiana and the Grant Parish Sheriff's Office. Their participation was instrumental to the completion of this audit.

FINDINGS AND RECOMMENDATIONS

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. ^{1,2,3,4,5,6,7,8,9,10,11,12,13,14,15}

GPSB contracted with Cimarron to provide emergency remediation, temporary rental, and construction management services following devastation caused by Hurricane Laura, Hurricane Delta, and the 2021 winter storm. Cimarron’s project manager for GPSB projects, Mr. Edward Sieja, urged GPSB Superintendent Paxton Teddlie to use Benchmark for water mitigation and mold remediation services, which involved drying out buildings and decontaminating any mold that was present. Benchmark was incorporated in Texas in November 2019 and initially had three members, including Mr. Justin Guzman and Mr. James Jones.

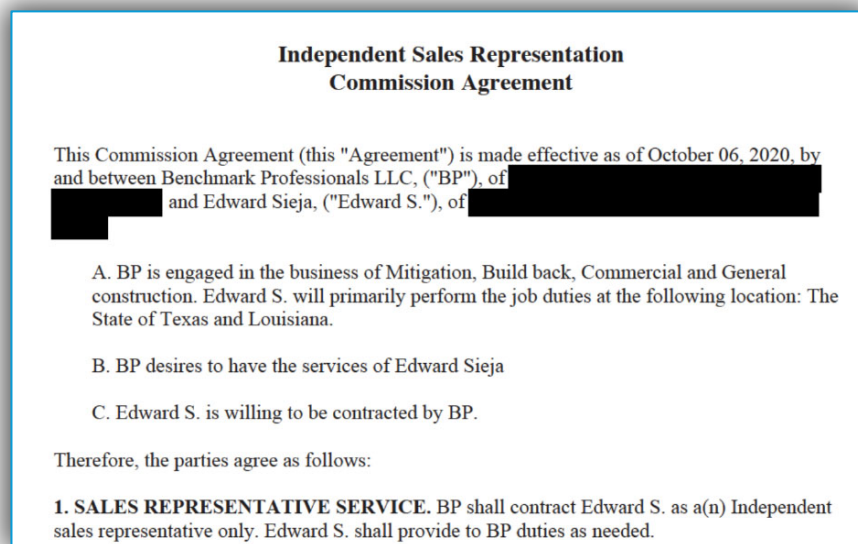
Records show Superintendent Teddlie signed 18 contracts with Benchmark for mold remediation services from September 28, 2020 to February 12, 2021. Although six contracts expressly stated Benchmark worked in conjunction with an in-house licensed mold contractor, we found no evidence of this, nor did we find Benchmark or its subcontractors were properly licensed by the Louisiana State Licensing Board for Contractors to provide mold remediation services in Louisiana as required by Louisiana Revised Statute (La. R.S.) 37:2185.^{1,2} Sixteen of the 18 remediation contracts entered into between Benchmark and GPSB expressly required Benchmark to provide GPSB with an affidavit of non-collusion before

performing any work. Louisiana Public Bid Law (Public Bid Law)^A requires contractors to provide an affidavit of non-collusion, which is an affidavit attesting:³

- (1) That affiant employed no person, corporation, firm, association, or other organization, either directly or indirectly, to secure the public contract under which he received payment, other than persons regularly employed by the affiant whose services in connection with the construction, alteration or demolition of the public building or project or in securing the public contract were in the regular course of their duties for affiant; and
- (2) That no part of the contract price received by affiant was paid or will be paid to any person, corporation, firm, association, or other organization for soliciting the contract, other than the payment of their normal compensation to persons regularly employed by the affiant whose services in connection with the construction, alteration or demolition of the public building or project were in the regular course of their duties for affiant.

GPSB records did not include any affidavits of non-collusion from Benchmark, and Superintendent Teddlie told us he never received any from Benchmark. In addition, Mr. Guzman's email records included an Independent Sales Representation Commission Agreement between Benchmark and Mr. Sieja, effective October 6, 2020, which specified that Benchmark contracted Mr. Sieja as "a(n) Independent sales representative only" (see image, below). The agreement appears to have been electronically signed by Mr. Sieja on October 7, 2020, and by Mr. Guzman on October 26, 2020.

Benchmark invoiced GPSB \$4,008,782 for mold remediation services between September 28, 2020 and March 8, 2021, which GPSB paid. GPSB records show that the



^A La. R.S. 38:2211, *et seq.*

Clarification for Scope of Work:

Georgetown Gymnasium to be wiped down, cleaned
decontaminated & dried out. Cleaning #2

Equipment & Materials: \$183,000.00

Labor: 122,000.00

Total: \$305,000.00

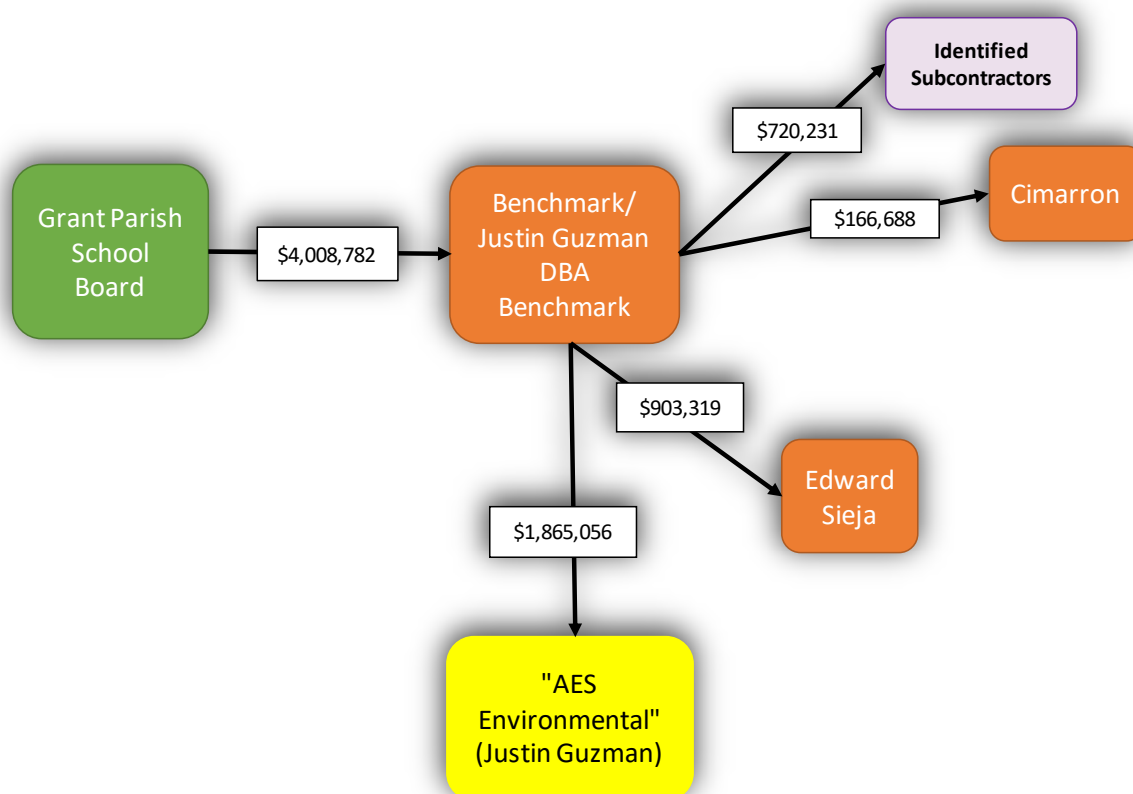
majority of its contracts with Benchmark were lump-sum contracts with vague service descriptions that lacked detailed cost estimates, rate schedules, equipment lists, or detailed scopes of work (see example, left). Superintendent Teddlie signed the contracts with Benchmark, approved Benchmark's invoices, and signed all checks issued to Benchmark.

We obtained Benchmark's and two of its members' bank and email records. Upon review, we found Benchmark paid its subcontractors only \$720,231 of the \$4,008,782 (17.9%) Benchmark received from GPSB for mold remediation services. Benchmark's bank records show no other payments for labor, equipment or materials pertaining to GPSB's mold remediation jobs, suggesting the subcontractors performed the entirety of the work.

These bank and email records further show that all the proceeds Benchmark received from the GPSB jobs were held in and/or transferred to bank accounts^B owned by, or accessible to, Mr. Guzman. Mr. Guzman then directed:

- \$1,865,056 to AES Environmental, which is believed to be a sole proprietorship owned by Mr. Guzman that performed no mold remediation work at GPSB;
- \$903,319 to Mr. Sieja as sales commissions for the mold remediation work at GPSB;
- \$720,231 to known or identified subcontractors who actually performed the mold remediation work; and
- \$166,688 to Cimarron for amounts Benchmark owed Cimarron on unrelated projects, as illustrated in the following chart:

^B The \$4,008,782 was deposited into accounts owned by Mr. Justin Guzman or on accounts upon which he was authorized to sign. One account was in the name of Benchmark Professionals LLC, and the other was in the name of Justin Guzman DBA Benchmark Professionals.

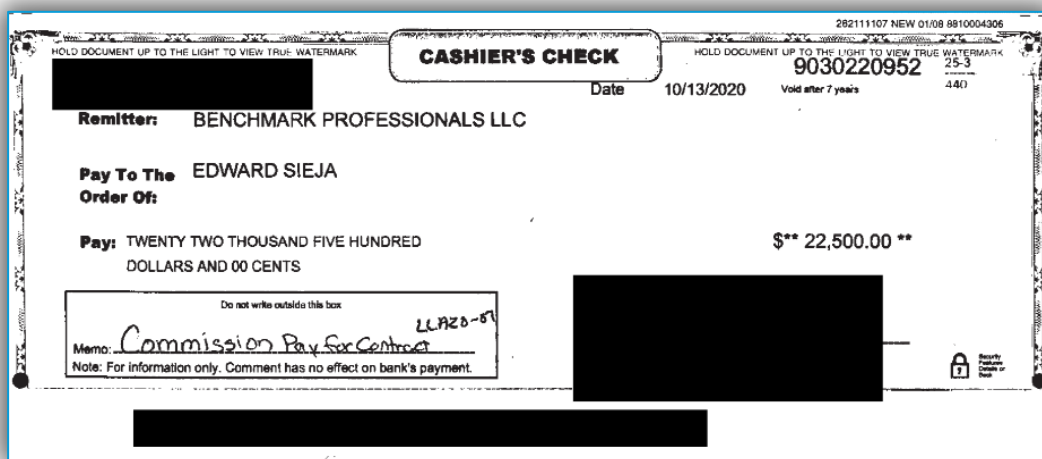


Superintendent Teddlie told us Mr. Sieja recommended GPSB use Benchmark for mold remediation, and he was not aware Benchmark had a relationship with Mr. Sieja or Cimarron. Superintendent Teddlie told us Mr. Sieja would determine when mold remediation services were necessary and would determine the scope of services to be performed. Afterward, Mr. Guzman would send Superintendent Teddlie a contract from Benchmark, and Superintendent Teddlie would sign the contract. When we showed Superintendent Teddlie emails and contract documents Mr. Guzman sent him, which indicated Mr. Sieja/Cimarron had directed Benchmark to perform work for GPSB, Superintendent Teddlie told us those statements appeared to be accurate. Superintendent Teddlie said that neither he nor anyone else at GPSB directed Benchmark to perform that work.

Payments to Subcontractors

We obtained and reviewed bank records for Benchmark and two of its members, Mr. Guzman and Mr. Jones. These records show that Benchmark and/or Mr. Guzman paid \$720,231 to three subcontractors for mold remediation services provided to GPSB from October 14, 2020 to March 15, 2021. Those payments constituted only 17.9% of the \$4,008,782 GPSB paid to Benchmark for mold remediation services. Based on the payments to subcontractors and the lack of payments for labor and materials costs, Benchmark may have overbilled GPSB for some work by charging excessive markups on its subcontract costs, and may have billed GPSB for services not provided.

Records suggest that Benchmark overbilled GPSB on its first job, which included cleaning Georgetown High School (project LLA20-07). Bank records show that GPSB paid Benchmark \$326,976 for this job; however, Benchmark only paid \$81,800 to subcontractors and a \$22,500 sales commission to Mr. Sieja (see check, below). Email records show one of the three subcontractors utilized by Benchmark (Subcontractor 1) emailed a proposal for this job (and two other schools) to Mr. Guzman on September 25, 2020. The proposal was for \$144,991, including \$24,165 in overhead and profit, which was Benchmark's "take home" for the proposal. It appears that Benchmark then increased the subcontractor's \$144,991 estimate to \$326,976 and submitted it to GPSB as Benchmark's proposal for the job.



We spoke with Subcontractor 1's member/manager who told us when Mr. Guzman explained to him how he (Mr. Guzman) obtained the contract, he said he had nothing but a business card and a business license and "the wheel has to be greased." Subcontractor 1 told us the contract between Subcontractor 1 and Benchmark was for \$120,825, that \$20,000 was supposed to come off the top for Benchmark, and \$10,000 of that was supposed to go to Mr. Sieja for securing the contract for Benchmark. Subcontractor 1 said that Mr. Guzman further told him Mr. Sieja "was the contractor over several schools and that if we took care of him and that he was going to give us these other two schools within the parish." Subcontractor 1 also told us he purchased \$15,000 of equipment to do the job; he footed the bill for the equipment, manpower, materials, chemicals, and overhead; and Mr. Guzman "screwed me out of \$50,000" on the job.

In addition, Benchmark's emails included subcontractor records for mold remediation services, which showed Benchmark marked up its contracts with GPSB as high as 14 times above Benchmark's subcontracted costs. For example, Mr. Guzman and Superintendent Teddlie signed three contracts for second cleanings at Colfax Elementary School and Pollock Elementary School between January 15, 2021 and January 26, 2021, identified as Benchmark jobs LLA21-0115, LLA21-0123, and LLA21-0125. Records show that GPSB paid Benchmark \$785,115,

but Benchmark paid a subcontractor only \$47,000 (6%), and divided the remaining \$738,115 (94%) among Mr. Sieja, Mr. Guzman, and Mr. Jones. For example, on job LLA21-0123, Benchmark billed GPSB \$220,115 (see image, right), which was more than 14 times more than the \$14,000 bill from its subcontractor (see image, below).

 BENCHMARK PROFESSIONALS DESIGN BUILD DEVELOP		Grant Parish School District	
Benchmark Professionals LLC [Redacted] [Redacted]		Payment Terms Invoice # Date PO #	Due upon receipt LLA21-0123 02/04/2021 LLA21-0123
Description	Quantity	Rate	Total
Final Invoice for Pollock Elementary Auditorium Job# LLA21-0123	1.0	\$220,115.00	\$220,115.00
Equipment & Materials: \$121,063.25 Labor: \$99,051.75			
Total Contract: \$220,115.00			

Pollock Elementary Auditorium	1	\$14,000.00	\$14,000.00
Disinfected walls, floors, chairs, doors ac units with anti-microbial agent.			
Hand wipe with shop towels ,scrub brushes , wet and dry mops.			
swept and mopped aisles and in-between chairs.			
Removed wet plastic and replaced with new plastic.			
8x fans and 4x 2000cfm dehumidifiers 120hrs.			
Stage walls			
Stage floor			
backs and arm rest of chairs			
Brick walls			
Storage room 1 walls floors			
Storage room 2 walls floors			
Ac/heat room 1 walls floors			
Ac unit			
Ac/heat room 2 walls floors			
Ac unit			
Camera room walls floors			
Hang plastic provided by gc			
Seal off windows and entry door to camera room			

GPSB also may have paid Benchmark for work that was not performed. GPSB paid Benchmark \$625,000 to clean Georgetown High School after the 2021 winter storm (Jobs LLA21-0208 and LLA21-0211), but the bank and email records we obtained did not reflect any payments to subcontractors from this project. Bank records instead show the day after the check

from GPSB was deposited, Mr. Guzman purchased a \$617,000 cashier's check payable to "AES Environmental," which included the memo description "Final LLA21-0211 & LLA21-0208." Several days later, a \$400,000 wire transfer listing the originator as "AES Environmental" was deposited to another bank account owned by Mr. Guzman. Then \$304,940 was wire transferred from Mr. Guzman's account to an account owned by Mr. Sieja and his ex-wife, Ms. Monica Sieja, the following day.

The Principal of Georgetown High School and a claims adjuster representing GPSB's insurer, Ms. Meredith Campbell, both questioned whether Benchmark provided any of those services because Benchmark purportedly provided those services during the 2021 winter ice storm when no one was present at the school. The Principal told us she visited the school on multiple days during the winter storm, but she did not see anyone at the school or see work being done. She also told us Benchmark did not clean the gym a second time in February 2021.

Superintendent Teddlie emailed Mr. Guzman on May 27, 2021, and requested the dates Benchmark performed services at Georgetown High School. Mr. Guzman responded several days later that work was done between February 12, 2021 and February 20, 2021, and that Benchmark was called out by Cimarron to perform the cleaning as an emergency response. According to the Federal Emergency Management Agency (FEMA) disaster declaration, the winter ice storm lasted several days, occurring between February 11, 2021 and February 19, 2021.

Superintendent Teddlie acknowledged to us that, as construction manager, Cimarron should not have directed work to Benchmark, and told us he may not have known the process at the time. Superintendent Teddlie told us that he relied on school principals to monitor whether Benchmark was on site providing services, but he did not provide vendor invoices to the school principals until April 20, 2021, after Benchmark allegedly finished performing mold remediation work for GPSB. Superintendent Teddlie also told us GPSB did nothing to verify Benchmark had actually provided services after the 2021 winter storm, even after Ms. Campbell and the Principal of Georgetown High School disputed Benchmark having provided any services.

Ms. Campbell also requested additional supporting documentation from Mr. Guzman in 2021, most of which Mr. Guzman failed to provide. Ms. Campbell disputed most of Benchmark's billings to GPSB for mold remediation services. She stated that her team found that Benchmark had no background in performing water mitigation work and Benchmark did not produce supporting documentation normally provided by these types of companies. Ms. Campbell told us when she spoke with Mr. Guzman, he told her he had no idea what these documents were and did not know he needed to keep supporting documentation. Ms. Campbell prepared a memo, dated July 7, 2021, which disputed \$2,557,994 (63%) of the \$4,008,782 Benchmark billed GPSB as in excess of the estimated industry standard cost for those services.

As part of our audit, we contacted Mr. Guzman to request records pertaining to services Benchmark provided to GPSB. Mr. Guzman told us he mostly used subcontractors to provide services to GPSB. We requested Mr. Guzman provide us with records, including contracts with, and invoices from, subcontractors, pursuant to the audit provision of Benchmark's contracts with GPSB. Mr. Guzman did not provide us with any records and did not respond to subsequent attempts to contact him.

Payments to "AES Environmental"

Bank records show Mr. Guzman used funds that Benchmark received from GPSB to purchase 12 cashier's checks payable to "AES Environmental," totaling \$1,865,056, from November 10, 2020 to March 27, 2021. A majority of the cashier's checks payable to AES Environmental included notes indicating the payments were related to GPSB mold remediation jobs. Ten of the checks totaling \$1,612,265 were deposited at Credit Union 1. The remaining two checks, totaling

\$252,791, were stamped “not used for intended purpose” and appear to have been endorsed by Mr. Guzman.

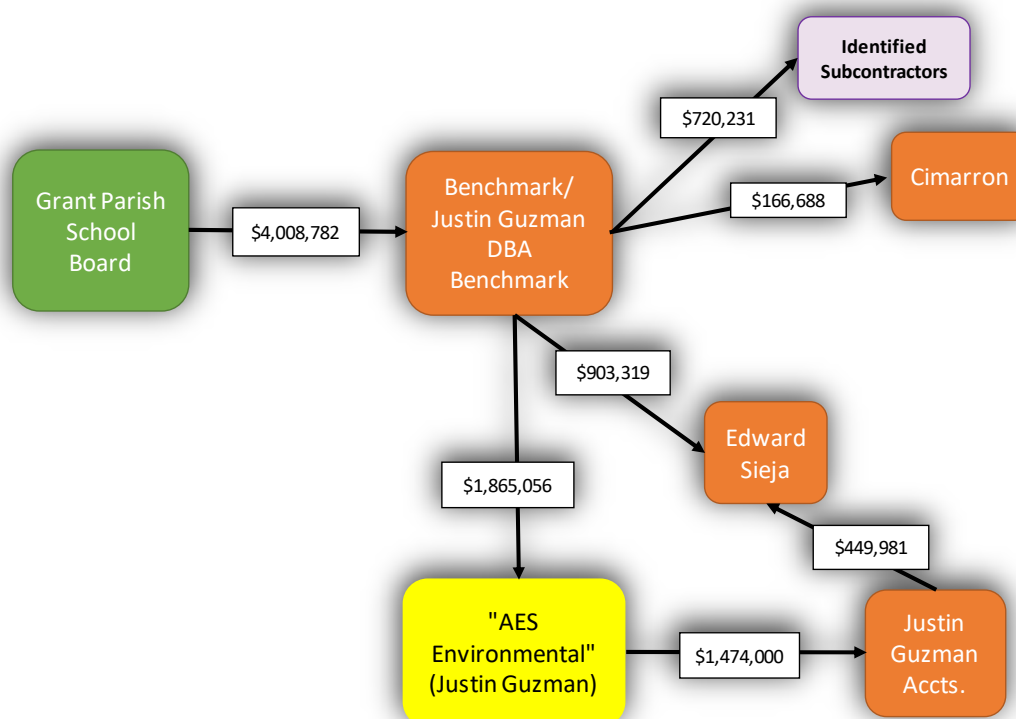
Bank records for other accounts in Mr. Guzman’s name, or which he controlled, show deposits of wire transfers and cashier’s checks from Credit Union 1, totaling \$1,474,000. The wire transfer deposits from Credit Union 1 (\$1,153,000 of the \$1,474,000) indicate the originator of the wire transfers was “AES Environmental.” Therefore, it appears most of the amount Benchmark paid to “AES Environmental” was eventually deposited into other bank accounts in Mr. Guzman’s name, or which he controlled.

Most of these deposits were to an account in the name of Justin Guzman DBA GTC Enterprises. Mr. Guzman’s email records included tax documents showing the Employer Identification Number (EIN) for “AES Environmental” was actually the EIN for Justin Guzman, Golden Triangle Construction, which is abbreviated GTC. Mr. Guzman appears to have used GPSB funds, including funds purportedly paid to “AES Environmental,” to purchase luxury vehicles, invest in cryptocurrency, and fund his personal expenses.

Furthermore, Superintendent Teddlie told us he was not aware of an AES Environmental providing any mold remediation services, and the only AES he was aware of was a company named Air Environmental Services that performed asbestos abatement work at Georgetown High School (November and December 2020). We did not find any record of an “AES Environmental” providing mold remediation services to GPSB, and we believe “AES Environmental” and Air Environmental Services to be different, unrelated entities.

Payments to Edward Sieja

Bank records show Benchmark and/or Mr. Guzman paid Mr. Sieja \$903,319 for the GPSB mold remediation projects in the form of checks, cashier’s checks, and wire transfers. Bank records also show Mr. Sieja received an additional \$449,981 in wire transfers from an account controlled by Mr. Guzman after being routed through “AES Environmental.” The majority of the payments from Benchmark/ Mr. Guzman included notes indicating the payments were sales commissions and referenced Benchmark job numbers for GPSB remediation contracts. Cimarron’s former Safety Representative told us Mr. Sieja sent him to Texas several times to pick up checks from Mr. Guzman, which appeared to him to be kickbacks. The payments to Mr. Sieja are illustrated in the following chart:

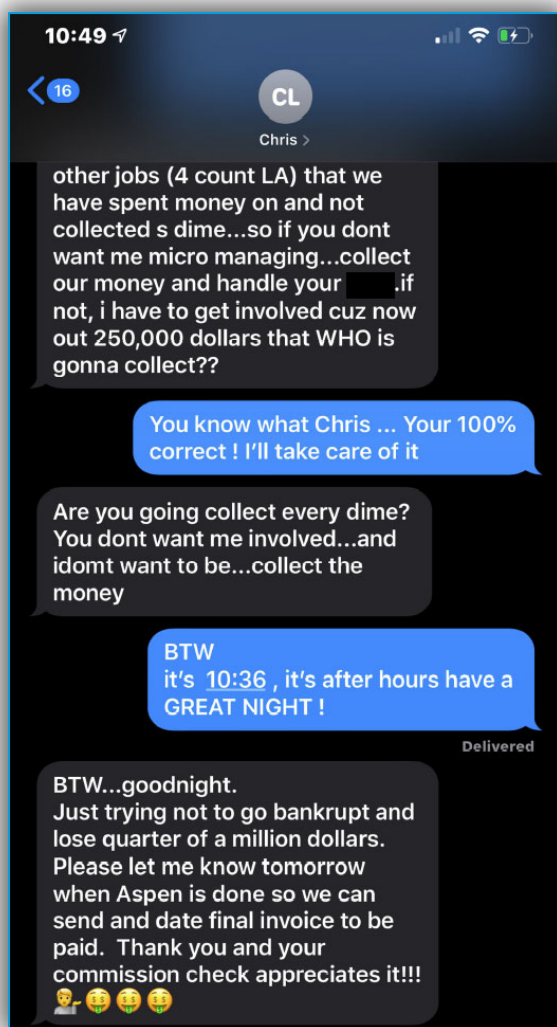


Bank records show these payments were either cashed or deposited to one of two accounts owned by Mr. Sieja, including one he shared with Ms. Sieja. These records further show that Mr. Sieja converted the majority of those payments to cash. Mr. Sieja used funds received to pay off loans, purchase a luxury vehicle (see image, right), fund his personal expenses, and engage in casino gaming activity. It appears Mr. Sieja used funds received from Benchmark to purchase five cashier's checks, totaling \$222,474, which may have been used to purchase three properties in Ms. Sieja's name – transactions that were not disclosed in Mr. Sieja's August 2021 Chapter 7 bankruptcy filing. The first two properties purchased by Ms. Sieja in the year preceding Mr. Sieja's bankruptcy filing were 17.49 acres of undeveloped land in Alexandria, Louisiana and the property where Cimarron's Alexandria office was located (for which Cimarron paid Mr. Sieja rent). The first two cashier's checks purchased by Mr. Sieja were made payable to a law firm specializing in real estate transactions, and Ms. Sieja signed property sale documents, referencing the law firm as the title insurance provider, one or two days after the cashier's checks were purchased. However, Mr. Sieja's response to our report appears to refer to the undeveloped land as "my property" and the office location as Mr. Sieja's "personal office."



Two of the other three cashier's checks were made payable to the property owner of the home where Mr. Sieja and Ms. Sieja apparently resided, and the third cashier's check was made payable to the notary listed on the property sale document signed by Ms. Sieja. The third property was purchased in September 2021, approximately a month after Mr. Sieja filed for Chapter 7 bankruptcy. Mr. Sieja did not disclose the \$1,353,300 he received from Benchmark or the three property purchases in his bankruptcy filings. Mr. Sieja declined to be interviewed for our audit.

Payments to Cimarron



At the time of Hurricane Laura, Cimarron had worked as a subcontractor for Benchmark on several construction projects. Cimarron financial records show Benchmark owed Cimarron \$252,326 as of September 2020, when Benchmark was first contracted to provide mold remediation services to GPSB. It appears Mr. Guzman used funds received from GPSB to pay Cimarron \$166,688 for amounts Benchmark owed on unrelated construction projects. Mr. Sieja also deposited \$19,000 in cash to a personal bank account and wire transferred just under that amount to Cimarron to pay a Benchmark invoice.^C

Cimarron member Mr. Chris Lang made numerous attempts to collect amounts Benchmark owed Cimarron during Benchmark's contract period with GPSB, including through pursuing liens. Records obtained from Mr. Sieja's cloud storage provider included messages showing Mr. Lang pressuring Mr. Sieja to collect the amounts owed by Benchmark (see image, left) and a picture of a notice of

^C Benchmark eventually compensated Cimarron for all outstanding amounts. Emails, screenshots of text messages, and statements by Mr. Lang indicate there were discussions that Benchmark would pay the final amount owed (\$37,677) using proceeds from work Benchmark purportedly performed installing temporary roof wrap at GPSB locations, work that was subcontracted to Benchmark through Cimarron. Cimarron withheld the \$37,677 from its payment to Benchmark and received \$54,496 from GPSB in overhead and profit on the subcontract. As discussed on page 45, Cimarron and Benchmark both appear to have billed GPSB for some of the same temporary roof wrap work.

unpaid account, dated October 15, 2020, showing Cimarron was owed \$100,460 in relation to a contract with Benchmark for work on a gas station. Less than a week later, Justin Guzman emailed Mr. Sieja a \$517,250 Benchmark proposal for GPSB job LLA10-28 stating, "Here you go bro, I left the scope pretty short so you can add what you feel needs to be in there."

Several days later, on October 27, 2020, Mr. Sieja emailed a revised copy of Benchmark's proposal to Mr. Guzman, now in the amount of \$567,250 (\$50,000 higher). Mr. Guzman then emailed a revised proposal to Superintendent Teddlie at the higher amount. The email stated Benchmark had already assisted Mr. Sieja in putting equipment in the school, and the proposal included a note stating Benchmark started providing services as of October 16, 2020, at Cimarron's request. Superintendent Teddlie signed the \$567,250 proposal the following day.

Mr. Guzman signed a contract with a subcontractor on October 31, 2020, for the subcontractor to provide these services for only \$268,520, which included a down payment of \$59,074 to start the project. Three days later, Mr. Guzman emailed Superintendent Teddlie a \$198,146 invoice for work Benchmark purportedly performed between October 16, 2020 and October 28, 2020. After GPSB paid the invoice, Mr. Guzman purchased a \$59,074 cashier's check for the subcontractor and a \$28,000 cashier's check to Cimarron for the gas station project.

Conclusion

GPSB paid 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. Sieja – while serving as the project manager for GPSB's Construction Manager, 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. 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.^{1,2,3,4,5,6,7,8,9,10,11,12,13,14,15}

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

Grant Parish School Board (GPSB) paid Cimarron Underground Services LLC (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. Edward 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.^{5,7,9,11,12,13,16,17,18,19,20,21,22,23,24,25,26,27,28,29}

GPSB and Cimarron entered into four separate contracts: a rental contract (dated September 16, 2020); a remediation contract (dated September 16, 2020, which was amended on October 19, 2020); a winter storm contract (dated February 16, 2021); and a construction management contract (entered into on January 15, 2021, with an effective date of November 1, 2020 (which predated the execution of the contract by more than two months). Each of these contracts is discussed in greater detail herein.

Mr. Teddlie signed a contract with Cimarron on September 16, 2020 (Rental Contract), to rent temporary buildings, storage units, kitchen trailers, generators, and other equipment at specified daily rates until permanent repairs to GPSB properties were completed or the contract was terminated.

GPSB also entered into a contract with Cimarron for demolition, clean up, and remediation services (Remediation Contract), dated September 16, 2020, which stated the total compensation for the contract shall not exceed \$650,000. This remediation contract was amended on October 19, 2020, and the amended contract provided that Cimarron's compensation shall not exceed \$1,850,000. Cimarron also entered into a second remediation contract with GPSB after the 2021 winter storm, effective February 16, 2021, for compensation not to exceed \$800,000 (Winter Storm Contract). Cimarron's remediation contracts collectively totaled \$2,650,000. The Remediation and Winter Storm contracts also required the agreements be undertaken in compliance with federal laws and regulations applicable to federal disaster aid grants.

Cimarron and GPSB also entered into a construction management contract in January 2021, which was effective November 1, 2020 (Construction Management Contract). During the process of negotiating the terms of the Construction Management Contract, GPSB's attorney, Mr. Charles Hardie, advised Superintendent Teddlie that GPSB could solicit quotes for permanent repairs under the emergency resolution, but the request for quotes would include many of the requirements of the Public Bid Law. Mr. Hardie also expressed concerns to Superintendent Teddlie about the propriety and legality of proposed arrangements for Cimarron to engage in permanent repairs. Despite Mr. Hardie's concerns, GPSB ultimately entered into the Construction Management Contract, which specified permanent repairs to GPSB facilities would be competitively bid pursuant to the Public Bid Law, but certain projects deemed critical could be procured on an emergency basis. The Construction Management Contract also specified that contractors, defined as persons or entities performing work under contracts with GPSB, would be selected by GPSB after a bid process.

Cimarron initially proposed adding construction management services as an amendment to the Remediation Contract, which was a combination T&M contract and cost-plus-percentage-of-cost (cost-plus) contract.^D In response, Mr. Hardie advised Superintendent Teddlie that using a T&M contract for permanent repairs must be avoided if GPSB pursued Federal Emergency Management Agency (FEMA) assistance and should be avoided under Louisiana law. T&M contracts are generally prohibited by federal regulations as a procurement method for permanent repairs.¹⁷ Cost-plus contracts are expressly prohibited by the Public Bid Law and federal regulations.^{18,19,20} As FEMA explains in its Public Assistance Program and Policy Guide:

(a) *Time and Material Contracts*

T&M contracts do not provide incentives to the contractor for cost control or labor efficiency. Therefore, use of T&M contracts are only allowed if all of the following apply:

- *No other contract type was suitable;*
- *The contract has a ceiling price that the contractor exceeds at its own risk; and*
- *The Applicant maintains a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.*

^D The Remediation Contract included elements of both a T&M contract and a cost-plus-percentage-of-cost (cost-plus) contract. The Remediation Contract permitted Cimarron to bill GPSB for Cimarron's actual labor, materials, and equipment costs, plus a percentage markup for overhead and profit for third-party equipment, material, supplies, and delivery expenses. The amended Remediation Contract permitted Cimarron to bill a percentage for overhead and profit for costs of third-party contractors. Cimarron's billings for its labor and incurred costs are elements of a T&M contract; the percentage markup for overhead and profit is an element of a cost-plus contract.

FEMA generally limits the use of T&M contracts to a reasonable timeframe based on the circumstances during which the Applicant could not define a clear [Scope of Work]. Therefore, the Applicant should define the [Scope of Work] as soon as possible to enable procurement of a more acceptable type of contract...

(b) Cost-Plus-Percentage-of-Cost or Percentage-of-Construction

In addition to limiting reimbursement to costs that can be determined to be reasonable, FEMA does not reimburse the increased cost associated with the percentage on a cost-plus-percentage-of-cost calculation or percentage-of-construction cost method. This type of contract billing is prohibited as it does not provide incentive to contractors to control costs because the contractor's profit increases as the costs of performance increase. Instead, it provides a financial interest to the contractor to increase costs so that its profit increases. FEMA identifies these cost methods by determining whether:

- Payment is on a predetermined percentage rate;*
- The predetermined percentage rate is applied to actual performance costs;*
- The contractor's total payment amount is uncertain at the time of contracting; and*
- The contractor's payment increases commensurately with increased performance costs.*

GPSB did pursue FEMA reimbursement, with Cimarron's assistance, for repairs related to the hurricanes and the winter storm. FEMA notified GPSB in late October/early November 2020 that GPSB needed to move from emergency remediation to competitively-procured permanent repairs. As such, GPSB should not have permitted permanent repairs to be performed on a T&M/cost-plus basis. Emails show Mr. Hardie also advised Superintendent Teddlie of the following:

- Some bid process would be necessary for permanent repairs, but sites requiring immediate action could be bid in a shorter timeframe than required by the Public Bid Law;
- Some attempts at receiving competitive pricing were required for permanent repairs;
- Remediation work needs to be separate and apart from repairs;
- Repairing and replacing the inside of buildings (putting back flooring, sheetrock, etc.) should be part of the scope of repair work;
- "Cimarron was hired as a remediation contractor. Repairing and replacing is no longer remediation. Furthermore, the [Remediation Contract] is not set up like for repair work;"

- Allowing Cimarron to perform repairs and replacements under the Remediation Contract “will likely remove any chance for FEMA reimbursement of costs not covered by insurance;”
- Cimarron could not perform construction work if it served as project manager; and
- “The waters continue to get muddied, and I feel that you are being pushed in directions that may violate Louisiana law.”^E

Mr. Hardie’s responses were consistent with Louisiana Public Bid Law and federal regulations:

- Emergency work is work that must be done immediately to save lives, protect improved property or health and safety, or lessen the threat of a major disaster; permanent work is restorative work performed through repairs or replacement to restore a facility based on its pre-disaster design and current standards.²¹
- A public entity must obtain an estimate of the probable construction cost of a public work before advertising the public work for bids;²²
- Some form of cost or price analysis must be performed and documented for every procurement action;^{20,23,24}
- Some form of competitive procurement is necessary for every procurement action;²⁵
- Procurements in excess of the Simplified Acquisition Threshold (\$250,000) require formal procurement methods - sealed bids or publicized requests for proposals;²⁶
- Cost-plus contracts must not be used;^{18,19,20}
- Time and materials contracts are generally prohibited;¹⁷
- A written contract is required for the emergency construction or repair of a public work costing \$50,000 or more;²⁷
- The construction manager cannot perform construction work on projects it manages or for which it participates in the development of bidding documents.^{28,29}

It appears Superintendent Teddlie permitted Cimarron, while serving as construction manager, to perform more than \$3 million in permanent repairs on a T&M/cost-plus basis, in precisely the fashion Mr. Hardie advised against, after being advised it may violate state law.

^E Superintendent Teddlie replied to this email with the statement “I was talking to Cindy [Barrios, GPSB’s Assistant Finance Director] and she believes that the inside work would have to be bid too if FEMA is to reimburse.”

Permanent Repairs/Construction Performed by Cimarron

Cimarron invoiced GPSB \$8,353,651^F between September 20, 2020 and June 12, 2022, of which GPSB paid \$8,280,601 (99.1%). Cimarron's invoices show it billed most of its work (59%) to GPSB using the job code for the Rental Contract (see following chart). The Rental Contract permitted Cimarron to charge GPSB for labor, materials, equipment, and expenses to "set-up" rented equipment, based on specified rates for Cimarron's labor and equipment or based on Cimarron's cost, plus a 20% markup for its overhead and profit (T&M/cost-plus basis).

Contract	Billings to GPSB per Invoice Detail	Percentage of Billings
Rental Contract	\$4,921,009	59.0%
Remediation Contract	1,890,067	22.6%
Winter Storm Contract	1,205,972	14.5%
Construction Management Contract	135,721	1.6%
Other	192,368	2.3%
Total	\$8,345,137	100%

According to Cimarron billing records, Cimarron performed up to^G \$3,286,923 in permanent repairs to GPSB facilities, including, but not limited to, replacing fences, installing drainage lines, replacing the interior and exterior of buildings, and building a new tractor shed/locker room. Of the up to \$3,286,923 in permanent repairs performed by Cimarron:

^F We recalculated Cimarron's invoices as part of our audit. Our recalculation of Cimarron's invoices totaled \$8,345,137, a difference of \$8,514. This difference was primarily due to Cimarron charging an extra 20% markup on several invoices.

^G Cimarron's labor tickets for work performed on a T&M/cost-plus basis provided only vague work descriptions for work done at various campuses. Cimarron's T&M/cost-plus billings for materials and equipment also did not detail the corresponding project. In order to assess how much Cimarron billed in relation to specific projects, for comparison with insurance cost estimates, we categorized Cimarron's invoice details based on work described in Cimarron labor tickets, relying primarily on Cimarron's own internal analysis of specific project costs (discussed on pages 30 through 31). Since we could not definitively determine how much Cimarron billed for specific projects, we analyzed project costs as up to a specified amount. Had permanent repairs been performed properly based on competitively procured, fixed-price contracts, with defined scopes of work, written change orders, and progress billings, under the supervision of a separate construction manager, this analysis would not have been necessary.

- \$2,270,801 (69%) was billed under Cimarron's job codes for the Rental Contract, which had no contract limit;^H
- \$121,528 was billed under the Remediation Contract;
- \$770,604 was billed using job codes for the Winter Storm Contract; and
- \$123,990 was billed using other job codes.

More than 95% of this permanent work was done on a T&M/cost-plus basis, which resulted in Cimarron billing GPSB up to \$2,311,576 (3.4 times) more than the highest cost estimates prepared by either GPSB's insurance consultant, Mr. Joel Moore, or the insurer's adjuster, Ms. Meredith Campbell, for that work.^I Our review of Cimarron's billings is consistent with a memo prepared by Ms. Campbell, dated July 7, 2021, which disputed \$3,730,926 (69.9%) of the \$5,337,085 in Cimarron billings (to that date) her team reviewed as in excess of the estimated industry standard cost for those services.

Our audit also found permanent work was performed at the direction of Cimarron's Project Manager, Mr. Sieja, and we found no cost estimates, written contracts, or documented approval from GPSB before most permanent work was performed. We searched GPSB and Cimarron's emails and accounting records and found that some form of estimate and/or documented approval existed for only \$144,311 (4.4%) of the permanent work prior to Cimarron performing work; our review found Cimarron billed GPSB nearly double that amount (\$284,963) for that work.

For example, Superintendent Teddlie approved by email a \$97,900 proposal from Cimarron to repair the Grant High School Press Box. We found Cimarron billed GPSB up to \$219,997 for this work. Cimarron appears to have double billed GPSB for some of this work by billing GPSB a percentage of the proposal amount and T&M/cost-plus billings at the same time. Cimarron progress billed GPSB for 60% completion of the proposal amount on September 25, 2020, and billed for 100% completion on January 17, 2021. Our review found Cimarron also billed GPSB \$42,746 on a T&M basis for Cimarron labor charges between those dates apparently associated with this work. For example, GPSB paid Cimarron \$20,962 for labor charges in December 2020 on invoices GP5091 and GP5103; attached labor tickets describe the only work performed as "Worked on the press box."

^H In addition to these charges apparently exceeding the scope of the Rental Contract, Cimarron also billed GPSB \$302,535 under its rental contract for labor charges that do not appear to be permissible under the contract terms. The rental contract included an attached rate sheet, which specified "Equipment 'Set-Up' costs will be billed based on the following Rates for Labor and Equipment..." Cimarron labor tickets show Cimarron billed GPSB \$302,535 under the rental contract for employee classifications not listed on the rate sheet, including \$132,850 for a Supervisor, \$106,265 for a Safety Representative, \$39,355 for a Project Manager, and \$24,065 for administrative employees.

^I When the permanent work performed by Cimarron was not included in Mr. Moore's or Ms. Campbell's cost estimates, we compared those costs against costs shown in purchase orders, proposals, and quotes. We also found Cimarron billed GPSB \$128,299 for two drainage projects at South Grant Elementary School and Grant High school, which appear unrelated to storm damages and for which we found no cost estimates.

According to Superintendent Teddlie and Cimarron member Mr. Lang, work we identified as permanent repairs fell under Cimarron's remediation contracts with GPSB. Even if the costs we identified as permanent repairs fell under Cimarron's remediation contracts, which does not appear to be the case, Cimarron still appears to have exceeded its remediation contract limits of \$2.65 million by more than \$3.1 million (see chart, below).

Comparison of Billings per LLA Review to Remediation Contract Limits	
Permanent Repairs per LLA Review	\$3,286,923
Remediation per LLA Review	2,471,510
Combined Permanent Repairs and Remediation	\$5,758,433
Combined Remediation Contract Limits	(2,650,000)
Excess Over Contract Limits	\$3,108,433

Examples of permanent work billed on a T&M/cost-plus basis under the remediation and rental contracts are provided below.

Montgomery High School Gym

One of the largest permanent repairs performed by Cimarron was replacing portions of the interior of the Montgomery High School Gym. This work apparently included replacing and painting gym wall panels, paying a subcontractor to paint the gym floor, and replacing or resealing flooring and painting in two locker rooms and a hallway. Our review of Cimarron's billings found Cimarron billed GPSB up to \$593,669 to perform this work, 5.5 times more than the \$91,588 estimated cost per Mr. Moore and 6.3 times more than the \$81,258 estimated cost per Ms. Campbell. This work supposedly lasted almost two months and was all billed on a T&M/cost-plus basis under job codes for the Rental Contract. Cimarron labor tickets show it billed GPSB \$406,753 for 7,109 labor hours by non-administrative employees, which was an average of 17 non-administrative employees per day for 38 days to perform this work.

Many of Cimarron's labor tickets for this work stated only "Rebuilding the gym" or "Continued working on the gym." Cimarron billed GPSB for 14 straight days of labor at Montgomery High School between November 30, 2020 and December 13, 2020, and Cimarron's labor tickets describe the only work done as "Rebuilding the gym." Labor tickets showed Cimarron then billed GPSB for 11 days of labor between December 14, 2020 and December 27, 2020 for work described only as "Continued working on the gym."

Cimarron tickets show it billed GPSB \$324,263 for non-administrative labor between November 30, 2020 and December 27, 2020. Cimarron billed GPSB for an average crew of 21 non-administrative employees per day, which included a supervisor, two foremen, a safety representative, two carpenters, nine helpers, two drivers, an electrician, and three welders. This included 224 electrician hours, billed at a cost of \$17,835, and 699 welder hours billed at a cost of \$54,960. None of the interior gym repairs listed in Mr. Moore's or Ms. Campbell's cost estimates mentioned electrical work or repairs requiring welding. According to these cost estimates, the required repairs consisted of replacing ceiling tile, replacing wall panels, replacing or refinishing flooring, and painting or sealing surfaces. During a site visit in November 2022, nearly two years after Cimarron did this work, we found no ceiling tiles were installed in the gym, and some wall panels were peeling off the wall because they were replaced before the roof was repaired (see example, right).



Montgomery High School Softball Field

Cimarron also billed GPSB for extensive permanent repairs to the Montgomery High School Softball field on a T&M/cost-plus basis. Our review of Cimarron's billings showed the cost of the project to be \$377,730 which included repair or replacement of the outfield fence, backstop and bleachers. We found that Cimarron billed GPSB an average of eight non-administrative employees a day to do this work for 33 days intermittently over four months: 2,483 total hours. Ms. Campbell's cost estimate showed the cost of replacing the outfield fence, backstop and bleachers to be \$51,552, 6.3 times less than what Cimarron billed GPSB.



Superintendent Teddlie told us Cimarron rebuilt the softball facility at Montgomery High School as a remediation project. When asked about the chain link fence being replaced with a welded pipe fence (see picture, above), Superintendent Teddlie told us he did not approve a welded pipe fence and did not learn about it until after the fact. Superintendent Teddlie told us he never saw a cost estimate, bid, or written contract, and neither he nor anyone else at GPSB approved the welded pipe fence. He stated that it seemed like Cimarron just decided to do it and bill GPSB for it, and he approved it for payment.

Mr. Lang told us that work on the softball field fell under the remediation contract. Mr. Lang told us, "We didn't rebuild it. We replaced. We did not rebuild. We mitigated any further damages to students," and "I would say they are not permanent repairs. I'd die on the vine to say the softball field was not a permanent repair. It was something necessary to make sure kids did not go break their ankle and you have a worse liability. You had to put up a fence. Can you take it down? Absolutely." Although Mr. Lang claimed these repairs were remediation, records show Cimarron later assisted GPSB in preparing a damage inventory that itemized and classified damages for GPSB's Hurricane Laura FEMA claim. This damage inventory listed the softball field and gym repairs at Montgomery High School as permanent work, not remediation.

Montgomery High School Tractor Shed/Locker Room

There was an approximately 1,048 square foot tractor shed at Montgomery High School prior to Hurricane Laura, which was used to store a tractor. The principal told us wind damage required this building be torn down. Records show that Cimarron billed GPSB up to \$658,377 for work from March 2, 2021 to September 23, 2021, on a T&M/cost-plus basis to replace the damaged tractor shed with a new building that was part tractor shed and part locker room. The Office of State Fire Marshal Plan Review Report for this project, dated January 22, 2021, showed the project was a new construction type project for the construction of a 30' x 80' (2,400 square foot) pre-engineered building to serve as a locker room, with a separate storage area.

According to GPSB's current construction manager, Mr. Scott Gaspard, the 2,400 square foot building constructed by Cimarron was not finished, not built to code or plan, and not occupiable. Furthermore, cost estimates prepared by

Mr. Moore, Ms. Campbell, and GPSB's first adjuster all show a cost ranging between \$5,411 and \$9,763 to replace only the roof of the tractor shed; no other work on the tractor shed/locker room was listed in those three cost estimates. Neither GPSB nor Cimarron could provide written approval or a written contract for this work prior to the start of construction. According to Superintendent Teddlie, the only approval he was aware of was a vote by the Board (at its June 1, 2021 meeting) to continue work on the project; our review of Cimarron records showed Cimarron had already billed GPSB up to \$256,946 at the time of that meeting.

Cimarron billing records show it billed \$381,577 for 7,072.5 hours of work by non-administrative employees spread over 112 days during the nearly six-month period, from March 25, 2021 to September 23, 2021. It appears Cimarron billed GPSB for workers who were not present, as discussed in greater detail on pages 37 through 41. Cimarron's billings included:

- Twenty-three (23) days where the primary work described was building forms and tying rebar for the concrete slab. Cimarron billed \$76,220 in non-administrative labor for those days, which totaled 1,271 labor hours for an average crew of six workers.
- Fourteen (14) days where the primary work described was framing the interior walls of the building. Cimarron billed \$47,390 in non-administrative labor for those days, which totaled 900 labor hours for an average crew of eight workers.
- Thirty-four (34) work days which included hanging, mudding in, and sanding sheetrock/concrete board. Cimarron billed GPSB \$151,861 in non-administrative labor for those days, which totaled 2,906 labor hours for an average crew of 10 workers. During our site visit on November 14, 2022, we found sheetrock in one room was still unfinished.
- Cimarron labor tickets mentioned plumbing work on 19 days after the slab was poured. The plans for the building show there were five sinks, six toilets/urinals, and two water fountains. According to a September 22, 2021, email chain between Mr. Gaspard and Mr. Steve Hutchinson, Cimarron's Chief Operating Officer, Cimarron was directed not to install the urinals or water fountains.
- Cimarron labor tickets mentioned electrical work on 28 days after the slab was poured. Cimarron billed a total of \$42,740 in charges for an electrician in relation to this project (64 days, 607.5 hours). This included \$13,530 billed for 194.5 hours across 19 days when the primary work described was building forms and tying rebar for the concrete slab.

Superintendent Teddlie told us he believed Mr. Sieja and GPSB's architect, Ballard, CLC Inc. (Ballard) designed the building together, and Cimarron started working and billing before it received approval from GPSB at a board meeting (the June 1, 2021 Board Meeting). Superintendent Teddlie told us Mr. Sieja kept telling

him insurance would take care of this, and he did not monitor what was actually happening. Superintendent Teddlie further stated he never saw a projected cost, did not initially understand the scope of work, and shut everything down when he realized how much it was costing.

Cimarron billing records show work started on March 2, 2021, when a subcontractor began work on a dirt pad. After Board members asked questions about what work was being done at the special meeting held on May 10, 2021, Superintendent Teddlie emailed Ballard member, Mr. William Aldridge, on May 13, 2021, asking for information about what work was being done; Mr. Aldridge replied with designs for the building, stating, "The tractor shed was part of the locker room... Attached are the drawings we provided to Ed and the approved set from the State Fire Marshal." When we asked Mr. Aldridge about designs for the project, he told us Ballard did everything at Mr. Sieja's direction and only acted at the request of Mr. Sieja, as GPSB's representative.

Meeting minutes and recordings show that the tractor shed/locker room was discussed at GPSB's Board and Finance Committee meetings held on June 1, 2021. At that time, Cimarron had already billed GPSB up to \$256,946 on a T&M/cost-plus basis in relation to this project. Mr. Sieja, Mr. Lang, and Mr. Hutchinson attended these meetings where Mr. Sieja appears to have made misleading, and possibly false, statements to the Board members about this project. Mr. Sieja told Finance Committee and Board members that this project was one of four remaining remediation projects. However, Mr. Sieja described the project as building a brand-new building to replace a damaged tractor shed; Mr. Sieja stated the new building would be a tractor shed/locker room, and the new locker room did not previously exist.

A board member initiated discussion of the project at the Finance Committee meeting by asking questions regarding Ballard's designs, resulting in the following discussion:

Edward Sieja: On that May – on February 10th loss statement from [the first adjuster], where we walked the campus with him, and we walked it with [the Principal] as well. That tractor shed is blown out.

Board: But it's only a 20 x 30 tractor shed.

Edward Sieja: Yes sir.

Board: 600 square foot.

Edward Sieja: When he, when we got the estimates on it, he, at that time, told us he didn't care what it was used for as long as it was for the amount. The amount on that proof of loss or on that loss statement was for \$37,000. And this building was right at \$32. Where they can put the tractor shed and the girls are going to have a locker room inside there as well. Because the girls' softball did not have a locker room at the time.

Mr. Sieja's statement does not match the cost estimate the first adjuster emailed to Superintendent Teddlie on February 10, 2021. The cost estimate showed a replacement cost value of \$8,954 to replace only the roof of a 38'-10" by 27' tractor building.³ The Finance Committee discussed the total cost of the tractor shed/locker room later in the meeting:

Board: Do we have a cost on this? A total cost on this, uh – for Montgomery?

Edward Sieja: The total run was \$36,940.

Board: And that was complete?

Edward Sieja: That's complete. And they're coming to put the building in on the seventh because they couldn't do it today because of the weather. Um, the roof, the replacement value on the roof of the tractor shed was \$37,000, that was in the price, in the quote, in December, whenever we were, we put the roofs out for bid. Just the roof. Whenever the tractor shed itself was to be put out for bid, to be, for the wall to be fixed, was over \$55,000 to fix the bowed out wall and the concrete. So you would have had \$87,000 for the tractor shed.

After the Finance Committee meeting, the Board discussed the motion to continue the emergency remediation contract with Cimarron and discussed the four remaining projects under that contract, including the tractor shed/locker room. A Board member then started the following discussion of insurance approval:

Board: So all, these four projects, the insurance has approved...

Edward Sieja: Correct.

Board: ...and given money value that they are gonna pay so much and we are not gonna to go over that amount?

Edward Sieja: Correct. We have that on email with Sedgwick where Sedgwick said yes. This right here is what needs to be finished.

After Mr. Sieja's response, the Board approved the motion to continue the Remediation Contract, including, specifically, the tractor shed/locker room. However, it does not appear that GPSB's insurer approved the project as Mr. Sieja stated. Ms. Campbell told us that no one from the insurance side ever approved the tractor shed/locker room. She also told us she instructed Superintendent Teddlie and Mr. Sieja several times to stop building the locker room, as it was outside the scope of work and the insurer would not pay for it. In response to the Board's vote approving the four projects, Ms. Campbell had her team prepare an estimated cost for the tractor shed/locker room, which she emailed to Superintendent Teddlie on June 17, 2021; the replacement cost value per this estimate was \$88,016.

³ A 38'-10" x 27' building would contain 1,048 square feet, not 600 square feet as would be found in a 20' x 30' building.

Mr. Hutchinson told us GPSB directed Cimarron to build the tractor shed/locker room at a school board meeting in May or June of 2021, which he attended. Mr. Lang confirmed to us the Board voted to continue the remediation contract, including the tractor shed/locker room. When asked if Cimarron had any documentation of a written contract, bid, and cost estimates for the tractor shed/locker room, Mr. Lang told us a contract was not necessary if it was considered remediation. Mr. Lang also told us:

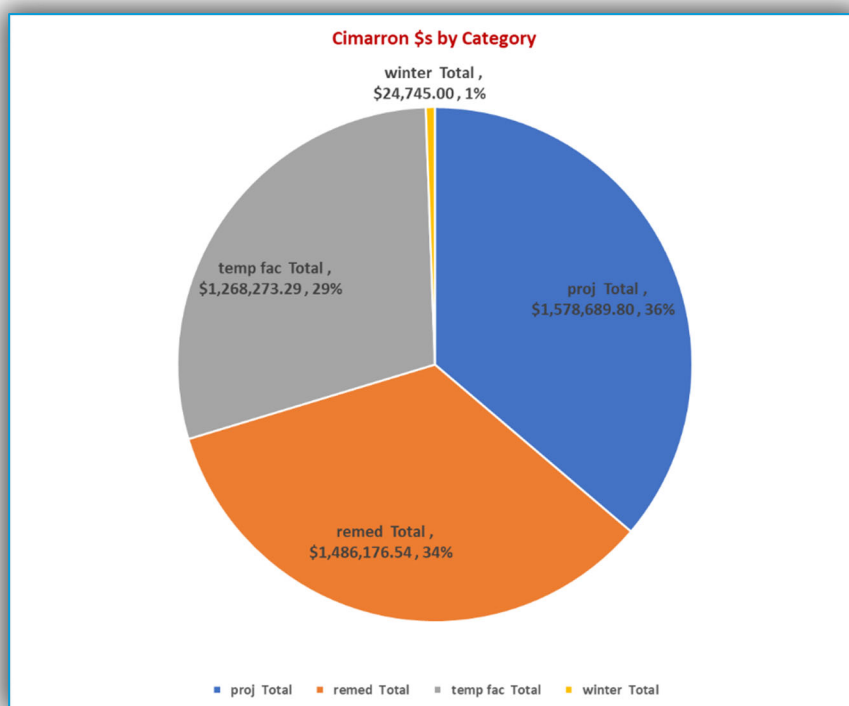
And in my recall memory – if I recall, so – that conversation, that was an approval to continue, and I thought they knew it would be 87, and I thought \$87,000 more, like what is remaining on it.... I don't, I don't think we billed more than that amount from that day to the end, more than that. I could be wrong, I'd have to look at invoices, but from that day I remember the 87. They said yes, go ahead and finish, how much is it going to cost, and I could be butchering this part, and we knew there was a tag at the end of do not exceed whatever was remaining to bill. I could be wrong and I have to see invoices but I thought we – because it was a big point of contention – they said yes, go ahead agree, finish the job. How much is it going to cost? \$87,000. Perfect, finish that.

According to our review of Cimarron's billing records, Cimarron billed GPSB up to \$401,431 for work on the tractor shed/locker room after the June 1, 2021 Board meeting and up to \$659,977 in total, of which, GPSB paid up to \$630,960. GPSB began withholding payments related to the tractor shed/locker room with Cimarron's last invoice for July 2021. Email records show Mr. Lang thereafter contacted GPSB about payment of withheld amounts. On December 28, 2021, Mr. Hutchinson emailed Superintendent Teddlie, with Mr. Lang copied, a Notice of Unpaid Account in the amount of \$262,236, stating "Please let us know status of payment on the remaining outstanding amounts for the Montgomery Locker/Shop Bldg." This document, signed "Chris Lang by SGH," offered to resolve the dispute if GPSB paid Cimarron the outstanding \$262,236 and an additional \$71,500 to correct issues with the tractor shed/locker room building. Cimarron executed a settlement agreement in March 2022, signed by Mr. Lang as CEO of Cimarron, for \$188,252.

Superintendent Teddlie told us Cimarron could not perform rebuild work as the construction manager, and Cimarron determined what permanent repairs to perform. He stated Cimarron performed permanent repairs without bidding, providing costs estimates, or entering into a written contract; called it remediation; and exceeded the scope of its remediation contracts by millions of dollars. Superintendent Teddlie stated he and the Finance department monitored billings for the remediation contracts, but he did not properly monitor remediation and rebuilding work Cimarron performed. When we asked Superintendent Teddlie why he allowed Cimarron to do permanent repairs against the advice of Mr. Hardie, he told us he believed that work was remediation because he trusted Mr. Sieja. When asked if he trusted Mr. Sieja over GPSB's attorney, Superintendent Teddlie told us "No. No. I just didn't understand. Maybe I didn't understand what Charles was saying what was remediation and what they couldn't be doing."

Cimarron records show it performed permanent repairs, and Cimarron personnel provided information to GPSB Finance personnel to pursue FEMA reimbursement for that work as permanent repairs. Mr. Hutchinson analyzed Cimarron's billings to date to GPSB at the end of February 2021. Mr. Hutchinson's analysis categorized Cimarron's billings into four categories, irrespective of the contract they were billed under: temporary facility rental, winter storm, remediation, and "project" (see pie chart below).

Mr. Hutchinson shared versions of this analysis with Mr. Lang and Mr. Sieja on February 28, 2021 and March 1, 2021. In April 2021, Mr. Hutchinson emailed Mr. Lang and Mr. Sieja telling them Cimarron needed to categorize its costs between water damage remediation costs and "Rebuild/Permanent Work costs" for GPSB's FEMA claim and referenced the February analysis as an "initial pass on this" (see top of following page). Mr. Hutchinson provided an updated version of the February analysis to a GPSB finance employee at the end of April 2021.



From: Steve Hutchinson
Sent: Tuesday, April 20, 2021 12:31 PM
To: Chris Lang; Ed Sieja
Cc: [REDACTED]
Subject: FEMA - weekly internal Zoom call - update

Chris and Ed,

I just got off a FEMA Zoom call with GPSB and their Houston FEMA consultant [REDACTED].

Requests for \$s are submitted to FEMA as "Projects", and [REDACTED] wants to submit the Category B costs (i.e. Mold, Asbestos and Water) as the first project. I think FEMA and GPSB are in agreement with this approach.

The mold and asbestos \$s are pretty straightforward (i.e. individual contractors). In order to pull together the "water" \$s, Cimarron needs to categorize its costs between

1. water damage remediation costs (i.e. Cat B); and
2. Rebuild/Permanent Work costs (i.e. Cat E I think).

Cimarron's water damage remediation costs (i.e. Cat B) would submit with the first project. We've pretty well done this in a spreadsheet through 2/25/21. We just need to review it before we submit to GPSB and [REDACTED].

I advised [REDACTED], Cindy and Guinell that Cimarron has made an initial pass on this, and we should be able to provide categorized \$s shortly.

The "projects" identified by Mr. Hutchinson included work on the Montgomery High School gym and softball field totaling \$547,785 and \$282,612, respectively. In a June 24, 2021, email to GPSB's Finance personnel and FEMA consultants, Mr. Sieja stated the work on the Montgomery High School gym and softball field was permanent work. The combined amounts for remediation (\$1,542,671) and "projects" (\$1,522,195) in Mr. Hutchinson's analysis totaled \$3,064,866. If these "projects" were all remediation, then Cimarron's own records show it had already exceeded its Remediation Contract limit by \$1,080,535 as of February 2021,^K billed almost exclusively on a T&M/cost-plus basis.

In addition, during the Finance Committee meeting, Mr. Sieja made statements conflating remediation with permanent repairs:

Edward Sieja: There was 68 projects when we started over here doing the remediation, am I right Ms. Cindy?

Cindy Barrios: That's how many damage line items I had.

Edward Sieja: We're down to 12. Montgomery's gotten their gym completely redone, they got their softball field redone. We did, redid the cantine over there. Those were three items that we could start on and and move on. We also, during that \$6.2 million that we were paid, redid nine classrooms at Grant, at Montgomery High School, correct [Principal]?

...

^K \$3,064,866 - \$1,850,000 - \$134,331 (fixed price projects for the Grant High School press box and stadium sound system and Grant Junior High School intercom) = \$1,080,535.

- Chris Lang:* Hang on. Also I want to say, part of our instruction from [the first adjuster] was not to rebuild. Not. Instructed specifically not to rebuild, to redo, and just make...
- Paxton Teddlie:* All, all of yall's was remediation. Now we did have to put back that softball press box because we had a game in two weeks. Uh, there was a few things that they did have to construct and that's the problem, is that, we're having that's – all of this remediation stuff. But they're not supposed to rebuild, put roofs on. Matter of fact, they can't put the roofs on.
- Chris Lang:* Right.
- Charles Hardie:* They will not – Cimarron is – as it's, as it's – right now, after the remediation is over, they would, they are set to serve as construction manager. Under Louisiana law, they cannot be the contractor and construction manager. It's not allowed.
- Board:* Then why are we being charged as construction manager as well?
- Edward Sieja:* Because we are putting out bids.
- Chris Lang:* Because we are into that process now. And actually, this is part of it [recording ends].

Mr. Lang told us that he considered all the projects identified by Mr. Hutchinson to be remediation and not permanent repairs. Mr. Lang confirmed to us that all permanent repairs were supposed to be bid under Public Bid Law, and Cimarron, as construction manager, would be prohibited from performing any of that work. Mr. Lang told us that Cimarron could not be involved in the rebuild process because the rebuild would be permanent, and the only permanent repairs Cimarron performed for GPSB were to the Grant High School Press Box.

Contrary to Mr. Lang's above statements, Cimarron's attorney responded to our report and claimed Cimarron's T&M contracts with GPSB specifically provided that Cimarron would provide permanent work to GPSB, including permanent construction "projects." The Remediation Contract, the Winter Storm Contract, and the amendments to those contracts do not include the word "permanent" or state Cimarron will perform construction "projects," as suggested by Cimarron's response. Rather, both contracts identify Cimarron's services as "emergency remediation services." Both contracts also include a provision requiring conformance with federal regulations applicable to federal disaster aid grants; one of these regulations, 44 CFR § 206.201 (see endnote 21), specifically defines and differentiates emergency work and permanent work. The services described in the Remediation Contract and Winter Storm Contract are described as emergency services and are not consistent with permanent work as defined by this regulation.

GPSB also acknowledged in its response to our report that permanent repairs were outside the scope of these contracts and should not have been performed under these contracts. Mr. Lang, the person who signed these contracts with GPSB on Cimarron's behalf, told us Cimarron did not have contracts with GPSB for permanent repairs, aside from the Grant High School press box, because Cimarron

could not do permanent repairs. Mr. Lang similarly told the Finance Committee at its June 1, 2020 meeting, in response to a question about what GPSB had to show for the \$6.2 million it had paid Cimarron, "All we were supposed to do was to mitigate and to continue as is and not rebuild per, per the law or [first adjuster]."

Cimarron's response largely ignored the Construction Management Contract and Cimarron's role as construction manager, which Mr. Lang acknowledged to LLA would prohibit Cimarron from performing permanent repairs. Mr. Lang's acknowledgement is consistent with an email from Mr. Lang to Superintendent Teddie on May 28, 2021, which stated, "Almost 7 month ago, we are were ready to help put roofs on and begin the rebuild process for these schools; of which if you recall, we were NOT going to participate in the roofs and rebuilding per the bid law of [sic] the CM agreement." The timeframe addressed in the email matches the November 1, 2020 effective date of the Construction Management Contract; Cimarron billing records show the only permanent work Cimarron had performed as of that date was on the Grant High School press box and stadium speaker system.

Cimarron's response also states our report ignored emergency declarations by GPSB, as a result of which, Cimarron's work was expressly excluded from compliance with Public Bid Law requirements. Although GPSB did declare emergencies permitting GPSB to procure permanent repairs without complying with the provisions of Public Bid Law, GPSB elected to comply with Public Bid Law, as evidenced by the Construction Management Contract requiring its application; federal regulations (see endnote 26) also required formal procurement methods, such as Public Bid Law, for procurements over \$250,000. GPSB confirmed in its response to our report that permanent repairs should have been procured in accordance with Public Bid Law. Emails and text messages from Cimarron personnel also indicate the Public Bid Law applied. For example, see Mr. Lang's statements on the preceding page and the following text message exchange between Mr. Sieja and Mr. Moore on January 24, 2021:

Joel Moore: Can you provide me the Emergency Decree from the state that says there's a moratorium on requiring three bids?

Edward Sieja: I don't have it personally, it's the Louisiana State bid law is what we are doing to be able to get funding from FEMA.

Cimarron's response also contends that Cimarron did not exceed the "target contract amount in the Remediation Contract" based on the contract categories identified on its invoices to GPSB. This contention ignores that Cimarron billed GPSB for up to \$2,270,801 in permanent repairs (including, for example, construction of the Montgomery High School tractor shed/locker room and softball field fence) under the Rental Contract and contradicts Mr. Lang's statement to LLA that work we identified as permanent repairs fell under the remediation contracts. In effect, Cimarron appears to be arguing the Remediation Contract permitted Cimarron to perform permanent repairs but because Cimarron billed much of those costs under the Rental Contract, Cimarron did not exceed the Remediation Contract limit.

Cimarron's response also states "when Cimarron identified the potential to exceed the target amount of a contract, Cimarron contacted GPSB's attorney and GPSB to request a change order or confirm GPSB was agreeable to Cimarron exceeding the target contract amount without a formal change order." Cimarron's response further contends there was a practice and understanding between GPSB and Cimarron for additional work to be performed without a written change order. The Remediation and Winter Storm contracts do not include provisions for change orders. T&M contracts such as these must include a ceiling price, which the contractor exceeds at its own risk, in order to comply with federal regulations (see endnote 17). These contracts included a provision that any amendment to the contract must be in writing, and these contracts were amended in writing. Furthermore, if Cimarron did not exceed the Remediation Contract amount, as its response contends, there would be no need for a change order or amendment for the services Cimarron purportedly provided pursuant to that contract. Records also show Mr. Hutchinson denied that Cimarron exceeded the Remediation Contract limit when directly questioned by GPSB.

At the GPSB Finance Committee meeting held on June 1, 2021, a Board member initiated discussion of the roughly \$1.8 million not to exceed amount for the Remediation Contract. Mr. Sieja stated during the discussion "that was an estimate that we had to put on there for remediation." Mr. Hardie responded the roughly \$1.8 million was a not to exceed amount, excluding rentals, and "time and materials should not exceed \$1.8 million." When a board member expressed his belief that Cimarron had exceeded that amount, Mr. Hutchinson stated, "My understanding is we have not on the remediation. I think we are a little over a million bucks."

At a June 3, 2021 Board meeting, Meredith Campbell provided information to the Board indicating Cimarron had already exceeded the Remediation Contract limit when she took over GPSB's claim in February 2021. Several days later, on June 7, 2021, the following email exchange took place between Superintendent Teddlie and Steve Hutchinson:

Paxton Teddlie: At the board meeting on Tuesday, you indicated that we've spent just over \$1 million on remediation expenses. Meredith indicated that it was over \$2 million. Since our addendum has just over \$1.8 million not to exceed clause, could you review and get back to me?

Steve Hutchinson: Prior to the meeting, the number was \$1.082m for Remediation Contract billings. I believe it's still under \$1.1m as of today.

Mr. Hutchinson's statements were not consistent with Mr. Hutchinson's February 2021 analysis showing Cimarron had billed \$1,486,176 for remediation and \$3,064,866 for combined remediation and "projects," 97% of which was billed on a T&M basis.

Conclusion

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 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 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. Hutchinson; Cimarron member, Mr. Lang; and others may have violated Cimarron's contracts with GPSB and state and federal law. ^{5,7,9,11,12,13,16,17,18,19,20,21,22,23,24,25,26,27,28,29}

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

Cimarron Underground Services, LLC (Cimarron) appears to have billed Grant Parish School Board (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.^{4,5,7,9,11,12,13}

Cimarron's Billing Process

During the course of our audit, we interviewed two former administrative employees at Cimarron's Alexandria, Louisiana office, including Cimarron Employee 1. These two employees performed administrative work for Cimarron's Alexandria, Louisiana office, including for GPSB related work. Prior to working for Cimarron, Cimarron Employee 1 was a long-term employee of a sheriff in another parish, where she was a secretary for 10 detectives. She told us she left Cimarron in part because she believed Mr. Edward Sieja was dishonest, something wrong was going on, and she felt she should leave.

According to documents and statements from Cimarron employees, Cimarron's Supervisor, Mr. Jerrad Friday, provided a daily, handwritten timesheet to Cimarron Employee 1 that detailed the locations and hours worked for each Cimarron employee. If a daily timesheet was not provided, Mr. Friday would tell Cimarron Employee 1 that the locations and hours worked were the same as the day before. For employees who worked at multiple sites, like Cimarron's safety representative, Mr. Friday would give Cimarron Employee 1 the total hours and she would divide up the hours between sites. Based on the information provided by Mr. Friday, Cimarron Employee 1 would create a spreadsheet detailing which employees worked that day, the hours they worked, the jobs they worked on, the equipment that was on-site, and a brief description of the work performed. Cimarron Employee 1 typically showed the spreadsheets to Mr. Sieja for approval and then forwarded the spreadsheets to an administrative employee in Cimarron's main office in Kansas, Ms. Donna Pennington, who used that information to create Cimarron invoices and labor tickets. Ms. Pennington emailed Cimarron invoices to GPSB for approval, and Mr. Sieja and Mr. Chris Lang were typically copied on those invoices.

Cimarron Employee 1 told us she believed Mr. Friday put down hours worked for workers who were not actually working and believed Cimarron billed GPSB for workers who were not present. According to Cimarron Employee 1, when she asked Mr. Sieja what to do with a worker's time, he would tell her "bill the school board." She also told us Mr. Sieja would instruct her to bill him, herself, and other employees, to specific jobs, knowing the employees were not there, and he would then tell her to rotate everybody around. We also spoke with several former Cimarron employees who told us they did not do work listed on labor tickets, did not work hours listed on labor tickets, or were aware of instances where workers were listed on timesheets for Cimarron jobs while doing work for Mr. Sieja personally.

Cimarron Employee 1 told us her spreadsheet also had pieces of equipment sitting at schools for months when they were not there because Mr. Friday never told her the equipment had been moved. After she realized Mr. Friday needed to provide her with that information, she told him she needed to know every day when a piece of equipment was moved. Cimarron Employee 1 told us she did not realize Mr. Friday was supposed to tell her when equipment moved because she knew nothing about construction. The spreadsheets prepared by Cimarron Employee 1 were effectively Cimarron's primary record for most of the labor and equipment billed to GPSB. We reviewed Cimarron billing records and found Cimarron may have substantially overbilled GPSB for labor, materials, and equipment not provided or not necessary to the job at hand.

Labor Overbilling Examples

Cimarron's Safety Representative

Labor tickets and invoices show that Cimarron billed GPSB \$205,304 for 2,911 labor hours for its safety representative between September 17, 2020 and September 20, 2021. During this period, Cimarron billed GPSB, on average, 10 hours a day, 54.9 hours a week at \$55 per hour (\$82.50 per hour overtime) for its safety representative. More than half of Cimarron's billings to GPSB for the safety representative (\$106,265, 1,511 hours) were billed under job codes for the Rental Contract; however, safety representative isn't listed on the rate sheet attached to the Rental Contract as billable labor under the Rental Contract.

The safety representative told us he worked an average of 5 or 6 hours per day, 30 hours per week for Cimarron, and Mr. Sieja told him he could come and go as he pleased. When we informed him that Cimarron billed an average of 10 hours a day for him, he told us that was not accurate and he could almost guarantee Cimarron billed GPSB for hours he didn't work. If the safety representative actually worked only 30 hours per week, then Cimarron overbilled GPSB up to \$117,855 for his labor.

According to Cimarron Employee 1, Mr. Friday instructed her to put the safety representative on timesheets as working 10 hours a day, even if the safety representative only worked 5 hours that day. We showed Mr. Friday paper

timesheets when we interviewed him, which he agreed he prepared. When we explained to Mr. Friday that the timesheet showed 10 hours per day for the safety representative and the safety representative told us he worked much less than that, Mr. Friday told us "Yeah. Well. [The safety representative] was down in his office^L a lot on the clock and that was an Ed thing."

Cimarron Employee 2

Cimarron Employee 2 is a former Cimarron employee and one of Mr. Sieja's neighbors. According to Cimarron Employee 2, he is a roofer, and Mr. Sieja hired him to sell roofs. Records show that Cimarron billed GPSB \$39,880 (685 labor hours) for Cimarron Employee 2 under the Remediation and Rental contracts between February 5, 2021 and September 8, 2021. We discussed work descriptions from Cimarron's labor tickets with Cimarron Employee 2, who told us he never performed any of the work listed on the labor tickets. Cimarron Employee 2 told us he once delivered lumber to GPSB, delivered a skid-steer loader, and inspected a roof for hail damage, but remembered doing no other work in connection with GPSB.

Cimarron records show it first billed GPSB \$15,130 for 24 days (225 hours) of Cimarron Employee 2's labor between February 5, 2021 and March 12, 2021. Cimarron Employee 2 told us he did not do any work for GPSB during that time, and he may have been selling roofs for Mr. Sieja, which is what Mr. Sieja hired him to do. Cimarron Employee 2 also told us Mr. Sieja would send him to inspect roofs for GPSB's insurance consultant, Mr. Joel Moore, who worked on other projects aside from GPSB, but Cimarron, not Mr. Moore, paid him. This is consistent with text message records between Mr. Moore and Cimarron Employee 2 and/or Mr. Sieja. For example, Mr. Moore's text message records included the following exchange with Mr. Sieja on March 8, 2021:

Joel Moore: Did [Cimarron Employee 2] ever inspect [redacted name]'s roof?
Edward Sieja: Yes
Edward Sieja: He gave a price to fix it
Edward Sieja: It was like \$65,000.00
Joel Moore: Have [Cimarron Employee 2] meet me at [redacted address] DeRidder, LA 70634 tomorrow at 9:00.

Cimarron Employee 2 told us he inspected the roof referenced in the text messages, may have inspected the other property, and was paid by Cimarron, not Mr. Moore. Cimarron billing records show it billed GPSB \$3,125 (50 hours) for Cimarron Employee 2 to purportedly act as the foreman of a crew on fire watch duty at Colfax Elementary School between March 8, 2021 and March 12, 2021. Cimarron's billings to GPSB included \$575 (10 hours) for Cimarron Employee 2 on March 9, 2021, the day after the text messages cited above, as the foreman of a

^L The safety representative is an elected official in another parish. According to the safety representative, after he finished his daily work as safety representative, he would go back to the city where he works as an elected official.

four-person crew performing fire watch duty at Colfax Elementary School. Cimarron Employee 2 told us he never performed fire watch.

Cimarron also billed GPSB \$24,750 for 44 days (460 hours) of Cimarron Employee 2's labor between May 24, 2021 and September 8, 2021. This included \$10,575 for 21 days of Cimarron Employee 2's labor, purportedly for working on the Montgomery High School tractor shed/locker room. Labor tickets showed Cimarron Employee 2 as a carpenter or helper on those days. Cimarron Employee 2 told us he did not do the work described, he never swung a hammer, and he did not think he had ever been to that school. The \$39,880 billed to GPSB for Cimarron Employee 2 appears to be entirely, or almost entirely, for work Cimarron Employee 2 did not perform.

DOTD Debris Cleanup Job

As part of our audit, we obtained a recorded conversation between Mr. Sieja and Mr. Steve Hutchinson from April 2022. Mr. Sieja stated during the conversation that Cimarron billed workers from a Department of Transportation and Development (DOTD) project to GPSB at the direction of Mr. Lang. We found debris disposal tickets in Mr. Sieja's emails, which were identified as part of the DOTD project, and we compared those disposal tickets against Cimarron labor tickets for GPSB. We found Cimarron billed GPSB \$9,125 between September 17, 2020, the first day it billed labor to GPSB, and October 5, 2020, for labor of workers purportedly working at GPSB locations on the same days those employees were listed on disposal tickets associated with the DOTD debris clean-up.

We also found the following email exchange between Ms. Pennington and Cimarron employee, Mr. Jeff Derosia, on September 21, 2020, during the term of the debris cleanup project; Mr. Sieja and Mr. Lang, were copied on the email exchange:

Jeff Derosia: Donna, Starting today. Take two of the debris haulers and charge them to the school project. Just pick two. This is for every day.

Donna Pennington: I can do that. Just charge for the guy, plus PD? Or include his truck and trailer?

Jeff Derosia: All of it.

Donna Pennington: 10-4

Donna Pennington: \$80 ST and \$120 OT for the driver. \$200/day for truck and trailer. \$1075/day total for 10 hours...according to rate sheet.^M

Cimarron also billed GPSB up to \$1,700 for the use of a truck and dump trailer, at \$200 per day, on days the driver listed on the labor ticket was also listed on debris disposal tickets. We could not determine the exact amount because the vehicles billed to GPSB were not necessarily associated with specific employees.

^M Cimarron's rate sheet permitted it to charge a \$75 per diem per day for each non-local worker.

Edward Sieja's Labor

Cimarron labor tickets show Cimarron billed GPSB \$5,100 for 60 hours of Mr. Sieja's labor between Monday, July 12, 2021 and Friday, July 16, 2021, some of which related to the Montgomery High School tractor shed/locker room. Rental car records show Mr. Sieja personally rented a luxury SUV in Reno, Nevada on



Saturday, July 10, 2021, and returned the vehicle on Friday, July 16, 2021. Bank and credit card records for accounts owned by Mr. Sieja show purchases for the vehicle rental, restaurants, casinos, a fishing charter, and entertainment in and around Lake Tahoe, California and Reno, Nevada during the timeframe of the vehicle rental. Images we obtained from Mr. Sieja's cloud storage provider show Mr. Sieja engaging in vacation activities during that timeframe (see example, left).

Similarly, Cimarron billed GPSB \$2,040 (24 hours) for three days of Mr. Sieja's labor between Thursday, May 13, 2021, and Monday, May 17, 2021. Handwritten timesheets show that Mr. Sieja did not work on those days, but timesheets prepared by Cimarron Employee 1 showed Mr. Sieja working on some of those days. Rental car records show Mr. Sieja personally rented an SUV in West Palm Beach, Florida on May 13, 2021, which was returned on May 17, 2021. Bank and credit card records for accounts owned by Mr. Sieja show purchases for the vehicle rental, restaurants, hotels, and casinos in Florida during the timeframe of the vehicle rental.

Other Labor Examples

The principal of Montgomery High School told us he became upset due to the lack of progress on Cimarron's work, so he reviewed camera footage to track the comings and goings of Cimarron employees for a week (August 2, 2021 through August 6, 2021). He provided us with documentation from his review, which showed workers were not present on days billed to GPSB and were not present for all hours billed to GPSB. For example, he observed three workers on August 6, 2021, for a total of 30 hours, when the only work being done was on the tractor shed/locker room. Cimarron billed GPSB for 133 hours for 14 workers that day.

It appears from the principal's observations for that week that Cimarron billed GPSB \$14,495 for 224 hours for workers who were not observed at Montgomery High School. We found handwritten timesheets for four of those five days. Cimarron labor tickets and the handwritten timesheets match for the foremen, electricians, carpenters, and helpers identified as working at Montgomery

High School.^N The principal of Montgomery High School told us he found Cimarron billed for people who were not present, but every time he talked to Mr. Sieja or Mr. Friday, they told him “no this is how it’s done.”

We spoke with one of the employees billed to GPSB as a carpenter purportedly working at Montgomery High School on August 6, 2021; the principal’s notes do not show he observed that employee, Cimarron Employee 3, on that day. Cimarron Employee 3 told us he would sometimes go to Montgomery High School to check that workers were working and bring them materials, but his job was really doing sales for Cimarron. He stated during one three to four-day period, three or four of the workers who were supposed to be present at Montgomery High School were not there. He told us when he asked Mr. Friday why the workers were not there, Mr. Friday told him Mr. Sieja called and sent the workers to another place and the missing workers were working in Oakdale, Louisiana. According to Cimarron Employee 2, Mr. Friday similarly told him, “we are doing a lot of jobs for a lot of people and charging Grant Parish... we just done some jobs outside in Alexandria and we did the job and we billed them to Grant Parish – the school.”

Cimarron Employee 3 told us he went to Montgomery High School a few times, he went to Colfax Elementary School two or three times, he was not out there for 10-hour days, and on other days he was out trying to get work for Cimarron. Cimarron labor tickets show he was billed as a carpenter working at Montgomery High School for 23 days, 21 of which were 10-hour days. These billings totaled \$12,107 (222.5 hours). Cimarron also billed GPSB \$11,700 for 21 days, all 10-hour days, Cimarron Employee 3 purportedly worked as a carpenter at Colfax Elementary School.

We also spoke with the principal of Georgetown High School, who provided us with notes she maintained regarding Cimarron’s billings. Her notes indicated the \$20,445 Cimarron billed GPSB for labor and pickup trucks for demolition work on November 24, 2020, and November 25, 2020, was performed by a four-person crew. Cimarron labor tickets show that Cimarron billed for 19 non-administrative workers each day.

Fuel Card Records Contradict Labor Hours Billed to GPSB

Cimarron fuel card records also showed one of the drivers billed to GPSB on August 6, 2021 (see discussion in preceding section) refueled in Spring, Texas that morning. Cimarron fuel card records show that it billed GPSB a total of \$16,306 for the labor of employees who refueled in Texas, Mississippi, or Alabama on days they were billed to GPSB.

^N Two carpenters were reversed between Montgomery High School and another school on August 6, 2021. Some employees billed to GPSB for work at Montgomery High School were listed on handwritten time sheets as working at all locations.

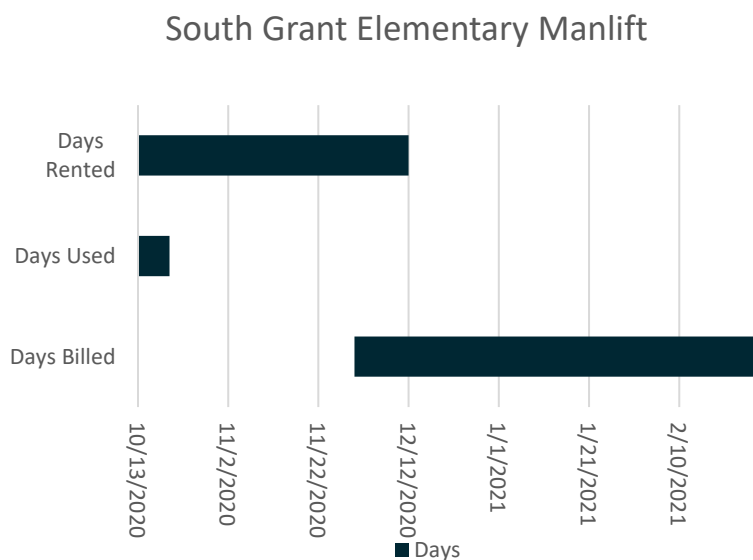
Equipment Overbilling Examples

One of the primary concerns discussed by the Finance Committee at its meeting held on June 1, 2021, was Cimarron billing GPSB for equipment not being used (idle equipment) or not actually present at GPSB facilities. At that meeting, Mr. Lang responded to the Board's concerns, stating "we've gone through every date, onsite, the day it was opened, the day it was delivered, and to be honest with you, underbilled. Throughout the whole project we've only billed about 68%, if I'm not mistaken, that's 68% of all the equipment that was out there every single day, from start to finish." Mr. Sieja also stated during the meeting that the equipment billed was in parish, and if you followed the transportation tickets from the third-party shipping company, documents Cimarron possessed, you would see the equipment was being moved between schools.

Cimarron provided us with its equipment analysis mentioned by Mr. Lang in the Finance Committee meeting held on June 1, 2021, which Mr. Hutchinson prepared and dated approximately a week before the meeting. This analysis included spreadsheets detailing dates equipment was rented from third parties and dates equipment was transported between various jobsites. We reviewed Cimarron's billing records for four pieces of equipment – a manlift, two bulldozers, and an excavator, all rented from third parties – and compared those records with dates equipment was rented and transported per Mr. Hutchinson's equipment analysis. According to our review, Cimarron appears to have billed GPSB \$106,600 for 48 days the equipment was not even rented by Cimarron; 150 days the equipment was likely at Cimarron's yard and not onsite at GPSB facilities; and 100 days the equipment was likely idle, and possibly no longer necessary (see chart below). We also found equipment was moved without documentation, and Cimarron paid Mr. Sieja personally to rent some of the equipment it billed to GPSB.

Equipment	Charges for Days Not Rented	Charges for Days Likely Not Onsite	Charges for Likely Idle Equipment	Total Likely Overbilled
SGE Manlift	\$7,750	-	\$13,250	\$21,000
Dozers	4,000	\$20,000	18,800	42,800
Excavator	2,800	40,000	-	42,800
Total	\$14,550	\$60,000	\$32,050	\$106,600

We also found Cimarron billed GPSB for days of equipment rental and usage that had little correlation to the days the equipment was actually rented or used for GPSB projects. For example, Cimarron rented a manlift for 60 days (from October 13, 2020 through December 11, 2020) to be used at South Grant Elementary School, yet billed GPSB for 91 days of manlift usage (from November 30, 2020 through February 28, 2021). The timeframes overlapped for only 12 days (see chart at right). The manlift also appears to have been unnecessary for most of the period it was billed to GPSB. It was rented on October 13, 2020; labor tickets show Cimarron employees may have used it for seven days to remove damaged building materials. Subsequent labor tickets for work done at South Grant Elementary School shows work being performed to install underground drainage lines.



Benchmark Related Items Billed to GPSB

Mr. Sieja's attorney responded to our report, stating Mr. Sieja was not involved in any Cimarron billing to GPSB and had no culpability for improper billings to GPSB. This does not appear to be true. Mr. Sieja's response included an affidavit from Mr. Sieja which stated, while working with Benchmark in and around Beaumont, Texas, he "received a Pet Crematrian [sic] from that purchase of land and moved the equipment so I can open a Pet Crematrian [sic] here in Louisiana...." GPSB paid Cimarron \$4,263 on Cimarron invoice GP5133, dated January 24, 2021, for the transportation of a Crematorium from Richmond, Texas to Cimarron's Alexandria, Louisiana yard. GPSB also paid Cimarron \$4,263 on invoice GP5119, dated January 10, 2021, for forklift and pallet jack rental charges at the same Richmond, TX address. Cimarron credited these transportation and equipment rental charges to GPSB on invoices GP5492 and GP5493, dated April 18, 2022, and included the charges in an insurance claim for theft loss.

According to Cimarron's response to our report, Cimarron initiated an internal investigation of Mr. Sieja's activities in February 2022, which uncovered instances of improper billings to GPSB by Mr. Sieja; Cimarron claims it then disclosed the issues to GPSB and provided GPSB with a credit. Cimarron records appear to show it was previously aware of these charges, which were not disclosed or credited to GPSB at the time of apparent prior discovery. Mr. Hutchinson prepared an analysis of equipment billed to GPSB on or around May 22, 2021, which Mr. Lang referenced

at the June 1, 2021 Finance Committee meeting, when Mr. Lang asserted Cimarron had underbilled GPSB for equipment. The notes page from Mr. Hutchinson's analysis provided details on the equipment rentals and the transportation charge for the crematorium haul, which included, for example, the note "[vendor] Crematorium haul Richmond Tx to Cimarron Alexandria - \$3,500." Cimarron did not disclose these charges to GPSB during the June 1, 2021 Finance Committee meeting, during which the committee discussed concerns Cimarron was billing GPSB for equipment not present. Cimarron credited these charges to GPSB approximately 11 months after they were detailed in Mr. Hutchinson's equipment analysis.

Material Overbilling Example

GPSB's current construction manager, Mr. Scott Gaspard, told us he identified a vast amount of metal pipe paid for by GPSB, but not installed, and he met with Mr. Hutchinson to audit the amount of installed pipe. Cimarron also filed an insurance claim for a theft loss due to the actions of Mr. Sieja. According to documents provided by Cimarron, including Cimarron's Theft Claim – Statement of Claim and attached case report from the Rapides Parish Sheriff's Office, Mr. Sieja purchased materials with Cimarron funds, billed the material to clients, and took the material for his personal use, which included \$84,309 for pipe billed to GPSB, but not installed at GPSB facilities. Cimarron credited GPSB for the pipe GPSB did not receive as part of a settlement dated October 12, 2022. It appears that some of this pipe may have been used to build a fence on a tract of land owned by Mr. Sieja and/or his ex-wife, Ms. Monica Sieja. Cimarron Employee 2 provided us with pictures of the pipe fence erected on this land. One of the pictures included a length of pipe stamped "Cimarron" and appears to show the order number H0182968. Cimarron billed GPSB \$33,705 for pipe, purportedly for Pollock Elementary School. The third-party invoices showed order number H0182968 and the delivery address on the invoices was Cimarron's yard in Alexandria, which is located approximately three-tenths of a mile from the property where the fence was built.

Cimarron may also have billed GPSB hundreds of thousands of dollars for the installation of unnecessary welded-pipe handrails on existing GPSB walkways (see example picture from Mr. Sieja's cloud storage provider on the next page). Ms. Campbell questioned this work at the Board meeting held on June 3, 2021, and suggested GPSB paid hundreds of thousands of dollars for handrails on existing walkways that were not needed. Ms. Campbell stated there was no differentiation between the amounts Cimarron billed for construction of handrails on temporary walkways for temporary facilities, work she did not dispute, from handrails installed on pre-existing walkways, work she did dispute.



Ms. Campbell stated her team toured Colfax Elementary School and found Cimarron had installed 250 lineal feet of handrails on temporary walkways compared to 3,000 lineal feet of double-layered handrails on pre-existing walkways. Our review of Cimarron's billing records found Cimarron billed GPSB up to \$230,345 to install decks for temporary classrooms, install welded pipe

handrails on those decks, and install welded pipe handrails on existing walkways at Colfax Elementary School. During that board meeting, a Board member stated the Board had that same question about Georgetown High School. Our review of Cimarron's billing records found Cimarron billed GPSB up to \$234,566 to install decks for temporary classrooms, install welded pipe handrails on those decks, and install welded pipe handrails on existing walkways at Georgetown High School.

Duplicate Roof Wrap

It appears that Cimarron and Benchmark were both paid to install roof wrap on the Verda Elementary School gym. Ms. Campbell authorized the installation of roof wrap on the Verda Elementary School gym on March 25, 2021, work which was to be subcontracted to Benchmark by Cimarron. Benchmark and Cimarron entered into a subcontract on or around April 22, 2021, to install roof wrap at a number of schools, including \$31,375 for roof wrap on the Verda Elementary School gym and cafeteria. Cimarron billed this amount to GPSB, with a 15% markup, on invoice GP5328, dated June 10, 2021. Cimarron also directly billed GPSB, and was paid, \$11,274 for roof wrap materials, two scissor lift rentals, and the labor for the installation of roof wrap at Verda Elementary School gym. Cimarron billed GPSB for labor provided, and materials purchased, between April 20, 2021 and April 23, 2021.

Additional Services – Assistance for Joel Moore

GPSB records show Cimarron invoiced GPSB \$28,155 under the construction management contract for additional services, all of which GPSB paid. These additional services were purportedly for Cimarron to provide an estimator, Cimarron Employee 2, to assist Mr. Moore in the preparation of cost estimates for permanent repairs using the Xactimate software. These billings consisted of 324 hours of labor and the use of a pickup truck for Cimarron Employee 2. This employee's time was billed to GPSB for a continuous period between March 15, 2021 and May 22, 2021, for four or five days a week. It appears these services were unnecessary; that Cimarron may have overbilled for the services actually provided; and that Cimarron billed for these services without obtaining a signed change order, despite discussing internally that one was required. It also appears Mr. Moore solicited a fee from Cimarron to provide an estimated cost for those services.

Mr. Hutchinson emailed Mr. Lang and Mr. Sieja on February 16, 2021, stating Cimarron needed to send a change order to GPSB for these "Additional Services," and referenced the requirements under paragraph 4.2 of the Construction Management Contract for Cimarron to provide notice to GPSB and obtain a signed change order back from GPSB. Section 4.2.2 of the Construction Management Contract states:

Upon recognizing the need to perform the following Additional Services, the Construction Manager shall notify the Owner with reasonable promptness and explain the facts and circumstances giving rise to the need. The Construction Manager shall not proceed to provide the following Additional Services until the Construction Manager receives the Owner's written authorization....

On March 18, 2021, Mr. Lang forwarded Mr. Hutchinson's email with the draft change order to a number of Cimarron employees, including Mr. Sieja and Mr. Hutchinson, stating Cimarron Employee 2 "will be on this billing every week from now on."

Emails among Cimarron personnel, including Mr. Lang, Mr. Hutchinson, and Mr. Sieja, show Cimarron did not have a signed change order from Superintendent Teddlie as of May 4, 2021, at which time it had already billed GPSB \$14,945 for additional services purportedly provided by Cimarron Employee 2. Mr. Sieja forwarded Superintendent Teddlie a copy of the change order that day, and after Mr. Hardie advised he was uncomfortable approving the change order without an estimated cost, Superintendent Teddlie responded to Mr. Sieja by asking Cimarron for an estimated cost. The following day, Mr. Hutchinson emailed Superintendent Teddlie, with Mr. Lang copied, stating he believed Cimarron had never sent the change order or obtained a signed copy, and Mr. Hutchinson stated Cimarron would provide GPSB with an estimated dollar amount and revised change order for the Additional Services for GPSB's consideration.

Emails among Mr. Lang, Mr. Sieja, Mr. Hutchinson, and/or Mr. Moore show Mr. Lang asked Mr. Moore to provide this cost estimate several times over the following two weeks and stated GPSB would not sign the change order without the estimate. These emails also show Mr. Moore had not yet started preparing the rebuild cost estimates; Mr. Moore did not plan to utilize the assistance of Cimarron Employee 2; and Cimarron Employee 2 was not trained to use the Xactimate software. Starting within 10 minutes of one of those emails, Mr. Moore and Mr. Sieja exchanged the following text messages:

Joel Moore: I hope you're having a relaxing time. When you get back, you will need to explain to Chris that I'm not handing over the supplemental estimating process to a novice crew. I will expect a significant percentage for my efforts. Of all the people in this equation, I'm seeing the least return. He wants me to provide him a timeline estimate for Cimarron additional services contract and that's going to cost him. I'm tired of playing around.

Edward Sieja: LoL I'm with you sir

Joel Moore: I'm not happy

...

Edward Sieja: Nothing bad with me huh ?

Joel Moore: Of course not. There are two people in this [expletive] show that better come out smelling really good.

Cimarron billing records show it billed GPSB a final \$13,210 for these additional services on invoice GP4003 dated May 25, 2021, which was emailed to Superintendent Teddlie on May 26, 2021, with Messrs. Sieja, Lang, and Hutchinson copied on the email. This invoice was for services purportedly provided between April 19, 2021 and May 22, 2021, and included charges for periods after Cimarron was advised GPSB would not sign the change order without a cost estimate, which Mr. Lang and Mr. Hutchinson acknowledged. Furthermore, this invoice was sent to GPSB after Mr. Moore advised Mr. Lang he would use adjusters to help him prepare rebuild cost estimates, not individuals untrained in the Xactimate software; Mr. Lang acknowledged to Mr. Sieja and Mr. Hutchinson that Cimarron Employee 2 was not Xactimate trained; and Mr. Moore told Mr. Lang and Mr. Sieja "you and Ed will have to figure out how you address the additional services with [Mr. Hardie]."

Cimarron Employee 2 told us he did not work with Mr. Moore to prepare cost estimates. He told us he did not use the Xactimate software and instead took measurements by hand. Cimarron Employee 2 told us he measured three schools, spending three to four days per school, and he turned that information in to Mr. Sieja, not Mr. Moore. According to Cimarron Employee 2, Mr. Sieja told him "why don't you go to Georgetown and start measuring because they want to see you working." Cimarron Employee 2 also told us the principal at Georgetown High School became upset with him for taking measurements at the school because the school had already been measured.

Mr. Moore told us he did not use any help to prepare his cost estimates and all he did was take Ms. Campbell's estimate and put a current price list on it. Mr. Moore told us he did not use any measurements other than Ms. Campbell's and he never received measurements from anyone at Cimarron. Mr. Moore told us that adjusters now use 3-D camera systems to take measurements that are accurate to 1/32nd of an inch and it made no sense to counter that. When we asked Mr. Moore about the percentage discussed in his text message to Mr. Sieja, he told us he was not asking for a percentage of the estimate. He told us the percentage being discussed was for him to leave GPSB and come over to Cimarron's side to do work outside of GPSB.

According to Mr. Lang, Cimarron Employee 2 was supposed to provide measurements for Mr. Moore to prepare cost estimates. Mr. Lang also told us that Cimarron stopped billing for Cimarron Employee 2 because he was done taking measurements for Mr. Moore and it was time to put those measurements into the estimate so they could send the estimate out.

Conclusion

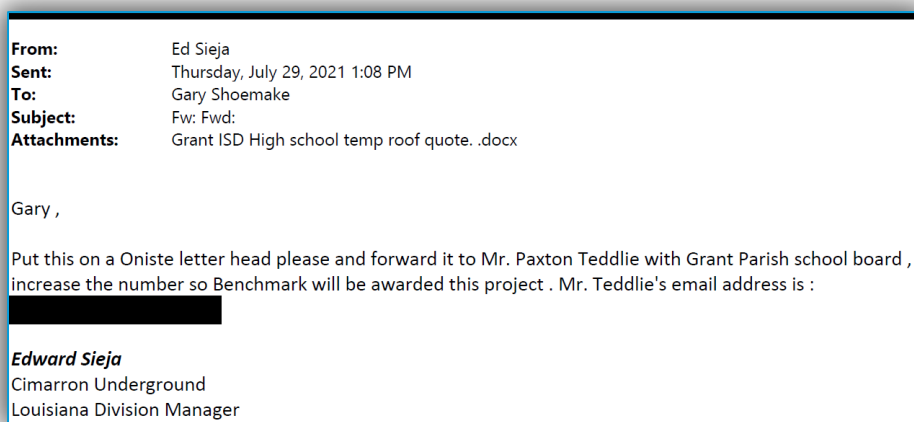
Cimarron appears to have billed GPSB \$435,139 for labor, materials, and equipment not provided to GPSB or billed for greater amounts and/or durations than actually provided to GPSB from September 17, 2020 to September 20, 2021. This amount includes \$204,801 for labor hours when employees do not appear 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.^{4,5,7,9,11,12,13}

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

Grant Parish School Board (GPSB) paid Benchmark Professionals LLC (Benchmark) \$172,500 on August 19, 2021, for temporary roof work to install shrink wrap. Records show Mr. Edward Sieja, Mr. Justin 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 behalf of Cimarron Underground Services, LLC (Cimarron), 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.^{4,7,13}

Records show that Superintendent Teddlie sent emails to Mr. Charles Hardie and Mr. Joel Moore on July 28, 2021, stating that temporary roofing was needed at Grant High School due to water leaks that were not covered by insurance. Mr. Guzman emailed separate proposals for temporary roofing on the Grant High School gym and main building, totaling \$172,500, to Superintendent Teddlie that morning. Superintendent Teddlie forwarded Mr. Guzman's proposals to Mr. Moore and Mr. Hardie in the afternoon, asking if he needed to get three quotes. Before Superintendent Teddlie received an answer from Mr. Hardie or Mr. Moore, he forwarded the email chain and attachments to Mr. Sieja, stating "Can you help me get 2 more quick quotes for this? I probably need them."

Mr. Guzman separately emailed Benchmark's proposals to Mr. Sieja the following afternoon in Microsoft Word format. Mr. Sieja forwarded one of Benchmark's proposals to an individual named Gary Shoemake approximately 15 minutes later (see image, right).



Cimarron billing records show Mr. Shoemake previously provided inspection services to GPSB through Cimarron between October 2020 and May 2021, for which Mr. Shoemake billed Cimarron \$12,259. According to Louisiana Secretary of State (SoS) records, Mr. Shoemake was one of four members of Onsite Emergency Services Group LLC (Onsite Emergency Services). The other three members were Mr. Sieja, Mr. Guzman, and Mr. Moore. SoS business filings showed this entity was incorporated by Mr. Moore on June 10, 2021, less than 10 days after GPSB voted to

provide the notice required to terminate the Construction Management Contract with Cimarron, and its address was Cimarron's Alexandria, Louisiana office location.

Mr. Sieja sent follow-up emails at 1:30 p.m. and 1:32 p.m. instructing Mr. Shoemake to put proposals on Onsite Emergency Services letterhead and put the proposal amounts around \$45,000 (gym) and \$150,000 (main building). Mr. Shoemake emailed proposals on Onsite Emergency Services letterhead, listing those exact amounts, to Superintendent Teddlie later that afternoon and evening. Mr. Sieja also emailed two proposals from Cimarron to Superintendent Teddlie that afternoon. Superintendent Teddlie received proposals from Cimarron and Mr. Shoemake and emailed Mr. Hardie and Mr. Moore that he was going to use Benchmark. Benchmark's proposals were the lowest (see chart below).

Project	Benchmark	Cimarron	Onsite Emergency Services
Grant High School -Temporary Roof for Gym (15,000 sqf)	\$37,500	\$44,790	\$45,000
Grant High School -TPO Roof for School (30,000 sqf)	135,000	159,870	150,000
Total	\$172,500	\$204,660	\$195,000

Several days later, on August 3, 2021, Mr. Chris Lang and Mr. Sieja exchanged emails about this work:

Chris Lang: Also, what is the update on Benchmark's roof work that was requested from Paxton?

Edward Sieja: Benchmark was awarded the two roof projects from Grant Parish school board

Chris Lang: Via Cimarron or direct to GPSB?

Edward Sieja: Direct to Grant Parish

Chris Lang: Thought they were going to go through us to mark up? How did that change and them NOT have to get 3 quotes? Hmm...

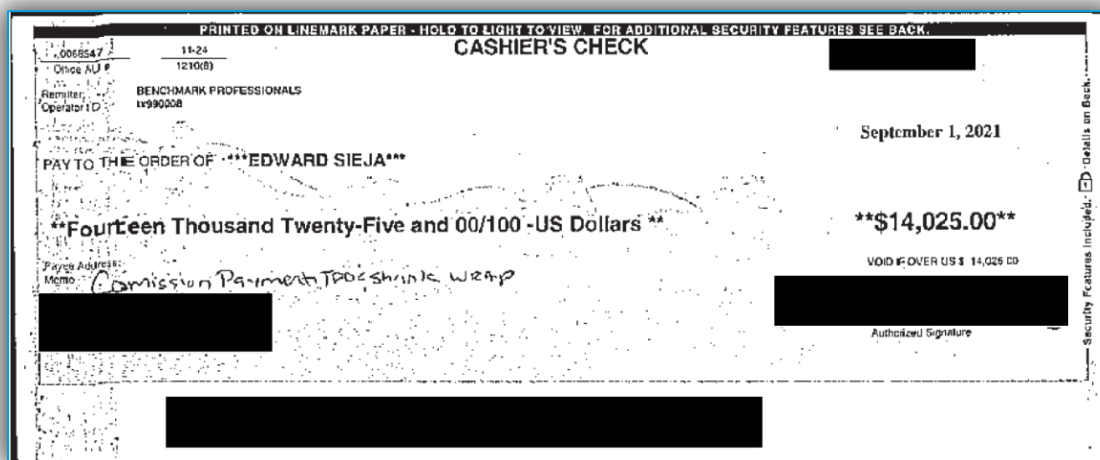
Edward Sieja: They did get three quotes, the reason they went direct is because Paxton said it would have thrown the pricing over the \$250,000 which would mean he would have to put it out for bid

Chris Lang: And just so happened Benchmark was the lowest bidder? They must be good at estimating! 😊

Edward Sieja: I just text you and sent you a screen shot explaining it

GPSB paid Benchmark \$172,500 on August 19, 2021, for the installation of temporary roofing on the Grant High School gym and main building. After GPSB paid Benchmark the \$172,500, Mr. Sieja received a \$14,025 cashier's check from Benchmark indicating it was a commission payment (see image at top of following

page). The cashier's check, dated September 1, 2021, was deposited to Mr. Sieja's personal account the same day.



When we asked Mr. Lang about the emails with Mr. Sieja, he told us "I assumed there was some collusion going on between those two on some bids. Not me, not Cimarron, but you can start to see these are the days when we start to figure stuff out between those two." If Mr. Lang believed Mr. Sieja, Cimarron's project manager, was colluding with another of GPSB's vendors, on bids for work for GPSB, it does not appear he notified Superintendent Teddlie. When we asked Superintendent Teddlie about this work, he told us he was not aware these individuals were doing business together, he was not aware Mr. Sieja received a sales commission, and that no one ever brought this to his attention.

We also spoke with Mr. Shoemake about the proposals he emailed to Superintendent Teddlie. Mr. Shoemake initially told us he did not submit a proposal to GPSB to do roof wrap work because he does not do roof work. Mr. Shoemake stated Onsite Emergency Services had no employees, no assets, and no brick-and-mortar location; it was more of a website and a place for people to work with them outside of Cimarron or as individuals. When we asked Mr. Shoemake if he was going to do the roof wrap work when he submitted the proposal to GPSB, he told us:

No. God no. I don't do roof wraps. I don't do – Dude, I try not to get on roofs if I can help it. No, I don't have, I don't have the, the expertise, I don't have the crews, I don't have the materials. I do not do roofs. I, again, I was a consultant to say your building is significantly dry and safe for occupancy....

When we asked Mr. Shoemake if he was going to hire someone to do the roof wrap since he was not going to, he told us we would have to ask Mr. Sieja and Mr. Guzman, and he thought he understood Mr. Guzman was going to do it. When we told Mr. Shoemake it sounded like he made up the proposal, he told us he

doesn't fabricate proposals because that's illegal. After we brought up Mr. Sieja's email to Mr. Shoemake asking him to increase the numbers so Benchmark would be awarded the project, Mr. Shoemake stated:

Okay well – well again, if he told me that, that was following his instructions. It's not something that I was engaged in in regards to the actual numbers. He said here's what I want you to put on the letterhead and that's what I put on the letterhead. I mean, I had nothing to do with the pricing or who was going to do the work. He just simply asked me to do some paperwork. And by paperwork I mean take what I have here, put it on our letterhead, and send it to Paxton. And that's what I did.

According to Superintendent Teddlie, he tried to get three quotes because it was necessary. Superintendent Teddlie told us he asked Mr. Sieja to get him quotes because Mr. Sieja knew people in the industry and he assumed Mr. Sieja would be able to get him quotes.

Conclusion

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.^{4,7,13}

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

Grant Parish School Board (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 Underground Services, LLC (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.^{4,5,6,7,9,13,30,31,32,33,34,35,36}

GPSB records show GPSB entered into a contract with Champions Insurance Services, LLC (Champions Insurance) on October 16, 2020, for insurance consulting services. Champions Insurance was incorporated in Texas in 2019, and public records listed Mr. Moore as its only member. GPSB records show it paid Champions Insurance \$82,321 between October 2020 and February 2022. The adjuster for GPSB's insurer, Ms. Meredith Campbell, told us she believed Mr. Moore exceeded the scope of his contract, acted as a public adjuster, and did not have a license to do what he did for GPSB.

Louisiana Department of Insurance (LDI) records show that Mr. Moore was licensed as a claims adjuster when he provided services to GPSB. According to La. R.S. 22:1704,³² claims adjusters^o work for the insurance company and public adjusters work for the insured. Therefore, if Mr. Moore acted as an adjuster on GPSB's behalf, he would have been a public adjuster, a role for which he was not licensed in Louisiana. Individuals are prohibited from acting as public adjusters in Louisiana without being licensed as such by LDI.³³ Moreover, claims adjusters are prohibited from acting as public adjusters in Louisiana, and public adjusters are prohibited from acting as claims adjusters.³⁴

Mr. Moore initially told us he was not an adjuster for GPSB; the difference between being an advisor and an adjuster is adjusters write an estimate for foreseen damage; and if he was hired as an adjuster, he would write his own estimates, which he did not do. Records show Mr. Moore prepared cost estimates for GPSB, and he repeatedly told Superintendent Paxton Teddlie, Mr. Charles Hardie, and the Board, or its Finance Committee, he would do so. When we asked Mr. Moore if he ever provided a supplemental estimate to GPSB, he initially told us no. When we brought up the supplemental estimates we found, he agreed he

^o There are two types of claims adjusters: company adjusters, who are employed by insurance companies, and independent adjusters, who are independent contractors representing insurance companies.

provided a supplemental estimate to GPSB. When we asked him if him producing this estimate for GPSB made him an adjuster, he told us “Well I’m acting as, I guess, yeah, ok, I’m an adjuster for the – all I did was take their estimate and add a price list. I didn’t change a single line item on the estimate.” When we asked Mr. Moore if acting as an adjuster for GPSB meant he was acting as a public adjuster, he told us no, public adjusters take a percentage of the total dollars awarded, and independent adjusters can work for either side. When we interviewed Mr. Moore about the services he provided to GPSB, he repeatedly referred to his role as that of an adjuster and the services he provided as adjusting.

La. R.S. 22:1703 prohibits public adjusters from charging a fee contingent upon, or calculated as a percentage of, the claim amount.³⁵ Louisiana law also establishes a code of conduct for public adjusters, which prohibits public adjusters from having a direct or indirect financial interest in any aspect of the claim, aside from the compensation established in the contract, and from soliciting or accepting any compensation, direct or indirect, from, by, or on behalf of any contractor or subcontractor.³⁶ Claims adjusters are subject to substantially the same prohibitions.³⁷

It appears Mr. Moore acted as a public adjuster on GPSB’s behalf and solicited compensation in connection with GPSB’s insurance claim from Cimarron; from Mr. Clay Fowler, the member/manager of prospective contractor, DCF Construction and Supply LLC (DCF); and from a prospective insurance appraiser, Mr. Kevin Hromas; as described in greater detail in the following sections of this finding.

Mr. Moore’s attorney responded to our report, stating Mr. Moore did not act as a public adjuster as defined in La. R.S. 22:1692(8). Public adjusting is defined in La. R.S. 22:1692(8) as:

(a) Investigating, appraising, or evaluating and reporting to an insured in relation to a first-party claim for which coverage is provided by an insurance contract that insures the property of the insured. Public adjusting does not include acting in any manner in relation to claims for damages to or arising out of the operation of a motor vehicle. Public adjusting does not include any activities which may constitute the unauthorized practice of law. Nothing in this Part shall be considered as permitting the unauthorized practice of law. (b) Advertising for employment as a public adjuster of insurance claims or soliciting business or representing himself to the public as a public adjuster of first-party insurance claims for losses or damages arising out of policies of insurance that insure real or personal property (emphasis added).

The acts “investigating, appraising, or evaluating and reporting to an insured” are not further defined in Louisiana law governing public adjusting (La. R.S. 22:1691, et. seq.). However, these laws appear to track language from the National Association of Insurance Commissioner’s (NAIC) Public Adjuster Licensing

Model Act. The NAIC's Public Adjuster Consumer Outreach Notice, adopted in 2018, explains the acts performed by public adjusters in great detail, and those acts appear to be consistent with the language of La. R.S. 22:1692(8).

Mr. Moore's invoices, text messages, emails, and statements to the Board, its' Committees, and Superintendent Teddlie, appear to show Mr. Moore engaged in acts the NAIC identifies as acts typically performed by public adjusters. These records show Mr. Moore apparently toured GPSB locations to inspect damages and prepared supplemental cost estimates on GPSB's behalf. These records also show Mr. Moore engaged in direct contact with insurance company representatives on GPSB's behalf, including to seek reassignment of GPSB's claim to a new adjuster, to discuss representations by the first adjuster about what would and would not be covered under the policy, to discuss what the first adjuster would report to the insurer, to relay GPSB's position about what costs the insurer should pay, to jointly review GPSB's expenses related to the claim, to discuss the scope of repairs, to jointly work on estimates, to inquire about the status of estimates, to seek information on the timing and amount of insurance payments, and to ask for status updates on the claim so that he could update the Board. These records further show Mr. Moore directly advised the Board, its' Committees, and Superintendent Teddlie (not GPSB's attorney) about the status of GPSB's claim, policy coverage limitations, the insurer's obligations under the policy, and the purported negligence by the insurer to promptly handle GPSB's claim.

Mr. Moore's response also asserts Mr. Moore provided information and support directly to GPSB's attorney, or indirectly through Superintendent Teddlie, and was therefore exempt from licensure as a public adjuster under La. R.S. 22:1693(E)(2), which provides,

*...a license as a public adjuster shall not be required of any of the following: (1) An attorney at law admitted to practice and in good standing in this state. (2) **A person employed only for the purpose of obtaining facts surrounding a loss or furnishing technical assistance to a licensed public adjuster, or licensed attorney, including photographers, estimators, private investigators, engineers, and handwriting experts**" (emphasis added).*

As discussed above, it appears Mr. Moore's services far exceeded only obtaining facts or furnishing technical assistance to GPSB's attorney. As a further example, Mr. Moore sent a text message to Mr. Hardie on August 31, 2021, stating:

I advised the new construction committee last night to opt for appraisal instead of waiting out the supplement. They were hell bent on settling which would be a stupendous mistake. I have the very best appraiser ready to take this on. I have created estimates that mirror the Sedgwick estimates line for line. I will now step back and facilitate Kevin [Hromas]....

Mr. Moore's response to our report also states Mr. Moore understood he could not provide estimates, he did not provide his own estimates for the damages, and he did not independently perform any estimate. The National Association of Insurance Commissioners' (NAIC) Post-Disaster Claims Guide states public adjusters "estimate the damage to your home and property, review your insurance coverage, and negotiate a settlement of the insurance claim for you." Records show Mr. Moore did prepare cost estimates, on Champions Insurance Services' letterhead; Ballard CLC, Inc. (Ballard) – the engineering company per Mr. Moore – incorporated Mr. Moore's estimates into their estimates; both Mr. Moore's and Ballard's estimates were provided to GPSB's insurer; Mr. Moore invoiced GPSB \$5,500 to "walk campuses and audit estimates;" and Mr. Moore invoiced GPSB for meetings with Ballard to discuss estimate contingencies and review estimate revisions.

Text messages, emails, and recordings of Board or Committee meetings show Mr. Moore repeatedly stated he would prepare, and did prepare, cost estimates for GPSB. For example, on October 10, 2020, approximately a week before Mr. Moore signed his contract with GPSB, Mr. Moore messaged the first adjuster, stating:

"I thought you'd like to know that after much deliberation the Grant Parish School Board is retaining me to help with their claim. I'm going to oversee their current contractor and make sure they're playing by the rules. I'm also going to write accurate estimates.... This will keep a pa or plaintiff attorney out of both of our hair. Once I triage starting Monday I'll be getting you estimates ASAP...."

When we interviewed Mr. Moore, he used the word triage with respect to acting as an adjuster. As another example, the following exchange took place during the Board meeting on July 15, 2021, when Mr. Moore provided an update on GPSB's insurance claim:

Joel Moore: Then we'll have a number to look at that the carrier and the adjusting company are – in a supplemental report back to them for them to consider. That's where we are.

Paxton Teddlie: So you are gonna build estimates on what you think or what we think will be...

Joel Moore: Yes, I will be building a parallel estimate for each one.

Paxton Teddlie: And then you will provide it to them and then there will be a comparison on...

Joel Moore: Right.

Additional Services Provided by Cimarron

Mr. Moore appears to have solicited a percentage of a change order for additional services that Cimarron pursued under the Construction Management

Contract. This change order was purportedly to help Mr. Moore prepare supplemental cost estimates for GPSB (see pages 46 through 48).

DCF/Clay Fowler

GPSB initially considered hiring two contractors to work on damaged schools: Cimarron and DCF. Superintendent Teddlie met Mr. Moore through DCF and asked Mr. Moore to speak to the Board. When Mr. Moore spoke to the Board on September 15, 2020, Superintendent Teddlie introduced Mr. Moore to the Board as an adjuster, who was independent and didn't necessarily work with any groups. After Mr. Moore introduced himself as the national president of the National Association of Independent Insurance Adjusters, Mr. Moore spoke about working with a contractor (Mr. Fowler), by writing estimates. Mr. Moore also told the Board the following:

What a good adjuster does before one of these storms makes landfall, is you call every contractor you know, and have known for years, and you say, and its collusion, and I would perjure myself on the witness stand for saying this. But if I know good contractors, I call them and say, if I call you and I need you would you put me at the top of your list, and they'll go yeah. Now you know, that's, you shouldn't do that, but I do it.^P

As part of our audit, we obtained text messages from Mr. Moore's cloud storage provider, which appear to show Mr. Moore and Mr. Fowler may have had an arrangement for Mr. Fowler to pay Mr. Moore a 5% fee on projects they worked together. For example, a week before the Board meeting, on September 9, 2020, Mr. Moore sent a text message to Mr. Fowler stating, "Make sure you put in for me a referral fee of 5% on the roofs I'm sending you and we'll settle up after all this is over with." Mr. Fowler replied, "Absolutely." In another instance, Mr. Fowler texted Mr. Moore, "Let's talk tomorrow on the [redacted] job I'd like to do it and like I said can get it done quick Obviously pay you 5%."

Text messages also appear to show that Mr. Moore worked with Mr. Sieja; Mr. Fowler; and DCF employee Mr. Paul Gagnon to steer permanent roof repair work at GPSB schools to DCF, and Mr. Moore may have solicited a fee from Mr. Fowler for that prospective work. GPSB twice initiated a bid process for two groups of permanent roof repairs to GPSB schools. Mr. Moore's contract with GPSB specified his services would include overseeing the development and implementation of GPSB's reconstruction plan, which included the contemplated roof replacements. During the bid process for the first group of roofs, text messages indicate:

- Mr. Sieja told Mr. Moore that Mr. Moore needed to control the bids;

^P Claims adjusters are prohibited from recommending or soliciting engagement, directly or indirectly, for contractors or subcontractors, in connection with any loss for which they are employed or concerned. See endnote 37.

- Mr. Moore discussed technical issues about electronically sharing roof specifications with Mr. Fowler 10 days before GPSB publicly posted roof specifications;
- Mr. Gagnon asked Mr. Moore if he should bid the whole package;
- Mr. Moore confirmed with Mr. Sieja that Mr. Gagnon should bid on the whole package and Mr. Sieja indicated he spoke with Mr. Gagnon;
- Mr. Moore attended the bid opening;
- While Mr. Moore attended the bid opening, Mr. Gagnon asked Mr. Moore for an email address to send preliminary estimates and Mr. Moore responded with a private email address;
- While Mr. Moore attended the bid opening, Mr. Moore messaged Mr. Gagnon that he had reviewed an estimate, was in the process of reviewing another estimate, and followed up with the message "✓."
- Mr. Moore inquired whether Mr. Gagnon had submitted bids yet;
- Mr. Gagnon was unable to submit bids electronically due to a technical issue;
- Mr. Moore discussed the failure to submit bids, his disappointment, and/or alternative options to submit bids, with Mr. Sieja, Mr. Fowler, and Mr. Gagnon.

Email records also show Mr. Gagnon emailed preliminary estimates for the three schools to Mr. Sieja's personal email account the day of the bid opening before bidding closed. Mr. Gagnon separately emailed DCF's bids to GPSB employee, Cindy Barrios, and to Mr. Sieja's personal email address the day after bidding closed. Ms. Barrios forwarded those bids to Superintendent Teddlie and GPSB's attorney, stating:

Ed called me last night telling me about this situation. We had one bidder for each project who did submit electronically. There were no other bidders. I told Ed that once bids are opened, we cannot receive other ones. I feel bad that the company had difficulties, but that is why we also accepted bids by courier and in person. Ed says that 3 companies called him, saying the same thing. Unless the company that bid is deemed unacceptable, I don't see us throwing it out and starting over. What do you say?

GPSB ultimately scrapped the first group of roof projects on January 26, 2021, and started the process of putting a second, different group of roofs out for bid. It appears Mr. Moore may have solicited a 5% fee from Mr. Fowler in relation to the second group of roof projects. Text messages suggest:

- Mr. Moore told Mr. Fowler "Apparently Paul discussed financing the school board roofs with Ed without talking to me first. You and I need to discuss Paul's place in this whole situation. Again I'm disappointed

in his actions.” And “There will be no circumventing me on any aspect of the claim. I hope I make myself very clear;”

- Mr. Moore told Mr. Gagnon, the day before the first group of bids were rejected, to stop referencing GPSB unless he wanted more competition in bidding;
- Mr. Moore also told Mr. Gagnon he had worked very hard for his opportunity advising GPSB, he did not want his opportunity jeopardized any further with attention by attorneys and public adjusters, to stop referencing GPSB, and there was too much at stake;
- Mr. Moore and Mr. Fowler discussed GPSB posting roof specifications;
- Mr. Moore told Mr. Fowler to download an encrypted messaging application so Mr. Moore could send Mr. Fowler secure text messages;
- Mr. Moore asked Mr. Sieja for the bid opening date and immediately provided that information to Mr. Fowler;
- Mr. Moore immediately thereafter told Mr. Fowler “I assume my nickel has been included,” to which Mr. Fowler responded “Oh most definitely And your 2 cents;”
- Several days later, Mr. Moore asked Mr. Fowler “If all goes as planned for the bid opening on March 4, have you given any thought to your schedule [sic] start date?”

The second group of roof projects was repeatedly delayed and ultimately cancelled as well. However, if there was an arrangement for Mr. Moore to receive 5% of the GPSB roof projects, that percentage would have been substantial. Based on Ballard’s \$10.1 million estimated cost for all roof replacements, a 5% fee would have been \$505,000. Mr. Moore told us he had nothing to do with the bidding process and he did not recall giving Mr. Fowler roof specifications before bidding opened. Mr. Moore told us he did not have an arrangement with Mr. Fowler to receive a 5% referral fee and he did not have an arrangement with Mr. Sieja to steer roof projects to DCF. When we asked Mr. Moore what the nickel referred to in his text messages meant, he told us it was a term that meant a nickel for his time.

Mr. Fowler stated in his response to our report that he and Mr. Moore joked about Mr. Moore’s nickel worth of knowledge. Mr. Moore’s and Mr. Fowler’s responses both stated Mr. Moore told Mr. Fowler to download an encrypted messaging application because Mr. Fowler was going through a divorce and Mr. Fowler was concerned about the privacy of their messages. Mr. Moore’s response to our report denied Mr. Moore ever received a percentage referral fee and stated he used the phrase jokingly with friends in the industry.

Appraisal

We spoke with several Board members who told us they felt Mr. Moore was not working entirely in GPSB’s favor and/or antagonized the insurance company rather than trying to settle the claim. Statements made by Mr. Moore in

Board/Committee meetings and text messages sent by Mr. Moore show Mr. Moore consistently pushed GPSB to “invoke appraisal” rather than settle its claim. When the insurance company and the insured cannot agree on the value of the loss, either party may choose to invoke appraisal. If appraisal is invoked, each party hires, and pays, a disinterested appraiser to separately determine the value for each item of the loss. If the appraisers disagree on the value of specific items, the value of only those items is determined by an umpire selected by the appraisers.

Text messages appear to show that Mr. Moore pushed GPSB to invoke appraisal, recommended GPSB hire Mr. Hromas as its appraiser, and solicited a referral fee from Mr. Hromas. When Mr. Moore asked Mr. Hromas if he needed to produce an estimate, Mr. Hromas advised Mr. Moore there needed to be something to establish a dispute in order for appraisal to be invoked. Mr. Moore later sent text messages to GPSB’s attorney, stating “I will finish the estimates with Kevin’s input to flesh out the final numbers. We’ll send those in to Sedgwick for Markel to reject and then invoke appraisal,” and “My job is to complete estimates that Markel rejects and Kevin uses in negotiations.” GPSB did not invoke appraisal and instead settled its claim with Markel Insurance Company for \$40.5 million in December 2021.

Although appraisal was not invoked, text messages between Mr. Moore and Superintendent Teddlie suggest Mr. Moore pushed appraisal as a means for GPSB to recover amounts from the insurance company which exceeded policy coverage limits, including the excess cost of the Montgomery High School tractor shed/locker room. Mr. Moore sent a message to Superintendent Teddlie on July 1, 2021, which read, “As previously stated, they can bark about what they’re not going to pay (ex. tractor shed) but I assure you we’ll get it in appraisal.” Mr. Moore sent Superintendent Teddlie another message on September 15, 2021, stating:

Just for your eyes only and to be clear, when appraisal is invoked it is no longer about coverage. It is now a total dollar negotiation. Policy coverage is not a factor. So let’s say Segwick pays policy limits of \$2 million on “code upgrades” and the actual upgrades are \$4.5 million. The additional \$2.5 million would be added to the negotiations. The difference in the building at Montgomery will be added and so on.

Mr. Moore contends in response to our report that text messages from Mr. Moore to Mr. Hromas “were not intended as solicitation connected to the GPSB project, but rather a running statement between the parties regarding the referral of future work projects.” This statement is not consistent with the text messages we reviewed. The following text message exchange took place between Mr. Hromas and Mr. Moore on January 7, 2021:

Joel Moore: I have an ethics question. If you were me, after Markel short changes the school board once again and we take it to appraisal, how should I restructure my fee as the appraiser? I certainly can't charge a percentage. By the way, Sedgwick

has screwed the adjustment up so bad that I assure you we'll sue for the promote payment penalty.

Joel Moore: All Markel has done is send lowball advances. Not one hard copy estimate yet.

Joel Moore: Prompt payment penalty

Kevin Hromas: I don't know if you could serve as their appraiser.

Joel Moore: I'm looking into that

Kevin Hromas: I'll check with [attorney name] on what the law is.

...

Kevin Hromas: Call me in the morning. I'll be on the road to Dallas. I just had a 30 minute call with [attorney name] and he is salivating about getting this case. There are millions just in penalties even before attorneys fees. I'll probably need to be the appraiser so your prior work for them won't become a problem.

Joel Moore: Already ahead of you on that and of course my fee for referral will be astronomical

Kevin Hromas: 👍

Conclusion

GPSB contracted with Mr. 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.^{4,5,6,7,9,13,30,31,32,33,34,35,36}

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

Grant Parish School Board (GPSB) paid Ballard CLC, Inc. (Ballard) \$632,128 for work performed at the direction of Mr. Edward 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 Underground Services, LLC (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.³⁸

GPSB finance employees told us Cimarron brought in Ballard to provide architectural services because they had a relationship. Louisiana Secretary of State (SoS) business filings show Ballard was incorporated in 1967 and currently lists two officers: Mr. Butler, its president; and Mr. Aldridge, director. According to Mr. Aldridge, Mr. Sieja contacted them to see if they could assist GPSB. Ballard initially started providing services to GPSB in October 2020 as a subcontractor to Cimarron. GPSB later separately contracted with Cimarron and Ballard based on the advice of GPSB's attorney. GPSB entered into a contract with Ballard in December 2020, effective October 1, 2020, for Ballard to design permanent repairs and replacements to all facilities damaged by Hurricane Laura, primarily consisting of roof repairs.

Roof Replacement Design Projects

GPSB records show it paid Ballard \$632,128, including \$462,519 in connection with designs Ballard prepared for roof replacements at seven of GPSB's eight schools (see chart on following page).

School	Design and Specifications	Estimate	Bidding	Total
Grant Junior High School	\$14,461	\$1,808		\$16,269
Grant High School	100,457	12,557		113,014
Montgomery High School	35,144	4,393		39,537
Georgetown High School	77,266	9,658	\$4,829	91,753
South Grant Elementary School	78,087	9,761		87,848
Colfax Elementary School	54,405	6,801	136	61,342
Pollock Elementary School	44,427	5,553	2,776	52,756
Total	\$404,247	\$50,531	\$7,741	\$462,519

It appears Ballard's designs were incomplete and did not match the specific needs of GPSB. Mr. Scott Gaspard, GPSB's current construction manager, identified a number of issues with Ballard's plans and specifications in a November 16, 2021, email to Superintendent Teddlie. According to Mr. Gaspard's email, Ballard's designs and specifications for roof replacements were "very incomplete," lack "crucial engineering information," and were "not satisfactory" to the point he would not accept them. Ballard's invoices show it billed GPSB for roof designs and specifications that were 100% complete. Mr. Gaspard subsequently spoke at a meeting of the Board's Construction Committee on December 2, 2021, and recommended GPSB terminate Ballard's contract. During that meeting Mr. Gaspard stated the following:

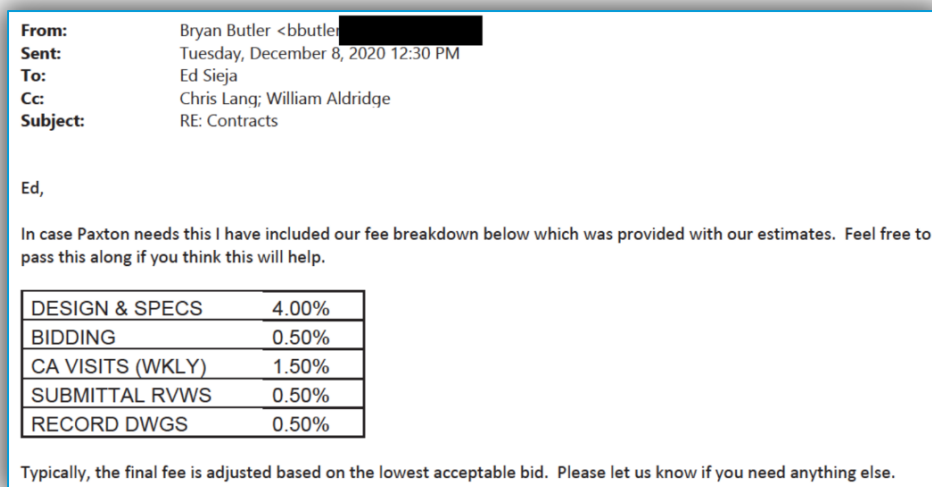
Ballard was instructed to perform and report to Cimarron as project manager in that same contract. Ballard performed as instructed by producing plans and specifications for roofing projects on multiple schools. Some of the schools that Ballard was instructed to design for were not damaged to the point of replacement and therefore not covered by insurance adjustment. Simply put, many of the plans and specs prepared are not an accurate representation of the scope of work as adjusted by the insurance company and will have to be redrawn to fit the specific need at each campus. They did a lot of unnecessary work. A lot of unnecessary work. By direction they did this work, ok. I'm not pointing any fingers. I'm not here to beat anybody up. But what I'm telling you is that half, two-thirds of what they produced is paper. That's all it is, but it's paper they were told by the contractor to do.

Mr. Gaspard made similar statements to us when we interviewed him, and he told us no construction work was done using Ballard's designs. We also spoke with Ms. Meredith Campbell about Ballard's roof designs. She told us Ballard charged GPSB large lump sums without sufficient supporting documentation. She told us Ballard designed substantial upgrades to the roofs, Ballard produced drawings for roof replacements before there was a scope of work for damages, and there was no agreed scope of work with the insurer before Ballard went out for bid.

Possibly Excessive Fees

Ballard may have substantially overcharged GPSB for roof design work. Ballard's contract specified a preliminary budget of \$8 million, but Ballard billed GPSB for roof designs based on an estimated project cost of \$10.1 million. Ballard's design and estimating fees on the \$2.1 million difference totaled \$94,500 (4.5%). Ballard's contract required written authorization by GPSB for any adjustments in the budget. We found no such written authorization when we searched Superintendent Teddlie's and Mr. Sieja's emails. When we interviewed Mr. Aldridge, he could not explain why Ballard billed GPSB based on that higher amount.

Ballard also did not reduce its fees to GPSB when roofing bids came in lower than its estimated cost for that work. Mr. Butler emailed Ballard's fee breakdown to Mr. Sieja and Mr. Lang on December 8, 2020, and addressed adjustments to Ballard's fees based on the lowest acceptable bid (see email to right).



Ballard billed GPSB for designs, specifications, and estimates for the first group of roof projects (Montgomery High School, Grant High School, and South Grant Elementary School) based on an estimated project cost of \$5,342,201. GPSB received bids for those projects, totaling \$3,458,391, and Ballard's estimated cost was 54% higher than acceptable bids for that work. Mr. Aldridge emailed Superintendent Teddlie on December 17, 2020, recommending GPSB accept the bids and award the contract. However, Ballard did not reduce its fees to GPSB by the difference between its estimated cost and the bid amount. Therefore, it appears Ballard overcharged \$84,770 for its services related to those roof designs ($\$5,342,201 - \$3,458,391 = \$1,883,810 \times 4.5\% = \$84,772$).^Q We provided Ballard a list of questions about its billings to GPSB, including questions about why it did not reduce its fees; Ballard's response did not address those questions.

^Q Ballard did reduce its fees in another instance where its estimated cost exceeded the lowest acceptable bid amount. Ballard initially billed GPSB to design a temporary campus at Georgetown High School based on an estimated cost of \$1.8 million. Ballard credited GPSB \$18,702 based on the difference between its estimated cost and the accepted bid of \$1,384,401. Ballard's estimate was 30% higher than the accepted bid amount.

Potential Conflicts of Interest

Ballard's contract specified the repair program was to be developed in conjunction with GPSB's consultant, Mr. Joel Moore. When we asked Mr. Moore who was ultimately in control of designing the roof repairs, he told us it was not him, and he assumed it was Mr. Sieja. Mr. Aldridge similarly told us Ballard did everything at the direction of Mr. Sieja.

Ballard's contract with GPSB states "Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgement with respect to this project."^R This contract provision is similar to Louisiana Administrative Code (LLAC) 46:I,1901.B.3,³⁸ which states:

An architect shall not perform professional services in the face of a conflict of interest that is not fully disclosed and waived in writing by all parties. An architect has a conflict of interest when: a. the architect has or may acquire a financial or other interest in the project, someone participating in it, or any component of it; or b. the architect's judgment may be adversely affected by a relationship with another party.^S

Our review of Mr. Sieja's email and cloud storage records indicate several such conflicts of interest may have existed, but it does not appear Superintendent Teddlie was aware of any relationships between Mr. Sieja and Ballard or Cimarron and Ballard. We provided Ballard a list of questions about apparent conflicts of interest we identified; Ballard's response stated "all interactions with Mr. Sieja you reference were arms-length transactions that had absolutely no connection to the GPSB."

Subdivision Being Developed by Mr. Butler and Mr. Aldridge

Entities affiliated with Mr. Butler and/or Mr. Aldridge – Ballard; Bayou Rapides Development, L.L.C. (BRD); and Traditions on the Bayou, LLC (TOTB) – were/are involved in developing a subdivision on undeveloped land next to Ballard's office location and land owned by Mr. Sieja and/or his ex-wife, Monica Sieja (see picture on following page). At the time this report was written, Ballard was listed as the developer on the development's website.

Mr. Sieja's Cimarron email records show Mr. Butler emailed Mr. Sieja information on October, 14, 2020, about material quantities for the installation of utilities for the first phase of the project. Ballard started working for GPSB, as a

^R The same provision, applicable to Cimarron as the construction manager as opposed to Ballard as the architect, is contained in Cimarron's Construction Management Contract.

^S This provision of the LLAC applies to architects. Mr. Aldridge is an architect, but Mr. Butler is a professional engineer. The LLAC likewise requires professional engineers to avoid conflicts of interest and disclose all known or potential conflicts of interest to their clients. See endnote 38.

subcontractor to Cimarron, also in October 2020. After receiving this email, Mr. Sieja, Mr. Lang, and Mr. Hutchinson immediately commenced internal discussions about bidding on the utility work. Email records appear to show Mr. Sieja and Mr. Butler agreed for Cimarron to perform this work on or around February 8, 2021 (see email below).



From: Chris Lang
Sent: Monday, February 8, 2021 10:47 AM
To: Steve Hutchinson
Cc: Ed Sieja
Subject: Ballard Project

Steve,

Per my Voicemail, can you send me a cover sheet for a formal bid offering to Ballard. Ed and Bryan Butler have agreed on \$208,000 and it was accepted. Ed is solid on this number and confirms he can make this work for profitability. Also this should set us up to do more of the phases; as long as we prove the profitability of this first phase.

Four days earlier, GPSB posted and advertised the second group of roof replacements put out for bid, which were designed by Ballard. A group, including Mr. Lang, Mr. Sieja, Mr. Hutchinson, Mr. Butler, and Mr. Aldridge, exchanged emails on February 8-9, 2021, about revised quantities and pricing for the subdivision utilities. A week later Mr. Hutchinson internally circulated a draft contract showing the owner as BRD, its member as Bryan Butler, and its address as Ballard's address.

Mr. Butler emailed Mr. Sieja in late August 2021 about providing a contract to proceed with the utilities, as well as details for road and drainage work on the entrance of the subdivision and details for Ballard's planned expansion of its office. Cimarron started performing work on these projects in October 2021, without signing a written contract, and billed that work on a time and materials basis. According to Cimarron records, Cimarron invoiced TOTB \$183,003 for work on the utilities and office expansion. Emails sent by Mr. Butler to Mr. Sieja after Mr. Sieja separated from Cimarron show entities affiliated with Mr. Butler and Mr. Aldridge^T did not pay all of these charges, resulting in Cimarron filing liens against the subdivision property and TOTB.

^T Some of Cimarron's invoices were paid by Final Move, LLC, an entity of which Mr. Butler and Mr. Aldridge are the only members. According to documents attached to these emails, Ballard's office expansion is referred to as Final Move, LLC.

It appears Mr. Butler and Mr. Sieja also discussed the subdivision while meeting about their work for GPSB, including potential investment in the subdivision by or through Mr. Justin Guzman (see below).

Subject: RE: Traditions on the Bayou

From: Bryan Butler <bbutler@[REDACTED]>

Date: 3/9/2021, 1:38 PM

To: Benchmark Professionals LLC <bpllc.jg@[REDACTED]>

Justin,

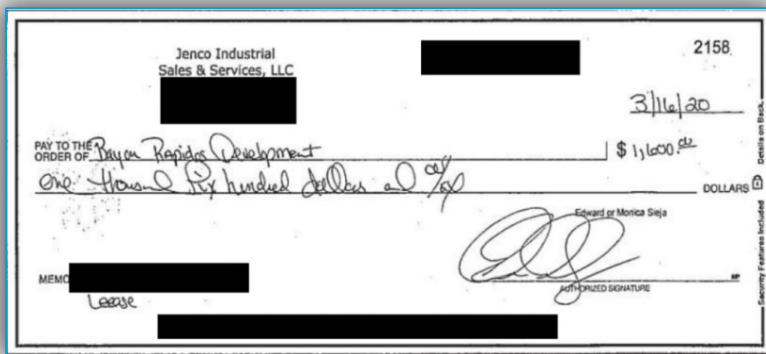
I met with Ed on the Grant Parish Schools this morning and he mentioned that you had discussed Traditions on the Bayou with the investors and they were interested. He also mentioned there was some type of tax incentive they had done in Houston and wanted to ask about in Alexandria. If you can forward this information to me I can ask the City of Alexandria about it. I want to know what your group would be interested in doing before I try to finalize our deal with a local bank.

Mr. Butler had previously emailed Mr. Guzman in February 2021 seeking investment in the subdivision and providing pro forma financial information, which showed Mr. Aldridge and Mr. Butler invested \$150,000 in the subdivision project.

Cimarron's Alexandria, Louisiana Office Location

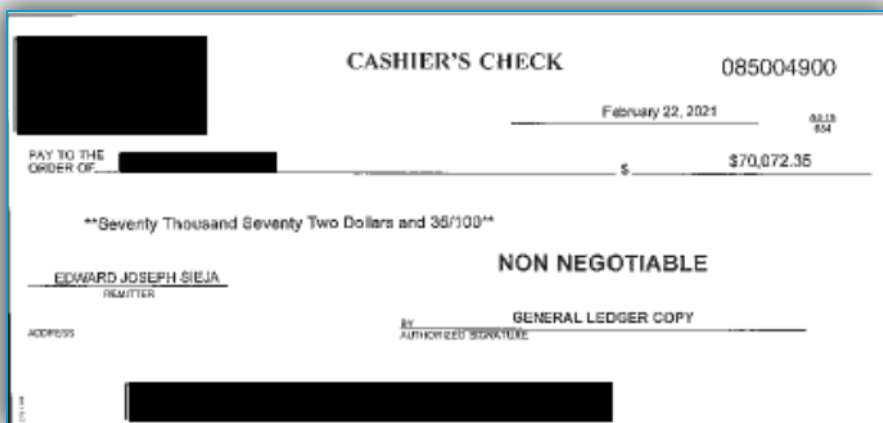
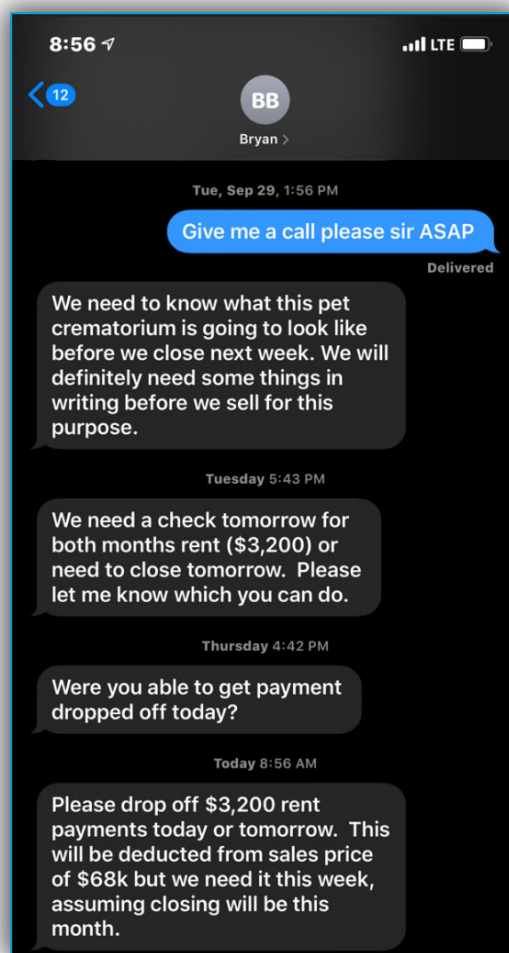
Cimarron's Alexandria, Louisiana location at the time it provided services to GPSB was located next to the subdivision project. Rapides Parish Clerk of Court (CoC) records show Monica Sieja purchased this property, which originally spanned four lots, in early 2019 and sold the property to BRD, represented by Mr. Butler, in October 2019. Ms. Sieja repurchased three of the four lots in February 2021, and CoC records show Mr. Butler signed the Act of Cash Sale. The remaining lot, still owned by BRD, was or is intended to be a second entrance to the subdivision.

Mr. Sieja's email records show a Ballard employee emailed Mr. Sieja a draft lease for the property on March 12, 2020. The draft lease, for the three lots eventually sold to Ms. Sieja, listed a term of six months and detailed \$1,600 per month rental payments, of which \$1,000 would be used towards purchasing the property. Bank records for Jenco Industrial Sales & Services, LLC, an entity of which Mr. Sieja was the only member, show four payments were made, with the first check dated March 16, 2020 (see check, left) and the last check dated June 16, 2020.



We also obtained records from Mr. Sieja's cloud storage provider, which included screenshots of what appear to be text messages between Mr. Sieja and Mr. Butler. The screenshot to the right, dated on or around October 12, 2020, appears to show Mr. Sieja was two months in arrears on rent payments for the property and was negotiating purchase of the property. Therefore, it appears at the time Mr. Sieja brought in Ballard to provide services to GPSB, a related party of Ballard (BRD) owned Cimarron's Alexandria, LA office location; Mr. Sieja was leasing the property; Mr. Sieja was in arrears on lease payments; and Mr. Sieja was negotiating the purchase of the property.

It further appears Mr. Sieja may have used sales commissions received from Benchmark to purchase the property. Bank records show \$252,557 was wired from Benchmark's account to an account in the name of Mr. and Ms. Sieja on February 19, 2021. The wire transfer included a description specifying it was a commission payment for three jobs Benchmark billed to GPSB. Three days later, Mr. Sieja used a counter check to purchase a \$70,072 cashier's check payable to a law firm specializing in real estate transactions (see check, below). CoC records show Ms. Sieja repurchased the property on February 24, 2021, for \$66,800, and an attorney from the law firm listed on the cashier's check provided the title opinion and title insurance.



Conclusion

GPSB paid 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. 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. Butler and Mr. 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.³⁸

Recommendations

We recommend that GPSB seek legal advice to determine the appropriate actions to be taken, including recovering funds related to excessive payments to contractors. GPSB management should also develop and implement detailed policies and procedures that provide guidance for the proper procurement and monitoring of professional services and public works contracts to ensure that GPSB receives equivalent services for amounts expended and should, at a minimum:

- (1) Ensure that all laws (e.g., *La. R.S. 38:2211, et seq.*) pertaining to contracts and public bids are followed;
- (2) Ensure that vendors and professional service providers have valid, written contracts prior to providing services;
- (3) Ensure that contractors and subcontractors are properly licensed in the state of Louisiana to perform the services they are contracted to perform;
- (4) Require contractors to submit an affidavit of non-collusion as provided by state law and/or their written contract;
- (5) Require all contracts with contractors and subcontractors to include an audit provision whereby all records prepared pursuant to the contract are subject to inspection or audit by representatives of GPSB, the State of Louisiana, FEMA and any other State or federal authorities;
- (6) Design and implement procedures requiring appropriate GPSB personnel to properly monitor professional services and public works contracts to ensure services meet all contractual requirements prior to payment;
- (7) Avoid the use of Time and Materials (T&M) contracts unless no other contract type is suitable. If a T&M contract is the only suitable option, written justification should be documented; the contract should have a ceiling price that the contractor exceeds at its own risk; and, management should maintain a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls;
- (8) Avoid the use of cost-plus-percentage-of-cost contracts;
- (9) Ensure that contracts and related documentation are maintained in an organized manner and in a central location;
- (10) Ensure that all payments are made in accordance with the terms and conditions of the contract;
- (11) Require proper review of invoices to ensure each payment has a legitimate public purpose as required by the Louisiana Constitution; and
- (12) Require detailed invoices and documentation of the business purpose for all expenditures.

LEGAL PROVISIONS

¹ **Louisiana Revised Statute (La. R.S) 37:2185(A)**, which was repealed by Act No. 195 of the 2022 Regular Session of the Louisiana Legislature, effective August 1, 2022, but was effective at all times relevant to this report, previously stated, "Beginning July 1, 2004, no person shall engage in or conduct, or advertise or hold himself out as engaging in or conducting the business of, or acting in the capacity of a person who conducts mold remediation unless such person holds a mold remediation license as provided for in this Chapter."

La. R.S. 37:2150.1.(11) states, "'Mold remediation contractor' means any person who engages in removal, cleaning, sanitizing, demolition, or other treatment, including preventative activities, of mold or mold-contaminated matter that was not purposely grown at that location and where the costs for such labor and materials exceed seven thousand five hundred dollars. Mold remediation applies only to the regulation of mold-related activities that affect indoor air quality and does not apply to routine cleaning when not conducted for the purpose of mold-related activities intended to affect indoor air quality."

La. R.S. 37:2156(F) states, "The licensee shall not be permitted to bid or perform any type of work not included in the classification under which his license was issued."

La. R.S. 37:2158(A) states, in part, "A. No person may engage in the business of contracting, or act as a contractor as defined in this Chapter, unless he holds an active license as a contractor in accordance with the provisions of this Chapter. The board and residential subcommittee may revoke, suspend, or refuse to renew a license; issue cease and desist orders to stop work; issue fines and penalties; or debar any person or licensee licensed pursuant to the provisions of this Chapter for any of the following violations: (1) Undertaking, attempting to, or submitting a price or bid; offering to construct, supervise, superintend, oversee, direct, or in any manner assume charge of the construction, alteration, repair, improvement, movement, demolition, putting up, tearing down; furnishing labor or furnishing labor together with material or equipment; or installing material or equipment for any building, highway, road, railroad, sewer grading, excavation, pipeline, public utility structure, project development, housing, or housing development, improvement, or any other construction undertaking without possessing a license for which a license is required or without possessing a license with the proper classification. (2) Falsely representing or advertising regarding the person's license status or classification. (3) Any dishonest or fraudulent act as a contractor which has caused damage to another, as adjudged by a court of competent jurisdiction. (4) Bidding on, quoting, estimating, or performing a job for which a license is required, the licensee shall hold the classification for the majority of work performed... (6) Failure to comply with the provisions of this Chapter or the rules and regulations promulgated pursuant thereto. (7) Entering into a contract with an unlicensed contractor involving work or activity for the performance of which a license is required by this Chapter. (8) Permitting the contractor's license to be used by another contractor when the other contractor does not hold a license for the classification of work for which the contract is entered."

² **La. R.S. 37:2160(A)(1)**, which was repealed by Act No. 195 of the 2022 Regular Session of the Louisiana Legislature, effective August 1, 2022, but was effective at all times relevant to this report, previously stated, "It shall be unlawful for any person to engage or to continue in this state in the business of contracting, or to act as a contractor as defined in this Chapter, unless he holds an active license as a contractor under the provisions of this Chapter."

³ **La. R.S. 38:2224** states, "A. All architects, landscape architects, engineers, contractors, subcontractors, or any person, corporation, firm, association, or other organization receiving value for services rendered in connection with a contract for the construction, alteration or demolition of a public building or project shall execute an affidavit attesting: (1) That affiant employed no person, corporation, firm, association, or other organization, either directly or indirectly, to secure the public contract under which he received payment, other than persons regularly employed by the affiant

whose services in connection with the construction, alteration or demolition of the public building or project or in securing the public contract were in the regular course of their duties for affiant; and (2) That no part of the contract price received by affiant was paid or will be paid to any person, corporation, firm, association, or other organization for soliciting the contract, other than the payment of their normal compensation to persons regularly employed by the affiant whose services in connection with the construction, alteration or demolition of the public building or project were in the regular course of their duties for affiant. B. No public contract shall be granted to any person, corporation, firm, association, or other organization refusing to execute the affidavit required by Subsection A above."

⁴ **La. R.S. 14:26(A)** states, "Criminal conspiracy is the agreement or combination of two or more persons for the specific purpose of committing any crime; provided that an agreement or combination to commit a crime shall not amount to a criminal conspiracy unless, in addition to such agreement or combination, one or more of such parties does an act in furtherance of the object of the agreement or combination."

⁵ **La. R.S. 14:67(A)** states, "Theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential."

⁶ **La. R.S. 14:70.8(A)** states, "Whoever with intent to defraud either transmits, attempts to transmit, causes to be transmitted, solicits a transmission, or receives a transmission, by wire or radio signal, any stolen or fraudulently obtained monetary funds shall be imprisoned, with or without hard labor, for not more than ten years, or fined not more than one hundred thousand dollars, or both."

⁷ **La. R.S. 14:133(A)** states, "Filing false public records is the filing or depositing for record in any public office or with any public official, or the maintaining as required by law, regulation, or rule, with knowledge of its falsity, of any of the following: (1) Any forged document. (2) Any wrongfully altered document. (3) Any document containing a false statement or false representation of a material fact."

⁸ **La. R.S. 14:230(B)** states, "It is unlawful for any person knowingly to do any of the following: (1) Conduct, supervise, or facilitate a financial transaction involving proceeds known to be derived from criminal activity, when the transaction is designed in whole or in part to conceal or disguise the nature, location, source, ownership, or the control of proceeds known to be derived from such violation or to avoid a transaction reporting requirement under state or federal law. (2) Give, sell, transfer, trade, invest, conceal, transport, maintain an interest in, or otherwise make available anything of value known to be for the purpose of committing or furthering the commission of any criminal activity. (3) Direct, plan, organize, initiate, finance, manage, supervise, or facilitate the transportation or transfer of proceeds known to be derived from any violation of criminal activity. (4) Receive or acquire proceeds derived from any violation of criminal activity, or knowingly or intentionally engage in any transaction that the person knows involves proceeds from any such violations. (5) Acquire or maintain an interest in, receive, conceal, possess, transfer, or transport the proceeds of criminal activity. (6) Invest, expend, or receive, or offer to invest, expend, or receive, the proceeds of criminal activity."

⁹ **LA. R.S. 22:1924**, states, in part, "A.(1)(a) Any person who, with the intent to injure, defraud, or deceive any insurance company, or the Department of Insurance, or any insured or other party in interest, or any third-party claimant commits any of the acts specified in Paragraph (2) or (3) of this Subsection is guilty of a felony and shall be subjected to a term of imprisonment, with or without hard labor, not to exceed five years, or a fine not to exceed five thousand dollars, or both, on each count... (2) The following acts shall be punishable as provided in Paragraph (1) of this Subsection: (a) Committing any fraudulent insurance act as defined in R.S. 22:1923. (b) Presenting or causing to be presented any written or oral statement including computer-generated documents as part of or in support of or denial of a claim for payment or other benefit pursuant to an insurance policy, knowing that such statement contains any false, incomplete, or fraudulent information concerning any fact or thing material to such claim or insurance policy. (c) Assisting, abetting, soliciting, or conspiring with another to prepare or make any written or oral statement that is intended to be presented to any insurance company, insured, the Department of Insurance, or other party in interest or third-party

claimant in connection with, or in support of or denial, or any claim for payment of other benefit pursuant to an insurance policy, knowing that such statement contains any false, incomplete, or fraudulent information concerning any fact or thing material to such claim or insurance policy.”

¹⁰ **18 United States Code (U.S.C.) §157** states, “A person who, having devised or intending to devise a scheme or artifice to defraud and for the purpose of executing or concealing such a scheme or artifice or attempting to do so— (1) files a petition under title 11, including a fraudulent involuntary petition under section 303 of such title; (2) files a document in a proceeding under title 11; or (3) makes a false or fraudulent representation, claim, or promise concerning or in relation to a proceeding under title 11, at any time before or after the filing of the petition, or in relation to a proceeding falsely asserted to be pending under such title, shall be fined under this title, imprisoned not more than 5 years, or both.”

¹¹ **18 U.S.C. §666** states, in part, “(a) Whoever, if the circumstance described in subsection (b) of this section exists—(1) being an agent of an organization, or of a State, local, or Indian tribal government, or any agency thereof—(A) embezzles, steals, obtains by fraud, or otherwise without authority knowingly converts to the use of any person other than the rightful owner or intentionally misapplies, property that— (i) is valued at \$5,000 or more, and (ii) is owned by, or is under the care, custody, or control of such organization, government, or agency; or (B) corruptly solicits or demands for the benefit of any person, or accepts or agrees to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business, transaction, or series of transactions of such organization, government, or agency involving any thing of value of \$5,000 or more; or (2) corruptly gives, offers, or agrees to give anything of value to any person, with intent to influence or reward an agent of an organization or of a State, local or Indian tribal government, or any agency thereof, in connection with any business, transaction, or series of transactions of such organization, government, or agency involving anything of value of \$5,000 or more; shall be fined under this title, imprisoned not more than 10 years, or both. (b) The circumstance referred to in subsection (a) of this section is that the organization, government, or agency receives, in any one year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of Federal assistance.”

¹² **18 U.S.C. §1341** states, “Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, or to sell, dispose of, loan, exchange, alter, give away, distribute, supply, or furnish or procure for unlawful use any counterfeit or spurious coin, obligation, security, or other article, or anything represented to be or intimated or held out to be such counterfeit or spurious article, for the purpose of executing such scheme or artifice or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or deposits or causes to be deposited any matter or thing whatever to be sent or delivered by any private or commercial interstate carrier, or takes or receives therefrom, any such matter or thing, or knowingly causes to be delivered by mail or such carrier according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such matter or thing, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation occurs in relation to, or involving any benefit authorized, transported, transmitted, transferred, disbursed, or paid in connection with, a presidentially declared major disaster or emergency (as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), or affects a financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both.”

¹³ **18 U.S.C. §1343** states, “Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation occurs in relation to, or involving any benefit authorized, transported, transmitted, transferred, disbursed, or paid in connection with, a presidentially declared major disaster or emergency (as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), or affects a

financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both.”

¹⁴ **18 U.S.C. §1956(a)(1)** states, “Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity— (A)(i) with the intent to promote the carrying on of specified unlawful activity; or (ii) with intent to engage in conduct constituting a violation of section 7201 or 7206 of the Internal Revenue Code of 1986; or (B) knowing that the transaction is designed in whole or in part—(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity; or (ii) to avoid a transaction reporting requirement under State or Federal law, shall be sentenced to a fine of not more than \$500,000 or twice the value of the property involved in the transaction, whichever is greater, or imprisonment for not more than twenty years, or both. For purposes of this paragraph, a financial transaction shall be considered to be one involving the proceeds of specified unlawful activity if it is part of a set of parallel or dependent transactions, any one of which involves the proceeds of specified unlawful activity, and all of which are part of a single plan or arrangement.”

¹⁵ **18 U.S.C. §1957(a)** states, “(a) Whoever, in any of the circumstances set forth in subsection (d), knowingly engages or attempts to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from specified unlawful activity, shall be punished as provided in subsection (b).”

¹⁶ **La. R.S. 14:134(A)** states, in part, “Malfeasance in office is committed when any public officer or public employee shall: (1) Intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; or (2) Intentionally perform any such duty in an unlawful manner; or (3) Knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him, or to perform any such duty in an unlawful manner...”

¹⁷ **2 Code of Federal Regulations (CFR) § 200.318(j)** states, “(1) The non-Federal entity may use a time-and-materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time-and-materials type contract means a contract whose cost to a non- Federal entity is the sum of: (i) The actual cost of materials; and (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit. (2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.”

¹⁸ **La. R.S. 38:2221(A)** states, “Except as provided herein, no contract shall be let on a cost-plus basis.”

¹⁹ **2 CFR) § 215.44(c)** states, “The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The “cost-plus-a-percentage-of-cost” or “percentage of construction cost” methods of contracting shall not be used.”

²⁰ **2 CFR § 200.324** states, in part, “(a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals... (d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.”

²¹ **44 CFR § 206.201** states, in part, "(b) Emergency work means that work which must be done immediately to save lives and to protect improved property and public health and safety, or to avert or lessen the threat of a major disaster...(i) Permanent work means that restorative work that must be performed through repairs or replacement, to restore an eligible facility on the basis of its predisaster design and current applicable standards."

²² **La. R.S. 38:2212(H)** states, in part, "Every public entity intending to advertise a public work for bids shall estimate the probable construction costs of such public work or obtain such estimate from the project designer prior to advertising such public work for bids. No public entity shall advertise a public work for bids unless funds that meet or exceed the estimate of the probable construction costs have been budgeted by the public entity for the project. The estimate of probable construction costs for the project shall be made available at the time of bid opening, either by posting such estimate electronically or announcing aloud such estimate at the bid opening."

²³ **2 CFR § 215.45** states, "Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability."

²⁴ **2 CFR § 215.46** states, "Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum: (a) Basis for contractor selection; (b) Justification for lack of competition when competitive bids or offers are not obtained; and (c) Basis for award cost or price."

²⁵ **2 CFR § 200.319(a)** states, "(a) All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and § 200.320...(f) Noncompetitive procurements can only be awarded in accordance with § 200.320(c)."

2 CFR § 215.43 states, in part, "All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements...."

²⁶ **2 CFR § 200.320(b)** states, in part, "(b) *Formal procurement methods*. When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate: (1) *Sealed bids*. A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions...(2) *Proposals*. A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements: (i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical; (ii) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and making selections; (iii) Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered..."

²⁷ **La. R.S. 38:2241(A)(1)** states, "Whenever a public entity enters into a contract in excess of five thousand dollars for the construction, alteration, or repair of any public works, the official representative of the public entity shall reduce the contract to writing and have it signed by the parties. When an emergency as provided in R.S. 38:2212(D) is deemed to exist for the construction, alteration, or repair of any public works and the contract for such emergency work is less than fifty thousand dollars, there shall be no requirement to reduce the contract to writing."

²⁸ **La. R.S. 38:2212(L)(1)** states, "No construction manager or any other third-party consultant employed by a public entity may manage a construction project as a general contractor or act in the role of the general contractor to oversee, direct, or coordinate individual trade contractors on behalf of the public entity, or accept bids or itself bid on the public work or components of the public work with respect to which the manager or consultant is employed or contracted to manage or consult."

²⁹ **La. R.S. 38:2212.7(A)** states, "Any person contracting with an agency for the purposes of developing bidding documents, requests for proposals, or any other type of solicitation related to a specific procurement shall be prohibited from bidding, proposing, or otherwise competing for award of that procurement. Such persons shall further be prohibited from participating as subcontractors related to the award of that procurement."

³⁰ **La. R.S. 14:27(A)** states, "Any person who, having a specific intent to commit a crime, does or omits an act for the purpose of and tending directly toward the accomplishing of his object is guilty of an attempt to commit the offense intended; and it shall be immaterial whether, under the circumstances, he would have actually accomplished his purpose."

³¹ **La. R.S. 22:1923** states, in part, "(2) 'Fraudulent insurance act' shall include but not be limited to acts or omissions committed by any person who, knowingly and with intent to defraud:...(o) Acts in violation of any of the following provisions of law related to public adjusters and public adjusting: (i) R.S. 22:1693(B). (ii) R.S. 22:1703. (iii) R.S. 22:1704. (iv) R.S. 22:1705. (v) R.S. 22:1706."

³² **La. R.S. 22:1704(E)(1)** states, "Prior to the signing of the contract, the public adjuster shall provide the insured with a separate disclosure document regarding the claim process that states: (1) Property insurance policies obligate the insured to present a claim to his insurance company for consideration. There are three types of adjusters that could be involved in that process. The definitions of the three types are as follows: (a) 'Company adjusters' means the insurance adjusters who are employees of an insurance company. They represent the interest of the insurance company and are paid by the insurance company. Company adjusters shall not charge insureds a fee. (b) 'Independent adjusters' means the insurance adjusters who are hired on a contract basis by an insurance company to represent the insurance company's interest. They are paid by your insurance company. Independent adjusters shall not charge insureds a fee. (c) 'Public adjusters' means the insurance adjusters who do not work for any insurance company. They work for the insured to assist in the investigation, appraisal, evaluation, and reporting of the claim. The insured hires them by signing a contract agreeing to pay them a fee."

³³ **La. R.S. 22:1693** states, in part "A. A person shall not act or hold himself out as a public adjuster in this state unless the person is licensed as a public adjuster in accordance with this Part...C. Only persons licensed under this Part shall directly or indirectly solicit business, investigate or adjust losses for another person engaged in the business of adjusting losses or damages covered by an insurance policy, for the insured... F.(1) Any natural person who violates any provision of Subsection A or C of this Section shall be guilty of the crime of the unauthorized practice of public adjusting and shall be subjected to a term of imprisonment at hard labor for not more than two years or fined not more than one thousand dollars, or both."

³⁴ **La. R.S. 22:1706(H)(1)** states, "No public adjuster, while so licensed by the department, may represent or act as a company adjuster or independent adjuster in Louisiana."

La. R.S. 22:1674.F, which was repealed by Act No. 402 of the 2021 Regular Session of the Louisiana Legislature, effective August 1, 2021, but was effective at times relevant to this report, previously stated, in part, "Adjusters shall also adhere to the following general requirements:...(3) No adjuster, while so licensed by the department, may represent or act as a public adjuster."

La. R.S. 22:1674.1(A) which was enacted by Act No. 402 of the 2021 Regular Session of the Louisiana Legislature, effective August 1, 2021, states, in part, "the following standards of conduct shall be binding on all claims adjusters: ... (20) No adjuster, while so licensed by the department, may represent or act as a public adjuster."

³⁵ **La. R.S. 22:1703(A)** states, "A public adjuster may charge the insured a reasonable fee. A public adjuster shall not solicit for or enter into any contract or arrangement between an insured and a public adjuster which provides for payment of a fee to the public adjuster which is contingent upon, or calculated as a percentage of, the amount of any claim or claims paid to or on behalf of an insured by the insurer and any such contract shall be against public policy and is null and void."

³⁶ **La. R.S. 22:1706** states, in part, "A. A public adjuster is obligated, under his license, to serve with objectivity and complete loyalty to the interest of his insured alone and to render to the insured such information and service, as within the knowledge, understanding, and good faith of the licensee, as will best serve the insured's insurance claim needs and interest...D. A public adjuster shall not have a direct or indirect financial interest in any aspect of the claim, other than the compensation established in the written contract with the insured...F. A public adjuster shall not solicit employment for or otherwise solicit engagement, directly or indirectly, for or on behalf of any attorney at law, contractor, or subcontractor, in connection with any loss or damage with respect to which such adjuster is concerned or employed. Nothing in this Part shall be interpreted to prevent a public adjuster from recommending a particular attorney, contractor or subcontractor; however, the public adjuster is prohibited from collecting any fee, compensation, or thing of value for such referral.... G. A public adjuster shall not solicit or accept any compensation, direct or indirect, from, by, or on behalf of any contractor or subcontractor engaged by or on behalf of any insured by which such adjuster has been, is, or will be employed or compensated, directly or indirectly...H. Public adjusters shall also adhere to the following general requirements: (1) No public adjuster, while so licensed by the department, may represent or act as a company adjuster or independent adjuster in Louisiana...(3) A public adjuster shall ensure that all contracts for the public adjuster's services are in writing and set forth all terms and conditions of the engagement...(10) A public adjuster shall not act as an appraiser or umpire pursuant to the appraisal provisions of R.S. 22:1311 or any similar provision of a policy of insurance if that public adjuster is adjusting or has adjusted all or any part of the claim, or both, or property subject to that appraisal provision."

³⁷ **La. R.S. 22:1674**, which was repealed by Act No. 402 of the 2021 Regular Session of the Louisiana Legislature, effective August 1, 2021, but was effective at times relevant to this report, previously stated, in part, "B. An adjuster shall not have a direct or indirect financial interest in any aspect of the claim, other than the salary, fee, or other consideration established with the insurer.... D. An adjuster shall not solicit employment for, recommend or otherwise solicit engagement, directly or indirectly, for or on behalf of any attorney at law, contractor or subcontractor, in connection with any loss or damage with respect to which such adjuster is concerned or employed. E. An adjuster shall not solicit or accept any compensation, direct or indirect, from, by, or on behalf of any contractor or subcontractor engaged by or on behalf of any insured by which such adjuster has been, is, or will be employed or compensated, directly or indirectly."

La. R.S. 22:1674.1 which was enacted by Act No. 402 of the 2021 Regular Session of the Louisiana Legislature, effective August 1, 2021, states, in part, "(1) An adjuster shall not have a direct or indirect financial interest in any aspect of the claim, other than the salary, fee, or other consideration established with the insurer.... (3) An adjuster shall not solicit employment for, recommend, or otherwise solicit engagement, directly or indirectly, for any attorney at law, contractor, or subcontractor, in connection with any loss or damage for which the adjuster is employed or concerned. 4) An adjuster shall not solicit or accept any compensation, directly or indirectly, from, by, or on behalf of any contractor or subcontractor engaged by or on behalf of any insured by which such adjuster has been, is, or will be employed or compensated, directly or indirectly."

³⁸ **Louisiana Administrative Code (LLAC) 46: I,1901.B.3** states, "An architect shall not perform professional services in the face of a conflict of interest that is not fully disclosed and waived in writing by all parties. An architect has a conflict of interest when: a. the architect has or may acquire a financial or other interest in the project, someone participating in it, or any component of it; or b. the architect's judgment may be adversely affected by a relationship with another party."

LLAC 46: LXI,2507 states, in part, "A. Licensees shall further act in professional matters for each employer or client as faithful agents or trustees and shall avoid conflicts of interest. B. Licensees shall disclose all known or potential conflicts of interest to their employers or clients by promptly informing them of any business association, interest, or other circumstances which could influence their professional judgment or the quality of their professional services."

APPENDIX A

Management's Response



Grant Parish School Board

P.O. Box 208

Colfax, Louisiana 71417-0208

Phone: 318-627-3274 • Fax: 318-627-5931

Dr. Erin Stokes, Superintendent

Board Members:

Lisa Roberts, President
Lloyd Whitman, Vice-President
Mike Slaughter
April Brouillette
Bill Riggs
Debbie McFarland
Karen Layton
Mason Briggs

November 7, 2023

VIA EMAIL ONLY

Louisiana Legislative Auditor
Attn: Michael J. "Mike" Waguespack
1600 N. 3rd Street
Baton Rouge, LA 70802

RE: Grant Parish School Board Audit Finding

Dear Mr. Waguespack:

On Wednesday, October 25, 2023, the Grant Parish School Board ("GPSB" or "School Board") was provided with a preliminary draft of an audit finding involving the actions of GPSB and others pertaining to various contracts necessitated by storm damage in the aftermath of Hurricanes Laura, Delta, and the 2021 Ice Storm. Pursuant to the email transmission of the report, the GPSB is exercising its right to respond to the audit. The instant correspondence shall constitute GPSB's formal response.

I. Background

Initially, it is important that the Legislative Auditor note the extreme circumstances during which the transactions, work, and contracts at issue took place. In March of 2020, all schools were ordered, by proclamation of Governor John Bel Edwards, to close as a result of the COVID-19 Pandemic. There was immense pressure on all school systems, including GPSB, to reopen schools and provide for in-person education, while instituting appropriate health and safety protocols to minimize virus exposure. GPSB, as well as every other school system, had never been faced with the issues inherent in responding to the COVID-19 Pandemic.

To add to these difficult circumstances, in August of 2020, Hurricane Laura severely damaged multiple school sites and properties of the Grant Parish School Board. Just weeks later, another hurricane, Delta, caused further damages to the School Board properties.

As a result of these storms, GPSB Superintendent Paxton Teddlie received authority via multiple emergency declarations to dispense with the requirements of Louisiana's Public Bid Law,

La. R.S. 38:2211, *et seq.* These emergency declarations complied with the requirements of Louisiana's Public Bid Law, specifically La. R.S. 38:2212(P), and dispensed with the need for GPSB to adhere to the Bid Law's requirements.

Despite the fact that the School Board's actions removed the necessity to follow any formal solicitation procedures, Superintendent Teddlie, on behalf of the School Board, made numerous attempts to solicit and obtain at least three (3) quotes for all remediation work necessary to mitigate damages to its properties, as required by its insurance policies. In addition, immediate contact was made to the School Board's insurer in order to initiate a claim and the adjustment of said claim.

After receiving multiple quotes, GPSB entered into an Agreement for Emergency Remediation Services with Cimarron Underground Services, Inc., which submitted the lowest quote in response to an informal solicitation request by form Superintendent Teddlie, to provide emergency mitigation services at multiple damaged GPSB properties. In addition, in order to get schools up and running as quickly as possible for the benefit of its students, a Rental Agreement was entered into with Cimarron to provide temporary buildings at the Georgetown High School and other locations. Following the 2021 Ice Storm, more property damage was incurred and GPSB entered into an additional Agreement for Emergency Remediation Services with Cimarron. Collectively, the remediation agreements will hereinafter be referred to as the singular Remediation Agreement.

II. The Remediation Agreement Complied with Louisiana and Federal Law

It is the position of GPSB that the Remediation Agreement was in full compliance with both Louisiana and federal procurement laws. Specifically, although time and materials contracts are discouraged, they are permissible in certain situations.¹ Time and Materials contracts have been recognized as acceptable in the aftermath of storms in order to remediate damages that occurred as a result of said storms. Although it was believed at the time that most, if not all, of the storm damage would be covered by insurance policies issued to GPSB, the Remediation Agreement did include certain requirements of federal law, including a not-to-exceed price, in order to maximize potential reimbursement through FEMA should insurance be insufficient or portions of the claim excluded from coverage. GPSB is not aware of any State law requirement pertaining to the inclusion of contract ceilings on Time and Materials contracts.

III. The Rental Agreement Complied with State Law

With respect to the Rental Agreement, this agreement was entered into in an effort to provide adequate physical accommodations and storage to GPSB students and staff at the Georgetown campus and other locations devastated by the hurricanes. This agreement did not include any requirements that would subject it to federal procurement regulations. Thus, to the extent the audit findings find a potential violation of federal law, GPSB strongly disagrees with that finding since the contract was never procured under, or subject to, federal purchasing guidelines.

¹ 2 CFR § 200.318(j).

In addition, GPSB asserts that the Rental Agreement was in full compliance with Louisiana law. As stated previously, GPSB entered into multiple emergency resolutions under La. R.S. 38:2212(P), whereby it dispensed with the requirements of Louisiana's Public Bid Law. Under this resolution, a cost plus contract, to the extent this agreement might be characterized as such, may be considered permissible. Specifically, under La. R.S. 38:2212(P), when either a public emergency or extreme public emergency has been declared, **"This Section [i.e. the Public Bid Law] shall not apply."**

Furthermore, even without the emergency declarations, these rentals are not subject to Title 38 of the Louisiana Revised Statutes. As a lease without a purchase option, it is not considered a public work or materials and supplies purchase within the meaning of Title 38. In fact, no law exists in Louisiana governing a school board's lease of either movable or immovable property owned by a third party. Although Louisiana law does provide certain requirements and procedures relative to the lease of a school board's own property², no such requirements exist under Louisiana laws, at least not those to which the School Board would be subject, relative to the lease of the structures at issue. Thus, it is the position of the School Board that the Rental Agreement is in full compliance with Louisiana law; and is not considered a cost plus contract as erroneously stated in the preliminary audit finding.

IV. Nefarious Actions of Others

GPSB notes that the vast majority of the contents and findings of the LLA in the Preliminary Report address the nefarious, unethical, and likely criminal conduct and actions of third parties over whom GPSB exercised no control. GPSB fervently denies that it, or any of its employees (specifically, former Supt. Teddlie) possessed any knowledge of, or were otherwise complicit in, self-dealing, improper or illegal commissions, bid rigging, fraudulent/inaccurate billing, or other actions alleged in the preliminary report. Furthermore, the report identifies numerous instances wherein Chris Lang and employees of Cimarron, Benchmark, Champions, and others were aware or suspicious of potentially dishonest, fraudulent, and/or illegal conduct on the part of Edward Sieja or others, yet failed to report or notify GPSB of their knowledge or suspicions.

Although the report will, in all likelihood, result in GPSB receiving the brunt of the public criticism, the findings clearly demonstrate that GPSB was the unknowing victim of the nefarious actions of others, with whom GPSB had placed its trust to act in the best interest of the School System during a very difficult time. The preliminary report cites and includes interview testimony, text messages, emails, and other documentation that was not available to or known by GPSB at the time the activities took place. In addition, no individual identified in the report provided information to any GPSB representative that would have indicated that GPSB was being victimized by the dishonest actions of others. Finally, the report identifies no instances of complicity by GPSB, former Supt. Teddlie, GPSB's employees or Board members. To the extent the conduct of these third parties as alleged in the report is true, GPSB suffered losses that were perpetuated against it and intentionally hidden from it; and GPSB intends to pursue whatever avenues it may possess, civil and criminal, to recover any unearned funds remitted to Cimarron, Benchmark, Ballard, Champions, or others.

² See, for example, La. R.S. 41:1211, *et seq.*

V. Monitoring of Contracts

GPSB does acknowledge mistakes with the monitoring of the Remediation Agreement and Rental Agreement; and acknowledges that any permanent repairs should not have been performed by Cimarron under either of these agreements. Permanent repairs were outside of the scope of these contracts, as well as the Project Management contract. Permanent repairs should have been performed after the solicitation of formal bids in accordance with La. R.S. 38:2212, and GPSB has ensured that all permanent repairs to and replacement of damaged structures (outside of those identified in the report) have or will be bid in accordance with Louisiana's Public Bid Law.

With respect to the monitoring of payments under the remediation and rental contracts, GPSB should have instituted more stringent internal controls to ensure that (1) the not-to-exceed price in the Remediation Agreement was not exceeded and (2) that all charges to the Rental Agreement were properly coded to that contract. However, GPSB notes that the duration of the Remediation Agreement far exceeded that which was anticipated due to the fault of others, namely the insurance provider, for failing to properly and timely adjust GPSB's damage claims, as required by Title 22 of the Louisiana Revised Statutes.

Despite repeated attempts to receive a reasonable and comprehensive adjustment of the damages suffered as a result of the various storms, GPSB's insurer, Markel, and its adjusters failed to timely adjust the School Board's claims. These failures prevented the School Board from taking more permanent measures to repair and/or replace its properties, and resulted in GPSB, and Cimarron, having to repeatedly re-mitigate properties. This seemingly never-ending cycle continued into December 2021, and was a significant reason for the excessive mitigation costs. As a result of this failure to adjust and pay-out the legitimate property damage claims, GPSB lacked the funds to make permanent repairs to the facilities; but, at the same time, was contractually obligated to continue mitigation efforts. These delays extended the anticipated duration of the Remediation Agreement, and likely should have resulted in a change order to increase the contract ceiling to address additional mitigation efforts.

As stated in the report, Time and Materials contracts are discouraged, and should be of limited duration, as circumstances warrant. However, the circumstances involving the adjustment (or lack thereof) of GPSB's property damage claim required mitigation services far in excess of those anticipated. Indeed, as early as November 2020, GPSB was beginning the transition from mitigation to repair/replacement. This is evidenced by GPSB's intent to transition Cimarron from a mitigation role into a Project Management role. This fact also is evidenced by the multiple attempts to bid roofing projects in an effort to stop moisture intrusion at various damaged GPSB sites. Unfortunately, these projects were scrapped because GPSB lacked the funds to move forward and its insurance provider utterly failed to adjust and pay for its claims in a timely fashion. As a result, GPSB was forced to continue to "throw money" at mitigation efforts while the insurance provider "dragged its feet" and continually refused to pay out legitimate claims owed under its policy.

The School Board self-financed mitigation efforts far longer than it should have, which it was able to do because it always has acted as a frugal and prudent administrator of the public funds under its control. Many school boards and other public entities throughout the State were in far

worse financial situations than GPSB, not because it enjoys the benefit of an abundant and deep-pocketed populace and/or business community from which it can derive tax revenue, but because it has prudently spent its limited revenue in a fiscally-responsible manner.

Despite any intimation otherwise, GPSB has historically strived to comply with all Louisiana laws and, in general, has performed exemplary, as demonstrated by its ability to fund mitigation costs while its insurer neglected the duties owed to its policy holder. The findings in the report are certainly an anomaly brought about by an unprecedented and overwhelming series of events, both man-made, pandemic-related, and due to natural disaster. GPSB's superintendent and staff were overburdened with the management of the storm-related contracts and claims, while at the same time trying to accomplish their main task of educating the school-aged children of Grant Parish during an unprecedented Pandemic.

Not only was GPSB trying to secure temporary facilities to house its students, but it was also trying to do so while navigating a series of ever-changing edicts and mandates from governmental authorities to address the COVID-19 Pandemic. GPSB prioritized the education of the children in Grant Parish, as it should have, which may have led to placing its trust in others with ill intentions and personal goals to unethically and/or illegally enrich themselves at the expense of the School Board. At the same time GPSB and its administration were juggling the overwhelming tasks involving the response to both the Pandemic and storm damage, it is now clear, based upon the LLA report's findings, that those in whom GPSB placed its trust were actively conspiring to defraud the School Board by overcharging it for services performed, billing it for services not performed and materials not incorporated or used in its work for the School Board, rigging bids, and collecting commissions on the bids that they manipulated.

Despite these actions to defraud the School Board, GPSB ultimately has recovered nearly every penny it spent under any contract with Cimarron, and has received sufficient funding to perform the repairs/replacement of its facilities. In December 2021, GPSB and its insurer entered into a Global Settlement Agreement, in which it received in excess of \$40 million. GPSB was able to recover sufficient funds to compensate it for its expenditures to Cimarron, Benchmark, et al, as well as those necessary to complete permanent repairs to its storm-damaged facilities.

Furthermore, when GPSB became aware of the situation involving Cimarron's invoicing it for materials not used or delivered to GPSB sites, it entered into a revised settlement agreement with the contractor to recover the cost of those materials. In light of the information contained in the LLA finding, GPSB will consult with its counsel to determine possible additional legal remedies available to it to recover any public funds spent due to the fraudulent, dishonest, and/or illegal activities of the parties identified in the report.

With respect to all upcoming repairs, GPSB has implemented all recommendations identified in the report. Specifically, GPSB has:

- 1) Issued a Request for Qualifications to select a Project Manager, despite the lack of any legal requirement to do so;

- 2) Issued a Request for Qualifications to select Architects to perform design of its permanent repair/replacement projects, despite the lack of any legal requirement to do so;
- 3) Entered into written agreements with its Project Manager and Architects, including execution of Non-Collusion Affidavits;
- 4) All permanent repair/replacement work has been or will be bid per Louisiana's Public Bid Law;
- 5) All selected contractors have or will enter standardized written agreements using modified AIA form contracts and have or will provide Non-Collusion Affidavits as part of the ten day documents required post-bid;
- 6) All construction contracts include audit provisions;
- 7) GPSB does not intend to enter into Time and Materials contracts unless necessitated by other emergency situations and will not enter into cost-plus contracts. Further, GPSB will consider issuing an RFQ to select licensed disaster response contractors to have on stand by in the event of an emergency;
- 8) All professional service and construction contracts are being monitored at multiple levels dependent upon the contract. For example, construction contracts and payment requests under those contracts pass through architect and Project Manager review prior to the School Board's review;
- 9) GPSB will implement LLA's recommendation that all contracts be placed in a centralized location;
- 10) GPSB will require appropriate documentation and itemization dependent upon contract type to ensure expenditures have an appropriate business purpose;
- 11) GPSB will investigate civil and criminal remedies to recover any funds improperly or illegally paid to Cimarron, Ballard, Champions, Ed Sieja, Benchmark, or others.

With kind regards, I remain

Sincerely,



Erin Stokes, Superintendent
Grant Parish School Board

APPENDIX B

Additional Responses:

Paxton Teddlie – B.1

Cimarron – B.3

Steve Huchinson – B.89

Edward Sieja – B.90

Gary Shoemake – B.551

Joel Moore – B.554

Clay Fowler – B.569

Paul Gagnon – B.572

Ballard – B.575

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

Dear Mr. Waguespack,

Thank you for the opportunity to reply to the Audit report dated 10/25/2023. I would like to focus my response on finding number two, specifically "Superintendent Teddlie... and others may have violated Cimarron's contracts with GPSB and state and federal law."

I was hired as superintendent of Grant Parish effective January 1, 2020 after being a teacher, coach and principal in the parish for 27 years. Shortly after that on March 13, 2020 schools in Louisiana were closed due to the COVID worldwide pandemic. When school reopened in August, needless to say there were a lot of issues that we had to work through. Three weeks later, Hurricane Laura hit and brought massive destruction to Grant Parish as noted in the audit. This unprecedented event led to a cascade of events that was overwhelming to say the least.

One of the main issues that plagued GPSB was a lack of direction from the adjuster assigned to us by Segwick, John Clarke. The lack of proper adjustment of our claim by him led to many of the issues in the audit report. I tried numerous times to communicate with Mr. Clarke and to make sure we were doing everything correctly. He seemingly became agitated with my efforts to send him quotes and sent me the following email:

I would prefer to have all of these details outlined in the contractor estimate. Essentially, I want to see one estimate for each individual campus. All activities that have been incurred need to be reflected in those estimates. I can't promise stuff won't slip through the cracks if you send me a bunch of different documents via 50 emails from the last six weeks.

Get with Ed, get their estimates prepared with all of the corresponding details. If you have expenses that pertain to multiple campuses, just organize that separately. Your first report is complete. I will start working on the second report as soon as we get the estimates organized.

Thank you,

John Clarke | Senior Claims Adjuster

[REDACTED]

This communication was sent 4 days before Hurricane Delta hit the parish.

The lack of any direction on the roofs led to several schools being water damaged by the next storm. That meant that we had to mitigate all water damage again or risk not being able to have our claim honored by insurance.

As noted in the report, there were four separate contracts with GPSB and Cimarron. We hired Cimarron for the remediation work after interviewing them and another company, DCF Construction. Ideally, we would not have wanted the remediation contract to last as long as it did, but unfortunately, we were hit with another hurricane in October and an Ice storm in

February. This led to a lot of misunderstandings on my part on what was remediation and what was not.

My entire focus during this time was to get students back into school and ensure their safety. We had to rent buildings at a couple of sites to ensure those students could attend school. This problem was exacerbated by the COVID regulations. As noted in the report, the rental agreement led to more confusion that was allegedly used by others to circumvent our agreements.

Your report stated that you received a complaint for the Grant Parish Sheriff's Office in the aftermath of Hurricane Laura and subsequent weather events. The GPSB and GPSO work closely together as we are integral parts of the community. At no time during our work to restore our schools did anyone from the Sheriff's office voice concerns they had to me or any board members. We would have taken them very seriously and in fact when we had our own concerns, I requested that leadership of any company working with us appear before the board to answer questions that members had.

Unfortunately, GPSB did not have the investigative powers or the manpower to determine if there was any wrongdoing on another's part. Eventually, we did decide to terminate the Cimarron contract in June 2021 based on a board vote due to lack of confidence in their representation of us.

In my duties as Superintendent, I tried to comply with all policies of the GPSB and laws of the state of Louisiana. I worked hard to make sure that GPSB was made whole after these unprecedented weather events. That was the case in December of 2021 when we negotiated a global settlement with our insurance company and Segwick that included all monies that had been spent prior and expected cost going forward. I believe that this demonstrated their understanding that mistakes were made.

It was never my intent to break any policies or laws in my position as Superintendent of Grant Parish Schools. My only thoughts were to provide a safe place for the best education for our students. The report does not indicate that I had knowledge of or condoned any alleged illegal actions taken by any of the companies or individuals involved, and I specifically deny any such knowledge of or complicity in the actions of those third parties. I did not benefit personally or financially from the actions taken by individuals/entities named in the report.

Sincerely,

Paxton Teddlie
Retired Superintendent
GPSB

QUINN LAW

November 28, 2023

Mr. Michael Waguespack
Louisiana Legislative Auditor
P.O. Box 94307
Baton Rouge, LA 70804-9397

RE: Grant Parish School Board Audit

Mr. Waguespack;

Pursuant to the instructions of Mr. Roger Harris, please find enclosed the response with certain supporting documentation submitted on behalf of Cimarron Underground Services, LLC.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie Q.", is centered on the page.

Julie Quinn

w/encl

cc: Mr. Roger Harris via email:
RHARRIS@LLA.LA.GOV

**CIMARRON'S RESPONSE TO LOUISIANA LEGISLATIVE AUDITOR'S
OCTOBER 25, 2023 CONFIDENTIAL DRAFT**

Cimarron, a privately owned company, has not only fully cooperated with the Louisiana Legislative Auditor's office (the "LLA") in its purported investigation into the Grant Parish School Board's use of public funds (the "GPSB"), but served as a "whistleblower" spurring in large part this investigation.

Specifically, in 2022, upon Cimarron's receipt of an ethics board complaint issued against one of its local employees, Ed Sieja, in relation to his conduct with certain public officials, Cimarron immediately conducted an internal investigation. *See* 2/14/22 Ethics Complaint, with anonymous attached complaint sent Louisiana Board of Ethics. During Cimarron's investigation, it learned of additional troubling conduct by Sieja relating to the GPSB - as well as at least one other public official. Cimarron immediately conducted an internal audit relating to the GPSB, particularly scrutinizing any billings for time and materials submitted by Ed Sieja, crediting back the GPSB anything which appeared to be unwarranted.

On March 31, 2022, after the GPSB, with its attorney and finance department, closely reviewed Cimarron's findings relating to billings, executed a settlement agreement whereby Cimarron provided GPSB credits and GPSB released of all claims against Cimarron.¹ Nevertheless, thereafter, in continued good faith, Cimarron continued to *voluntary* audit its billings to GPSB and *voluntarily* refunded GPSB additional funds, transferred four (4) temporary "Derksen" classroom buildings to GPSB, and credited back amounts still owed by GPSB to Cimarron - *despite that GPSB had already released all claims against Cimarron.*²

Shortly thereafter, Cimarron's principals met with numerous law enforcement officials at the Rapides Parish Sheriff's Department and Grant Parish Sheriff's Department to report its findings. During this singular meeting with both agencies, not only did Cimarron file a police report against Sieja for his theft of Cimarron materials and equipment (some of which Sieja had billed to the GPSB) but also reported *potential* wrongdoing by at least one other public official - all related to their engagement with Sieja. At all times during this meeting, those law enforcement officials repeatedly stated they considered Cimarron a "victim" and thanked it for its cooperation. Cimarron next reported Sieja's theft of certain of its equipment to its insurer, which, after conducting its own investigation, paid Cimarron's claim and filed a federal lawsuit against Seija.³

However, not only did seemingly no law enforcement investigation occur into Cimarron's findings and concern of potential wrongdoing of local public agencies and/or officials, but shortly thereafter, the LLA issued an exceedingly broad subpoena to Cimarron seeking wholly irrelevant information – most of which had nothing to do with the GPSB. Rather, the overwhelming majority of the LLA subpoena sought all of Cimarron's non-public contracts, emails, and finances - wholly unrelated to any public monies, entities and/or officials. Nevertheless, because Cimarron continued to believe it was trying to assist the LLA root out any potential public corruption, Cimarron fully cooperated with the subpoena, producing voluminous documents, and agreeing to requests for meetings.

¹ *See* 3/31/22 Settlement Agreement, Exhibit "1".

² *See* 10/12/22 First Amendment to Settlement Agreement, Exhibit "2".

³ *See Traveler Cas. & Surety Co. v. Edward Sieja*, Case No. 23-cv-00269 on the docket of the United States District Court for the Middle District of Louisiana, Exhibit "3".

At Cimarron's first meeting with the LLA, however, it became obvious that the LLA's investigation was *not* into that of a public agency or the **GPSB** – but, rather, largely of “Cimarron” and to some lesser extent other private entities. Quite notably, **nothing in the LLA report investigates or makes any findings of any potential wrongdoing relating to public funds by the GPSB or any public officials**. Rather, the report only concludes that *private* entities, such as Cimarron, allegedly overbilled and/or engaged in other alleged misconduct, wanting the reader to believe that the GPSB officials were somehow entirely removed from their own process, contracts, payment approvals and directives. For example, **the LLA repeatedly interrogated Cimarron regarding its compliance with Louisiana's Public Bid Law entirely disregarding the GPSB's obligations thereunder. The LLA interrogation and ultimate report wholly ignores the fact that the GPSB had issued declarations of emergency pursuant to which Louisiana Public Bid Law expressly excludes Cimarron's work – whether temporary or permanent.**

The “weaponization” of the LLA against a private entity is unsanctioned, inappropriate, and unfortunate. It also serves as a chilling effect upon private companies who seek to properly disclose unethical and potentially and/or actual illegal conduct of public officials and/or agencies. Cimarron continues to be frustrated by the lack of investigation into any potential and/or actual public corruption, and notes that it is apparently the only private entity which fully cooperated with each request of the LLA.

Nevertheless, turning to the “substance” of the LLA's investigation, Cimarron first reminds the LLA that all work performed by Cimarron for the GPSB was done pursuant to one or both of the declarations of public emergency promulgated by the GPSB - passed and certified by the GPSB on September 1, 2020 (Hurricane Laura) and February 23, 2021 (the February 2021 “Ice Storm”), respectively.⁴ As such, Cimarron's work was performed subject to La. R.S. 38:2212(P), Louisiana's “Public Bid Law”, which expressly provides that its work performed pursuant to declarations of emergencies are excluded from the requirements of a public bid:

This Section shall not apply in cases of public emergency where such emergency has been certified to by the public entity and notice of such public emergency shall, within ten days thereof, be published in the official journal of the public entity proposing or declaring such public emergency.

La. R.S. 38:2212 (emphasis added). Further, such “emergency” work may include ***both*** temporary remediation and permanent projects.

Pursuant to the foregoing certifications of declarations of emergencies by the GPSB, written agreements were entered between Cimarron and GPSB effective September 16, 2020 (Hurricane Laura) and February 16, 2021 (February 2021 ice storm), both drafted by GPSB's attorney.⁵ The scope of work for both of the contracts as written by GPSB, through its attorney, provides:

⁴ See Declarations of Emergencies, attached *in globo* as Exhibit “4”.

⁵ See 9/16/20 Contract and 2/16/21 Contract with amendment, attached *in globo* as Exhibit “5”.

Contractor agrees to perform services for GPSB on the terms and conditions set forth in this Agreement. Contractor shall perform the remediation work **as directed by GPSB and based on priorities established by GPSB**. Contractor **shall notify and receive approval from GPSB prior to remediating any unanticipated damages or issues discovered during the pendency of Contractor's work**. During the performance of said services, Contractor is responsible for protecting the lives, health and safety of other persons and preventing damage to property located on or near GPSB's property.⁶

At all times, the GPSB, **through active and direct participation of its Superintendent Paxton Teddlie**, directed all work of Cimarron on a regular and routine basis, *typically on a daily basis*. GPSB was likewise heavily and directly involved in approval of all of Cimarron's documentation and payments on a weekly basis. Cimarron also attended numerous GPSB school board meetings to routinely present scope of work issues and answer questions. At all times, GPSB, through their retained insurance consultant Joel Moore, regularly and unequivocally assured all parties that the GPSB would be fully reimbursed for the cost of Cimarron's work. Additionally, through GPSB's FEMA consultant, Deloitte & Touche, instructed and directed Cimarron on how to categorize its work for GPSB's submission to FEMA for reimbursement.

Cimarron's specific responses to the LLA's conclusions, mostly based upon a false premise, are set forth below⁷:

BACKGROUND AND METHODOLOGY

While Cimarron has cooperated with the LLA, it has not been provided access to any of the audit information gathered by LLA as listed below. Cimarron has only been given access to the "draft" of the LLA report without the benefit of access to the massive information gathered - but selectively utilized - by the LLA. Further, Cimarron has provided the LLA all documentation supporting its position below.

FINDINGS AND RECOMMENDATIONS

- **LLA ALLEGATION:**
GPSB May Have Improperly Paid Contractor for Services Outside the Scope of Its Contracts

Cimarron had multiple contracts with GPSB. Each contract was drafted and/or vetted by GPSB's attorney and approved by GPSB's attorney and GPSB. GPSB specifically drafted the contracts to ensure that Cimarron would perform work pursuant to the direction of GPSB.

⁶ *Id.* (emphasis added).

⁷ Cimarron has attempted to respond to the "headings" of the draft report to the extent they exist, with subsections addressing specific issues raised thereunder.

Cimarron's work was, in fact, performed expressly and solely at the direction of GPSB.

Cimarron submitted weekly invoices to GPSB for its work, and those invoices were reviewed and approved (in writing) by GPSB on a weekly basis. The GPSB contracts drafted by it specifically provided that Cimarron would be providing temporary and permanent work, and that Cimarron's work would include temporary and permanent construction "projects" for GPSB.

(a) Time and Material Contracts

Cimarron had multiple written contracts with GPSB that were set up on a "Time and Materials" ("T&M") basis. These contracts were drafted and/or vetted and approved by GPSB's attorney and GPSB. Louisiana law allows T&M contracts for work performed pursuant to emergency declarations, which Emergency Declarations were made part of Cimarron's contracts with GPSB. Further, the contracts specifically provided that Cimarron would be providing temporary and permanent work, and Cimarron's work would include temporary and permanent construction "projects" for GPSB.

Cimarron's work was, in fact, performed at the direction of GPSB, and Cimarron submitted weekly invoices to GPSB for its work. Cimarron's invoices were reviewed and approved in writing by GPSB on a weekly basis.

(b) Cost-Plus-Percentage-of-Cost or Percentage-of-Construction

Cimarron had multiple written contracts with GPSB that were set up on a "Cost-Plus-Percentage" basis. These contracts were drafted and/or vetted by GPSB's attorney and GPSB and approved by GPSB's attorney and GPSB. Louisiana law allows such "Cost-Plus-Percentage" contracts for work performed pursuant to emergency declarations, which Emergency Declarations were made a part of Cimarron's contracts with GPSB.

Cimarron's work was performed at the direction of GPSB. Cimarron submitted weekly invoices to GPSB for its work, and those invoices were reviewed and approved in writing by GPSB on a weekly basis.

LLA Allegation: FEMA Reimbursement

Cimarron worked with GPSB's finance personnel to assist GPSB in seeking reimbursement for hurricane related work from FEMA, all at its request and direction. Cimarron was advised by GPSB, through its FEMA consultant, Deloitte & Touche, required that Cimarron's work be submitted in "projects" for GPSB to obtain reimbursement. As such, Cimarron worked with GPSB and Deloitte & Touche to submit its work in project format to FEMA.

LLA Allegation: Hardie Responses

GPSB's attorney was fully engaged in drafting and vetting all contracts between Cimarron and GPSB. GPSB's attorney approved Cimarron's provision of emergency work on a "T&M" or "Cost-Plus-Percentage" basis. GPSB's attorney specifically required that Cimarron's work be performed at the direction of GPSB, rather than provide a specific scope of work in the contracts.

When and if Cimarron identified the potential to exceed the target amount of a contract, Cimarron contacted GPSB's attorney and GPSB to work through a change order or confirm GPSB was agreeable to Cimarron exceeding the target contract amount without a change order. The parties' customary practice and understanding included performance of additional work without a signed change order. This practice is consistent with Louisiana law when an owner instructs that certain works be accomplished and is aware that the work is being accomplished; in this case, the GPSB went further and paid for the accomplished work. Further, Cimarron confirmed no change order was required for exceeding the target contract amount.⁸

LLA ALLEGATION: Permanent Repairs/Construction Performed by Cimarron

Cimarron had multiple contracts with GPSB that specifically provided that Cimarron's work would include temporary and permanent construction "projects" for GPSB. These contracts were drafted and/or vetted by GPSB's attorney and GPSB, and approved by GPSB's attorney and GPSB. Louisiana law allows permanent construction without a bid process when performed pursuant to an Emergency Declaration. GPSB's Emergency Declarations were made part of Cimarron's contracts with GPS.

Cimarron's work was, in fact, performed at the direction of GPSB, and GPSB directed Cimarron to perform some permanent construction projects. Cimarron submitted weekly invoices to GPSB for its work, and those invoices were reviewed and approved in writing by GPSB on a weekly basis. Cimarron also provided GPSB with a breakdown of the approximate cost of the "projects" through February 2021. At that time, and to date, GPSB has made no objection to the work performed by Cimarron at GPSB's direction, including the permanent projects.

⁸ See e.g. email from S. Hutchinson to C. Hardie and P. Teddie, attached as Exhibit "6".

LLA ALLEGATION: Cimarron Billings

Cimarron had multiple contracts with GPSB on a "T&M" and "Cost-Plus-Percentage" basis. Each contract was drafted and/or vetted by GPSB's attorney. These contracts were approved by GPSB's attorney and GPSB. GPSB specifically set up the contracts so that GPSB would direct all work by Cimarron. Cimarron's work was, in fact, performed at the direction of GPSB. Cimarron submitted weekly invoices to GPSB with a description of its work performed, and those invoices were reviewed and approved in writing by GPSB on a weekly basis. The contracts specifically provided that Cimarron would be providing temporary and permanent work, and Cimarron's work would include temporary and permanent construction "projects" for GPSB. Additionally, Cimarron provided GPSB and Sedgwick with Project Notebooks for each GPSB campus that provided the backup invoices, receipts, time records and other support for Cimarron's invoices to GPSB.

LLA ALLEGATION: Cimarron Billings Higher than Moore or Sedgwick

It is common knowledge that insurers both minimize the scope of repairs and underestimate the cost of those repairs, particularly after disasters when insurance reserves are being stressed. The LLA's suggestion that because Cimarron was unable to perform the work at Sedgwick's unrealistically low estimates for the cost of repairs somehow renders Cimarron as having overbilled GPSB is absurd. Further, the cost and scope of certain of Cimarron's work was significantly increased by Sedgwick's refusal to fund insurance claims by GPSB.

For example, numerous roof repairs and/or replacements were critically necessary repairs post Hurricane Laura. However, GPSB's insurer refused to pay for *any* repairs or replacements, or even fund a temporary roof to prevent additional damage. As such, the damaged roofs remained in a state of disrepair, causing additional damage with each rain and/or weather event. After such a weather event, GPSB would direct Cimarron to clean up, repair and dry out the buildings at additional costs. GPSB advised Cimarron that if it did not make these repairs after each weather event, the buildings would ultimately become unusable. Further, GPSB, through Moore, advised Cimarron that ultimately, GPSB would be reimbursed by its insurer for all of this work.

Regardless, Cimarron's invoices were based on pre-agreed rates in the contracts between Cimarron and GPSB. Sedgwick, the insurer's third-party adjuster, advised Cimarron that it viewed some of Cimarron's rates as below market. Additionally, GPSB, through its Architect Ballard, provided estimates for portions of Cimarron's work - and Cimarron's cost of work was in line with GPSB's architect estimates.

Further, GPSB's private insurance consultant Moore was tasked with providing a detailed estimate of the work performed and to be performed – Cimarron was never provided the detailed estimate by the GPSB. Cimarron is not aware of any contemporaneous, detailed estimates from Joel Moore that are less than Cimarron's cost of work. Cimarron did include

global estimate information from Joel Moore in its "draft" estimate of costs to rebuild GPSB after the hurricane.

LLA ALLEGATION: Cimarron Permanent Work performed at direction of Ed Sieja (Cimarron PM)

While Ed Sieja served as Cimarron's Project Manager for the GPSB work, Cimarron's work was performed at the express direction of GPSB, not Ed Sieja. Cimarron had multiple contracts with GPSB that specifically provided that Cimarron's work would include temporary and permanent construction "projects" for GPSB, performed at the direction of GPSB. These contracts were drafted and/or vetted by GPSB's attorney and GPSB and approved by GPSB's attorney and GPSB. Louisiana law allows permanent construction without a bid process when performing work after an emergency declaration is issued and in response to that emergency.

The Emergency Declarations were made part of Cimarron's contracts with GPSB. Cimarron submitted weekly invoices to GPSB for its work, and those invoices were reviewed and approved in writing by GPSB on a weekly basis. Cimarron also provided GPSB with an analysis of the approximate cost of the "projects" performed by Cimarron at GPSB's direction through February 2021. This information was provided by Cimarron to GPSB verbally after completion of the analysis, then provided to GPSB's finance department in writing in April 2021.

LLA ALLEGATION: Press Box Proposal \$97k but billed \$219k

Cimarron submitted a written proposal to GPSB for a specific scope of work on the Press Box. The written proposal was accepted by GPSB. Cimarron performed the work included in the proposal and charged GPSB the proposal amount for the proposal work. GPSB accepted the work performed and paid Cimarron the proposal amount.

Additional work was performed by Cimarron at the direction of GPSB in addition to the work of the Press Box proposal. Cimarron performed the additional work as directed and billed the GPSB weekly for the work performed pursuant to the contracts between Cimarron and GPSB. GPSB reviewed and approved Cimarron's invoices for the additional work on a weekly basis and paid Cimarron for the work performed.

LLA ALLEGATION: Cimarron Permanent work exceeded Remediation Contract limits.

Categorizing Cimarron's work under each contract was approved by GPSB in writing on a weekly basis. Cimarron included the contract on each invoice submitted weekly to GPSB. GPSB reviewed and approved in writing the contract identified for each invoice. Cimarron adjusted the contract category if directed by GPSB. The contracts drafted by GPSB could have contained clear and detailed scopes of work. Generally, Cimarron was required by the

contracts to perform as directed by GPSB. Based on the contract categories reviewed and approved in writing by GPSB on a weekly basis, Cimarron did not exceed the target contract amount in the Remediation Contract. Regardless, when Cimarron identified the potential to exceed the target amount of a contract, Cimarron contacted GPSB's attorney and GPSB to request a change order or confirm GPSB was agreeable to Cimarron exceeding the target contract amount without a formal change order. GPSB's attorney and GPSB never responded. Based on the non-response from GPSB and GPSB's attorney, Cimarron confirmed no change order was required for exceeding a target contract amount. Nonetheless, GPSB approved the work, was aware that the work was being performed and paid for the work.

LLA ALLEGATION: Montgomery High School Gym

Cimarron provided clean-up, demolition, rebuild work, paint, electrical, locker rental and other services at the Montgomery High School gym. Cimarron's work was performed at the direction of GPSB. Cimarron submitted weekly invoices for its work to GPSB. GPSB reviewed and approved Cimarron's invoices in writing on a weekly basis. GPSB paid Cimarron for the approved work as agreed. Cimarron also provided GPSB with an analysis of the approximate cost of the "projects" performed by Cimarron at GPSB's direction through February 2021. This information was provided by Cimarron to GPSB verbally after completion of the analysis, then provided to GPSB's finance department in writing in April 2021.

LLA ALLEGATION: Montgomery High School Softball Field

Cimarron provided clean-up, demolition, rebuild work, paint, fence work and other services at the Montgomery High School ball fields. Cimarron's work was performed at the direction of GPSB. Cimarron submitted weekly invoices for its work to GPSB. GPSB reviewed and approved Cimarron's invoices in writing on a weekly basis. GPSB paid Cimarron for the approved work as agreed. Cimarron also provided GPSB with an analysis of the approximate cost of the "projects" performed by Cimarron at GPSB's direction through February 2021.

This information was provided by Cimarron to GPSB verbally after completion of the analysis, then provided to GPSB's finance department in writing in April 2021.

LLA ALLEGATION: Montgomery High School Tractor Shed/Locker Room

In December 2020, GPSB hired Ballard Architects to design a replacement tractor shed with added locker rooms. Ballard provided the design at GPSB's direction and drawings were created for the tractor shed/locker rooms. Subsequently, at the direction of GPSB, Cimarron provided clean-up, demolition, dirt work, utilities, concrete work, building construction, interior finish work and other services at the Montgomery High School tractor shed/locker rooms.

Cimarron submitted weekly invoices for its work to GPSB, which reviewed and approved Cimarron's invoices in writing on a weekly basis, and paid Cimarron for the approved work. In the Summer, 2021, GPSB's board re-affirmed its direction to Cimarron to complete the tractor shed/locker rooms.

Toward the end of the project, GPSB directed Cimarron to stop construction on several items. Cimarron provided a \$ amount and timeframe to complete the remaining work, but GPSB refused to allow Cimarron to complete the work. Cimarron's work was inspected and approved by GPSB's Architect (Ballard) with a small punch list of items to complete on work by Cimarron. Ballard provided an estimate of the work performed by Cimarron on the tractor shed/locker rooms, and Cimarron's cost to do the work was in line with GPSB's Architect estimate.

LLA ALLEGATION: Settlement Agreement Cimarron/GPSB - Tractor Shed

Cimarron and GPSB negotiated a settlement of disputed remaining dollar amounts owed to Cimarron on the tractor shed/locker rooms. The settlement was negotiated, reviewed, and approved by GPSB and GPSB's attorney. As part of the settlement, all parties mutually released all claims related to the Tractor Shed/Locker room work.

LLA ALLEGATION: Cimarron Feb '21 Review of Costs

Cimarron had multiple contracts with GPSB that specifically provided that Cimarron's work would include temporary and permanent construction "projects" for GPSB. These contracts were drafted and/or vetted by GPSB's attorney and GPSB. These contracts were approved by GPSB's attorney and GPSB. Louisiana law does not prohibit permanent construction without a bid process when responding to emergency situations. The hurricane Emergency Declarations were made part of Cimarron's contracts with GPSB. Cimarron's work was performed at the direction of GPSB, and GPSB directed Cimarron to perform some permanent construction projects. Cimarron submitted weekly invoices to GPSB for its work, and those invoices were reviewed and approved in writing by GPSB on a weekly basis.

Cimarron also provided GPSB with a breakdown of the approximate cost of the "projects" performed by Cimarron through February 2021. This analysis of costs was provided verbally to GPSB shortly after completion and provided to GPSB finance personnel in writing in April 2021. GPSB utilized this analysis as support for GPSB's requests for reimbursement to FEMA.

LLA ALLEGATION: Cimarron Permanent Work (Projects vs Remediation)

Cimarron had multiple contracts with GPSB that specifically provided that Cimarron's work would include temporary and permanent construction "projects" for GPSB. These contracts were drafted and/or vetted by GPSB's attorney and GPSB. These contracts were approved by GPSB's attorney and GPSB. Louisiana law does not prohibit permanent construction without a bid process when responding to emergency situations. The hurricane Emergency Declarations were made part of Cimarron's contracts with GPSB. Cimarron's work was performed at the direction of GPSB, and GPSB directed Cimarron to perform some permanent construction projects. Cimarron submitted weekly invoices to GPSB for its work, and those invoices were reviewed and approved in writing by GPSB on a weekly basis.

Cimarron also provided GPSB with a breakdown of the approximate cost of the "projects" performed by Cimarron through February 2021. This analysis was provided to GPSB verbally shortly after completion provided in writing to GPSB finance personnel in April 2021.

LLA ALLEGATION: Lang Identification of "Projects" as Remediation vs Permanent Repairs

Cimarron had multiple contracts with GPSB that specifically provided that Cimarron's work would include temporary and permanent construction "projects" for GPSB. Indeed, GPSB's Emergency Declarations expressly advised that the repairs would and/or could be permanent and/or temporary.

The contracts did not provide a definition of "remediation", "temporary repairs", "permanent repairs", "construction" or "projects". The contracts simply required Cimarron to perform the work as directed by GPSB to respond to the hurricane and ice storm. Thus, the subjective **determination of what constitutes a "permanent" repair, "temporary" repair, "remediation" or "project" varies depending on the context of the determining agency - i.e. insurance, FEMA, GPSB internal accounting, etc.**

Further, such work is expressly allowed pursuant to Louisiana law when performed in response to an Emergency Declaration. The contracts were drafted and/or vetted by GPSB's attorney and GPSB and approved by GPSB's attorney and GPSB. The Emergency Declarations were made part of Cimarron's contracts with GPSB. Cimarron's work was performed at the direction of GPSB, and GPSB directed Cimarron to perform some "permanent" construction projects. Cimarron submitted weekly invoices to GPSB for its work, and those invoices were reviewed and approved in writing by GPSB on a weekly basis. Cimarron also provided GPSB with a breakdown of the approximate cost of the "projects" performed by Cimarron through February 2021. This analysis was provided to GPSB verbally shortly after completion provided in writing to GPSB finance personnel in April 2021.

LLA CONCLUSION:

LLA ALLEGATION: Cimarron Not Authorized to make Permanent Repairs

To the contrary, Cimarron's written contracts **expressly** provided that Cimarron would provide permanent repairs, and Louisiana law allows Cimarron to make permanent repairs at GPSB's direction in response to Emergency Declarations.

LLA ALLEGATION: GPSB allowed Cimarron to make \$3.2m in Permanent Repairs by T&M in spite of Attorney advice

Charles Hardie was GPSB's attorney and was directly involved in drafting and negotiating the contracts between Cimarron and GPSB. Cimarron was never made aware of any privileged communications between GPSB and Hardie whereby he advised GPSB to not allow Cimarron to make these permanent repairs.

Further, Cimarron expressly advised not just GPSB Superintendent Teddlie of the additional costs estimated to complete the repairs, but also its attorney Hardie.⁹ In this email, Cimarron expressly asked the Teddlie and Hardie if they believed an "addendum" was necessary to continue work with those additional costs to which neither responded. As set forth above, the parties custom and practice was to proceed with change orders without a written directive or response. At no time did Cimarron **not** keep the GPSB abreast of the costs.

LLA ALLEGATION: State and Federal law may have been violated by performing permanent work without competitive bidding.

As confirmed by GPSB's attorney, Louisiana Public Bid Law expressly provides that competitive bidding requirements are not required when there has been an emergency declaration issued by the public entity – whether that work is considered "permanent" or "temporary".

LLA ALLEGATION: Contractor May Have Billed GPSB for Labor, Materials, and Equipment that was Not Provided or Was Unnecessary

Cimarron had multiple contracts with GPSB on a "T&M" and "Cost-Plus-Percentage" basis. Each contract was drafted and/or vetted by GPSB's attorney. These contracts were approved by GPSB's attorney and GPSB. GPSB specifically set up the contracts such that Cimarron would perform at the direction of GPSB. Cimarron's work was performed at the direction of GPSB. Cimarron submitted weekly invoices to GPSB with a description of the work performed, and those invoices were reviewed and approved in writing by GPSB on a weekly basis. Cimarron's invoices were based on agreed rates in the contracts between Cimarron and GPSB. All Cimarron work was performed at the direction of GPSB.

⁹ *Id.*

LLA ALLEGATION: Labor Overbilling Examples

- Cimarron Safety Representative

Cimarron provided a safety representative to help support safe performance of its work. Cimarron billed the safety representative pursuant to agreed rates in the contracts between Cimarron and GPSB. Cimarron submitted weekly invoices for the safety representatives time, and those invoices were reviewed and approved by GPSB on a weekly basis. Cimarron is not aware of invoices to GPSB for safety rep time not spent on the GPSB work.

- GPSB Work by Employee 2

Employee 2 was hired by Cimarron to assist in the GPSB work. Employee 2 has significant construction experience, estimating experience, quantity take-off experience, a CDL license and expertise in roof repair and construction. Employee 2 provided significant experience in several areas to the Cimarron construction team.

Cimarron is not in the residential roof construction business. To the extent Employee 2 was inspecting non-GPSB roofs for repairs and construction, Employee 2 was operating outside his scope of work for Cimarron.

GPSB's insurance consultant, Joel Moore, was tasked by the GPSB with providing a detailed cost estimate of the work to be performed on the GPSB campuses. By Spring, 2021, Moore had made little or no progress in providing GPSB with an estimate of the work to be performed. At Moore's request, Employee 2 provided estimating support, including quantity take-off work. This work involved physically measuring the existing structures and developing quantities of work to be performed on each campus.

Estimating services were expressly excluded from Cimarron's contracts with GPSB. As a result, Cimarron submitted a written change order to GPSB for the estimating support as Additional Services. Similar to GPSB's response to the change order for exceeding a contract target amount, GPSB agreed to pay for Cimarron's estimating support work as Additional Services without a written change order. Cimarron invoiced the estimating support weekly, and GPSB reviewed and provided written approval of the estimating support invoices. Subsequently, GPSB requested an estimate of the estimating support services cost, but GPSB never signed a written change order for the services. There was a course of dealing between Cimarron and GPSB to provide extra work without a written change order. After a period, Cimarron ceased providing estimating support services because GPSB's insurance consultant, Moore, was not proceeding with the detailed estimates. Cimarron is not aware of Employee 2 charges to GPSB for time that Employee 2 was not working for GPSB.

- DOTD Debris Cleanup Job
 - Ed Sieja April 2022 disclosure that Cimarron billed GPSB for DOTD work.

In April 2022, Ed Sieja disclosed to Cimarron that Cimarron had billed GPSB for work performed for DOTD. After receiving this information from Ed Sieja, Cimarron immediately disclosed the billing error to GPSB and provided GPSB with a credit for these amounts.

- Internal Cimarron exchange re bill GPSB for DOTD work

In April 2022, Ed Sieja disclosed to Cimarron that Cimarron had billed GPSB for work performed for DOTD. After receiving this information from E Sieja, Cimarron disclosed the billing error to GPSB and provided GPSB with a credit for these amounts. Cimarron has addressed this issue internally to eliminate this issue in the future.

- Ed Sieja's Labor: Billed GPSB \$5,100 for Ed Sieja 60hrs 7/12/21 to 7/16/21

In February 2021, Cimarron was advised by Sieja that he was under investigation by the Louisiana Board of Ethics. Due to the Ethics Board investigation of Sieja, Cimarron hired outside counsel to undertake an internal investigation of Sieja's activities. During the course of this investigation, some billing discrepancies to GPSB were identified relating to Sieja. Cimarron disclosed the billing discrepancies to GPSB **and provided GPSB a credit for the billing discrepancies**. Cimarron will continue to investigate any further time billed by Sieja to the GPSB as allegedly uncovered by the LLA. **Cimarron's principles reiterate that they were unaware that Sieja was billing GPSB for time when he was out of town and/or not working on GPSB projects.**

Cimarron submitted weekly invoices to GPSB with a description of the work performed, and those invoices were reviewed and approved in writing by GPSB on a weekly basis.

Cimarron's "Employee 1" put together a spreadsheet weekly with hours to charge for all employees and a description of the work performed. Employee 1 received the time information from the field and from Sieja. Employee 1 then submitted the weekly time to Cimarron corporate office payroll department and billing department. Weekly invoices were created from time provided in Employee 1's weekly spreadsheets. Cimarron is not aware of time being charged to GPSB that was not spent on GPSB work.

- Billed GPSB \$2,040 for E Sieja 24hrs 5/13/21 to 5/17/21

See above

- Montgomery High School billed 133 hours on 8/6/21

See above

- Montgomery High School billed 224 hours for workers not onsite

See above

- Employee 3 billed as carpenter on Montgomery High School 8/6/21

See above

- Cimarron employees working elsewhere billed to GPSB

See above

- Georgetown High School billed for 19 when only 4 worked

See above

- Cimarron Fuel records don't agree with labor billings

See above

- Equipment Overbilling Examples

- Cimarron Equipment Analysis shows equipment underbilled

In response to concerns raised by GPSB about equipment mis-billings, in May, 2021, Cimarron undertook an internal analysis of the amounts billed for equipment to GPSB. Cimarron concluded that it had in fact underbilled (not overbilled) GPSB by \$318,100. Cimarron advised GPSB that Cimarron had underbilled GPSB for equipment, but Cimarron did not pursue collection of this underbilled amounts from GPSB.

Pursuant to the contract, Cimarron was compensated for providing equipment reasonably needed for the GPSB projects. Due to hurricane damage throughout the Gulf Coast, equipment availability was limited, and Cimarron was compensated for making the equipment available. Cimarron's charges were not limited to time the equipment was

working. The charges were for the equipment provided and available to the GPSB projects, just as any equipment rental agency charges. Cimarron invoiced GPSB weekly for the equipment provided. GPSB reviewed and approved Cimarron's equipment invoices in writing on a weekly basis. Additionally, during its internal review, Cimarron determined that Cimarron had failed to bill GPSB any contract mark-up for some services. Cimarron has not pursued billing or collection of underbilled amounts.

- Billing for equipment not rented by Cimarron
See above
- Billing for equipment at Cimarron Yard and not onsite at GPSB
See above
- Billing for idle equipment possibly no longer necessary
See above
- Billing for equipment Cimarron rented from E Sieja
See 3.C.i. above
- Equipment moved without documentation
See above
- Billing equipment days don't match equipment rentals - manlift 10/13/20 to 12/11/20
See above
- Billing for days equipment was not needed on GPSB - manlift on S Grant
See above

- Material Overbilling

- Pipe: Ed Sieja theft claim

In February 2022, Cimarron was advised by Ed Sieja that he was under investigation by the Louisiana Board of Ethics. In response, Cimarron hired outside counsel to undertake an internal investigation of Sieja's activities. During the course of this investigation, unacceptable issues related to Sieja's conduct were uncovered.

One of the issues uncovered by Cimarron's investigation was Sieja's pipe theft. Specifically, Sieja purchased pipe with Cimarron funds, then stole the pipe for personal use and charged GPSB for said pipe. Cimarron disclosed the improper pipe billing to GPSB and provided GPSB with a credit for the pipe stolen by Sieja. Cimarron filed a criminal complaint against Sieja for the pipe theft – as well as theft of other Cimarron material and equipment. Also, as noted above, Cimarron submitted a claim for the theft on its insurance,

and Cimarron's insurer filed a civil theft lawsuit against Sieja.

In addition to Sieja's pipe theft, Cimarron's internal investigation uncovered other instances of improper billing to GPSB by Sieja. Cimarron disclosed these issues to GPSB and provided GPSB with a credit for the billing issues. Additionally, Cimarron gave four (4) temporary buildings to GPSB and reduced related unpaid invoices to GPSB as part of a settlement with GPSB of claims all related to Sieja's conduct. As part of the settlement, GPSB and Cimarron mutually released all claims against each other.

- Billing for Pipe walkway handrails - Sedgwick claims handrails were not needed

Cimarron had multiple contracts with GPSB on a "T&M" and "Cost-Plus-Percentage" basis. Each contract was drafted and/or vetted by GPSB's attorney. These contracts were approved by GPSB's attorney and GPSB. GPSB specifically set up the contracts, so Cimarron would perform at the direction of GPSB. Cimarron's work was performed at the direction of GPSB. Cimarron submitted weekly invoices to GPSB with a description of the work performed, and those invoices were reviewed and approved in writing by GPSB on a weekly basis. Cimarron's invoices were based on agreed rates in the contracts between Cimarron and GPSB.

GPSB directed Cimarron to install the handrails that Sedgwick now belatedly claims were not needed. Regardless, Cimarron performed the work pursuant to GPSB's direction, not Sedgwick's. At the time Cimarron installed most of the handrails Sedgwick refused to even come onsite and evaluate GPSB's insurance claims. Additionally, GPSB's insurance consultant repeatedly advised Cimarron, GPSB and GPSB's board that insurance would pay for this work.

- Billings for handrails

See above

- Billings for temporary classroom decks

Cimarron had multiple contracts with GPSB on a "T&M" and "Cost-Plus-Percentage" basis. Each contract was drafted and/or vetted by GPSB's attorney. These contracts were approved by GPSB's attorney and GPSB. GPSB specifically set up the contracts, so Cimarron would perform at the direction of GPSB. Cimarron's work was performed at the direction of GPSB. Cimarron submitted weekly invoices to GPSB with a description of the work performed, and those invoices were reviewed and approved in writing by GPSB on a weekly basis. Cimarron's invoices were based on agreed rates in the contracts between Cimarron and GPSB.

- Duplicate Billing for roof wrap

Cimarron is not aware of any duplicate billing for roof wrap. Cimarron had been recommending temporary roofs or new roofs for the leaking buildings since November/December 2020. In that regard, GPSB's architect designed new roofs in November/December 2020, and GPSB authorized its architect to put the roofs out to bid. The roof contracts were publicly advertised for bid, then the bids had to be cancelled because GPSB's insurer would not provide insurance funds to pay for the roofs. As a result of the insurer's refusal to pay for the roofs, water continued to pour through the buildings for several additional months. GPSB incurred substantial increased costs as a result of the insurer's refusal to meet its obligations on the roof claims.

Cimarron provided roof wrap for GPSB in the spring of 2021 when Sedgwick finally agreed that insurance would pay for it. Cimarron secured a price for the roof wrap from a subcontractor and submitted it to GPSB and Sedgwick for approval. After negotiation, GPSB and Sedgwick approved Cimarron's proposal for the roof wrap. Cimarron received a mark-up on its subcontractor's cost pursuant to the agreement between Cimarron and GPSB. Cimarron invoiced for the roof wrap and GPSB reviewed and approved the invoices. There was additional "roofing" cost from Cimarron to install a timber frame on a roof required and approved by GPSB/Sedgwick in advance of the roof wrap on one of the buildings. Thereafter, Sedgwick/GPSB directed Cimarron to remove the timber frame before the roof wrap was installed, and Cimarron removed the timber frame as directed.

- Billing for Additional Services - estimating support

Billings for Employee 2 - 3/15/21 to 5/22/21

See Above

- Estimating services were unnecessary

See Above

- Change Order required for Additional Services

See Above

- Billings and Payments for Additional Services without change order

See Above

- Joel Moore claims estimate services were not utilized

See Above

- Employee 2 not Xactimate trained

See Above. Also, Cimarron purchased the Xactimate software to support Moore's estimating obligations and planned to train Employee 2 on the use of the software.

- Employee 2 measurement of quantities for estimates

See Above

- \$438,139 billed for labor, materials and equipment not provided

Cimarron is not aware of amounts incorrectly billed to GPSB. GPSB has approved all amounts billed. Cimarron has disclosed known discrepancies to GPSB and provided credits and settlement for known discrepancies. As part of these settlements between GPSB and Cimarron, the parties have mutually released further claims against each other. Further, Cimarron has underbilled GPSB as set forth above and would be entitled to a setoff under Louisiana law.

- **Architect Provided Designs GPSB Construction Manager believes incomplete; Architect failed to disclose conflict** - Cimarron brought in Ballard for architectural design because Cimarron relationship

Ballard was hired direct by GPSB and was not a subcontractor to Cimarron.

- Ballard worked at direction of Ed Sieja per Moore and Aldridge
Ballard was hired direct by GPSB and was not a subcontractor to Cimarron. GPSB directed, approved, and paid for Ballard's work. Ballard did not work for Cimarron on the GPSB work.

- Contractor May Have Overbilled GPSB for Mold Remediation Service - Cimarron was Construction Manager for GPSB and recommended the Mold Remediation contractor.

Cimarron was not the "Construction Manager" for GPSB at the time GPSB entered into a contract with Benchmark for mold remediation services. Benchmark contracted directly with GPSB for mold remediation services. Cimarron was not involved in the mold remediation services work performed by Benchmark.

A. Cimarron was paid \$166,688 by the Mold Remediation contractor.

Cimarron performed construction work for Benchmark on multiple projects in Texas. Benchmark's \$166,688 paid to Cimarron was for work by Cimarron on Benchmark projects in Texas. The LLA allegation that the payment to Cimarron by Benchmark for GPSB work is absolutely false.

5. Contractors Appear to Have Provided GPSB with False Quotes for Roofing Project

Cimarron did not provide GPSB a quote for the roof repair work.

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (the "Agreement") is made and entered into by and between GRANT PARISH SCHOOL BOARD, ("GPSB"), with its principal address located at [REDACTED] and CIMARRON UNDERGROUND SERVICES, LLC, with its principal address located at [REDACTED]. This Agreement is effective as of March 31, 2022.

I. RECITALS

WHEREAS, GPSB and Cimarron entered into an Agreement for Emergency Remediation Services (the "Contract"), pursuant to which Cimarron was to perform emergency remediation, demolition, mitigation, dehumidifying, and mold removal on various properties of GPSB that were damaged by Hurricanes Laura and Delta (the "Project");

WHEREAS, the Contract had an Effective Date of September 16, 2020 and was subsequently amended by the parties on or about October 19, 2020;

WHEREAS, Cimarron did perform and invoice GPSB for certain work in furtherance of the Project, including work on the Montgomery High School Locker Room;

WHEREAS, Cimarron also invoiced GPSB for certain administrative work identified as Document Controls, which it charged to the Montgomery High School Locker Room site;

WHEREAS, GPSB has disputed certain amounts charged in the above-referenced invoices and about certain unfinished/incomplete work performed by Cimarron. The disputed invoices and amounts in question are identified and summarized in Exhibit A hereto and the unfinished/incomplete work is identified in Exhibit B hereto;

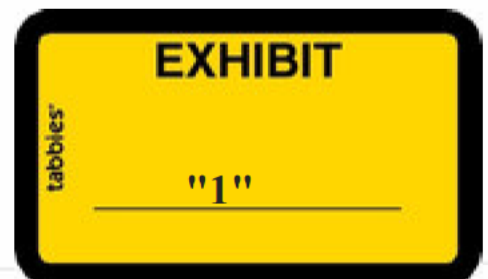
WHEREAS, subject to the reservations specifically contained herein, GPSB and Cimarron desire to amicably resolve all disputes relating to the Contract and Project to avoid the costs and uncertainties of litigation.

NOW THEREFORE, in consideration of the covenants and agreements set forth in this Agreement and intending to be bound legally thereby, the Parties hereby agree as follows:

II. RECEIPT AND RELEASE

1. Payment to Cimarron

In return for the release of claims set forth in Section II.2 below, GPSB shall issue payment to Cimarron in the total sum of One Hundred Eighty-Eight Thousand, Two Hundred Fifty-Two and no/100 (\$188,252.50) Dollars, within 10 days following the execution of this Agreement. Payment shall be made by issuing a check made payable to "Cimarron Underground Services, LLC" and shall be delivered to the address identified above.



2. Release of Claims

A. Release of Claims by Cimarron

Effective as of the date of this Agreement and in consideration for the payments outlined in Section II.1 above, Cimarron (and its members, officers, owners, shareholders, directors, agents, employees, servants, insurers, and any otherwise affiliated entities or individuals, and their respective successors, heirs and assigns) does hereby release, acquit and forever discharge:

- a. GPSB;
- b. The direct or indirect parent entities, subsidiaries, divisions, affiliates, successors or predecessors of GPSB;
- c. The present, former, and future heirs, assigns, attorneys, incorporators, administrators, fiduciaries, members, directors, shareholders, officers, agents, representatives, partners, employees, co-employees, servants, employers, insurers, excess insurers, underwriters, brokers, insureds, indemnitors, indemnities, business groups, business segments, predecessors in interest, or successors in interest of GPSB; and
- d. Any other persons, partnerships, affiliates, corporations, associations, firms, joint ventures, or entities for whom or for which any of the above might be legally responsible and/or who or which might be legally responsible for any claim by Cimarron arising out of the Project;

from any and all claims, causes of action, allegations, liabilities, demands, damages, costs, expenses, attorney's fees, debts, liens, subrogation interests, or other obligations of any kind or nature, both past and present, at law or in equity, arising out of or related to the Contract and Project.

B. Release of Claims by GPSB

Effective as of the date of this Agreement and in exchange for the consideration outlined herein, GPSB (and its members, officers, owners, shareholders, directors, agents, employees, servants, insurers, and any otherwise affiliated entities or individuals, and their respective successors, heirs and assigns) does hereby release, acquit and forever discharge:

- a. Cimarron;
- b. The direct or indirect parent entities, subsidiaries, divisions, affiliates, successors or predecessors of Cimarron;
- c. The present, former, and future heirs, assigns, attorneys, incorporators, administrators, fiduciaries, members, directors, shareholders, officers, agents, representatives, partners, employees, co-employees, servants, employers, insurers, excess insurers, underwriters,

brokers, insureds, indemnitors, indemnities, business groups, business segments, predecessors in interest, or successors in interest of Cimarron; and

- d. Any other persons, partnerships, affiliates, corporations, associations, firms, joint ventures, or entities for whom or for which any of the above might be legally responsible and/or who or which might be legally responsible for any claim by GPSB arising out of the unfinished/incomplete work identified in Exhibit B;

from any and all claims, causes of action, allegations, liabilities, demands, damages, costs, expenses, attorney's fees, debts, liens, subrogation interests, or other obligations of any kind or nature, both past and present, at law or in equity, arising out of or related to the Contract or Project. Notwithstanding the foregoing, GPSB expressly reserves any claims it may have against Cimarron, its officers, directors, agents, employees, subcontractors, suppliers, affiliates, corporations, associations, firms, joint ventures, or entities for whom or for which any of the above might be legally responsible with respect to any latent defects in any and all work performed on or in furtherance of the Project by Cimarron, its subcontractors, suppliers, and other entities for whom it may be responsible.

C. Discharge/Cancellation of Lien

Upon receipt of payment as set forth in Section II.1 above, Cimarron shall cause any Sworn Statement of Claim and Privilege it filed with the Recorder of Mortgages for the Parish of Grant to be forever discharged/cancelled, at Cimarron's sole cost and expense, within ten (10) days of receipt of payment from GPSB. Upon cancellation, Cimarron shall provide GPSB's counsel evidence of said cancellation.

D. Dismissal of Litigation

By executing this Settlement Agreement, Cimarron confirms that it has not instituted any legal proceeding(s) against GPSB in any way relating to the Claims being released herein. In the event any legal proceeding(s) relating to the Claims being released herein have been instituted by Cimarron against GPSB, Cimarron shall cause said proceeding to be dismissed, with prejudice and at Cimarron's sole cost and expense, within ten (10) days of receipt of payment from GPSB. Upon receipt of the signed dismissal, Cimarron shall provide GPSB's counsel a certified copy of said dismissal.

3. Reservation of Rights under the Contract

Nothing in this Agreement shall be construed to modify, alter, affect, or waive any express or legal warranties provided as part of the Project, except as to the work performed by Cimarron at the Montgomery High School's locker room which Cimarron was not allowed to complete, and which warranties are hereby being waived by the GPSB. Said terms, conditions, and requirements of any warranties shall remain in full force and effect, except with respect to any work performed by Cimarron at the Montgomery High School's locker room, for which any warranties are waived by GPSB. GPSB specifically reserves the right to assert any future claim for any latent defect

discovered in the Project, except for any latent defects discovered in the Montgomery High School's locker room, for which any claim by the GPSB against Cimarron for such latent defects is hereby waived, settled and extinguished.

III. OTHER PROVISIONS

1. Non-Admission

The Parties agree that this Agreement and the payment obligations and other actions outlined herein above are part of a compromise settlement of a disputed claim or claims, and shall not be deemed or construed at any time or for any purpose to be an admission of any violation of its rights, of any violation of any law or contractual provisions, or of any wrongdoing. GPSB and Cimarron expressly deny any such violation, and have entered into this Agreement to avoid the time, money, and energy necessary to defeat disputed claim or claims.

2. Attorneys' Fees & Expenses

Each party shall be solely responsible for any and all legal fees and expenses incurred by that party in connection with the dispute between the parties, including but not limited to any attorneys' fees to which any party otherwise may have been entitled by any contract, statute or any other provision of the law.

3. Non-Assignment & Indemnification

Cimarron and the GPSB hereby confirm that no claim or cause of action covered by this Agreement has been assigned or given to anyone else, either in fact or by operation of law, that their claims are not subject to any statutory or common law liens, including any lien for attorneys' fees, that they have not initiated any petition for relief in bankruptcy at any time since its claims arose, and that no other person or entity has any interest in any such claim or cause of action, through subrogation or otherwise. Cimarron agrees to indemnify and hold harmless GPSB from and against any further claim or suit (including attorney's fees and other expenses incurred in the defense of any such claim or suit) by anyone asserting a claim for payment on Cimarron's behalf, or any claim by Cimarron's subcontractors, laborers, or suppliers. Likewise, the GPSB agrees to indemnify and hold harmless Cimarron from and against any further claim or suit (including attorney's fees and other expenses incurred in the defense of any such claim or suit) by anyone asserting a claim on GPSB's behalf, other than for those warranty claims not settled herein.

4. Construction & Acceptance of Risk

This Agreement and the settlement recited herein is the product of arms-length negotiations between and among the parties and has been reviewed and approved by each party and its respective counsel. No party shall be deemed to be the drafter of this Agreement for the purpose of construing or interpreting it, and special rules of interpretation or construction shall not apply. Section titles or headings in this Agreement are included for ease of reference only, and shall not affect the construction of, or be taken into consideration in interpreting this Agreement. Each party

hereby represents and certifies that it: (1) has carefully read all of this Agreement; (2) has been given a fair opportunity to discuss and negotiate the terms of this Agreement by and through its legal counsel; (3) has been given reasonable time within which to consider this Agreement before executing it; (4) understands the provisions of this Agreement; (5) has received advice from an attorney regarding this Agreement; (6) has determined that it is in its best interest to enter into this Agreement; (7) has not been influenced to sign this Agreement by any statement or representation by any other party or its legal counsel not contained in this Agreement; and (8) enters into this Agreement knowingly and voluntarily.

5. Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto. Except as explicitly set forth herein, there are no representations, warranties, or inducements, whether oral, written, expressed, or implied, that in any way affect or condition the validity of this Agreement or alter its terms. This Agreement may not be amended, modified, supplemented, canceled, or otherwise altered except by an instrument in writing signed by the parties hereto. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute one Agreement.

6. Reformation, Severability & Governing Law

If any provision of this Agreement becomes or is found to be illegal or unenforceable for any reason, such clause or provision must first be modified to the extent necessary to make that clause and this Agreement legal and enforceable, and then, if necessary, second, severed from the remainder of the Agreement, which will remain in full force and effect. Louisiana law shall govern the validity and interpretation of this Agreement. The exclusive venue for any dispute arising out of this Agreement shall be the 35th Judicial District Court for the Parish of Grant, State of Louisiana.

7. Confidentiality

The terms and conditions of this Agreement will remain absolutely private and confidential and are not to be disclosed or disseminated in writing, orally, or by way of any other media whatsoever, by any of the Settling Parties except as ordered by a court or tribunal of competent jurisdiction, or except as required by law (including, but not limited to, Louisiana's Public Records Law, La. R.S. 44:1, *et seq.*), and/or as requested by reinsurers, insurance agents or brokers, auditors, accountants or regulators in the ordinary course of business or governmental oversight, or as required by subpoena or to enforce this Agreement. Despite the above provisions, the Parties acknowledge that GPSB is a political subdivision of the State of Louisiana. As such, this Agreement will constitute a public record subject to disclosure by GPSB under the Louisiana Public Records Law. It is understood by all Parties that GPSB will be required to produce this Agreement in fulfillment of any applicable public records request and it is agreed that GPSB is under no obligation to notify or inform Cimarron of the release of this Agreement in accordance with any public records request.

8. Execution

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each Party shall execute a minimum of four (4) original signature pages of this Agreement, and upon execution, shall mail an original signature page to counsel for each Party.

9. Warranty of Authority

Each signatory personally warrants, declares and represents that he/she is fully authorized and empowered by his/her principal to sign this Agreement, and, to the extent he/she does so, binds his/her principal to acknowledge receipt of the payment hereby made or the obligation to make said payment, and, by his/her signature, and intending to legally bind his/her principal, to give full release as set forth herein, and to settle all claims set forth in this Agreement.

WHEREFORE, the undersigned parties have entered into this Agreement effective as of the day and month first above written.

- Remainder of page intentionally left blank; Original signature pages follow -

ORIGINAL SIGNATURE PAGE

STATE OF _____

PARISH _____

Thus done and signed in the presence of me, Notary Public, and the undersigned competent witnesses, on this _____ day of _____, 2022.

WITNESSES:

**CIMARRON UNDERGROUND
SERVICES, LLC**

By: _____

[print or type name above]

[print or type name above]

[print or type title above]

[print or type name above]

[print or type name and number above]
NOTARY PUBLIC

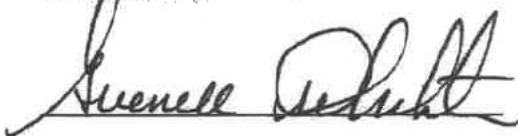
ORIGINAL SIGNATURE PAGE

STATE OF LOUISIANA

PARISH OF GRANT

Thus done and signed in the presence of me, Notary Public, and the undersigned competent witnesses, on this 31st day of March, 2022.

WITNESSES:

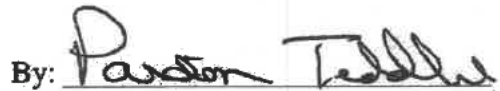


Guenell Whitstine
[print or type name above]



Cindy Barrios
[print or type name above]

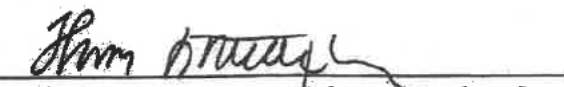
GRANT PARISH SCHOOL BOARD

By: 

Paxton Teddlie
[print or type name above]

Superintendent
[print or type title above]

Thomas L. Futrell, JR 011210


[print or type name and number above]
NOTARY PUBLIC

ORIGINAL SIGNATURE PAGE

STATE OF Kansas

COUNTY Johnson

Thus done and signed in the presence of me, Notary Public, and the undersigned competent witnesses, on this 31st day of March, 2022.

WITNESSES:

Mandy

Matthew Regas
[print or type name above]

[print or type name above]

**CIMARRON UNDERGROUND
SERVICES, LLC**

By: CL

Chris M. Lamb
[print or type name above]

C.E.O.
[print or type title above]

ERIN RONAN
Notary Public State of Kansas
My Appt. Expires 3/22/2024

Erin Ronan
[print or type name and number above]
NOTARY PUBLIC

FIRST AMENDMENT TO SETTLEMENT AGREEMENT

This FIRST AMENDMENT TO SETTLEMENT AGREEMENT (the "First Amending Agreement") is made and entered into by and between GRANT PARISH SCHOOL BOARD, ("GPSB"), with its principal address located at [REDACTED] and CIMARRON UNDERGROUND SERVICES, LLC ("Cimarron") with its principal address located at [REDACTED]. This First Amending Agreement is effective as of October 12th, 2022.

I. RECITALS

WHEREAS, effective March 31, 2022, GPSB and Cimarron (collectively, referred to as the "Parties") executed a Settlement Agreement resolving all claims the Parties had or may have against each other relating to the Agreement for Emergency Remediation Services (hereinafter "Settlement Agreement");

WHEREAS, in addition to the Agreement for Emergency Remediation Services, GPSB and Cimarron entered into two additional agreements titled Construction Management Agreement, the Rental Agreement for the Derksen buildings, and the "Ice Storm - Emergency Remediation Agreement (collectively, the three agreements will hereinafter be referred to as the "Contracts");

WHEREAS, despite the settlement of all claims pursuant to the Settlement Agreement, GPSB and Cimarron thereafter voluntarily conducted their own internal audits of amounts they believed to be have been owed by and/or to the other, pursuant to the Contracts;

WHEREAS, pursuant to these voluntary audits, the parties desire and agree to amend the Settlement Agreement;

NOW THEREFORE, in consideration of the covenants and agreements set forth in this First Amending Agreement, the parties hereby agree to amend the Settlement Agreement as follows:

A. AMENDMENT OF PARAGRAPH II OF THE SETTLEMENT AGREEMENT

Paragraph II(1) of the Settlement Agreement is hereby amended to add the following paragraph:

1(b). Payments and Other Consideration to GPSB

In return for the release of claims by GPSB against Cimarron set forth in Section 2(B) below:

- (i). **Payment of Monies**. Cimarron shall issue payment to GPSB in the total sum of Sixty-Nine Thousand, Eight Hundred Thirty Dollars and no/100 (\$69,830.00), within 10 days following the execution of this First Amendment Settlement Agreement. Payment shall be made by

issuing a check made payable to "Grant Parish School Board" and shall be delivered to the address identified above;

(ii) Cimarron shall donate and transfer title to the four (4) Derksen buildings, with full warranty of title and with full substitution and subrogation in and to all the rights and actions of warranty, and with all rights of prescription, whether acquisitive or liberative, to the GPSB, and agrees to effectuate all necessary documentation to accomplish same within ten (10) days of the execution of this agreement, or as soon as reasonably practicable.

The following buildings are hereby transferred:

Building 1:

Model # PUTX-12X32, Description PUTX-519379-1232-101720-LA, Serial # 519379

Building 2:

Model # PUTX-12X32, Description PUTX-51947-1232-102620-LA, Serial # 519470

Building 3:

Model # PUTX-12X32, Description PUTX-519380-1232-111120-LA, Serial # 519380;

Building 4:

Model # PUTX-12X32, Description PUTX-519473-1232-102720-LA, Serial # 519473;

Cimarron shall also waive all invoices for rental payments on the Derksen buildings from Invoice # GP5495 to present.

Cimarron agrees to defend and indemnify the GPSB against any and all claims that may be raised by third parties relating to the ownership and/or title to the four (4) Derksen buildings.

(iii) Waiver of Certain Charges for Refrigeration at Pollock -

Cimarron shall waive any and all costs associated with the breakdown and removal of the refrigeration rentals at Pollock upon termination of the Rental Agreement. Additionally, Cimarron has credited GPSB for maintenance on the refrigeration rentals pursuant to two (2) invoices, GP5489CR and GP5498CR, in the respective amounts of \$1,243.20 and \$3,508.20, which GPSB hereby accepts.

B. AMENDMENT OF PARAGRAPH III OF THE SETTLEMENT AGREEMENT

Paragraph III of the Settlement Agreement is hereby amended to *add* the following clause:

10. Settlement of all Claims and Contracts.

Notwithstanding any provision herein to the contrary, it is the parties' express intentions to settle and release any and all claims relating to all current and prior contracts, agreements and relationships between them, whether expressly identified herein or otherwise, including, but not limited to, the "Emergency Remediation Services Agreement, Emergency Remediation," the "Construction Management Agreement", the "Ice Storm – Emergency Remediation Agreement" and the "Rental Contract" (collectively, the "Contracts"), other than any remaining rentals owed for the refrigeration units and equipment still on rent pursuant to the Rental Contract.

The only remaining contract existing between the parties is the Rental Contract for refrigeration units and equipment at Pollock Elementary School, and the Parties agree to abide by their respective obligations under the Rental Agreement, except as specifically modified herein, until said Rental Agreement is terminated pursuant to the terms and conditions contained therein.

ORIGINAL SIGNATURE PAGE

STATE OF LOUISIANA

PARISH OF GRANT

Thus done and signed in the presence of me, Notary Public, and the undersigned competent witnesses, on this 12th day of October, 2022.

WITNESSES:



Gwendell Whitstine
[print or type name above]



Darlene Anthony
[print or type name above]

GRANT PARISH SCHOOL BOARD

By: 

Paxton Teddie
[print or type name above]

Superintendent
[print or type title above]



Charles L. Furell, Jr.—611210
[print or type name and number above]
NOTARY PUBLIC

ORIGINAL SIGNATURE PAGE

STATE OF KANSAS
COUNTY JOHNSON
PARISH JOHNSON

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WITNESSES:

Matthew Reges

Matthew Reges

[print or type name above]

[Signature]

Matthew Reges

[print or type name above]

**CIMARRON UNDERGROUND
SERVICES, LLC**

By: Chris M. Lang

CHRIS M. LANG

[print or type name above]

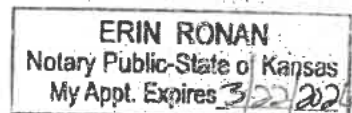
[print or type title above]

Erin Ronan

[Signature]

[print or type name and number above]

NOTARY PUBLIC



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I. RECITALS

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ORIGINAL SIGNATURE PAGE

STATE OF LOUISIANA

PARISH OF GRANT

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WITNESSES:



Gwendell Whitstine
[print or type name above]

Darlene Anthony

Darlene Anthony
[print or type name above]

GRANT PARISH SCHOOL BOARD

By: Paxton Teddie

Paxton Teddie
[print or type name above]

Superintendent
[print or type title above]



Charles L. Furell, Jr.—631210
[print or type name and number above]
NOTARY PUBLIC

ORIGINAL SIGNATURE PAGE

STATE OF KANSAS
COUNTY JOHNSON
PARISH JOHNSON

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WITNESSES:

Matthew Reges

Matthew Reges

[print or type name above]

[Signature]

Matthew Reges

[print or type name above]

**CIMARRON UNDERGROUND
SERVICES, LLC**

By: Chris M. Lang

CHRIS M. LANG

[print or type name above]

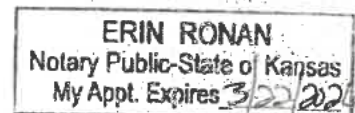
[print or type title above]

Erin Ronan

[Signature]

[print or type name and number above]

NOTARY PUBLIC



**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
ALEXANDRIA DIVISION**

**TRAVELERS CASUALTY AND)
SURETY COMPANY OF AMERICA)**

Plaintiff

VERSUS

EDWARD SIEJA

Defendant

CIVIL ACTION NO.: _____

JUDGE _____

MAG. JUDGE _____

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
COMPLAINT AGAINST EDWARD SIEJA**

Plaintiff, Travelers Casualty and Surety Company of America (“Travelers”) submits this Complaint against Defendant, Edward Sieja. In support of its Complaint, Travelers avers as follows:

I. PARTIES

1. Travelers is a Connecticut corporation, with its principal place of business located in Hartford, Connecticut.

2. Made Defendant herein is Edward Sieja, an individual domiciled in the State of Louisiana.

II. JURISDICTION AND VENUE

3. This Court has jurisdiction over this matter under 28 U.S.C. § 1332(a) because the amount in controversy exceeds \$75,000, exclusive of interest and there is complete diversity of the parties as the matter in controversy is between different states.

EXHIBIT

"3"

B.42

5. The jurisdiction of a corporation is determined by its principal place of business and place of incorporation. *Daimler AG v. Bauman*, 571 U.S. 117, 37, 134 S. Ct. 746, 760, 187 L.Ed. 2d 624 (2014).

6. Travelers is a corporation organized under the laws of the State of Connecticut and its principal place of business is in the State of Connecticut, making it a citizen of Connecticut for purposes of this Court's diversity jurisdiction.

7. Upon information and belief, Edward Sieja is a resident of the State of Louisiana and, thus, is a citizen of the State of Louisiana for purposes of this Court's diversity jurisdiction.

8. Complete diversity exists among the parties because for purposes of diversity jurisdiction, Travelers is a citizen of the State of Connecticut and Defendant is a citizen of the State of Louisiana.

9. Further, the amount in dispute in this matter exceeds \$75,000, exclusive of interests and costs. Therefore, this Court has diversity jurisdiction over this matter.

III. FACTUAL ALLEGATIONS

10. Travelers issued a Crime Policy, No. 106956817 (the "Policy"), in favor of Cimarron Underground Services, LLC ("Cimarron"). The Policy Period runs from October 31, 2019-October 31, 2022.

11. Pursuant to Insuring Clause I.A.1. of its Crime Terms and Conditions, the Policy provides coverage for certain loss caused by Employee Theft:

The Company will pay the **Insured** for the **Insured's** direct loss of, or direct loss from damage to, **Money, Securities and Other Property** directly caused by **Theft or Forgery** committed by an **Employee**, whether identified B.43

13. Pursuant to the Policy's Crime Declarations, Employee Theft coverage is subject to a \$500,000.00 Single Loss Limit of Insurance.

14. Under the Policy's Crime Terms and Conditions, an Employee means:

1. any natural person:
 - a. while in the **Insured's** service or for 60 days after termination of service, unless such termination is due to **Theft** or **Forgery** or any other dishonest act committed by the **Employee**;
 - b. who the **Insured** compensates directly by salary, wages or commissions; and
 - c. who the **Insured** has the right to direct and control while performing services for the **Insured**;

[...]

while that person is subject to the **Insured's** direction and control and performing services for the **Insured**; provided, any such natural person who has care and custody of property outside the **Premises** is specifically excluded from this definition;

15. Under the Policy's Crime Terms and Conditions and the applicable Insuring Agreement in this case, Theft means:

1. under Insuring Agreement A.3., the intentional unlawful taking of **Money, Securities and Other Property** to the deprivation of a **Client**;
2. under Insuring Agreement C. D., the intentional unlawful taking of **Money, Securities and Other Property** to the **Insured's** deprivation."
3. Under all other Insuring Agreement, the intentional unlawful taking of **Money, Securities and Other Property** to the **Insured's** deprivation."

16. From January 25, 2020, until his termination March 31, 2022, Mr. Sieja was employed as Cimarron's Manager of General Construction Division, pursuant to B.14

18. On or about May 31, 2022, Cimarron submitted a Loss Notice against the Policy, in the amount of \$31,200.00, for losses incurred by Cimarron as a result of Mr. Sieja's unauthorized use of Cimarron's funds ("the Claim"). Cimarron reported the theft to the Rapides Sheriff's Office ("RPSO") and the RPSO Case Report was included in the Loss Notice.

19. In June 2022, Cimarron provided a Proof of Loss in the amount of \$171,710.00 representing materials Mr. Sieja purchased with Cimarron funds, billed clients for those materials and took those materials for his personal use; Mr. Sieja rented equipment with Cimarron funds, billed clients for the rented equipment, and utilized the rented equipment for personal use; and Mr. Sieja purchase truck hauling services with Cimarron funds, billed clients for the truck hauling, and utilized the truck hauling for personal use.

20. Upon further review and investigation of the activities of Mr. Sieja, Cimarron adjusted the claim due to duplicative documents to \$166,663.70.

21. On November 16, 2022, Travelers resolved Cimarron's Claim with a payment of \$161,663.70.

22. Upon Travelers's payment to Cimarron, Cimarron executed a Release and Assignment in favor of Travelers, which provides: "[Cimarron] does hereby transfer, assign and set over to [Travelers] ... all of its claims, rights, demands and causes of action against all persons, firms or corporations whomsoever arising out of or in any way connection with the Claim." Cimarron's assignment resulted in a total assignment of its rights to the claims asserted in this Complaint.

IV. CAUSES OF ACTION

COUNT 1- CONVERSION

24. Travelers incorporates and re-avers Paragraphs 1-23 of its Complaint.

25. In committing the acts described herein, Mr. Sieja knowingly acquired and exercised dominion and control over property that was not owned by him, to the damage of Cimarron, totaling more than \$161,663.70.

26. At all relevant times, Mr. Sieja was aware that the aforementioned property was not lawfully owned by him and had been misappropriated through his intentional acts.

27. Mr. Sieja's knowing and intentional use of Cimarron funds and equipment for his own personal gain gives rise to a claim for conversion.

28. By virtue of legal and conventional subrogation, Travelers is entitled to recover the losses caused to Cimarron by Mr. Sieja's intentional and tortious acts.

COUNT 2 – FRAUD

29. Travelers incorporates and re-avers Paragraphs 1-28 of its Complaint.

30. In committing the acts described herein, and specifically the acts described at Paragraphs 18-19 of this Complaint, Mr. Sieja misrepresented material facts relative to his Cimarron transactions with the intent to deceive and mislead Cimarron, causing Cimarron to reasonably rely on Mr. Sieja's misrepresentations and incur a total loss of \$161,663.70 as a result.

31. Mr. Sieja used his position as Manager to obtain access to company funds and equipment, and to avoid detection of his fraudulent scheme to use company resources for personal gain.

34. Mr. Sieja owed a fiduciary duty of loyalty and fidelity to his employer, Cimarron. Among other things, Mr. Sieja was bound not to act in antagonism or opposition to the interest of his employer, Cimarron, and had a duty not to engage in dishonest behavior for his own financial gain.

35. In committing the acts described herein, Mr. Sieja engaged in dishonest behavior for his own financial gain, in opposition to the interest of Cimarron.

36. By virtue of legal and conventional subrogation, Travelers is entitled to recover the losses caused to Cimarron by Mr. Sieja's acts.

COUNT 4 – BREACH OF CONTRACT

37. Travelers incorporates and re-avers Paragraphs 1-36 of its Complaint.

38. Mr. Sieja executed an employment agreement with Cimarron on January 26, 2021.

39. Mr. Sieja's employment agreement with Cimarron stated that he agreed "to devote [his] full business time, attention and best efforts to the performance of [his] duties to the furtherance of the Company's interests."

40. In committing the acts described herein, Mr. Sieja breached the terms of his employment agreement with Cimarron.

41. Under Louisiana law, every contract contains an implicit covenant of good faith and fair dealing which can be breached, inter alia, by a design to mislead or deceive another not prompted by an honest mistake as to one's rights or duties but by some interested or sinister motive.

B.47

42. In committing the acts described herein, Mr. Sieja also breached the implicit

WHEREFORE, Travelers Casualty and Surety Company of America prays that, after due proceedings are had, the Court render judgment in its favor and against Defendant, Edward Sieja, awarding Travelers the sum of \$161,663.70 plus interest from the date of the loss until paid, costs and all other legal and equitable relief to which Travelers Casualty and Surety Company of America may be entitled.

Respectfully submitted,

KREBS FARLEY & DRY, P.L.L.C.

27792)

TY AND

CERTIFICATE OF SERVICE

I certify that on the 28th day of February, 2023, the foregoing document was filed electronically with the Clerk of Court using the CM/ECF system. Notice of this filing will be sent to all parties by operation of the court's electronic filing system.

B.48

/s/ Catherine L. Davidson

CATHERINE L. DAVIDSON

THE OFFICIAL PROCEEDINGS OF THE GRANT PARISH SCHOOL
BOARD OF THE PARISH OF GRANT, STATE OF LOUISIANA, TAKEN
AT AN EMRGENCY MEETING HELD ON TUESDAY, SEPTEMBER 1, 2020

The Parish School Board of the Parish of Grant, State of Louisiana, met in its regular meeting place, the Grant Parish School Board Office, Colfax, Louisiana, in Emergency Session, Tuesday, September 1, 2020 at 2:00 o'clock P.M.

There were present Mr. Lloyd Whitman, Mr. Randy Browning, Mrs. Lisa Roberts, Mr. Mike Slaughter, Mrs. Deborah "Debbie" McFarland and Mr. William "Bill" Riggs. Mrs. Mary Bullock and Mrs. Karen Layton were absent.

Mr. Paxton Teddlie, Secretary-Treasurer was also present.

The Parish School Board of the Parish of Grant, State of Louisiana, was duly convened by Mr. William "Bill" Riggs, President of the Grant Parish School Board, who then stated that the Grant Parish School Board was ready to transact any business which may come before the Board.

Recognize:

No guests signed in to be recognized.

Motion by Mr. Browning, seconded by Mrs. McFarland and unanimously approved the Declaration of Public Emergency.



DECLARATION OF PUBLIC EMERGENCY

Under authority of Louisiana Revised Statute 38:2212(P), the Grant Parish School Board ("School Board") hereby declares a public emergency as follows:

WHEREAS, in the early morning hours of August 27, 2020, Hurricane Laura made landfall in the southwest portion of Louisiana as a Category 4 Hurricane, causing widespread flooding, wind damage and power outages in Grant Parish, damaging the properties of the School Board;

WHEREAS, numerous School Board properties have sustained substantial damage as a result Hurricane Laura;

WHEREAS, as a result of the damage caused by Hurricane Laura, the School Board will need to undertake major repairs to its properties, both temporary and permanent, in order to place them back into service;

WHEREAS, the School Board will need to purchase furniture, fixtures, supplies, equipment, and materials to replace those that were damaged by Hurricane Laura and which are needed for the already in-progress school year;

WHEREAS, the School Board may also need to retain the services of flood and/or water remediation contractors, construction contractors, and other service providers in order to repair, in the shortest timeframe possible, the School Board properties damaged by Hurricane Laura;

WHEREAS, as a result of damage to critical School Board facilities, materials, and equipment, the School Board will require immediate arrangements for the replacement of lost/damaged materials/equipment and for the completion of repairs, so as to minimize, to the extent possible, the disruption to the students, faculty and staff;

WHEREAS, the advertisement periods and other time delays required by Louisiana's Public Bid Law, La. R.S. 38:2211, *et seq.*, will significantly increase the time it takes for the School Board to repair or replace the lost and/or damaged facilities, equipment, materials and supplies for the 2020-2021 school year and beyond;

WHEREAS, the School Board has determined that the longer its facilities and equipment remain out of service or unavailable, the greater the disruption and negative impact will be on the students, parents, faculty and staff of the School Board.

AND NOW, CONSIDERING THE FOREGOING, THE SCHOOL BOARD DECLARES AS FOLLOWS:

BE IT RESOLVED AND ORDAINED, that the Grant Parish School Board hereby certifies that a public emergency exists due to the damage and loss of its properties, materials, equipment, and supplies, which damage was sustained as a result of the effects of Hurricane Laura.

BE IT FURTHER DECLARED that the School Board hereby authorizes its

Superintendent of Schools to take immediate action to mitigate, repair and restore any damage to the School Board's facilities or property as a result of Hurricane Laura.

BE IT FURTHER DECLARED that such emergency response may require the immediate purchase and/or lease of temporary facilities, the purchase of necessary furniture, fixtures, equipment, supplies and materials, and the retention of remediation, construction and/or other contractors or service providers, without the necessity of complying with the formalities of La. R.S. 38:2211, *et seq.*

BE IT FURTHER DECLARED that notice of the provisions contained herein shall be published in the official journal of the Grant Parish School Board within ten (10) days hereof.

THIS DECLARATION is hereby issued on this 1st day of September, 2020.



Paxton, Teddlie, Board Secretary
Grant Parish School Board



Bill Riggs, Board President
Grant Parish School Board

Page 2 of 2

Motion by Mr. Slaughter, seconded by Mr. Whitman and unanimously approved
adjourning the meeting.

s/William "Bill" Riggs
William "Bill" Riggs
President
Grant Parish School Board

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DECLARATION OF PUBLIC EMERGENCY

Under authority of Louisiana Revised Statute 38:2212(P), the Grant Parish School Board ("School Board") hereby declares a public emergency as follows:

WHEREAS, beginning February 15, 2021, Louisiana was struck with an unprecedented cold front which brought abnormally cold temperatures, large amounts of rain, wintry precipitation, and icy conditions to Grant Parish, damaging the properties of the School Board;

WHEREAS, due to the above-described weather event, Louisiana Governor John Bel Edwards did declare a State of Emergency via Proclamation 20 JBE 2020;

WHEREAS, numerous School Board properties have sustained substantial damage as a result of the above-referenced weather event;

WHEREAS, as a result of the damage caused by above-referenced weather event, the School Board will need to undertake major repairs to its properties, both temporary and permanent, in order to place them back into service;

WHEREAS, the School Board will need to purchase furniture, fixtures, supplies, equipment, and materials to replace those that were damaged by above-referenced weather event and which are needed for the already in-progress school year;

WHEREAS, the School Board may also need to retain the services of flood and/or water remediation contractors, construction contractors, and other service providers in order to repair, in the shortest timeframe possible, the School Board properties damaged by above-referenced weather event;

WHEREAS, as a result of damage to critical School Board facilities, materials, and equipment, the School Board will require immediate arrangements for the replacement of lost/damaged materials/equipment and for the completion of repairs, so as to minimize, to the extent possible, the disruption to the students, faculty and staff;

WHEREAS, the advertisement periods and other time delays required by Louisiana's Public Bid Law, La. R.S. 38:2211, *et seq.*, will significantly increase the time it takes for the School Board to repair or replace the lost and/or damaged facilities, equipment, materials and supplies for the 2020-2021 school year and beyond;

WHEREAS, the School Board has determined that the longer its facilities and equipment remain out of service or unavailable, the greater the disruption and negative impact will be on the students, parents, faculty and staff of the School Board.

AND NOW, CONSIDERING THE FOREGOING, THE SCHOOL BOARD DECLARES AS FOLLOWS:

BE IT RESOLVED AND ORDAINED, that the Grant Parish School Board hereby certifies that a public emergency exists due to the damage and loss of its properties, materials.

equipment, and supplies, which damage was sustained as a result of the effects of abnormally cold temperatures, large amounts of rain, wintry precipitation, and icy conditions that moved through the State beginning February 15, 2021.

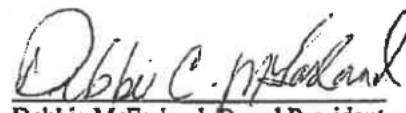
BE IT FURTHER DECLARED that the School Board hereby authorizes its Superintendent of Schools to take immediate action to mitigate, repair and restore any damage to the School Board's facilities or property as a result of abnormally cold temperatures, large amounts of rain, wintry precipitation, and icy conditions.

BE IT FURTHER DECLARED that such emergency response may require the immediate purchase and/or lease of temporary facilities, the purchase of necessary furniture, fixtures, equipment, supplies and materials, and the retention of remediation, construction and/or other contractors or service providers, without the necessity of complying with the formalities of La. R.S. 38:2211, *et seq.*

BE IT FURTHER DECLARED that notice of the provisions contained herein shall be published in the official journal of the Grant Parish School Board within ten (10) days hereof.

THIS DECLARATION is hereby issued on this 23rd day of February, 2021.


Paxton, Teddlie, Board Secretary
Grant Parish School Board


Debbie McFarland, Board President
Grant Parish School Board

**GRANT PARISH SCHOOL BOARD
AGREEMENT**

FOR EMERGENCY REMEDIATION SERVICES

This Agreement for Emergency Remediation Services ("Agreement") Between Grant Parish School Board ("GPSB") located at [REDACTED] and Cimarron Underground Services, LLC, located at [REDACTED] ("Contractor") shall be effective as of September 16, 2020.

Recitals

WHEREAS, on August 27, 2020, Hurricane Laura made landfall in the southwest portion of Louisiana as a Category 4 Hurricane, causing widespread wind damage, water damage, and power outages in Grant Parish, damaging the properties of GPSB;

WHEREAS, on September 1, 2020, GPSB approved a Declaration of Emergency, as evidenced by the attached Resolution (Exhibit A);

WHEREAS, in accordance with La. R.S. 38:2211, *et seq.*, said resolution permits GPSB to operate outside of the strict requirements of Louisiana's Public Bid Law;

WHEREAS, in an effort to mitigate further damage to GPSB and to expedite repairs to South Grant Elementary School, Grant High School, and Georgetown High School in order to allow the schools to be re-opened, GPSB desires and the Contractor agree to provide emergency remediation services in accordance with Contractor's Rate Sheet, which is attached hereto and incorporated herein as Exhibit B.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows, to-wit:

1.0 Relationship of Parties.

Contractor shall serve as an independent service provider to GPSB. Contractor shall not be considered an employee, agent, partner of, or joint venture with GPSB. It is expressly understood that Contractor is an independent contractor as defined by La. R.S. 23:1021(6) and La. R.S. 23:1472(E) and, as such, GPSB shall not be liable to Contractor for any benefits provided by Louisiana Worker's Compensation Law unemployment compensation coverage or other benefits available to employees of GPSB.

2.0 Scope of Services.

Contractor agrees to perform services for GPSB on the terms and conditions set forth in this Agreement. Contractor shall perform the remediation work as directed by GPSB and based on priorities established by GPSB. Contractor shall keep GPSB reasonably informed of work being performed; and shall notify and receive approval from GPSB prior to remediating any

EXHIBIT

"5"

B.54

unanticipated damages or issues discovered during the pendency of Contractor's work. During the performance of said services, Contractor is responsible for protecting the lives, health and safety of other persons and preventing damage to property located on or near GPSB's property.

Contractor shall provide all labor, materials, and equipment necessary to complete all work in a good and workmanlike manner and in accordance with Contractor's Rates, as identified in Exhibit B.

3.0 Applicable Law

Contractor shall comply with all applicable federal, state and local laws, including, but not limited to, licensing laws while performing and pursuant to this Agreement. This Agreement shall be governed by and interpreted in accordance with Louisiana law. If any provision of this Agreement is held to be invalid, said provision shall be valid and binding to the extent that the original intent of this Agreement can be carried out.

4.0 Ownership

All records, reports, documents and other materials which are prepared by Contractor pursuant to this Agreement are, and shall remain, the property of GPSB and shall be delivered to GPSB at Contractor's expense at termination or expiration of this Agreement or upon request to be delivered by Contractor to GPSB at the expense of Contractor.

5.0 Confidentiality

Contractor may be provided access to GPSB records which contain confidential information. Contractor agrees to maintain all GPSB records as confidential records and to disclose information obtained from GPSB only as necessary to perform scope of work.

6.0 Assignment

Contractor shall not assign or transfer any interest in this Agreement, without the prior written consent of GPSB. Contractor shall not subcontract with a third party to perform all or a portion of the services covered by this Agreement, without the prior written consent of GPSB.

7.0 Compensation

In consideration for the services described herein, GPSB agrees to pay Contractor in accordance with Exhibit B. For clarification purposes, Contractor has submitted Labor and Equipment Rates and Expense Mark-Up percentages to provide demolition, clean up and remediation services for each of the damaged school sites referenced herein. Should Contractor perform the services during normal business hours, the "Regular Rates" for those services shall be applicable. Should Contractor perform the services after normal business hours, the "Premium Rates" for those services shall be applicable. During completion of the Work, Contractor shall submit weekly invoices on a per-site basis to GPSB. Invoices shall sufficiently detail the individuals performing the work, type of work performed, hours worked, hourly rates, equipment and/or supplies used, and charges for said equipment and/or supplies. Invoices shall be paid within thirty (30) calendar days of receipt upon confirmation by GPSB of Contractor's satisfactory completion of services. Unless otherwise set forth in this Agreement, prices are fixed for the Agreement period. The total sum of the Services provided and invoiced by Contractor pursuant to this Agreement shall not exceed Six Hundred Fifty Thousand and 00/100 Dollars (\$650,000.00).

8.0 Insurance

Contractor shall maintain and provide proof of the following insurance coverage throughout the term of this Agreement:

- 8.1 General liability of at least \$1,000,000 per occurrence/\$2,000,000 aggregate;
- 8.2 Automotive liability of at least \$1,000,000 per occurrence; and
- 8.3 Workers' compensation in amount meeting statutory requirement.

The above policies shall contain waiver of subrogation clauses wherein the Contractor, to the fullest extent allowed by law, waives all rights against GPSB, its officers, agents, employees and volunteers for losses arising from Work performed by the Contractor for GPSB.

The Contractor shall be responsible for the payment of all deductibles and self-insured retentions.

The Contractor shall name GPSB as an Additional Insured on its General and Automobile Liability policies, and shall present to GPSB a Certificate of Insurance evidencing same prior to commencing any work.

9.0 Liability and Indemnification

To the extent authorized by law, the Contractor shall indemnify, save, and hold harmless GPSB, its employees and agents against any and all claims, damages, liability and court awards including costs, expenses, and attorney's fees incurred as a result of any act or omission by the Contractor or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract, except to the extent such claims, damages, liabilities, costs, and/or expenses result from the negligence or willful misconduct of GPSB or its employees, officials, agents, or representatives.

10.0 Document Retention/Right to Audit

All records, reports, documents and other materials which are prepared by Contractor pursuant to this Agreement are, and shall remain, the property of GPSB and shall be delivered to GPSB at Contractor's expense at termination or expiration of this agreement or upon request to be delivered by Contractor to GPSB at the expense of Contractor. Contractor shall be responsible for maintaining all financial records pertaining to all matters relating to this contract in accordance with the generally accepted accounting principles and procedures.

Contractor shall retain all its records and supporting documentation applicable to this contract with GPSB for a period of six (6) years following termination of this Agreement. Contractor agrees that any records that are subject to audit findings shall be retained for three years after such findings have been resolved. Contractor further agrees that all such records subject to this agreement and supporting documentation shall be made readily available upon request for inspection or audit by representatives of GPSB, the State of Louisiana, FEMA and any other State or federal authorities. Contractor further understands that and agrees that any inspection may be made upon reasonable notice; and failure to allow such inspection may, at the option of GPSB and notwithstanding any provision in this contract to the contrary, be deemed a sole and sufficient cause for the immediate termination of this contract.

11.0 Taxes

Contractor shall be responsible for the payment of taxes from the funds received pursuant to this Agreement. Contractor will provide a Form W-9 to GPSB and GPSB will issue a Form 1099 to Contractor for each calendar year this Agreement is in effect.

12.0 Equal Employment Opportunity

In any hiring or employment made possible by or resulting from this Agreement, the Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, handicap or veteran status; and, where applicable, affirmative actions will be taken to ensure that Contractor's employees are treated during employment without regard for race, color, religion, sex, national origin, age, handicap or veteran status. This requirement shall apply, but not be limited to the following: employment upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including an apprenticeship. All solicitations and/or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, handicap or veteran status. The Contractor must provide an equal opportunity for an individual with a disability to participate in the job application process and to be considered for a job in accordance with the Americans with Disabilities Act of 1990. All individuals shall have equal access to any employment opportunities available to a similarly-situated individual.

13.0 Affidavit of Non-Collusion

An Affidavit of Non-Collusion shall be executed by the Contractor and provided to GPSB prior to the commencement of any services contemplated by this Agreement.

14.0 Term

This Agreement shall remain in effect beginning on the date of the Agreement until such time as all services have been rendered and payment has been remitted to Contractor by GPSB, unless otherwise terminated in accordance with Article 15.0.

15.0 Termination

This Agreement may be terminated under the following conditions:

- a. By mutual agreement and consent of the parties hereto;
- b. By either party, upon a material or substantial breach of the contract;
- c. By GPSB, upon fifteen (15) days written notice; provided, that upon termination pursuant to this subsection, GPSB shall pay the Contractor a sum equal to the reasonable value of the services properly rendered by the Contractor prior to the date of notice of termination;
- d. In the event that GPSB is unable to or fails to appropriate sufficient funds for the continuation of this Agreement; or

- e. Immediately, upon the Contractor's successful completion of its obligations under this contract.

16.0 Dispute

In the event of any dispute, controversy, or claim between the parties hereto arising from or relating to this Agreement, the parties shall designate an officer or other qualified representative(s) to meet and negotiate in good faith in order to resolve said dispute. In the event good faith negotiation is unsuccessful, either party may commence litigation. The sole and exclusive jurisdiction and venue arising for said litigation shall be the 35th Judicial District Court for the Parish of Grant, Louisiana.

17.0 Force Majeure

Neither Party shall be liable for any failure or delay in performing an obligation under this Agreement that is due to any of the following causes, to the extent beyond the Party's reasonable control: Acts of God; riots; war; terrorist act; an epidemic, pandemic or quarantine as declared and/or ordered by governmental officials and which renders the Party completely unable to perform; natural catastrophe; governmental acts/orders rendering a Party completely unable to perform; fire; and explosions.

For the avoidance of doubt, Force Majeure shall not include (a) financial distress nor the inability of either Party to realize a profit or avoid financial loss; (b) changes in market prices or conditions; or (c) a Party's financial inability to perform its obligations hereunder.

Written notice of a Party's failure or delay in performance due to a Force Majeure event shall be provided to the other Party no later than five (5) business days following the commencement of the Force Majeure event. To the extent possible, the Parties agree to attempt measures to re-schedule obligations and deliverables prior to termination of the Agreement.

18.0 Applicability of Federal Clauses

This Agreement shall be undertaken in conformance with the federal statutory and regulatory guidance and all other applicable federal laws, ordinances or regulations applicable to federal disaster aid grants and as may be set forth in 2 CFR § 200.326, which requirements are set forth in Exhibit C to this Agreement and which shall be included in any subcontracts entered into between Contractor and third parties relating to Contractor's services provided in furtherance of the instant Agreement:

19.0 Severability

If any provision or item of this contract or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this contract which can be given effect without the invalid provisions, items or applications, and to this end the provisions of this contract are hereby declared severable.

20.0 Assignability

The Contractor shall not assign any interest in this contract and shall not transfer any interest in the same without the prior written consent of GPSB.

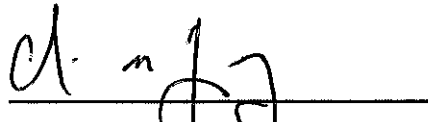
21.0 Third Party Beneficiary

It is the explicit intention of the parties hereto that no person or entity other than the parties hereto, except governmental authorities to the extent required by law, is or shall be entitled to bring any action to enforce any provision of this contract against either of the parties hereto, and that the covenants, undertakings and agreements set forth in this contract shall be solely for the benefit of, and shall be enforceable only by, the parties hereto or their respective successors and assigns as permitted hereunder.

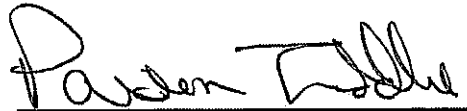
19.0 Amendments

This Agreement memorializes the entire Agreement between parties. Any amendment to this Agreement shall be in writing.

Cimarron Underground Services, LLC


Chris Lang, President

Grant Parish School Board


Paxton Teddlie, Superintendent

DECLARATION OF PUBLIC EMERGENCY

Under authority of Louisiana Revised Statute 38:2212(P), the Grant Parish School Board ("School Board") hereby declares a public emergency as follows:

WHEREAS, in the early morning hours of August 27, 2020, Hurricane Laura made landfall in the southwest portion of Louisiana as a Category 4 Hurricane, causing widespread flooding, wind damage and power outages in Grant Parish, damaging the properties of the School Board;

WHEREAS, numerous School Board properties have sustained substantial damage as a result Hurricane Laura;

WHEREAS, as a result of the damage caused by Hurricane Laura, the School Board will need to undertake major repairs to its properties, both temporary and permanent, in order to place them back into service;

WHEREAS, the School Board will need to purchase furniture, fixtures, supplies, equipment, and materials to replace those that were damaged by Hurricane Laura and which are needed for the already in-progress school year;

WHEREAS, the School Board may also need to retain the services of flood and/or water remediation contractors, construction contractors, and other service providers in order to repair, in the shortest timeframe possible, the School Board properties damaged by Hurricane Laura;

WHEREAS, as a result of damage to critical School Board facilities, materials, and equipment, the School Board will require immediate arrangements for the replacement of lost/damaged materials/equipment and for the completion of repairs, so as to minimize, to the extent possible, the disruption to the students, faculty and staff;

WHEREAS, the advertisement periods and other time delays required by Louisiana's Public Bid Law, La. R.S. 38:2211, *et seq.*, will significantly increase the time it takes for the School Board to repair or replace the lost and/or damaged facilities, equipment, materials and supplies for the 2020-2021 school year and beyond;

WHEREAS, the School Board has determined that the longer its facilities and equipment remain out of service or unavailable, the greater the disruption and negative impact will be on the students, parents, faculty and staff of the School Board.

AND NOW, CONSIDERING THE FOREGOING, THE SCHOOL BOARD DECLARES AS FOLLOWS:

BE IT RESOLVED AND ORDAINED, that the Grant Parish School Board hereby certifies that a public emergency exists due to the damage and loss of its properties, materials, equipment, and supplies, which damage was sustained as a result of the effects of Hurricane Laura.

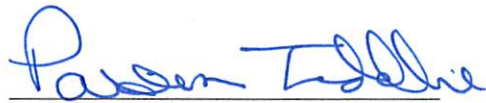
BE IT FURTHER DECLARED that the School Board hereby authorizes its

Superintendent of Schools to take immediate action to mitigate, repair and restore any damage to the School Board's facilities or property as a result of Hurricane Laura.

BE IT FURTHER DECLARED that such emergency response may require the immediate purchase and/or lease of temporary facilities, the purchase of necessary furniture, fixtures, equipment, supplies and materials, and the retention of remediation, construction and/or other contractors or service providers, without the necessity of complying with the formalities of La. R.S. 38:2211, *et seq.*

BE IT FURTHER DECLARED that notice of the provisions contained herein shall be published in the official journal of the Grant Parish School Board within ten (10) days hereof.

THIS DECLARATION is hereby issued on this 1st day of September, 2020.



Paxton, Teddlie, Board Secretary
Grant Parish School Board



Bill Riggs, Board President
Grant Parish School Board

Louisiana Rate Sheet



Louisiana Construction Labor Rates:

Craft	Straight Time per hour	Over Time
Sr. Project Manager	\$85.00	Maxed at 40 hour charge
Supervisor	\$60.00	\$90.00
Foreman	\$50.00	\$75.00
Carpenter	\$45.00	\$67.50
Helper	\$30.00	\$45.00
Safety Representative (1 per 30 crew members)	\$55.00	\$82.50
Operator	\$55.00	\$82.50
Heavy Equip Operator	\$65.00	\$97.50
Clerk	\$30.00	\$30.00 straight time OT
Dumptruck Driver	\$80.00	\$120.00

Equipment:

Truck and Gooseneck trailer or dump trailer	\$200 per day per unit
Backhoe	\$325 per day per unit
Forklift	\$250 per day per unit
Skid Steer with attachments	\$200 per day per unit
Construction Trailer with tools	\$150 per day. Max 1 per crew or crew site
Crew Truck	\$100 per day. Max 1 per crew or crew site
Project Manager or Supervisor Truck	\$125 per day. Max 1 per day
Manlift	\$250 per day per unit
Mini Excavator	\$200 per day per unit
BullDozer	\$400 per day per unit
Trackhoe or Large Excavator (200-300 series)	\$400 per day per unit

*Per diem \$75.00 per day for non-local workers.

*Overtime after 10 hours a day and 40 hours in a week

Cimarron Underground Services, LLC
Contact: Edward Sieja

Exhibit "B"

*3rd party equipment, material, supplies, and delivery expenses are billed plus company overhead 5% and plus profit 15%, (equipment - if not using our own equipment per rates above or need special equipment not listed) plus all applicable taxes (e.g. sales, etc.)

Crew Size Estimate or Average Size:

1 Project Manager

1 Safety Representative per 30 crew members

1 Foreman per 4-6 crew members typically

4-6 crew members (mostly helpers)

1-2 Carpenter/Roofers per specific project need

Other Specific Operators on as needed basis

5.1 EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this Agreement, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance,

guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

5.2 COPELAND ANTI-KICKBACK ACT

The Contractor shall comply with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by the Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Contractor is prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

5.3 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Pursuant to 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, the Contractor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40

U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

5.1 CLEAN AIR ACT AND THE FEDERAL WATER POLLUTION CONTROL ACT

The Contractor is required to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

5.2 DEBARMENT AND SUSPENSION

A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

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5.3 BYRD ANTI-LOBBYING AMENDMENT

Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

5.4 PROCUREMENT OF RECOVERED MATERIALS

Contractor shall comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act which pertains to procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000.00 or the value of the quantity acquired during the preceding fiscal year exceed \$10,000.00; procuring solid waste management services in a manner that maximizes energy resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

5.5 DHS SEAL, LOGO, AND FLAGS

The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA preapproval.

5.6 COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS

This is an acknowledgement that FEMA financial assistance will be used to fund the contract only. The contractor 13 will comply will all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

5.7 NO OBLIGATION BY FEDERAL GOVERNMENT

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

5.8 PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

The contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the contractor's actions pertaining to this contract.

**GRANT PARISH SCHOOL BOARD
AGREEMENT**

FOR EMERGENCY REMEDIATION SERVICES

This Agreement for Emergency Remediation Services ("Agreement") Between Grant Parish School Board ("GPSB") located at [REDACTED] and Cimarron Underground Services, LLC, located at [REDACTED] ("Contractor") shall be effective as of February 16, 2021.

Recitals

WHEREAS, beginning February 15, 2021, Louisiana was struck with an unprecedented cold front which brought abnormally cold temperatures, large amounts of rain, wintry precipitation, and icy conditions to Grant Parish, damaging the properties of GPSB;

WHEREAS, on February 23, 2021, GPSB approved a Declaration of Emergency, as evidenced by the attached Resolution (Exhibit A);

WHEREAS, in accordance with La. R.S. 38:2211, *et seq.*, said resolution permits GPSB to operate outside of the strict requirements of Louisiana's Public Bid Law;

WHEREAS, in an effort to mitigate further damage to GPSB and to expedite repairs to Colfax Elementary School, Montgomery High School, Georgetown High School and Verda Elementary School, GPSB desires and the Contractor agree to provide emergency remediation services in accordance with Contractor's Rate Sheet, which is attached hereto and incorporated herein as Exhibit B.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows, to-wit:

1.0 Relationship of Parties.

Contractor shall serve as an independent service provider to GPSB. Contractor shall not be considered an employee, agent, partner of, or joint venture with GPSB. It is expressly understood that Contractor is an independent contractor as defined by La. R.S. 23:1021(6) and La. R.S. 23:1472(E) and, as such, GPSB shall not be liable to Contractor for any benefits provided by Louisiana Worker's Compensation Law unemployment compensation coverage or other benefits available to employees of GPSB.

2.0 Scope of Services.

Contractor agrees to perform services for GPSB on the terms and conditions set forth in this Agreement. Contractor shall perform the remediation work as directed by GPSB and based on priorities established by GPSB. Contractor shall keep GPSB reasonably informed of work being performed; and shall notify and receive approval from GPSB prior to remediating any

unanticipated damages or issues discovered during the pendency of Contractor's work. During the performance of said services, Contractor is responsible for protecting the lives, health and safety of other persons and preventing damage to property located on or near GPSB's property.

Contractor shall provide all labor, materials, and equipment necessary to complete all work in a good and workmanlike manner and in accordance with Contractor's Rates, as identified in Exhibit B.

3.0 Applicable Law

Contractor shall comply with all applicable federal, state and local laws, including, but not limited to, licensing laws while performing and pursuant to this Agreement. This Agreement shall be governed by and interpreted in accordance with Louisiana law. If any provision of this Agreement is held to be invalid, said provision shall be valid and binding to the extent that the original intent of this Agreement can be carried out.

4.0 Ownership

All records, reports, documents and other materials which are prepared by Contractor pursuant to this Agreement are, and shall remain, the property of GPSB and shall be delivered to GPSB at Contractor's expense at termination or expiration of this Agreement or upon request to be delivered by Contractor to GPSB at the expense of Contractor.

5.0 Confidentiality

Contractor may be provided access to GPSB records which contain confidential information. Contractor agrees to maintain all GPSB records as confidential records and to disclose information obtained from GPSB only as necessary to perform scope of work.

6.0 Assignment

Contractor shall not assign or transfer any interest in this Agreement, without the prior written consent of GPSB. Contractor shall not subcontract with a third party to perform all or a portion of the services covered by this Agreement, without the prior written consent of GPSB.

7.0 Compensation

In consideration for the services described herein, GPSB agrees to pay Contractor in accordance with Exhibit B. For clarification purposes, Contractor has submitted Labor and Equipment Rates and Expense Mark-Up percentages to provide demolition, clean up and remediation services for each of the damaged school sites referenced herein. Should Contractor perform the services during normal business hours, the "Regular Rates" for those services shall be applicable. Should Contractor perform the services after normal business hours, the "Premium Rates" for those services shall be applicable. During completion of the Work, Contractor shall submit weekly invoices on a per-site basis to GPSB. Invoices shall sufficiently detail the individuals performing the work, type of work performed, hours worked, hourly rates, equipment and/or supplies used, and charges for said equipment and/or supplies. Invoices shall be paid within thirty (30) calendar days of receipt upon confirmation by GPSB of Contractor's satisfactory completion of services. Unless otherwise set forth in this Agreement, prices are fixed for the Agreement period. The total sum of the Services provided and invoiced by Contractor pursuant to this Agreement shall not exceed Eight Hundred Thousand and 00/100 Dollars (\$800,000.00).

8.0 Insurance

Contractor shall maintain and provide proof of the following insurance coverage throughout the term of this Agreement:

- 8.1 General liability of at least \$1,000,000 per occurrence/\$2,000,000 aggregate;
- 8.2 Automotive liability of at least \$1,000,000 per occurrence; and
- 8.3 Workers' compensation in amount meeting statutory requirement.

The above policies shall contain waiver of subrogation clauses wherein the Contractor, to the fullest extent allowed by law, waives all rights against GPSB, its officers, agents, employees and volunteers for losses arising from Work performed by the Contractor for GPSB.

The Contractor shall be responsible for the payment of all deductibles and self-insured retentions.

The Contractor shall name GPSB as an Additional Insured on its General and Automobile Liability policies, and shall present to GPSB a Certificate of Insurance evidencing same prior to commencing any work.

9.0 Liability and Indemnification

To the extent authorized by law, the Contractor shall indemnify, save, and hold harmless GPSB, its employees and agents against any and all claims, damages, liability and court awards including costs, expenses, and attorney's fees incurred as a result of any act or omission by the Contractor or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract, except to the extent such claims, damages, liabilities, costs, and/or expenses result from the negligence or willful misconduct of GPSB or its employees, officials, agents, or representatives.

10.0 Document Retention/Right to Audit

All records, reports, documents and other materials which are prepared by Contractor pursuant to this Agreement are, and shall remain, the property of GPSB and shall be delivered to GPSB at Contractor's expense at termination or expiration of this agreement or upon request to be delivered by Contractor to GPSB at the expense of Contractor. Contractor shall be responsible for maintaining all financial records pertaining to all matters relating to this contract in accordance with the generally accepted accounting principles and procedures.

Contractor shall retain all its records and supporting documentation applicable to this contract with GPSB for a period of six (6) years following termination of this Agreement. Contractor agrees that any records that are subject to audit findings shall be retained for three years after such findings have been resolved. Contractor further agrees that all such records subject to this agreement and supporting documentation shall be made readily available upon request for inspection or audit by representatives of GPSB, the State of Louisiana, FEMA and any other State or federal authorities. Contractor further understands that and agrees that any inspection may be made upon reasonable notice; and failure to allow such inspection may, at the option of GPSB and notwithstanding any provision in this contract to the contrary, be deemed a sole and sufficient cause for the immediate termination of this contract.

11.0 Taxes

Contractor shall be responsible for the payment of taxes from the funds received pursuant to this Agreement. Contractor will provide a Form W-9 to GPSB and GPSB will issue a Form 1099 to Contractor for each calendar year this Agreement is in effect.

12.0 Equal Employment Opportunity

In any hiring or employment made possible by or resulting from this Agreement, the Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, handicap or veteran status; and, where applicable, affirmative actions will be taken to ensure that Contractor's employees are treated during employment without regard for race, color, religion, sex, national origin, age, handicap or veteran status. This requirement shall apply, but not be limited to the following: employment upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including an apprenticeship. All solicitations and/or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, handicap or veteran status. The Contractor must provide an equal opportunity for an individual with a disability to participate in the job application process and to be considered for a job in accordance with the Americans with Disabilities Act of 1990. All individuals shall have equal access to any employment opportunities available to a similarly-situated individual.

13.0 Affidavit of Non-Collusion

An Affidavit of Non-Collusion shall be executed by the Contractor and provided to GPSB prior to the commencement of any services contemplated by this Agreement.

14.0 Term

This Agreement shall remain in effect beginning on the date of the Agreement until such time as all services have been rendered and payment has been remitted to Contractor by GPSB, unless otherwise terminated in accordance with Article 15.0.

15.0 Termination

This Agreement may be terminated under the following conditions:

- a. By mutual agreement and consent of the parties hereto:
- b. By either party, upon a material or substantial breach of the contract;
- c. By GPSB, upon fifteen (15) days written notice; provided, that upon termination pursuant to this subsection, GPSB shall pay the Contractor a sum equal to the reasonable value of the services properly rendered by the Contractor prior to the date of notice of termination;
- d. In the event that GPSB is unable to or fails to appropriate sufficient funds for the continuation of this Agreement; or

- e. Immediately, upon the Contractor's successful completion of its obligations under this contract.

16.0 Dispute

In the event of any dispute, controversy, or claim between the parties hereto arising from or relating to this Agreement, the parties shall designate an officer or other qualified representative(s) to meet and negotiate in good faith in order to resolve said dispute. In the event good faith negotiation is unsuccessful, either party may commence litigation. The sole and exclusive jurisdiction and venue arising for said litigation shall be the 35th Judicial District Court for the Parish of Grant, Louisiana.

17.0 Force Majeure

Neither Party shall be liable for any failure or delay in performing an obligation under this Agreement that is due to any of the following causes, to the extent beyond the Party's reasonable control: Acts of God; riots; war; terrorist act; an epidemic, pandemic or quarantine as declared and/or ordered by governmental officials and which renders the Party completely unable to perform; natural catastrophe; governmental acts/orders rendering a Party completely unable to perform; fire; and explosions.

For the avoidance of doubt, Force Majeure shall not include (a) financial distress nor the inability of either Party to realize a profit or avoid financial loss; (b) changes in market prices or conditions; or (c) a Party's financial inability to perform its obligations hereunder.

Written notice of a Party's failure or delay in performance due to a Force Majeure event shall be provided to the other Party no later than five (5) business days following the commencement of the Force Majeure event. To the extent possible, the Parties agree to attempt measures to re-schedule obligations and deliverables prior to termination of the Agreement.

18.0 Applicability of Federal Clauses

This Agreement shall be undertaken in conformance with the federal statutory and regulatory guidance and all other applicable federal laws, ordinances or regulations applicable to federal disaster aid grants and as may be set forth in 2 CFR § 200.326, which requirements are set forth in Exhibit C to this Agreement and which shall be included in any subcontracts entered into between Contractor and third parties relating to Contractor's services provided in furtherance of the instant Agreement:

19.0 Severability

If any provision or item of this contract or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this contract which can be given effect without the invalid provisions, items or applications, and to this end the provisions of this contract are hereby declared severable.

20.0 Assignability

The Contractor shall not assign any interest in this contract and shall not transfer any interest in the same without the prior written consent of GPSB.

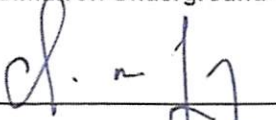
21.0 Third Party Beneficiary

It is the explicit intention of the parties hereto that no person or entity other than the parties hereto, except governmental authorities to the extent required by law, is or shall be entitled to bring any action to enforce any provision of this contract against either of the parties hereto, and that the covenants, undertakings and agreements set forth in this contract shall be solely for the benefit of, and shall be enforceable only by, the parties hereto or their respective successors and assigns as permitted hereunder.


19.0 Amendments

This Agreement memorializes the entire Agreement between parties. Any amendment to this Agreement shall be in writing.

Cimarron Underground Services, LLC


Chris Lang, President

Grant Parish School Board


Paxton Teddlie, Superintendent

DECLARATION OF PUBLIC EMERGENCY

Under authority of Louisiana Revised Statute 38:2212(P), the Grant Parish School Board ("School Board") hereby declares a public emergency as follows:

WHEREAS, beginning February 15, 2021, Louisiana was struck with an unprecedented cold front which brought abnormally cold temperatures, large amounts of rain, wintry precipitation, and icy conditions to Grant Parish, damaging the properties of the School Board;

WHEREAS, due to the above-described weather event, Louisiana Governor John Bel Edwards did declare a State of Emergency via Proclamation 20 JBE 2020;

WHEREAS, numerous School Board properties have sustained substantial damage as a result of the above-referenced weather event;

WHEREAS, as a result of the damage caused by above-referenced weather event, the School Board will need to undertake major repairs to its properties, both temporary and permanent, in order to place them back into service;

WHEREAS, the School Board will need to purchase furniture, fixtures, supplies, equipment, and materials to replace those that were damaged by above-referenced weather event and which are needed for the already in-progress school year;

WHEREAS, the School Board may also need to retain the services of flood and/or water remediation contractors, construction contractors, and other service providers in order to repair, in the shortest timeframe possible, the School Board properties damaged by above-referenced weather event;

WHEREAS, as a result of damage to critical School Board facilities, materials, and equipment, the School Board will require immediate arrangements for the replacement of lost/damaged materials/equipment and for the completion of repairs, so as to minimize, to the extent possible, the disruption to the students, faculty and staff;

WHEREAS, the advertisement periods and other time delays required by Louisiana's Public Bid Law, La. R.S. 38:2211, *et seq.*, will significantly increase the time it takes for the School Board to repair or replace the lost and/or damaged facilities, equipment, materials and supplies for the 2020-2021 school year and beyond;

WHEREAS, the School Board has determined that the longer its facilities and equipment remain out of service or unavailable, the greater the disruption and negative impact will be on the students, parents, faculty and staff of the School Board.

AND NOW, CONSIDERING THE FOREGOING, THE SCHOOL BOARD DECLARES AS FOLLOWS:

BE IT RESOLVED AND ORDAINED, that the Grant Parish School Board hereby certifies that a public emergency exists due to the damage and loss of its properties, materials.

equipment, and supplies, which damage was sustained as a result of the effects of abnormally cold temperatures, large amounts of rain, wintry precipitation, and icy conditions that moved through the State beginning February 15, 2021.

BE IT FURTHER DECLARED that the School Board hereby authorizes its Superintendent of Schools to take immediate action to mitigate, repair and restore any damage to the School Board's facilities or property as a result of abnormally cold temperatures, large amounts of rain, wintry precipitation, and icy conditions.

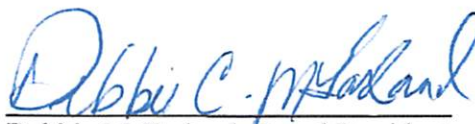
BE IT FURTHER DECLARED that such emergency response may require the immediate purchase and/or lease of temporary facilities, the purchase of necessary furniture, fixtures, equipment, supplies and materials, and the retention of remediation, construction and/or other contractors or service providers, without the necessity of complying with the formalities of La. R.S. 38:2211, *et seq.*

BE IT FURTHER DECLARED that notice of the provisions contained herein shall be published in the official journal of the Grant Parish School Board within ten (10) days hereof.

THIS DECLARATION is hereby issued on this 23rd day of February, 2021.

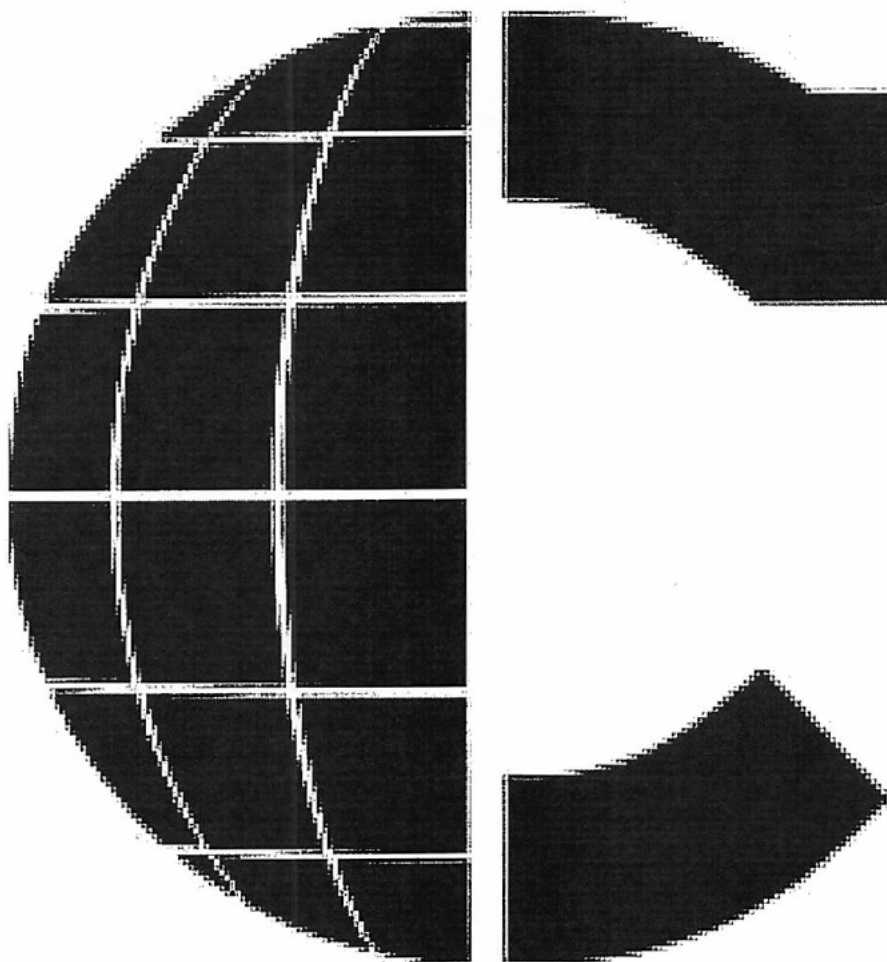


Paxton, Teddlie, Board Secretary
Grant Parish School Board



Debbie McFarland, Board President
Grant Parish School Board

Louisiana Rate Sheet



Cimarron Underground Services, LLC
Contact: Edward Sieja

Louisiana Construction Labor Rates:

Craft	Straight Time per hour	Over Time
Sr. Project Manager	\$85.00	Maxed at 40 hour charge
Project Engineer	\$70.00	\$105.00
Supervisor	\$60.00	\$90.00
Foreman	\$50.00	\$75.00
Carpenter	\$45.00	\$67.50
Helper / Laborer	\$30.00	\$45.00
Safety Representative	\$55.00	\$82.50
Operator	\$55.00	\$82.50
Heavy Equip Operator	\$65.00	\$97.50
Contract Administrator	\$40.00	\$40.00 straight time OT
Clerk	\$30.00	\$30.00 straight time OT
CDL Driver	\$60.00	\$90.00
Welder	\$60.00	\$90.00
Electrician	\$60.00	\$90.00

Equipment:

Truck and Gooseneck trailer or dump trailer	\$200 per day per unit
Backhoe	\$325 per day per unit
Forklift	\$250 per day per unit
Skid Steer with attachments	\$200 per day per unit
Construction Trailer with tools	\$150 per day. Max 1 per crew or crew site
Crew / Utility Truck	\$100 per day per unit
Project Manager or Supervisor Truck	\$125 per day per unit
Manlift	\$250 per day per unit
Mini Excavator	\$200 per day per unit
Generator (standard 60kw)	\$75 per day per unit
Temporary Building (school, café, coolant, etc)	\$125 per day per unit
Welding Machine	\$55 per day per unit
Storage Units	\$350 per month per unit
BullDozer	\$400 per day per unit
Trackhoe or Large Excavator (200-300 series)	\$400 per day per unit

*Per diem \$75.00 per day for non-local workers.

*Overtime after 10 hours a day and 40 hours in a week

Cimarron Underground Services, LLC
Contact: Edward Sieja

Exhibit "B"

***3rd party equipment, material, supplies, and delivery expenses are, billed plus company overhead 5% and plus profit 15%, (equipment - If not using our own equipment per rates above or need special equipment not listed) plus all applicable taxes (e.g. sales, etc.)**

3rd party subcontractors to Contractor are billed plus company overhead 5% and plus profit 10%, plus all applicable taxes (e.g. sales, etc.).

Crew Size Estimate or Average Size:

1 Project Manager

1 Safety Representative per 30 crew members

1 Foreman per 4-6 crew members typically

4-6 crew members (mostly helpers)

1-2 Carpenter/Roofers per specific project need

Other Specific Operators on as needed basis

5.1 EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this Agreement, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

EXHIBIT "C"

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance,

EXHIBIT "C"

guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

5.2 COPELAND ANTI-KICKBACK ACT

The Contractor shall comply with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by the Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Contractor is prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

5.3 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Pursuant to 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, the Contractor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40

U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

5.1 CLEAN AIR ACT AND THE FEDERAL WATER POLLUTION CONTROL ACT

The Contractor is required to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

5.2 DEBARMENT AND SUSPENSION

A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

c

5.3 BYRD ANTI-LOBBYING AMENDMENT

Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

5.4 PROCUREMENT OF RECOVERED MATERIALS

Contractor shall comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act which pertains to procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000.00 or the value of the quantity acquired during the preceding fiscal year exceed \$10,000.00; procuring solid waste management services in a manner that maximizes energy resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

5.5 DHS SEAL, LOGO, AND FLAGS

The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA preapproval.

5.6 COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS

This is an acknowledgement that FEMA financial assistance will be used to fund the contract only. The contractor 13 will comply will all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

5.7 NO OBLIGATION BY FEDERAL GOVERNMENT

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

5.8 PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

The contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the contractor's actions pertaining to this contract.

**First Amendment to
Grant Parish School Board
Agreement for Emergency Remediation Services**

May 27, 2021

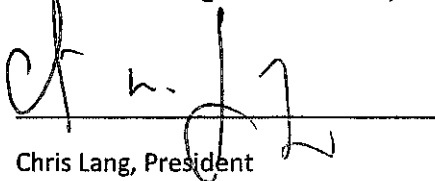
Grant Parish School Board ("GPSB") and Cimarron Underground Services, LLC ("Contractor") entered into the Agreement for Emergency Remediation Services to GPSB properties caused by abnormally cold temperatures, large amounts of rain, wintry precipitation, and icy conditions dated February 15, 2021 (the "Contract"). Since the initial Contract was executed, additional damage was discovered at Grant High School and Pollock Elementary School, which necessitates additional labor, equipment rentals and set-up. Due to the extent of damage and scope of work being greater than anticipated, GPSB and Contractor agree to amend the Contract as follows:

The third Recital clause of the Contract shall be deleted and amended to read, as follows:

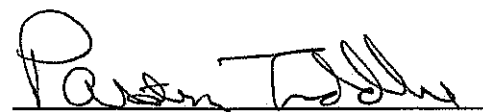
WHEREAS, in an effort to mitigate further damage to GPSB and to expedite repairs to Colfax Elementary School, Pollock Elementary School, Grant High School, Montgomery High School, Georgetown High School and Verda Elementary School, GPSB desires and the Contractor agree to provide emergency remediation services in accordance with Contractor's Rate Sheet, which is attached hereto and incorporated herein as Exhibit B.

Agreed:

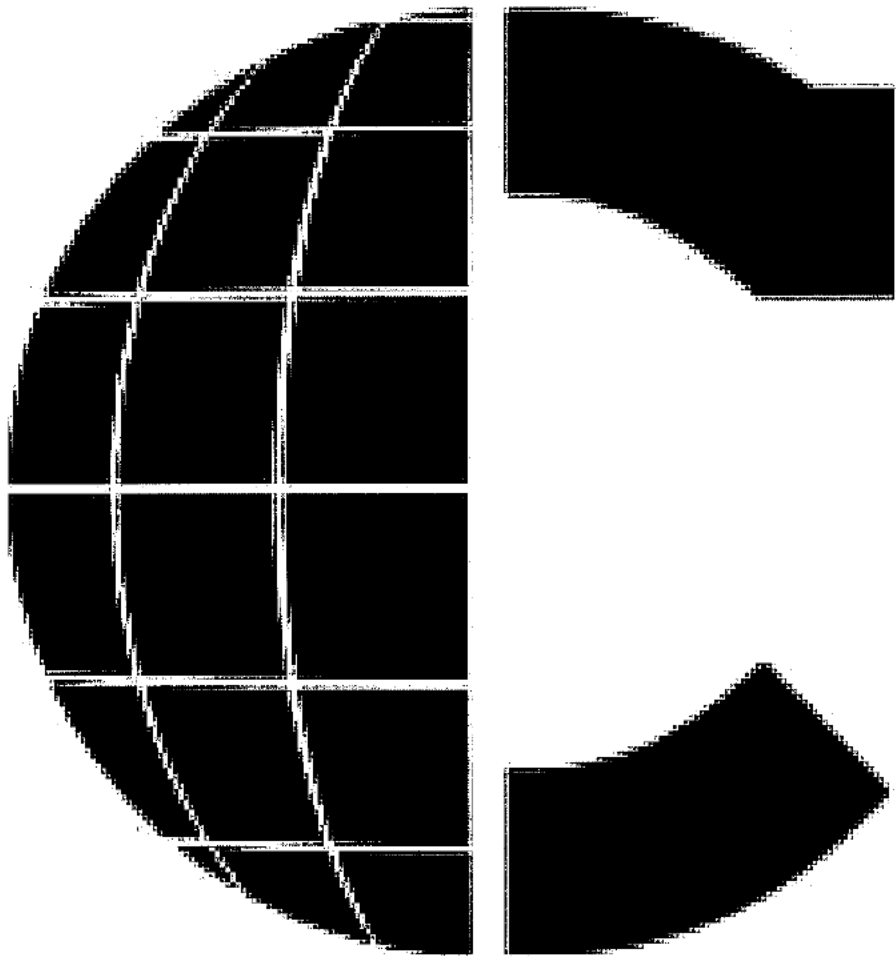
Cimarron Underground Services, LLC


Chris Lang, President

Grant Parish School Board


Paxton Teddlie, Superintendent

**Louisiana
Rate Sheet**



Cimarron Underground Services, LLC
Contact: Edward Sieja



Louisiana Construction Labor Rates:

Craft	Straight Time per hour	Over Time
Sr. Project Manager	\$85.00	Maxed at 40 hour charge
Project Engineer	\$70.00	\$105.00
Supervisor	\$60.00	\$90.00
Foreman	\$50.00	\$75.00
Carpenter	\$45.00	\$67.50
Helper / Laborer	\$30.00	\$45.00
Safety Representative	\$55.00	\$82.50
Operator	\$55.00	\$82.50
Heavy Equip Operator	\$65.00	\$97.50
Contract Administrator	\$40.00	\$40.00 straight time OT
Clerk	\$30.00	\$30.00 straight time OT
CDL Driver	\$60.00	\$90.00
Welder	\$60.00	\$90.00
Electrician	\$60.00	\$90.00

Equipment:

Truck and Gooseneck trailer or dump trailer	\$200 per day per unit
Backhoe	\$325 per day per unit
Forklift	\$250 per day per unit
Skid Steer with attachments	\$200 per day per unit
Construction Trailer with tools	\$150 per day. Max 1 per crew or crew site
Crew / Utility Truck	\$100 per day per unit
Project Manager or Supervisor Truck	\$125 per day per unit
Manlift	\$250 per day per unit
Mini Excavator	\$200 per day per unit
Generator (standard 60kw)	\$75 per day per unit
Temporary Building (school, café, coolant, etc)	\$125 per day per unit
Welding Machine	\$55 per day per unit
Storage Units	\$350 per month per unit
Bulldozer	\$400 per day per unit
Trackhoe or Large Excavator (200-300 series)	\$400 per day per unit

*Per diem \$75.00 per day for non-local workers.

*Overtime after 10 hours a day and 40 hours in a week

Cimarron Underground Services, LLC
Contact: Edward Sieja

Exhibit "B"

*3rd party equipment, material, supplies, and delivery expenses are, billed plus company overhead 5% and plus profit 15%, (equipment - if not using our own equipment per rates above or need special equipment not listed) plus all applicable taxes (e.g. sales, etc.)

3rd party subcontractors to Contractor are billed plus company overhead 5% and plus profit 10%, plus all applicable taxes (e.g. sales, etc.).

Crew Size Estimate or Average Size:

1 Project Manager

1 Safety Representative per 30 crew members

1 Foreman per 4-6 crew members typically

4-6 crew members (mostly helpers)

1-2 Carpenter/Roofers per specific project need

Other Specific Operators on as needed basis

Steve Hutchinson

From: Steve Hutchinson
Sent: Thursday, June 10, 2021 12:59 PM
To: Charles Hardie [REDACTED]
Cc: Chris Lang; paxton.teddlie [REDACTED]
Subject: GPSB - Ice Storm Contract - addendum for contract increase

Charles,

Good afternoon.

Cimarron has exceeded the Ice Storm Contract amount, and there is work remaining. We assume we need an Addendum to increase the contract amount.

Please confirm we need the Addendum. If yes, we'll put together the increased amount and provide it to you. Otherwise, we'll finish the remaining approved work and assume it's authorized without an Addendum.

Regards,

Steve Hutchinson
Cimarron Underground Services, LLC



November 28, 2023

Via Email
TPhillips@LLA.La.gov

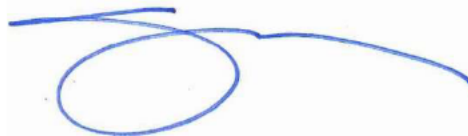
Mr. Michael J. "Mike" Waguespack, CPA
Mr. Roger W. Harris, J.D., CCEP, CFI
Louisiana Legislative Auditor
1600 North 3rd Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Re: Grant Parish School Board

Dear Mr. Waguespack & Mr. Harris:

We have the privilege of representing Steve Hutchinson. To the extent that any response to your October 25, 2023 letter warrants a response, you are referred to the response sent to your office today by Cimarron Underground Services LLC.

Very truly yours,



Lloyd N. Shields

LNS:kfe

AUZENNE LAW FIRM, L.L.C.

A LIMITED LIABILITY COMPANY

STACY C. AUZENNE
[REDACTED]

A PROFESSIONAL LAW CORPORATION

auzennclawoffice.com

November 22, 2023

VIA FACSIMILE: (225) 339-3870

and E-MAIL: Tphillips@lla.la.gov

Honorable Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
Mr. Roger W. Harris, J.D., CCEP, CFI
Executive Counsel and
Assistant Legislative Auditor for Investigations
P.O. Box 94397
Baton Rouge, LA 70804-9397

**Re: Mr. Edward Sieja
Investigative Audit Report on Grant Parish School Board
Our File No.: 600-1772**

Dear Mr. Harris:

CONFIDENTIAL

As promised, I have enclosed a number of documents including sworn affidavits from folks involved in the work performed by Cimarron Underground Services, LLC, and Benchmark Professionals, LLC, for the Grant Parish School Board, as follows:

1. Theodore Jensen, representing certain facts involving the Grant Parish School Board remediation and reconstruction project, the rental and location of equipment by Cimarron, and charges by Cimarron to the Grant Parish School Board that had nothing to do with Ed Sieja.
2. Dakota Ashlock, who detailed the falsification of workers' time on the Grant Parish School Board project as directed by Cimarron, Mary Gallien, and Mike Slaney.
3. Johnny Cedillo, regarding work, time submitted, additional padding of time by Mary Gallien, Jerrad Friday, and Mike Slaney, along with photos for work performed on Vice President of Cimarron Jeff Derosia's personal home and outdoor kitchen, based on information and belief, billed to the Grant Parish School Board by Cimarron. Text messages also indicate that Grant Parish School Board building materials were

moved to Jerrad Friday's personal home and used in its renovation at his direction. Mike Slaney, Ward 5 Marshal for Allen Parish, also bragged about "fixing tickets".

4. Sophia Ramos, regarding hours being added and time padded, interactions with Chris Lang, the owner of Cimarron, and Jerrad Friday, manager of Cimarron, who ordered Ramos to bring leftover building materials from the Grant Parish School Board to his personal home, as well as the renovation of that personal home with time charged to Cimarron. Screen shot text messages related to adding time and padding time by Cimarron employees, Chris Lang, Mary Gallien, and Jerrad Friday.
5. Carlos Sanchez, employed by Cimarron who performed work at Grant Parish School Board facilities. Sanchez also was paid and "helped out with padded hours" by Mary Gallien, Jerrad Friday, and Mike Slaney.
6. Rocky Bonnette, regarding the existence of a drill stem pipe fence bordering Edward Sieja's property in 2019.
7. Kenneth Dunn, regarding the existence of a drill stem pipe fence bordering Edward Sieja's property in 2019.
8. Harrah's Lake Tahoe Caesar's Rewards Lake Tahoe and Atlantic City, 2023.
9. Edward Sieja Affidavit detailing work for Cimarron Underground and Benchmark Professional Services from the end of 2018 through March, 2022, when he was terminated by Cimarron.
10. Text Messages - Paxton Teddlie - Grant Parish Superintendent to and from Edward Sieja.
11. Text Messages - Joel Moore - Grant Parish School Board Consultant to and from Edward Sieja.
12. Text Messages - Paxton Teddlie - Grant Parish School Board Consultant and Edward Sieja.
13. Text Messages - Mike Edwards, Principal Montgomery High School, to and from Edward Sieja.
14. Text Messages - Donna Pennington - Cimarron Billing Clerk, Overland Park,

Kansas, to and from Edward Sieja.

15. Text Messages - Mike Slaney, Allen Parish Ward 3 Marshal and Cimarron Safety Representative to and from Edward Sieja.
16. Pictures Chris Lang directed someone to spray paint "Cimarron" on Edward Sieja's drill stem pipe fencing around his [REDACTED] Street property, built in 2019 before Hurricane Laura.
17. Pictures of Montgomery High School Softball Field with dozer, excavator, and pipe used for fences. Pictures of temporary kitchens in Pollock, Louisiana, using piping for temporary buildings.
18. April 20, 2022, E-Mail [REDACTED] at Steele Pros to Ed Sieja regarding stenciling by steel mills on pipe/tube/tubing and/or drill stem pipe used for fences.

MISSTATEMENT OF MATERIAL FACTS

In response to your October 25, 2023, letter, after a review of various documents, and based on interviews, affidavits, investigation, information, and belief, Edward Sieja disagrees with many if not all of the conclusions and statements of fact contained in the "Draft Louisiana Legislative Auditors Report for the Grant Parish School Board". At the root of the disagreement is alleged over billing by Cimarron Underground, its principals, owners, and employees, including, but not limited to Chris Lang, Mary Gallien, an employee in the Alexandria office of Cimarron who prepared time sheets of Cimarron employees submitted to Cimarron, and billed to the Grant Parish School Board; Jerrad Friday, a construction manager for Cimarron working in the Alexandria, Louisiana office, who instructed employees to pad or bill additional time to the Grant Parish School Board for which they did not work; and Mike Slaney, the purported safety manager for Cimarron in the Alexandria, Louisiana office, who also is the duly elected Marshal for Ward 5 in Allen Parish, Louisiana. Chris Lang stated in a Grant Parish School Board meeting in August, 2021, that all billing of labor, equipment, and materials to the Grant Parish School Board went through the Cimarron main office located in Overland Park, Kansas, primarily through Donna Pennington.

Ed Sieja had nothing to do with billing, padding time, taking building materials from the Grant Parish School Board for his personal use, or any other accusation made against him. Ed Sieja was paid a commission based on a percentage he brought to both Cimarron and Benchmark. In fact, Cimarron did not pay Edward Sieja over \$80,000.00 in commission related to the Grant Parish School Board project and others. Cimarron provided a W-2/1099 to the IRS reflecting payment of this \$80,000.00 figure to Edward Sieja. Since Edward Sieja had nothing to do with sending out bills,

padding time, adding time, taking building materials from the Grant Parish School Board, having work done on his personal residence by Cimarron employees while billing the Grant Parish School Board, or billing equipment rental costs to the Grant Parish School Board used on other Cimarron jobs; none of these accusations have merit. At all times pertinent herein, Edward Sieja, when he learned of improper billing actions by Cimarron as directed by their owner, Chris Lang, and managers, Mary Gallien, Jerrad Friday, and Mike Slaney, Sieja attempted to stop these wrongful acts, only to be terminated by Cimarron in February, 2022. Cimarron has attempted to bring false criminal charges of theft against Edward Sieja to cover their own wrongdoing, and even made an insurance claim for theft against him.

Cimarron swore out a warrant to allegedly recover Cimarron/Grant Parish School Board property from Edward Sieja, which resulted in a police raid on Edward Sieja's personal office, the former Cimarron office, along with his home located on [REDACTED] Street in Alexandria, Louisiana. Cimarron has also turned in a false claim for theft against Mr. Sieja with their insurance company, which company has now brought an action in Federal Court against Mr. Sieja despite his return to Cimarron all of its "company property", both prior to and after the execution of the warrant conducted by the Rapides Parish Sheriff's Office at the direction of Cimarron.

Mr. Edward Sieja, upon discovering the improper billing by Cimarron to the Grant Parish School Board, immediately demanded that such improper billing of employee labor time, material cost, equipment rental, cease. An example of such Cimarron overbilling for temporary Dersken buildings which Mr. Sieja rented and delivered to the Grant Parish School Board such that they could hold classes after damage sustained to the Grant Parish School Board property in Hurricane Laura in 2019. Cimarron marked up the rental of these Dersken buildings to more than two and a half (2 ½) to three (3) times their actual rental cost. Mr. Sieja had nothing to do with that markup, and upon discovering it, notified the Grant Parish School Board, through its Superintendent Paxton Tedley, of the improper billing by Cimarron. Cimarron attempted to force Edward Sieja to sign over ownership rights in the Dersken buildings to Cimarron, which Mr. Sieja refused.

Mike Slaney, the duly elected Marshal for Ward 5 in Allen Parish, Louisiana, at one point gave a Marshall's commission to Edward Sieja and his stepfather, Theodore Jensen, without pay, to act as Volunteer Marshals. Mike Slaney was employed by Cimarron as the "Safety Manager" in the Alexandria office, which required him to travel to Cimarron jobs, specifically for the Grant Parish School Board, in order to make certain that employees followed all OSHA regulations and other safety requirements in performing their work. For this work, Mike Slaney was paid a salary, along with a daily per diem for out of town expenses, mileage, and provided a Cimarron company truck and fuel card. Edward Sieja discovered that Mike Slaney was not in fact doing his job as safety man, because he refused to travel to Cimarron jobs to assure employees worked safely. Upon

discovering that fact, and discovering that Mike Slaney was also being paid a per diem as if he were out of town, even though he lived at home in Allen Parish for this entire time, Edward Sieja terminated the employment of Mike Slaney. In retaliation, Mike Slaney took back the commissions of Edward Sieja and Theodore Jensen, and also reported Edward Sieja to the Louisiana Board of Ethics, claiming that Sieja somehow violated an ethical rule. To undersigned counsel's knowledge, that ethics inquiry ended without finding any ethical wrongdoing by Edward Sieja. Mike Slaney continued to tell Cimarron employees about how he could "fix tickets" in various parishes in Louisiana. [REDACTED]

Jerrad Friday, Cimarron's Alexandria project manager, ordered Cimarron employees to haul leftover Grant Parish School Board building materials to his personal home in Verda, Louisiana, which he was then renting, and now owns. Jerrad Friday also demanded that these Cimarron employees during their off work time, and also when on the clock for Grant Parish School Board projects, renovate his personal home in Verda, Louisiana, using Grant Parish School Board building materials. Cimarron paid these employees as if they worked on Grant Parish School Board projects. These employees have yet to be paid by Jerrad Friday for work they performed on their own personal time.

Mary Gallien in the Cimarron, Alexandria office, collected time sheets from all Cimarron employees, verified that the time they worked was accurate, and transmitted this time to Chris Lang and/or his employees, namely Donna Pennington at the Cimarron main office in Overland, Kansas. Mary Gallien frequently added time, and padded time of employees such that their time records were inaccurate and overstated, resulting in the Grant Parish School Board paying for work not performed. Likewise, equipment rented and billed to the Grant Parish School Board construction and renovation projects was oftentimes used by Cimarron employees on other projects, including, but not limited to, jobs in Baton Rouge, Louisiana, for Entergy. Mary Gallien was instrumental in having Edward Sieja terminated from employment by Cimarron in February, 2022, and she continued to work for Cimarron after Sieja's termination, continuing to pad employees' work time, falsifying billing records, and billing the Grant Parish School Board for equipment rented and used on other Cimarron construction projects.

In short summary, Edward Sieja was not involved in any Cimarron billing to the Grant Parish School Board. All Grant Parish School Board billing was done and approved by Chris Lang, Cimarron's President, from the Overland, Kansas, main office of Cimarron. Any claims for overbilling of Cimarron labor, equipment, rented or otherwise, or materials, is solely the responsibility of Chris Lang and/or Cimarron. Chris Lang stated in an August, 2021, Grant Parish School Board meeting that he was solely responsible for billing Cimarron's work to the Grant Parish School Board. This statement is reflected in the Grant Parish School Board minutes for that meeting.

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Mr. Roger W. Harris, J.D., CCEP, CFI

November 22, 2023

Our File No.: 600-1772

As such, Edward Sieja has no culpability and/or liability to the Grant Parish School Board for overbilling and/or improper billing of labor, materials, and/or equipment in this matter. When Edward Sieja discovered such overbilling and attempted to stop it, he was terminated by Chris Lang.

I trust that this response satisfactorily refutes any and all false charges made by the Grant Parish School Board, the Grant Parish Sheriff's Department, and/or the Grant Parish District Attorney's office who allegedly were instrumental in this investigation. The bias of certain individuals employed and/or elected to these offices must be considered in your evaluation of the credibility of your sources of information for these allegations against my client.

It is not illegal for Edward Sieja to be paid as a commissioned salesman by Benchmark and Cimarron. Edward Sieja did not use any money earned from Benchmark or Cimarron to go on a free trip paid by Harrah's and/or Caesars. To Edward Sieja's knowledge, information and belief, Benchmark and/or its subcontractors possessed all necessary licenses, permits and/or met all requirements to remediate mold and/or treat water damaged property of the Grant Parish School Board. The Grant Parish School Board "insurance consultant" Joel Moore approved Benchmark to perform water and/or mold remediation work. It seems that Joel Moore either saw the required licenses/permits of Benchmark, or should have asked for them. If Benchmark's charges for performing the mold/water remediation were excessive, then Joel Moore should have instructed the Grant Parish School Board not to pay the bills. Also be advised that the storm damage work, charges and payment by the Grant Parish School Board have been reviewed no less than three (3) times in separate audits. To date, none of these three (3) forensic audits have uncovered any wrongdoing by Edward Sieja.

I remain willing to respond to any further inquiries of your office, and if you have any questions, or need any further information, please do not hesitate to contact me. As more information is provided to me, I will provide it to your office. Unfortunately, due to the holidays, some information of which I have been made aware has not reached me at this writing. I will supplement the information provided as I receive same.

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Mr. Roger W. Harris, J.D., CCEP, CFI

November 22, 2023


Our File No.: 600-1772

Kindest regards.

Sincerely,

AUZENNE LAW FIRM, L.L.C.
Attorney at Law

By: _____


Stacy C. Auzenne
A Professional Law Corporation

SCA:ap

Enclosures

cc: Mr. Edward Sieja (*via e-mail*)

1. Affidavit of Theodore Jensen representing certain facts involving the Grant Parish School Board remediation and reconstruction project, the rental and location of equipment by Cimarron, and charges by Cimarron to the Grant Parish School Board that had nothing to do with Ed Sieja.

I Theodore Jensen was a worker for Cimarron Underground usually I would be sent from school to school to deliver equipment and materials and was directed by Jerrad Friday.

I would be asked My Mary Gallian at the end of the week how many hours I had, and she would enter them into Mrs. Donna Pennington up in Kansas for Cimarron to be billed.

During my employment with Cimarron, I would usually update the construction managers running the school board project (Jerrad Friday, Brett, and Mr. Davis) of what piece of equipment was located at what school. During the billing the Georgetown Principal advised that there was a Skid Steer and Excavator being charged to Georgetown High School , when we went and checked there was none of these pieces of equipment located on that schools site , when we called the rental company to see if they could give us a GPS location of this piece of equipment that's when we found out that this piece of equipment was located in Baton Rouge at the Cimarron Yard and was ordered by Chris Lang to be delivered to Baton Rouge. I immediately notified Jerrad Friday and let him know along with Brett and they said to leave it alone being that Mr. Chris Lang ordered it and sent it. That evening Edward Sieja came back to the office and asked if these pieces of equipment were located, and I advised him of our findings, and he advised me to go pick up these pieces of equipment and have them off rented immediately. I went the following morning and picked up the excavator that was sitting in the Cimarron yard in Baton Rouge and went back the following morning to pick up the skid steer that was currently being used on a project in Baton Rouge for Entergy and brought these pieces of equipment back to H&E Equipment to have them off rented.

As far as Jerred Friday, I never had any issues with Jerrad and when I wasn't delivering anything he would have me on standby at the office in case I needed to move something or go run and pick anything up. While doing the school board project Mr. Jerrad Friday asked if he could rent my house in Verda from me so he could be closer to the job sites instead of driving from Natchitoches every day, so I told Jerrad he could rent the house from me for \$300.00 a month , Jerrad moved his camper over there and started occupying the house and stated he would like to purchase the house but wanted to update it to get a better appraisal which I

inclined since he was going to do the work at his cost, during all this time I never received any rent from Jerrad Friday for the house during the course of three years that he occupied the house which is when I told Mr. Friday I was selling the house and told him I was having my attorney Stacey Auzzeen send him a notice that he had 30 days to either purchase the house or would be evicted , at which Mr. Jerrad Friday made threats after getting this notice that he would do whatever he has to do if he was served with this notice and sent a copy of this text to my attorney trying to extort me and my family.

As far as Mike Slaney, Mike was a nice guy to work with. Mr. Slaney got upset when Mr. Sieja found out that Slaney and Friday were getting paid \$75.00 a day per deim and both of them were not qualified to get per deim, both of them had company trucks , fuel cards and were sleeping at there own houses at night , when Mr. Sieja advised Mrs. Mary to stop paying them Per Deim , Mr. Mike told several of us employees that he was fixing to quit, and when Mr. Mike quit he advised myself and Mr. Sieja we needed to turn in our badges and commission cards with the Ward 3 marshals office that we no longer worked for him as deputy marshals which there's text messages to prove.

As for Ralph Cano , Mr. Cano was brought on to help assist in putting bids together for the damages on the roofs to the schools and on other projects that he was trying to pick up for Cimarron, I didn't work around him very much because I was delivering equipment or materials most of the time , however I was at the office the day one of the employees came in and made a statement that they were on a job site in Deridder for Mr. Joel Moore the construction consultant for Grant Parish School Board when the employee came in and stated he wasn't going back to that job site with Mr. Ralph because Mr. Ralph was drinking crown and coke at lunch and had his handicapped girlfriend on the roof of the salon. Mr. Cano turned his lunch receipt into Mrs. Mary Gallian whose office I was sitting in when he came in and Mrs. Mary brought Mr. Sieja the receipt which is when Mr. Sieja terminated Mr. Cano for drinking on the jobsite.

JM. G. J.
Signature

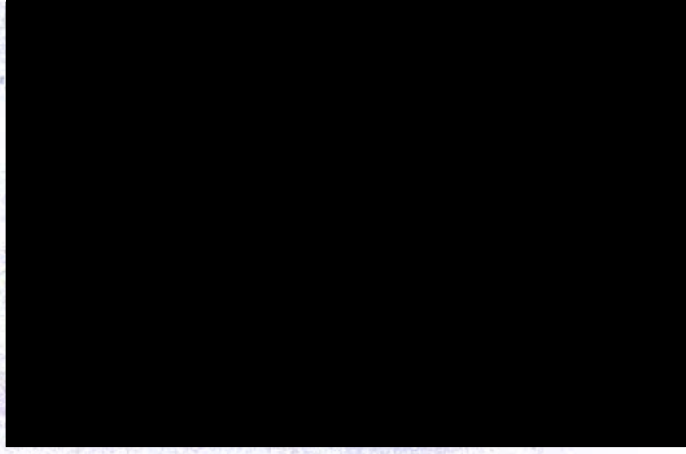
11/17/23
Date

Juan Cedillo
Witness

11-17-23
Date

Angela Kay M. Monagle
Notary Angela Kay M. Monagle
#18404

11-17-2023
Date



2. Dakota Ashlock who detailed the falsification of workers' time on the Grant Parish School Board project as directed by Cimarron, Mary Gallien, and Mike Slaney.

My name is Dacota Ashlock I was employed by Cimarron and was working on the Grant Parish school board under the direction of Jerrad Friday. Jerrad was a bit hard to get along with in my personal opinion. From the first day we met he always had an arrogant demeanor which caused him and I to bump heads, he would speak in a very condescending way as though to make you feel dumb which giving the position, he held was very unprofessional. We'd have good days where we'd get along but most of the time, he would complain about how everything was operated and being performed. He helped with our hours just like Mrs. Mary Gallian and Mr. Mike Slaney.

Ms. Mary was always looking out for the employees when it came to our hours, if he hardly worked one week, she would give us extra hours and tell us "She's taking care of us ". She was super kind and understanding all the way till she finally left Cimarron due to her not being compensated enough for her responsibilities.

Mr. Mike was very easy to get along with and always had some kind of joke or something to say to get us all laughing, on days we would be sent home early he would get us paid for the entire day and tell us all that he had our backs, just don't say anything to anyone. Mr. Mike was mad at Mr. Sieja when he took his Per Deim away from him and said he was going to quit, and made statements that Chris told him he was going to pay him the per Deim and then Mr. Sieja took it from him because he didn't live far enough away to get it and because he was driving a company truck. Mr. Mike quit shortly after and tried to get some of us employees to make statements on and about Mr. Sieja, but I declined to do so because I am not going to lie for anyone.

Dacota Ashlock

Signature

Juan Cedillo

Witness

Angela Kay McMonagle

Notary

Angela Kay, M. Monagle
#18404

11-17-23

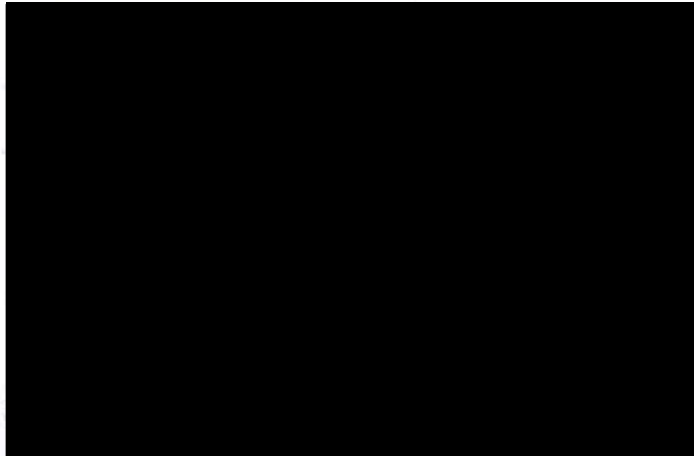
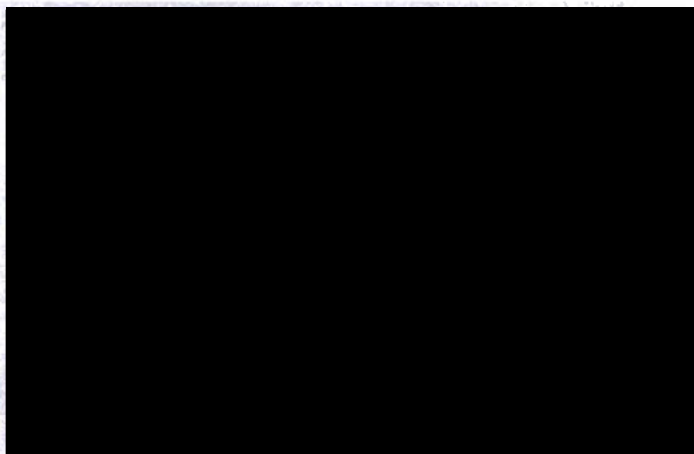
Date

11-17-23

Date

11-17-2023

Date



3. Johnny Cedillo regarding work, time submitted, additional padding of time by Mary Gallien, Jerrad Friday, and Mike Slaney, along with photos for work performed on Vice President of Cimarron Jeff Derosia's home and outdoor kitchen, based on information and belief, billed to the Grant Parish School Board by Cimarron. Text messages also indicate that Grant Parish School Board building materials were moved to Jerrad Friday's personal home and used in its renovation at his direction. Mike Slaney, Ward 5 Marshal for Allen Parish, also bragged about "fixing tickets".

I Johnny Cedillo was asked to give a statement about my time working with Cimarron. I Started working for Cimarron before the hurricanes hit Louisiana. I worked out in West Texas under Vise President Jeff Derosia, and when covid hit and work slowed down , Jeff knew I had a big family to support so he told me he had some work that needed to be done at his house , but if anyone asked me where I was working that I needed to tell them I was working out in West Texas because he was billing my time , my step fathers time and several other employees time to one of his West Texas customers. During that time frame I and my stepfather build a concrete back porch and ended up building a whole outside kitchen from the bottom up.

After completing Mr. Derosia's house we were sitting at home which is when Mr. Edward Sieja hired myself and my Stepfather along with three other employees to build two Gas stations in Beaumont Texas and a Aspen Dental in Orange Texas under Benchmark Professionals a company Mr. Edward was working for as the Project Manager, when we completed those we helped Mr. Sieja move a Pet Crematorium from a piece of Property that they sold outside of Houston and Move the Crematorium equipment to a location in Colfax, Louisiana.

When we completed the move of the Crematorium, we asked Mr. Sieja if he had any other projects which he advised that the next project he had coming up with Benchmark was a trailer park to build but would be a few months later because it was still in the design stage but told me I could come back to work for Cimarron and work on some of the hurricane work they had going on.

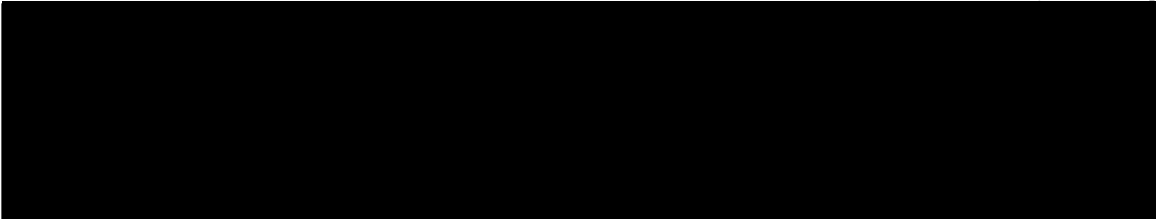
When we started on the work in Louisiana after the hurricanes for Cimarron, we were doing storm debris hauling and removal at first and then got moved to the school projects, anytime I needed off I would tell Mr. Sieja so he could find someone to replace me while I was fighting for custody for my children. I met Jerrad Friday at South Grant Elementary, he was my supervisor, he managed the time, materials and told all of us where to be every day and who was with what crew. Jerrad would tell us to get with him everyday we got to a job site and left a job site. We would get frustrated at times because we could get to a job site/ School and be in the middle of something and he would call us to another school and tell us to stop our bitching that he's only passing on orders from the school board maintenance manager. We ended up getting caught up in the middle of fixing one of the other crews stuff because they either rushed or didn't know what they were doing , but I kept my mouth shut because Jerrad would help us out with hours when we would have to leave or if we finished off early he would tell us to get out of there and to leave and tell us we got our 10 hours.

When we were working at Verda Elementary, we were in a rush to leave all the time to get to our kid's games on time, so Jerrad told us to put the materials at his soon-to-be house. We put the left-over materials at Jerrad's and would leave the key on top of the porch door. We eventually used all those materials to remodel his home while he was purchasing it. At that time, me and my wife were a little nervous because we knew where the material came from and who it belonged to. When my wife asked about the materials Mr. Jerrad said "It's their loss "they should've picked up the materials when they had a chance. Me and My wife was asked by Jerrad to help him remodel the house because he was trying to move his disabled dad into the house and with Jerrad's reputation, he had nobody would take him up on the offer, so we did it to help him out because of his father, and still waiting to get paid.

Mary Gallian was the go-to lady for our hours, she would always call us her "Children", and if we didn't have a whole lot of hours, she would tell us "She would Play with the Numbers ", and always said we were her favorites. Towards the end of our time with Cimarron, she was acting a little weird, I didn't

think too much of it until she bought me a truck that was in someone's yard and said she might have to move to Florida where there's no drama, till this day I appreciated her for everything she had done for us.

Mike Slaney was our safety guy. I hardly saw him but when I did, he gave us a safety talk and would remind us to slow down because he didn't have a lot of "Pull" in Grant Parish, he told us any other ticket in Oakdale or Oberlin he could get them taken care of. He mentioned to us we should be getting paid more for what we could do and for our knowledge, he called us the "Dream Team", Mr. Mike would ask some of us to help him out with projects at this house like the screened in back porch and borrowed a excavator from the school board project to dig a ditch through his yard to keep the water from getting close to his house. Mr. Slaney would also turn a "Blind Eye" when it came down to doing drug screening



the Safety man and The Marshal we didn't want to do anything to lose our jobs.

Juan Cedillo

Signature

11-17-23

Date

Darcia Ashlock

Witness

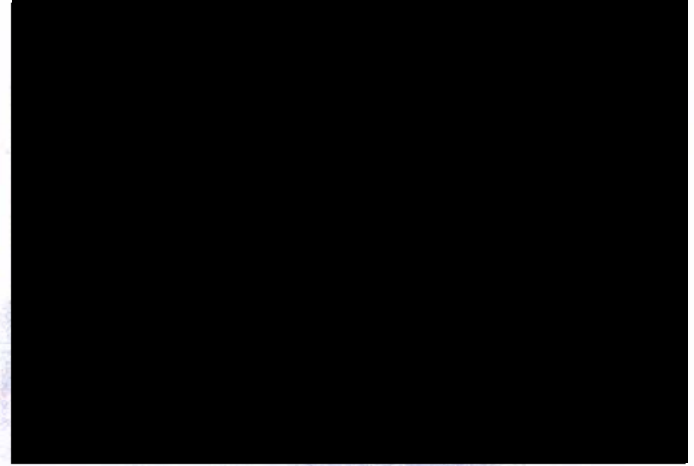
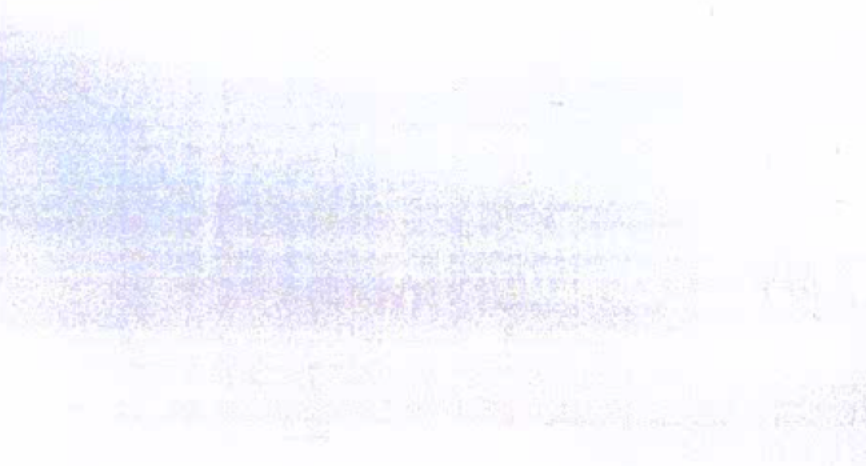
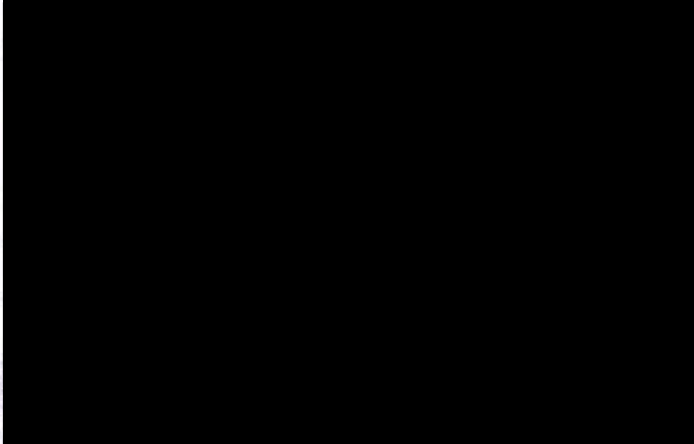
11-17-23

Date

Angela Kay McMonagle
Notary Angela Kay McMonagle
#18404

11-17-2023

Date





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Wed, Feb 12, 2020 • 8:45 AM



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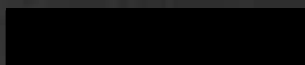
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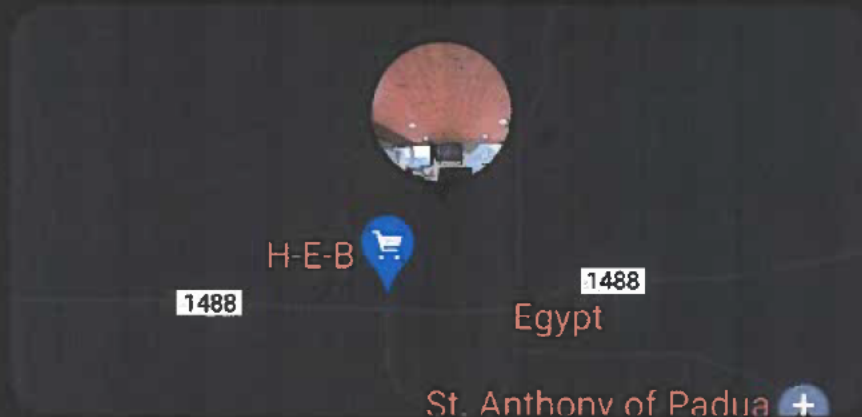
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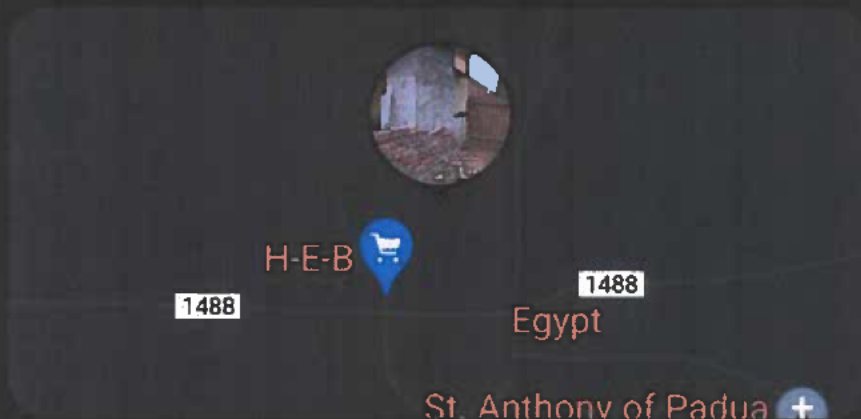
Tue, Feb 18, 2020 • 4:56 PM



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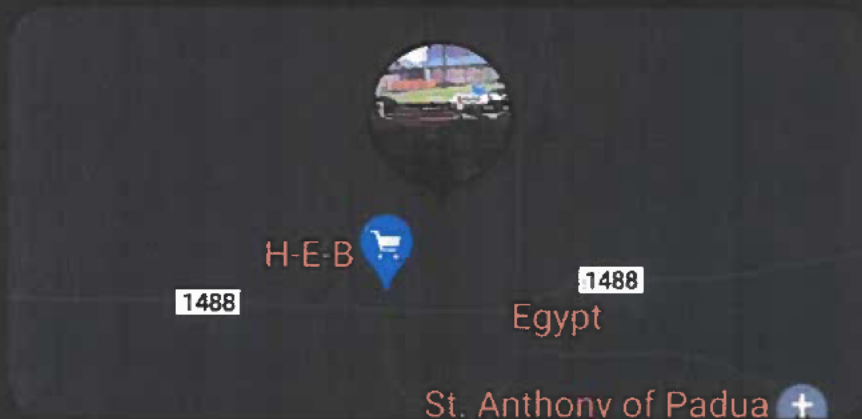
Wed, Feb 19, 2020 • 5:20 PM



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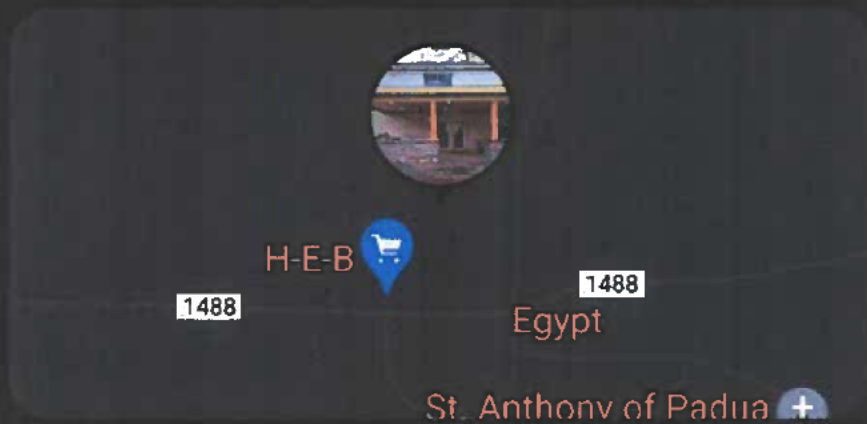
Wed, Mar 4, 2020 • 4:30 PM



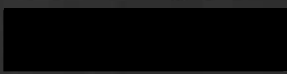
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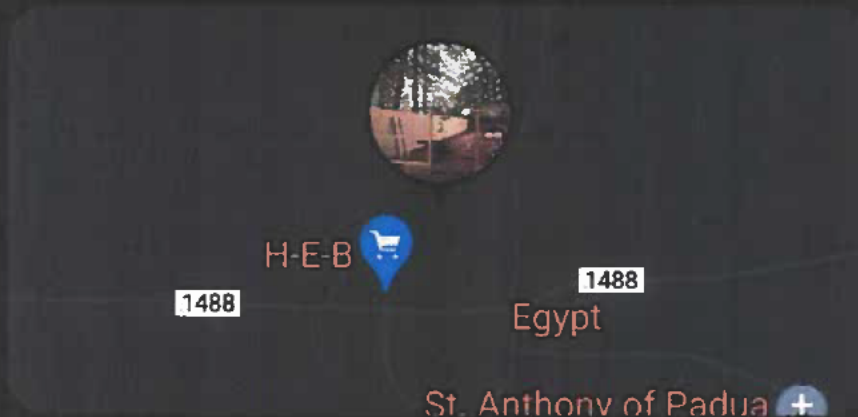
Fri, Apr 3, 2020 • 1:09 PM



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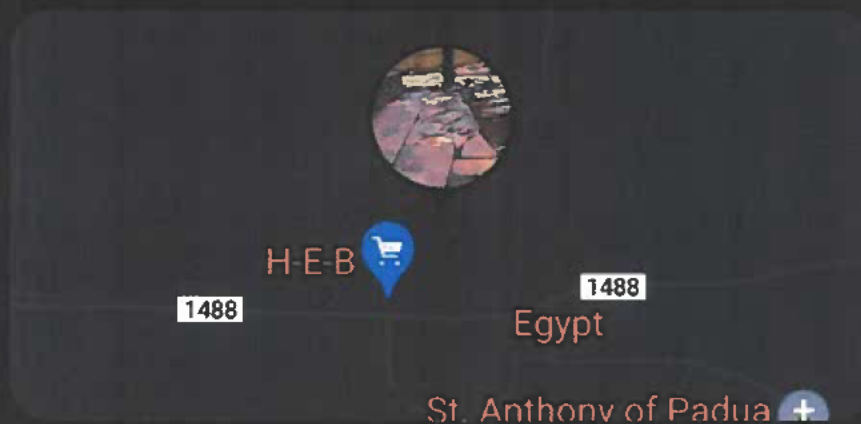
Sat, May 23, 2020 • 2:43 PM



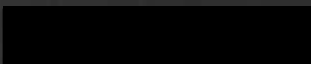
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Mars Hill



Verda

1240

122

Atlanta, LA

Details



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Everyone in
the photo
helped unlock
extra Left over
material to
Terrad
Friday's
house to
be.

< J Jerrad Friday



Friday, May 21, 2021

Hey boss I forgot to tell you, I told the foremans earlier in the week that Monday we have to go to Shreveport for [REDACTED] appointment for our daughter.

5:05 PM

This don't happen very often but.... you were right it was Thursday we also stayed til 7 it wasn't Wednesday. And we did work Sunday. So we're only missing the three hours from that day.

5:06 PM

I paid yall 4 hours for Sunday so you can get your perdiem. Should be on next week check.

5:21 PM

5:22 PM

Thank you 🙏



< J Jerrad Friday



Saturday, February 20, 2021

Hey buddy I know your probably busy but do you know **who's coming out here to unlock the buildings and shows what rooms we need to do**

7:29 AM

The janitor. Just hang tight.

7:32 AM

10-4

7:33 AM

**Still waiting on the janitor
Just letting you know**

9:39 AM

10-4

They been notified.

9:47 AM

10-4

9:47 AM

Sunday, February 21, 2021

Good morning buddy

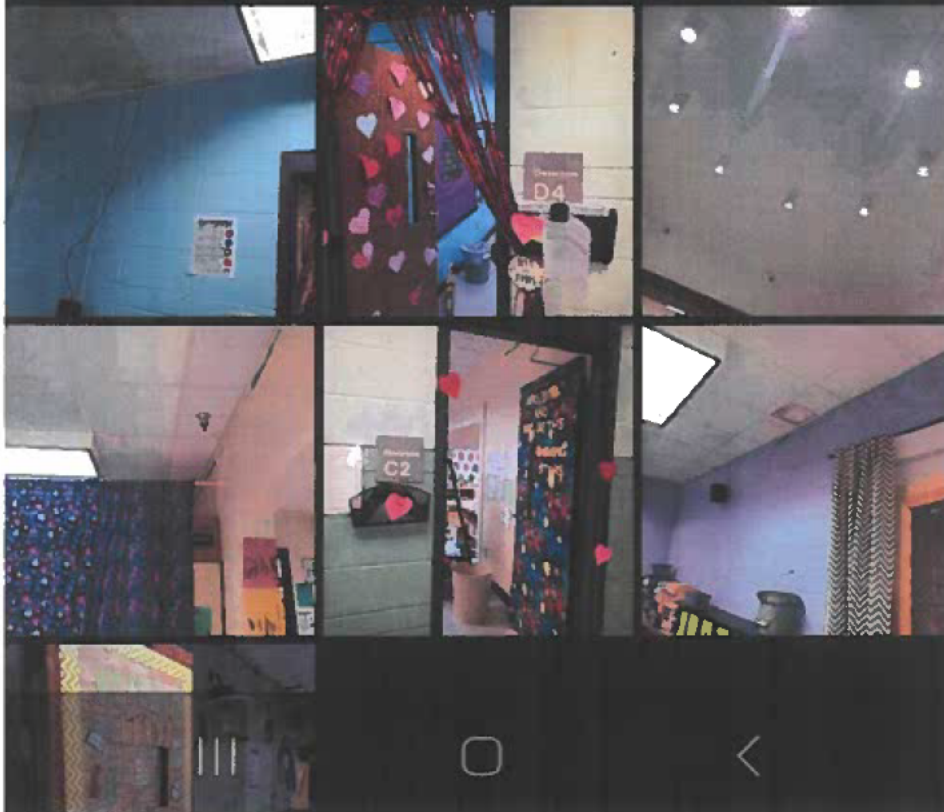


Hours on
stand by.



February 19, 2021

Fri, Feb 19, 2021





Messenger 2:21 PM



Jerrad Friday

Can ya talk? Just want you to know the whole story not just one side. **Definitely would be beneficial to you and Sophia on yalls decision of what yall need to do to protect yourself.** Would love to meet with you and talk but if you don't want to **know what's gonna take place soon** the. I understand. Y... Just so you know I'm not lying. Here's the screen shot of what kind of person he is. This is what he sent to me. So you know I'm not just blowing smoke.
Sent a photo.

Like

Reply

Mute



8,517 steps 7:26 PM



You've achieved 141% of your step goal.



Account action required 1/29/23



B.122

one side. Definitely would be beneficial to you and Sophia on yalls decision of what yall need to do to protect yourself. Would love to meet with you and talk but if you don't want to know what's gonna take place soon the. I understand. You and Sophia did a great job for me at Brahma and on the house that Ed's trying to evict me and my dad out of now.



Just so you know I'm not lying. Here's the screen shot of what kind of person he is. This is what he sent to me. So you know I'm not just blowing smoke.



4. Sophia Ramos regarding hours being added, interactions with Chris Lang, the owner of Cimarron, Jerrad Friday, manager of Cimarron, who ordered her to bring leftover building materials from the Grant Parish School Board to his personal home, as well as the renovation of that personal home with time charged to Cimarron, along with screen shot text messages related to adding time and padding time by Cimarron employees, Chris Lang, Mary Gallien, and Jerrad Friday.

I, Sophia Ramos, am here today to give my statement pertaining to several people I worked with in Grant Parish under Cimarron.

During my time working in Grant Parish under Cimarron, I had learned a lot. I met many people in Grant Parish in and outside of the school district. Along with new coworkers I had never met before but treated us like family and helped us out with our children and our hours, this help was from Chris Lang the owner of Cimarron, Jarred Friday the foreman for Cimarron, Mary Gallian the timekeeper for Cimarron, Mike Slaney the safety representative for Cimarron, Principal Mike Edwards from Montgomery, and Principal Jennifer Winslett of Georgetown.

Jerrad Friday was very understanding when it came to my children there were times that I would have to leave early or come in late when it pertained to my children, but he would pay me for the whole day. My husband and I worked for Jerrad at his house in Verda and was instructed to bring the "extra's" to Jerrad's house, the extras consisted of Plywood that was purchased by Grant Parish School board for the Colfax gym, many rolls of insulation, sheet rock, two by fours, metal from the softball fields to stainless steel sinks and heaters that he had us store inside his metal building. Months later Jerrad asked me and my husband to come back and help him with finish off his house because he was trying to move his dad in with him, while doing so the same items we brought to Jerrads from the school board project he had us use on the inside of his house.

Mary Gallian would do the same for us, she said to give her a detailed description of our work for the day and if she felt he hardly made hours she said she would "Play with our Numbers ". Mary would complain to me about Chris Lang not giving her a raise, tried to convince me to leave Cimarron with her for another business, gave us hours for working on our house and fixing her porch and tried bribing my husband with a truck she gave him the money to go buy, because she said "She Could always count on us because we were her babies ".

Mike Slaney our safety man, very respectful and funny. He watched out for our hours as well as our safety. I remember him telling us if we ever got a ticket to let him know so he could take care of it for us, and also asked us what job site we would be at daily so he can come do his daily safety meetings. He was one of the guys we would go to talk to about hours missing or about some supplies that we would be needing for a job. We didn't see him a whole lot, maybe a couple times a week at the school or ran into him at the office. I appreciated him for fighting for us to get the same number of hours that he was receiving, Mike would often make the comment that Chris Lang is taking care of him so he's here to make sure that we were taken care of as well when it came to hours.

Principal Mike Edwards was a nice but very impatient person. He did not like when we would start the day at his school and be pulled off and called to another school. Teachers, Principals, maintenance managers, and school board superintendent Paxton Teddlie were pulling us left and right which we understood, we got to see firsthand every school's damage, and we could tell firsthand what damage was done by the hurricane and which was from neglect, so every school wanted help moving things, building things all the way to hanging dry erase boards, but everyone wanted their school first. Mr. Edwards was upset that I put my kids in Georgetown High School, he said he would love to have our group there close to his school because he wanted to show off the new up coming locker rooms to their rivals in the parish. He offered to find us a renthouse close to the school and to put our eldest daughter in a program to where she could graduate early. When we started on the tractor shed / Locker room he would be in there from time to time he would talk to us about him running for School board

superintendent, about his rivals in baseball, and shared his opinion on the principal of Georgetown. He would do push ups with pull ups with the male workers , and laugh and make jokes about how the football team he has sucks , and about the young girls being bitchy all the time , but when I would

he would tell me to leave and take care of what I needed to take care of and he wasn't going to tell jarred so I would still get my hours , so I would leave and take care of what I needed to and come back before the day would end.

Chris Lang was the owner of Cimarron that showed compassion for you and others, but only if he got something in return. He also allowed me to take days off with pay because he said my children come first. I Was shocked to know I worked for a man like this and how could he be so understanding later on I figured out why.

During the winter storm me and Johnny were called my Jerrad Friday to go to Georgetown high school and assist Benchmark because nobody else was able to drive there except for us and the Benchmark crew that was staying right outside of Georgetown, during our time up there during the winter storm it was just Cimarron and Benchmark , we never saw the principal or anyone else during that time frame.

Attached are some of the screen shots between Mary Gallian and myself, Chris Lang and myself, Jerrad Friday and myself and my husband johnny.

Sophia Ray

Signature

11.17.23

Date

Deetta Ashlock

Witness

11-17-23

Date

Angela Kay M. Monaghe
Notary Angela Kay M. Monaghe
#18404

Notary

11-17-2023

Date



Jerrad Friday



Monday, Mar 15, 2021 • 3:36 PM

Hey boss Johnny's gonna float again in this room that has the holes, when he's done I think we're gonna go ahead and take off cause there's a game today in georgetown and they won't let the kids stay at the school with Nadia cause I didn't write a freakin note. But anyways, I been in the middle room scraping and my hands are sore 🤕🤕

So if it's cool with you.. can I go 😊 I think I worked pretty hard today 😊

Oh and **last week on Thursday we ended up not leaving at all..** just to let you know. I know John said Tuesday and Thursday but she didn't play so we stayed working.

I paid yall for the full days anyways and yeah that's fine. Just let me know when yall go.



Thanks boss! Will do!



Text message





Jerrad Friday



Sunday, Feb 21, 2021 • 4:06 PM

Room #1

How's the **dump trailer** looking?

Me and Johnny got in there and pushed all the carpet we could to the back, stacked it up to make more room. It's good. We have room.

Colfax
* Shows on
Johnny's phone

Wednesday, Feb 24, 2021 • 5:16 PM

858



Make a video call



Text message





Jerrad Friday



Tuesday, Apr 13, 2021 • 7:05 AM

Gm boss. I'm just texting to let you know I'm running late. I didn't get up til 5:30 and I didn't have alot of time to go extra on my kids hair cause today is picture day but johnny didn't tell me he spoke with you about going to colfax so I set my alarm to go to pollock. It's just 15/20 minutes up the road. But anyways I'm almost to colfax.

No worries



Thanks



Text message





Jerrad Friday



Also... There is still a leak in the window inside the press box room.

Getting the sheet rock wet. Just saw it right now.

Grant Press box

Ok. We will have to look at that in the morning

Ok

I'll get that lift over there from Montgomery

Wednesday, Dec 16, 2020 • 9:04 AM

Do yall want some help?

Not the one ↓ at put up this demo sheet rock. I don't



Text message



< Mary, Mi Amor



Friday, Jan 14, 2022 • 11:07 AM

Mary Cimarron

You two hardly have any hours...
BUT! I'll make it to where you 3
will have 50 hours. But tell Dakota
tell no one!!!

M I'll hammer his dick to a tree &
give him a butter knife

Lmfao!

Mi Amor

M Thank you Mary so much

I know it was pretty rough last
week. Those dummies couldn't
make up their mind what was
needing to be done.

Mary Cimarron

M Shootchea'! Not fair everyone
else is making.. You my chirren..



Thanks love



Text message





M

M

Mary, Mi Amor



Lmfao!

Mi Amor

M

Thank you Mary so much

I know it was pretty rough last week. Those dummies couldn't make up their mind what was needing to be done.

Mary Cimarron

M

Shootchea! Not fair everyone else is making.. You my chirren..

Thanks love

Mary Cimarron

M

You are welcome

Mary Cimarron

M

When you get through today, send me time.. So... I can play with the numbers. Love y'all to death!



Text message





Friday, Nov 20, 2020 • 9:27 AM

Chris lang here. Were you able to schedule a teacher meeting?

Friday, Nov 20, 2020 • 10:37 AM

Yes sir I just left the school. They had me do more paper work while taking the kids around the school. I am on my way



give to the principal as well. I told Jarred about this morning because the teachers are only there half a day today and he wasn't to happy about it.

Too bad. I told them. Take care of the kids first!

Thank you Chris! Your so awesome, I appreciate it.

I told donna to make sure the hours are on the timesheet



Ok cool thank you so much!



Text message





Monday, Dec 7, 2020 • 10:11 AM

Making sure you got paid for those hours when you were taking care of kids stuff. I never followed up and wanted to make sure it was correct??

Monday, Dec 7, 2020 • 12:09 PM

Yes sir it was. Thank you.

Any luck on finding a truck?

Monday, Dec 7, 2020 • 4:20 PM

I cant find me any trucks!! Used market is expensive right now. Have you had any luck or seen anything out there?

No I haven't had time to look. We need all the hours we can get cause this Friday is the day we find out if the judge is granting us johnny's kids. So we're trying to prepare for that and we're gonna need that 2nd row seat in the burban... It's already sold lol. But I just gotta keep a look out for one



Text message





5. Carlos Sanchez employed by Cimarron who performed work at the Grant Parish School Board. Mr. Sanchez also was paid and “helped out with padded hours” by Mary Gallien, Jerrad Friday, and Mike Slaney.

I Carlos Sanchez, an former employee of cimaron at the time I had learned a lot from the people I worked with, heard and seen a lot, there were some easy days and rough days but not as rough as the people who were putting in your hours to make some short cuts not just for us but for them too. Ms. Mary Guillen As a worker I had never made any negative comments over her she would always be sweet and nice so I never had a problem like that with her. Whenever there were a problem with hours she would always say "

I'll take care of y'all, ima gonna play with numbers a bit, y'all are my babies". As in conclusion for ms.Mary in my words she always was helpful and take care of us nonetheless add on more hours.

Jarred Friday was always a hard ass in my opinion. he would tell us to "take our time" at jobs that would needed to be done at a certain date of time. At that we would all end up finishing that certain job/project with all of the crew of cimaron. Most of the time he would always tell us to be at places at a certain time of the day pulling me out and another employee to do rather than being at the main ones that needed to be done first. For example the construction of Montgomery high school tractor shed/locker room was the main one. For jerrad Friday and mr.Edward's we're always so inpatient about telling us to hurry up about it while mr. Edward's knew we were at dri would come to the room and chat/joke with us and partake on doing push-up and pull ups with the crew inside of the building. This wasn't always a one time thing he would always sending and splitting us up to different places while that needed to be done as well the following that spoke out on being at different places Jim wensley the school board and other school principles would tell us to move stuff from one room to another as making temporary classroom and a simple thing as to putting up panels on the wall. As further more our safety man Mike slanely was always an honest and reliable man at that he would come in at different schools and check up on each schools he would be sent to. Sometimes he would come in at the main ones we would be working at and check if we had our regular hard hat and safety vest on he would always

Carlos Sanchez

11-17-23

Doretha Ashlock

11-17-23

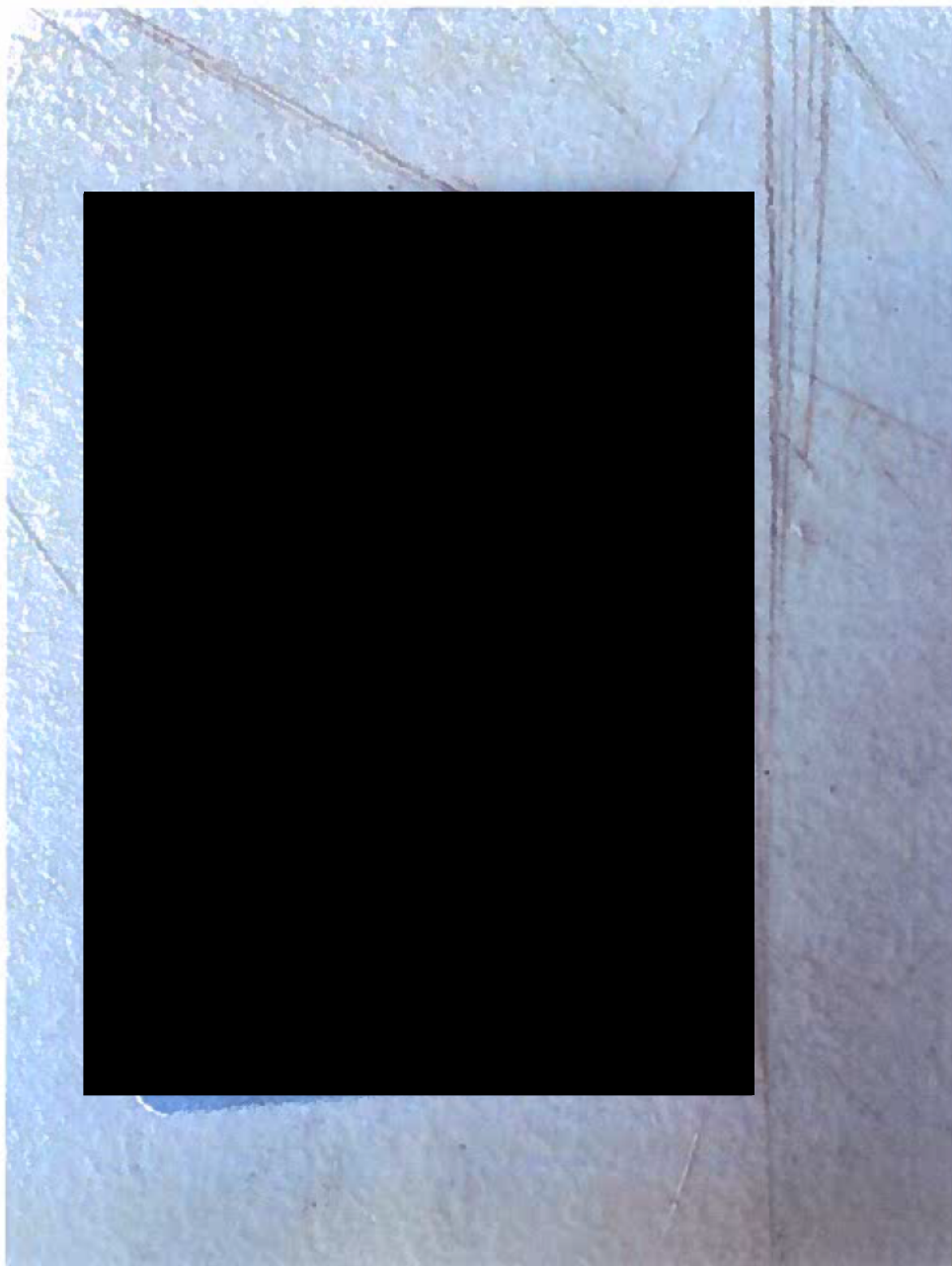
Angela Kay McManis
Notary

11-17-2023

Angela Kay McManis
#18404

Angela Pitre

From: [REDACTED]
Sent: Friday, November 17, 2023 6:34 PM
To: Angela Pitre
Subject: Carlos Sanchez drivers license





Sent from my iPhone

6. Rocky Bonnette regarding the existence of a drill stem pipe fence bordering Edward Sieja's property in 2019.

I Rocky Bonnette was working for Mr. Edward Sieja back in 2019 when we dug two ponds on his property, one was located on the left-hand side of the road and the other was located on the right side of the road on [REDACTED] Street. During that time frame that I was clearing the property and digging the ponds on the two properties there was a steel pipe fence already in place on two sides of the pond on the right side of the road located on Louise Street and one the left side there was a three-rail wooden fence installed.

This I know because I use to park next to the steel rail fence with my truck while I was working on the 17.99 acres and when I was done for the evening that is where I parked my track hoe in the evening.

Rocky Bonnette

Signature

11-22-23

Date

Kimberly Quinn

Witness

11-22-23

Date

Angela Kay McMonagle

Notary

Angela Kay McMonagle
#18404

11-22-23

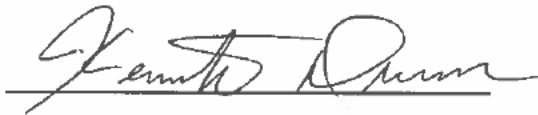
Date

7. Kenneth Dunn regarding the existence of a drill stem pipe fence bordering Edward Sieja's property in 2019.

I Kenneth Dunn was asked to write a statement regarding the land down on Louise Street where Rocky Bonnette dug a pond for us on our 17.99 acres back in the summer of 2019.

The 17.99 acres was being cleared during the summer of 2019 by Rocky Bonnette which was the same year of the tornado outbreak that ripped Johnny Downs sports complex on December 16th.

When the pond was dug a pipe fence was installed during the same time on two sides, one side was the front facing Mac Arthur Drive and the other side was on the Bonnaire side and the pipe used was 2 3/8" rejected drill tubing. Ever since I have been cutting, and hunting on this property and been driving down the same fence road ever since.



Signature

11-22-23

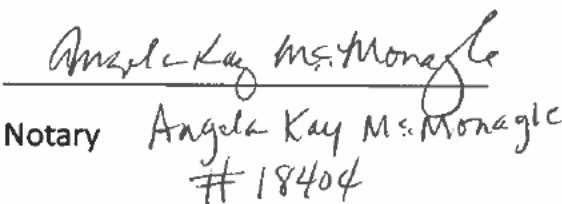
Date



Witness

11/22/23

Date



Angela Kay McMonagle
#18404

Notary

11-22-23

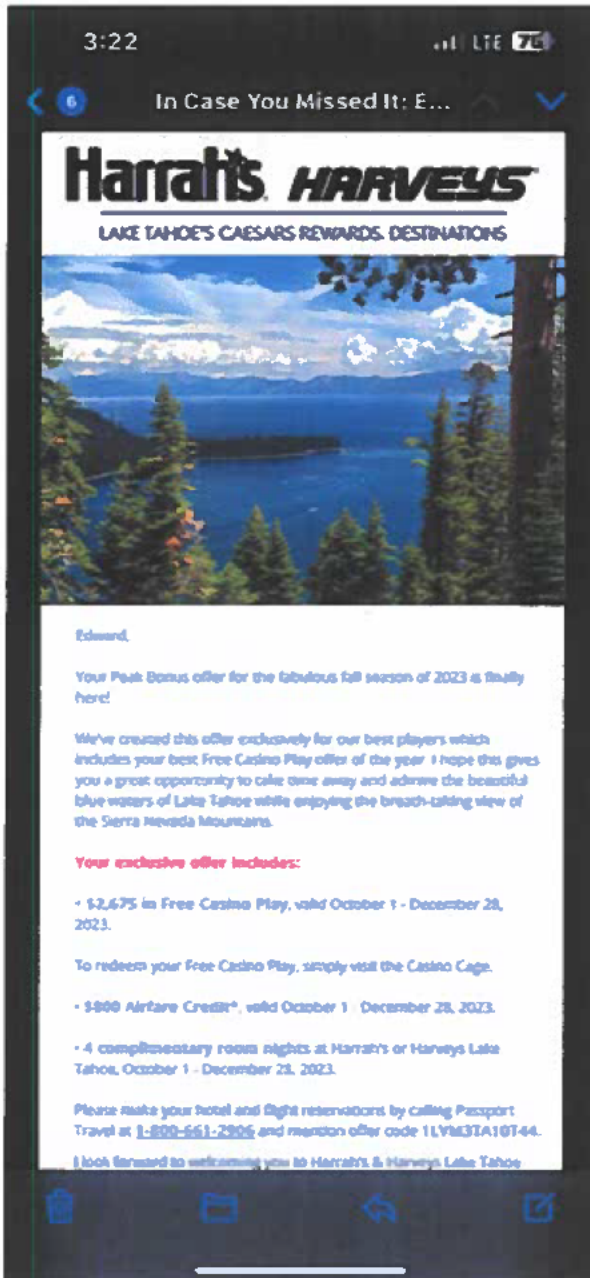
Date



8. Harrah's Lake Tahoe Caesar's Rewards Lake Tahoe and Atlantic City.

Angela Pitre

From: [REDACTED]
Sent: Friday, November 17, 2023 6:31 PM
To: Angela Pitre
Subject: Casino Offers





Sent from my iPhone

9. Edward Sieja Affidavit detailing work for Cimarron Underground and Benchmark Professional Services from the end of 2018 through March, 2022.

I Edward Sieja was employed by Cimarron Underground and Benchmark Professional Services from the end of 2018 through March of 2022, my position with both companies was combined as a Sales / Marketing representative, Project Manager, Construction Manager, and Division Manager. Through my time with Both companies, I was a salary based with Commission for both companies , I brought a pipeline installation project in from Mexico which I traveled to Mexico City during the height of Covid for Benchmark Professionals to lock down and secure this project and was paid for equipment purchases for separators, exchangers, pig launchers and receivers that was paid for by Benchmark to myself to have these items fabricated in fabrication shops and purchased for these projects, without my benchmark email to fully confirm these were in the amount of around \$500,000 - \$700,000 for these fabricated and purchased goods to be used on the pipeline project which pictures could prove this equipment coming in and being delivered. We also built Gas stations in and around Beaumont Texas, and Aspen Dental buildings, and then with the assistance of a former Texas congressman we secured a track of land to build a RV park in which I also received a Pet Crematirian from that purchase of land and moved the equipment so I can open a Pet Crematirian here in Louisiana , but with everything going on work wise I set the equipment off in storage with a partner. With Cimarron, I managed pipeline crews fixing damage in the inland marsh, and managed several other oil and gas projects along with some commercial projects that I was instructed by the owner Chris Lang and President Steve Hutchinson to chase anything I can around the Louisiana , Texas area because he wanted to grow this area, and Me not knowing Chris Lang or Cimarron's habits I went along because I was getting paid a nice salary with a commission to do so.

In September of 2020 I Edward Sieja contacted Mr. Paxton Teddlie and asked if they needed any assistance with the hurricane damage to the schools, Mr. Paxton said Yes , especially if we were licensed because they had a lot of work and asked me to meet with the school board maintenance manager, and to go view the schools and meet with the teachers, which I went and did (All of this is on Text message). Shortly after this Mr. Teddlie asked me if I could line up and get him bids on Mold remediation and dry out services which I was advised to get three bids and have them emailed to his email address. Aqua One, was one of the bidders, Serve Pro was a second, and Benchmark was the third, all these bids were

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sent to Paxton Teddlie for his review and to consult with Consultant Joel Moore, which Mr. Paxton Teddlie, and Mr. Moore were the two people who qualified who was used, Mr. Teddlie would have Joel Moore check out who ever it was doing the work to make sure they were qualified and then would ask me to make sure whoever did the work was able to get in and do what they needed to do and to assist in any matter, basically I was Joel Moore's helper and did what I was told to do by Joel Moore.

Regarding the money paid by Benchmark, I was paid a commission by Benchmark for bringing the sales in as a Benchmark representative which I was NOT an Employee of Grant Parish School Board, nor was I Personally ever under contract personally as a Representative of Grant Parish School Board. I was also paid commission by Cimarron for bringing the sales into Cimarron, which I was NOT a employee of Grant Parish School Board, nor was I Personally ever under contract personally as a Representative of Grant Parish School Board.

My trip to Reno, Nevada was a free Comp'd trip courtesy of Caesar's Entertainment and could be verified through My Host Mariann Germany, this trip was a weeklong trip to Reno Nevada with air fare and free rooms, along with about \$2,500.00 to play on. (Have a new Current offer from Caesars included in here as a screen shot).

My Stepdaughters car that was purchased in February of 2021, my ex-wife used her 2017 Honda Accord that was fully paid for and in her fathers in (Ken Dunn) as a trade in on her New 2021 BMW X3 which was financed by [REDACTED] and is currently still financed through [REDACTED] on a common 60-month term note.

At the beginning of the work being done for the school board we were asked to pick up debris from all the schools and to put temp roofing, tarps, etc. on the schools, and then we were asked to give a price to repair the Football press box at Grant High School, which a bid was put in to do and a purchase order was issued to Cimarron to fix the water damaged Press box, and to install a new roof and sound system that was damaged during the hurricane Laura. Jarred Friday was the lead supervisor putting people, crews, equipment where they needed to be and overseeing the work being performed, his go to person was Brother Jim the school

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board maintenance manager, then Joel and Me and the last person having say so was Joel Moore, who we were instructed was the school board consultant overseeing all the hurricane work and answered directly to Paxton Teddlie.

Mr. Teddlie asked me to get in touch with Engineering firm Pan American to come design and work up the temp classrooms and to do an assessment of the property damage, which he provided me the information to touch base with John Gagnard, on October 12th, Mr. Gagnard advised he couldn't have a team ready till the first week of November (Text Message included), when I advised Mr. Teddlie of the scheduling for Pan American, he advised to find someone else, at that time I visited with Mrs. Barrios and Mrs. Genelle to see who else has Grant Parish School Board used in the past and they advised Ballard CLC. Did a project for them at Grant High School, so I reached out to them to see if they'll be able to assist in the services that the school board needed, and they advised they could do so. When Ballard CLC. Advised they'll be able to start providing these services immediately, I advised Mr. Teddlie and Mr. Teddlie talked to the Grant Parish School Board attorney and approved them to get started so they could get the kids back in school.

My previous involvement with Ballard was a personal loan by Brian Butler and his group Bayou Rapides development which was for a investment, this investment was paid back to Bayou Rapides Development, and I requested advise from Mr. Butler regarding the Pet Crematorium that I acquired about putting it on a piece of property off [REDACTED] Street.

When Cimarron was doing debris removal for the school, they were also providing this same service for DOT doing storm removal from highway and roadways throughout Grant and Rapides Parish. This project was a project that Vice President Jeffery Derosia and Chris Lang put together and I was to oversee the management of this project, during this project it was stated by Mr. Derosia and Mr. Lang that this project was not making any money and Mr. Derosia advised Mrs. Donna Pennington with Cimarron to bill the DOT guys to the Grant Parish School Board project, when Mrs. Pennington called me regarding this I advised her " Absolutely NOT ! I told her that they were NOT to bill these employees to the Grant Parish School Board project, that I knew these people and have to face these people on a day-to-day basis and will be NO Part of them double billing the

school board (This Text message will be attached for supporting documentation). After that I advised Mrs. Pennington that if they did so I would inform Mr. Teddlie of it, and afterwards was contacted by Mr. Lang with him telling me that if I threaten one of his employees again, I would be terminated from the company.

During this time frame we (Cimarron) was being pulled in every direction, some by school principals, some being directed by the school board maintenance manager, and by Mr. Teddlie, for instance while we were working on the press box at Grant High school, we were getting phone calls from the principal of Montgomery Mr. Mike Edwards asking us when we were coming over to fix his football field, lights, concession stand, which we would advise him to get with Mr. Teddlie that we were working as instructed by the school board, Mr. Teddlie sent me a text and advised that the adjuster just got back to him and advised " Yes . Tarp. Temp repairs. Rebuild it if you can. I don't think portables will be an issue. Send what you can get hands on by Monday morning, and he also advised to remove the carpet." This was from the Adjuster John Clarke and forward to me by Paxton (Which is a text message proving). Mr. Teddlie then told us to repair the Montgomery Concession stand, and anything else that can be repaired at Montgomery High School, we then started on the Girls softball field after cleaning up all the fallen tree's and debris that was blown back there we rebuilt the field, but had the option to use Metal fencing which was readily available or to be on a wait list for Chain Link fencing which None of our vendors had in stock due to the hurricane damage and covid shortage (Can prove with our vendor Sutherlands Home Improvement Sku# 3563780 which is for the chain link fence was out of stock from November 10th 2020 till Mid-January 2021, Store manager Juan Cruz could verify this) which we were told to get it done because they needed the softball field completed, so Metal fencing was used. We then were pulled to start working on the Gym in Montgomery because basketball season was coming, during this time frame it was brought up that the roof on the gym was damaged and needed to be repaired, but was told to get the gym repaired anyways so they could host basketball games , the New roof could not be installed because it was still in design stage and would have to go through the bid process which we were told, so we continued to do what the adjuster told us to do which was tarp off the damaged roof and move on, which every time It rained, or another tropical system

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came in it would blow off our temp roof system and we would again have to go back (Many times) to repair , replace and fix to keep water from coming in.

During the school board meetings the board members and Mr. Teddlie would ask Joel Moore if these things were covered by insurance and Mr. Moore stated in the board meetings (Public Records) that he guaranteed these things would be paid for by the insurance company, when asked again by the school board and Mr. Teddlie about the repeated cleaning of the schools , Mr. Moore stated in the board meeting recorded in the meeting minutes that the school board has an obligation to the insurance company to do the best it can to keep the schools from getting mold, damaged from the weather until they can provide a " Sealed Envelope" Meaning a new roof to keep them dry, and until then they needed to continue drying them out.

Regarding the Montgomery locker room the current locker room and tractor shed was damaged during the storm, Mr. Moore said the tractor shed was a complete lost (damaged beyond repair) and the other locker room with stained pretty bad damage that it would be better to build a new metal building to use as a locker room / tractor shed , when Mr. Moore stated this it was brought up to Mr. Teddlie and he asked " Who's going to pay for it , and Mr. Moore advised Mr. Teddlie , " I am going to make sure its covered because we are using policy limits , in which Mr. Teddlie advised " If you sure insurance is going to take care of it then get it done", with this being said it was asked that Ballard come and do the engineering and drawings for the new locker room (Drawings that were presented to the school board in the school board meeting , recorded as public records) which the board members asked Who was paying for this, and Mr. Moore stood up in the board meeting and advised the school board members that this would be paid for out of the insurance.

While doing the work at Montgomery high school the principal Mike Edwards would ask for favors , favors such as " Could we fix items that weren't hurricane damage, or asking for tickets to the LSU game on October 24th against South Carolina , and tickets for LSU vs Mississippi State on September 26th saying " I know you're not using your tickets so you might as well let me use them "or asking if we could finish his projects ahead of other projects, and asking us to bring Light Plants to the Montgomery High School for the game against Pine Prairie to have

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the game canceled and then be told to come pick up the light plants that we were questioned why were these rented. On October 11th 2020 I received a text from Mr. Edwards asking how hard is it to install Sprinklers and a staircase, and I replied not hard at all , and his reply was "We may look at something", when I arrived at the school Mr. Edwards was trying to talk me into installing a new sprinkler system and staircase in the gym located at Montgomery High School, then asked us to paint the outside of the gym for him , when I advised him I would get back to him and followed back up with Mr. Teddlie regarding these request , Mr. Teddlie shot Mr. Edwards request down. (Screen shot of the requests, LSU Tickets attached).

The equipment that was rented for the Grant Parish school board project was under the direction of Jerrad Friday and sent to the schools that needed the respected equipment, for instance a Manlift was sent to Montgomery high school to be used to fix and change lights on the football field, one of the coaches for Montgomery got in the manlift and got the manlift stuck because it recently rained and we told them it would have to dry up prior to us using the manlift and due to it getting stuck we had to let the manlift sit for a week to let the ground harden before moving the manlift to keep from rutting up the football field , another instance we were using the dozers and excavators to clear the downed trees and debris from the softball field in Montgomery , we would get about two days during a week that we were able to use this equipment because it was either raining or we would be pulled off and redirected by Grant Parish School Board , during the time of the softball field and the locker room it took almost three months to do due to weather conditions, but was told by Grant Parish School Board that the softball field was a priority to get done and completed.

Piping was purchased to use for temp roofs when we used the scaffolding and piping at Colfax Elementary school because the roof was blown off during the hurricane , piping was also used to secure the school because a bunch of debris was on the ground and kids were riding their bikes through the damaged area's and when this was brought up to Mrs. Laurie Croom and Mr. Teddlie they advised we needed to do something to keep them from going through these area's and since we couldn't get our hands on hurricane fencing to secure the area , Mr. Teddlie advised us to use the piping to keep the kids out of the area. This piping was also used in Montgomery for the installation of the softball field where we used the 2" pipe for post because just like the hurricane fencing we could not

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purchase the fence post because everyone was out of stock on them , we also used the piping for Pollock Elementary school for the handrails that had to be built as per the Louisiana Fire Marshal for the temporary kitchens , coolers and refrigerators , and built handrails as per Mrs. Becky to keep the kids from playing by this equipment . Handrails were also used in Colfax for the temporary classrooms, as well as Georgetown High School. During the dismantling of the temporary classrooms the question was asked what to do with the piping that was used, purchased for temporary handrails, roofs and barricades and we were advised to take to the scrap yard and bring the receipt to Mrs. Cindy Barrios who was handling all the stuff with Fema, All checks were made out to Grant Parish School Board and the check and Stubbs from the scrap yard was delivered to Mrs. Cindy to be recorded.

As for the piping that is installed on my property, that piping is NOT the same piping purchased by Grant Parish School board, the piping that is located on my property is drill tubing which was rejected from the mill and is not the same size pipe purchased by Grant Parish School Board, further more on August 7th Mr. Ralph Cano a former employee of Cimarron and neighbor of mine came to see me regarding a roofing project, and during that meeting Mr. Cano advised me that he had something to tell me, when I asked what that was he advised, " Two investigators came by asking me to state stuff, but I told them I couldn't because I had no knowledge of it and never saw it", but then went on to tell me that he wanted me to know that he didn't have anything to do with the pipe stuff on my property, when I asked him what he was talking about he advised me that Former State Trooper Jody Grabowski a neighbor that my family has had several run ins with because we was mud riding on our property spray painted " Cimarron " on the pipe and sent it to Mr. Lang after I quit Cimarron , which Mr. Lang sent that picture to our vendor we purchased the pipe from and asked him if that pipe was pipe Cimarron purchased , and the vendor replied to Mr. Lang (I have a copy of this reply) NO , that pipe is Drill tubing and we do not sell drill tubing , Mr. Lang's reply was " But it has Cimarron on the pipe ", our vendors reply " That's spray painted on there , NO Steel mill uses spray paint on pipe only thing the mill would do is stencil the Heat numbers and those are stenciled not spray painted. The pipe around my property was installed in 2019 ,because after the contractor finished clearing the land two weeks later the tornado that wiped out Johnny Downs

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recreation park ripped through the land and knocked down some of the pecan trees that we wanted to keep and the contractor that dug the pond on the property had to come back and remove some of the tree's , Not to mention my former father in law who mowed this property has written statements regarding that this fence has nothing to do with Cimarron nor the Grant Parish School Board. (Statements included)

One of the jobs I had was also assisting Mrs. Cindy with the Fema work and meetings, we had at least two meetings a week and sometimes three, where we would have to upload information, GPS coordinates for fema and walk around and take pictures for FEMA. During this time frame I was asked to come help sort through the billing and invoices to help and assist Mrs. Cindy so she can get this paperwork in for Fema and Insurance. While doing so I found several items that were billed to Grant Parish School Board that shouldn't have been billed, and also found out that the temp buildings that I got for Grant Parish School Board was marked up way higher than the price I told Mrs. Donna Pennington with Cimarron what the price was. For instance on the portable classrooms I got them for us at \$45.00 a day from LQT (Living Quarter Technology) ,Cimarron marked the classrooms , Kitchens , freezers , and refrigerators up over 100% above margins, which when I got off the phone with John Alford the Former owner of LQT I immediately called Mr. Teddlie and told him I found us some portable buildings and told him the cost of them , Months later when Donna Pennington with Cimarron sent the invoice in for the buildings Mr. Teddlie asked me why the price increase and I told him he would have to talk to Chris Lang because I did Not handle any of the billings when it came to Cimarron , so Mr. Teddlie asked Mr. Lang regarding the prices in a School board meeting (On Record) and Mr. Lang responded that the price is what it is because of the demand. Another instance is during a board meeting I was questioned by a board member about a piece of equipment that was being billed to Georgetown, this piece of equipment ended up being a Mini Excavator, I advised the board member that I would have to get back to them because I was not the person overseeing the equipment or could answer where any of the equipment was located. When I arrived back at my office I asked Jerrad Friday and Ted Jensen to get a list of equipment located at every school , when they came back with the list everything was accounted for except

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for one Bobcat and a Mini Excavator, when we called the rental company and asked them to pull the GPS on the equipment that's when we found out that this piece of equipment was located at the Cimarron Baton Rouge office by the direction of Chris Lang, I immediately sent Ted Jensen to Baton Rouge to pick up these pieces of equipment and have them returned , when this matter was brought up to Chris Lang inside of Mr. Paxton Teddlie's office , Mr. Lang advised that there must've been an error in billing and all billing was done and performed in Kansas by Mrs. Donna Pennington, which this was in a board meeting when Mr. Lang advised the board about all Cimarron billings. When I started questioning these items I was threatened with my job , and mentally abused by the owner Chris Lang , during this same time frame I was contacted by others that Cimarron was doing work for regarding the billing they had , when I went to one of the customers location located in Oakdale, Louisiana and went over some of the billing with the Mayor I noticed that there was some invoices in his bills that were Grant Parish School Boards bills , I pointed these items out to the mayor of Oakdale and in return I was again advised that I didn't have the authority to so such, I then received a phone call from the Sheriff of Allen Parish about Cimarron trying to charge them over \$70,000 for a temp building that was used by Livingston Parish Sheriffs department during the hurricane , The sheriff advised that when he questioned Mr. Lang about it he immediately dropped the price to \$35,000.00.

Going through the invoices billed by Cimarron to Grant Parish School Board were mostly from Sutherlands Home Improvement where most of our materials were purchased, Cimarron would purchase a ladder, drill, hammer, etc. and bill these items to the Grant Parish School Board. Another instance is Grant Parish School Board needed four more temp classrooms, and the place I got them from prior did not have anymore buildings due to the demand, so we were going to get the Derksen Buildings and make them into temp classrooms , when we went to get them Chris Lang advised me to only do the " Rent to Own " on these buildings instead of the out right purchase of them, when I got the the Derksen building place they wouldn't put the buildings in Cimarron's name doing the rent to own , they had to be done in a person's name, which Mr. Lang advised me that he wasn't putting his name on anything and either I can put my name on them or the school board can figure something else out , so I went ahead and put the buildings

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in my name and got them delivered , these buildings were just a shell and were not completed and couldn't be used as temporary classrooms until they were finished , so Cimarron did the electrical, and installed paneling and lights all which was charged to Grant Parish School Board then charged the Grant Parish School Board \$125.00 a day per temporary building . Mr. Lang then tried selling the buildings to Grant Parish School Board and told me he needed me to transfer the buildings over to Cimarron, which I advised him I would not do that the only person I would transfer the building ownership over to was to Grant Parish School Board , this was related to Mr. Paxton Teddlie and Mr. Charles Hardy by myself and a legal documentation was drawn up by my attorney Stacy Auzeen.

The Lay out for the Grant Parish School Board project went like this : Edward Sieja performed the sale of getting Cimarron in , after getting Cimarron in Chris Lang wanted someone else to be the Project Manager/ Construction Manager , Chris Lang appointed and hired a gentlemen by the name of Britt Hardin , Britt came in to oversee the Grant Parish School Board project and my duties were to go back as Sales , after about three – four months Cimarron removed Mr. Britt Hardin from the project [REDACTED]

[REDACTED] and Chris Lang sent Britt to Cimarron's West Texas yard to work under Jeffery Derosia , Mr. Lang then hired Tracey Davis to be the new Construction Manager/ Project Manager over the Grant Parish project , Mr. Davis was involved or at least getting paid for the project for at least two months , while he was hired on Mr. Davis never showed up at the school project , nor the office so I would receive phone calls and would do Mr. Davis's job which was to sit in on meetings with engineering , walk campus with insurance company , or sit in on Fema phone calls , I advised Mr. Steve Hutchinson and Mr. Lang about the absence of Mr. Davis and it took for Mr. Hutchinson to come down and sit in on a meeting to see Mr. Davis couldn't keep his head up or eyes open for Mr. Hutchinson to have Mr. Davis removed from the project , from that time on Mr. Lang advised that Mr. Steve Hutchinson would be performing these duties and it was my job to continue selling work elsewhere .

Mary Gallian was in charge of getting the time tickets and invoices over to Kansas for Mrs. Donna Pennington to invoice out to the clients, Mary received the time from Jerrad Friday who was documenting the time and places employees were working. Attached is some of the text messages from Mary and Jerrad regarding

the time , Text messages where Mary would tell some of the employees that they didn't have many hours that week and she would " Play with the numbers to give them 50 hours because these employees were like her babies " , or text messages from Jerrad Friday stating to some of the employees when they told him they had to leave early " Its all good , I paid you for the whole day ".

Regarding the Safety Manager Mike Slaney, I was traveling up highway 165 North heading back to Alexandria when I was pulled over by a Deputy Marshal for speeding, when the marshal was completed filling out the ticket citation I phoned Kris Clossener who worked in Allen Parish and asked if he could make a phone call and see if the ticket could be reduced to stay off my driving record for insurance purposes , Mr. Clossener contacted Mike Slaney the Ward Marshal , Mr. Slaney contacted me and asked me to come visit with him which I did, when I went to Mr. Slaney's office he asked me about the work I was in and advised that Mr. Clossner told him that I may be needing a safety man, which I advised that I was looking for a safety representative for a project , Mr. Slaney advised that he would contact the Allen Parish District Attorneys office and ask them to reduce it to a Seat Belt ticket in return for a job working as a Safety representative , so I told Mr. Slaney to submit his application and I would ask Mr. Lang about hiring him , Mr. Slaney told me just for that he was going to commission me as a Deputy Marshal for Ward 3, when I left his office that day I walked out as a commission Marshal under him. Two weeks later Mr. Lang advised to hire Mr. Slaney as a Safety representative, Mr. Slaney was issued a company truck and fuel card so he could go and monitor job sites, Mr. Slaney did his job as a safety representative to the best of his ability, until towards the end, towards the end of his employment Mr. Slaney would come

[REDACTED] and Mr. Slaney blew up at me and said he Quit. I called Mr. Lang and advised him that Mr. Slaney quit and a week later I was informed by Mr. Lang that he was bringing Mr. Slaney back, between reviewing the invoices for Oakdale and other places that Cimarron was billing I noticed that Mr. Slaney was being paid Per Deim by Cimarron and Cimarron was billing this to customers such as Oakdale, and Grant Parish School Board. When I noticed this, I immediately terminated Mr. Slaney's Per Deim because he was living in Oakdale

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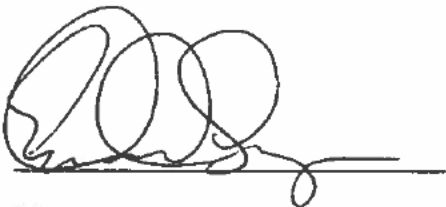
and had a company truck and fuel card and shouldn't have been being paid Per Deim to start with, but that was one of the perks that Mr. Lang made with Mr. Slaney. When Mr. Slaney was notified that his per diem was terminated, Mr. Slaney advised that he was quitting, two days later I was notified by text message that I needed to turn in my commission card, and badge with the Ward 3 marshal's office. (Text Messages included regarding this)

Ralph Cano was hired by Cimarron as a roofing expert, which Mr. Cano had over 25+ years of experience as a roofer and adjuster doing roofing damage and repairs. At the beginning of the project Mr. Cano was extremely helpful to the Grant Parish School Board project, for instance the insurance company claimed that Grant High School didn't have storm damage to the roof of the school and the roof leaks were from old age of the building and roof, Mr. Cano in the board meeting on record challenged the insurance company and proved that the roof sustained hail damage due to the hurricanes and roof damage due to the ice storm, after that Mr. Joel Moore advised that he wanted Ralph Cano to help assist him doing estimates for the school board and other projects (This is also in Text message by Joel Moore) which was relayed between Chris Lang and Joel Moore and that's when Chris Lang started billing Ralph Cano to the school board as a T&M for assisting Mr. Moore. Mr. Cano's employment was ended when he went to do a job for Mr. Joel Moore at a Hair Salon in Deridder and brought his girl friend and another lady up on the roof of the building, not only that but at lunch that day with the employees Mr. Cano had a Crown and Coke beverage during lunch before returning to work. Mr. Chance Laurent called and advised about the woman on the roof and the drinking during lunch and when Mr. Cano came into the office with his lunch receipt it was verified about the drinking on the job and his employment was terminated.

Jerrad Friday was brought on as Superintendent over all projects, Mr. Friday oversaw the Grant Parish School Board project, projects going on in Mobile Alabama, Oakdale Louisiana, and Projects we were doing for the Railroad in Texas, Arkansas, and Nebraska. Mr. Friday would place people where he needed them along with the equipment they needed and kept track of the time for all the employees and turned all that into Mary Gallian. I myself never questioned anything Jerrad was doing because he was in direct contact with Chris Lang, and Chris Lang made the point clear several times that he didn't need me involved in

(12)

the day-to-day operations of the projects. After the project was over for the school board and the school board came to pick up the remaining handrails, pipe, septic tanks, and other equipment that was stored at our office as per Mr. Paxton Teddlie, is when we found out that Mr. Friday had employees bring left over lumber, plywood , insulation , and sheet rock to a residence he was supposed to be purchasing off Ted Jensen, this was told to us by Mr. Friday in front of my attorney Stacey Auzeen , when questioned Why he had this material at his house he advised he didn't know where else to put it. When we asked the employees who brought this material to his house the employees advised that Mr. Friday told them "It's their Loss, My Gain "and Mr. Friday hired these employees to help him remodel his house using some of these materials. (Statements from the employees and text messages from the employees are attached).



Signature

11/17/23

Date



Witness

11.17.23

Date

Angela Kay M. Monagle
Notary Angela Kay M. Monagle
#18404

11-17-2023

Date

What is the Average Sales Commission?

Commissions are a percentage of the total sale value that a sales representative earns each time they close a deal. While not every company offers commission to salespeople, it is often an incentive for sales teams to be as productive as possible. Unfortunately, it's not possible to give you the typical sales commissions by representatives. (Believe us—we tried!) The truth is commissions vary immensely based on industry, experience, and individual business goals. Some come in the form of a simple percentage, while others are much more complicated.

However, the typical commission rate for sales starts at about 5%, which usually applies to sales teams that have generous base pay. The average in sales, though, is usually between 20-30%. What is a good commission rate for sales? Some companies offer as much as 40-50% commission. However, these are typically sales reps that require more technical skills and knowledge, plus have a compensation structure that relies more heavily on commission.

Generally, the size of your commission per sales depends on multiple variables:

- How difficult is the sale? How complex is the sales cycle?
- How long does it take to go from prospect to closing the deal?
- How much experience is needed?
- How much is the rep expected to do on their own?

If you want to see all the possibilities and variables, check out this article by [Time to Hire](#), which suggests several commission structures for various industries. It's in-depth and you'll understand why you won't ever find an "average sales commission by industry."



Date: 10/02/2020

CUSTOMER RECEIPT - 00506826

SOLD TO:Edward Sieja

DELIVER TO:

Prepared by:

ORDER SUMMARY - RENT TO OWN		NEW	
PRODUCT & OPTIONS		SALES PRICE	RTO PRICE
UTILITY 12x32 Siding Color: Light Gray Paint Roofing Color: Charcoal Metal Trim Color: Dark Gray Paint		\$8,100.00	\$8,100.00
9 Lite 36" Door (Pre Hung)		\$250.00	\$250.00
2x3 TP Windows (White) - 2x3 Thermopane Window		\$165.00	\$330.00
		Net Building Cost	\$8,680.00

PAYMENTS SUMMARY			
Payment Type	Payment Details	Payment Date	Payment Amount
Check	Check Number: DIRECT PAY	10/06/2020	\$1,000.00
Purchase Order	PO Number: GT001		
Total Payment Amount			\$1,000.00

RENT TO OWN TERM: 36 Months	
RTO Building Total	\$8,100.00
RTO Options Total	\$580.00
Total RTO	\$8,680.00
Total Payment Contract Term	\$15,006.60
Security Deposit	\$0.00
Cost Reduction	\$583.15
NET Cost Reduction	\$527.98
NET RTO	\$8,152.02
Monthly Payment	\$377.41
Monthly Sales Tax	\$39.44
Total Monthly Payment	\$416.85

Please make checks Payable to Derksen Portable Buildings
Tax rate may change (subject to applicable tax).

All sales are subject to final approval by Derksen Portable Buildings Corporate Offices.

Derksen Portable Buildings and its agents are NOT responsible for permits, setbacks, restrictions, or covenants. Please contact your local codes department or Homeowners Association. It is up to the customer to decide whether ground conditions are suitable for delivery. Derksen Buildings is NOT responsible for yard or driveway damage. Free delivery and set up includes ONE TRIP. Additional trips may incur CHARGES to the customer. I, the customer, have read the disclosure, Terms And Conditions Of Sale and fully accept the terms provided therein. First 50 miles Free Delivery From Lot Thereafter \$3.00 Per Mile. Any cancellation is subject to a restocking fee.

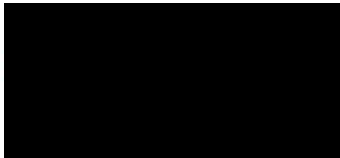
DocuSigned by:

Customer Signature

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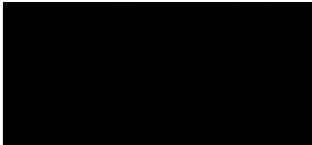
Date: 10/02/2020



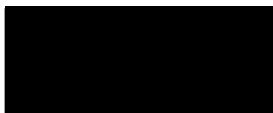
Prepared by:

CUSTOMER RECEIPT - 00506818

SOLD TO: Edward Sieja



DELIVER TO:



ORDER SUMMARY - RENT TO OWN		NEW	
PRODUCT & OPTIONS	SALES PRICE	QTY	RTO PRICE
UTILITY 12x32 Siding Color: Light Gray Paint Roofing Color: Charcoal Metal Trim Color: Dark Gray Paint	\$8,100.00	1	\$8,100.00
9 Lite 36" Door (Pre Hung)	\$250.00	1	\$250.00
2x3 TP Windows (White) - 2x3 Thermopane Window	\$165.00	2	\$330.00
Net Building Cost			\$8,680.00

PAYMENTS SUMMARY			
Payment Type	Payment Details	Payment Date	Payment Amount
Check	Check Number: DIRECT PAY	10/06/2020	\$1,000.00
Purchase Order	PO Number:		
Total Payment Amount			\$1,000.00

RENT TO OWN TERM: 36 Months	
RTO Building Total	\$8,100.00
RTO Options Total	\$580.00
Total RTO	\$8,680.00
Total Payment Contract Term	\$15,008.60
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NET Cost Reduction	\$527.98
NET RTO	\$8,152.02
Monthly Payment	\$377.41
Monthly Sales Tax	\$39.44
Total Monthly Payment	\$416.85

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DocuSigned by:

Customer Signature



Date: 10/02/2020

CUSTOMER RECEIPT - 00506749

SOLD TO:Edward Sleja

DELIVER TO:

Prepared by:

ORDER SUMMARY - RENT TO OWN		NEW	
PRODUCT & OPTIONS	SALES PRICE	QTY	RTO PRICE
UTILITY 12x32 Siding Color: Light Gray Paint Roofing Color: Charcoal Metal Trim Color: Dark Gray Paint	\$8,100.00	1	\$8,100.00
9 Lite 36" Door (Pre Hung)	\$250.00	1	\$250.00
2x3 TP Windows (White) - 2x3 Thermopane Window	\$165.00	2	\$330.00
Net Building Cost			\$8,680.00

PAYMENTS SUMMARY			
Payment Type	Payment Details	Payment Date	Payment Amount
Check	Check Number: DIRECT PAY	10/06/2020	\$1,000.00
Purchase Order	PO Number: GT001		
Total Payment Amount			\$1,000.00

RENT TO OWN TERM: 36 Months	
RTO Building Total	\$8,100.00
RTO Options Total	\$580.00
Total RTO	\$8,680.00
Total Payment Contract Term	\$15,006.60
Security Deposit	\$0.00
Cost Reduction	\$583.15
NET Cost Reduction	\$527.98
NET RTO	\$8,152.02
Monthly Payment	\$377.41
Monthly Sales Tax	\$39.44
Total Monthly Payment	\$416.85

Please make checks Payable to Derksen Portable Buildings

Tax rate may change (subject to applicable tax).

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DocuSigned by:

Customer Signature



Date: 10/02/2020

CUSTOMER RECEIPT - 00506749

SOLD TO: Edward Sieja

DELIVER TO:

ORDER SUMMARY - RENT TO OWN		NEW	
PRODUCT & OPTIONS	SALES PRICE	QTY	RTO PRICE
UTILITY 12x32 Siding Color: Light Gray Paint Roofing Color: Charcoal Metal Trim Color: Dark Gray Paint	\$8,100.00	1	\$8,100.00
9 Lite 36" Door (Pre Hung)	\$250.00	1	\$250.00
2x3 TP Windows (White) - 2x3 Thermopane Window	\$165.00	2	\$330.00
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PAYMENTS SUMMARY			
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RTO Options Total	\$580.00
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DocuSigned by:

Customer Signature

10. Text Messages - Paxton Teddlie - Grant Parish Superintendent to and from Edward Sieja.

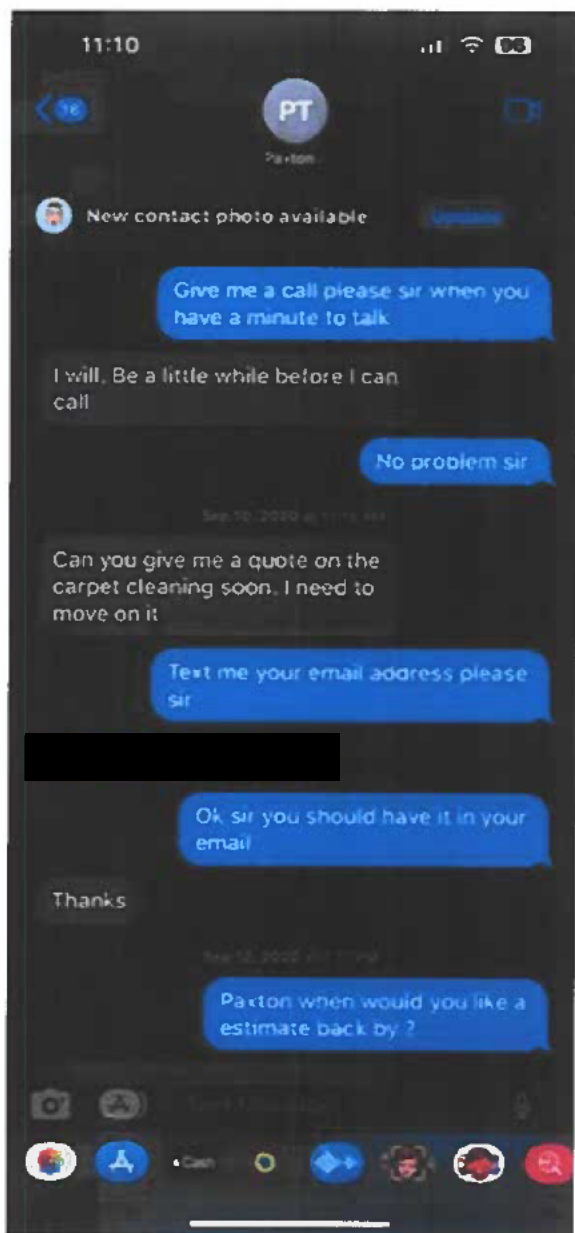
Text Messages

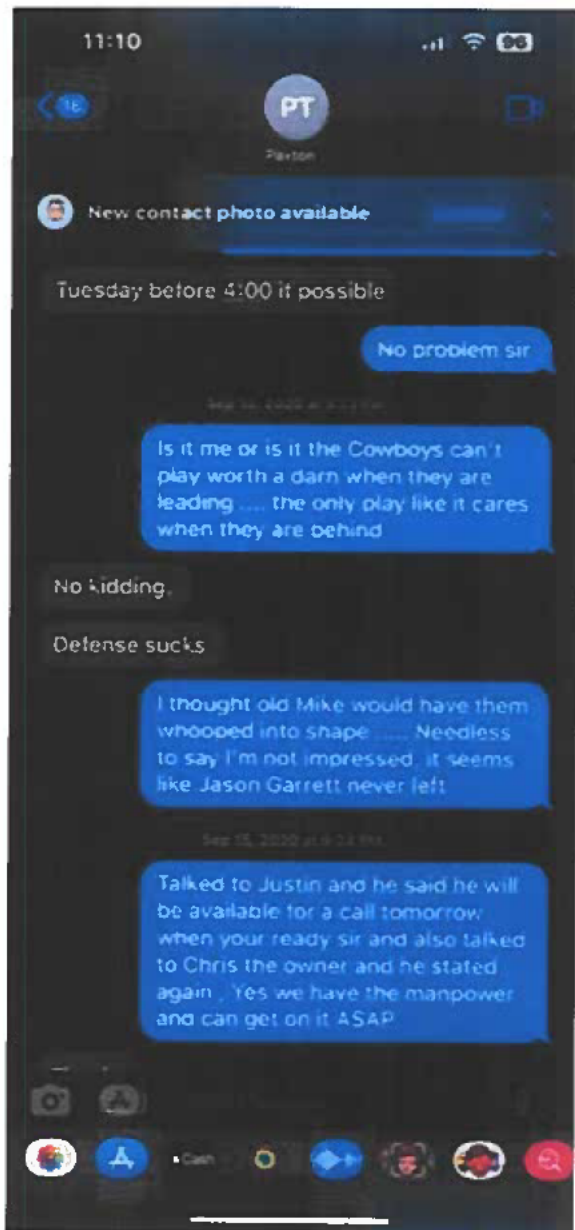
**From: Mr. Paxton Teddlie
(Grant Parish School Board
Superintendent)**

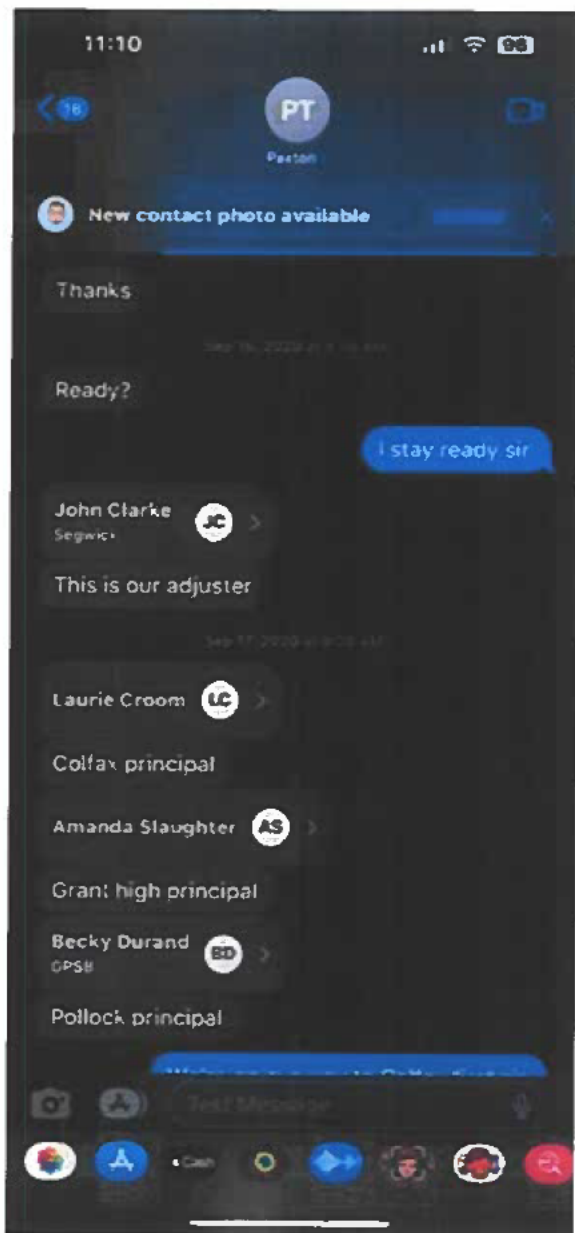
To : Edward Sieja

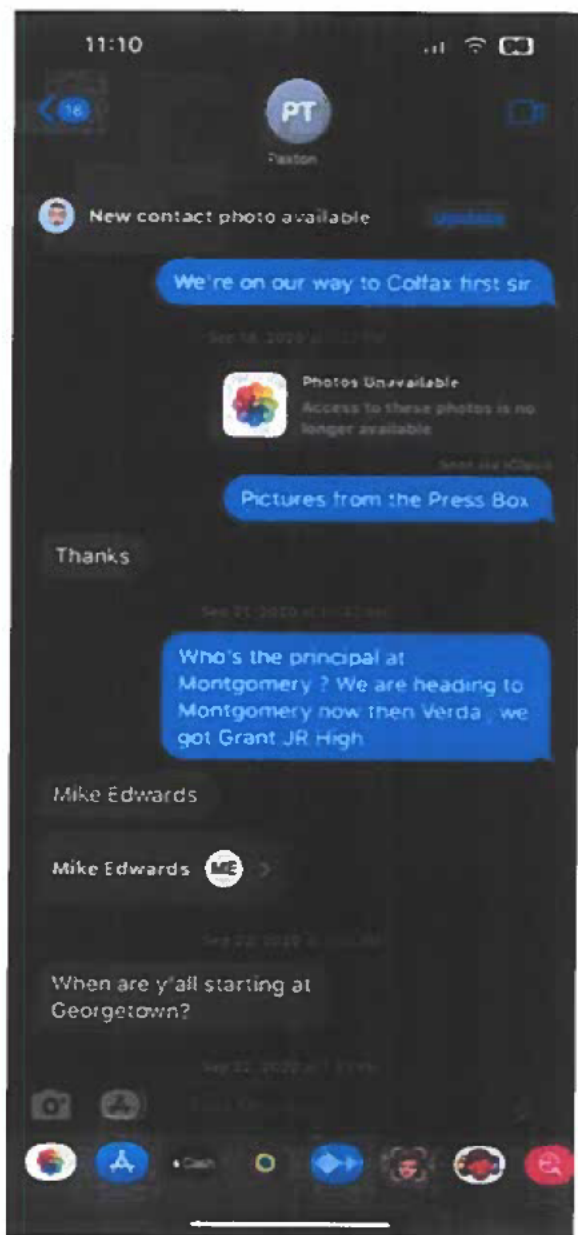


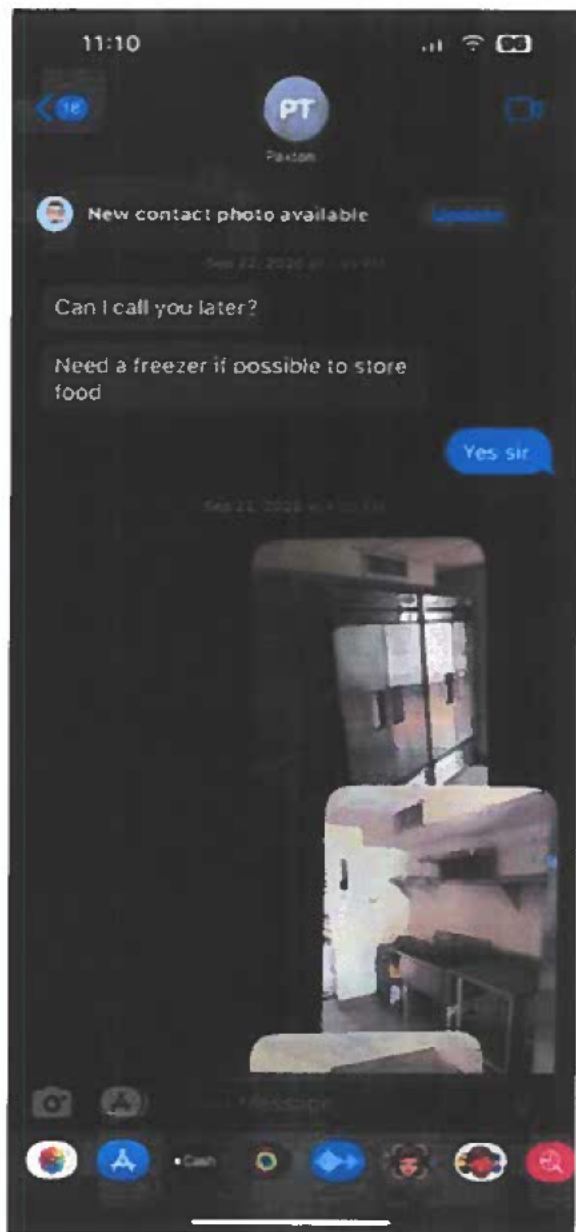


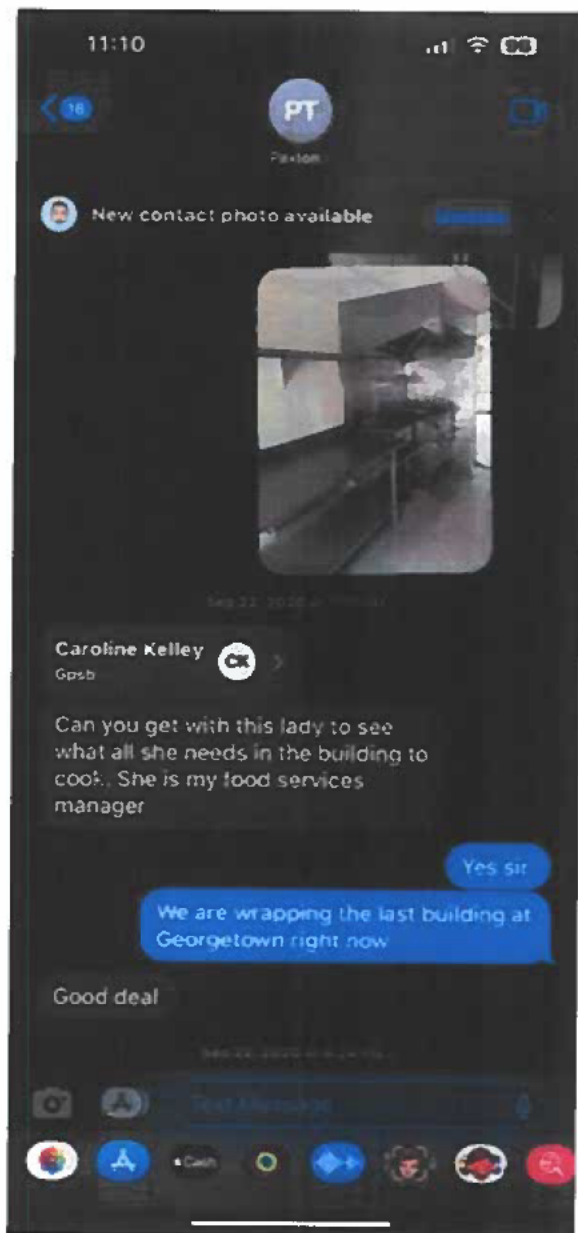


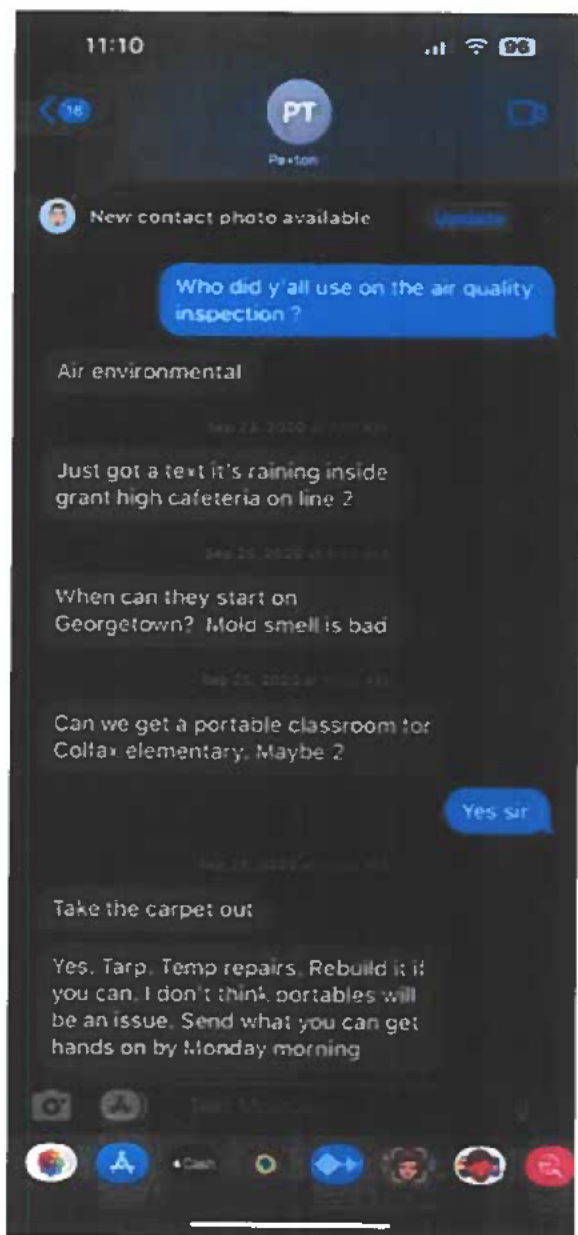


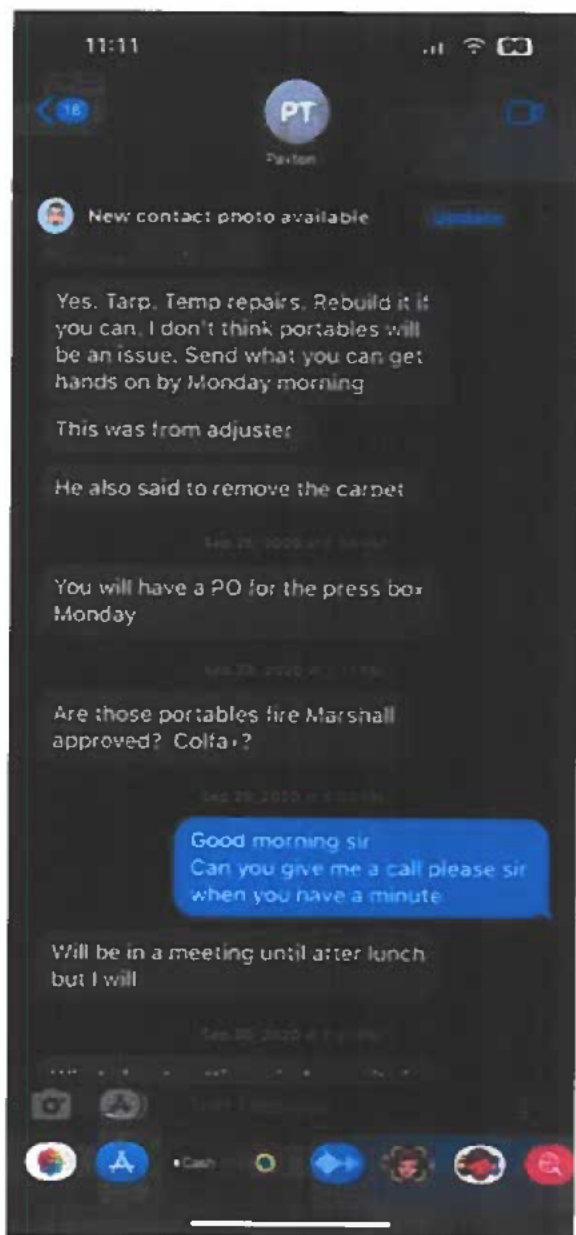


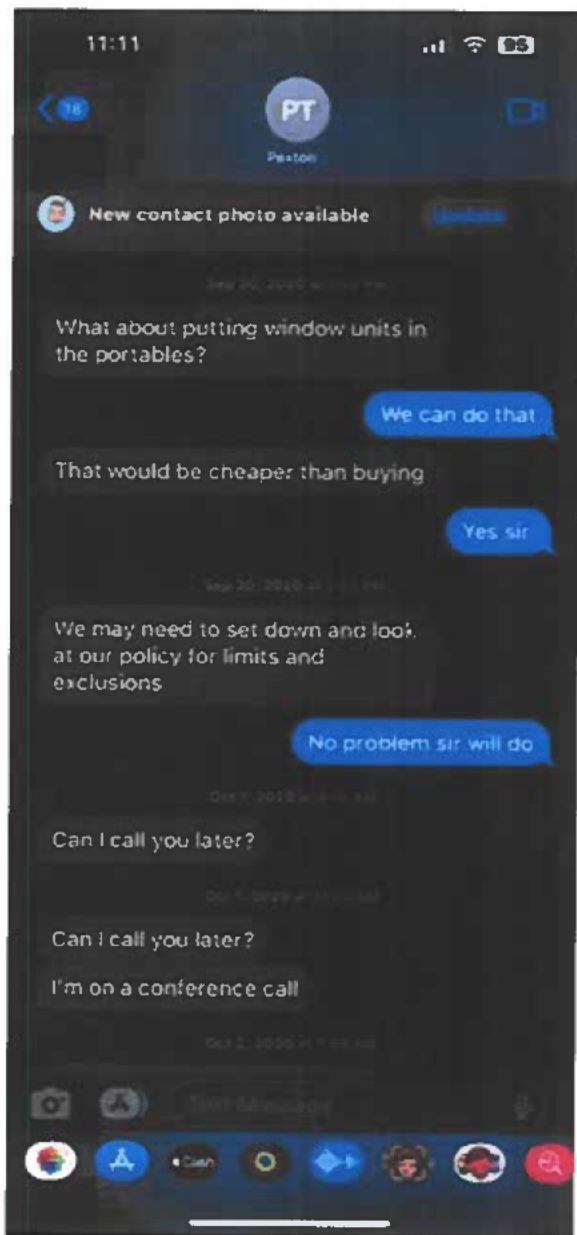




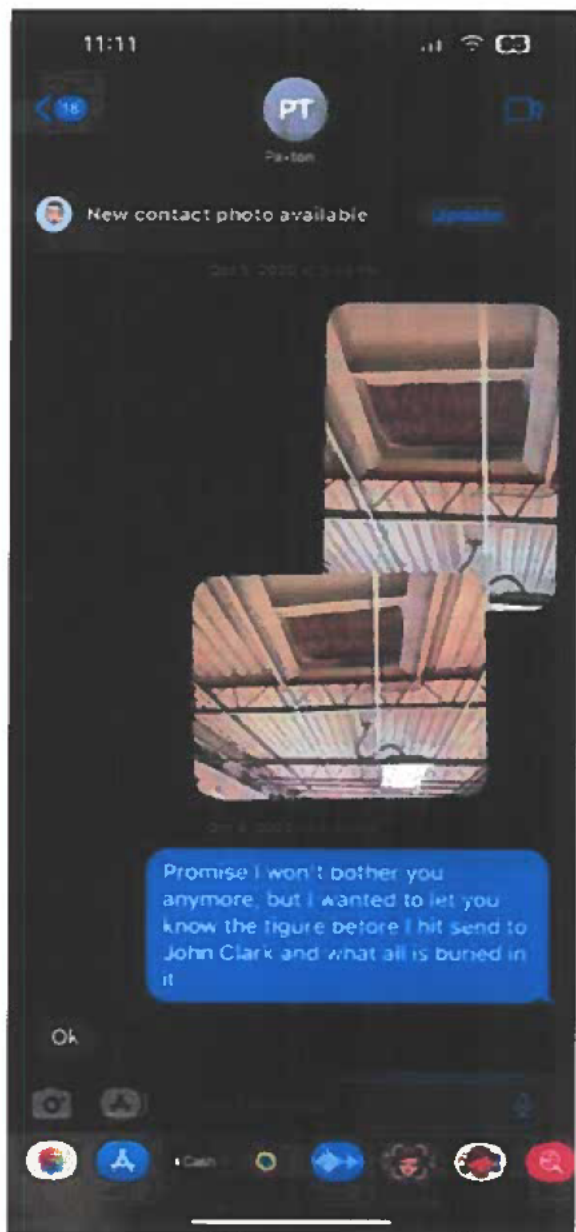




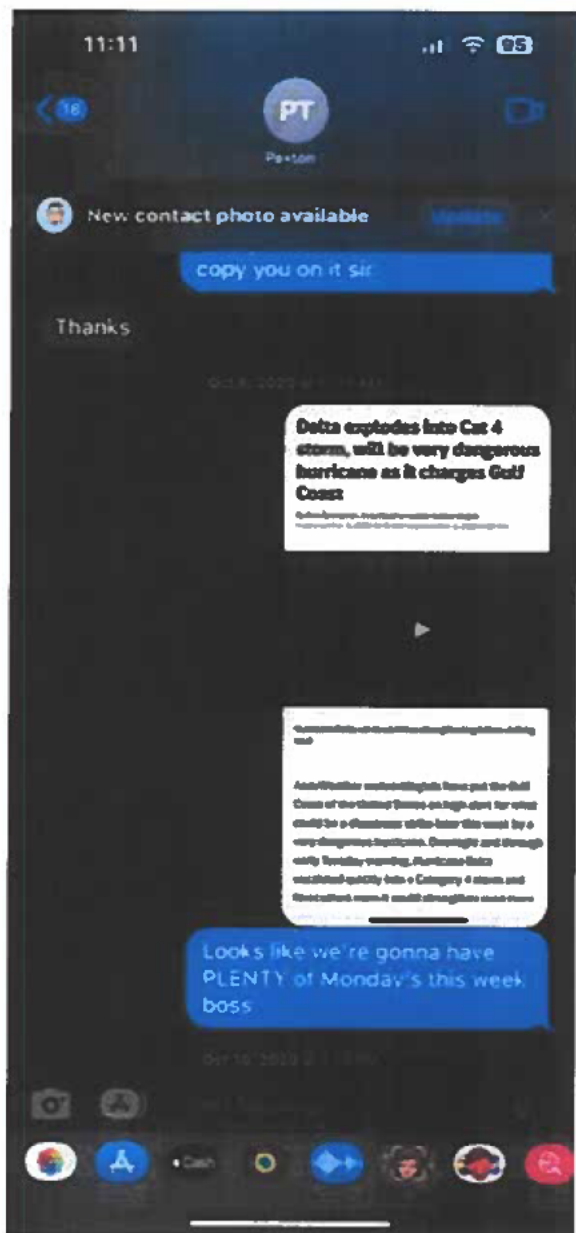








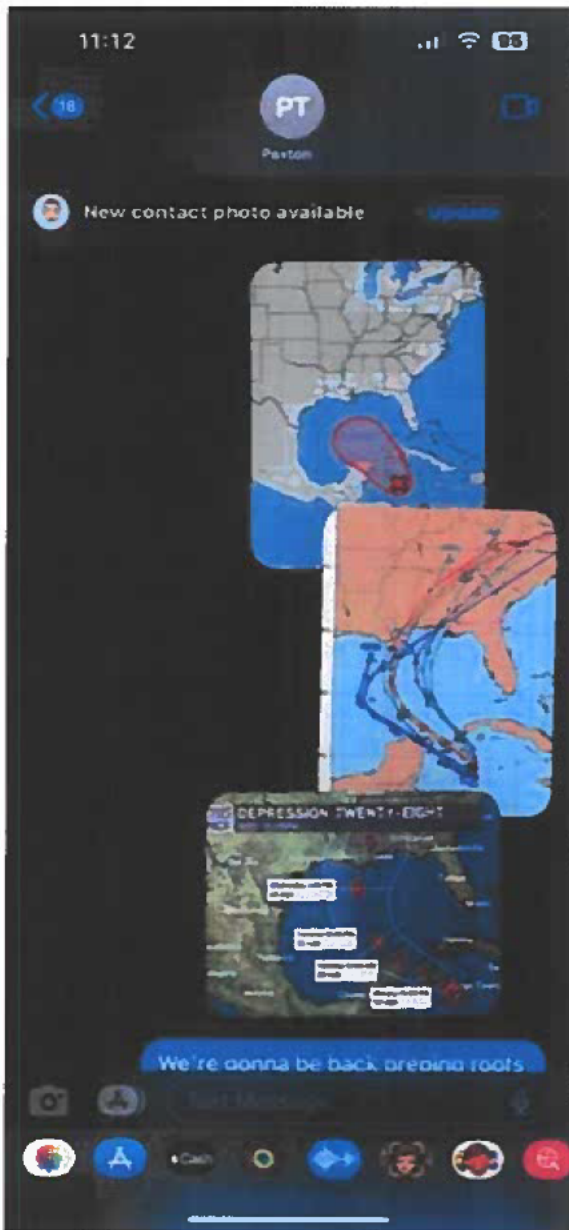


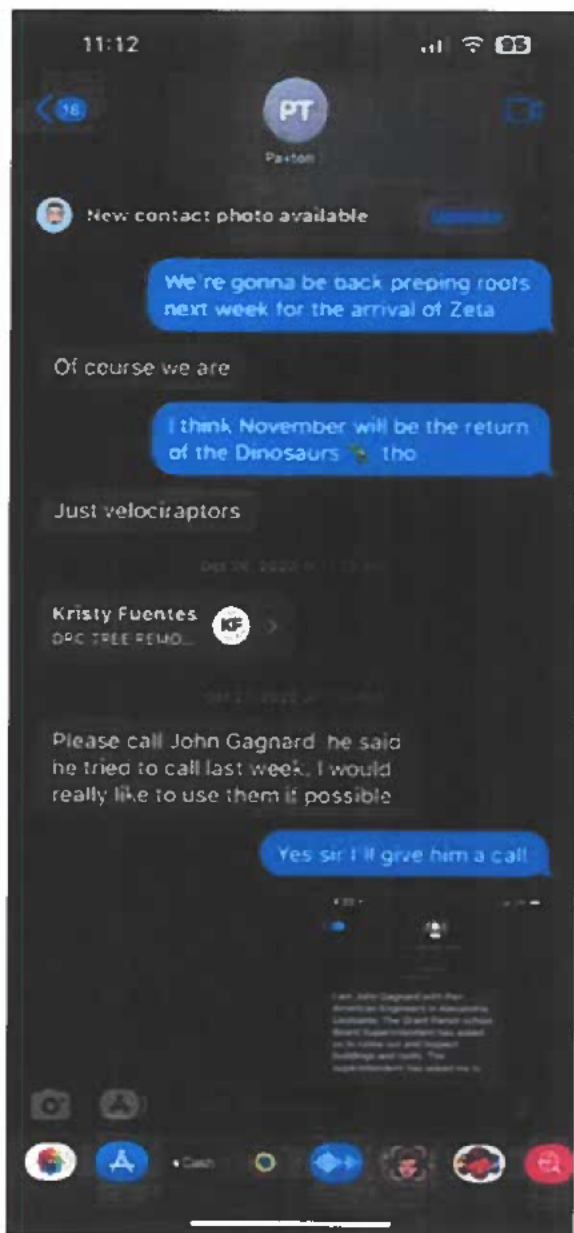


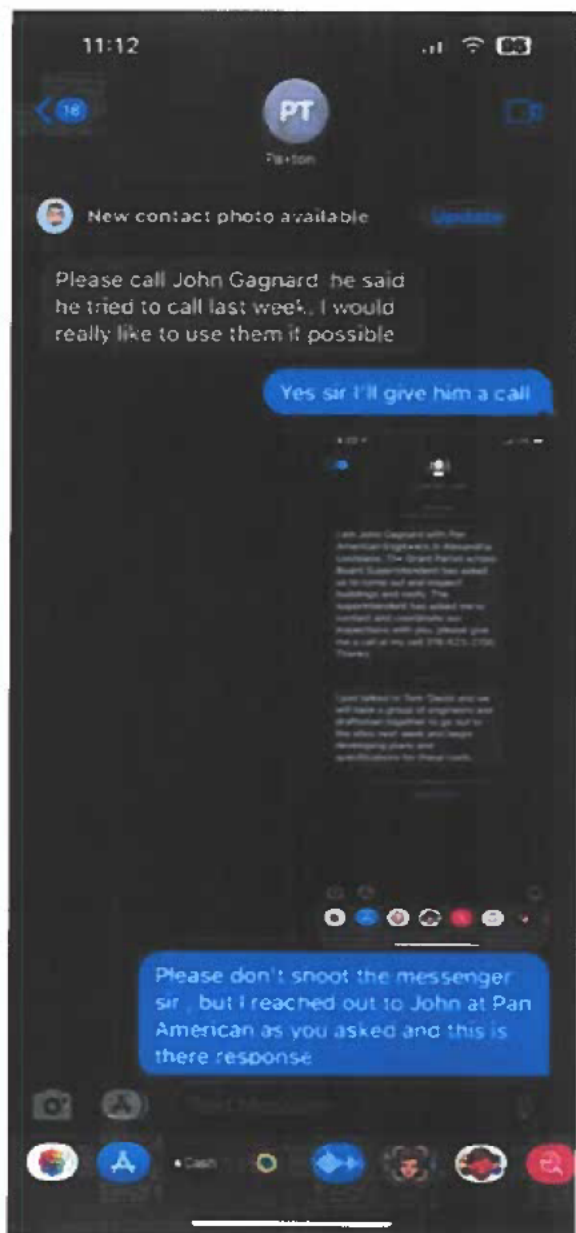






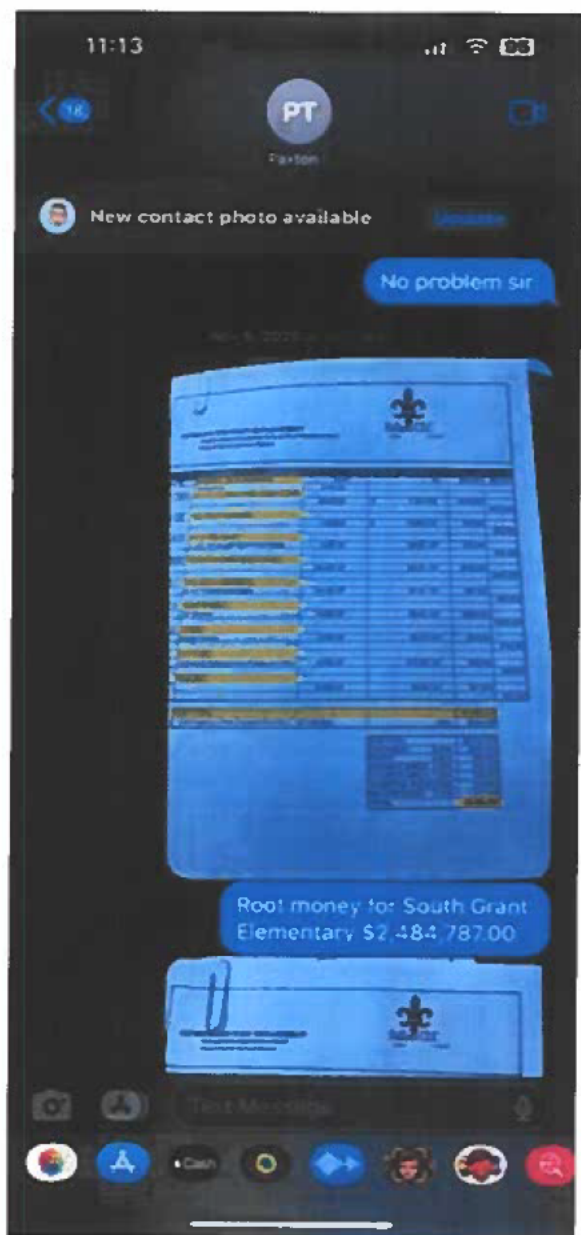






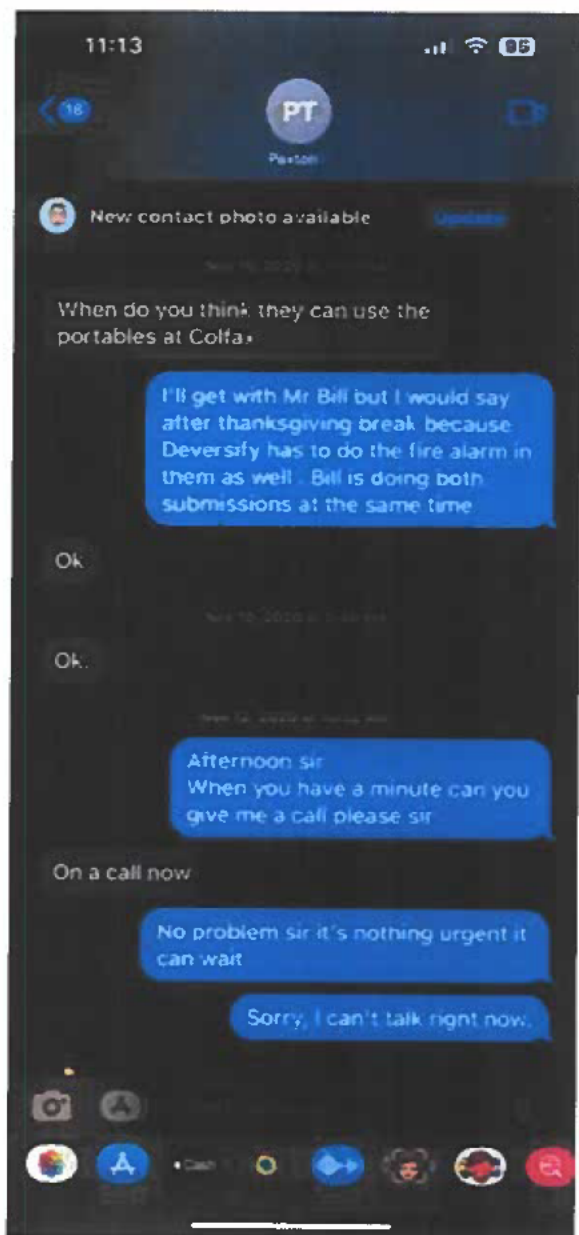












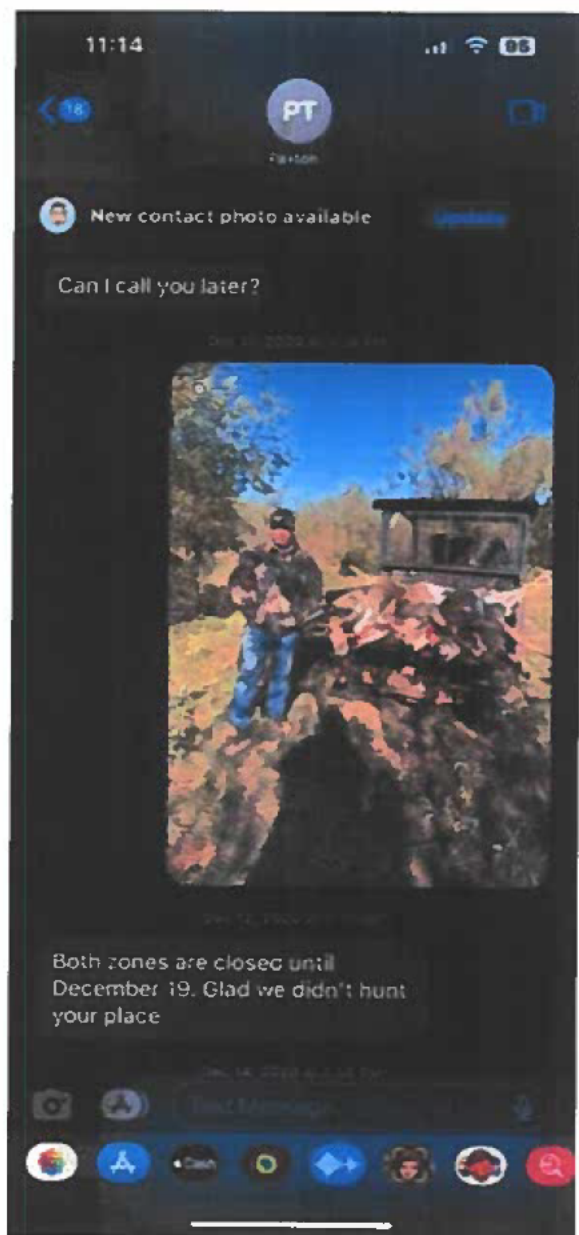




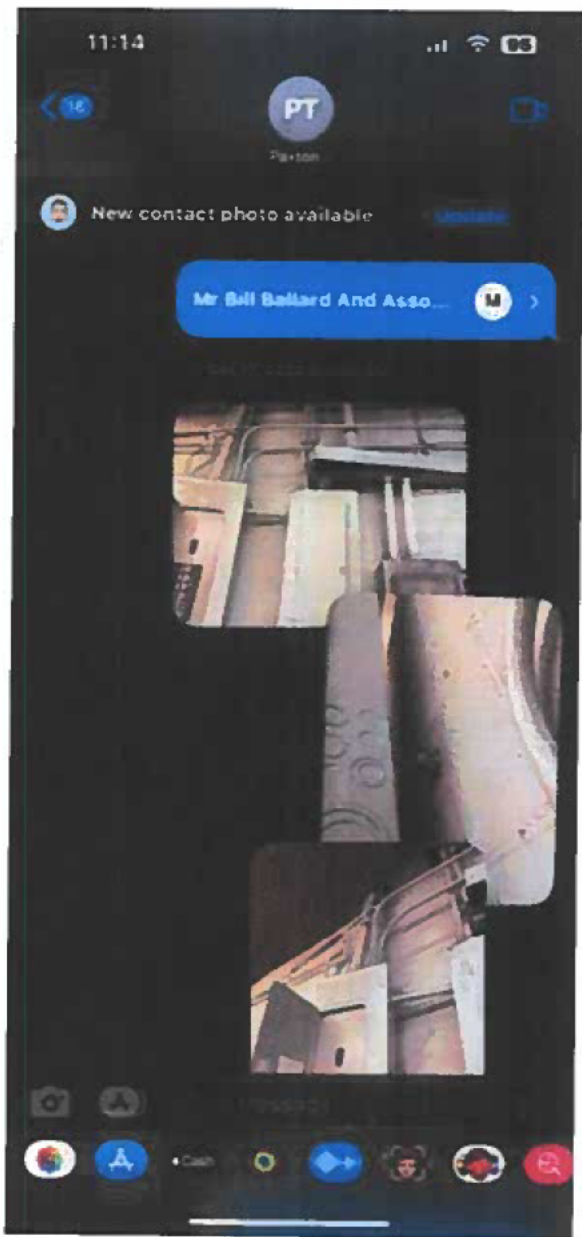






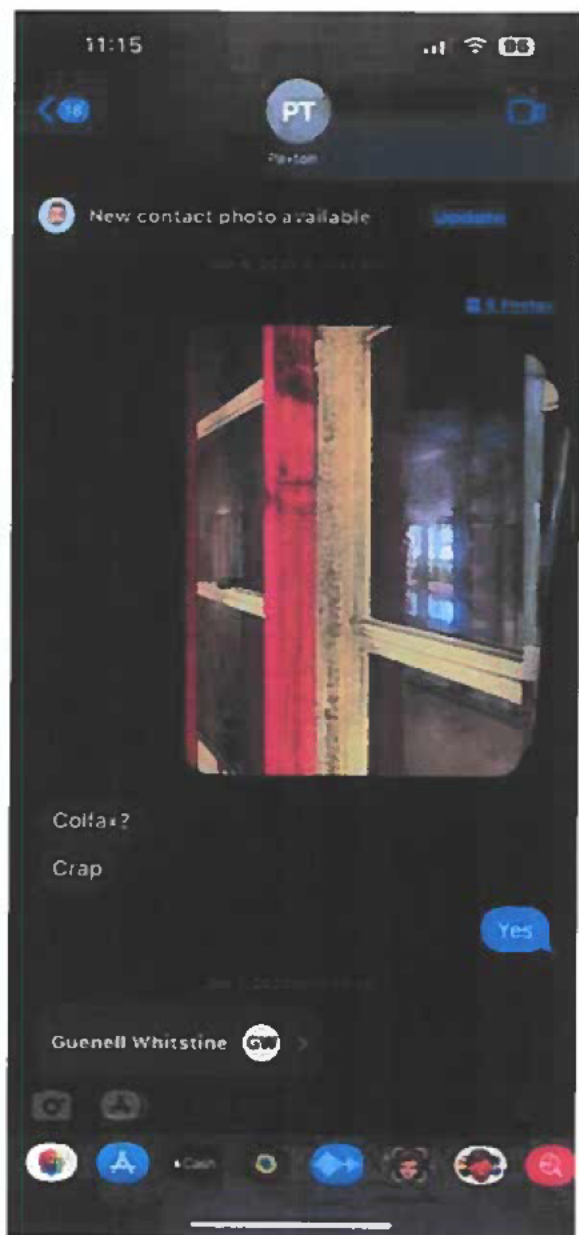








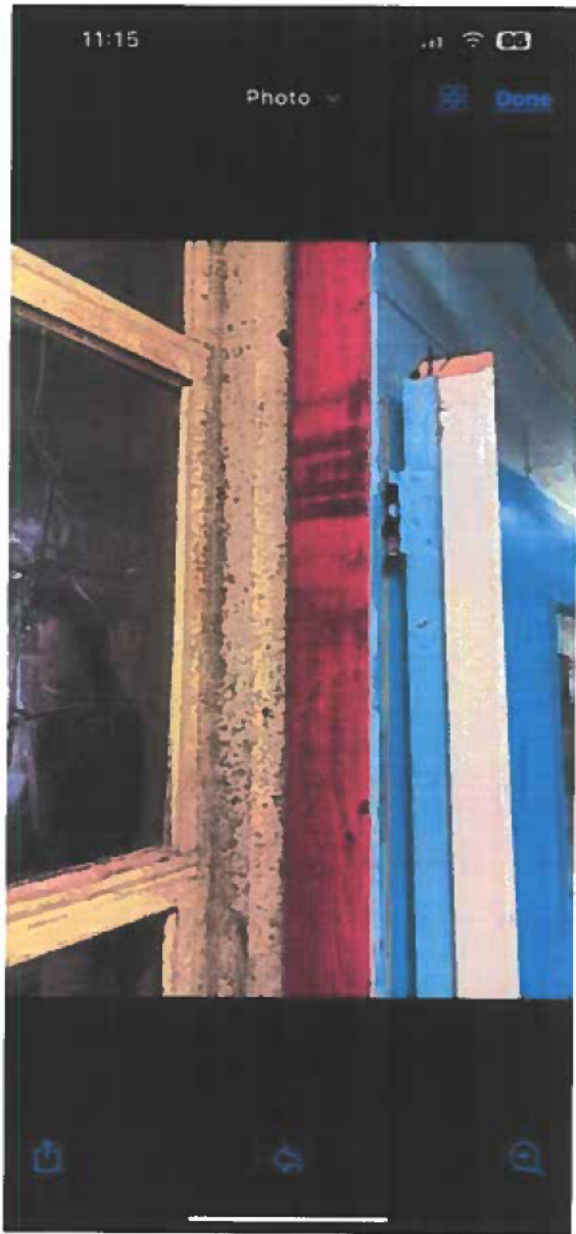






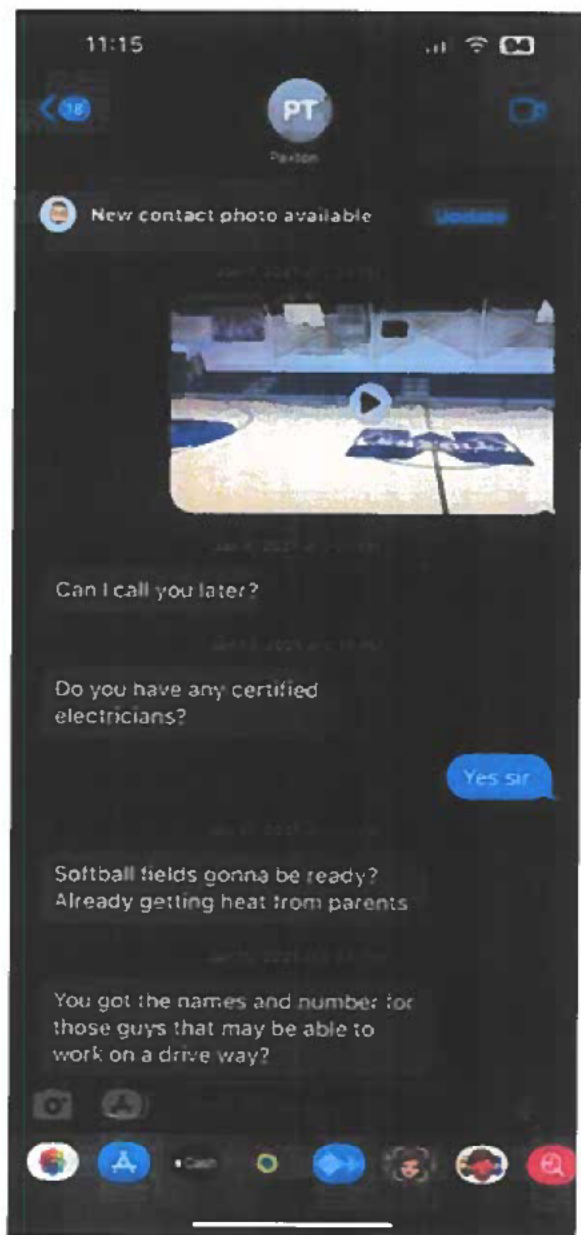


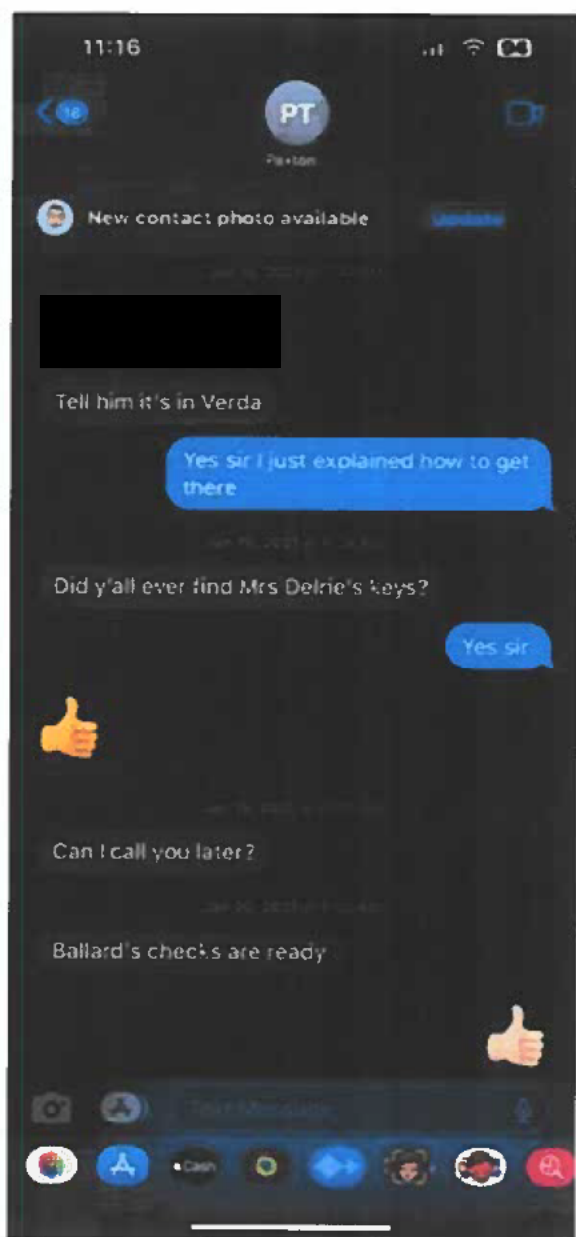








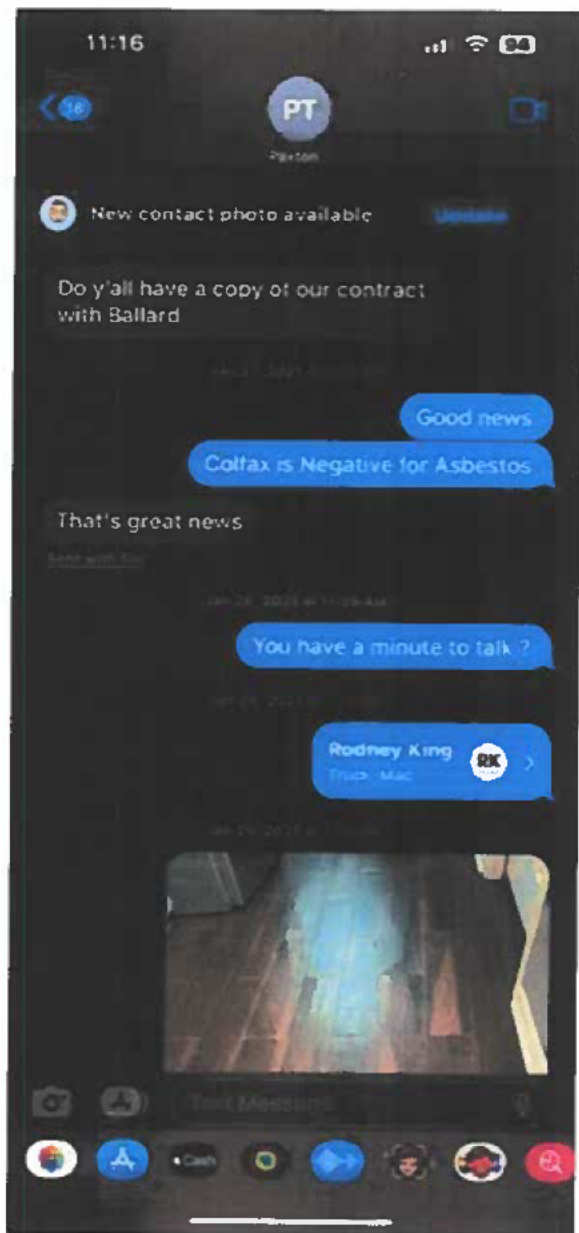


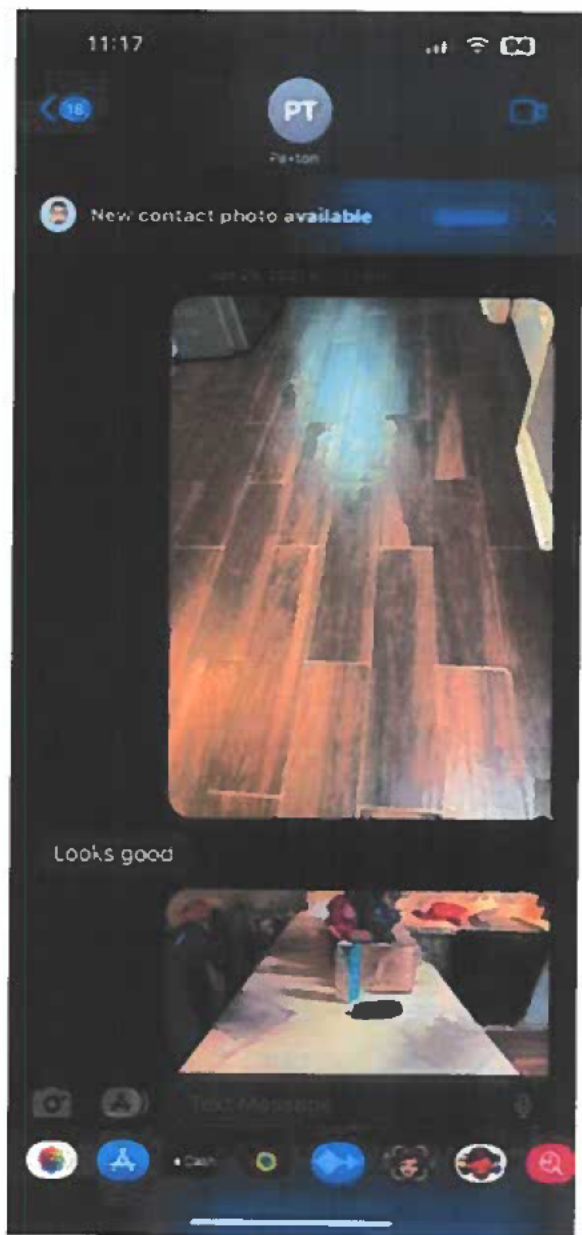


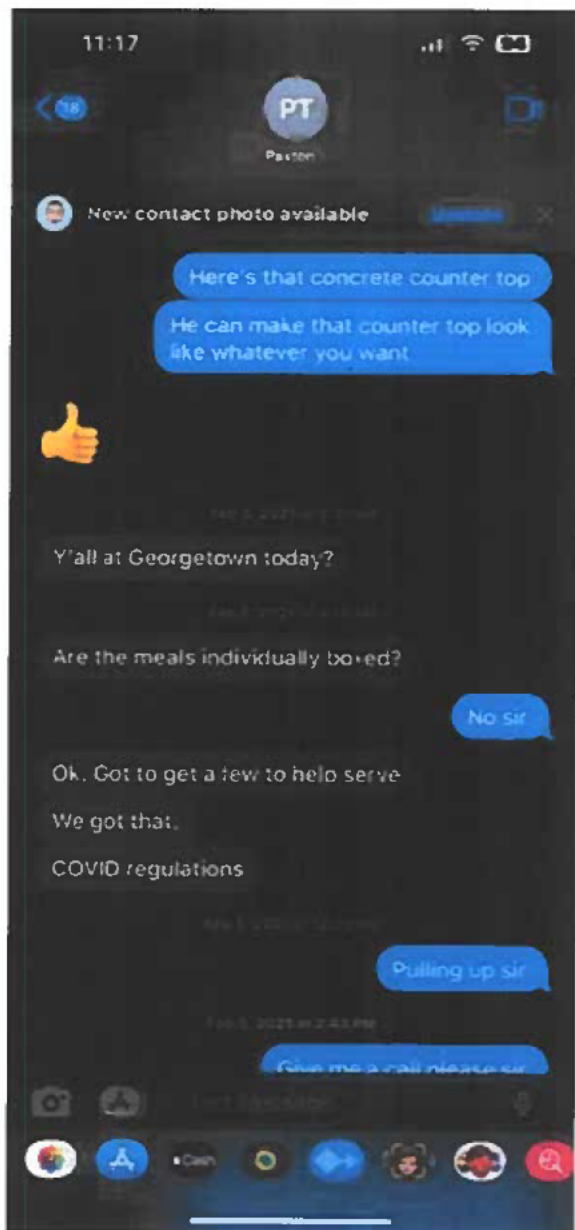




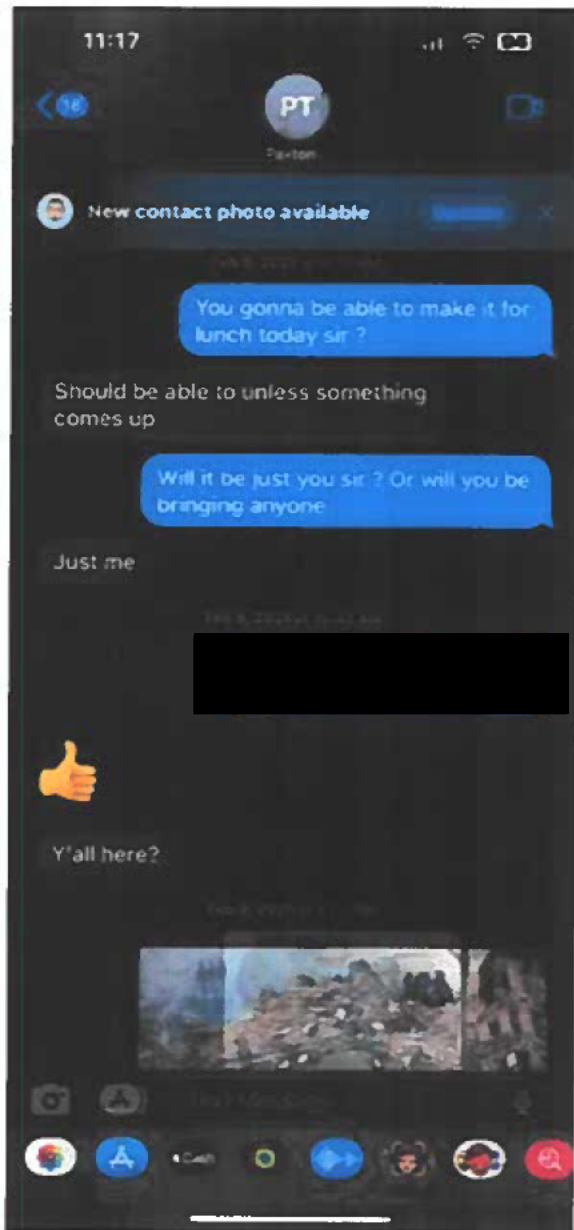


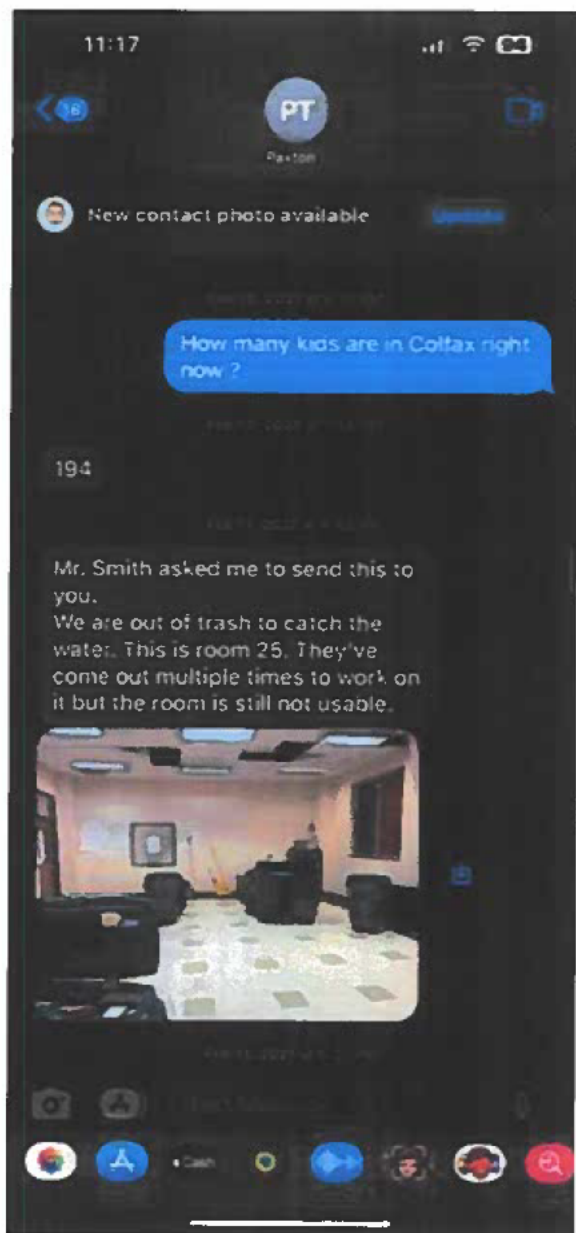


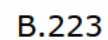


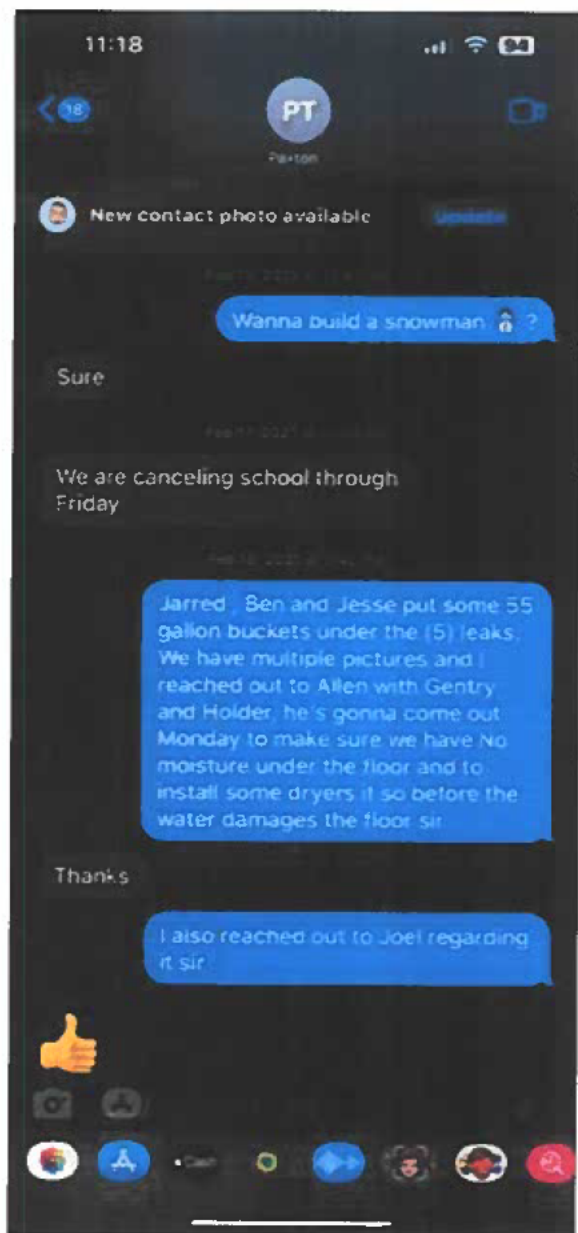


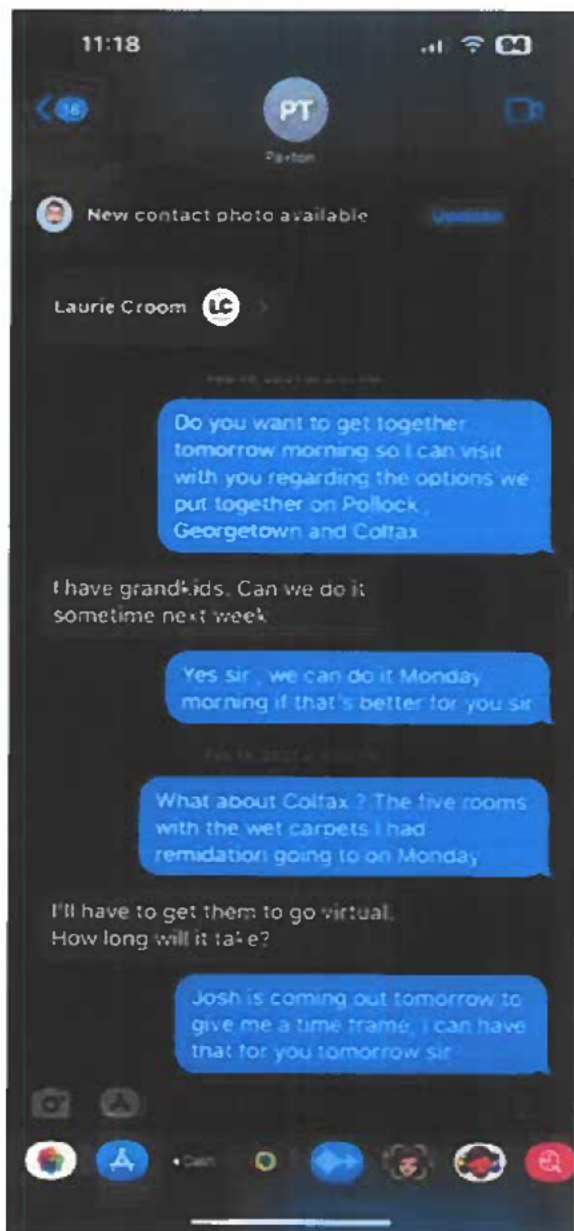












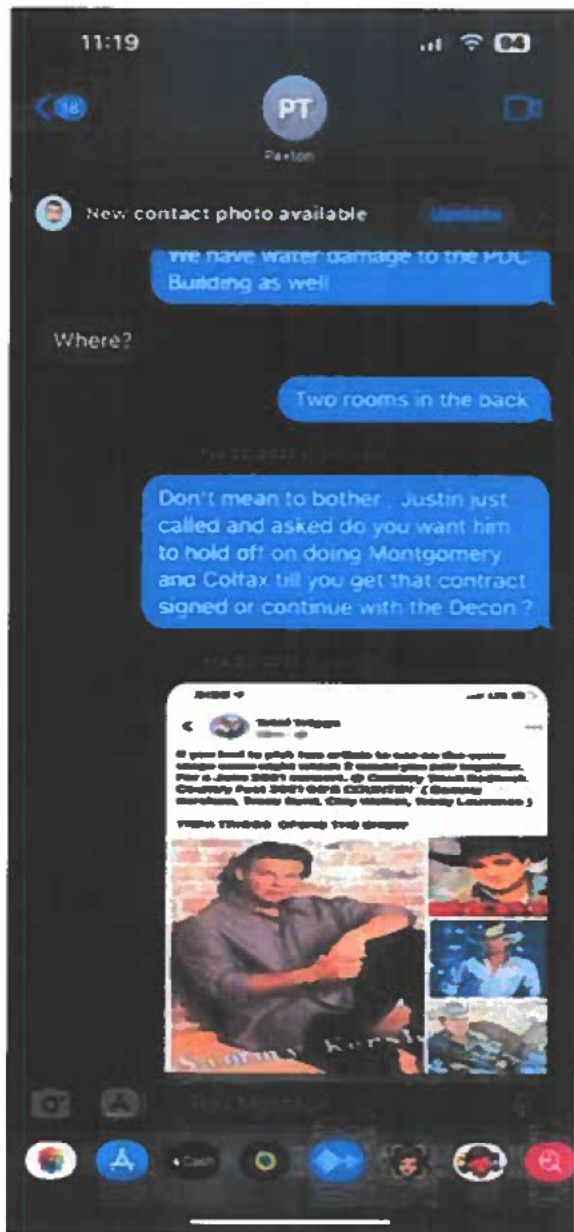




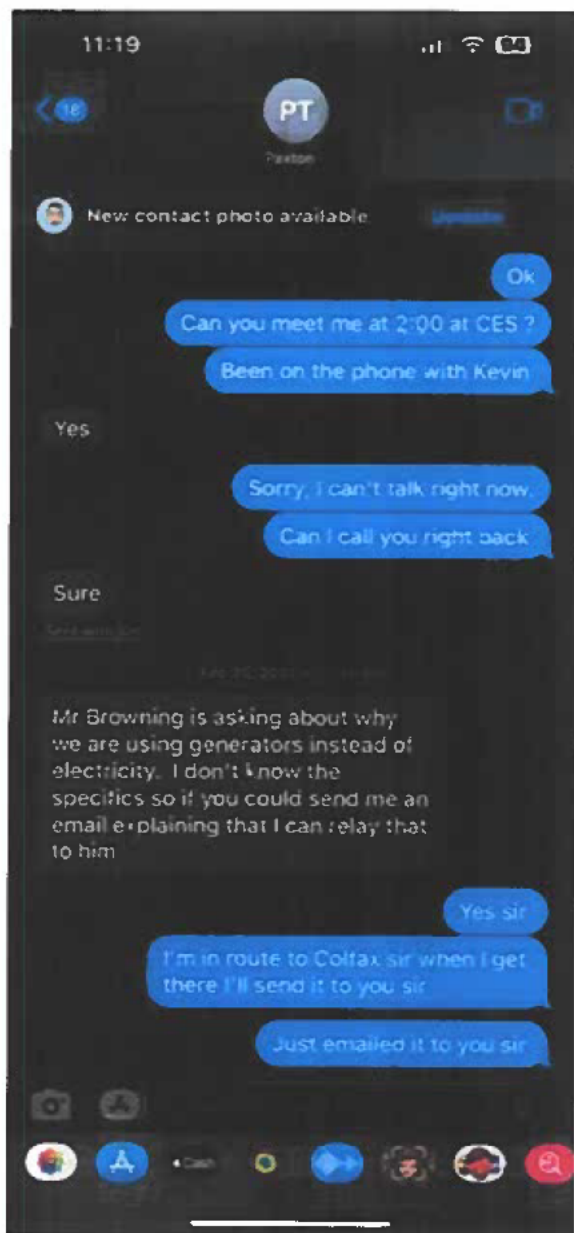


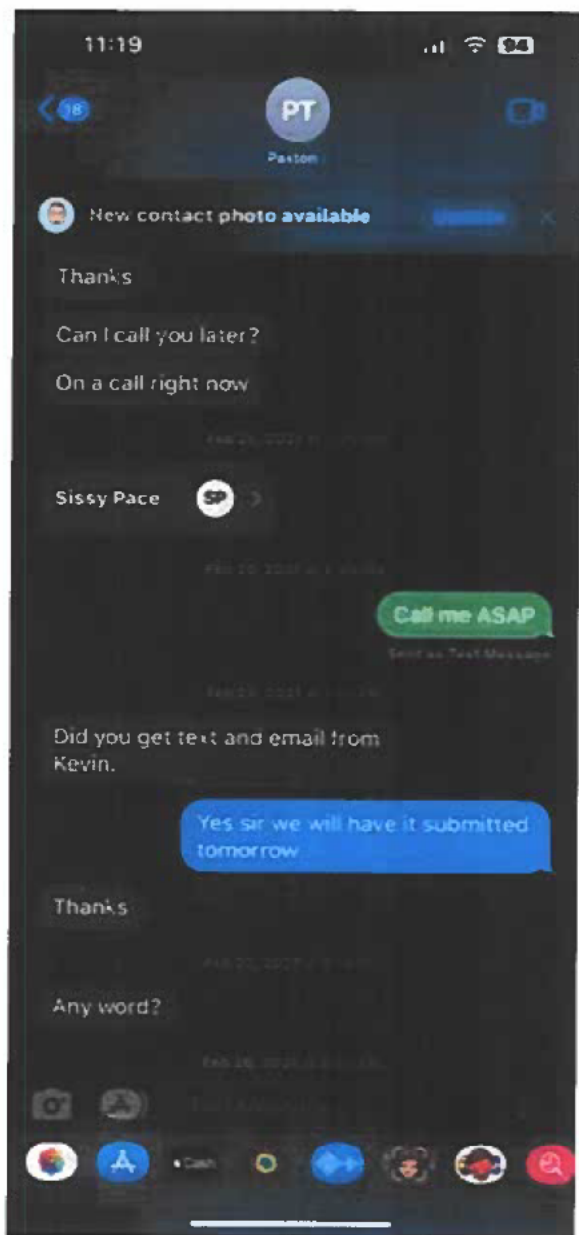


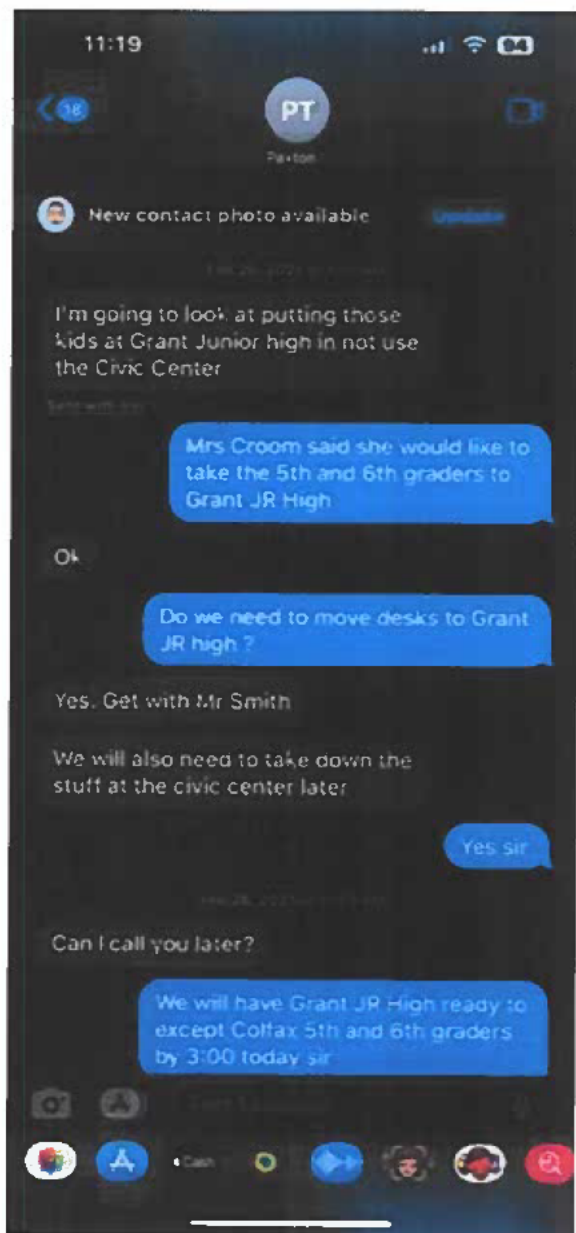


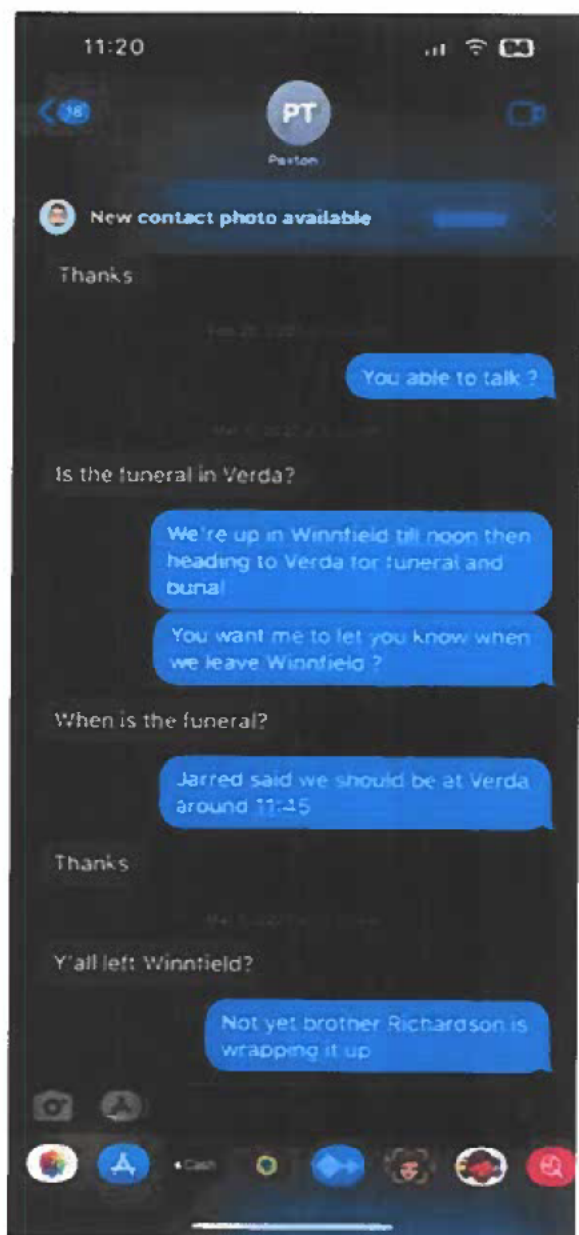


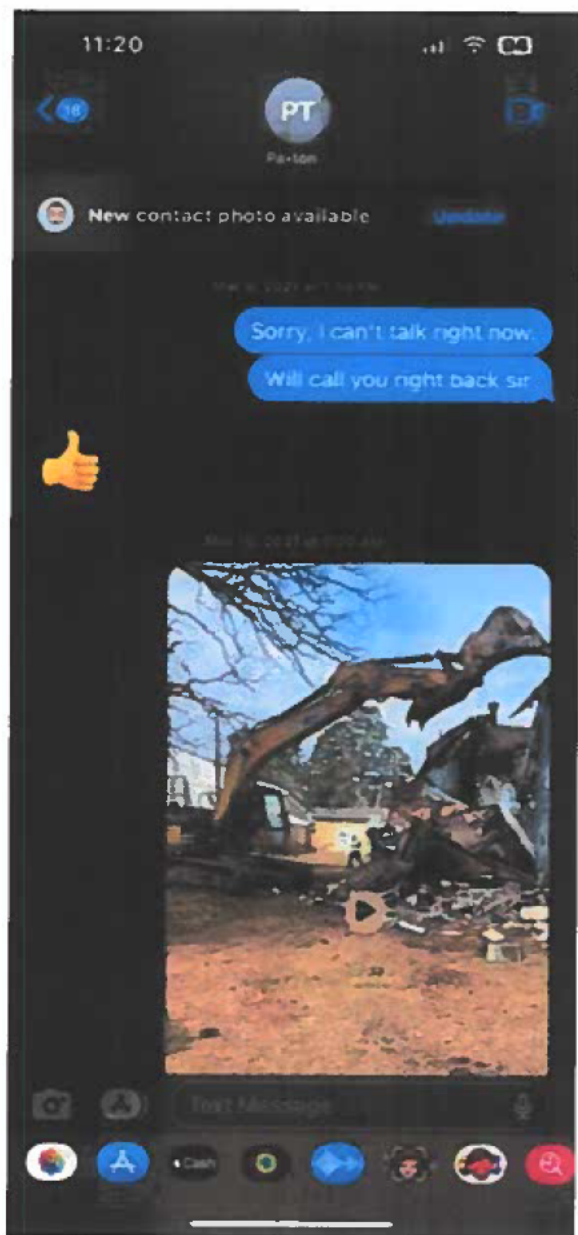


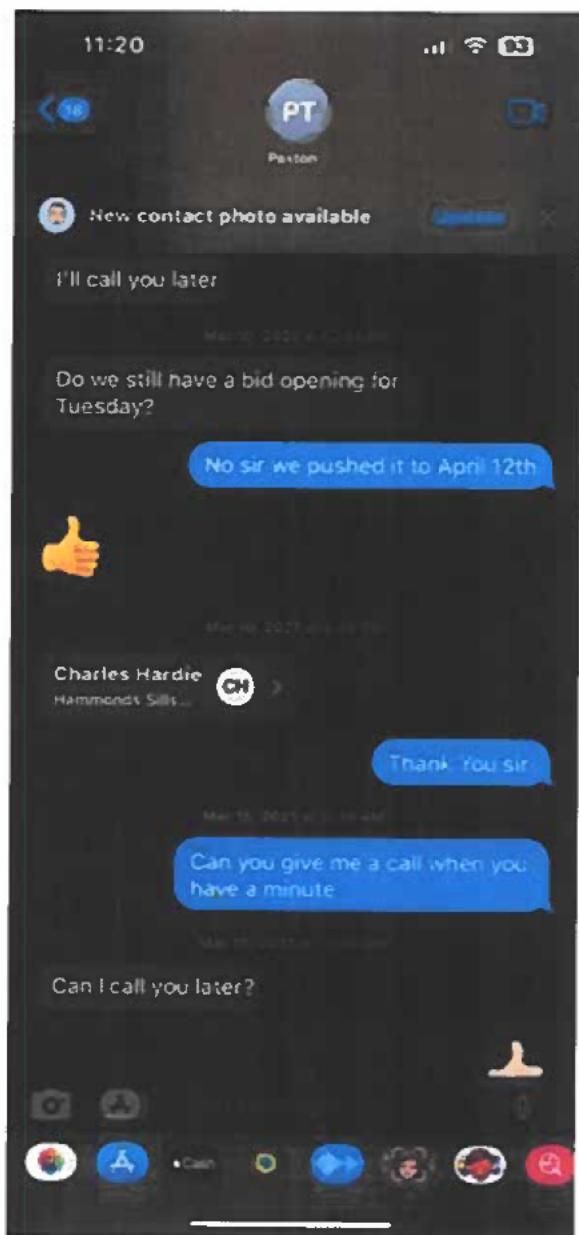


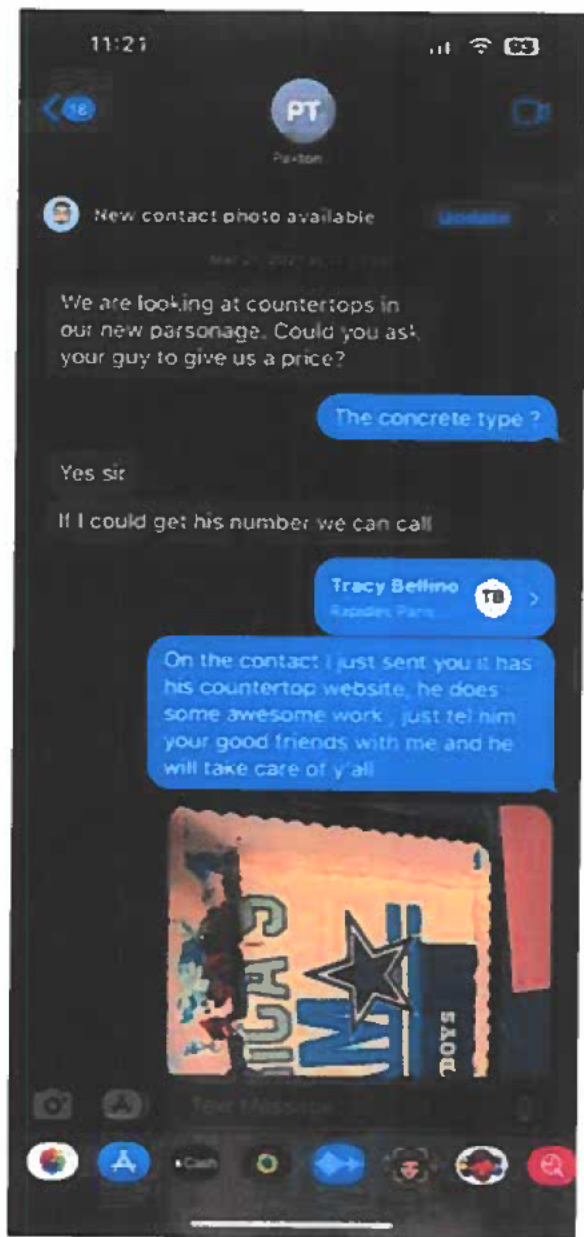


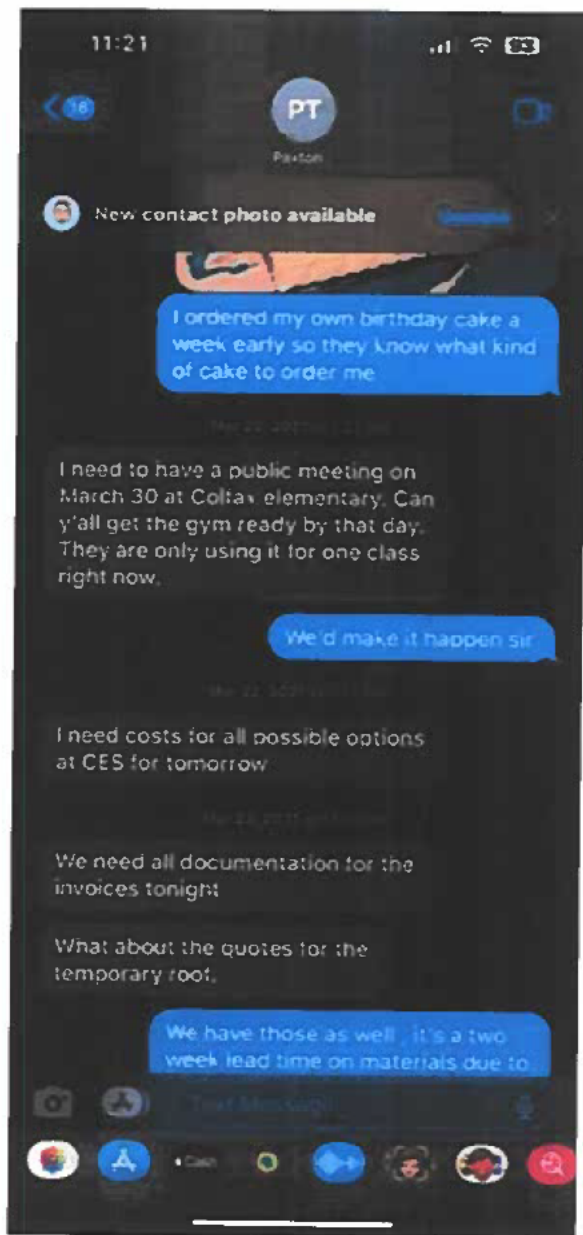


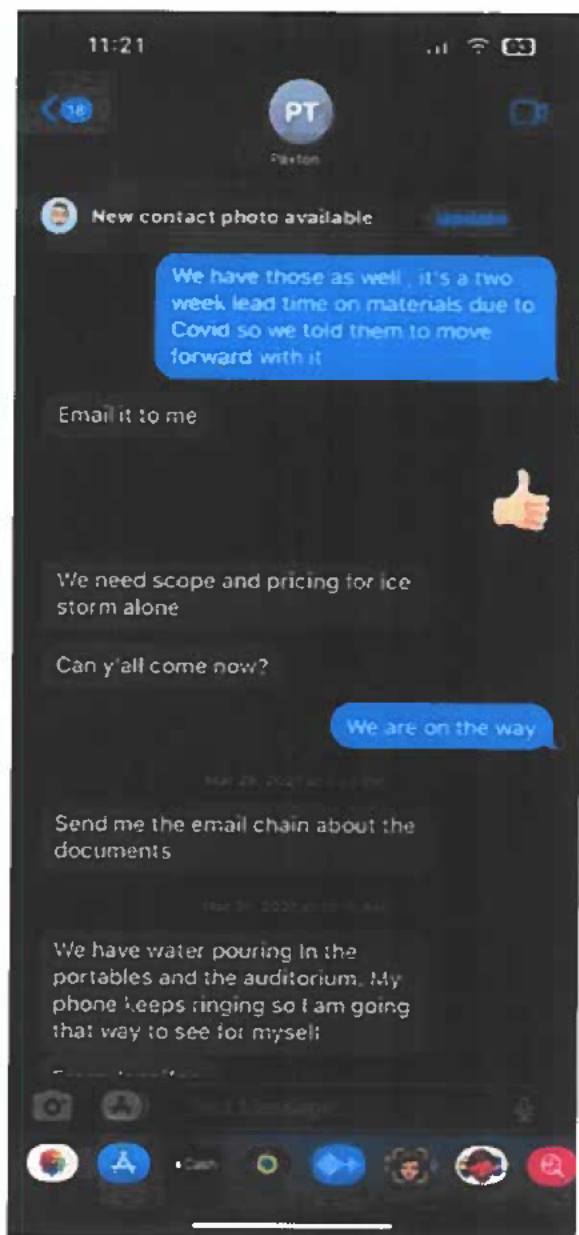






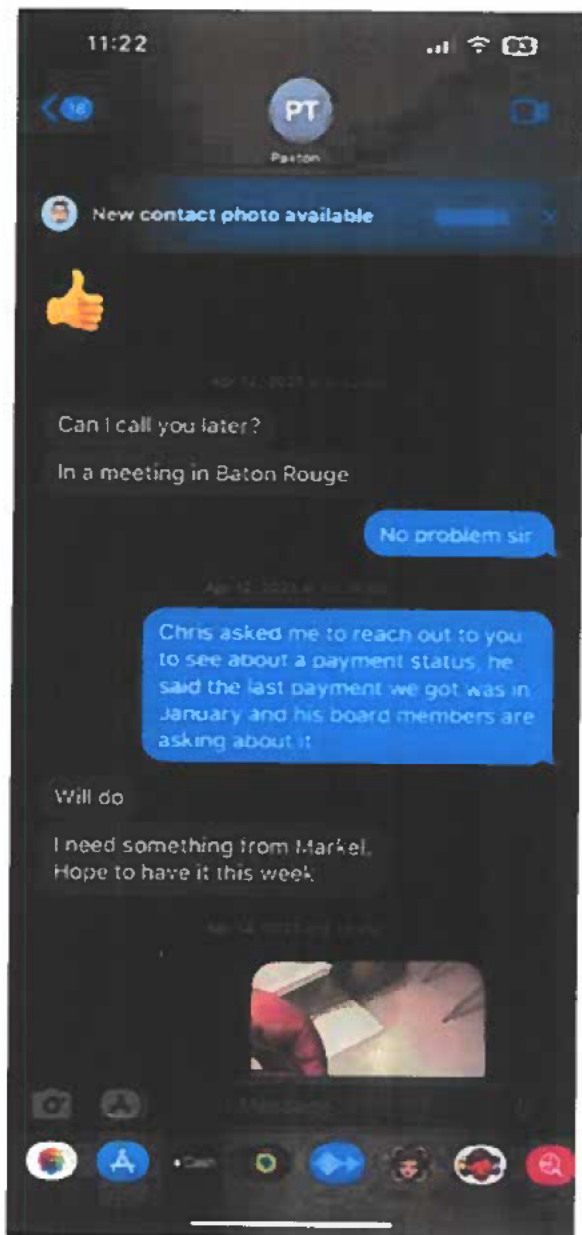






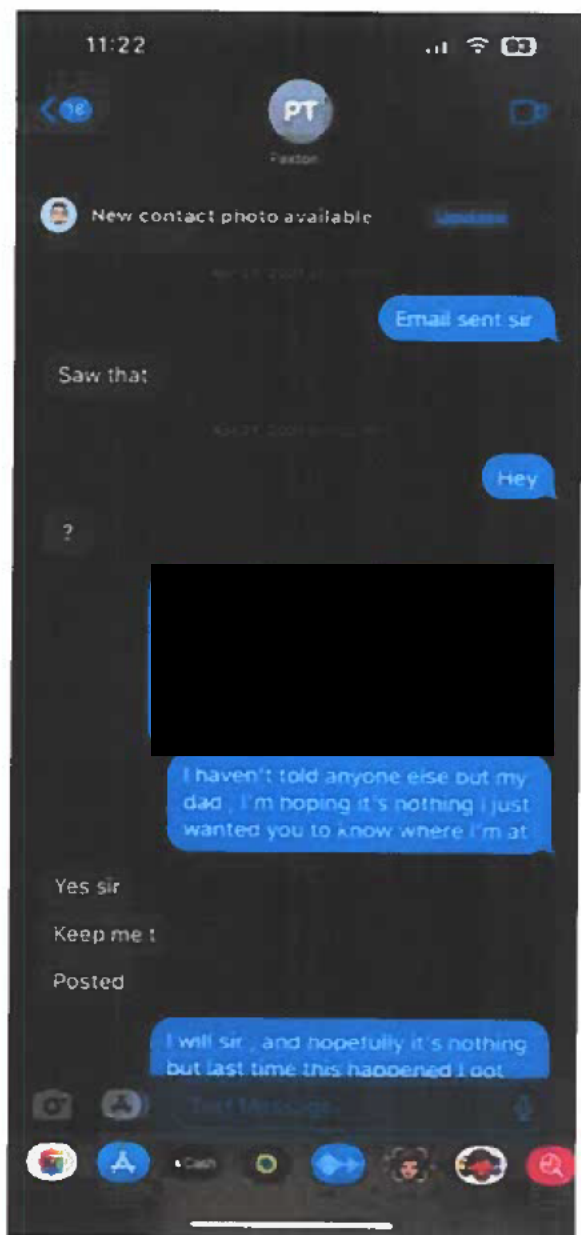


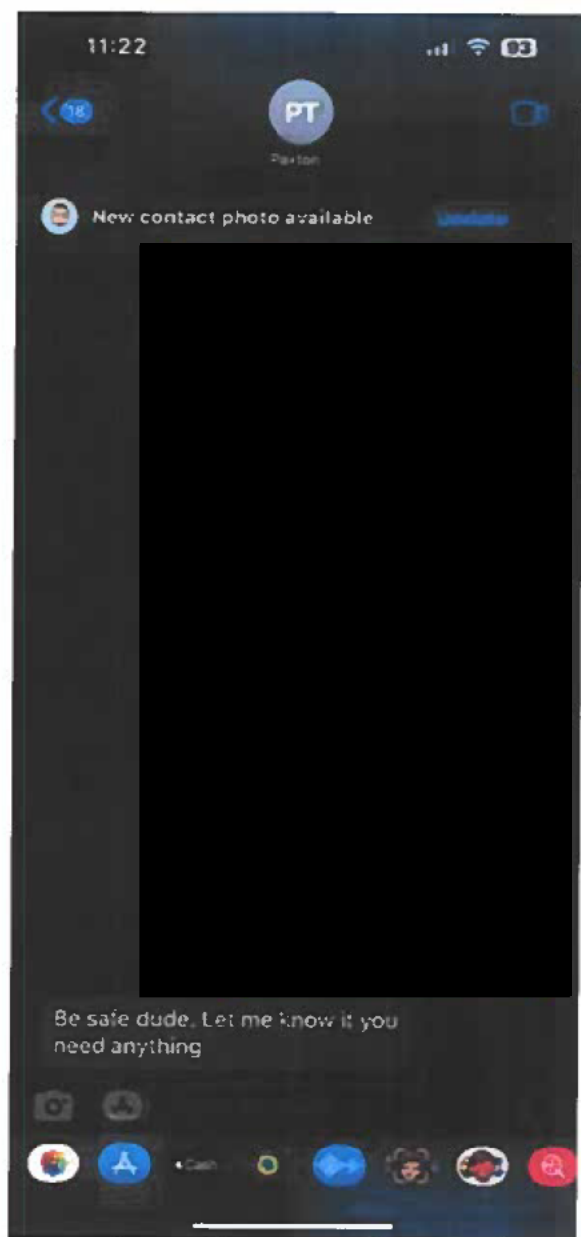


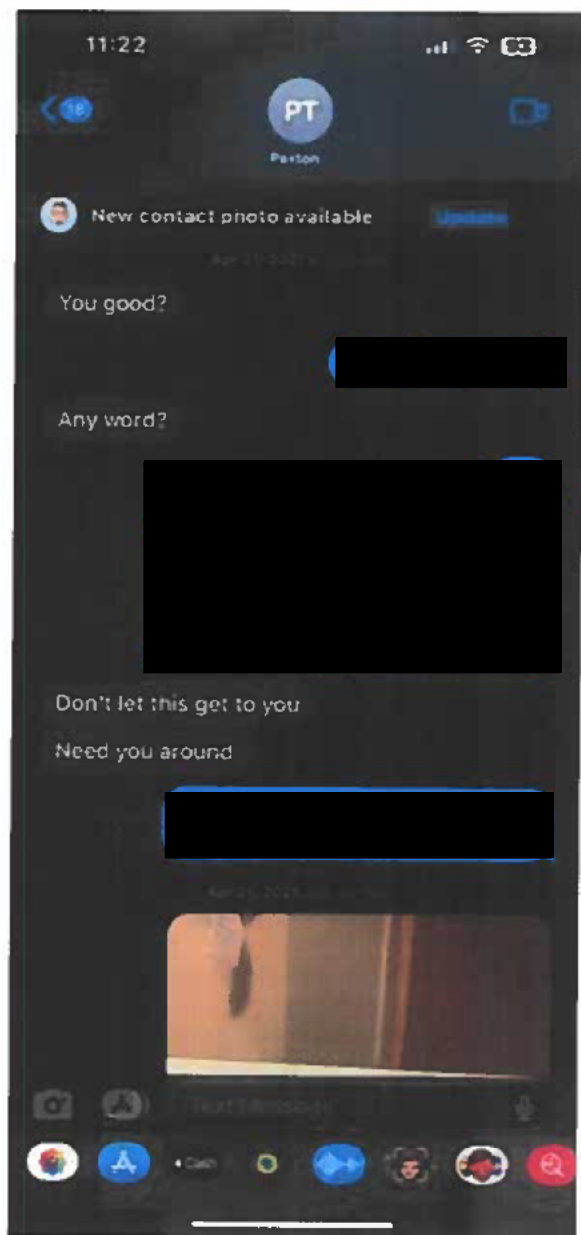


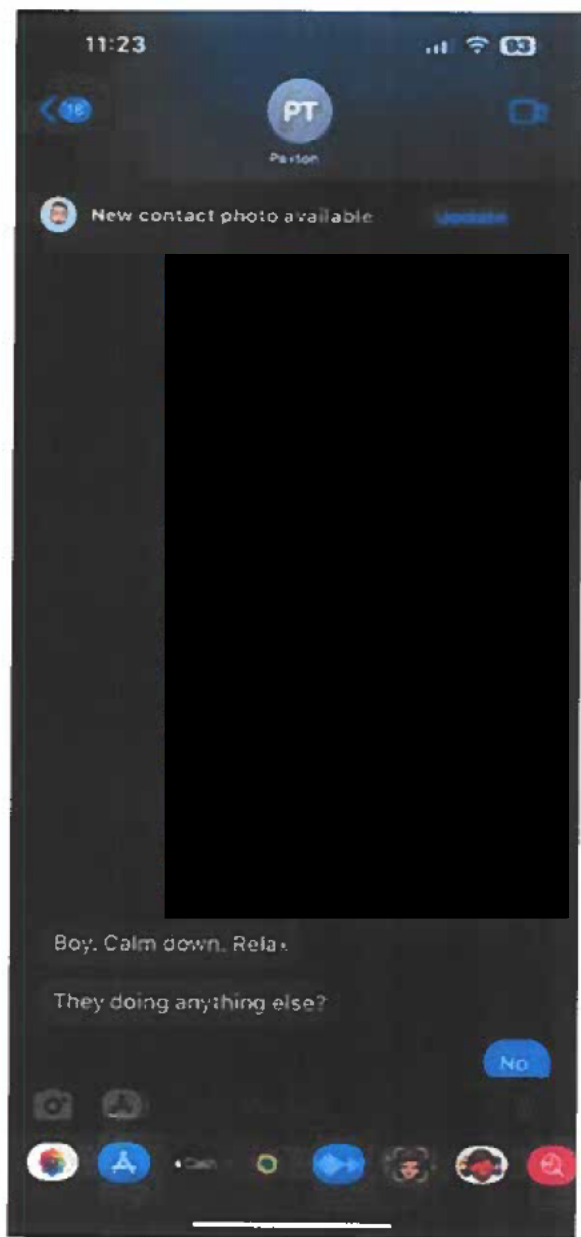


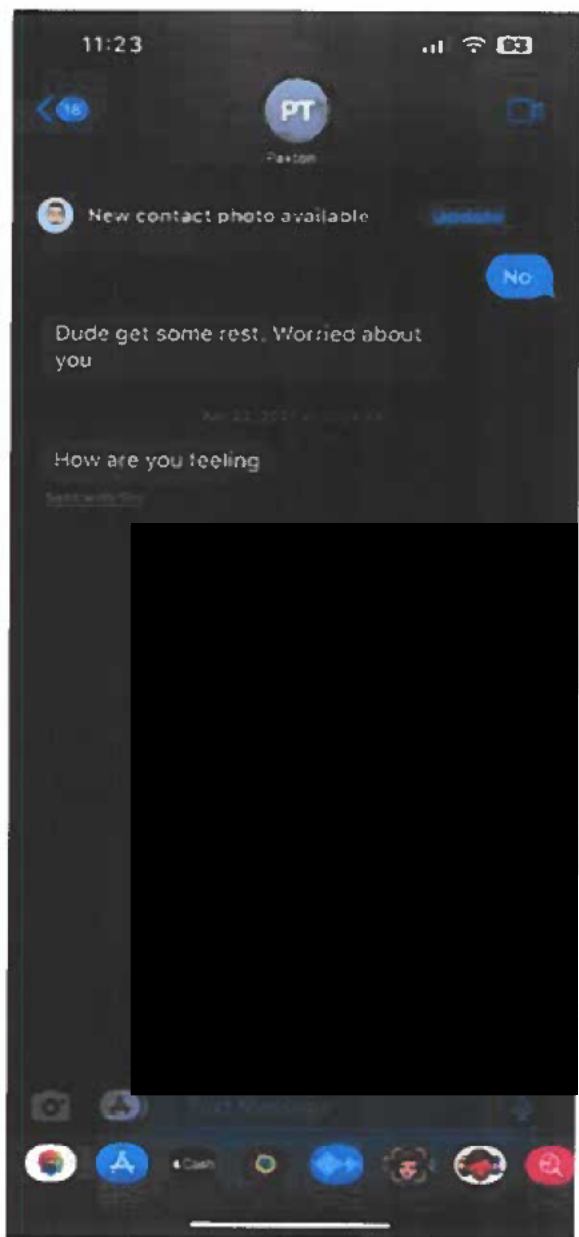


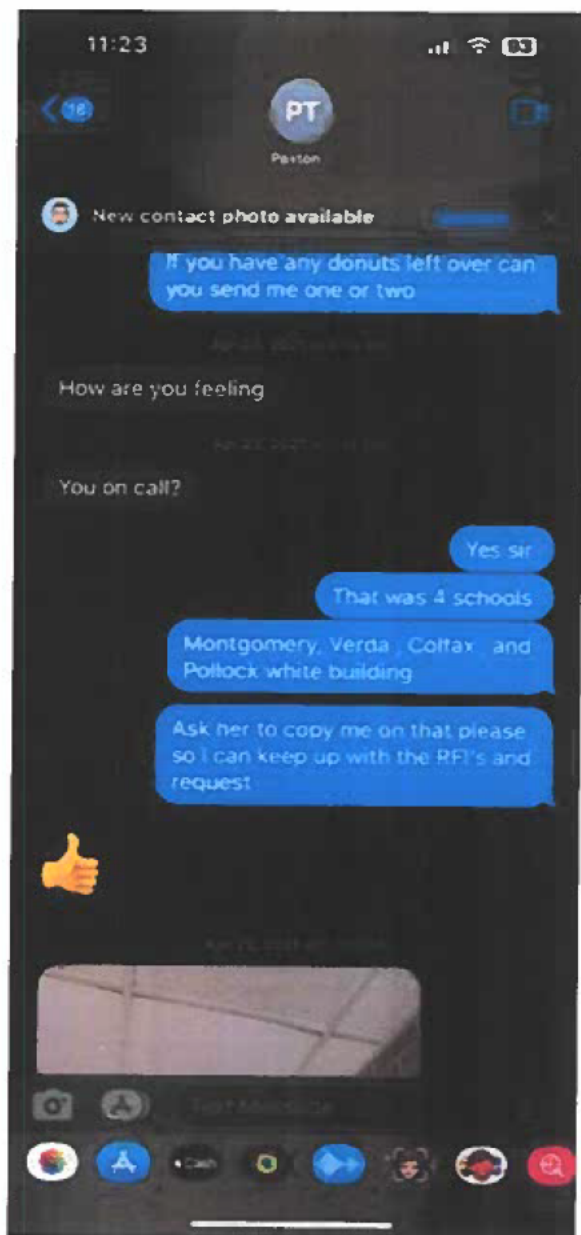


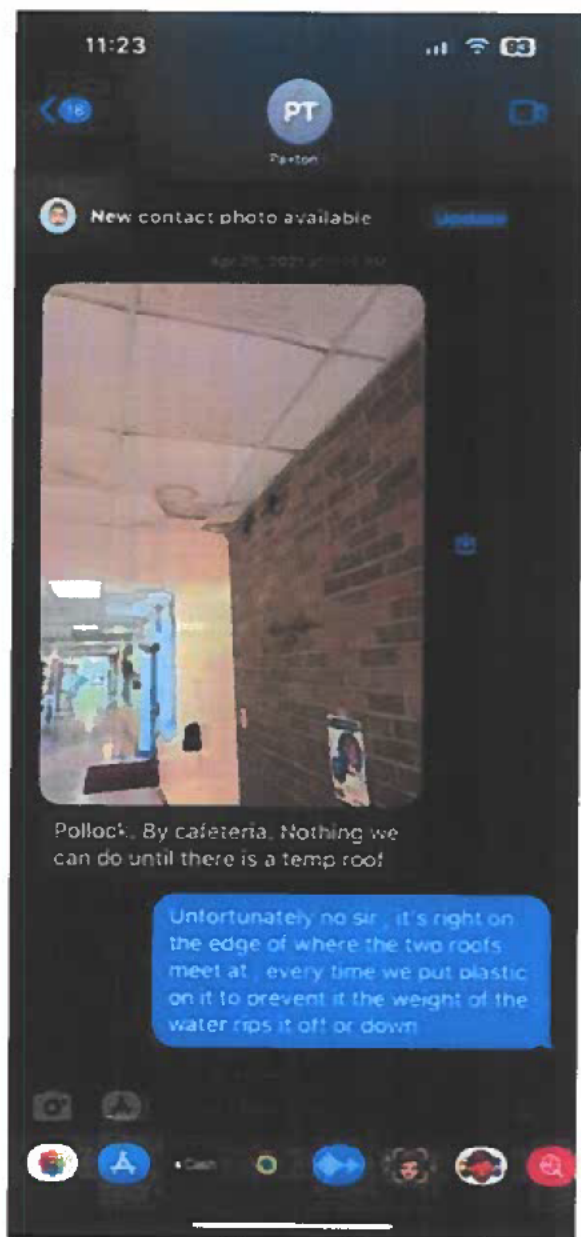




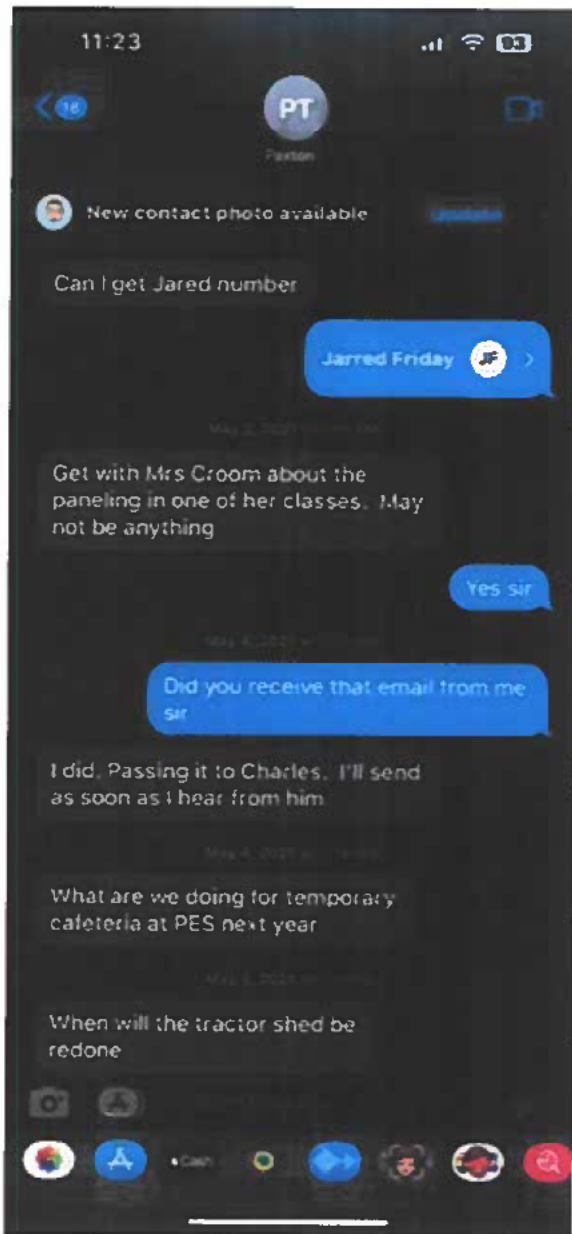


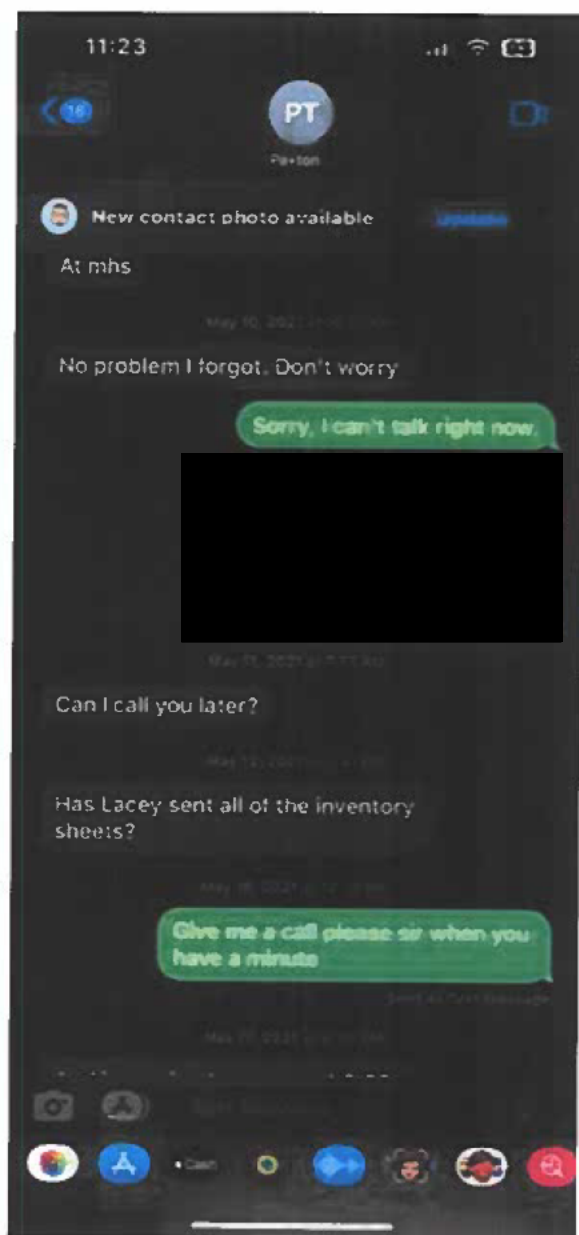


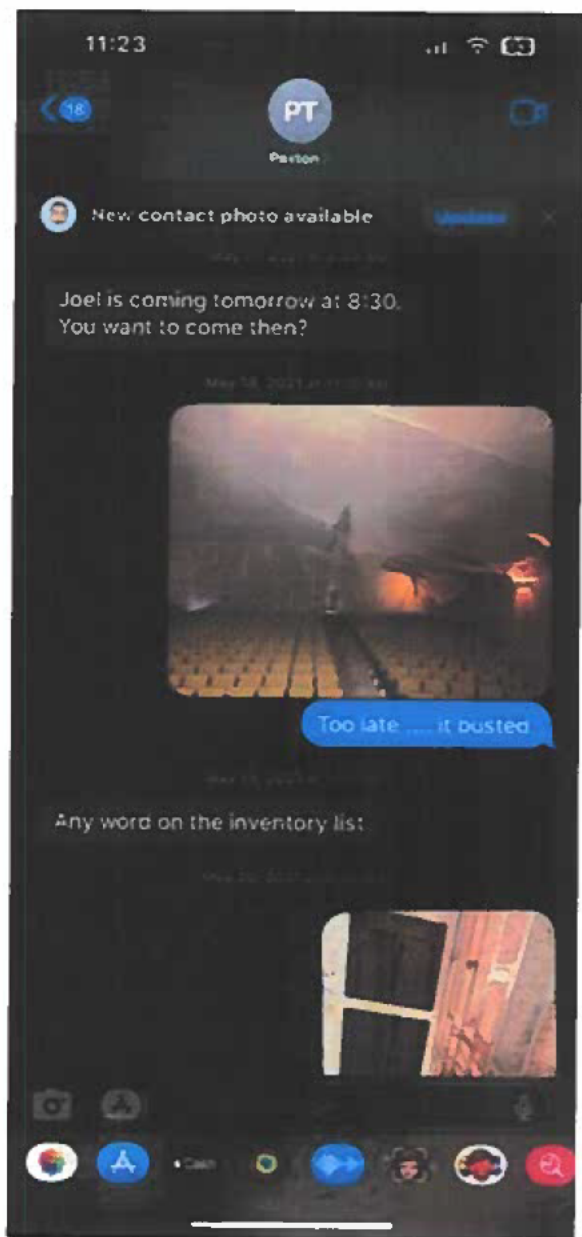










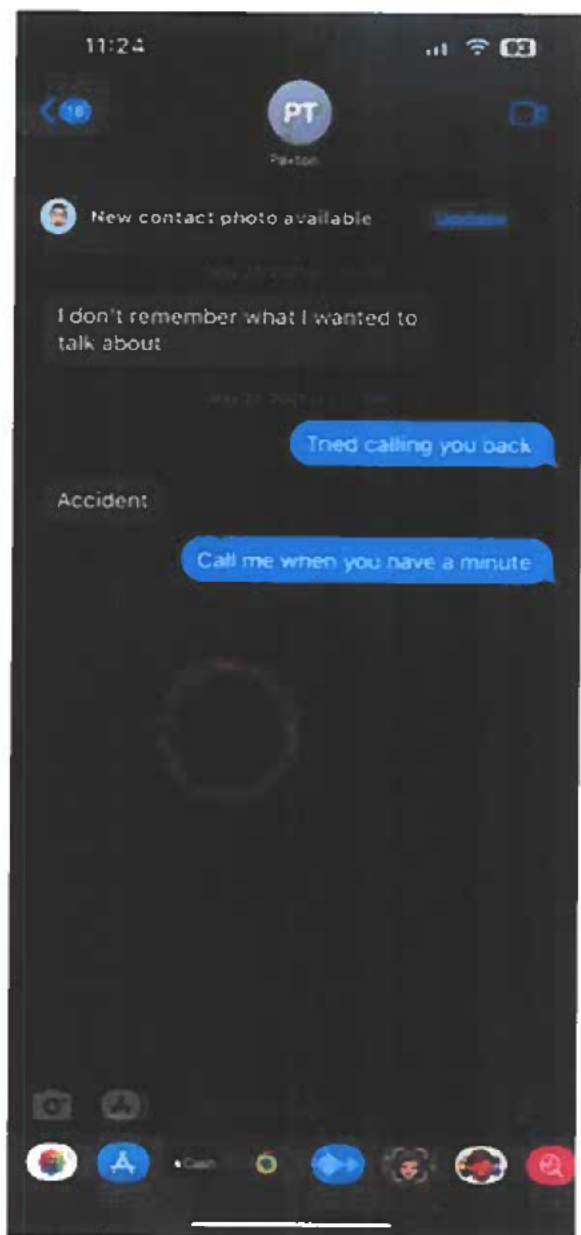




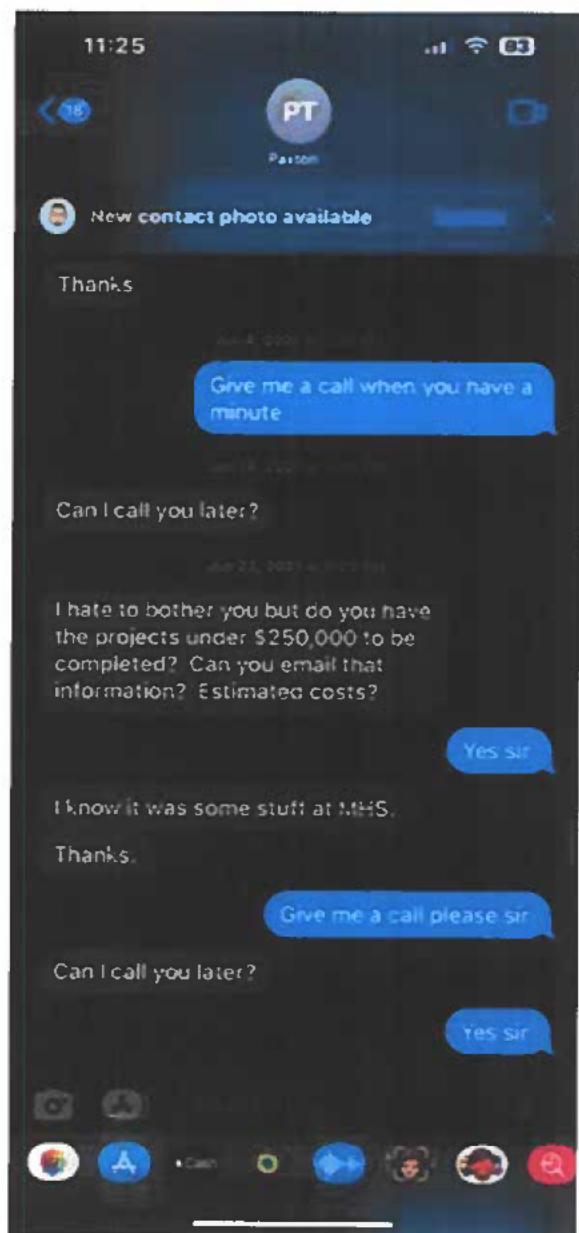


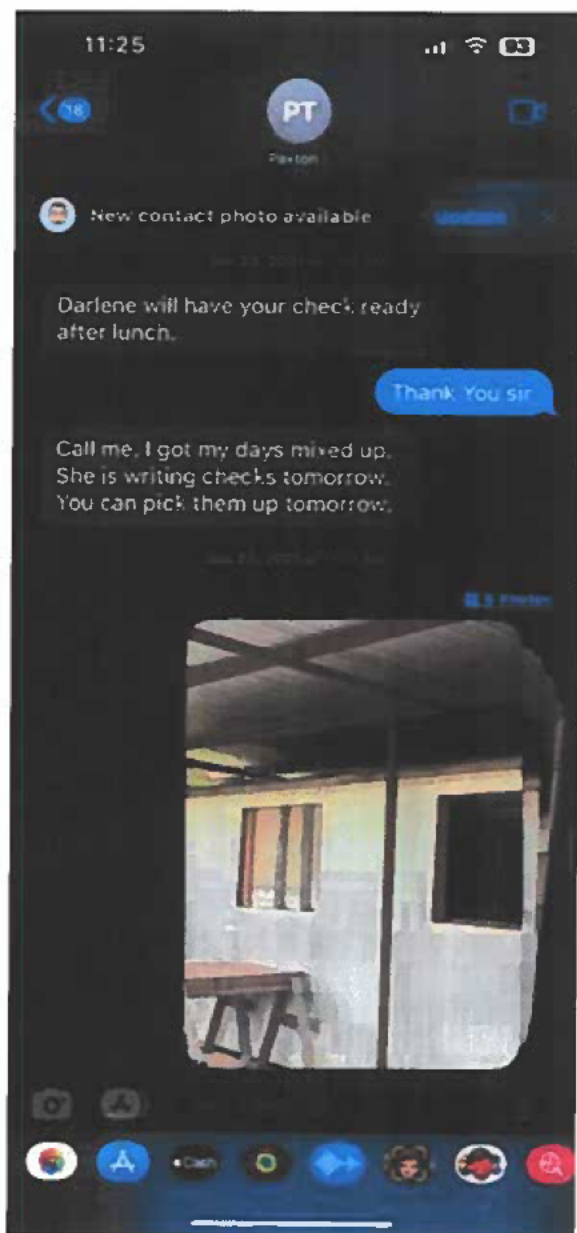






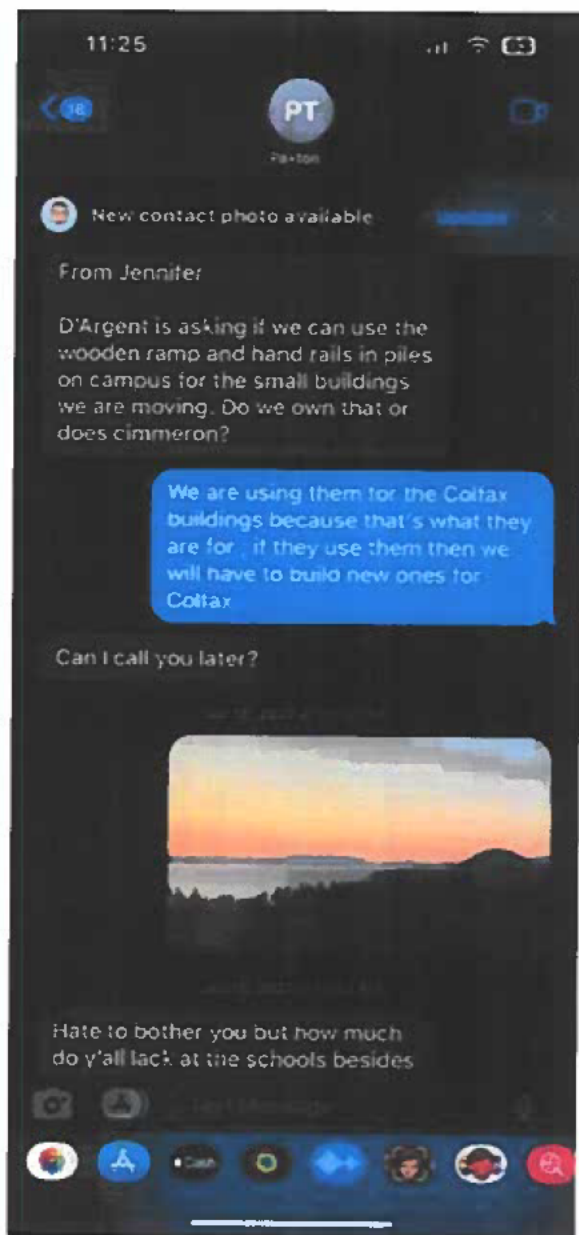




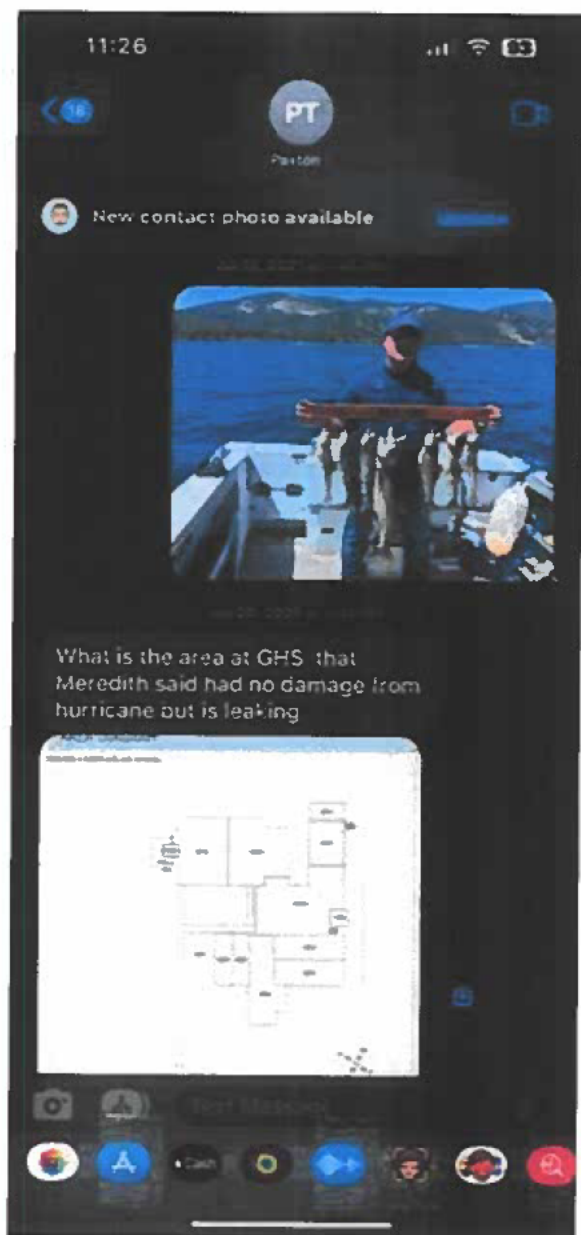


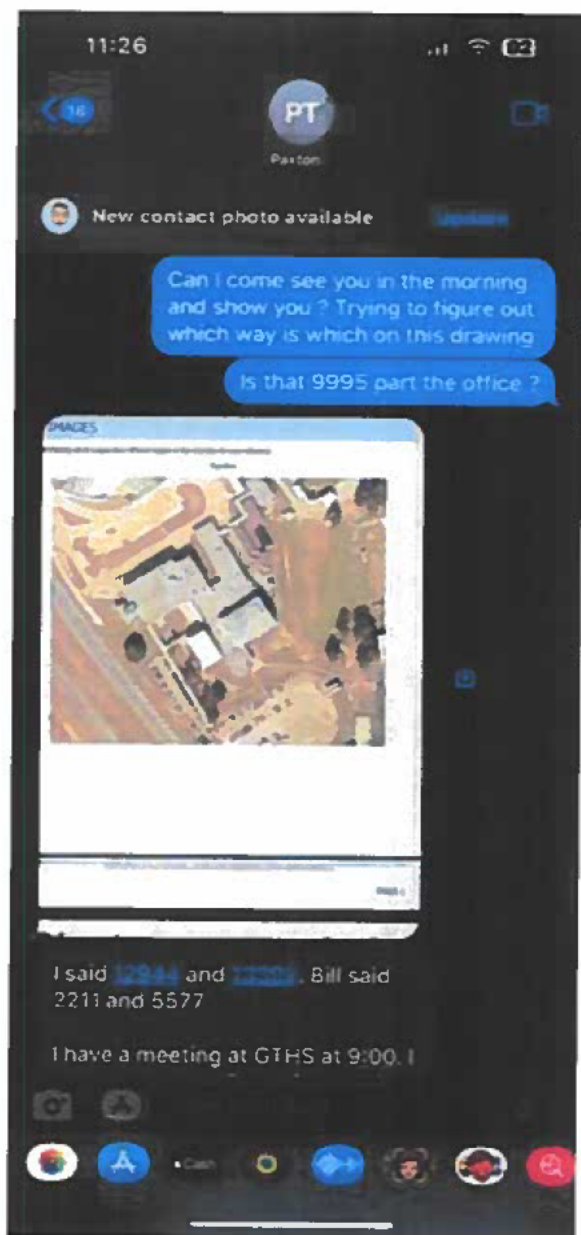




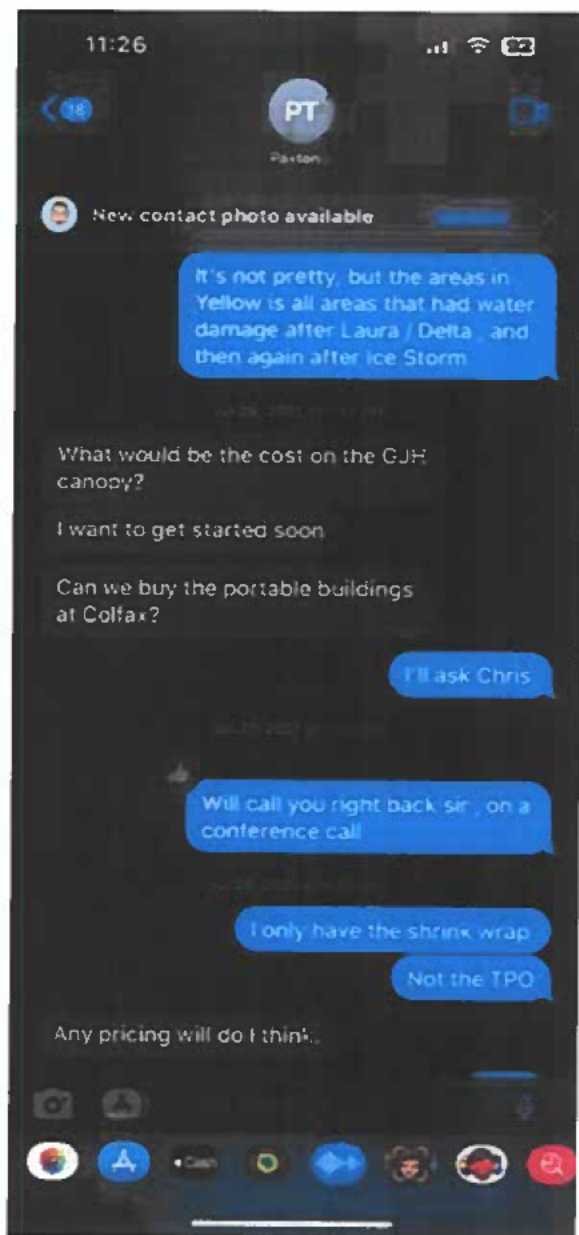


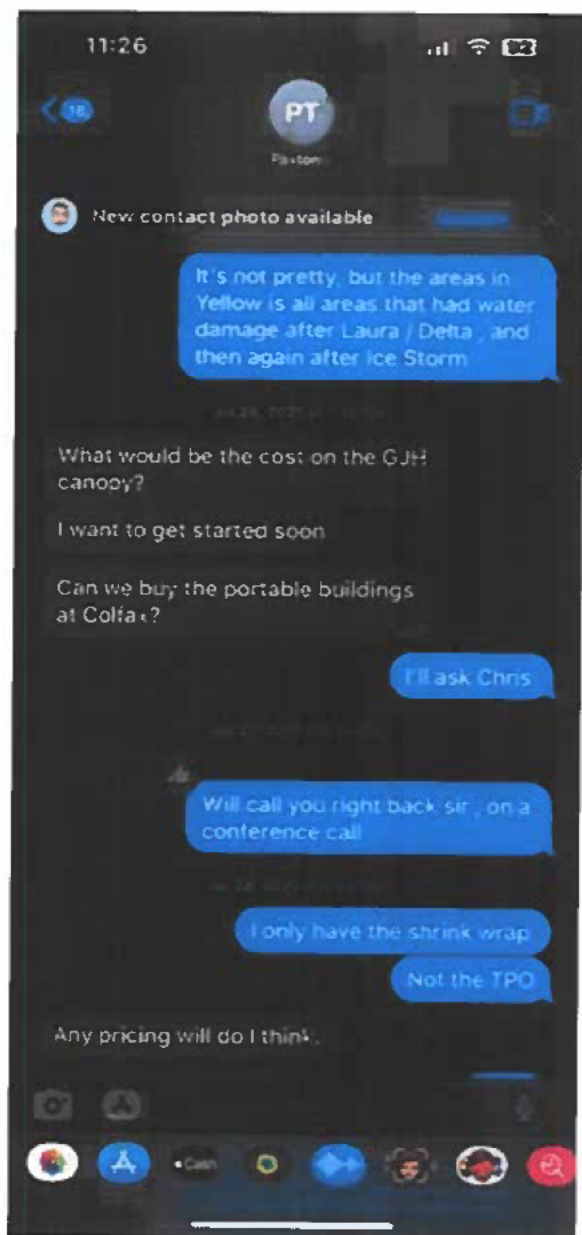




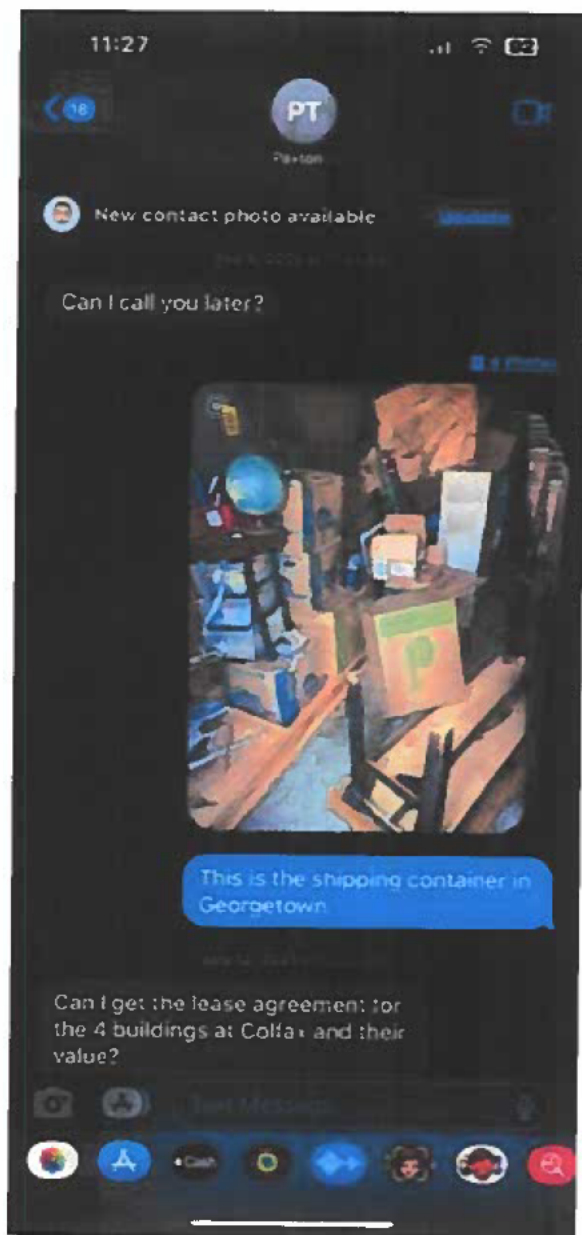








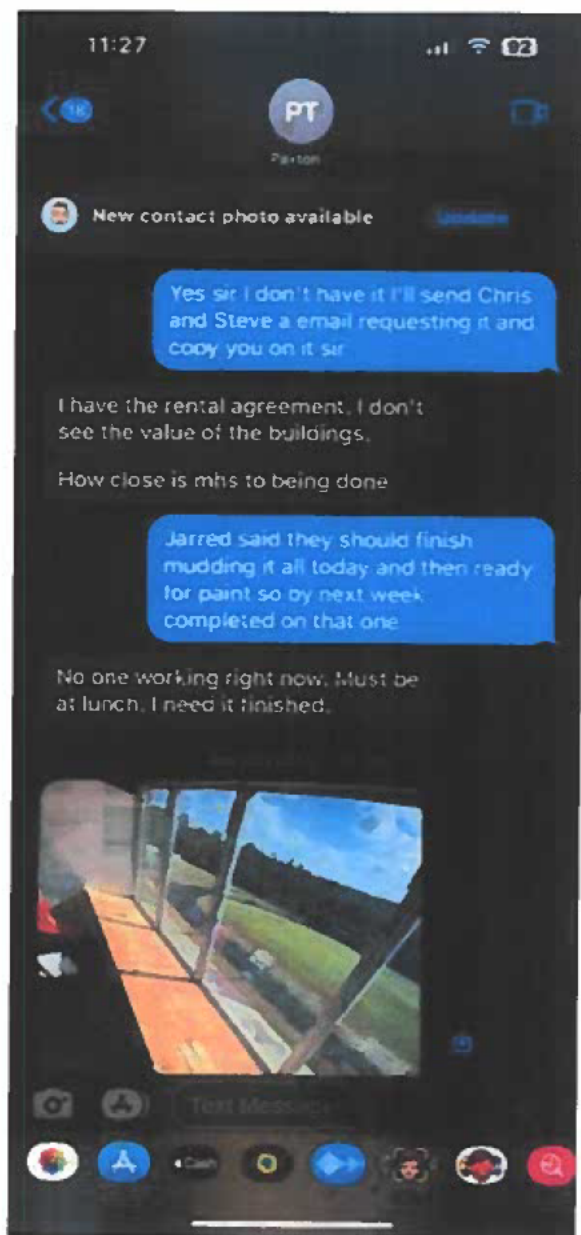




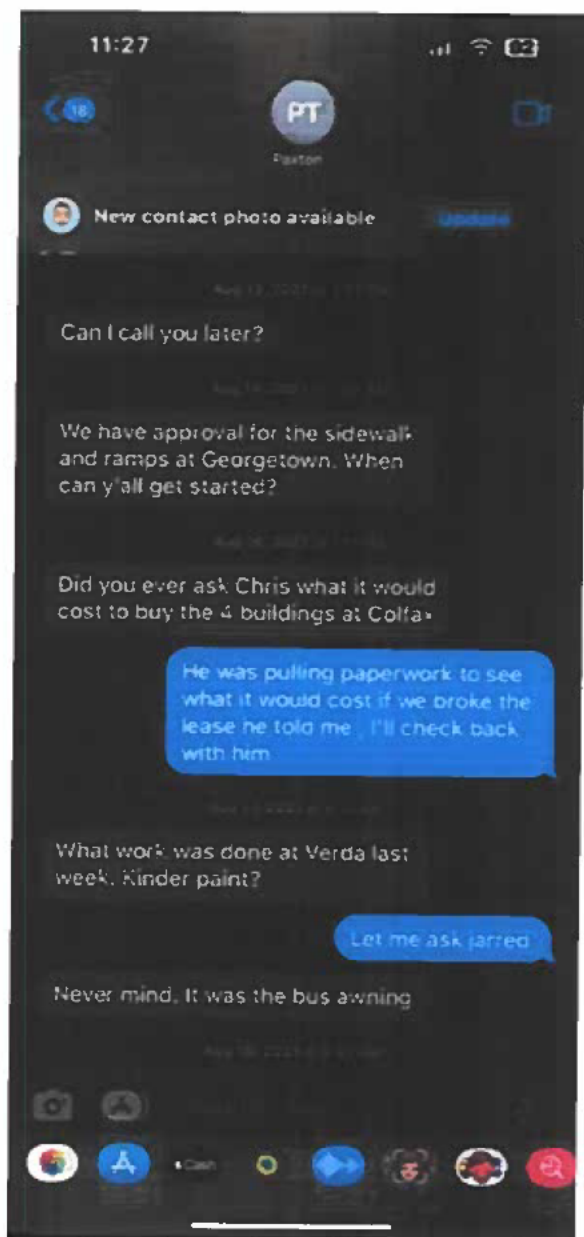


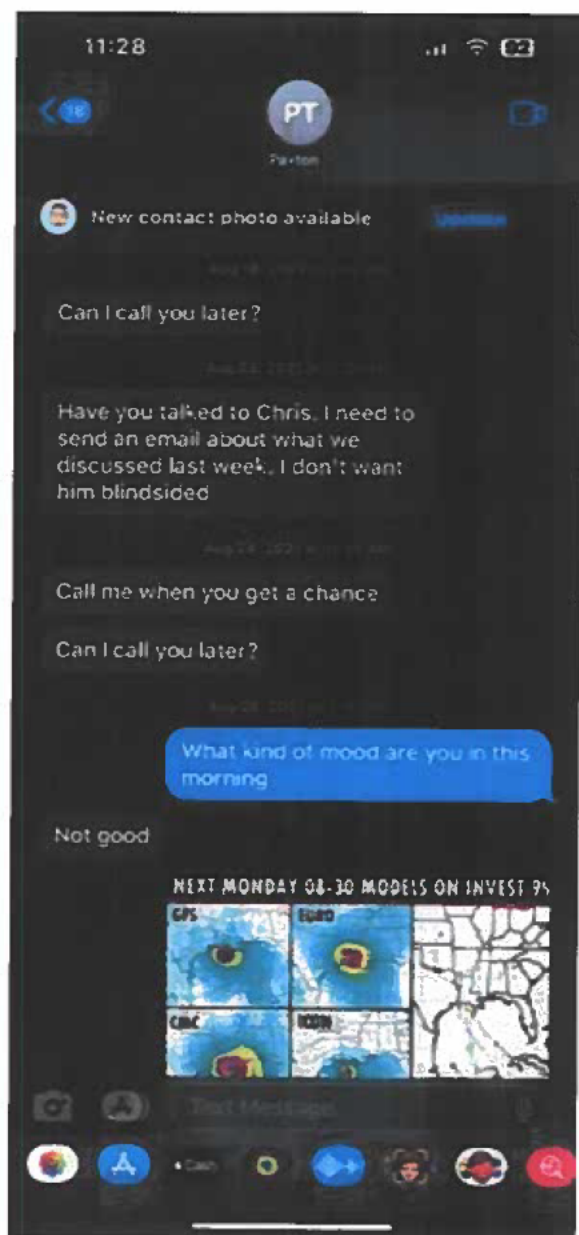


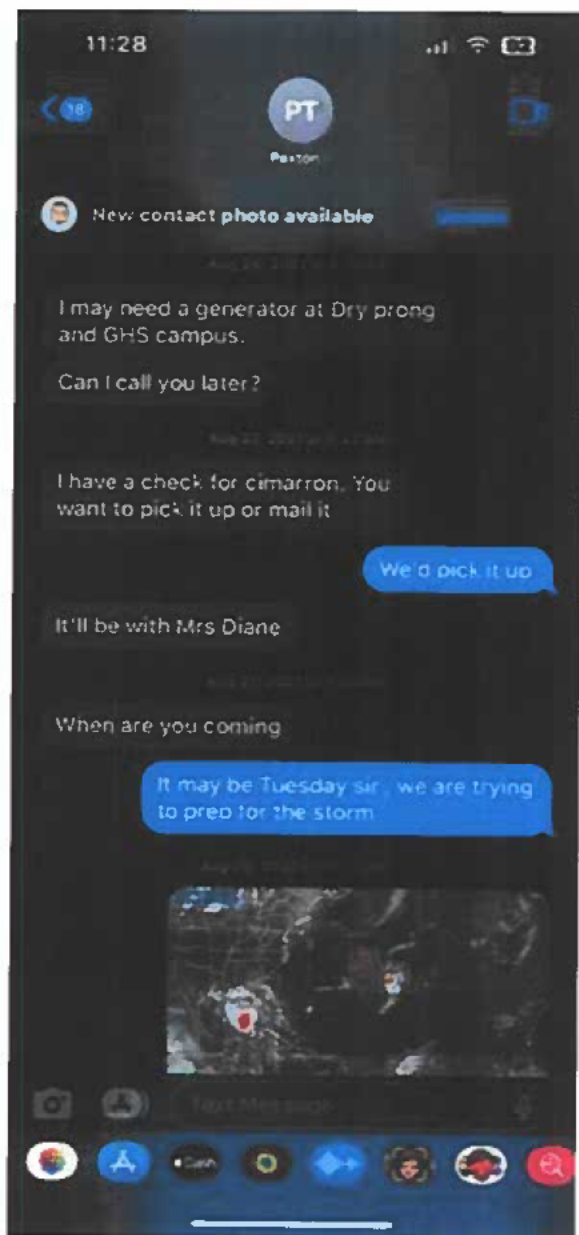


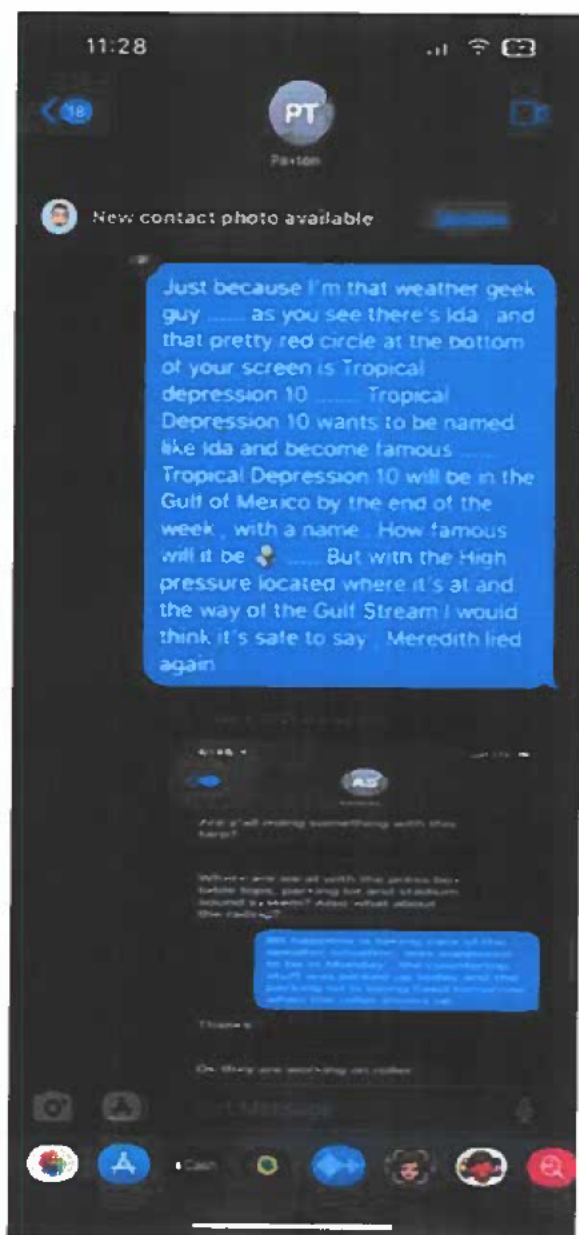




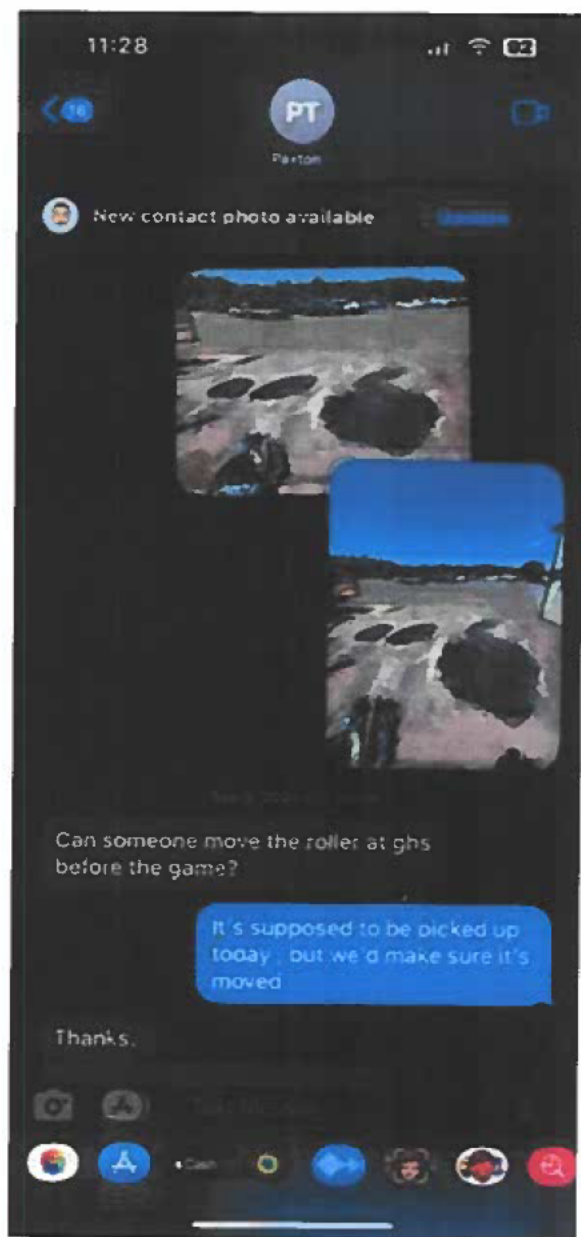




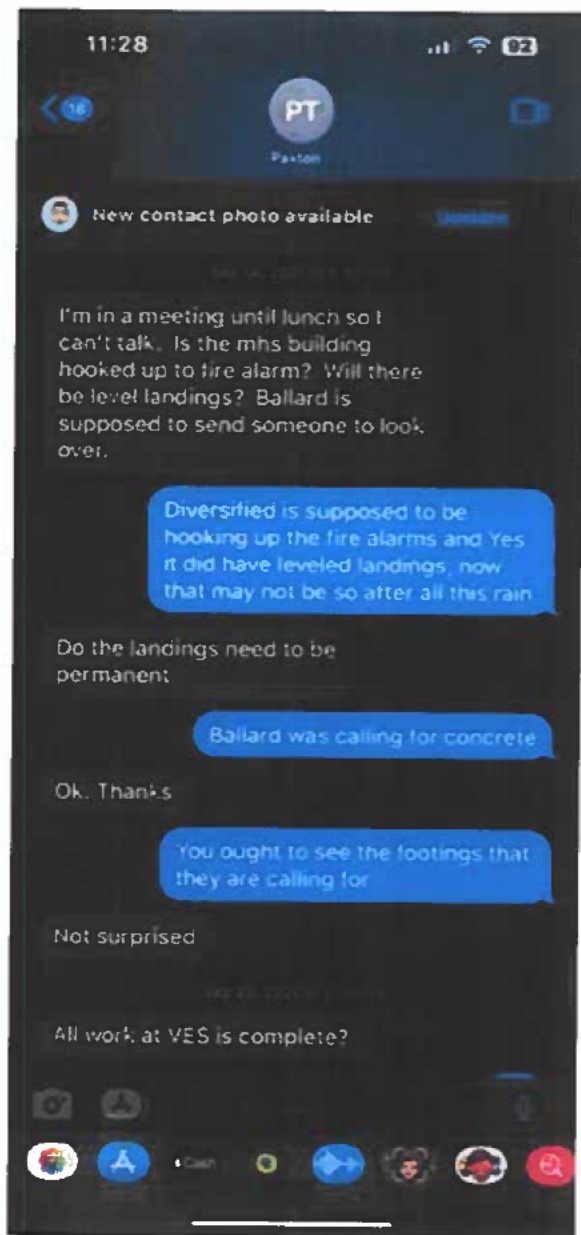


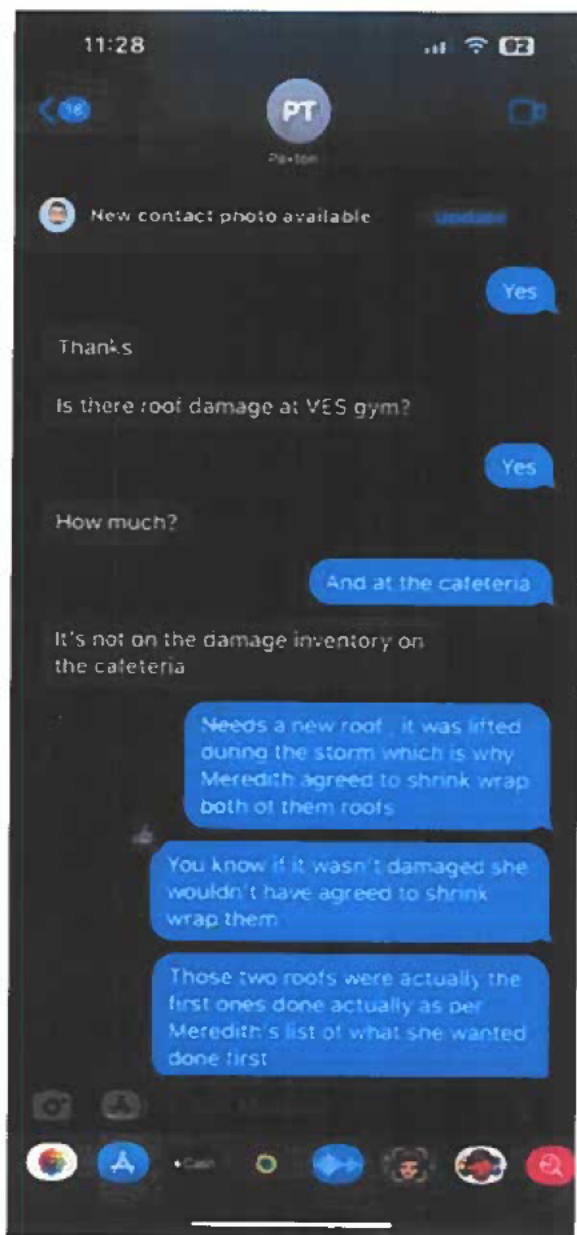






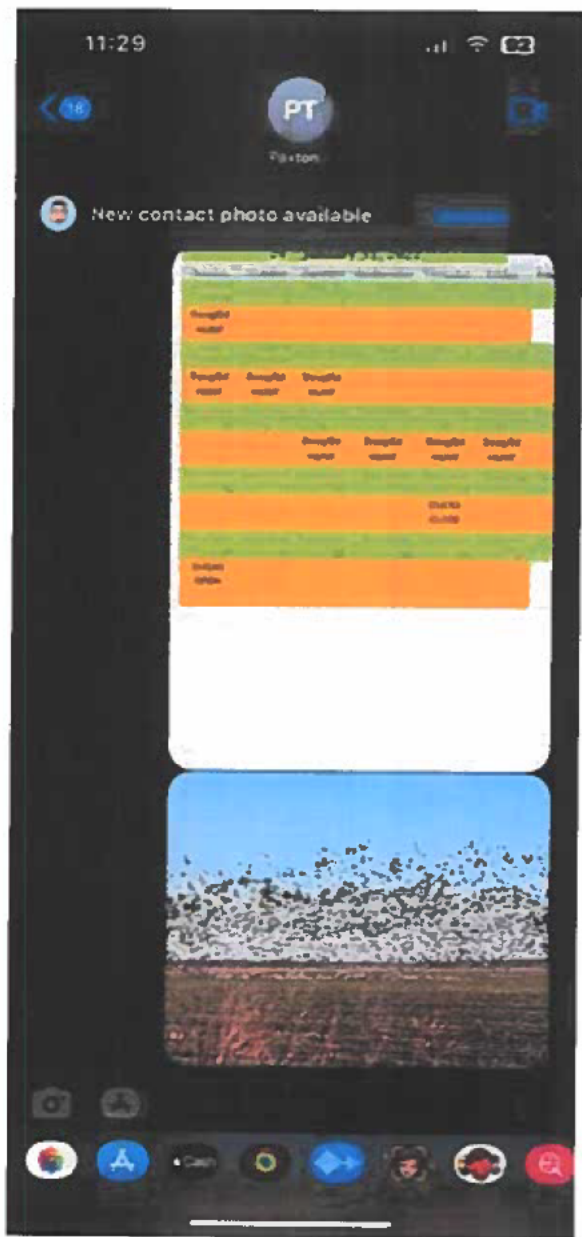


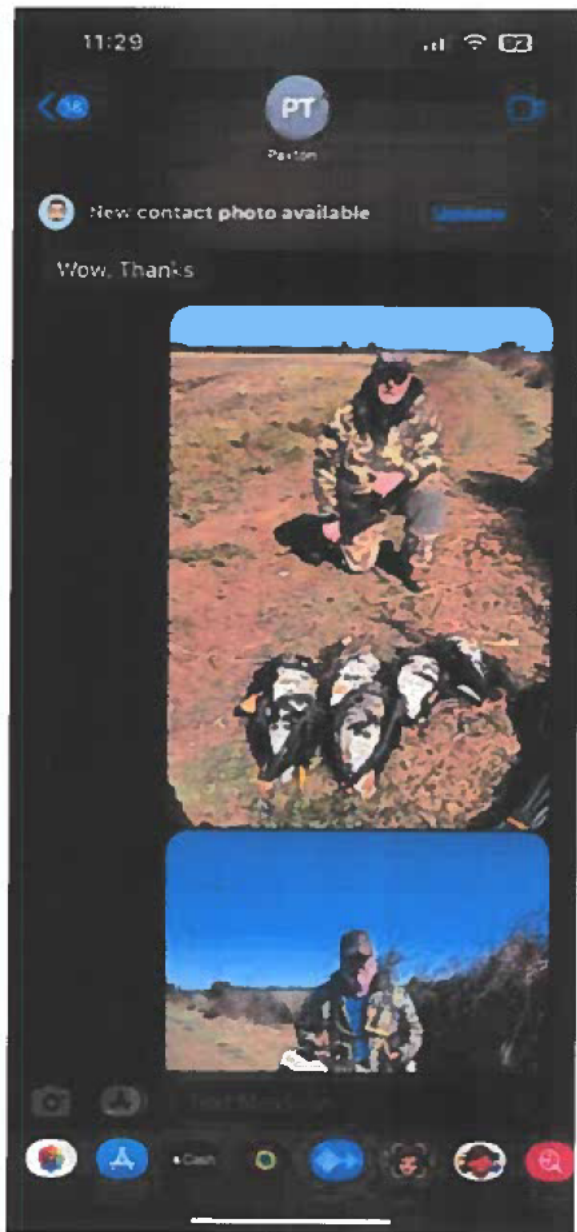


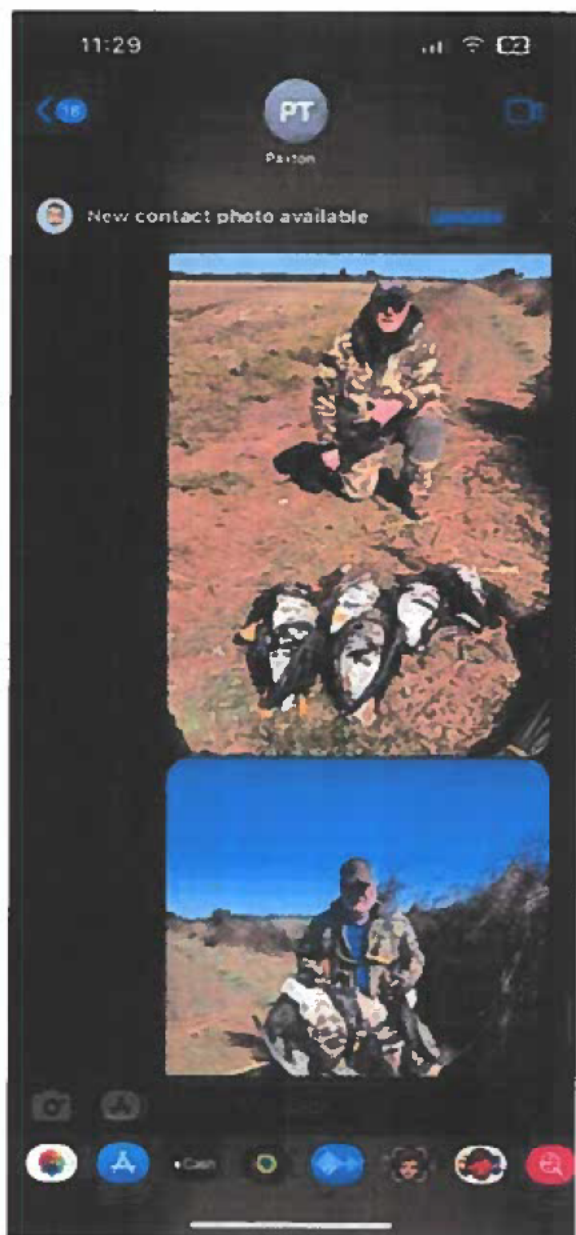


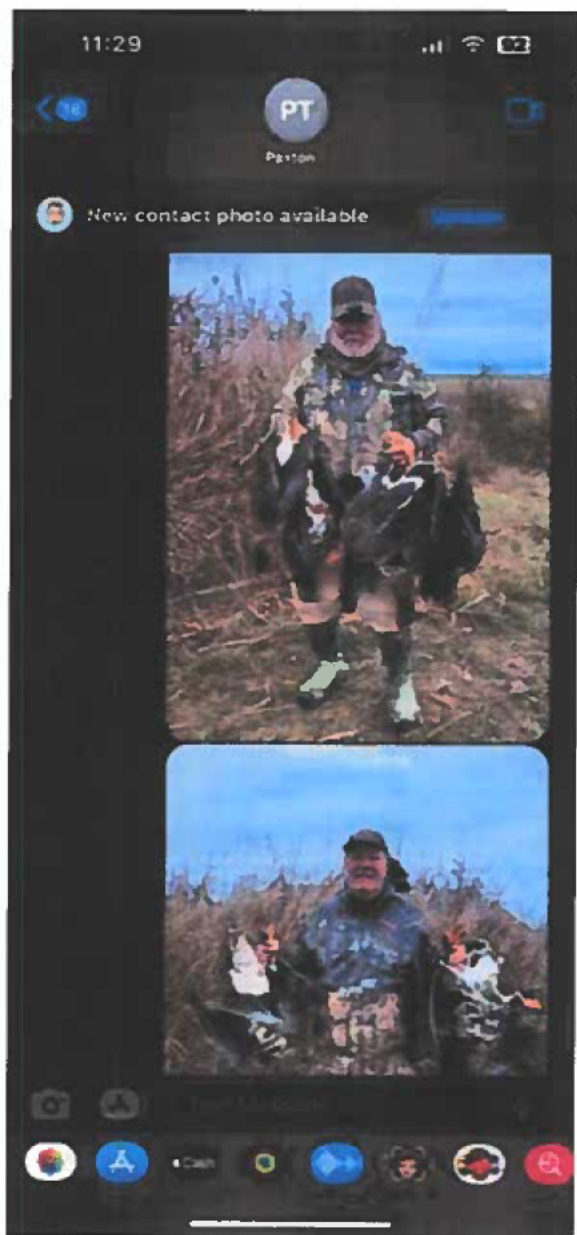


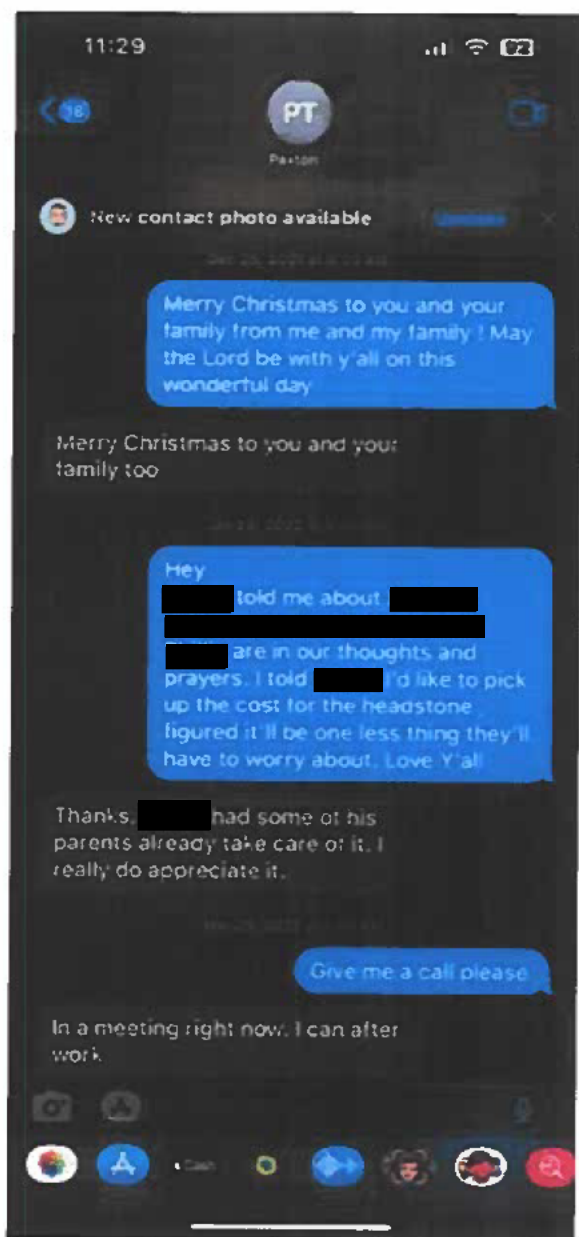


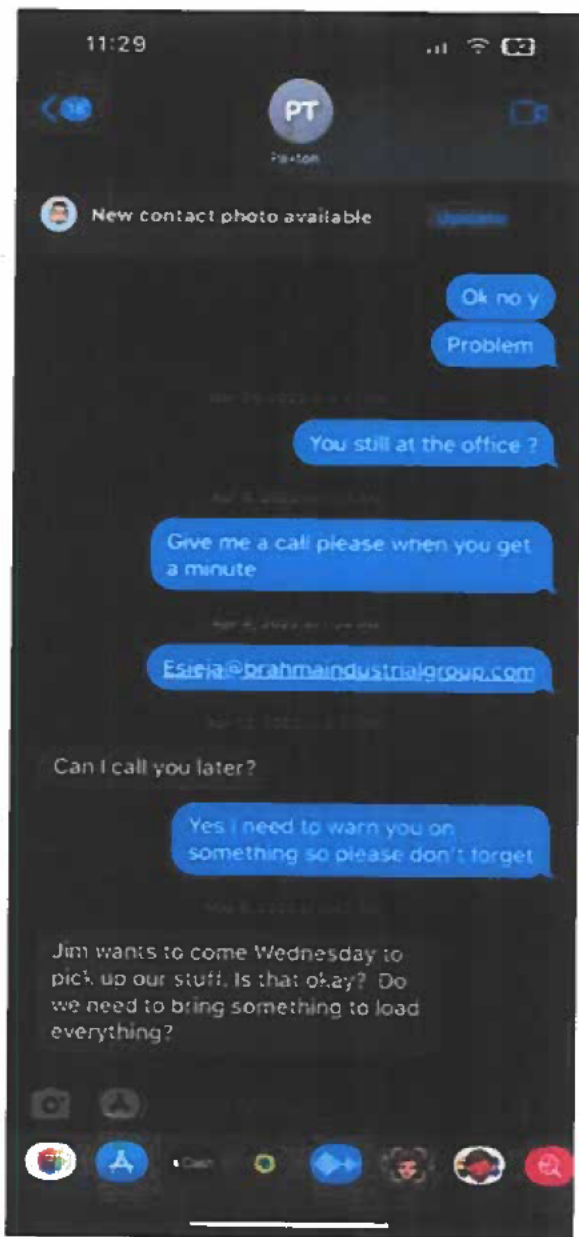


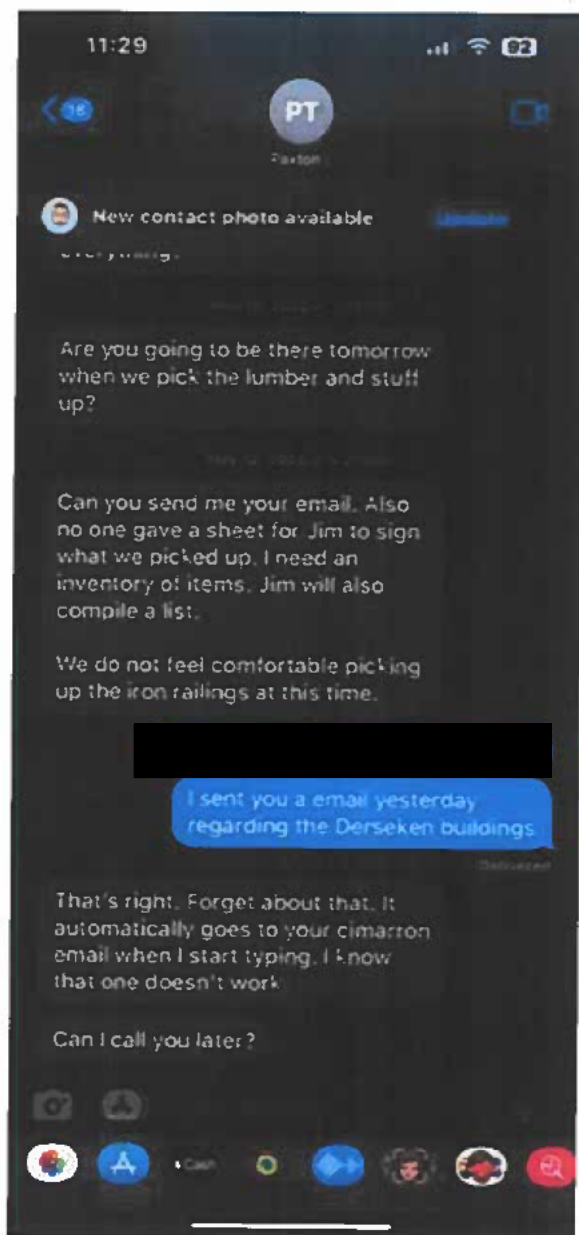










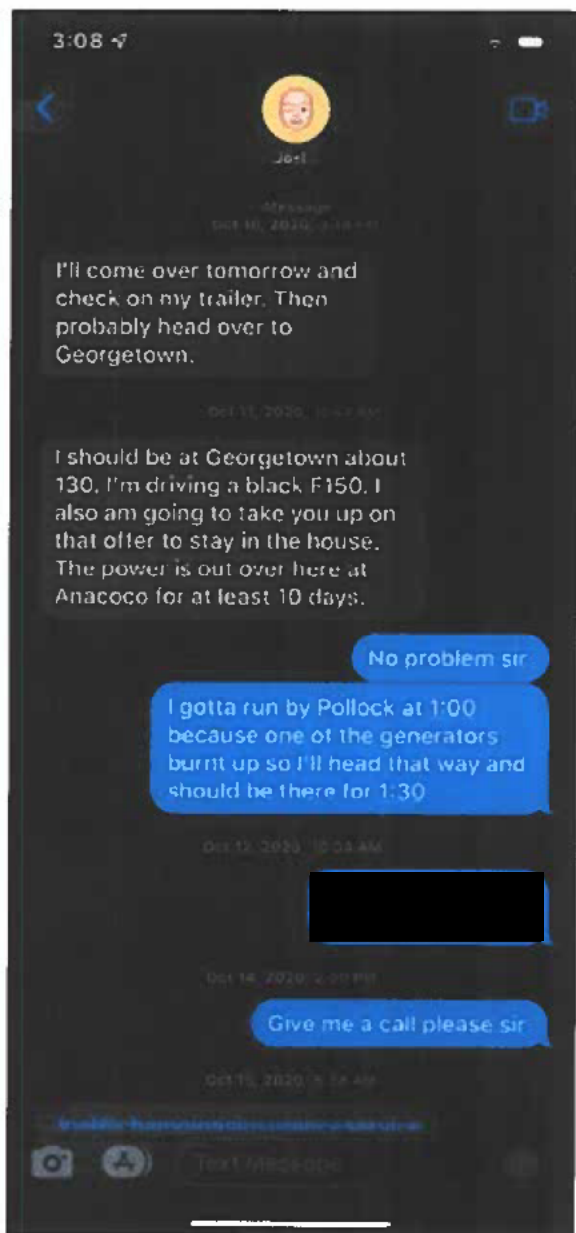


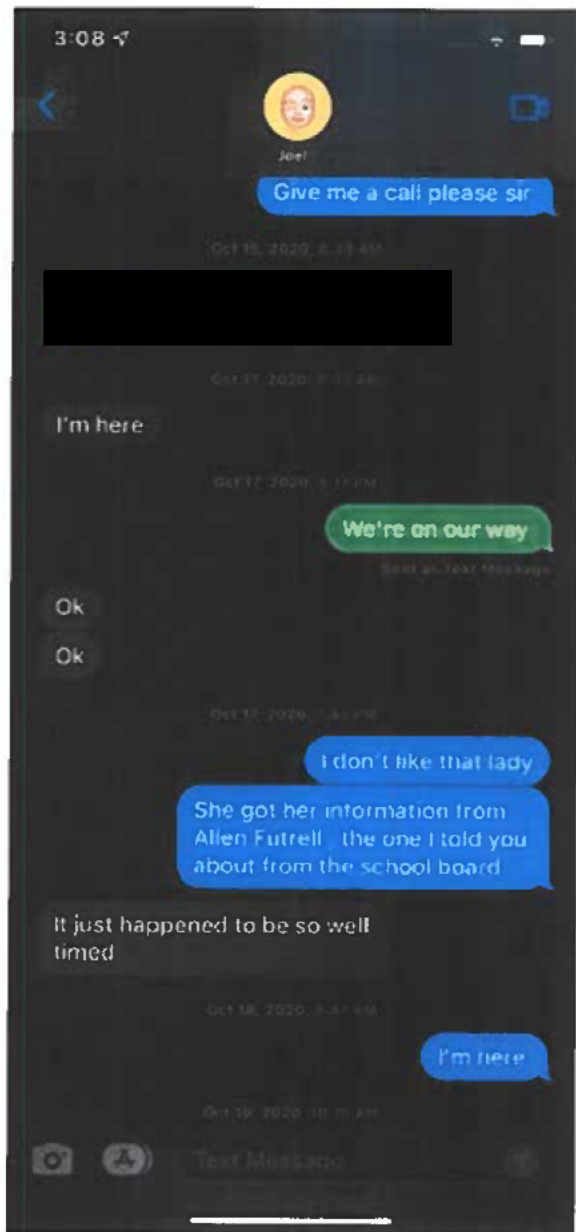
11. Text Messages - Joel Moore - Grant Parish School Board Consultant to and from Edward Sieja.

Text Messages

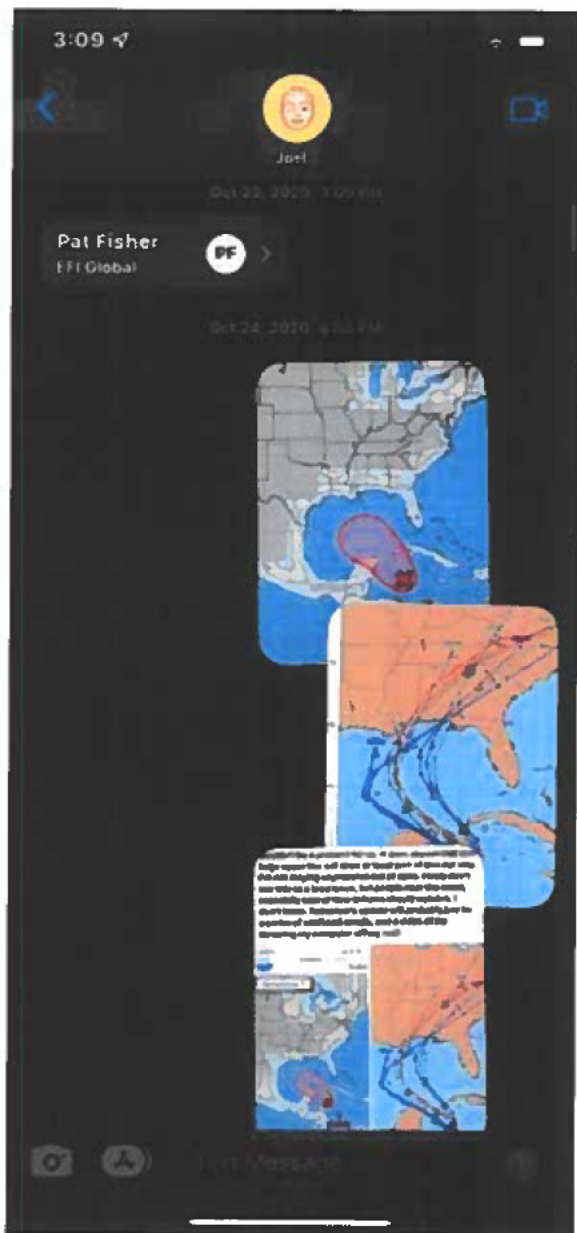
**From: Joel Moore (Grant Parish
School Board Consultant)**

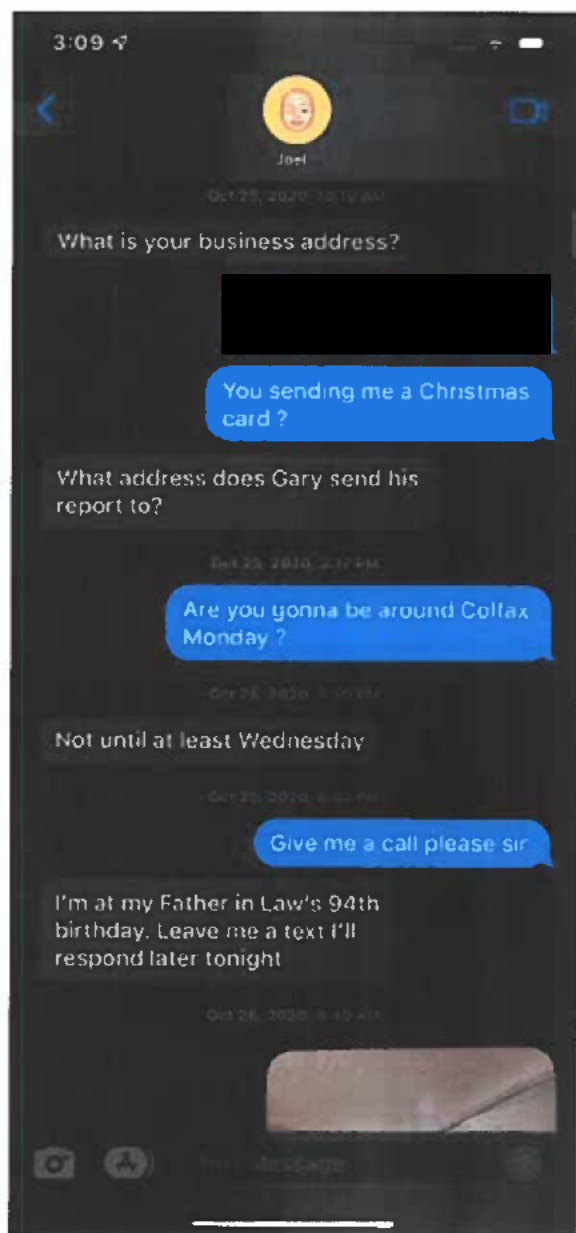
To: Edward Sieja

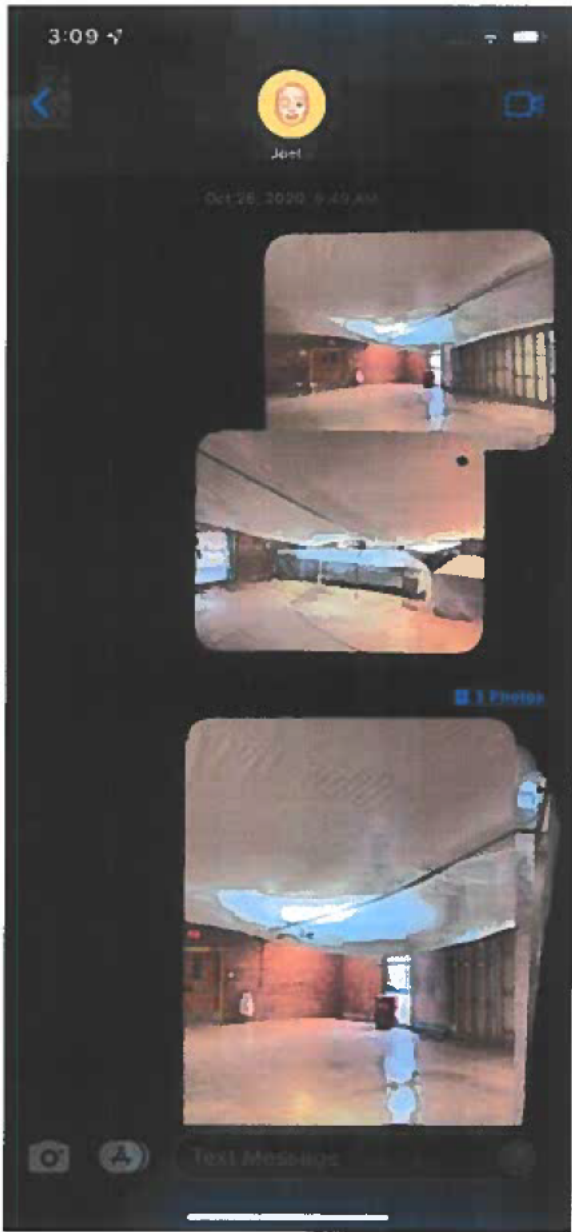


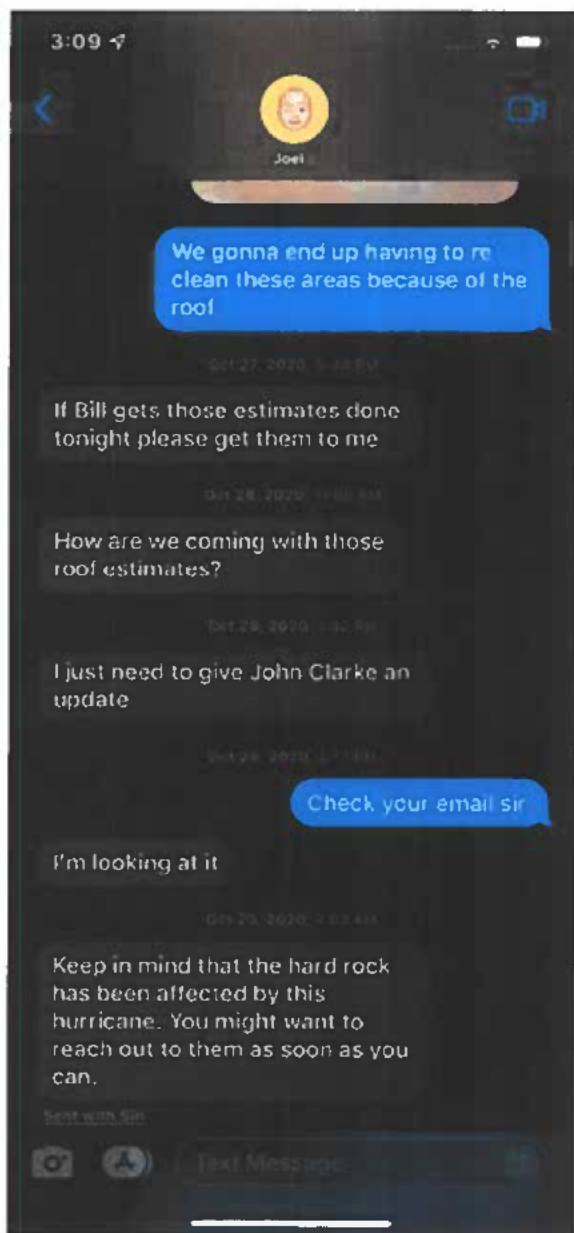


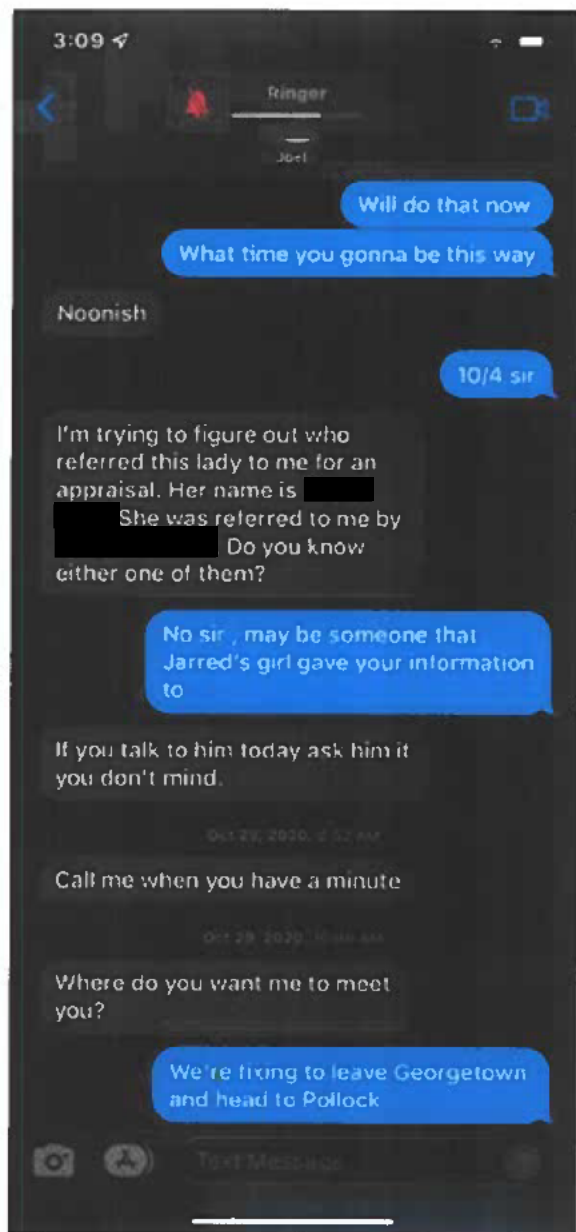


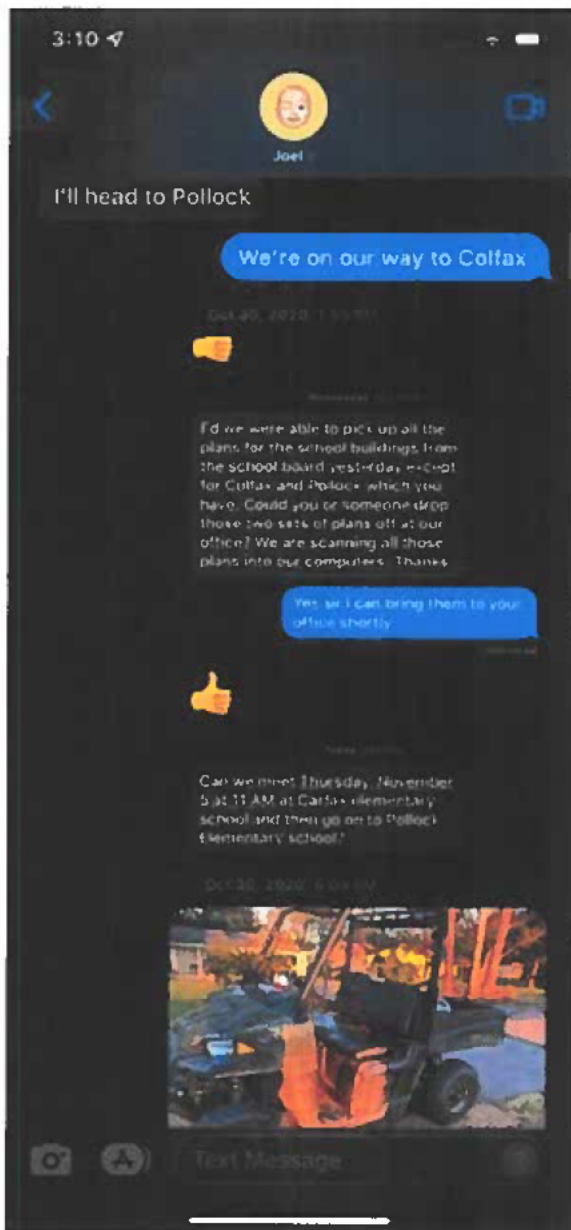


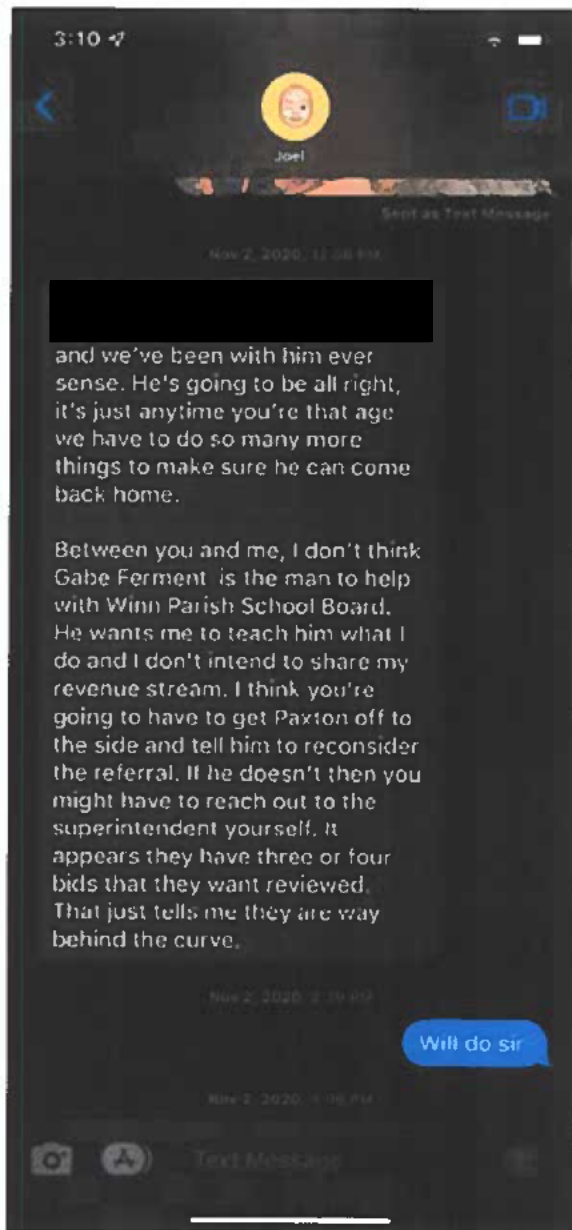


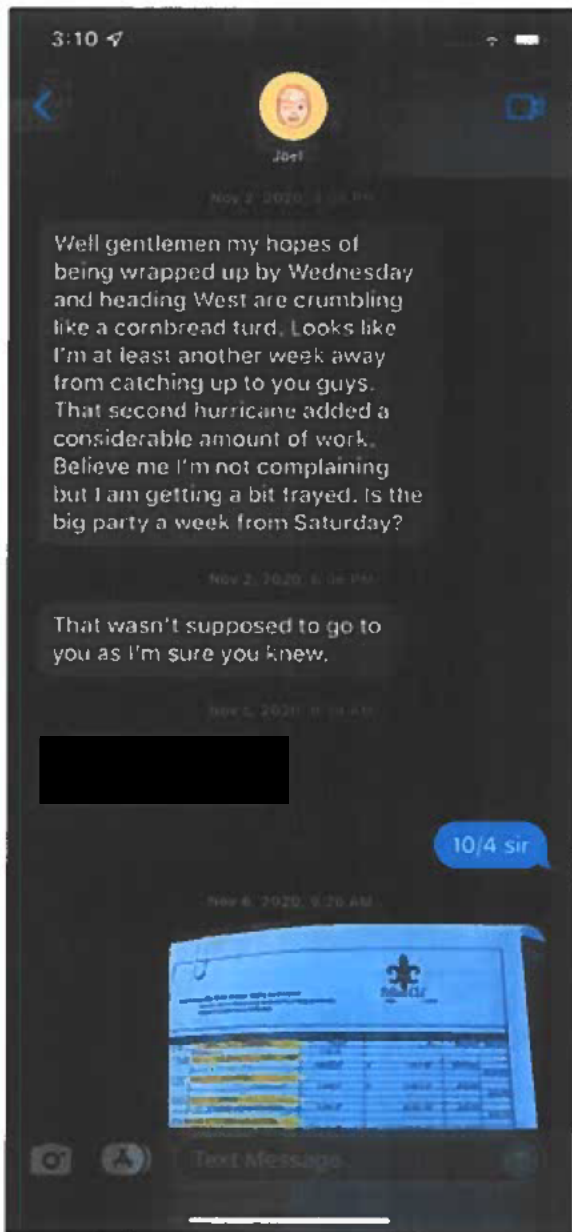


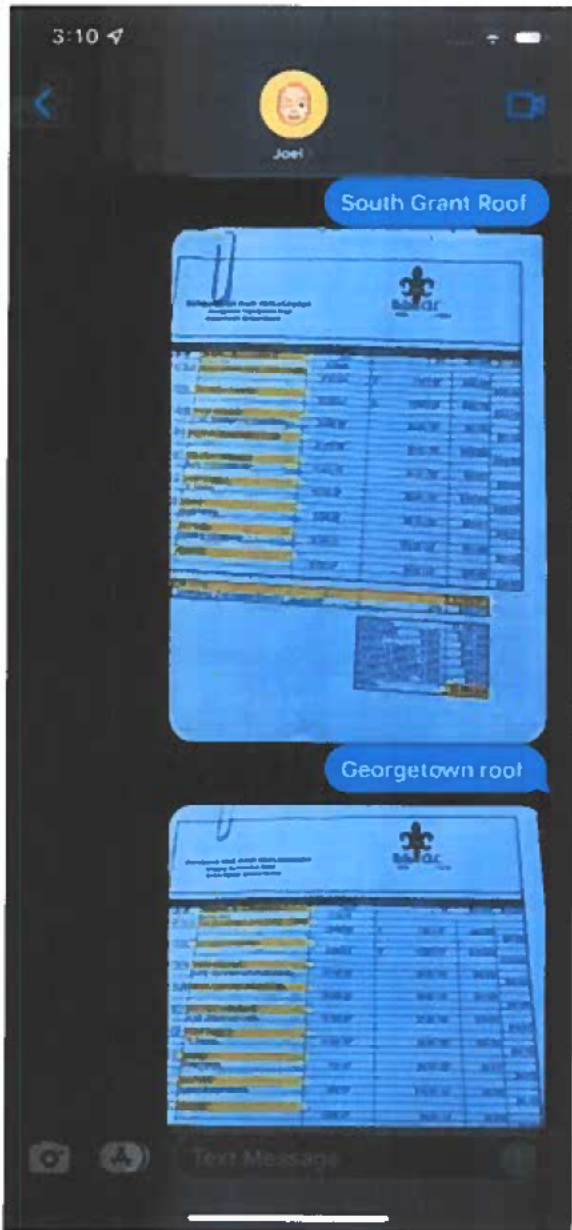


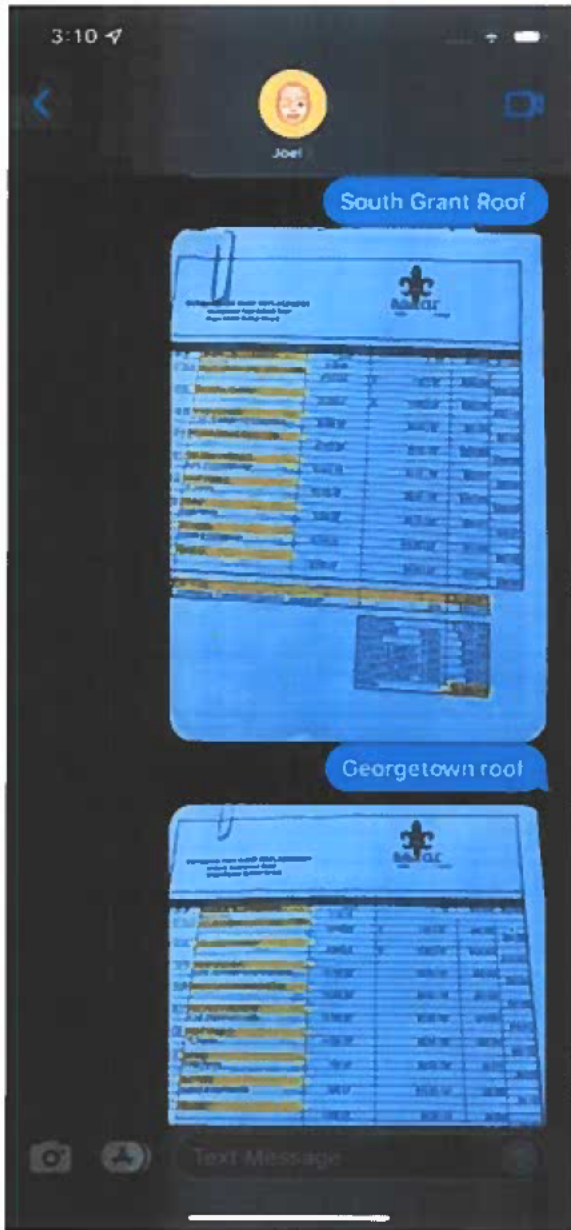




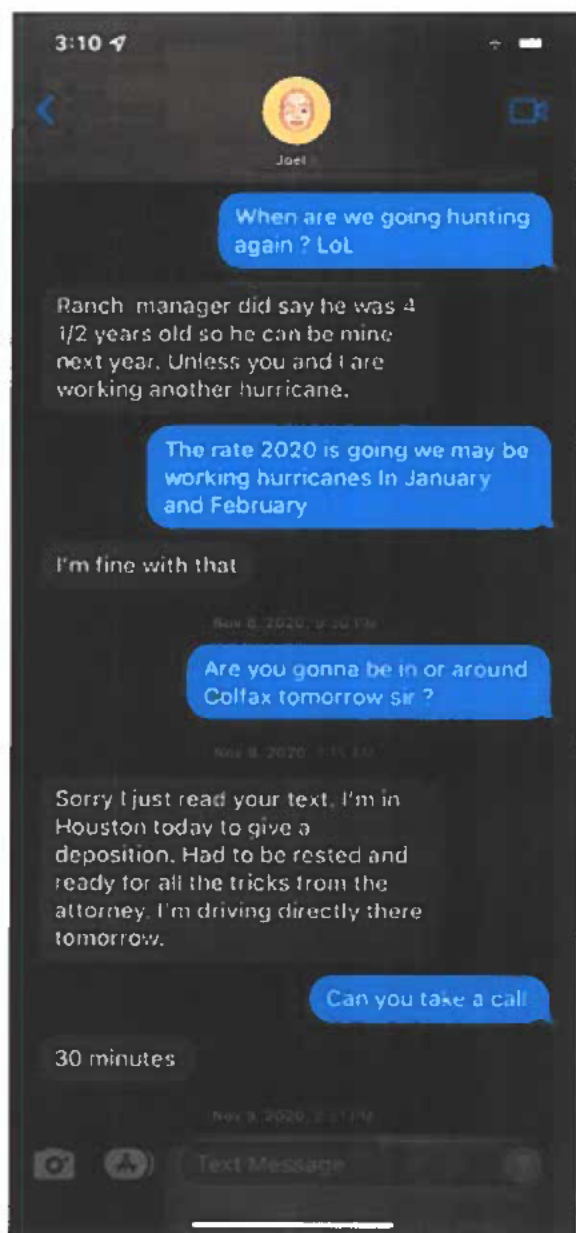




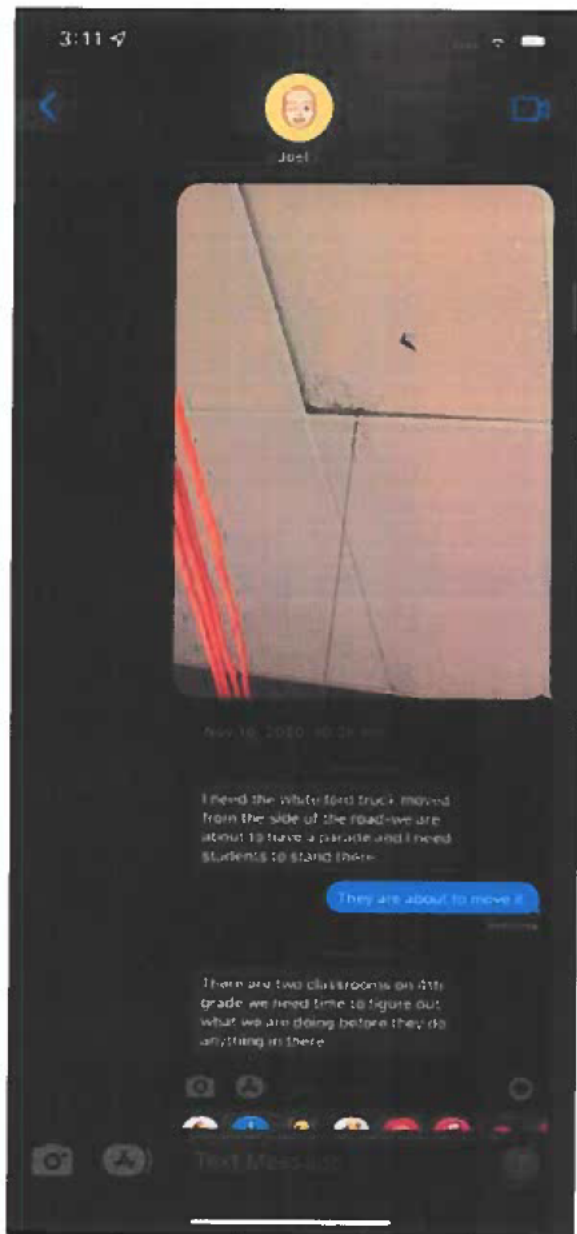




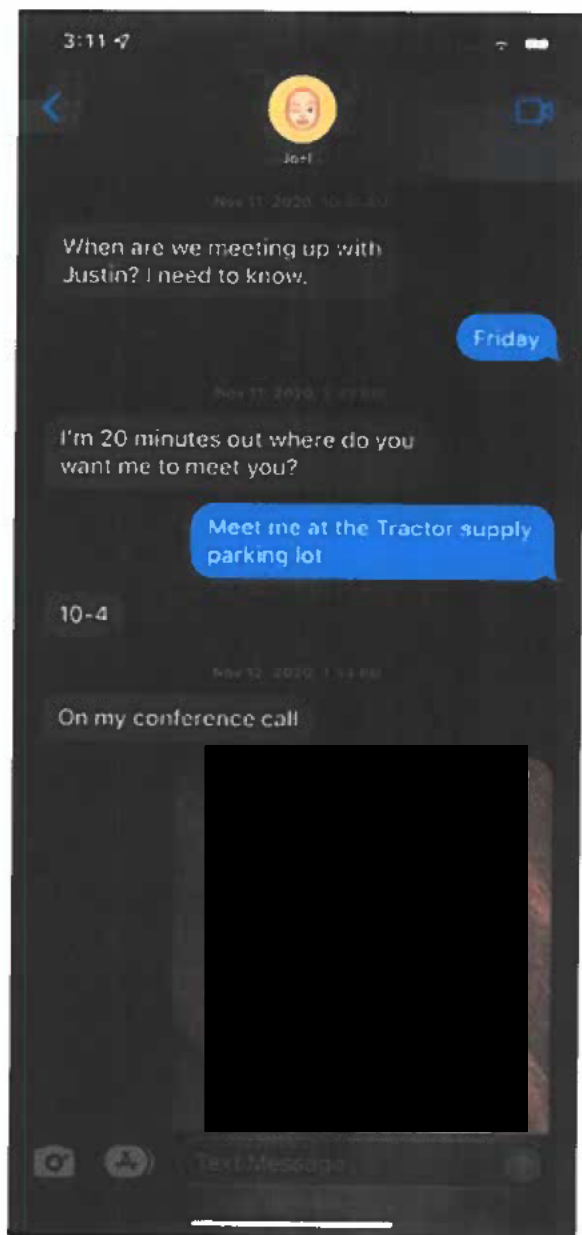


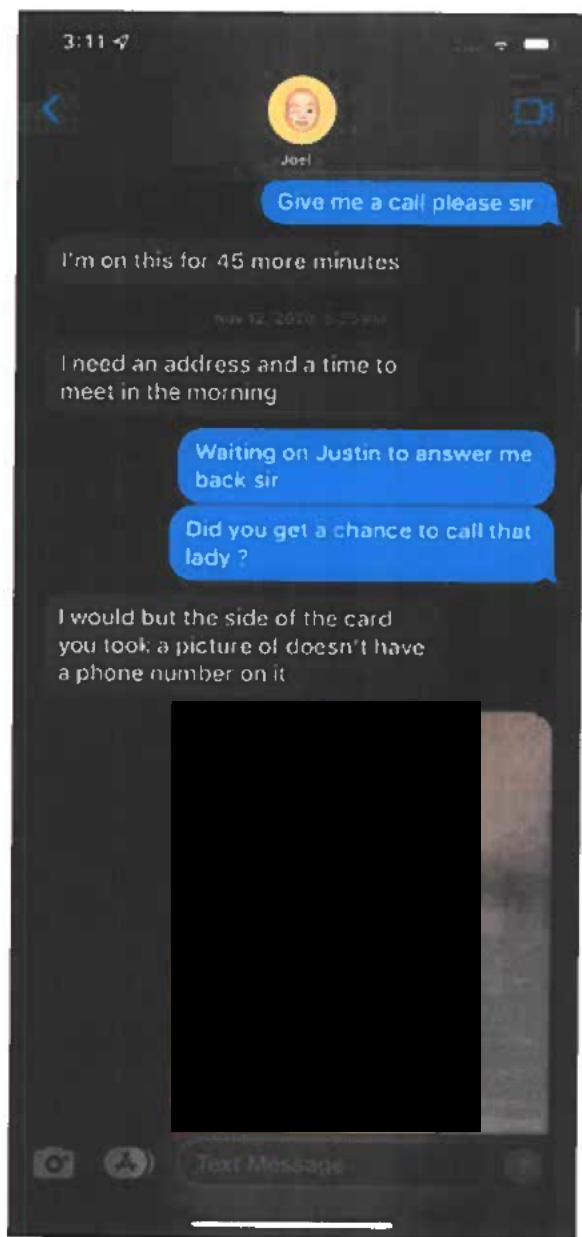


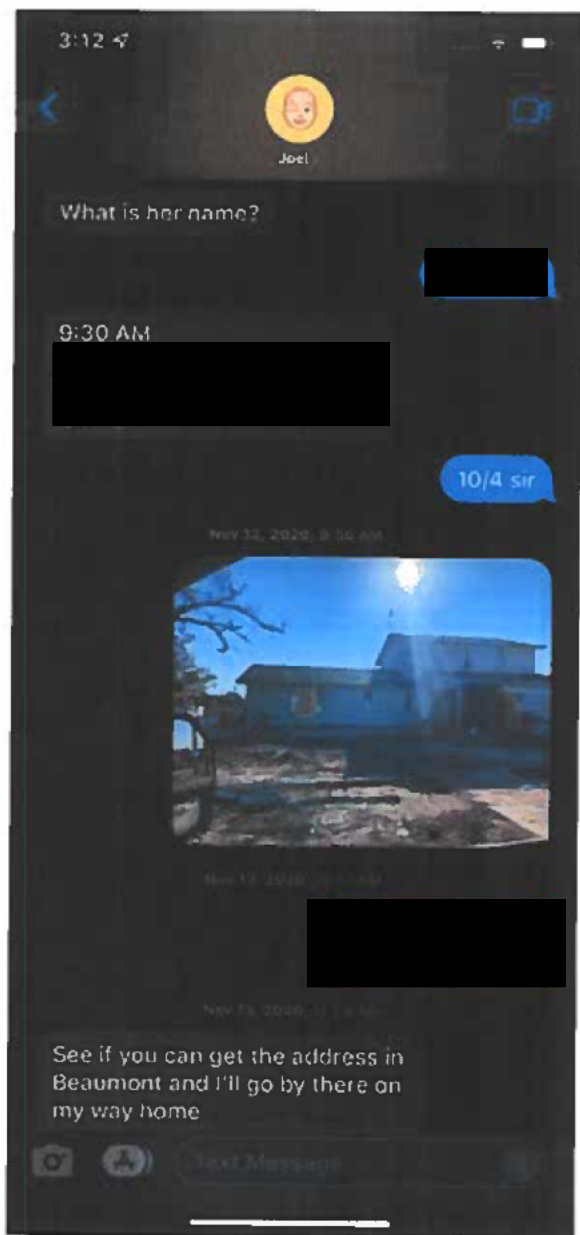


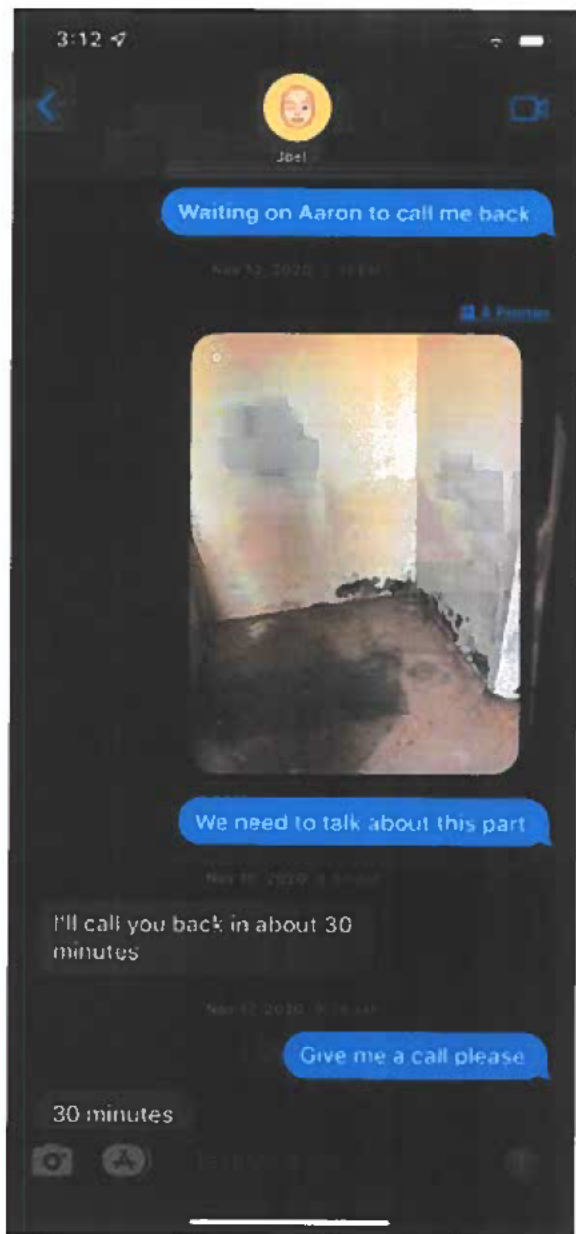


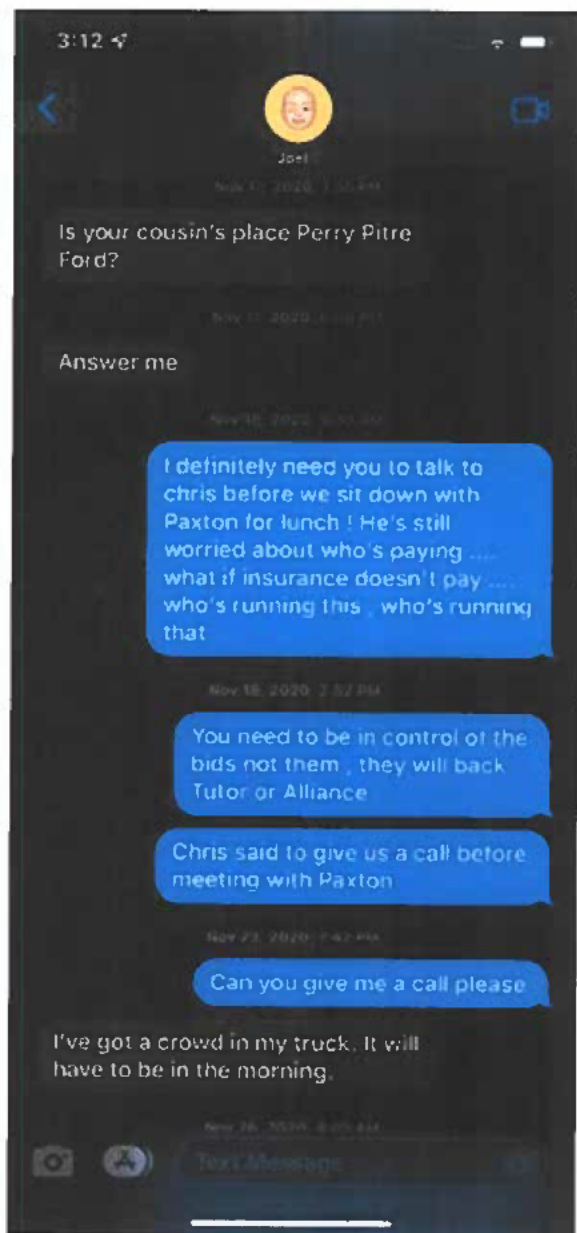












3:12 47



John

Happy Thanksgiving from my family to yours ! Hope y'all have a blessed and safe thanksgiving

Thank you my friend, I wish the same for you and your family.

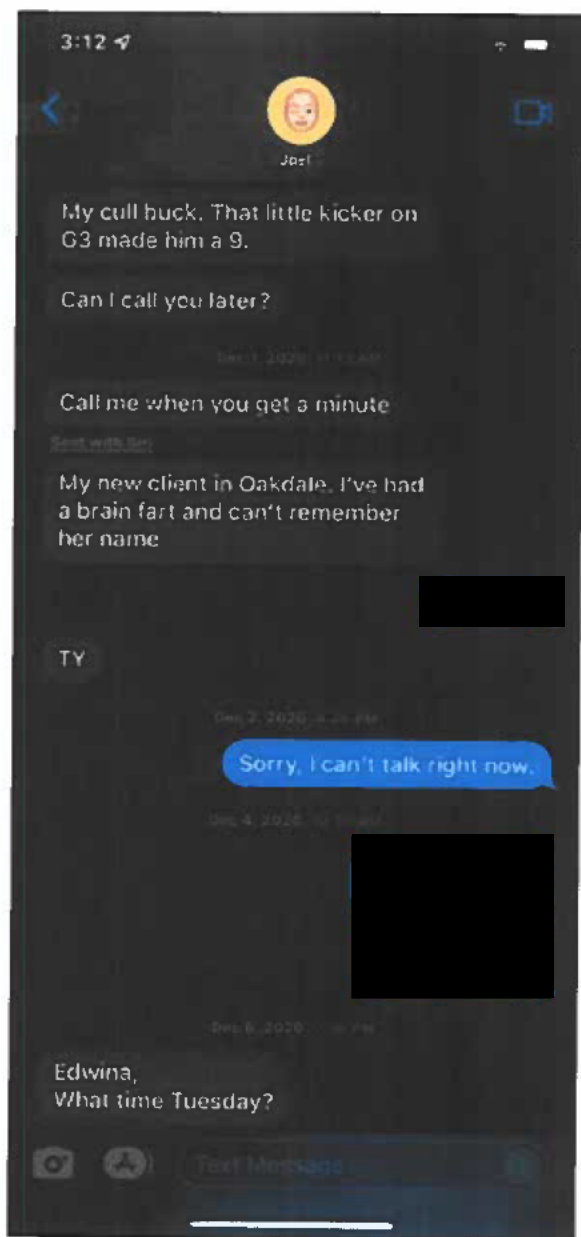


LMAO 🤔

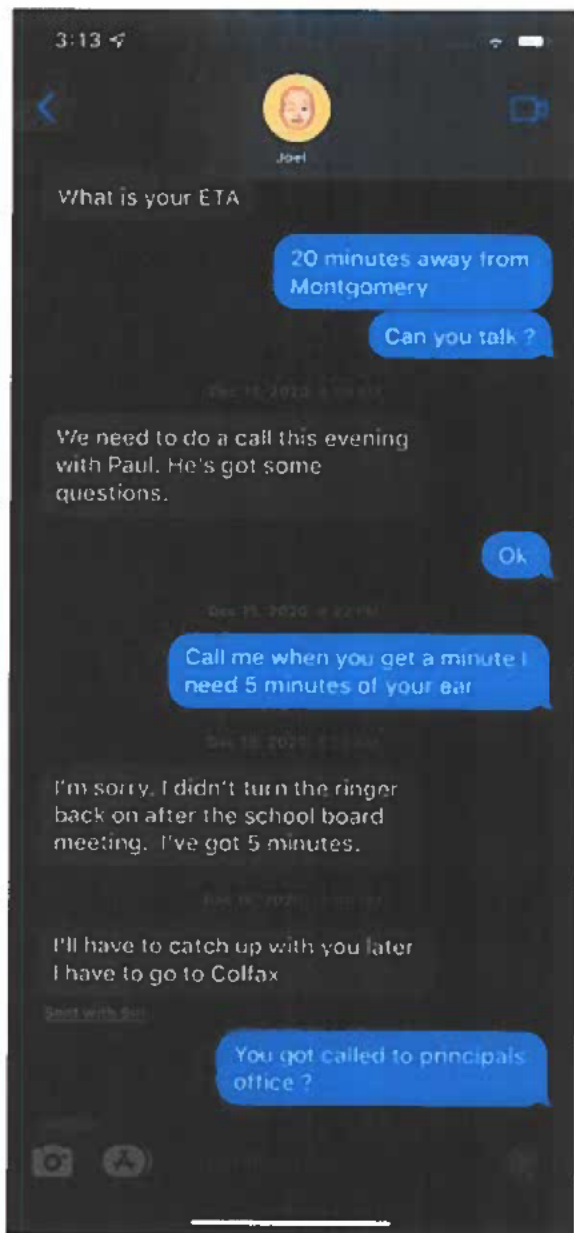
Nov 30, 2020, 3:02 PM



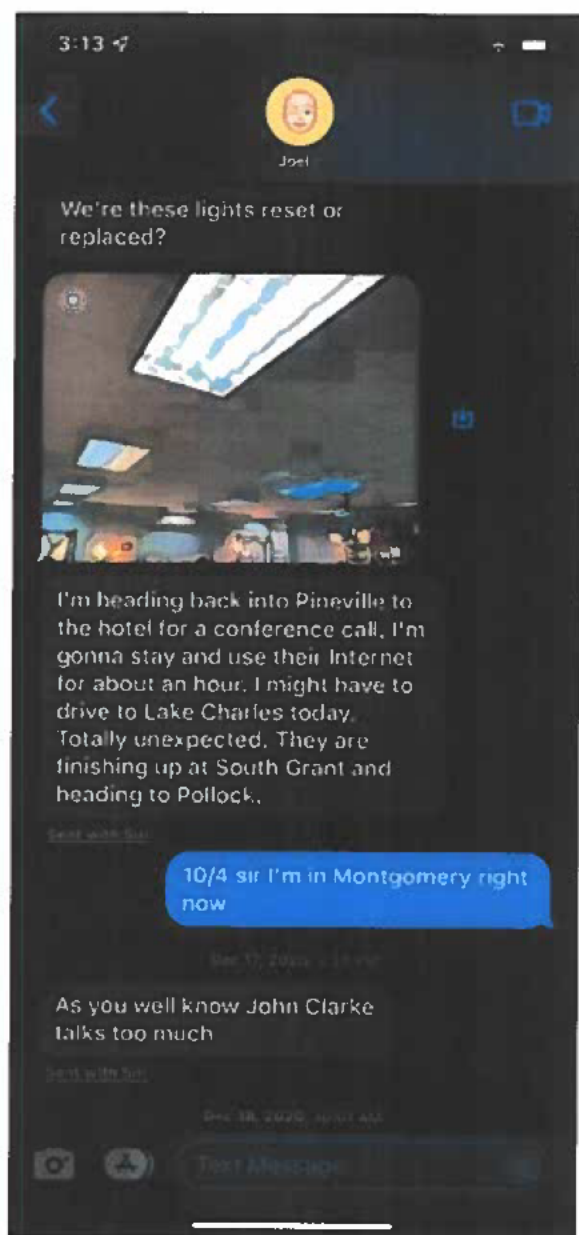
Text Message

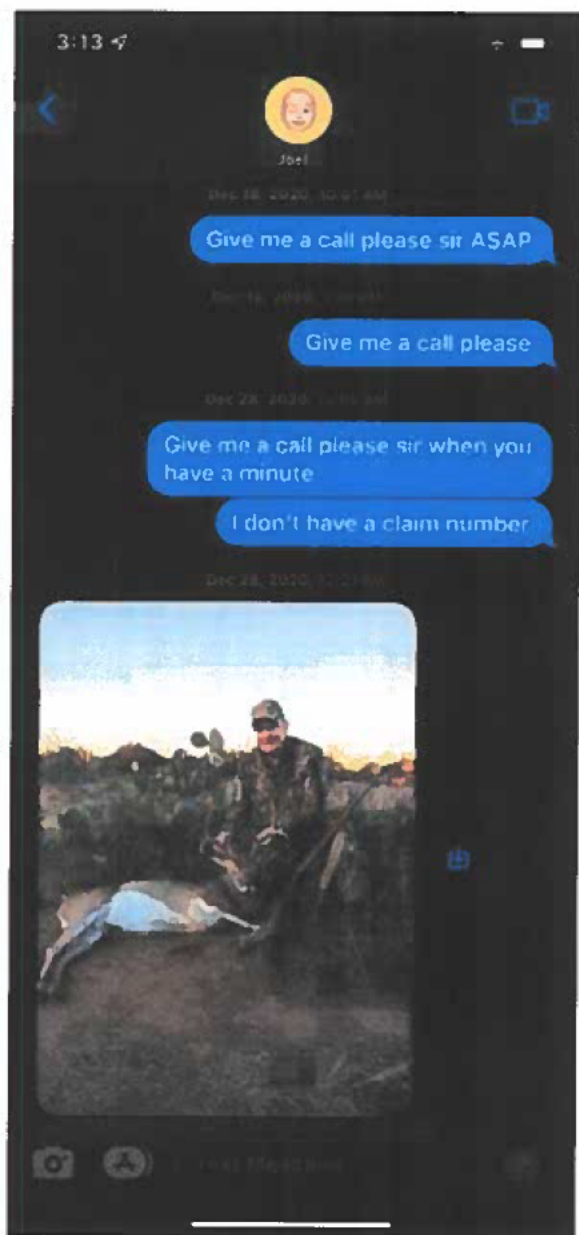




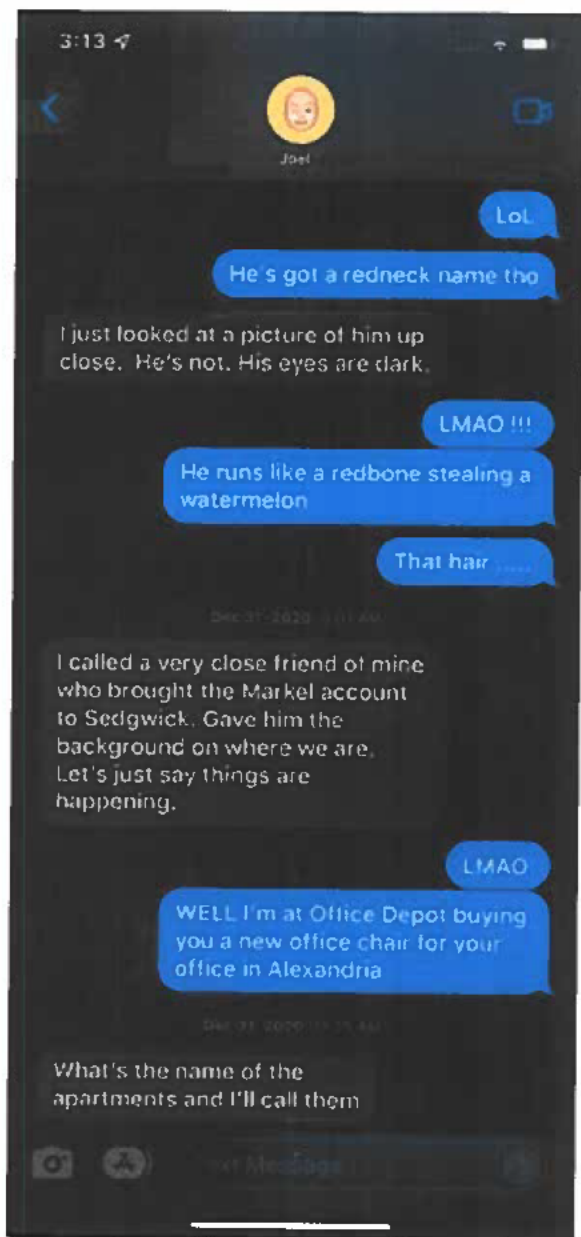




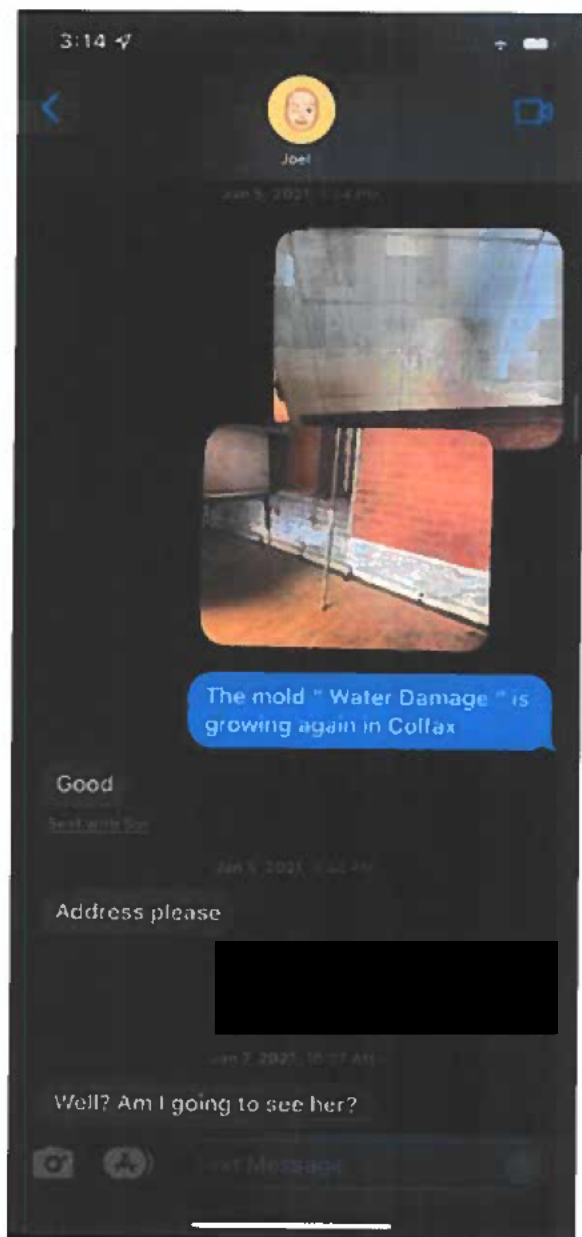




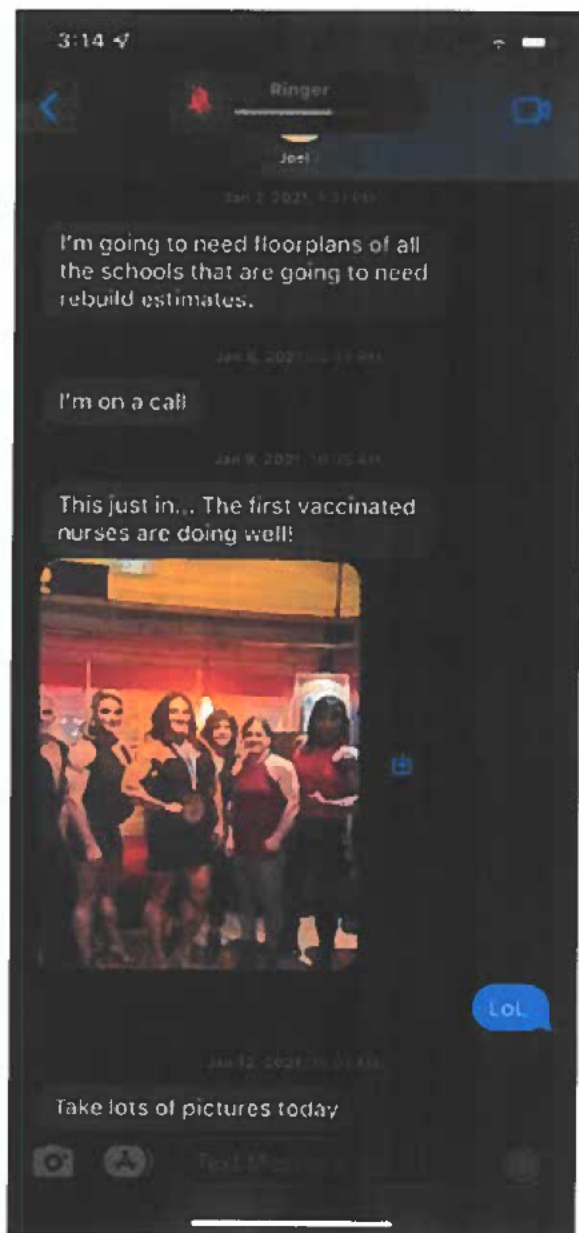




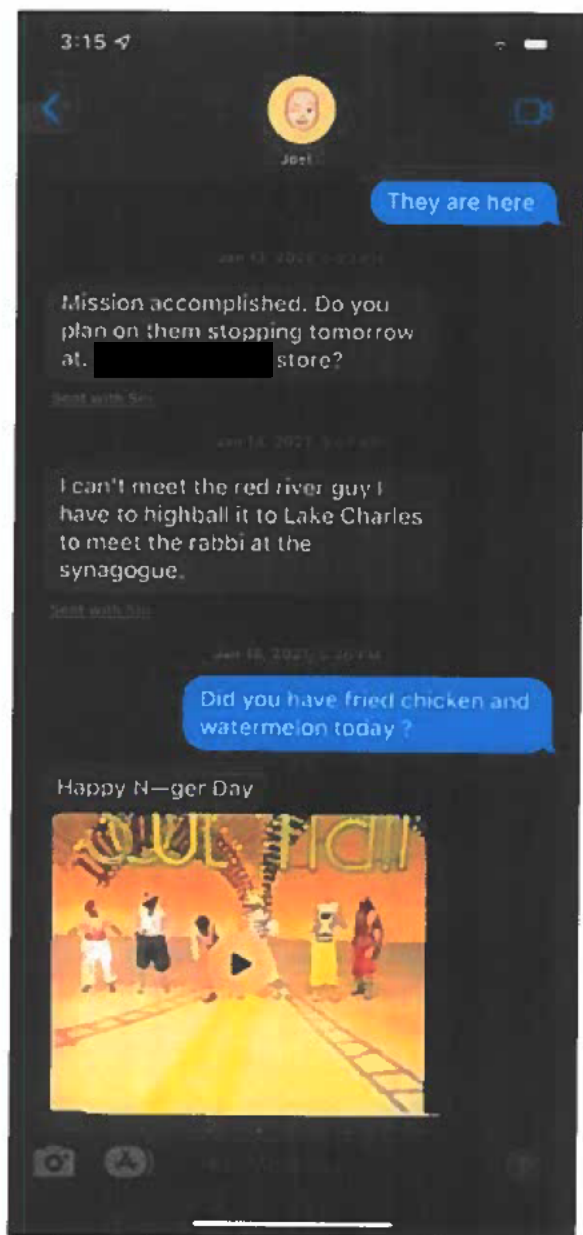














3:15



Joel

You have a minute to talk

Wed, Feb 20, 2020, 3:10 PM

Looks like I won't get to Alexandria until 230. I've been behind a funeral procession for a very important person for the last 45 minutes. The two patrol officers have kept both lanes blocked for the procession. I also have been evolved with two construction sites that had all traffic stop for 15 minutes at a time. I don't know what I've done to deserve such treatment but I'll just take it for what it's worth. Patience is a virtue.

Sent with Siri

Wed, Feb 20, 2020, 3:13 PM



Dan Bongino

Here it comes.

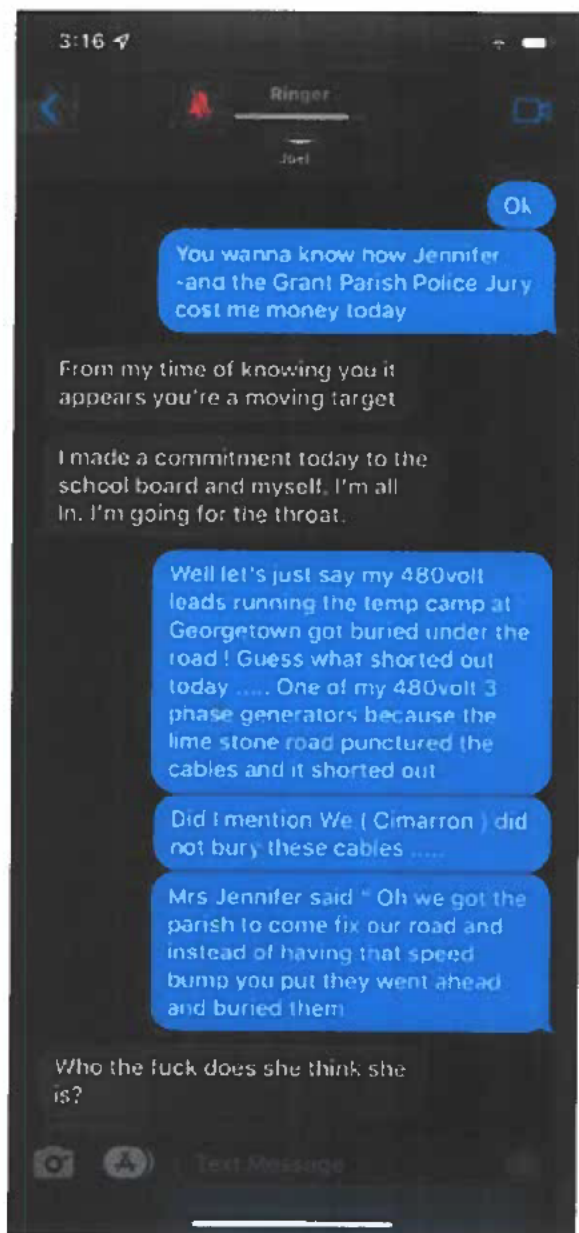


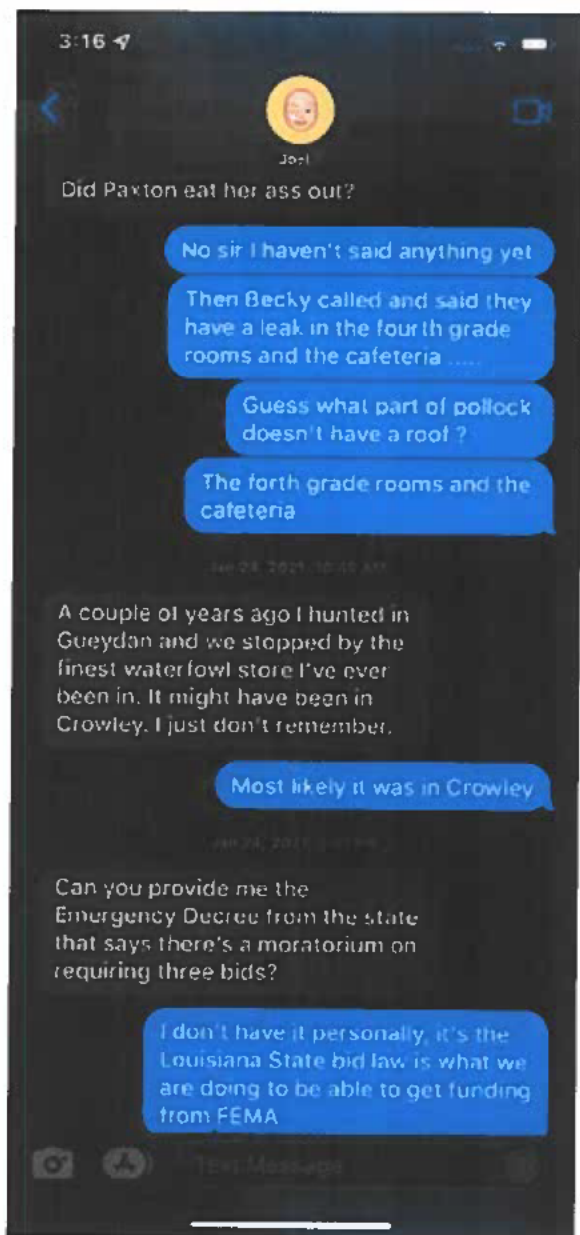
Democrats in the House are already working on passing the bill. Democrats are already working on passing the bill.

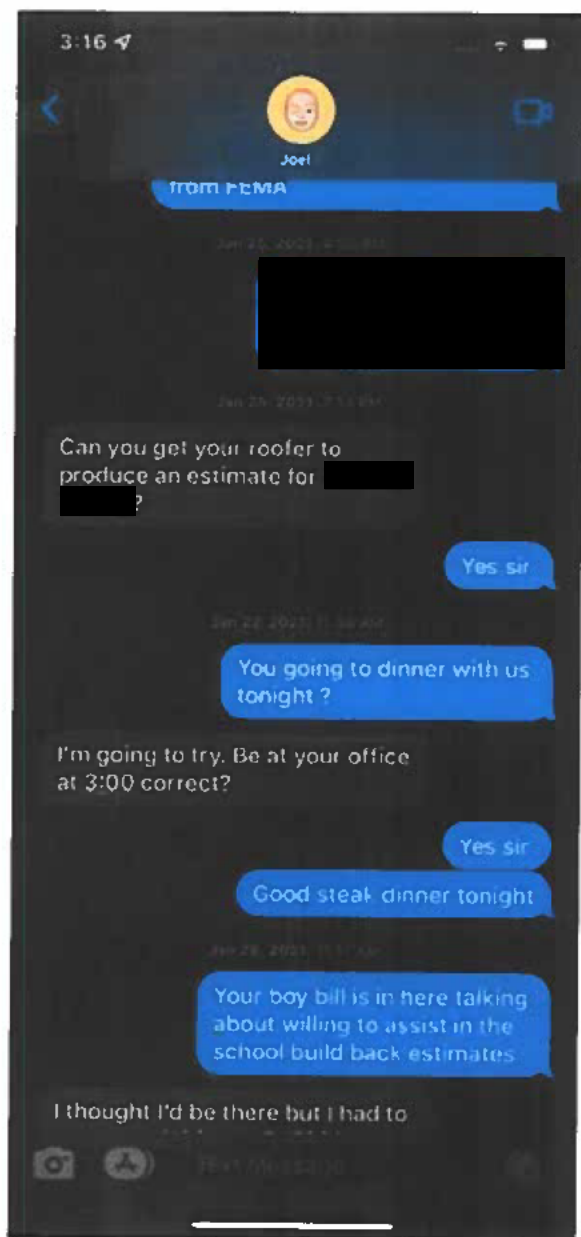


Text Message



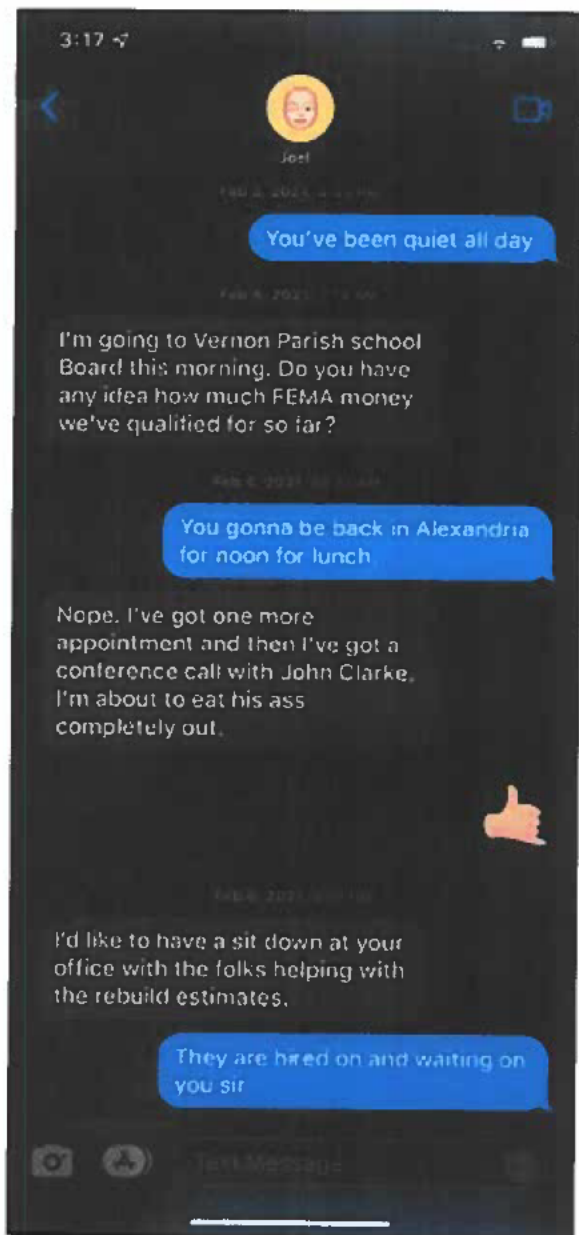


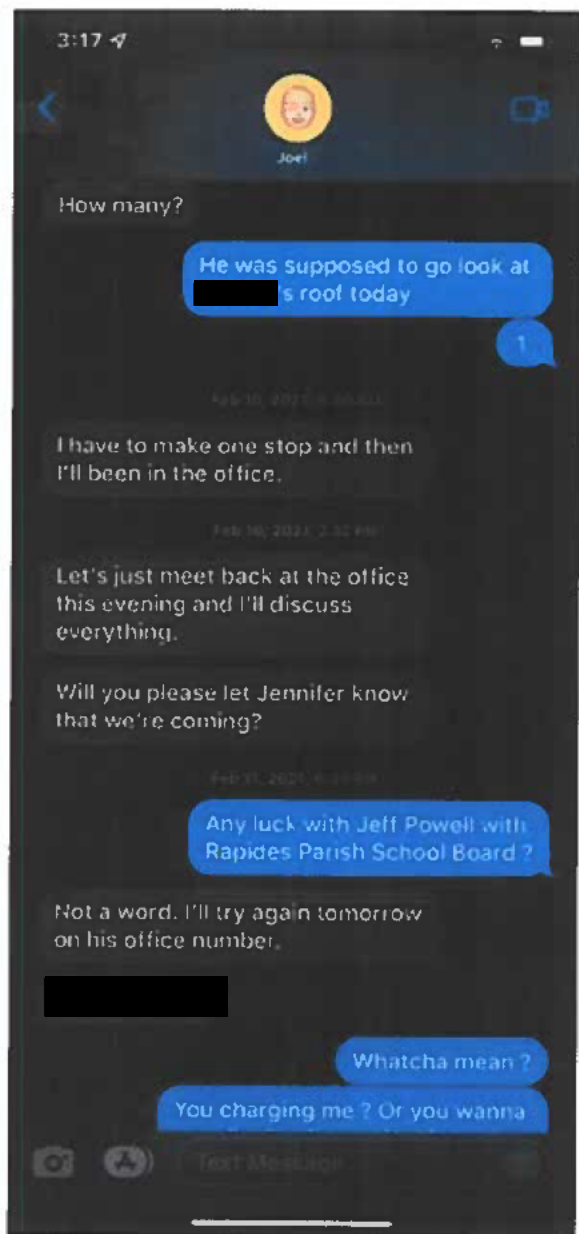


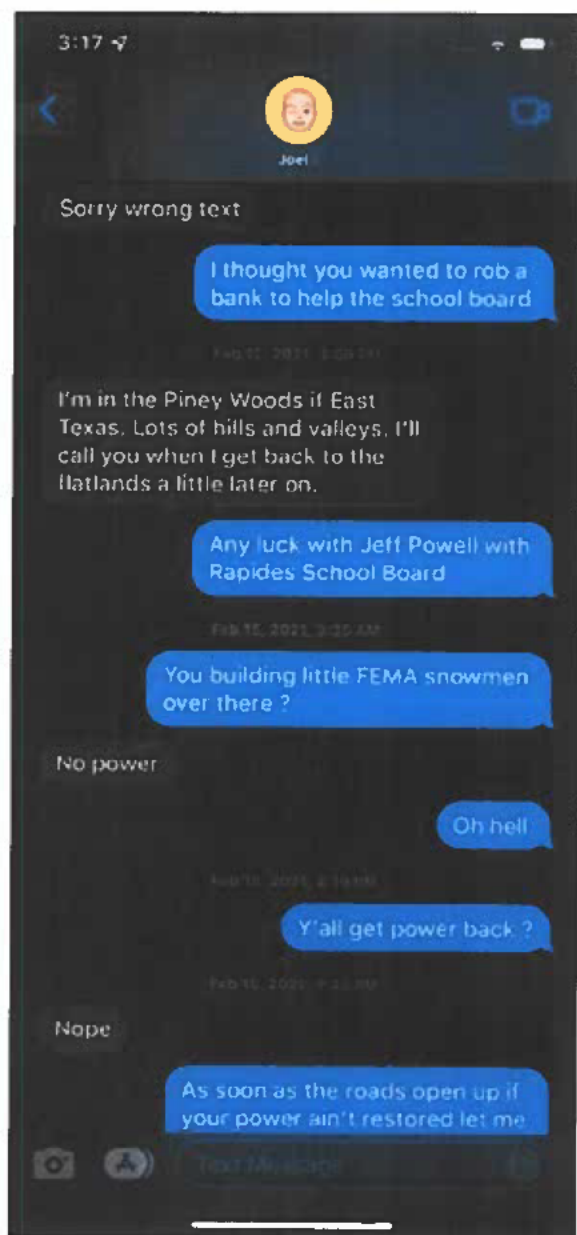












3:18



Joel

As soon as the roads open up if your power ain't restored let me know and I'll run you over a generator sir

Just came on. I'm buying a standby next week. It's 43 in the house.

Let me know, I bought 22kw Generacs and had my electrician do the hookup! It saved me \$6,000.00

FEB 15, 2021, 11:10 AM

Give me a call please sir

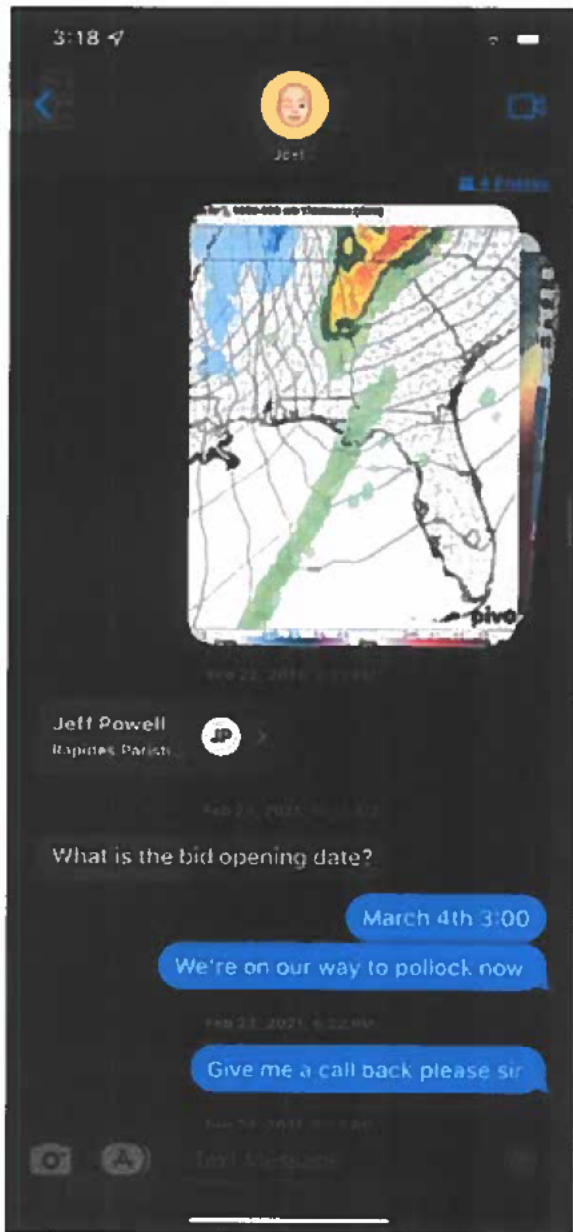
It will have to be after 5:00

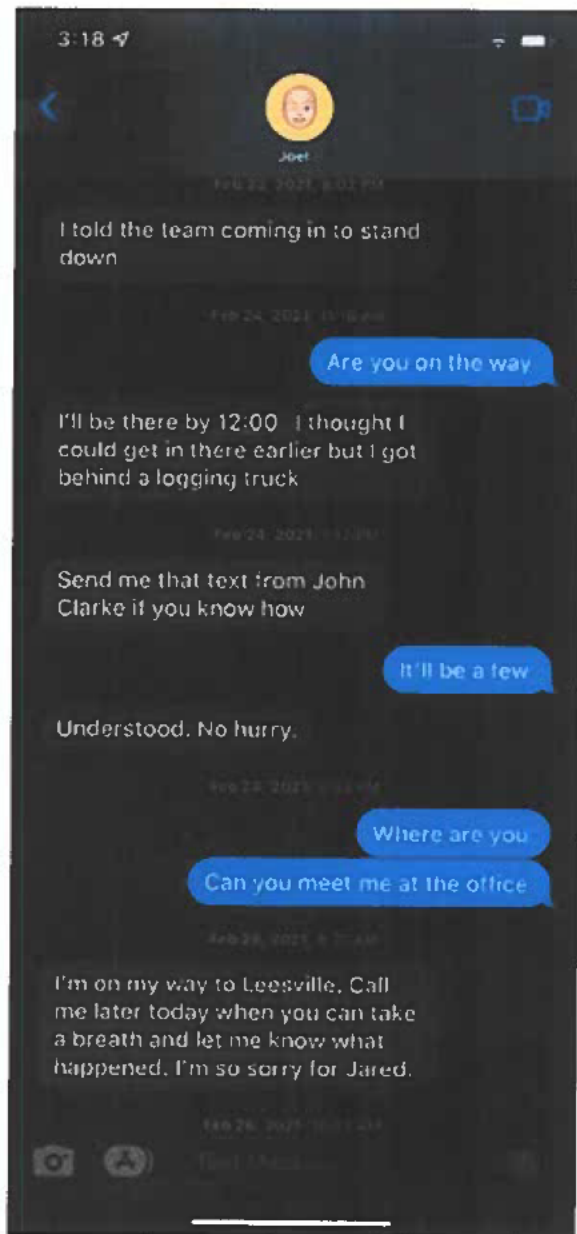
FEB 16, 2021, 10:12 AM

Please provide me your full contact information. I'm going to have Frank Simones with TAD Recovery direct their proposal for estimating and consulting services to you. I want them to start as soon as Monday if possible. I just spoke with them and have asked that they provide a senior consultant as a back up if needed. I don't trust Ballard.

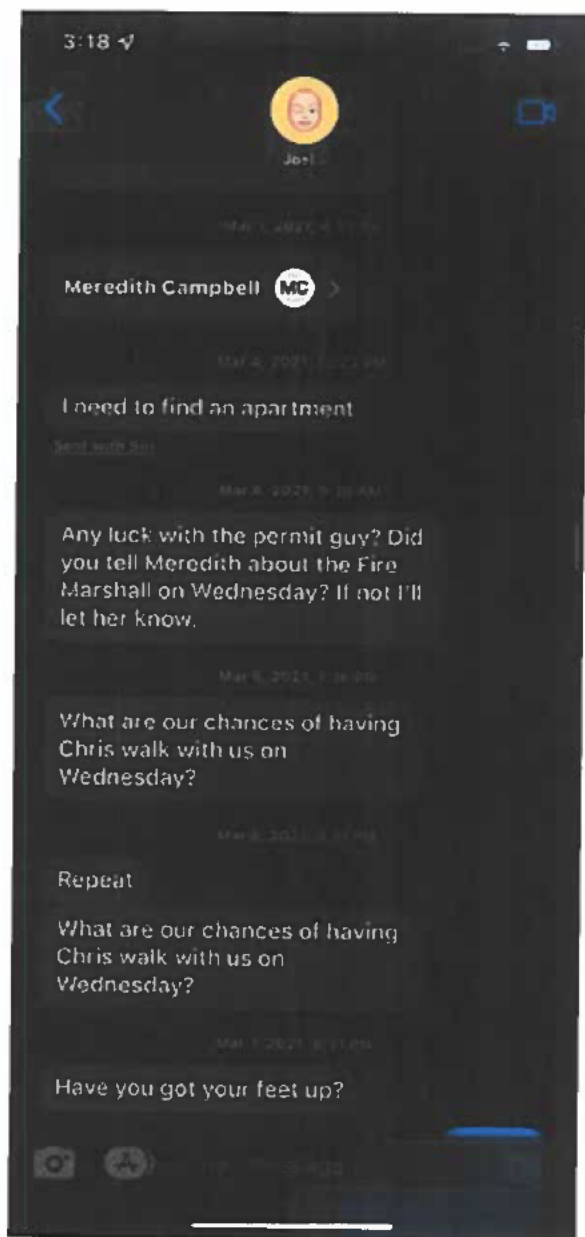


Text Message

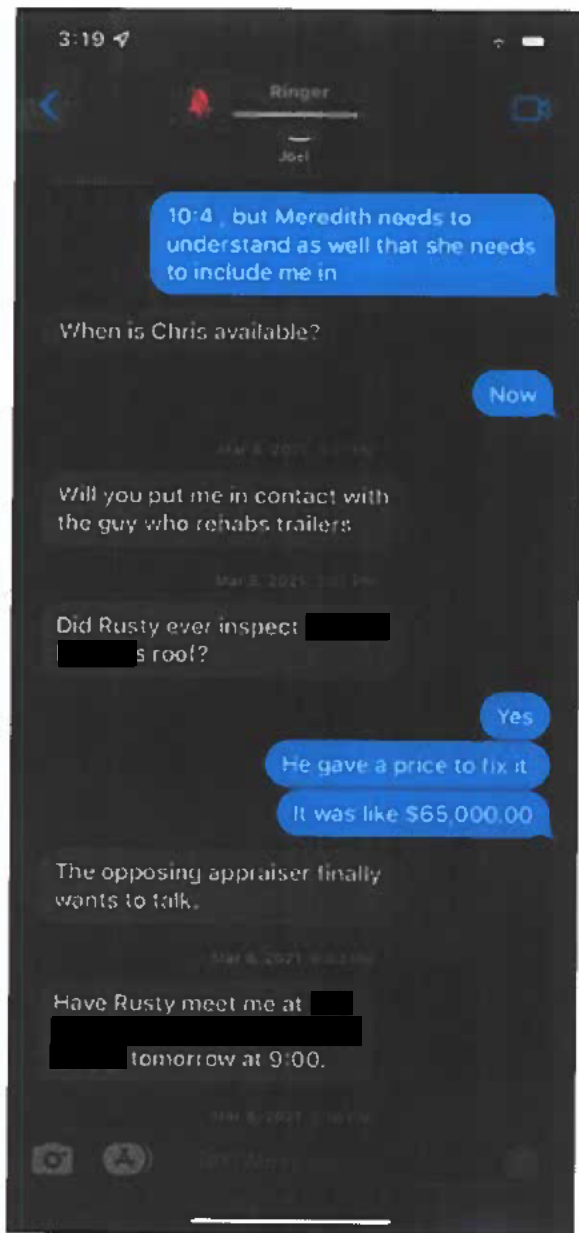






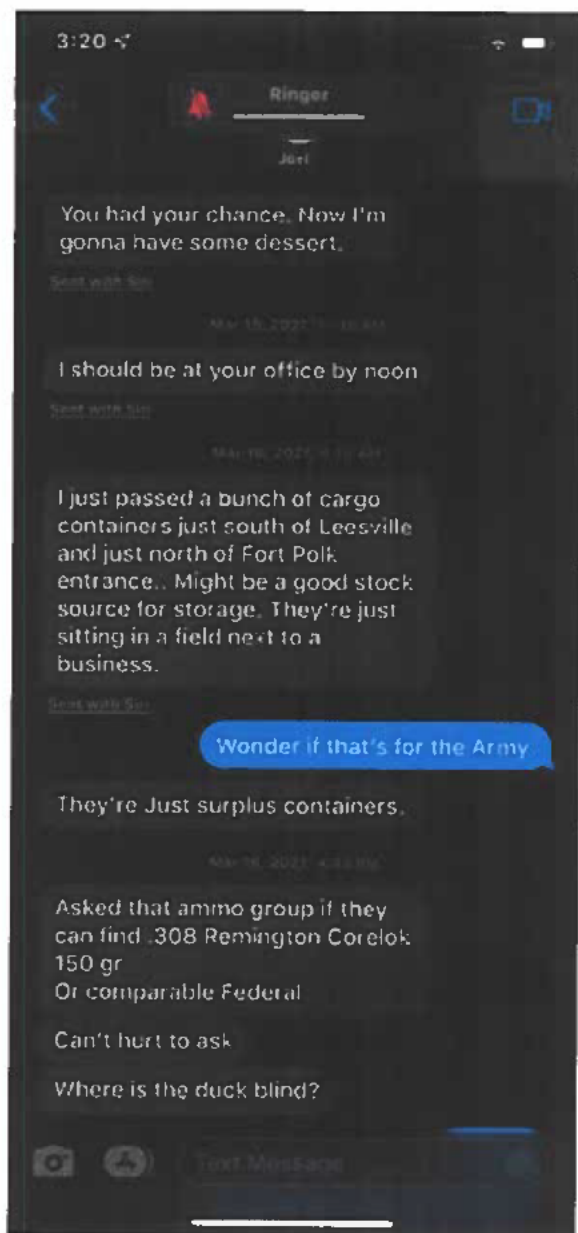








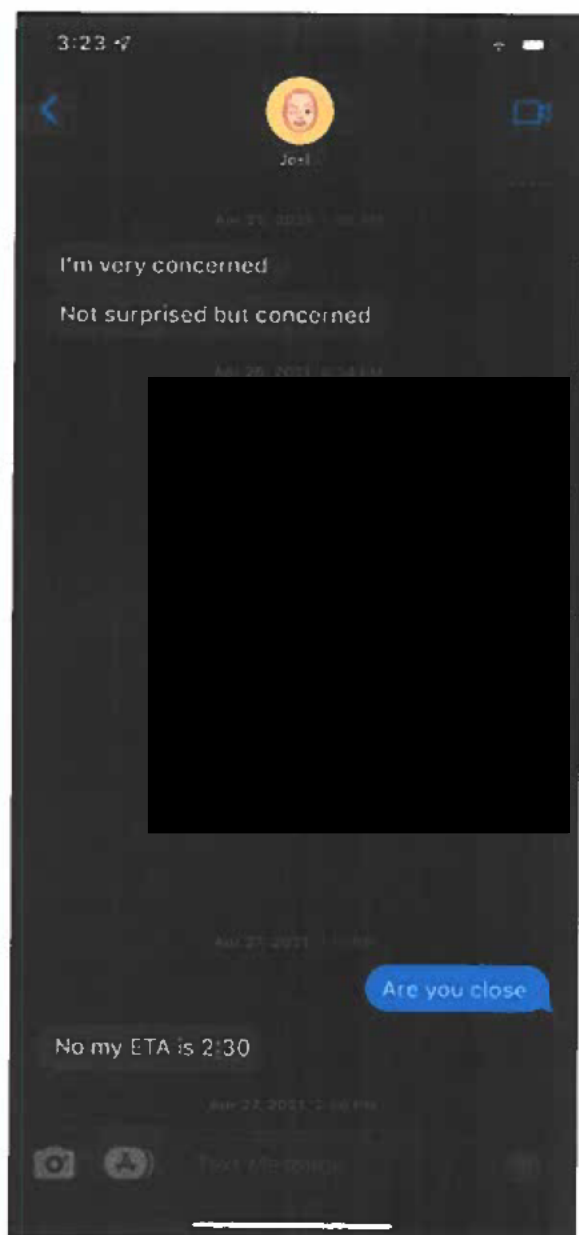


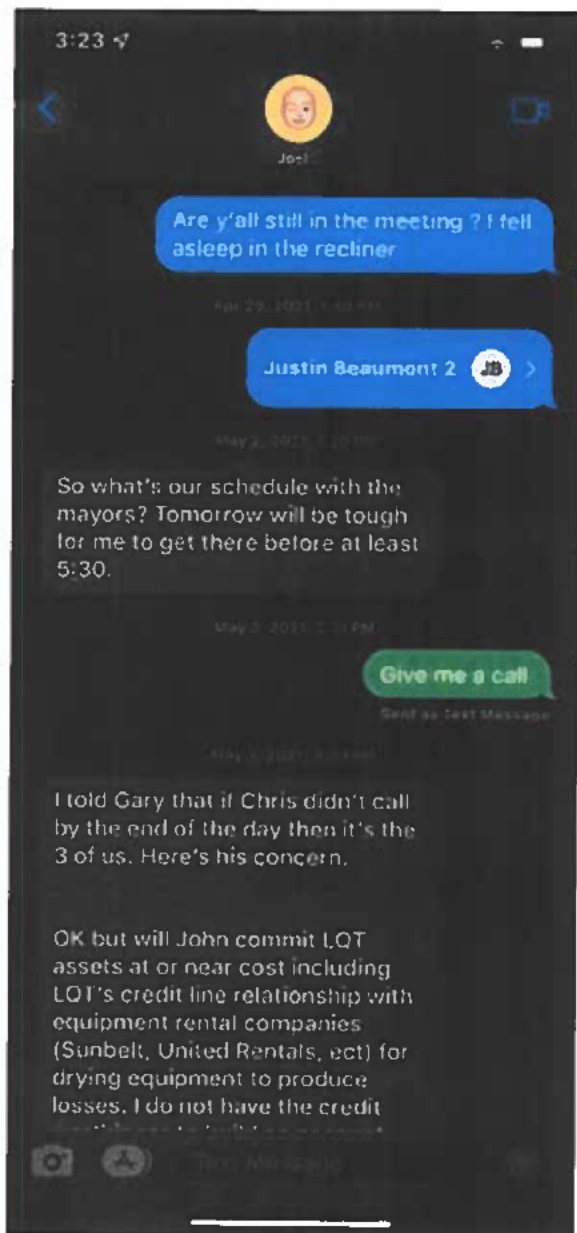




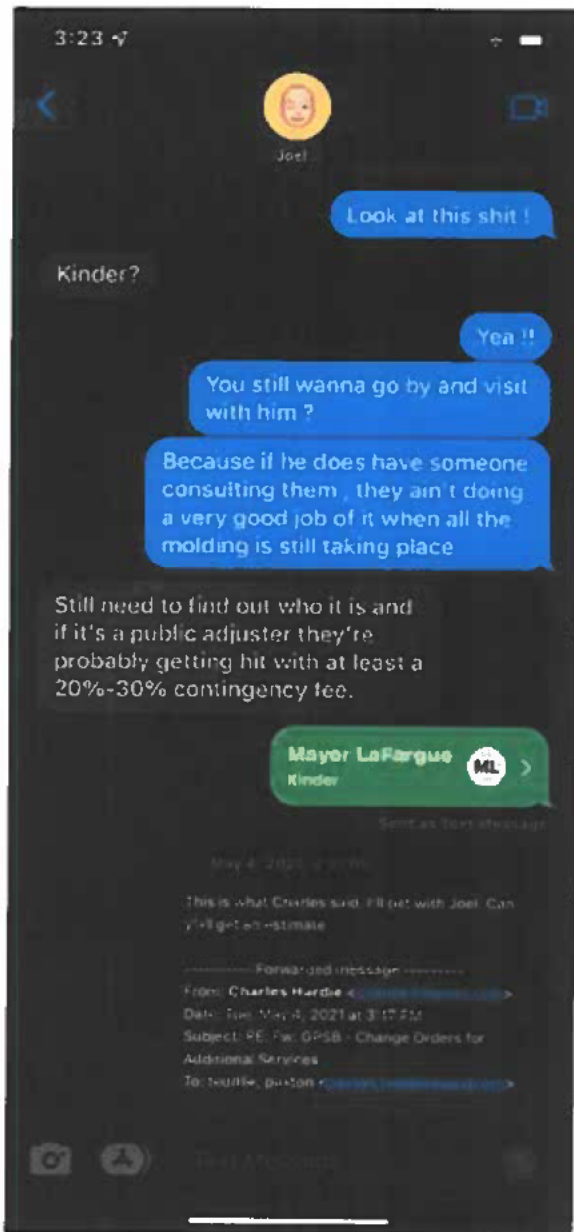












3:23



Joel

I'll have to look at the contract to make sure this isn't part of Cameron's basic services, which it probably is not. Did Joel approach you about this? Also, I feel uncomfortable approving without some sort of estimated cost to perform the work.

Charles F. Hardie VI

Hardmonds, Sils, Adams, Guice, Troah & Perkins, LLP

603.882.0000

May 4, 2021, 1:51 PM

I'm meeting the mayor at the police station tomorrow morning at 9 o'clock. Where am I going?

I'm going with you wanna leave here at 7:30?

I'm going directly to Houston when we're through. I'll leave the hotel and meet you on the road.

10/4 sir

May 4, 2021, 2:40 PM

Can you talk

Not till tomorrow

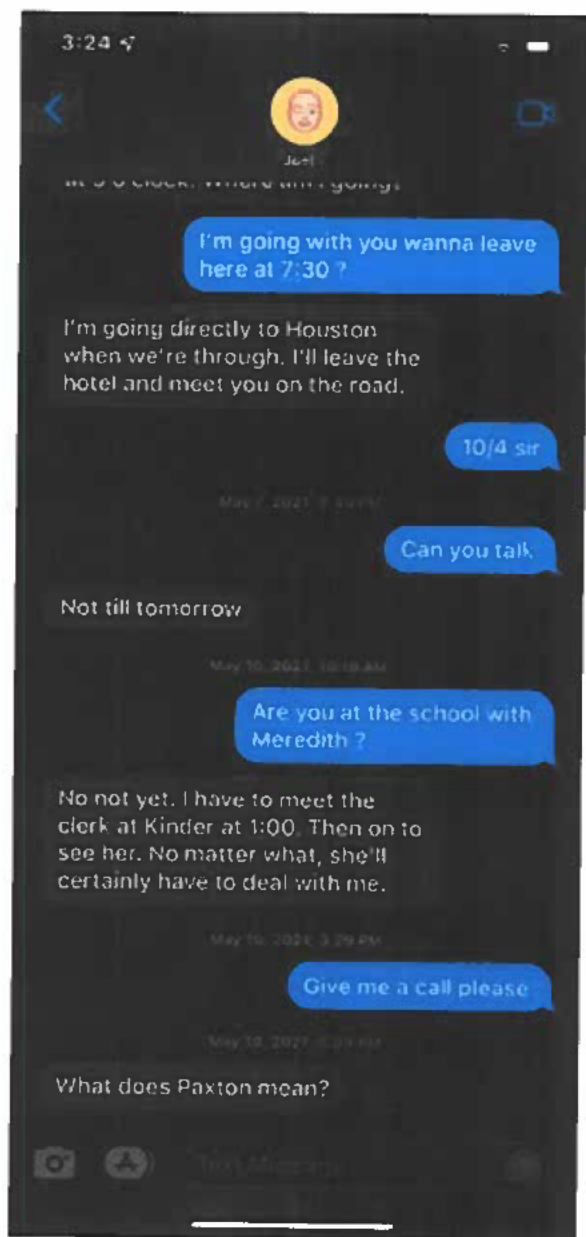
May 10, 2021, 10:19 AM

Are you at the school with Meredith?

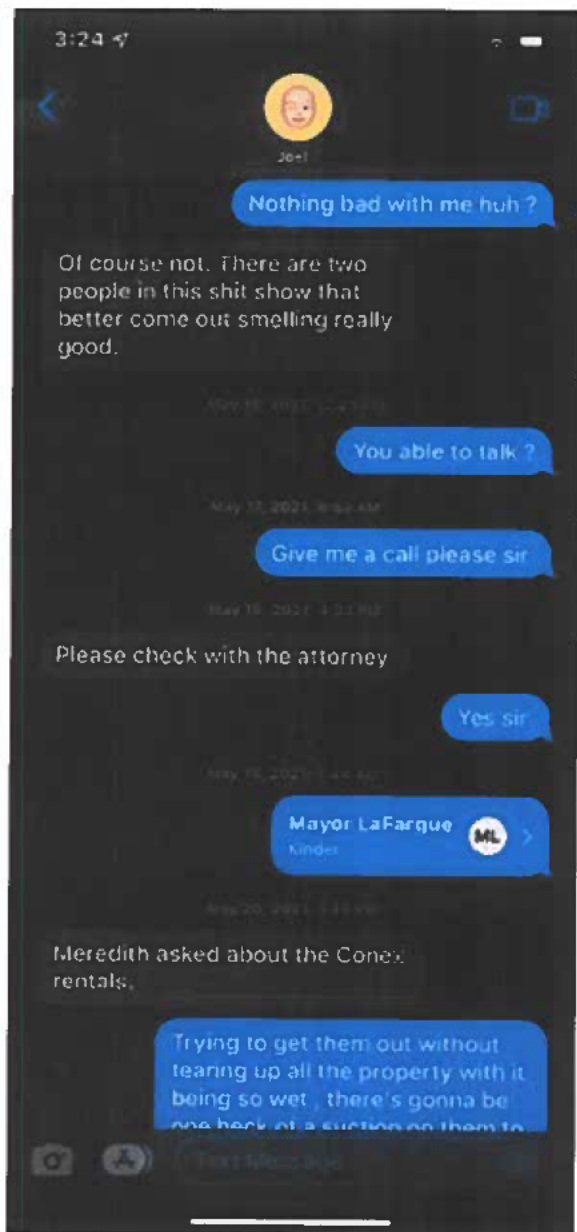


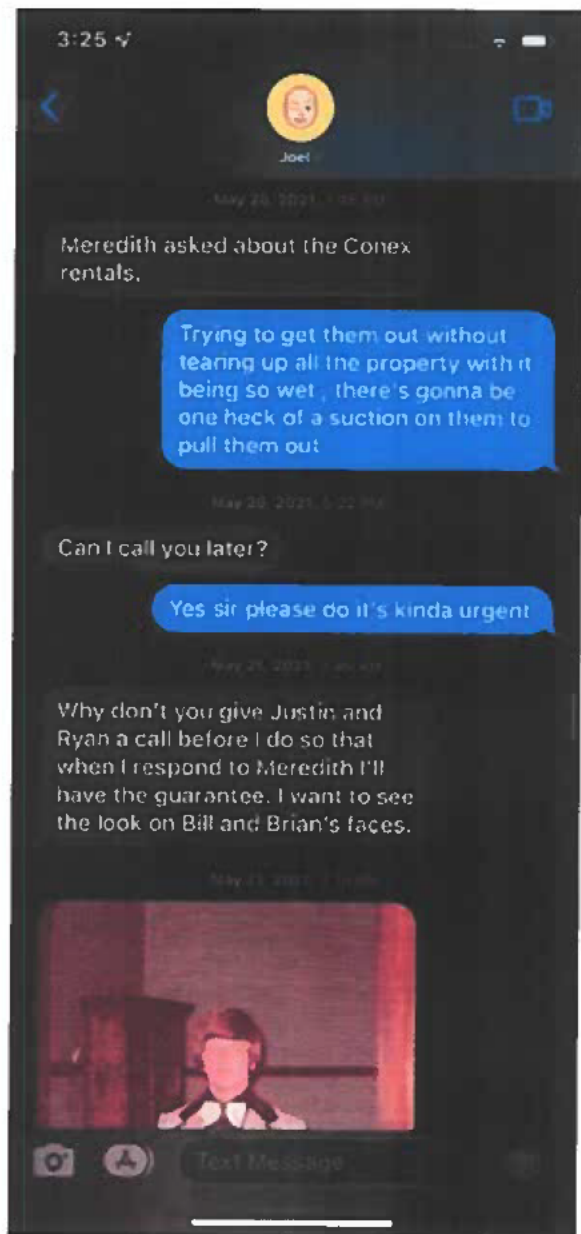
Text Message





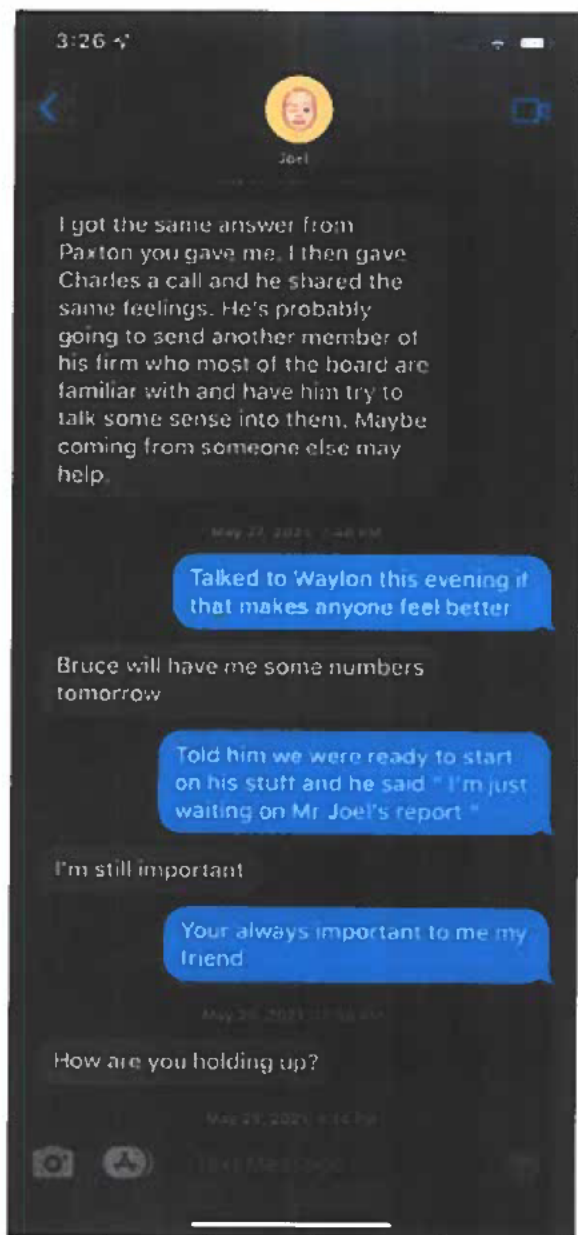


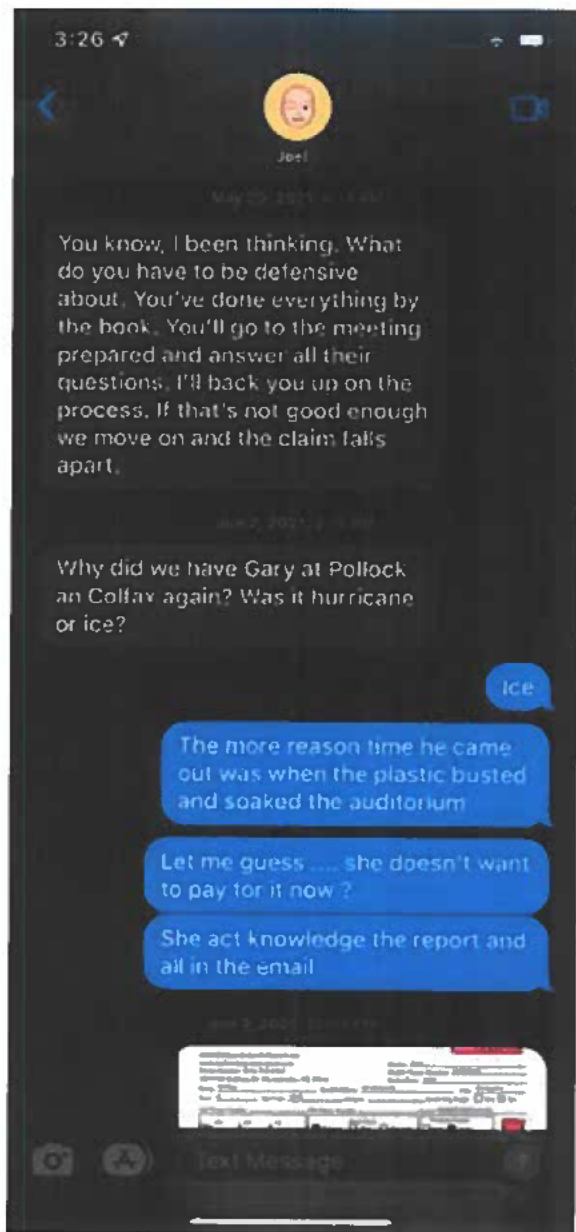




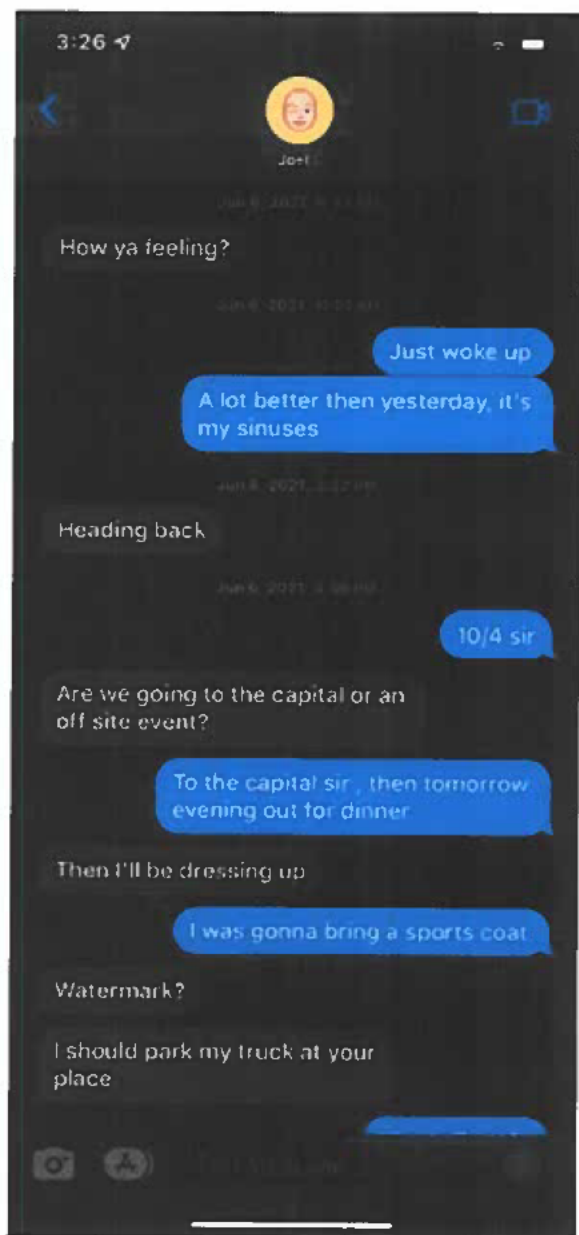


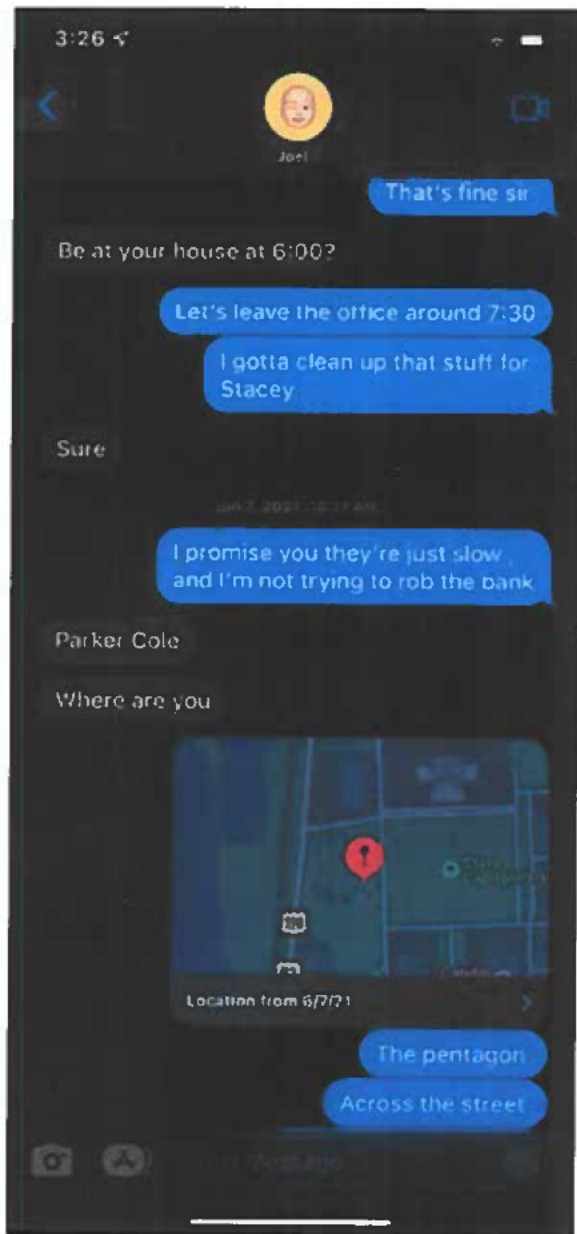


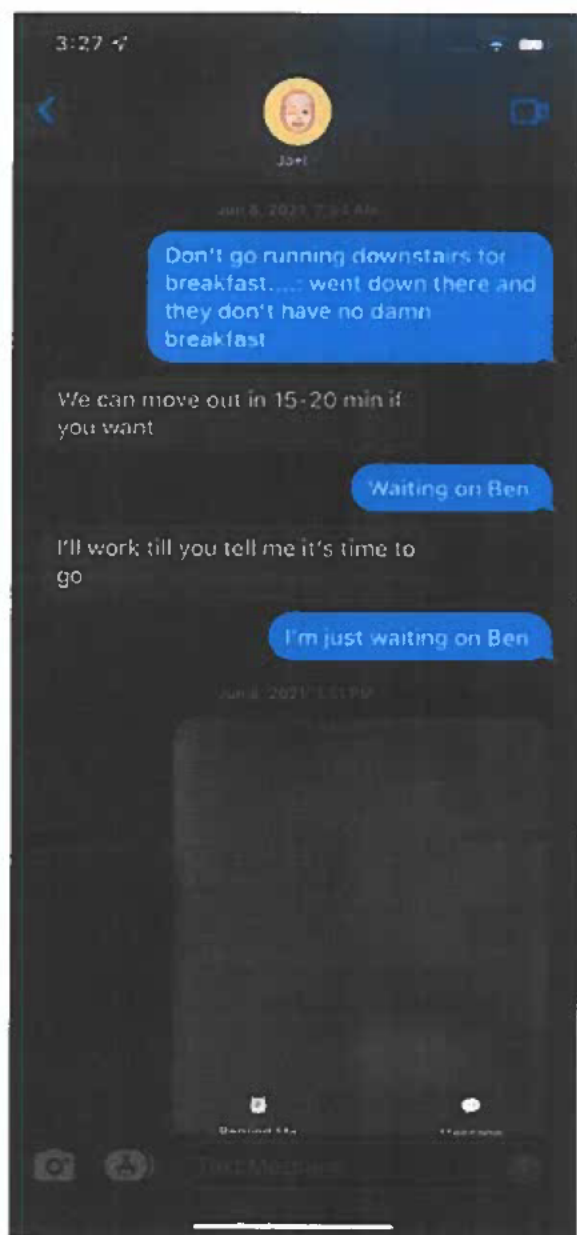












3:27



Joel

Thank you again for covering the room last night

And dinner. Wow!

I got you covered like socks on a rooster

Jun 9, 2021 11:54 AM

Sorry, I can't talk right now.

Can I call you right back

Jun 9, 2021 2:00 PM

Sorry, I can't talk right now.

I need that generator guys info

Jun 9, 2021 2:57 PM

This is the email I just received. It shows quite a difference in the cost of the meat house at GT (\$31k)

Good afternoon,

I cannot answer for FEMA.
Regarding the insurance however, GPSB can use CO 1 to max out the Extra Expense limitation. As I discussed in yesterday's email, the limit is \$1m/occurrence, or



Text Message

3:27



Joel

Gary sent me a text that he was so excited about what we're doing he could just shit himself and I had to tell him that was just a side effect of his age.



Gary seems like the type of person that if he shits himself, he would sit in that shit trying to analyze it himself..... Lol

Jun 8, 2021, 4:11 PM

I have to do some follow ups on the appraisals that I did in Lake Charles and Mosspoint tomorrow morning so I'm gonna run by your office and then head down there for the rest of the day. so it would be silly for me to come back up here to spend the night. I'll just stay down there, maybe at one of the casinos. Which is the closest one to kinder?

The Indian casino in Kinder



Text Message



3:27



Joel

Mon 5/26/21 3:27 PM

This is the email I just received. It shows quite a difference in the cost of the meat house at GT (\$31k)

Good afternoon,

I cannot answer for FEMA.
Regarding the insurance however, GPSB can use CO 1 to max out the Extra Expense limitation. As I discussed in yesterday's email, the limit is \$1m/occurrence, or \$2m for the combined hurricanes. Ice is calculated separately.

I've updated yesterday's math to reflect both Alternate 1 & potential CO 1:

Totals

Cimarron - Breakdown - EE
through 29 Apr
\$1,093,213.30
Cimarron - Breakdown - GT
Meathouse Demo
\$31,150.00
Cimarron - Breakdown - EE
through 4 June
\$314,210.81
Total: \$1,438,574.11



3:28



Jose

Combined EE Limits (\$1m/per)
\$2,000,000
Less Combined Prior Payments
(\$500k/per)
\$1,000,000.00
Net Combined Payment to
Exhaust Limit
\$1,000,000.00

Net Overage of Limitation
\$121,494.06

Remember that the above does not address any EE incurred following the 4 June 2021 invoice submission. Classroom/container removal and continued kitchen/class/container/generator rentals would also continue to amount. The total incurred figure will change, but the maximum payment under the limitation remains at \$2m combined. I'd still like to keep the running total, regardless of limitation, so please continue to forward all invoices.

I'm happy to use a signed CO I to satisfy the remainder of the limitation, if that's what GPSB chooses. Otherwise, I'll look to use the removal/continued as they arrive.



3:28



Joel

limitation, if that's what GPSB chooses. Otherwise, I'll look to use the removal/continued as they arrive.

Updated estimates and associated payment recommendations are going to Wright/Markel early next week. If this is the path of choice, I'll look to recommend the full \$500k/occurrence remaining in the next POL. If not, I'll look to use yesterday's math, divided by claim.

Please let me know.

Meredith Campbell, AIC-MJ
Executive General Adjuster





3:28



Joel

Estimate

Item	Description	Quantity	Unit Price	Total Price
1	1000 R Panels	1000	1.50	1500.00
2	1000 R Panels	1000	1.50	1500.00
3	1000 R Panels	1000	1.50	1500.00
4	1000 R Panels	1000	1.50	1500.00
5	1000 R Panels	1000	1.50	1500.00
6	1000 R Panels	1000	1.50	1500.00
7	1000 R Panels	1000	1.50	1500.00
8	1000 R Panels	1000	1.50	1500.00
9	1000 R Panels	1000	1.50	1500.00
10	1000 R Panels	1000	1.50	1500.00

Total: 15000.00

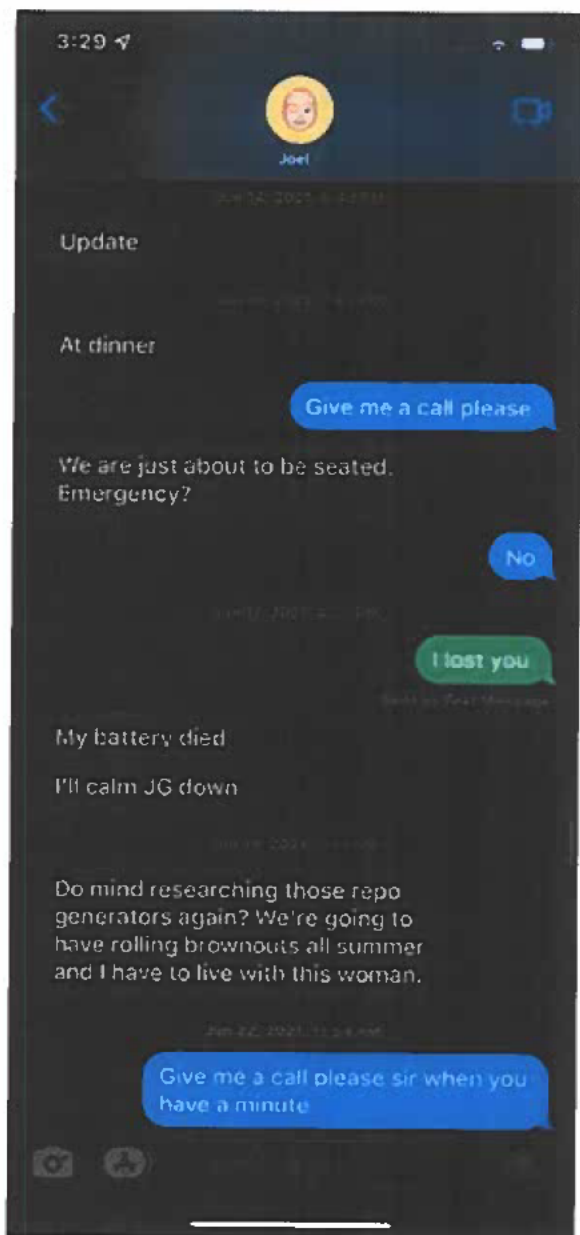
Subtotal: 15000.00

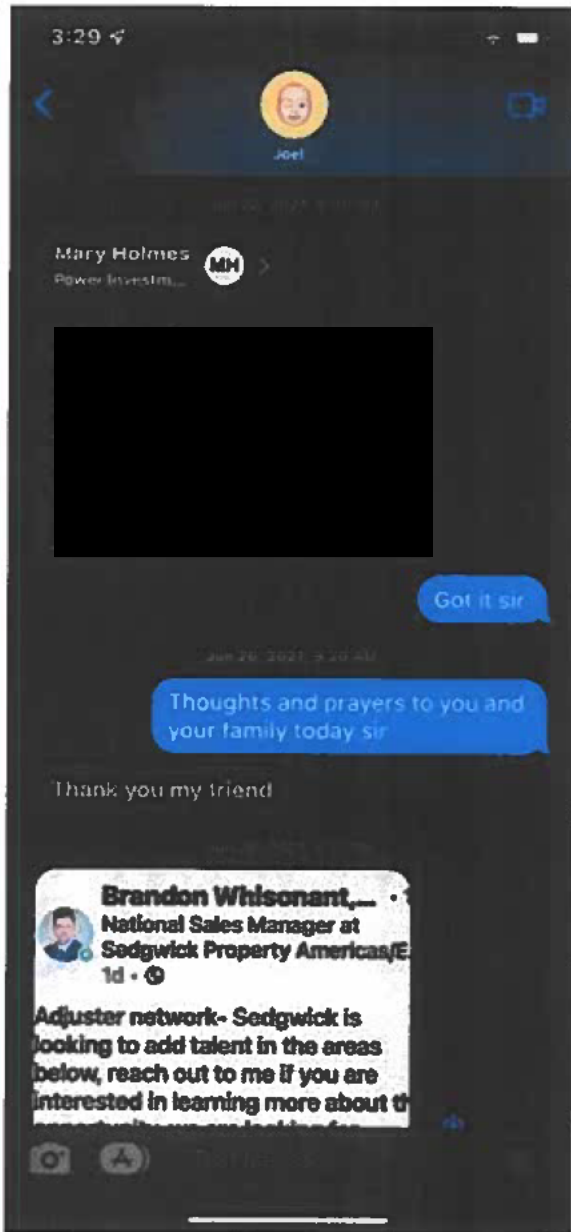
Grand Total: 15000.00

I pulled one of my latest invoices for the R panels we've purchased, didn't know if Bruce answered you yet so wanted to give you something to go off of sir

Thank you. No I haven't received anything.

Good morning sir
When you have a minute can you give me a call





3:29



Joel

Jun 28, 2021 1:21 PM



Brandon Whisonant,...
National Sales Manager at
Sedgwick Property Americas/E
1d • 5

Adjuster network- Sedgwick is looking to add talent in the areas below, reach out to me if you are interested in learning more about the opportunity, we are looking for adjusters who have at least 5 years experience as an IA preferably:

- Property adjuster Houston area
- Property adjuster Shreveport area
- Marine surveyor in Houston area
- Property adjuster Dallas area

19

2 commen

LoL

Will they have more talent then what they got ?

Jun 28, 2021 1:41 PM

Give me a call please sir when you have a minute

Jun 29, 2021 10:31 PM

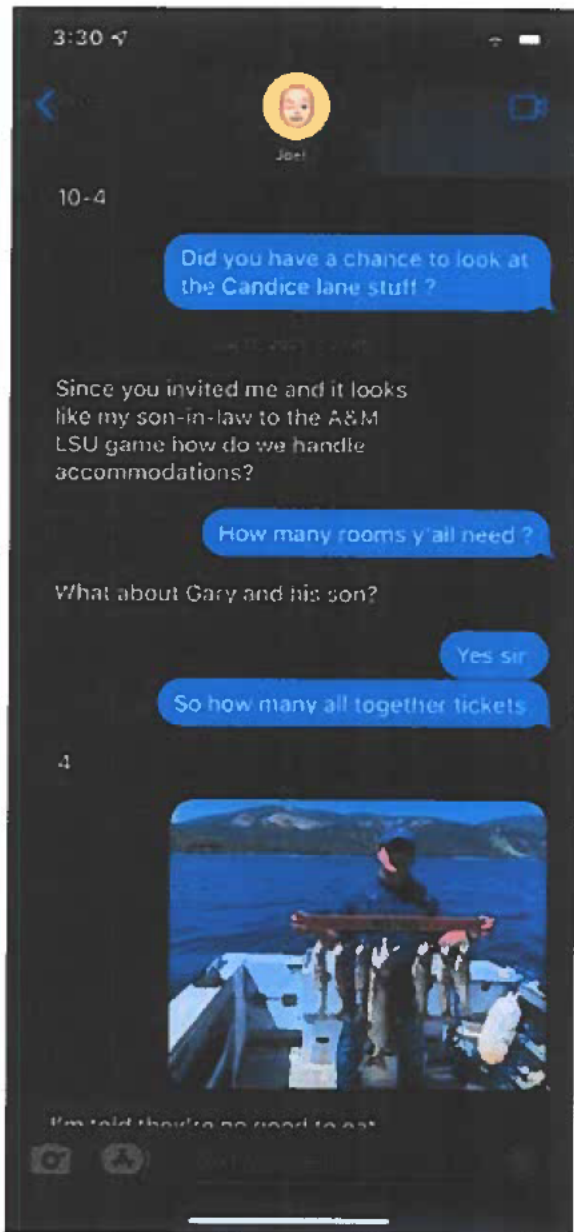
Did you make it into alexandria

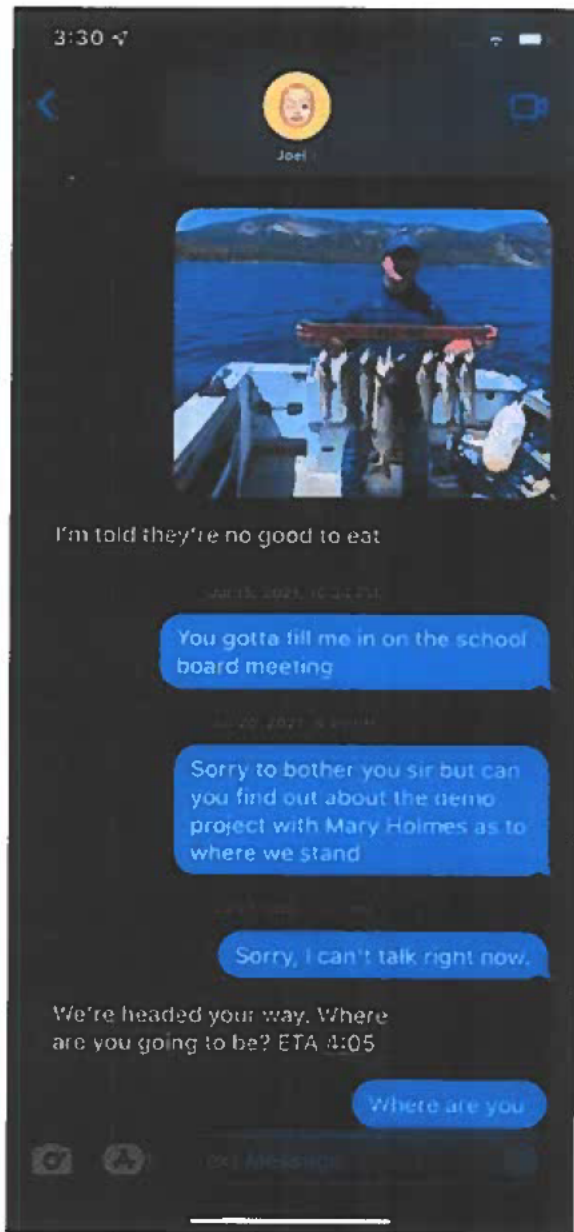
Tap here to view this page

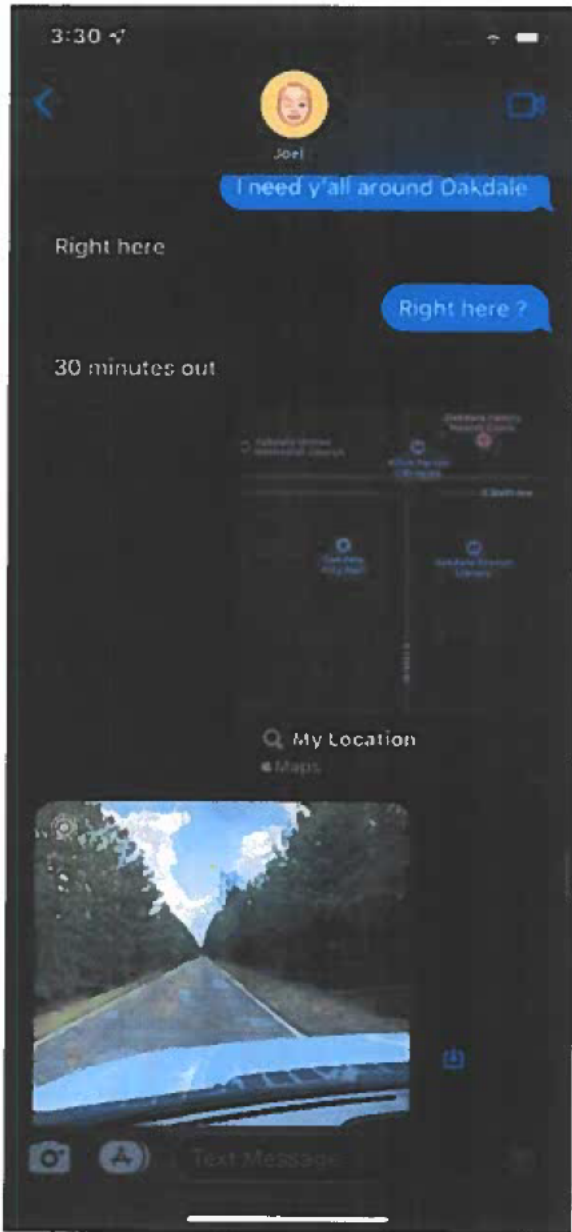


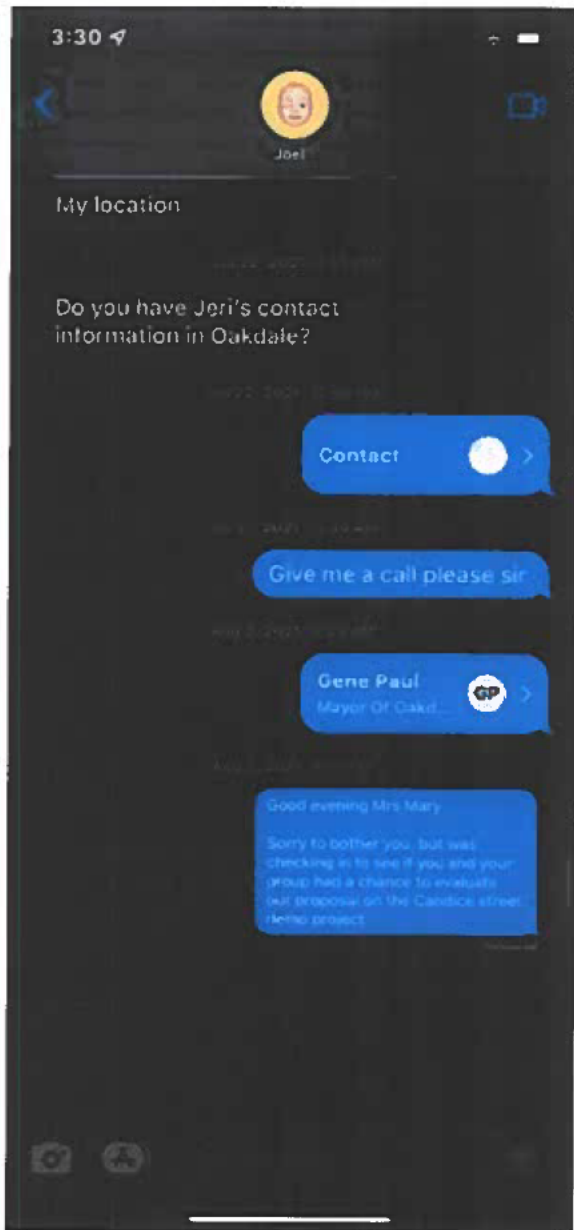


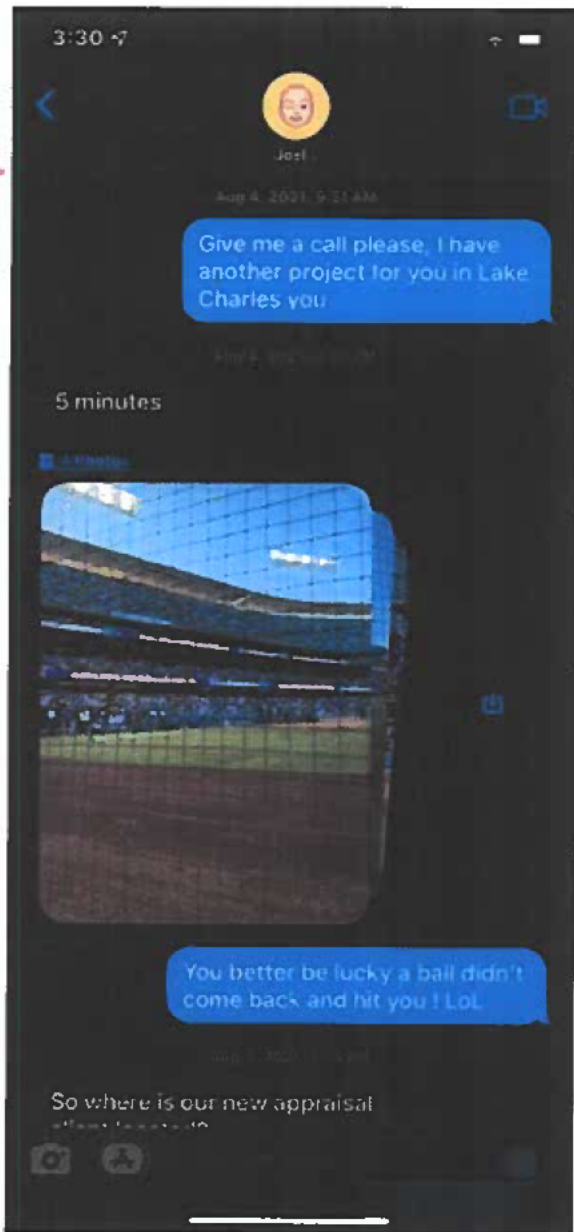


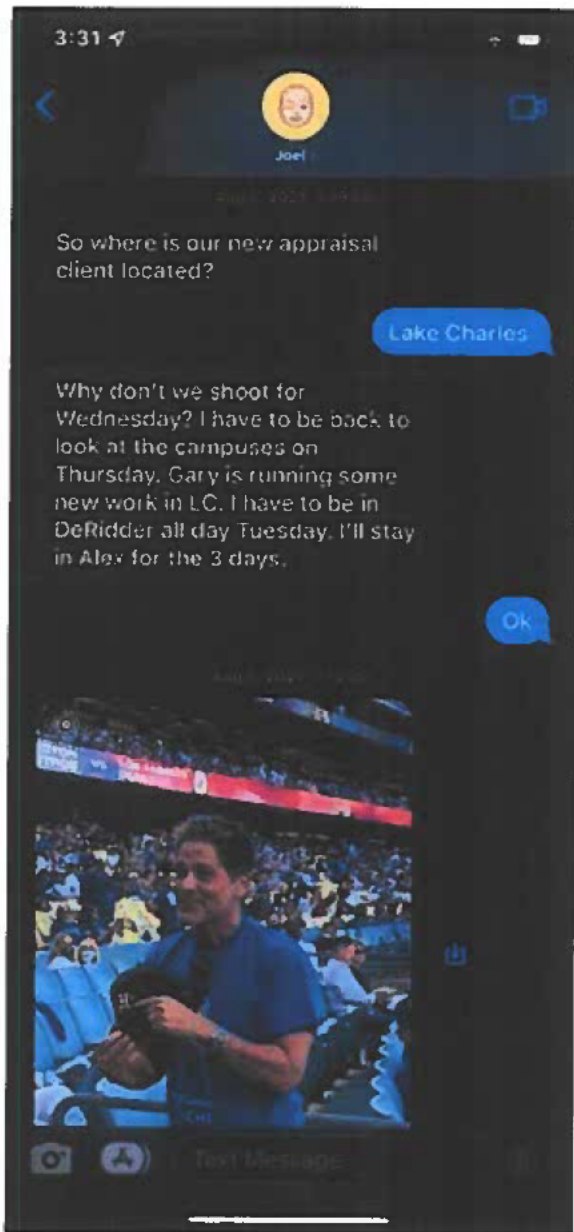


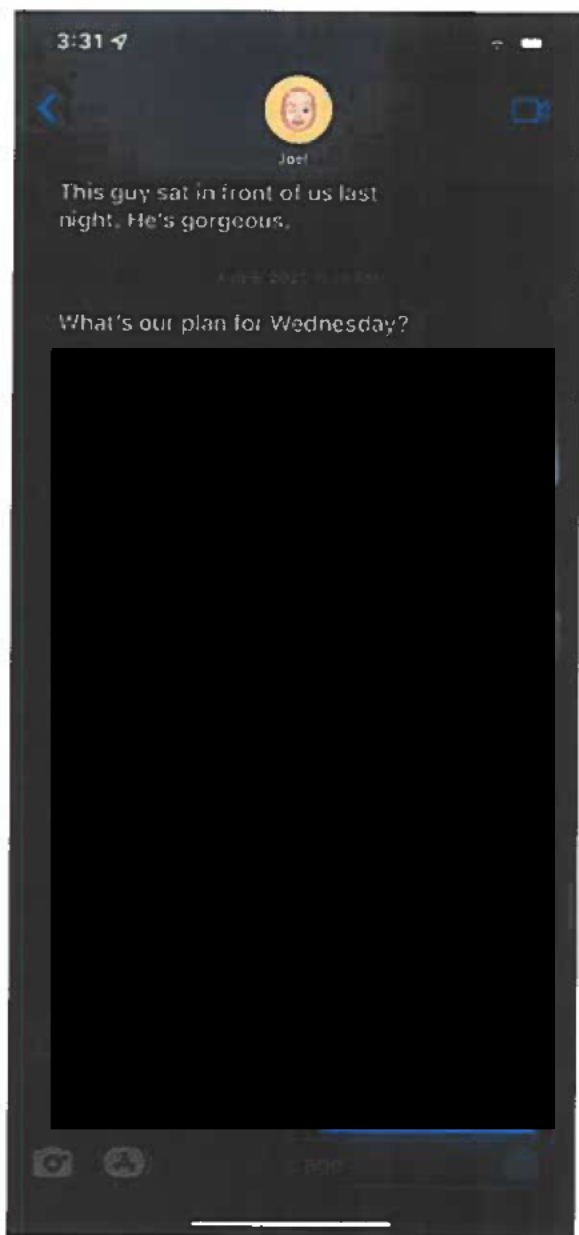












3:31 47



Justin

The blinds?

Aug 16, 2023, 3:31 PM

Do we need Gary to meet us in Lake Charles tomorrow? I think it would be a good idea if there is additional mitigation that needs to take place.

You need to call Cindy and help her with explaining the asbestos and water remediation. She talked to Chris and I guess Justin yesterday and neither one of them were of any help. She has to provide information back to FEMA by 24 August.

Call me after you talk to Cindy

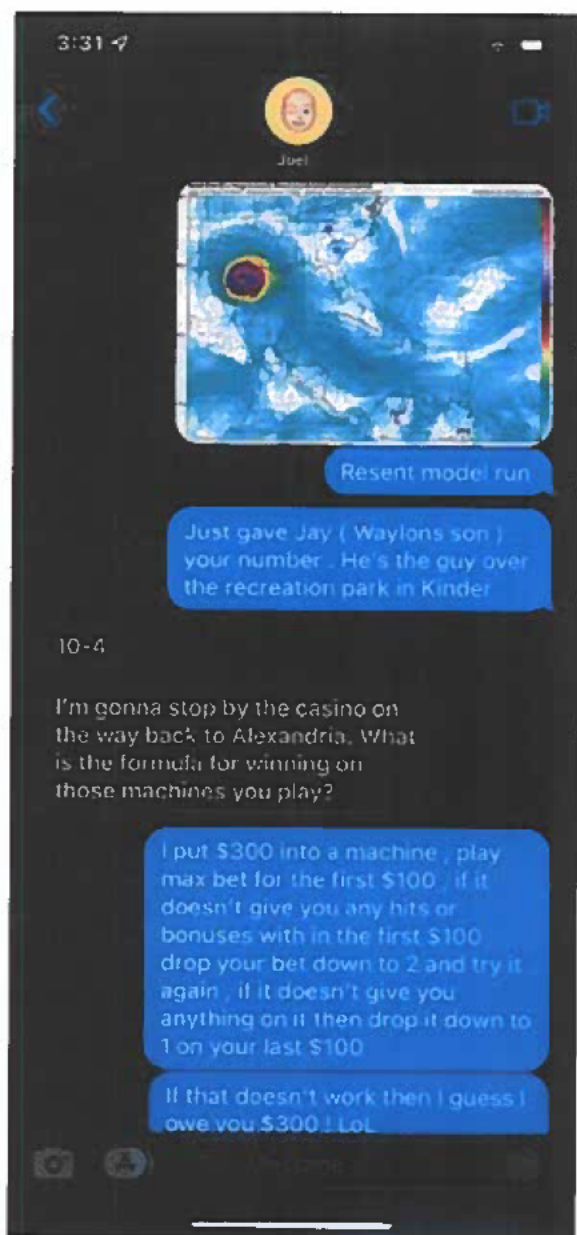
Aug 16, 2023, 3:31 PM

I bought a rifle that has a suppressor. I don't have to get the tax stamp or a firearm trust but I do need to provide photo documentation and fingerprints. Can we stop somewhere tomorrow and let me get my fingerprints taken? Can Mike do that?

Aug 16, 2023, 3:31 PM







3:32



Joel

Aug 24, 2021 8:05 PM

You have any luck?

How'd your meeting go with Paxton? Were you able to calm him down some

Yes and you owe me \$300

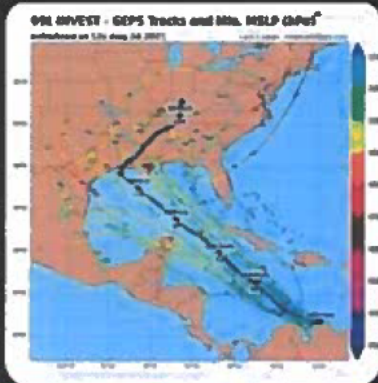
LMAO



3:32



Joel



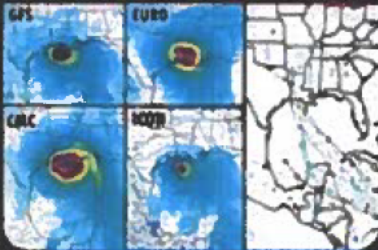
The black line is the most reliable hurricane model

Jay Lafarge

Kinder Ballpark



NEXT MONDAY 08:30 MODELS ON INVEST 9%

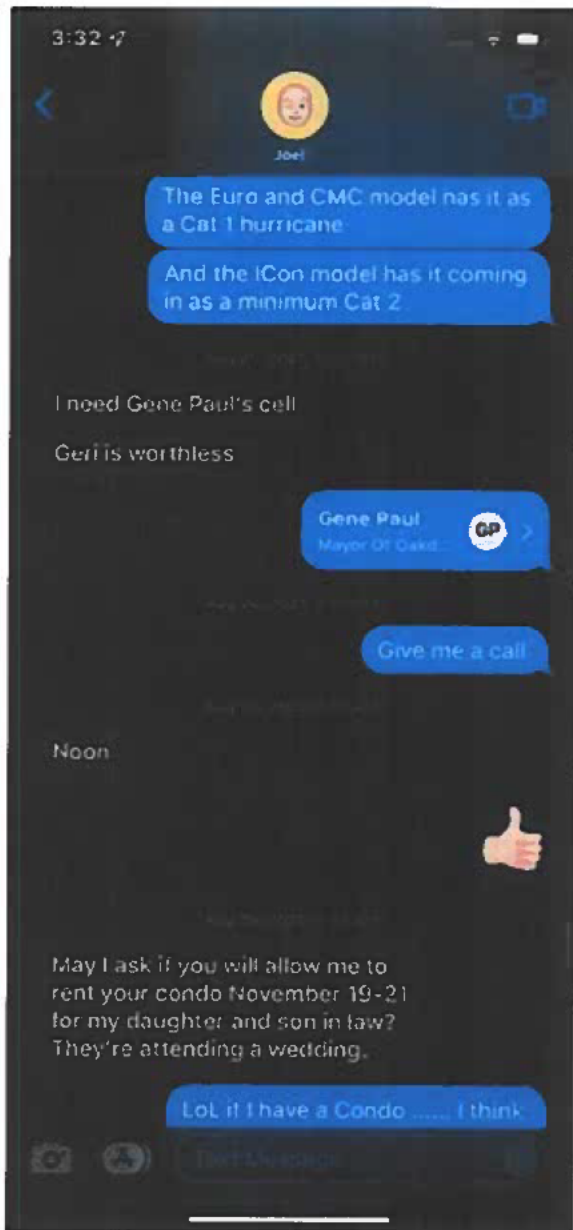


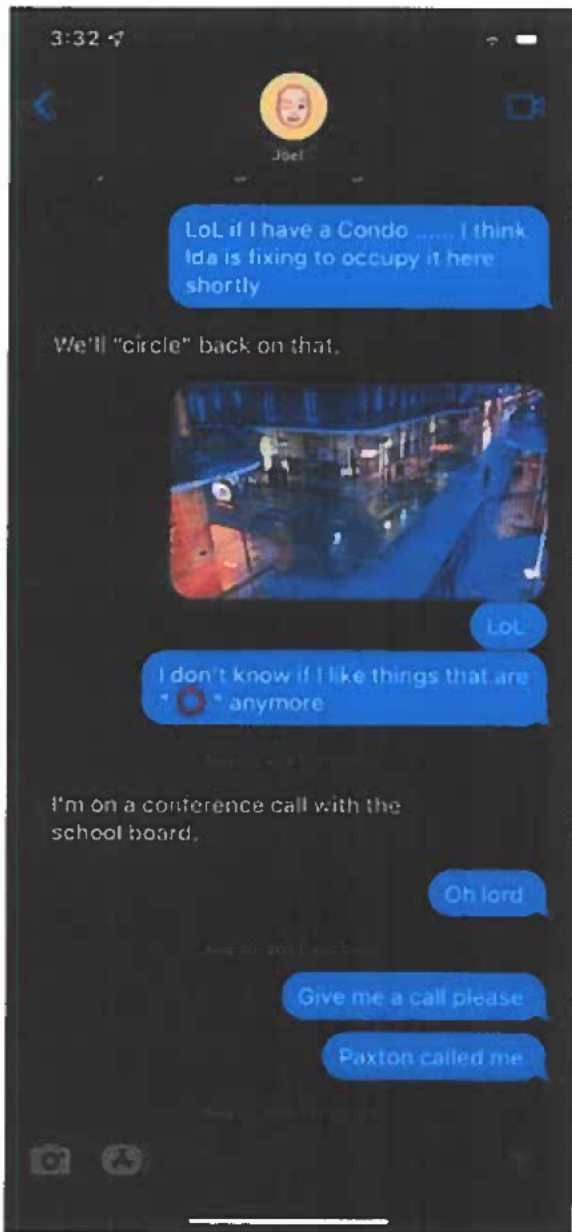
The GFS model has it making landfall as a Cat 3

The GFS and CMAC model see it as



Text Message







3:32



Just

Ed?

Dallas Morning News - A 15 year old boy was at the center of a Dallas County courtroom drama yesterday when he challenged a court ruling over who should have custody of him. The boy has a history of being beaten by his parents and the judge initially awarded custody to his aunt, in keeping with child custody law and regulation requiring that family unity be maintained to the highest degree possible. The boy surprised the court when he proclaimed that his aunt beat him more than his parents and he adamantly refused to live with her. When the judge then suggested that he live with his grandparents, the boy cried and said that they also beat him. After considering the reminder of the immediate family and learning that domestic violence was apparently a way of life among them, the judge took the unprecedented step of allowing the boy to propose who should have custody of him. After two recesses to check legal references and confer with the child welfare officials, the judge granted temporary custody to the Dallas

Fox News just reported that the NOLA Area will be without power for another month.

LoL I know And It looks like the Gulf of Mexico is ready to start putting on some shows in the next two to three weeks with constant storms back to back



3:32



Joel

Jan 4, 2023 (Sat) 11:51 AM

I went out to buy bread and when I saw her
I decided to steal it!



Can you talk ?

Jan 4, 2023 (Sat) 11:51 AM

I'm sorry Ed, I had a medical issue
last night on the way home. I'll call
you later.

Jan 4, 2023 (Sat) 11:51 AM

Call me

Tried calling you back.



Text Message

3:33



Joel

Tried calling you back



See it right now?

You hear anything back from your
guy on the catholic stuff

See it right now?

They didn't meet with the
Catholic Mutual folks yesterday.
That should happen today. Would
you pull some strings and see if
you can get the Sheriff in
Lafourche Parish to let the
Diocese of Houma Thibodaux
know we're standing by?

10 minutes

Give me a call please

3:33



Joel

Call me ASAP

I'm sorry Ed. I got the dates wrong. He'll be there Tuesday.

May I rent your NOLA condo Nov. 18 thru 20th? My son in law's cousin is getting married and Mary Kate and Jeff are invited.

Only if your good and promise no strippers

LoL

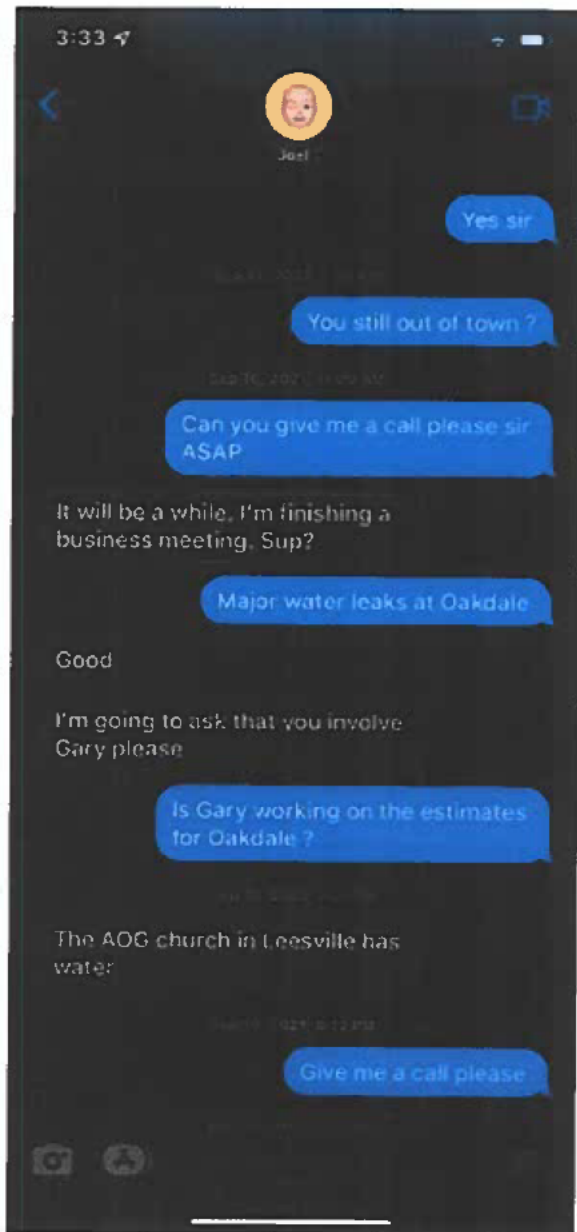
Coming in on Thursday the 18th leave on Saturday the 20th.

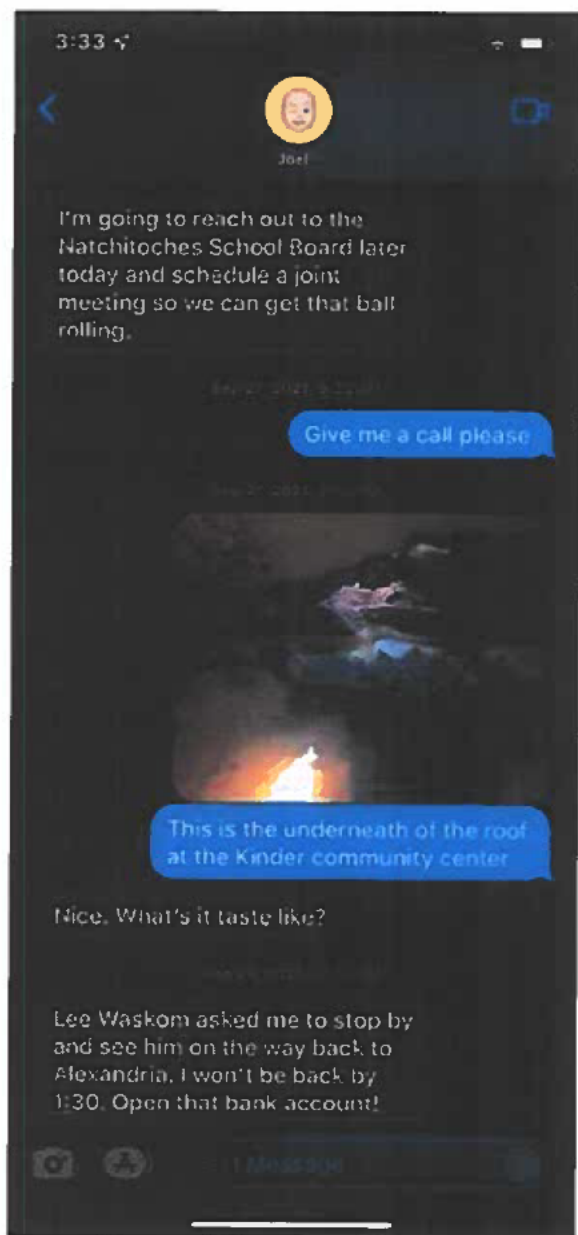
You hear anything back from your guy with the diocese?

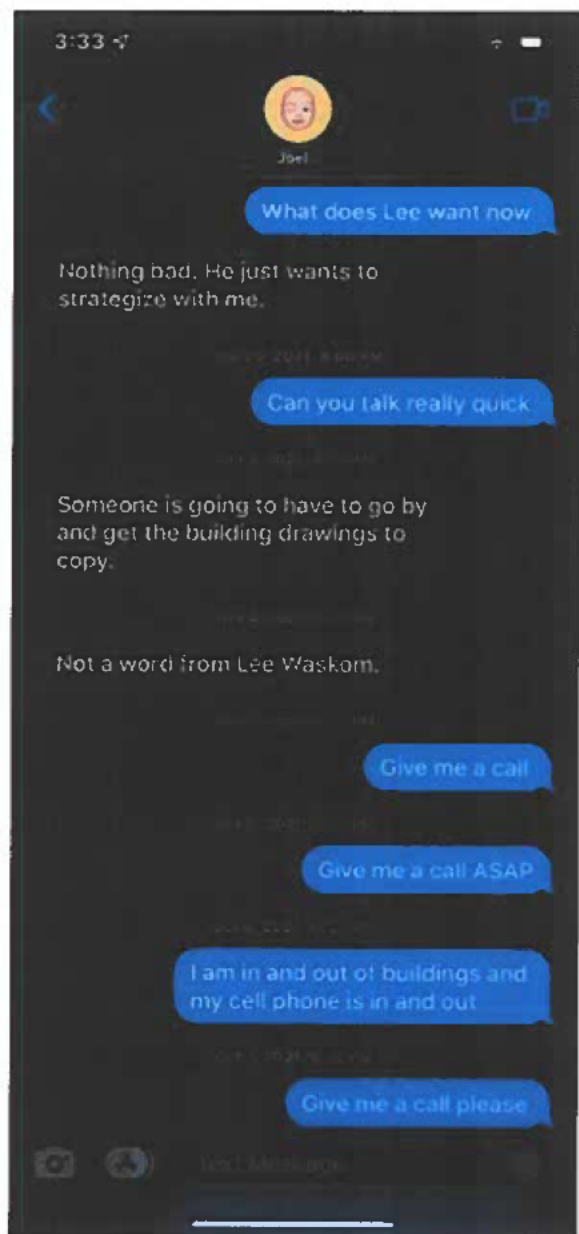
No

I still haven't heard anything back from Clay either on that other stuff

So are you renting me the condom?









3:34



Joel

Mon, Oct 1, 2018 1:22 PM

Well my friend Joe Stamey is in charge. He told me last Thursday he was going to send me a copy of the letter he was sending the carrier about supplemental reporting. He still has created the letter. I'm not doing another thing until he provides that letter. I'm not sharing anymore information with him until my contract is signed.

Mon, Oct 1, 2018 1:24 PM

Did the guy that took over the generator guys business ever contact you?

Mon, Oct 1, 2018 1:25 PM

I've had a few text with Eric this morning. He's not the guy to be speaking for anybody. He said he's meeting with Lee to keep him pacified? Let's talk at 9:00.

I'm going to the meeting , he ain't going to say anything

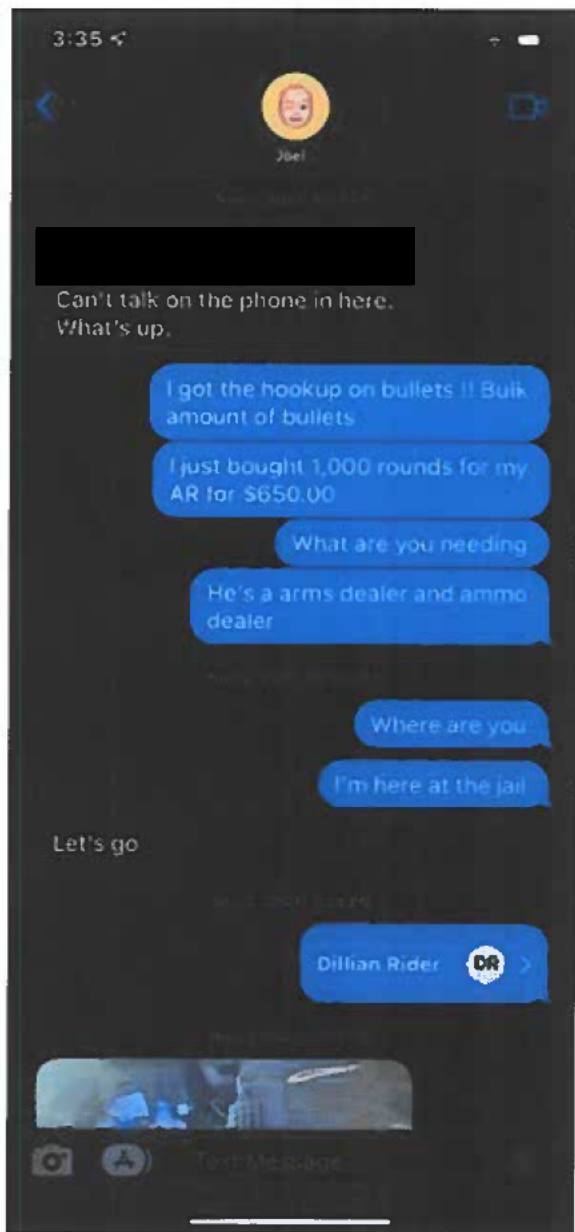
I'll put a boot in his ass

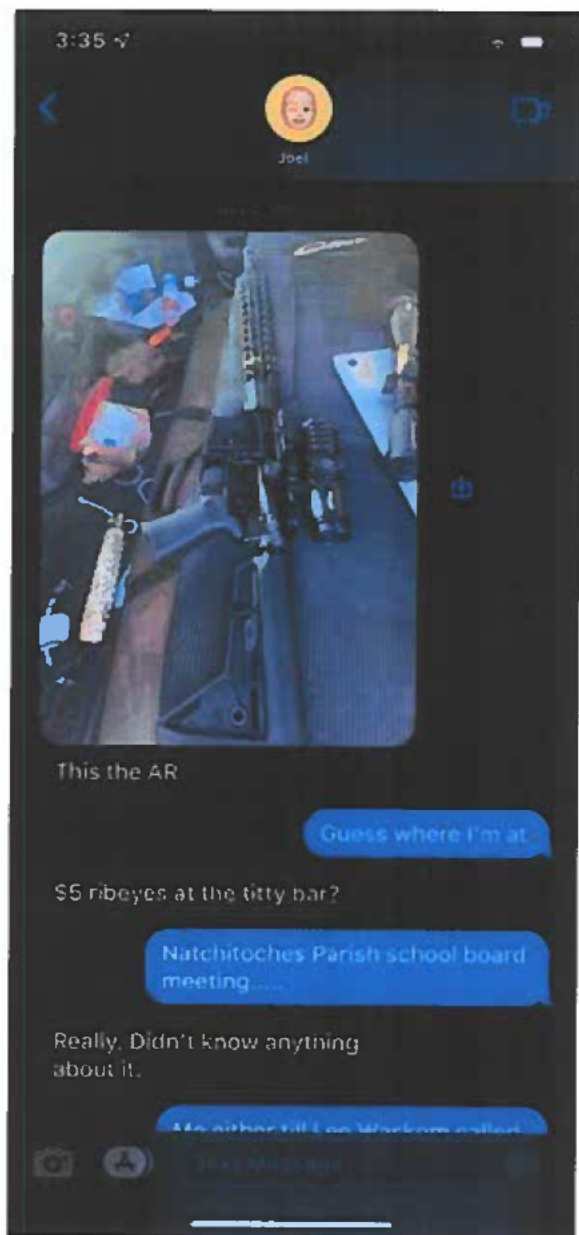
I feel better















3:36



Josh

I just sent this to Eric.

First off I chose the roofing expert. We have several weeks of inspections to complete in order to gain enough evidence to take to appraisal. We can't and won't proceed with any repairs because it would spoil evidence. Kyle Smith is the "roofing guy" and superbly qualified. When he starts his inspections I will ask that you are involved. Until then please stand down.

7:00 PM

Let's not involve Ballard just yet. Ed if insurance is the portal you have to let me do my job. None of these players matter until I know what is what. I need time and no outside interference. I have to develop a relationship with Lee.

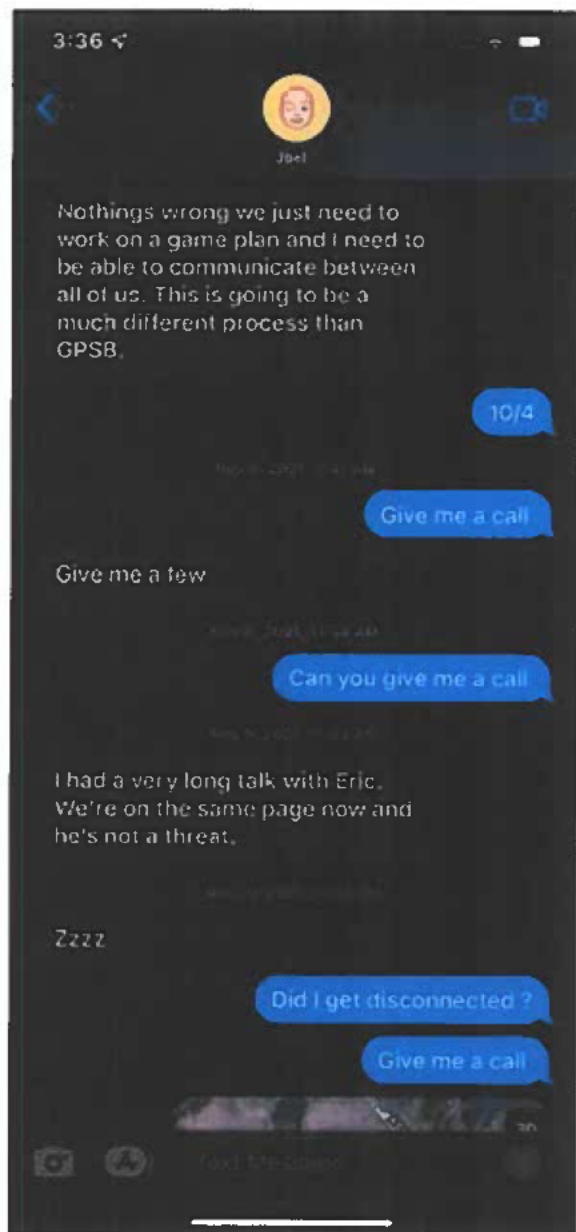
Ballard hasn't done anything yet they are awaiting us



Send me the Dropbox link and I'll get them printed out.







3:36



Jaci

Did I get disconnected?

Give me a call



You want to go make a hunt with the sheriff the weekend after thanksgiving?

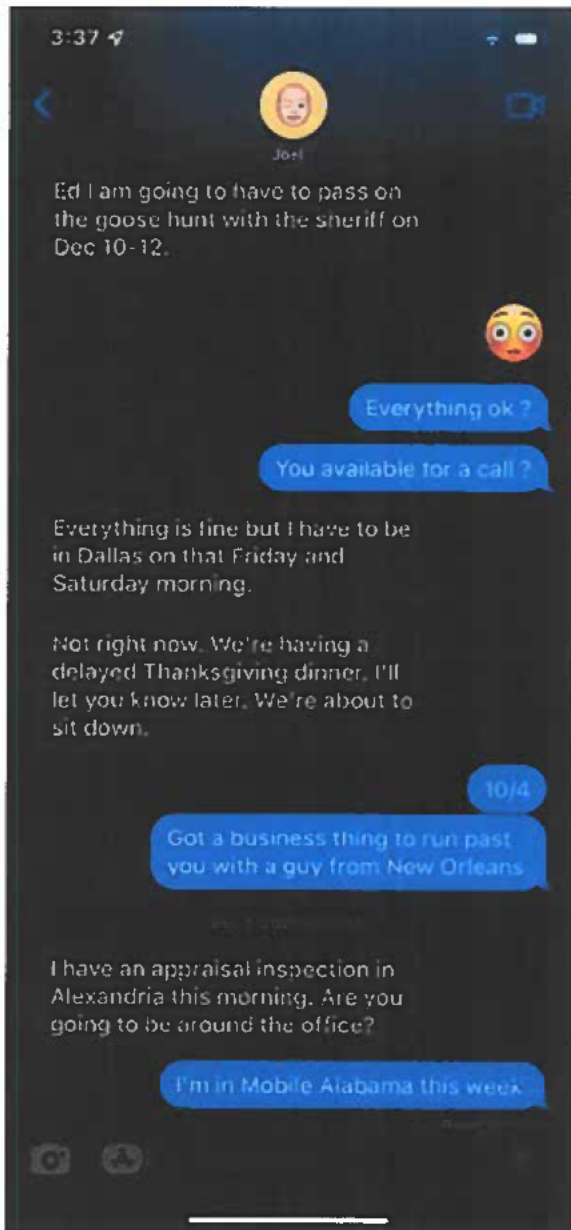
Since we're not going to the game I might, I'll let you know tomorrow. I'm scheduled for Dec 10-12

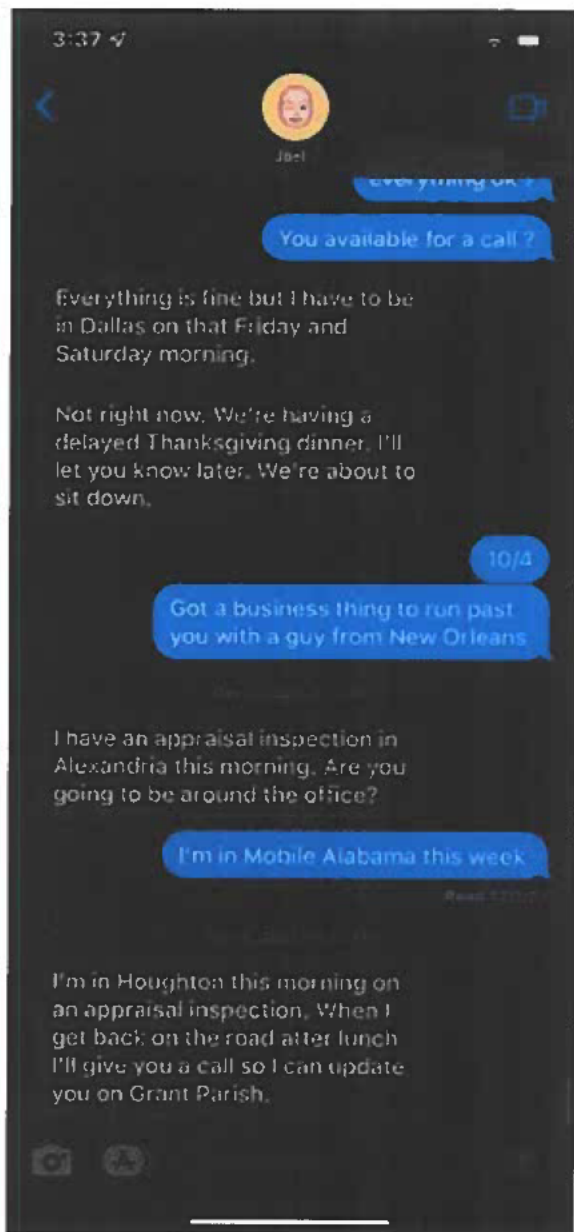


Send Message









12. Text Messages - Paxton Teddlie - Grant Parish School Board Consultant and Edward Sieja.

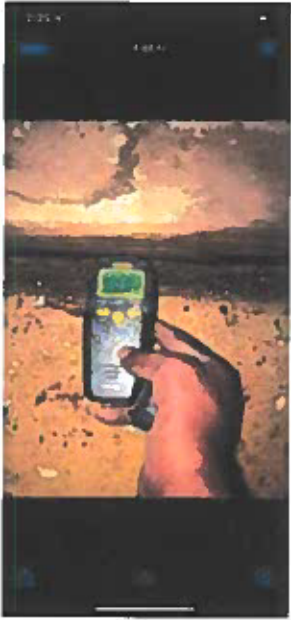
Text Messages

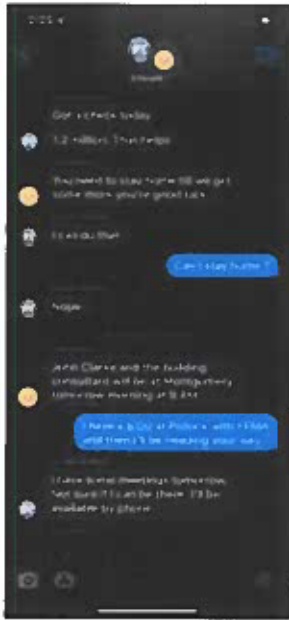
**From: Mr. Paxton Teddlie
(Grant Parish School Board
Superintendent) And Joel
Moore (Grant Parish School
Board Consultant)**

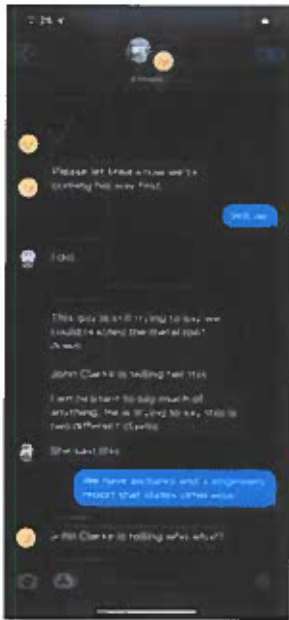
To: Edward Sieja



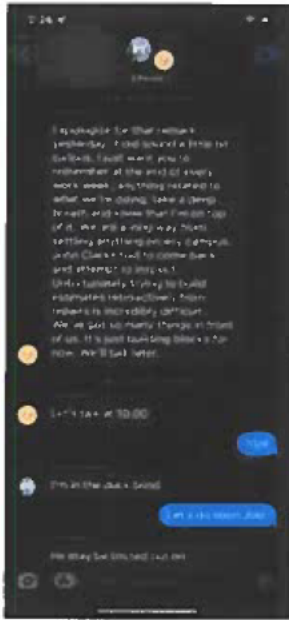


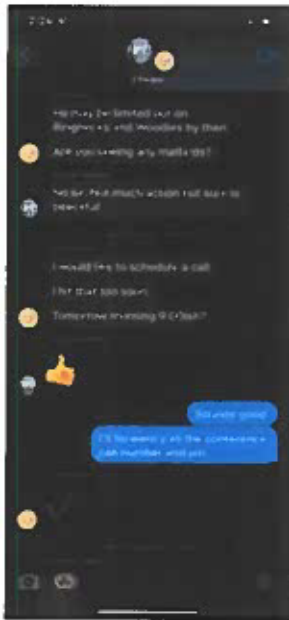


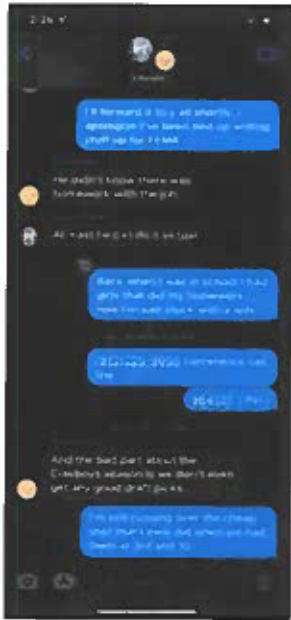


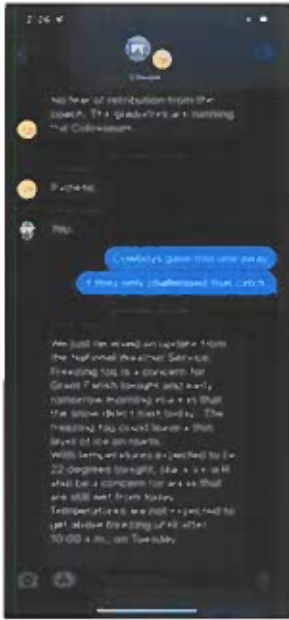


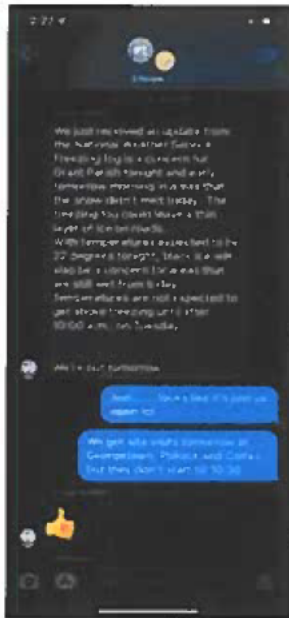


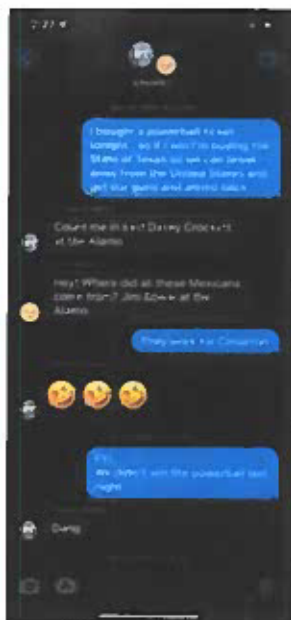


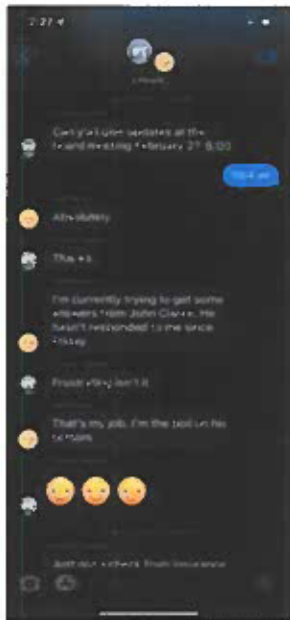


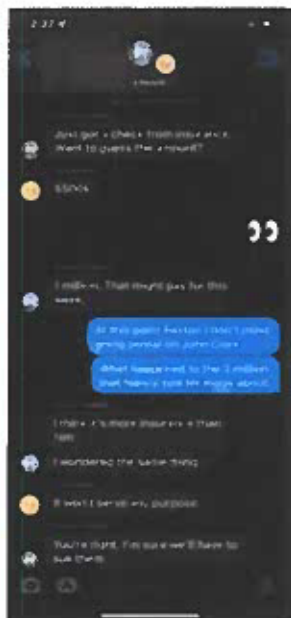


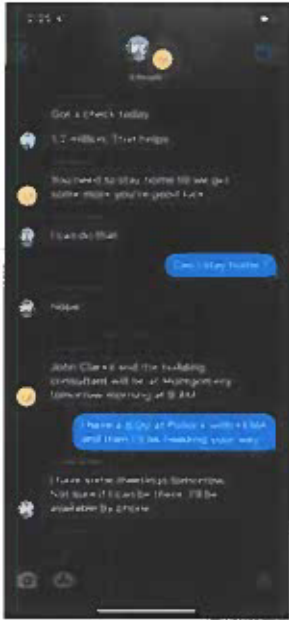


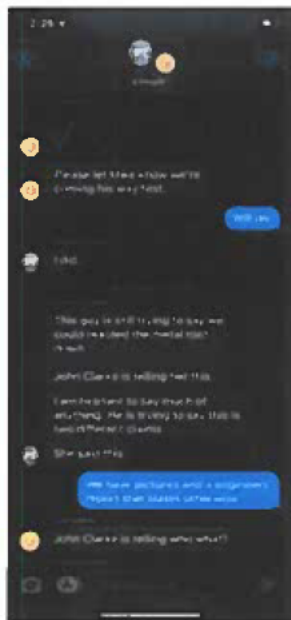




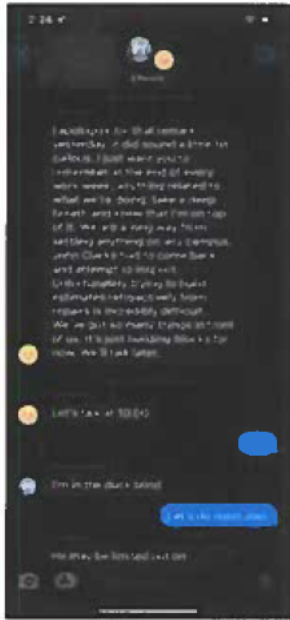


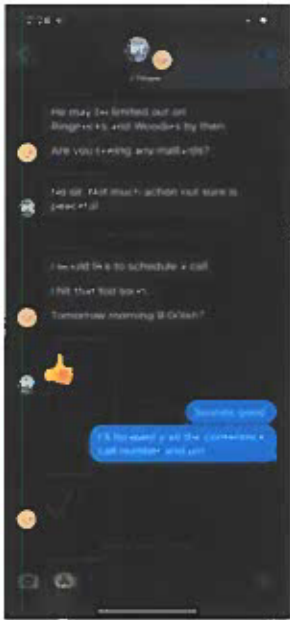


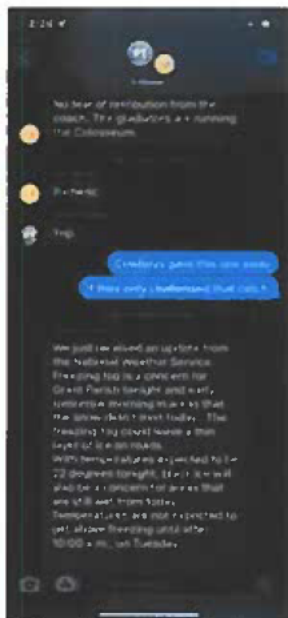


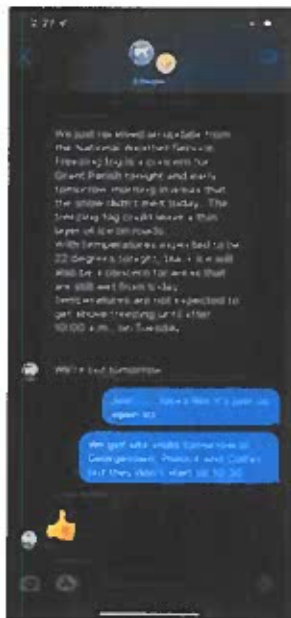


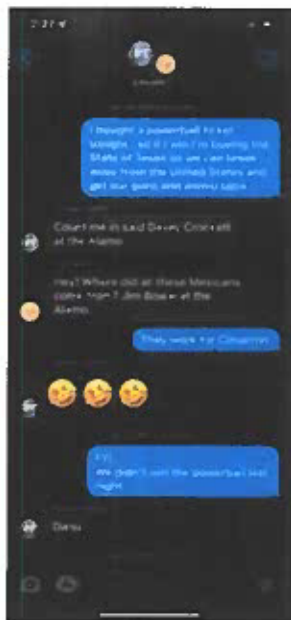


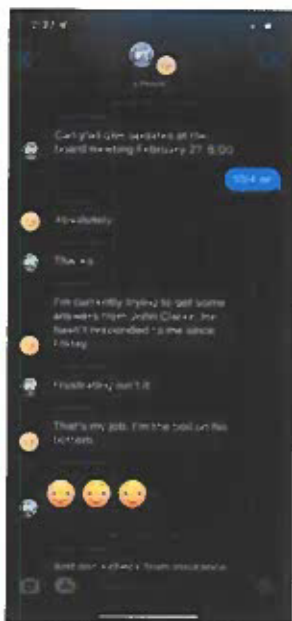


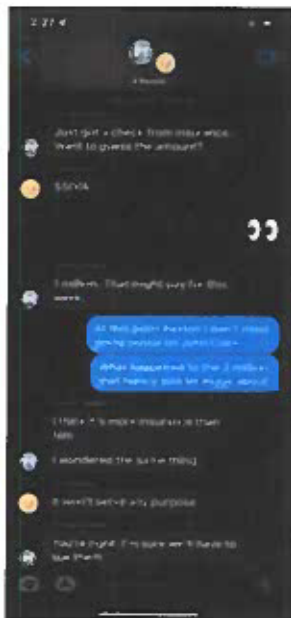


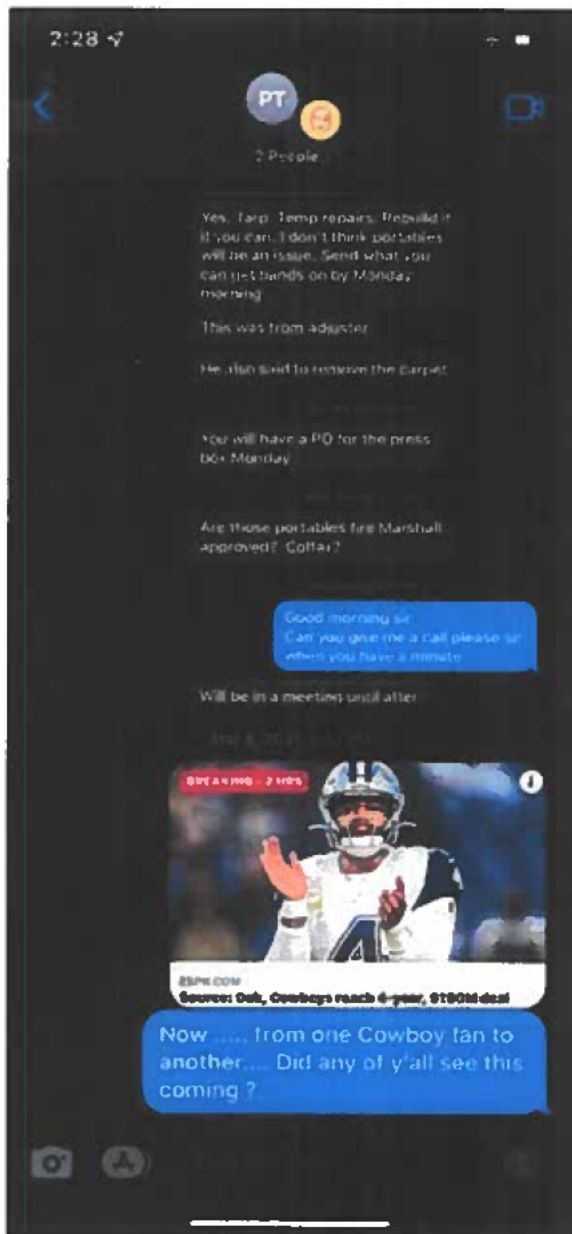


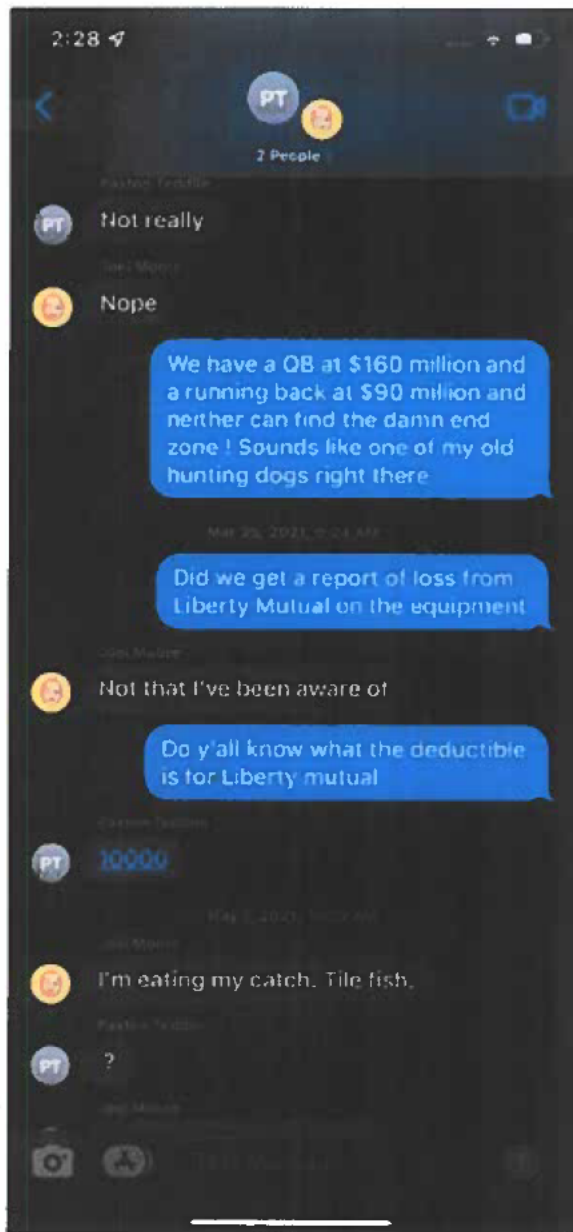


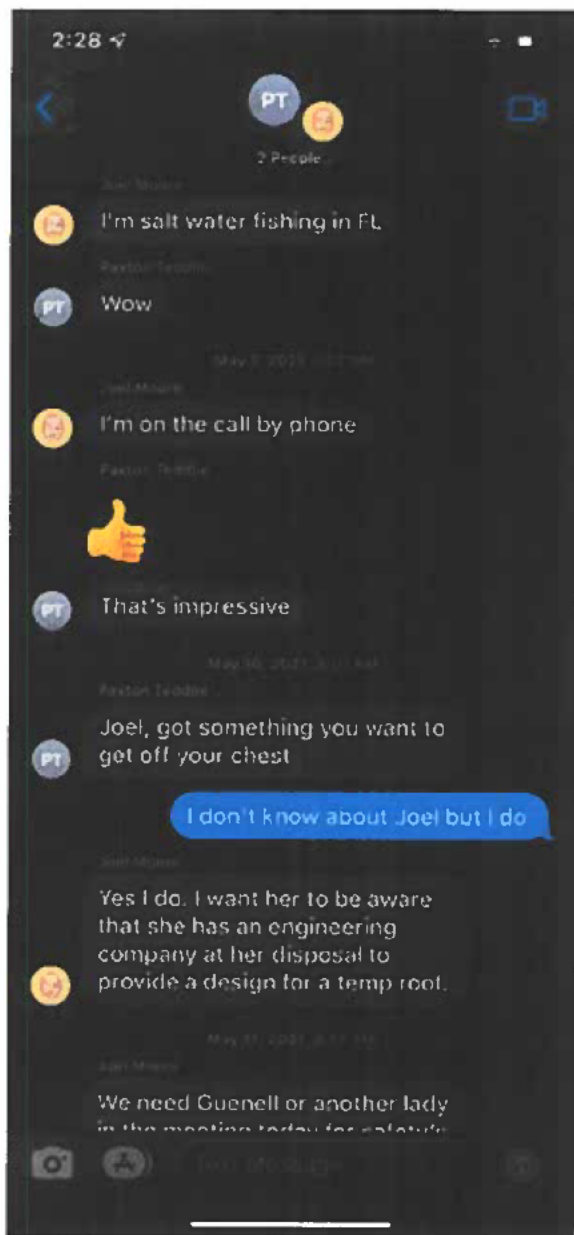


















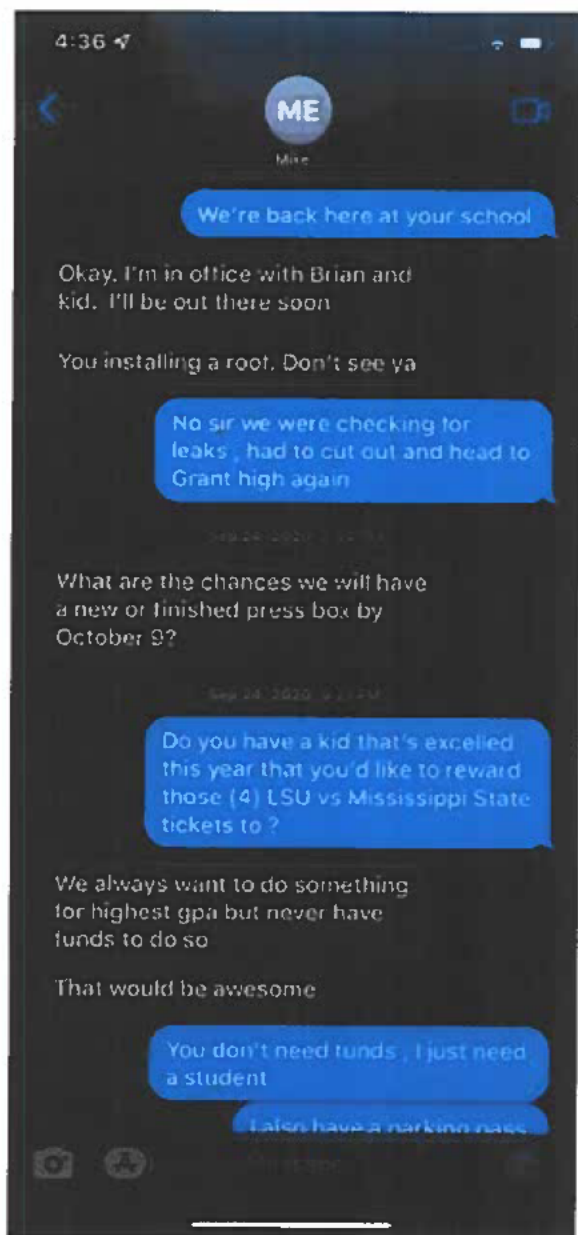
13. Text Messages - Mike Edwards, Principal Montgomery High School, to and from Edward Sieja.

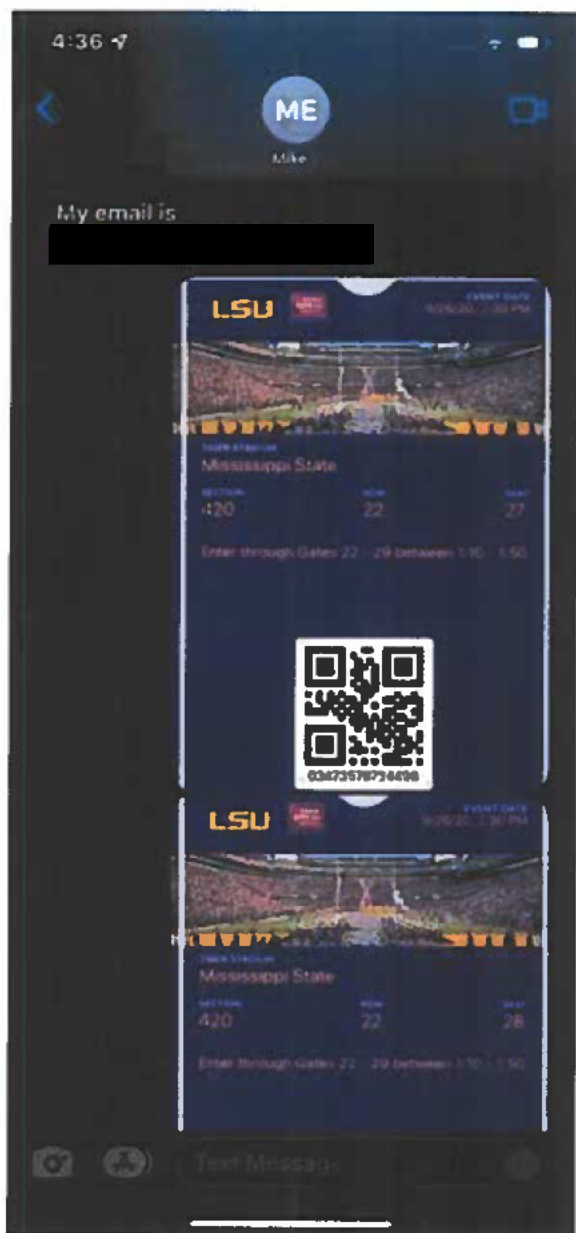
Text Messages

**From: Mike Edwards
(Montgomery high Principal)**

To: Edward Sieja

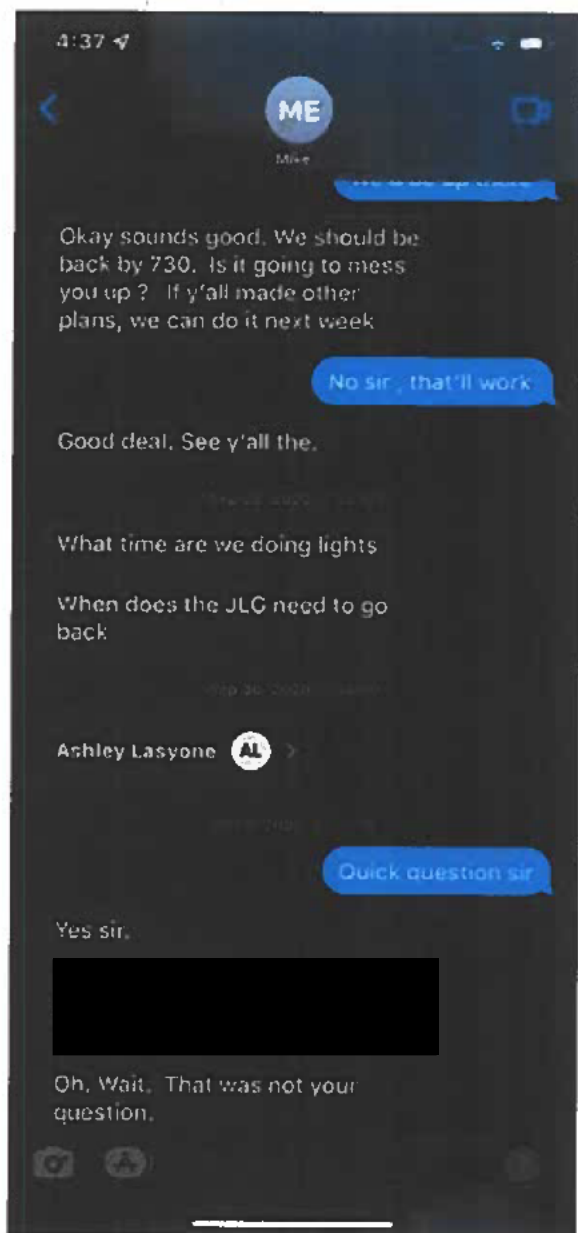


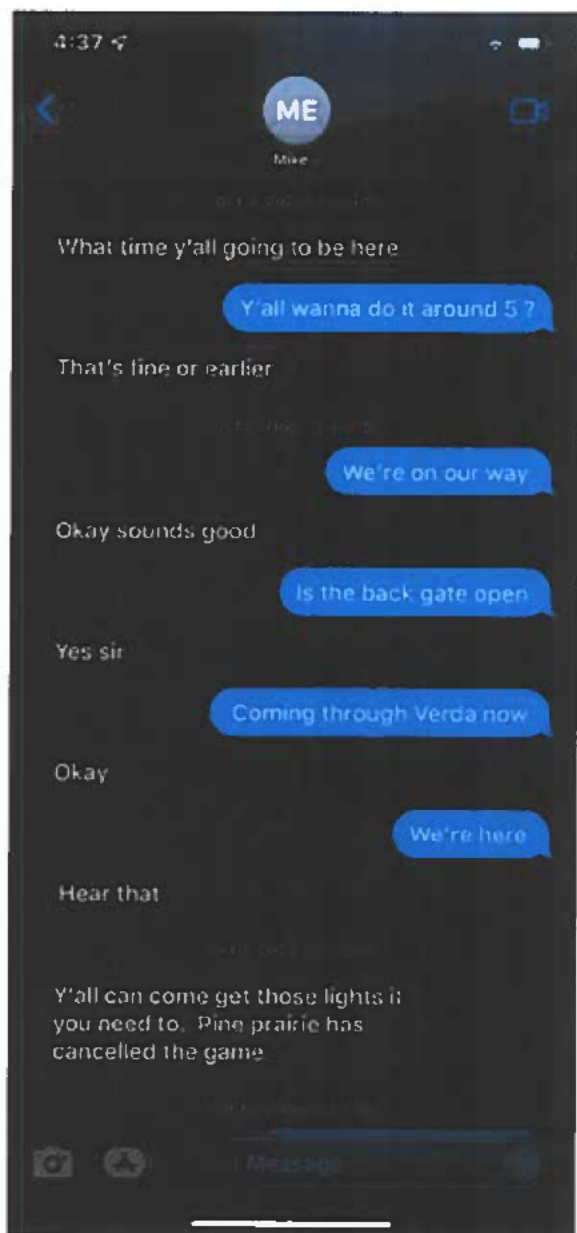






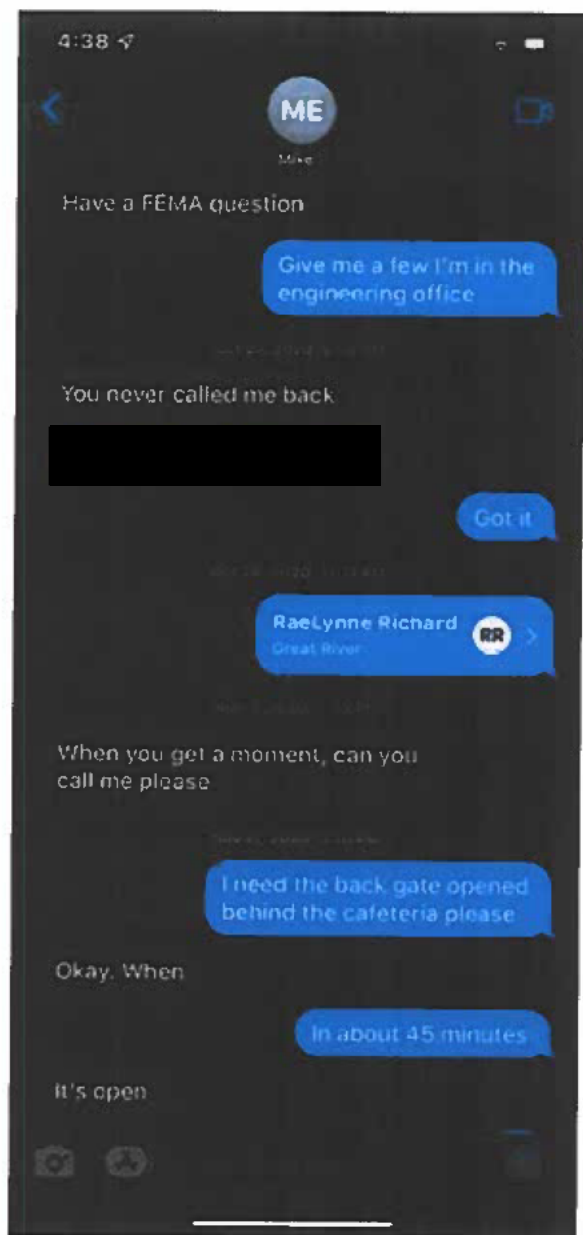


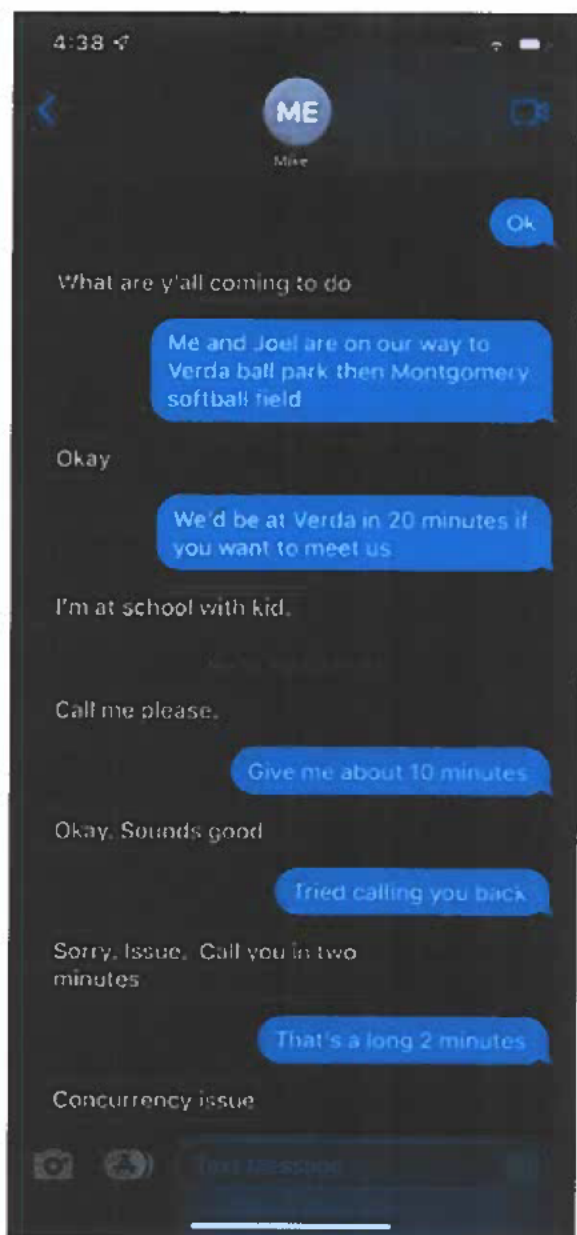








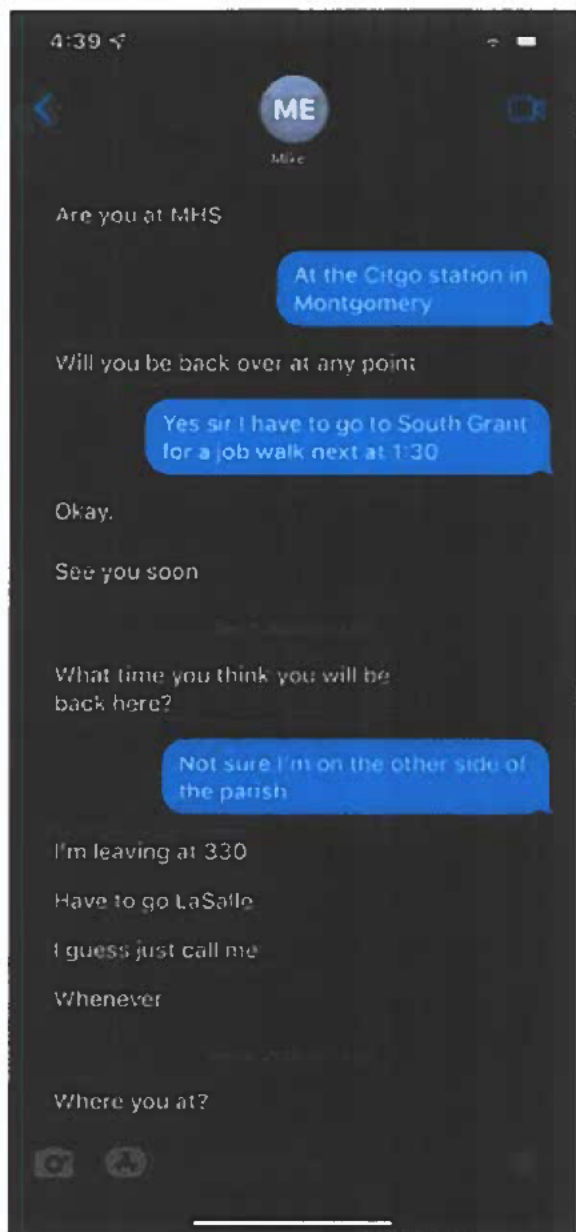


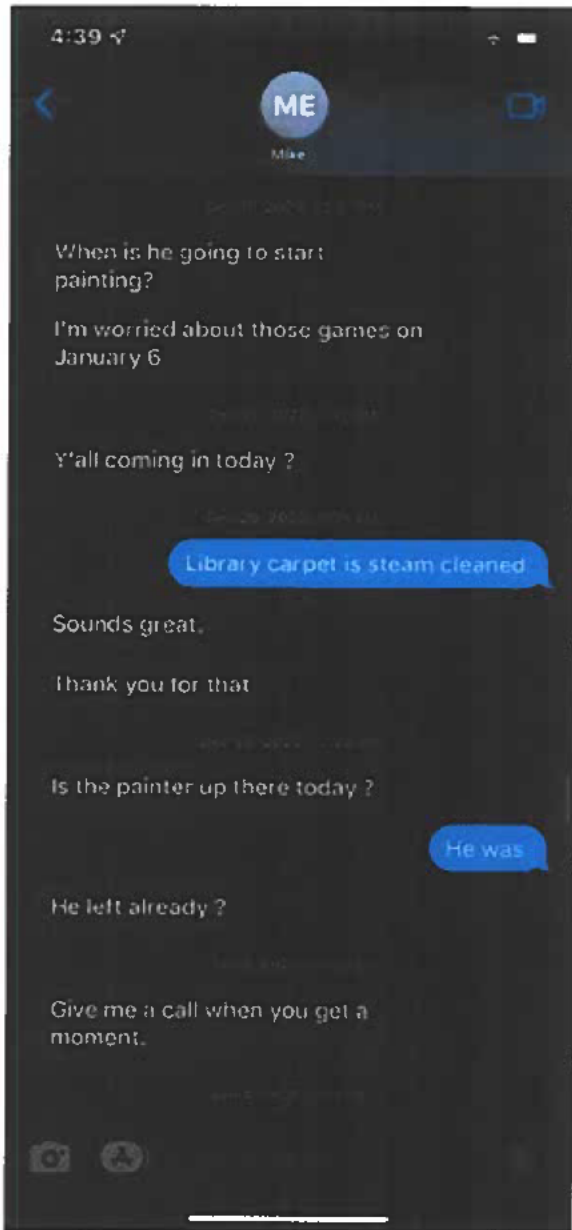


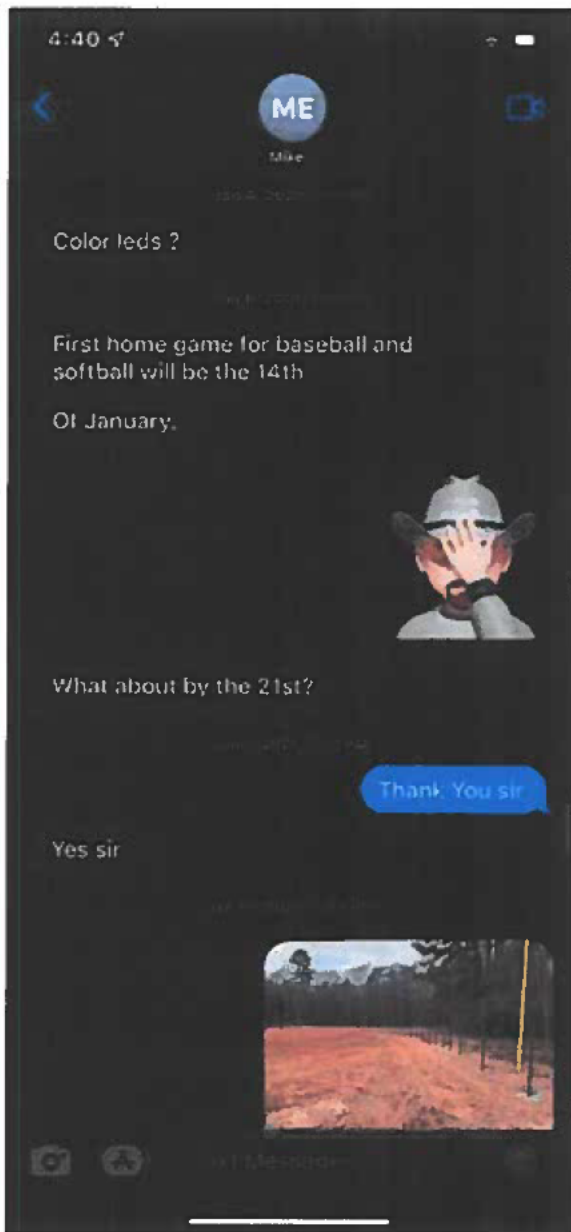






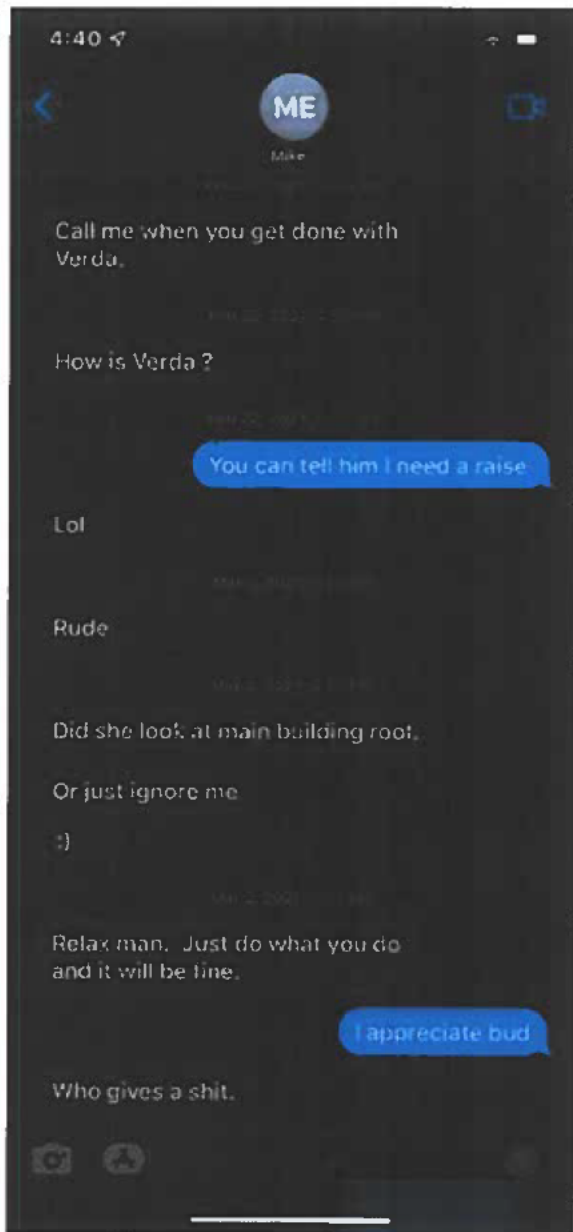




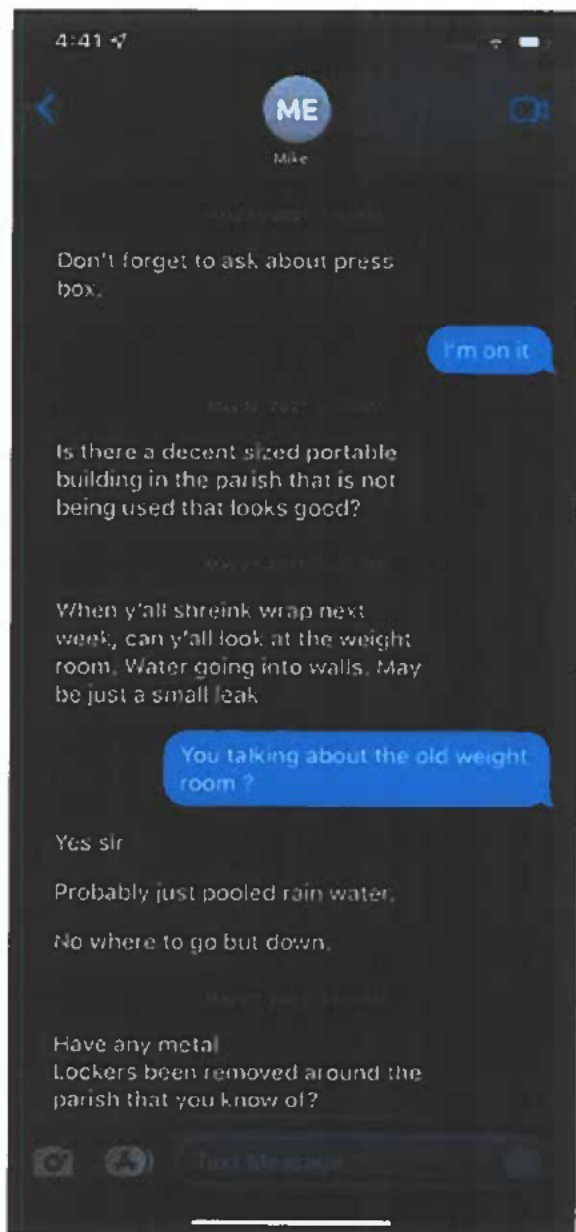












14. Text Messages - Donna Pennington - Cimarron Billing Clerk, Overland Park, Kansas, to and from Edward Sieja.

Text Messages

From: Mrs. Donna Pennington

Cimarron Billing in Kansas

To: Edward Sieja

2:31



Donna

I'm done telling Chris stuff , he wants me to hire 10 more people for the school board work , but I'm doing what Joel the consultant wants me to do , and Chris billing all these guys time to this job is gonna end up getting us the boot

We need this to last!! Not hurry and get it done! That man drives me crazy!!

But he's smarter then the average bear 🐻 so I'm gonna stand back and watch and when Paxton asks I'm not gonna lie for Chris , I'm sorry I gotta see these people every damn day ! He's playing the games that Jeff and him play in Midland and look where that's got us so far

Well Scott and Aaron will be working 8 hours a day 5 days a week at the school board project , they'll both get per deim of \$65 a day for the 5 days they work and other then that , they ain't getting billed another single hour

You're the boss friend!!



Text Message

**Pictures of Montgomery
Softball field with dozer and
excavator and pipe being used
for fences / also pictures of
temp kitchens in Pollock using
piping for temp buildings**



TEXT
MESSAGES
Showing
was \$45.⁰⁰ A day
\$125.⁰⁰ A day
The Rental on Portables
Cimarron charged



15. Text Messages - Mike Slaney, Allen Parish Ward 3 Marshal and Cimarron Safety Representative to and from Edward Sieja.

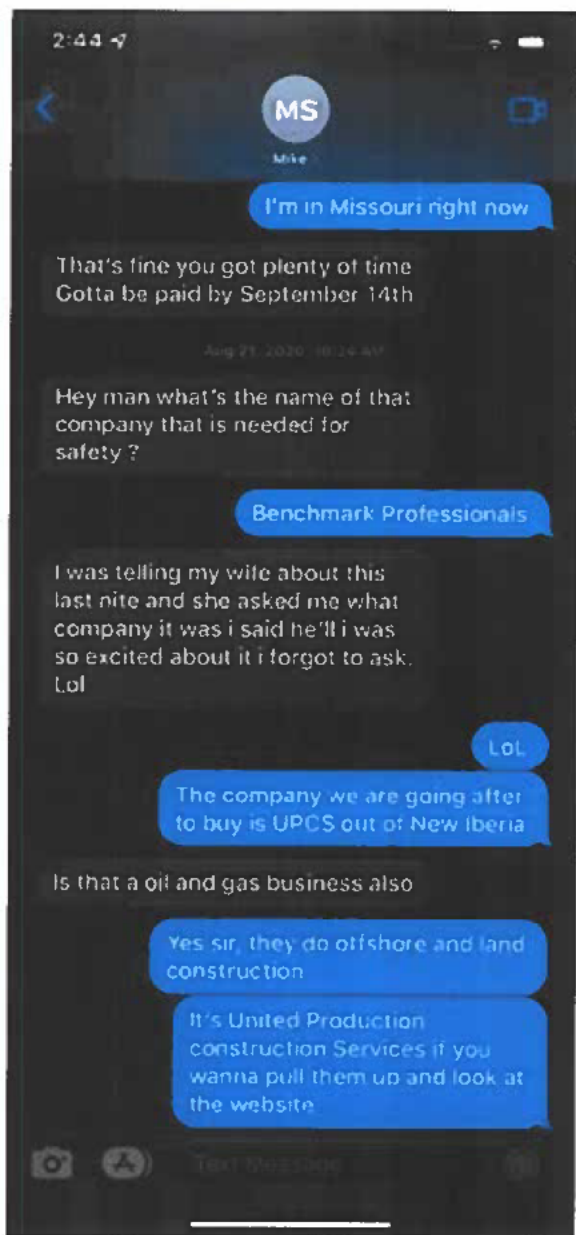
Text Messages

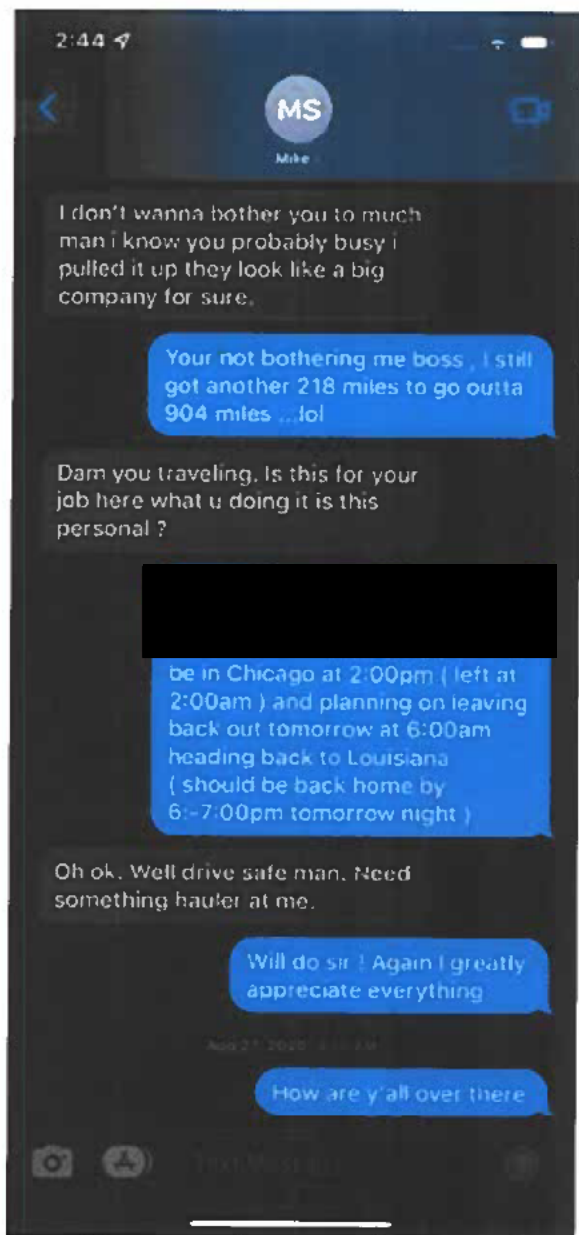
From: Mr. Mike Slaney

**(Cimarron Safety
Representative)**

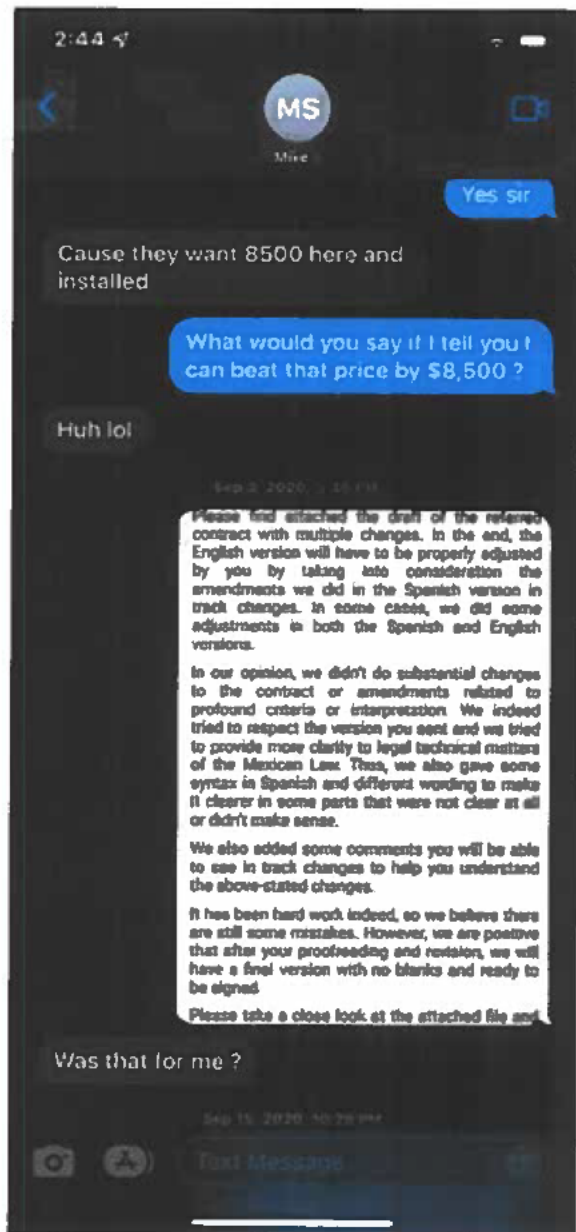
To: Edward Sieja

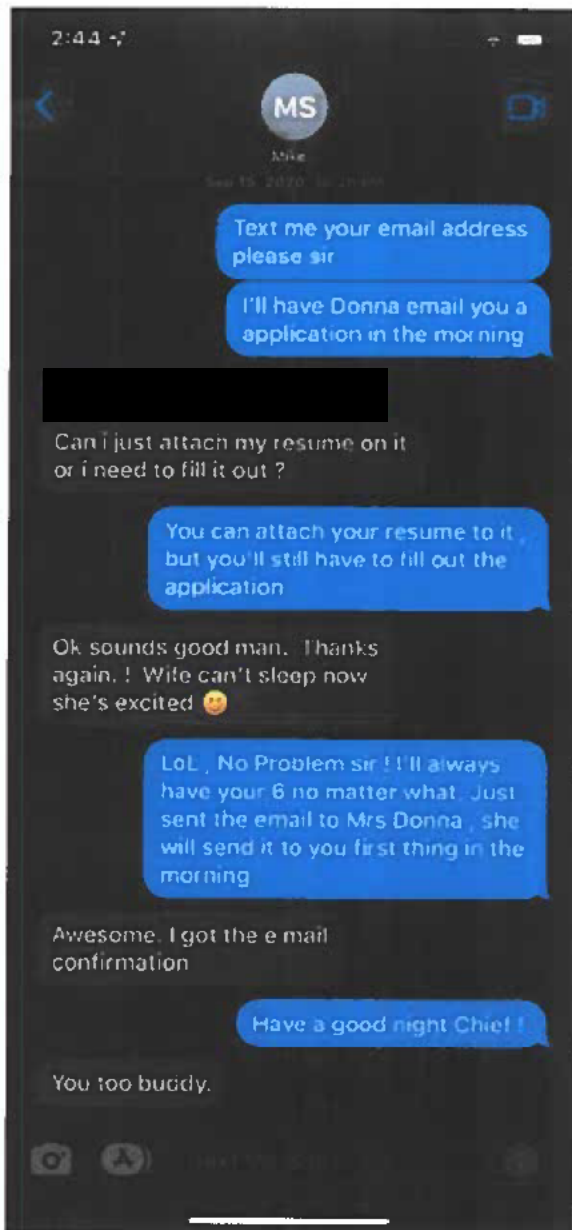


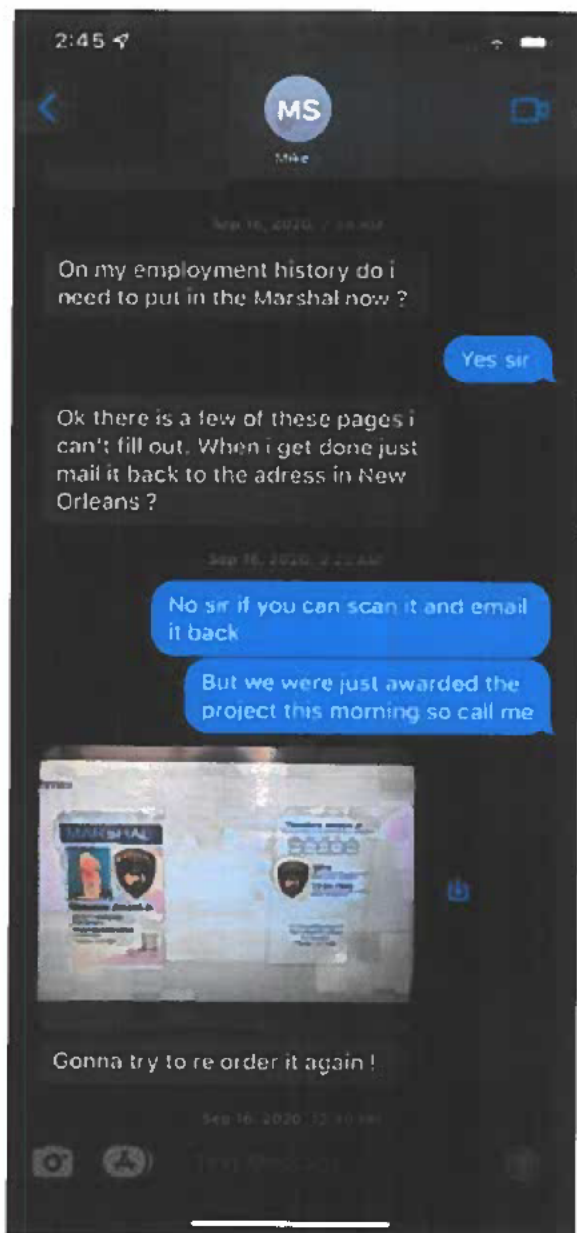


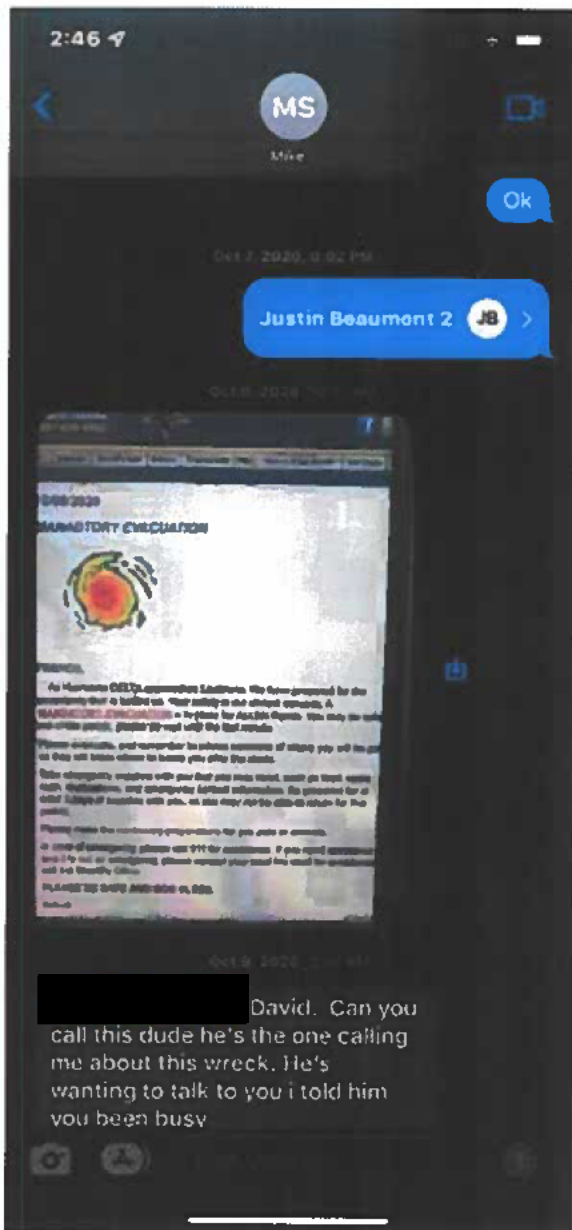


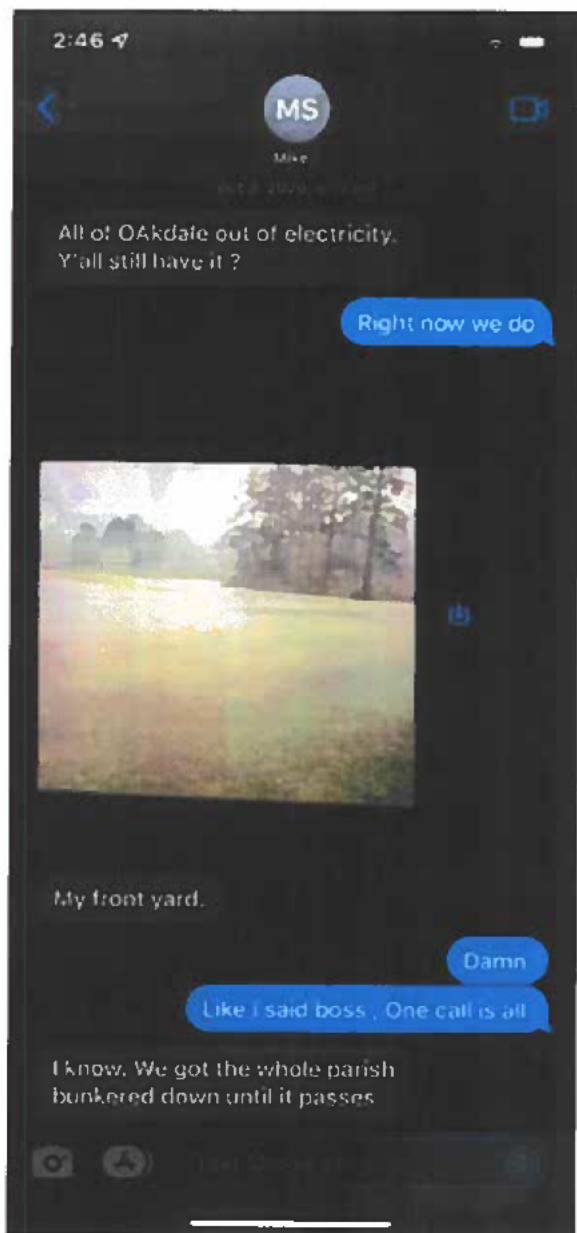


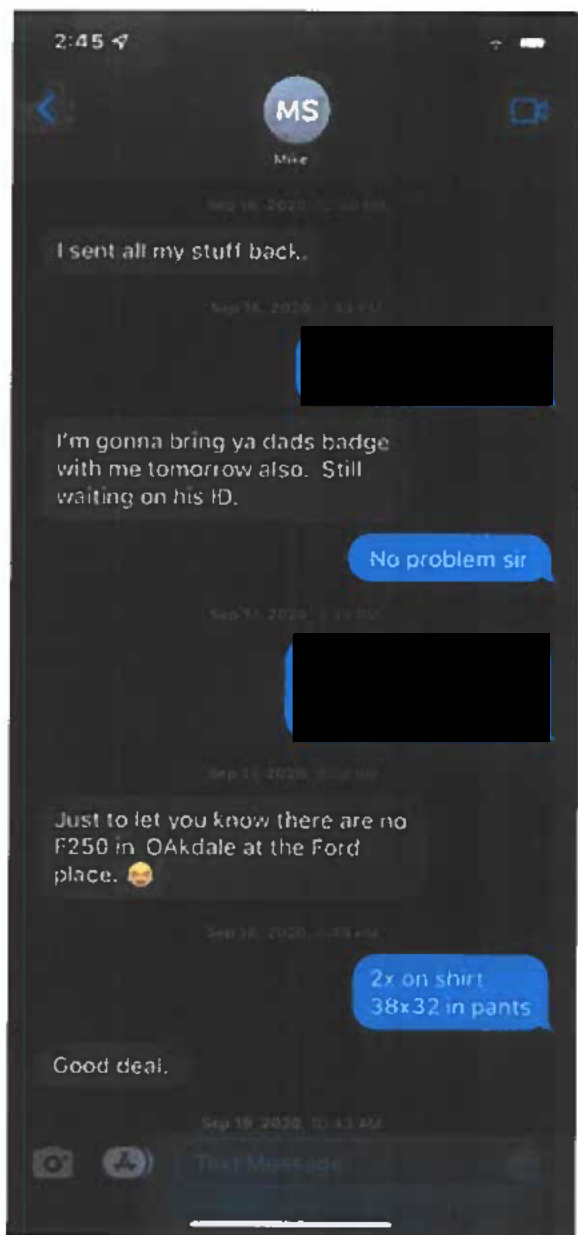




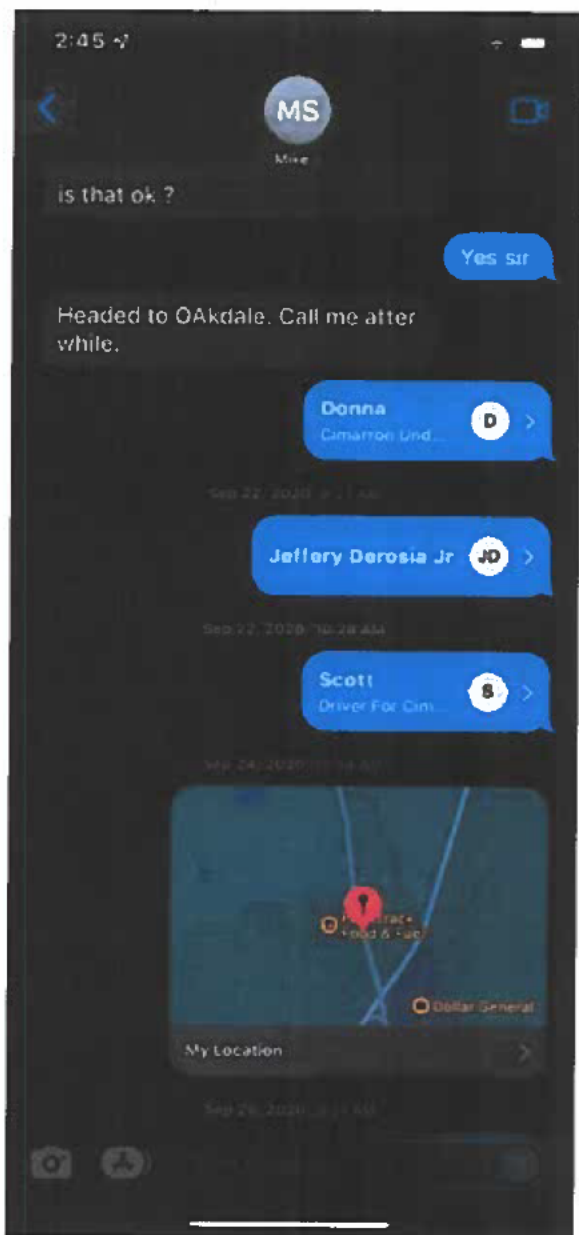










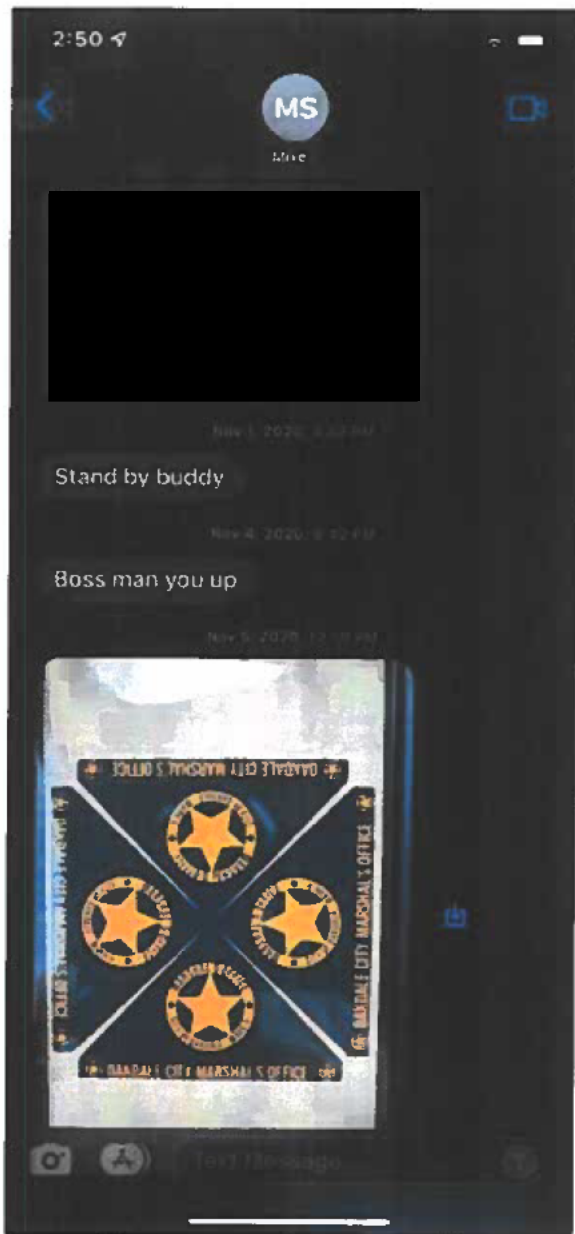




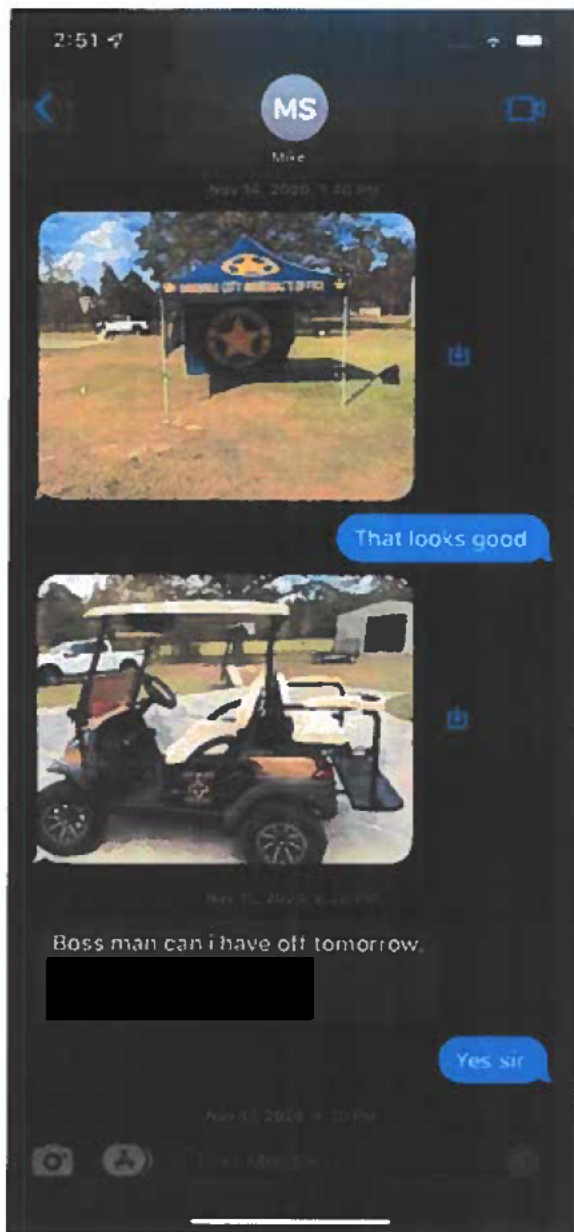








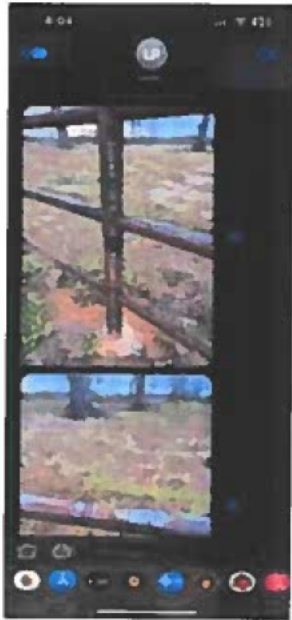




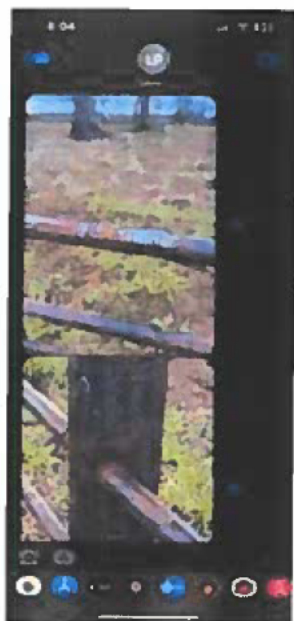


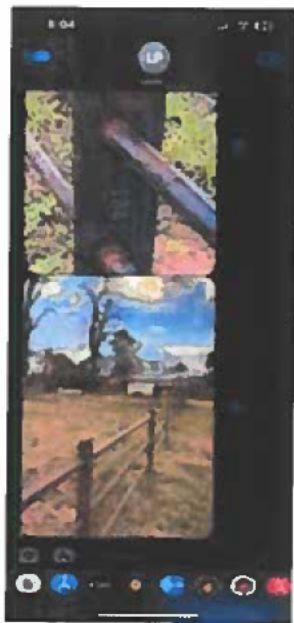


16. Pictures Chris Lang directed someone to spray paint "Cimarron" on Edward Sieja's fencing around his Louise Street property.



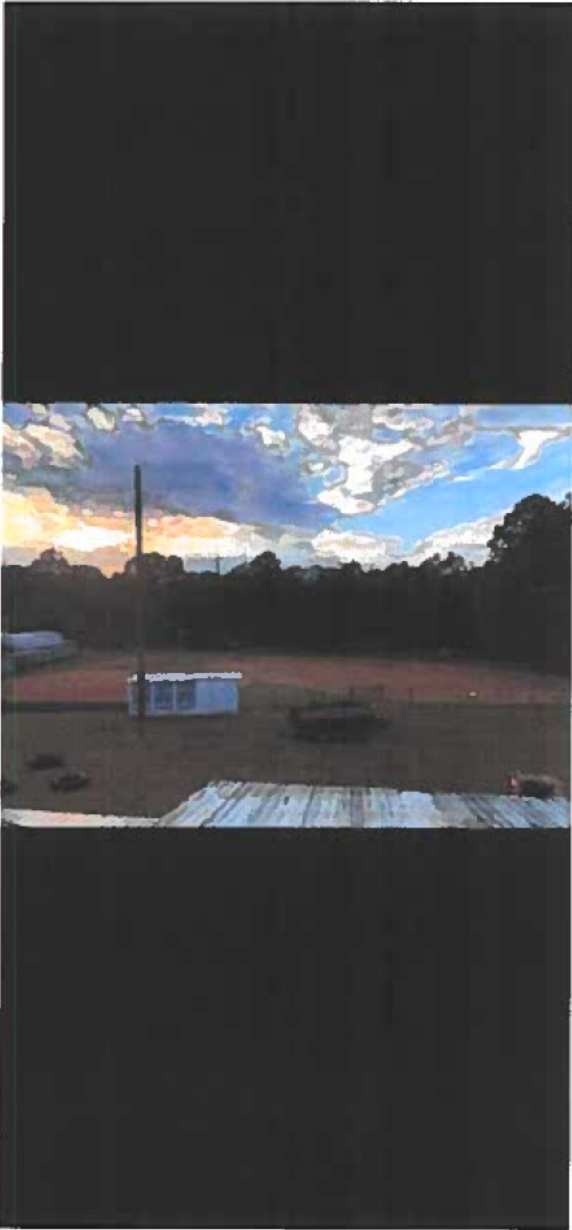
Pictures This Lag sent Les Shaving
Someone spray painted Cinnamon on my pipe
fence

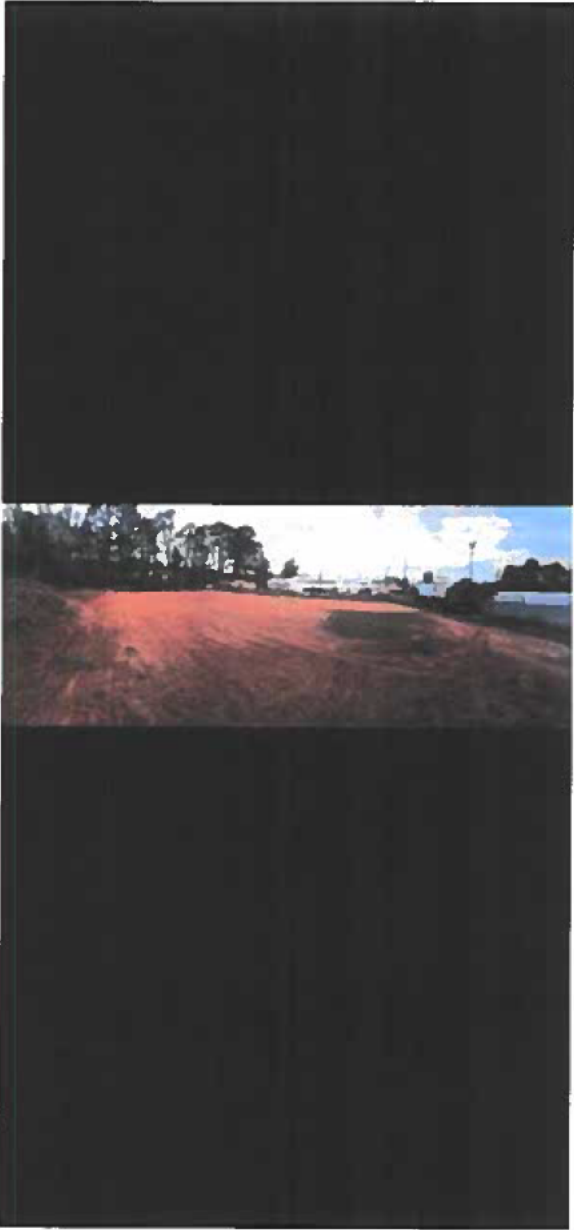


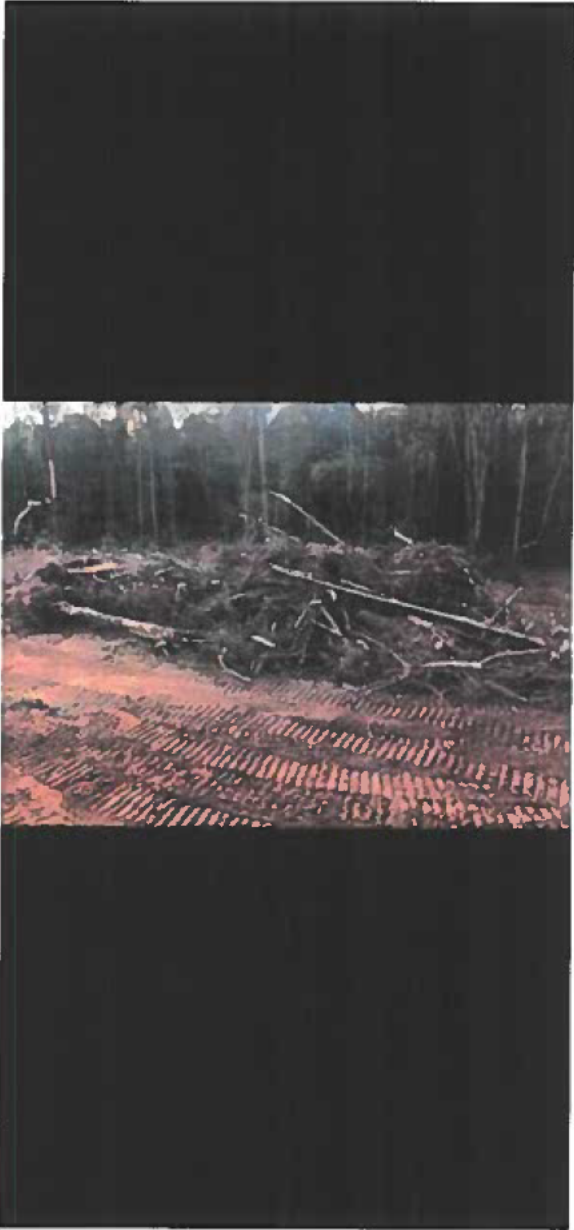


17. Pictures of Montgomery High School Softball Field with dozer, excavator and pipe used for fences. Pictures of temporary kitchens in Pollock, Louisiana, using piping for temporary buildings.

**Pictures of Montgomery
Softball field with dozer and
excavator and pipe being used
for fences / also pictures of
temp kitchens in Pollock using
piping for temp buildings**







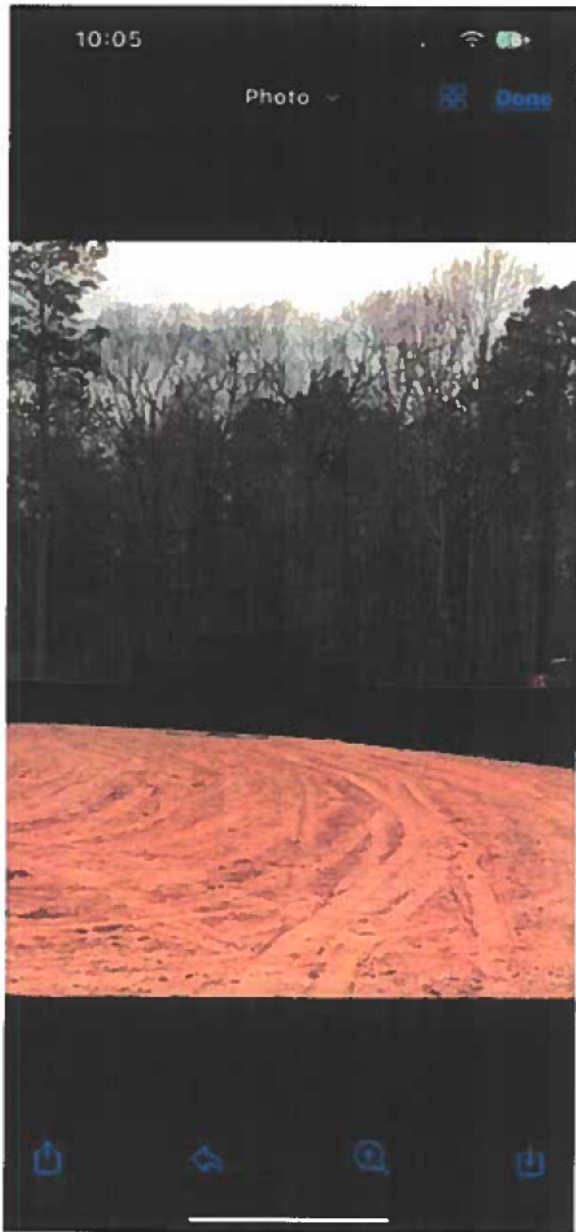


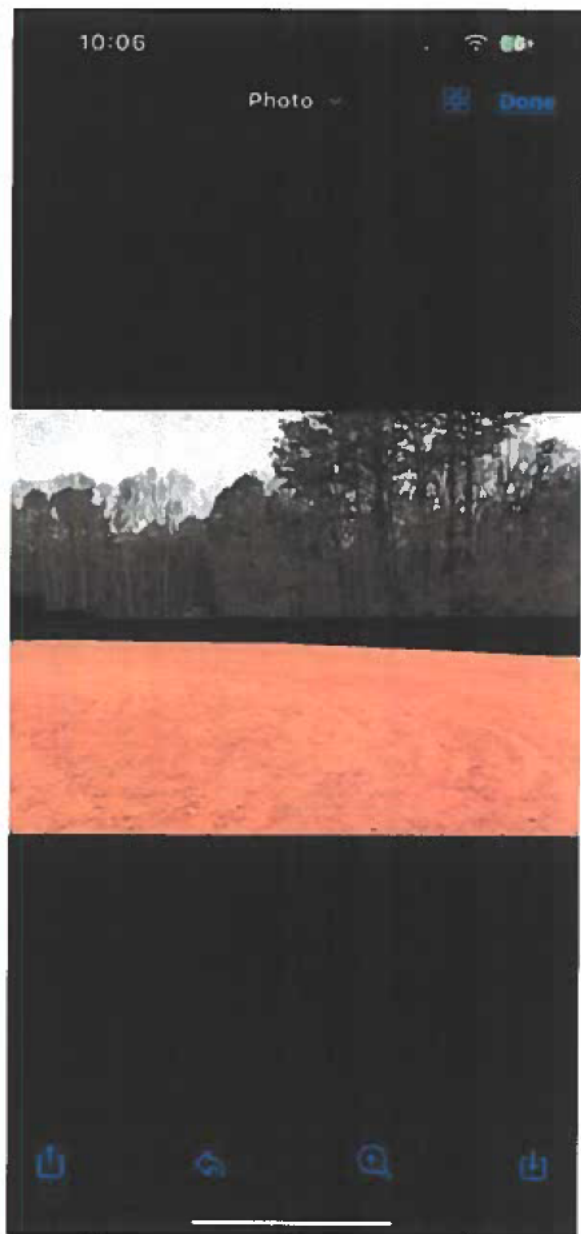




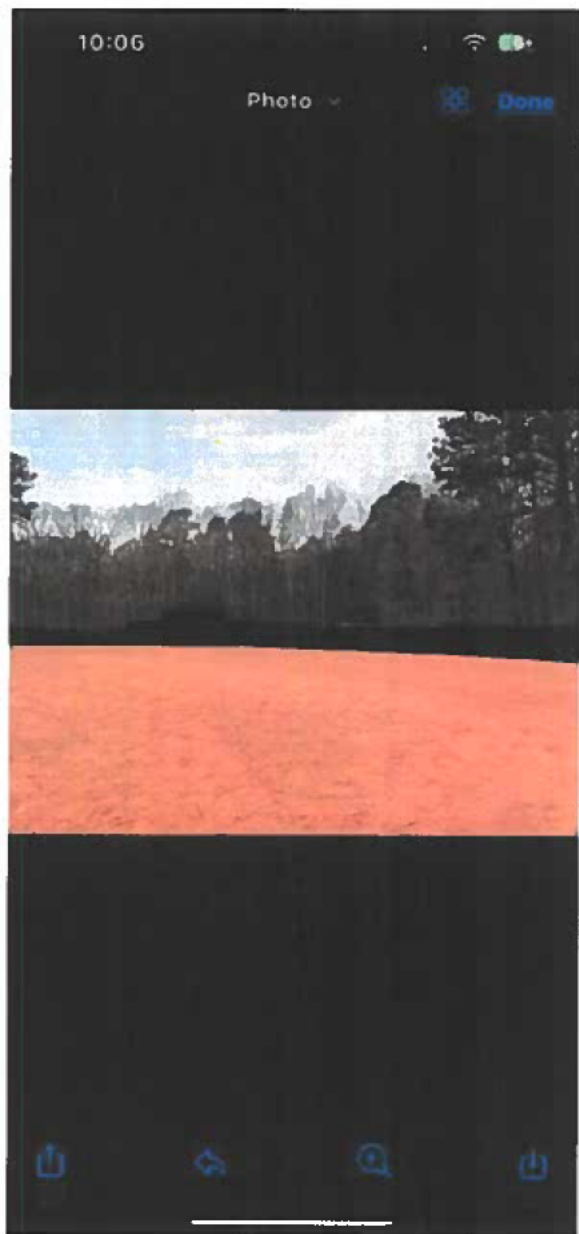
















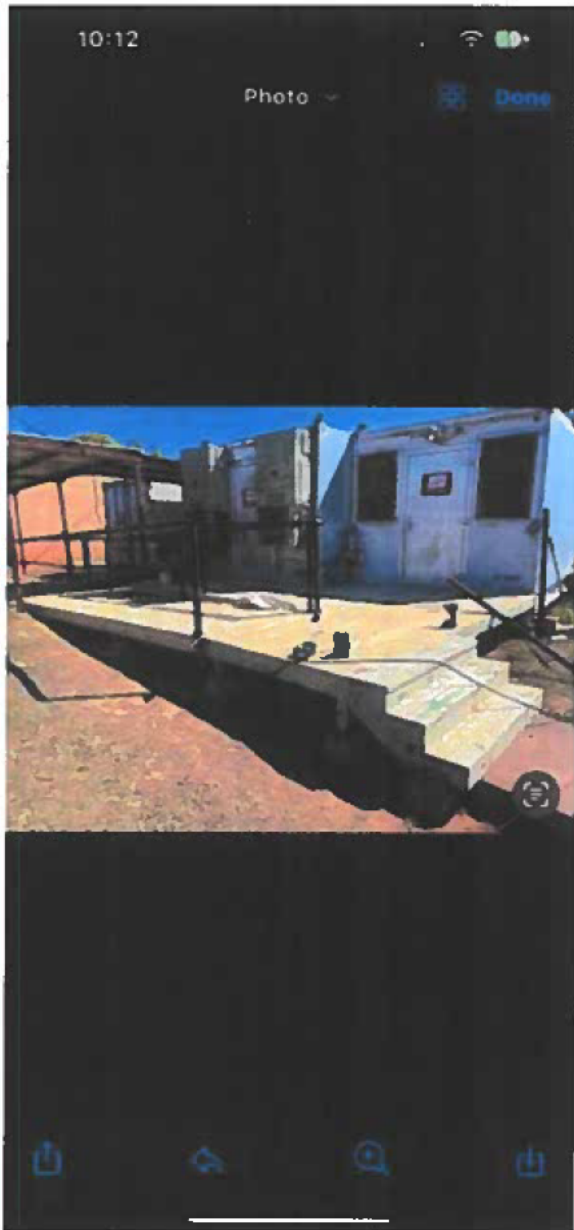












18. April 20, 2022, E-Mail [REDACTED] at Steele Pros to Ed Sieja regarding stenciling by steel mills on pipe/tube/tubing and/or drill stem pipe used for fences.

100-1772

Questions

From: [REDACTED]
 To: edward.sieja@yahoo.com
 Date: Wednesday, April 20, 2022 at 01:05 PM CDT

Ed,

In response to your questions on stencils, yes I can promise you in my 35+ years of steel and pipe mill experience each mill is similar on stencils. A few things are very consistent because it is required to be so by API specification. ASTM also has some requirements but not as strict and the mills already do it inline so that is pretty basic info.

1) Each pipe/tube/tubing/HSS/HSR must have a line stencil and this is a straight line on the formed material, many times on the weld line if welded as it is a wheel that rolls the stencil as the pipe actually rolls on mill line. Line stencil has mill name and heat number plus most have a date and slit identifier here as well.

2) Depending on OD pipe will also have a pipe number in many cases or in smaller tubing size a bundle tag will also have a list of heats and pipe identifiers on tags.

3) Depending on prime or commercial things get pretty distinctly separated from here. a) pipe commercially tagged for A500 or A513 structural will have that grade included in line stencil with letters ASTM. b) prime pipe for API must be further tested after welding by NDT, scale, hydro, and destructive tests to receive a "final stencil" the final stencil has very specific markings in a very specific order that can not be changed per API 5CT or 5L specifications and note the exact mill facility numbers, name, hydro pressure and hold time, as well as size wall dimensions and manner of production. A company must add this specific # with a final inspection to include a licensed monogram only by that licensed facility number or is considered a violation and can be a Federal offense. Many mills often have personnel even come to yards to remove stencils from downgraded material as it is very serious to ensure prime is kept separated.

4) Depending on grade and the OD a final stencil on line pipe is different than a stencil for OCTG however similar principals apply on the OD for placement at one end of tube within a specific range.

Large OD line pipe for example might have a second or third stencil (both ends as example) on the ID of pipe or on OD from a coating plant, with a customer's name and PO# per the project specification but only when physically possible to accommodate the special request so usually 8in pipe and above.

In contrast OCTG never has a customer name in a stencil as it would negate the placement of the API required stencil location. A 3rd party can stencil behind this pipe stencil but its not a prime stencil and anyone can do this if they choose to add a special thread perhaps or a 3rd party API licensee which again requires the facility info.

Likely what you are seeing on any OCTG pipe is a hand written rack number or company name that someone has put on by a white pen or metal pen as we typically see at a yard or someplace marked it after it passed hands many times.

The mills have specific Tellis dot matrix printers or roller line ink dobbers that will put the brand or name of company like my old LSS or USS employers but it takes a lot to set these machines up so each mill is slightly different and those machines are very expensive so we don't change them unless they clog or a heat # must change every 150 tons or so.

Systems for inline stenciling are also limited by characters as it repeats that info on the pipe and changes heats during production so no time to dilly dally at 150+ feet per minute.

This is all about the same on seamless pipe and coated pipe actually however they move much slower and so some can put a spiral stencil on them when larger OD.. Exception being small OD. Just not enough room for a lot of any info when your letters must be a certain size to be visible you just run out of space quick.

Hope this answers your question. Apologies for the ramble it is just a lot of info to attempt to explain but process is simple.

Let me know if you have any other questions.



Fw: Grant Parish School Board - Investigative Audit Report

Tanya Phillips to: Gregory Clapinski, Roger Harris, Thomas Horne

10/31/2023 07:13 AM

This message is digitally signed.

From: Tanya Phillips/LLA

To: Gregory Clapinski/LLA@LLA, Roger Harris/LLA@LLA, Thomas Horne/LLA@LLA

Response from Gary Shoemake



Tanya Phillips
Executive Assistant

Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, La 70804-9397
Phone: 225-339-3839 | Fax: 225-339-3870

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----- Forwarded by Tanya Phillips/LLA on 10/31/2023 07:12 AM -----

From: [REDACTED]
To: "Tanya Phillips" <TPhillips@lla.la.gov>
Date: 10/31/2023 12:10 AM
Subject: Re: Grant Parish School Board - Investigative Audit Report

Mrs. Phillips,

I speak for myself regarding the apparent \$14,025.00 commission/referral check that Mr. Sieja received from Benchmark. I was unaware of such a financial arrangement between Mr. Sieja and Benchmark and was never informed by Mr. Sieja or any of the other partners to Onsite Emergency Services LLC of any such payment to him or Onsite. It is my personal opinion that neither of the other partners Mr. Moore or Mr. Guzman were aware of said payment to Mr. Sieja either.

It was our suspension of this type of unethical behavior on the part of Mr. Sieja that made the

other partners uncomfortable, created personality conflicts and ultimately lead to the Onsite Emergency Services partners disbanding and the LLC being dissolved.

Regards,

Gary L. Shoemake MBA, RPA, CIA

[REDACTED]

“Always be Doing...Reviewing...Improving”

[REDACTED]

From: Tanya Phillips <TPhillips@lla.la.gov>

Date: October 25, 2023 at 10:45:00 AM CDT

To: [REDACTED]

Subject: Grant Parish School Board - Investigative Audit Report

Good morning,

Attached is a draft of our Investigative Audit report on the Grant Parish School Board which references you. If you choose to respond, please do so no later than noon on Tuesday, November 7, 2023.

(See attached file: Exit Letter - Gary Shoemake.pdf)

Thank you,
Tanya



1A997690.gif

Tanya Phillips
Executive Assistant

Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, La 70804-9397
Phone: 225-339-3839 | Fax: 225-339-3870

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Exit Letter - Gary Shoemake.pdf



V. THOMAS CLARK, JR.
Partner



www.bswllp.com

November 27, 2023

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

Re: Legislative Auditor’s Report

Dear Mr. Waguespack:

This letter is submitted as a response to the Conclusions/Factual Assertions set forth in the Legislative Auditor’s Report (“Report”) that was provided to us. We appreciate the opportunity to respond to the allegations set forth in the report.

As set forth below, Mr. Moore was hired as a consultant to assist the Grant Parish School Board (“GPSB”) in October 2020 in navigating the reconstruction of all property that was devastated by Hurricane Laura and subsequently devastated by Hurricane Delta, then subsequently exacerbated by the freeze of February 2021.¹ Mr. Moore at all times acted within the scope of his contract and within the limitations imposed by Louisiana law. Most importantly, Mr. Moore did not act as a public adjuster on GPSB’s behalf, nor did he hold himself out as public adjuster, as such term is defined in La. R.S. 22:1692(8) and 22:1693(E)(2), while assisting the GPSB, its Superintendent, Mr. Paxton Teddlie, (the “Superintendent”), and GPSB’s attorney – Mr. Charles Hardie, with Hammond, Sills, Adkins Guice, Noah & Perkins. Further, Mr. Moore neither solicited nor received payments from vendors associated with the GPSB project for work done on that project.

¹ It is critical to understanding that all of the losses suffered by GPSB at issue were covered by a single insurance program that began on July 1, 2020 and ended on July 1, 2021, that provided Replacement Cost (e.g., RCV) coverage with a \$114,626,891 limit of insurance. This policy was the sole coverage for the losses first caused by Hurricane Laura, then exacerbated with new damage by Hurricane Delta, and further exacerbated by the freeze of 2021 that created new damage to partially repaired or unrepaired properties. This policy was placed with Markel Insurance Company through Risk Services of Louisiana, Inc., located in Shreveport, Louisiana for the first time in early 2020. Upon information and belief, the insurance policy was non-renewed prior to Hurricane Delta.

Mr. Moore Was a “consultant,” Not a Public Adjuster

Mr. Moore, a registered appraiser and insurance professional, for more than thirty years, was hired as a consultant to assist GPSB in its recovery from Hurricane Laura and subsequently from Hurricane Delta and the freeze of February 2021. While the losses were covered claims under GPSB’s insurance coverage, the breadth of the losses—catastrophic losses from three successive events: 2 Category 4 hurricanes and a winter freeze in February 2021 — and the claims resolution process involving the losses was anticipated to be complicated at the outset, but became more complicated and extended due to the manner in which the claim was handled by Sedgwick as addressed below. Regardless of the complexity, at all times Mr. Moore functioned as a consultant only calling upon his breadth of knowledge and experiences. He was not acting as a public adjuster under Louisiana law.

According to the “Champions Insurance Services, LLC (Joel Moore) - Consulting Agreement with Grant Parish School Board - Date of Agreement: October 16, 2020,”² Mr. Moore provided the following services:

- a. “formulate with honesty and due care and truthfully express” opinions in those areas “(and only those areas)” in which he “feels qualified to render an opinion and where [GPSB] has requested an opinion.” GPSB agreed that any such opinions were not preordained, could be contrary to GPSB’s position, and were subject to modification upon receipt of new or additional information.
 - b. “oversee the development and implementation of a reconstruction plan” for all of GPSB’s locations that suffered damage from Hurricane Laura.
 - c. “assist third party consultants” with developing mitigation protocol for GPSB’s locations that suffered damage from Hurricane Laura.
 - d. “any other consulting tasks which the Parties may agree on in writing.”
- To date, it does not appear that any other agreements for services were made in writing.

Notably, throughout the claims resolution process, GPSB was represented by legal counsel (Mr. Hardie) to whom Mr. Moore provided information and support directly or indirectly through the Superintendent. As such, any services provided to GPSB and its counsel as part of its claims resolution exempt Mr. Moore from licensure as a public adjuster under the provisions of La. R.S. 22:1693(E)(2). Also critical to this assessment is the fact that Mr. Moore never advertised himself to be a public adjuster of insurance claims, solicited business as a public adjuster or represented himself to the public or GPSB as such.

Moreover, it appears from the allegation that the Legislative Auditor is relying upon Meredith Campbell, whose interests were not aligned with GPSB, but instead were aligned with GPSB’s insurer - an insurer that failed to make advance payments to GPSB well into

² See Exhibit A – Consulting Agreement between Grant Parish School Board and Champion Insurance Services, LLC.

2021, despite GPSB having suffered known identifiable catastrophic losses through two successive catastrophic storms and a freeze occurring more than six months after the first storm. Considering, the obvious exigent need for GPSB to provide for the school age youth of Grant Parish, the substantial delay in advancing funds improperly forced GPSB to rely upon its own reserves to fund mitigation and covered losses to a substantial extent. Relying on Ms. Campbell's representations, it appears that the Auditor is trying to "fit" the services provided by Mr. Moore under the consulting agreement into the scope of the statute that defines public adjusting, La. R.S. 22:1692(8). This definition cannot be applied without regard to consideration of the statutory exceptions or with the other affirmative requirements of being a public adjuster in this same statute. Throughout the process, Mr. Moore performed his duties as a consultant to GPSB, the insured, regarding how to respond to the extensive storm damage that impacted all of GPSB's educational facilities. While an element of this consultation involved considering the nature of the elements and timing of the payments of the claim, Mr. Moore was not retained as a public adjuster. Instead, he was retained to advise GPSB as it attempted to stand up its school system following the storms as reasonably quickly as possible without acquiescing to an initial estimate from Champion Insurance, Ms. Campbell's employer, of less than fifteen percent of the amount ultimately paid to GPSB almost two years after Hurricane Laura.

Mr. Moore Did Not Solicit Compensation from Any Other Person Regarding GPSBs Insurance Claim

Mr. Moore did not solicit or accept compensation from Cimarron for any job associated with GPSB. He was compensated solely for his services under the terms of his consulting contract by GPSB. Any communication with Cimarron, Clay Fowler, or Kevin Hromas regarding potential future compensation involved potential projects that were wholly unrelated to the GPSB contract. Thus, to the extent that the Report cites communications regarding future compensation, these comments are taken out of context and are without regard to the relationship that existed between the parties at the time the comments were made.

Mr. Moore Did Not Function as an Adjuster for GPSB

Mr. Moore did not function as an adjuster for GPSB. Mr. Moore was engaged to provide consulting services to GPSB based on his substantial experience and knowledge. He did not provide his own estimates for the damages. During his consultation, Mr. Moore relied on the estimates provided by the claims adjuster and Ballard Engineering, and this information was part of the work product utilized by GPSB and its attorney in negotiations with the insurer to resolve this claim.

Estimators in the industry, such as the claims adjuster in this case, inspect the property in question for damages. They enter data regarding the damages that they find into Xactimate, an industry-wide software program. Xactimate uses pricing dependent on the market in

question. As the resolution of the claim lagged throughout the ensuing year following Hurricanes Laura and Delta (including the aftermath of Hurricane Ida), Mr. Moore recognized that the pricing used by Xactimate was not accurate for certain materials, especially steel, because the increased demand and the pandemic had caused the prices to skyrocket and availability to be scarce. Moreover, because the materials were not readily available, the prices were subject to increased volatility as the demand rose. Based on these factors, Mr. Moore produced an updated pricing list (or cost list) for the materials listed in the estimate performed by the insurance claims adjuster and Ballard Engineering. Mr. Moore did not independently perform any estimate; rather, he simply sought to ensure that the estimate accurately reflected the volatility of the market prices for materials by applying more accurate pricing. Mr. Moore was transparent in his effort to ensure that the estimate should be enough to adequately compensate GPSB for its loss. Had Mr. Moore not supplied this information to GPSB, the school board's ability to assure that the school system obtained full payment for the damages suffered from the insured claims as exacerbated by the conduct and delayed indemnification by Ms. Campbell's employer - would have been prejudiced.

Mr. Moore's Comments Regarding "Public Adjusting" Are Not Legally Conclusive

The Report cites the response made by Mr. Moore when asked whether his supplemental estimate for GPSB made him an adjuster as proof that he was a public adjuster. The Report's reliance on this response is questionable at best. Because the determination of what constitutes "public adjusting" is a complex legal determination, Mr. Moore's offhanded response in a single telephone call cannot be considered determinative of the actual services Mr. Moore actually performed for GPSB.

Moreover, because Mr. Moore was not acting as a claims adjuster any more than he was acting as a public adjuster, the statutes cited in the Report (La. R.S. 22:1703 and 22:1706; La. R.S. 22:1674 (repealed August 1, 2021) and La. R.S. 22:1674.1 (effective August 1, 2021)), do not apply. Mr. Moore was working strictly as a consultant. As a consultant he was tasked with making sure all parts of the claims process worked smoothly and that GPSB would ultimately recover all it was entitled to for its loss under the applicable policy.

Mr. Moore's Comments Regarding Communications with Contractors Must Be Placed in Context

The Report references a statement made by Mr. Moore regarding communication with contractors prior to storms, that "you shouldn't do that, but I do." Mr. Moore's comment must be placed in the context of what Mr. Moore meant by this comment. Calling upon his experience, Mr. Moore was simply referencing the need for good contractors following a storm, particularly catastrophic storms. A public body cannot, other than under discrete circumstances, selectively retain contractors prior to a storm, even though advance preparation for mitigation is important in saving time and costs in repairs. However, as a consultant, Mr.

Moore can legally identify qualified contractors even if he cannot legally bind them on behalf of the parish. Given the nature of the two catastrophic events and the exigent and obvious need for immediate mitigation services to facilitate getting children back into school in the midst of recovering from the COVID pandemic now exacerbated by the devastation visited upon the parish—and every other parish in the western part of the state—the most plausible explanation is that Mr. Moore was trying to emphasize the need for how he might be able to assist the parish in timely securing professional resources instead of leaving this to the individual members of the school board, members that did not have the breadth of experience or professional contacts that Mr. Moore possessed.

Mr. Moore Was Working Entirely in the GPSB's Favor and His Proposed Actions Were Designed to Maximize Recovery and Accelerate Necessary Repairs and Reconstruction

The Report states that the auditor “spoke with several Board members” who “felt Mr. Moore was not working entirely in GPSB’s favor” and/or that he antagonized the insurance company rather than trying to settle the claim, because Mr. Moore made statements and sent text messages pushing GPSB to invoke appraisal rather than settling.

However, critical context is missing from these representations and belief by the “several Board members.” A key contextual element is that the insurer’s initial estimate for all damage suffered by GPSB was \$3.5 Million, which when contrasted to the ultimate settlement was a fraction of what was owed under the policy and was not achieved until 2022. Conversely, appraisal would have expedited the path to a resolution, and it is a right provided to GPSB under the policy at issue. Specifically, the comment indicates that these Board members somehow considered the exercise of appraisal as something other than a means of achieving an appropriate settlement from an insurer. The right to appraisal has been included in insurance policy forms for more than one hundred years. For admitted companies, it is a mandated clause in approved forms in many states, including Louisiana. As a general assessment, an insured who is willing to waive appraisal should only do so when the merits of proceeding without appraisal are substantially better than proceeding with appraisal. As such, it is difficult to envision a situation where encouraging GPSB to exercise a contractual right designed to protect GPSB’s best interests can somehow be construed to be contrary to GPSB’s favor.

To illustrate how appraisal operates, the following appraisal clause is found in the policy that insured GPSB. It is substantially similar to La. R.S. 22:1311 that is used for standard fire policies in Louisiana:

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the

value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.

Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

As evidenced by the clear language of the appraisal clause, utilization of appraisal allows for the insured to receive the benefit of three individuals knowledgeable in the resolution of property claims reviewing the claim at issue without incurring the cost or potential delay that may arise from litigation. It does not prohibit settlement and is frequently used to facilitate an informed settlement as explained herein.

Although several GPSB members did not believe that Mr. Moore was working in GPSB's best interest by promoting appraisal over pure settlement (where there is no independent arbiter of fairness), the opposite is true. Mr. Moore fulfilled his responsibilities under his contract with the intent being to assist where appropriate. While he was not primarily responsible for negotiations with insurers, it is well understood that negotiations with insurance companies often involve an adversarial position that results in a better settlement particularly where the nature of the claim is extraordinarily complex (e.g., the loss and/or damage to the entire school infrastructure of a parish two times over the course of a single month followed by a freeze that exacerbated known damage and created new damage) and the financial exposure to the insurance company due to the company and/or its agent's liability for damages resulting from potential misconduct in the handling of the claim. Mr. Moore's recommendation to invoke appraisal was based on his well-founded and correct position that to do so would have most likely resulted in a greater recovery for GPSB.

Unfortunately, some members of the GPSB did not seem to understand the process and were afraid that by merely invoking appraisal they would receive less from the insurance company than they were entitled to receive. But that is not how appraisal operates. Mr. Moore was doing what he was paid to do under the consulting contract, which was to provide advice on the process and to recommend a course of action that served the best interests of GPSB through the actual recovery from the storms and to assist GPSB and its attorney in the resolution process. Such a process often, and sometimes inevitably, involves a protracted negotiation process. Given that the first estimate that GPSB received from the insurer was \$3.5 million dollars and that the ultimate payment was in excess of \$25 Million dollars, Mr. Moore's recommendations were well founded and warranted.

The Report also includes a statement that "Though GPSB never invoked appraisal, Mr. Moore sent the superintendent a message on September 15, 2021, stating: 'Just for your eyes only and to be clear, when appraisal is invoked, it is no longer about coverage. It is now a total dollar negotiation. Policy coverage is not a factor. So let's say Segwick pays policy limits of \$2 million on 'code upgrades' and the actual upgrades are \$4.5 million. The additional \$2.5

million would be added to the negotiations. The difference in the building at Montgomery will be added and so on.’” [sic]

Again, Mr. Moore’s statements must be taken in context of the manner in which the information was being conveyed. These statements were provided to his client for the purpose of explaining how the process works from a practitioner’s perspective. Specifically, GPSB was seeking to be made whole from the totality of the damage it suffered from both the storms and the freeze as well as from Sedgwick’s behavior in handling the claim. Sedgwick’s behavior in handling the claim creates a potential exposure to Sedgwick’s client—the insurer—for statutory damages, attorney’s fees, and penalties when the conduct warrants these awards. By providing this information to the Superintendent, Mr. Moore was fulfilling the obligations undertaken in his contract. Rather than serving his own interest, he was simply informing the Superintendent as to how damages are quantified as part of the appraisal and negotiation process.

In short, Mr. Moore advised his client of all available options, including appraisal, because his experience had shown that carriers pay appraisal awards in mediation so that they do not have to pay attorneys’ fees in a subsequent proceeding. Because the award amount determined in appraisal is the number from which parties start in mediation negotiations, a pure settlement negotiation is whatever the parties agree upon without benefit of the umpire supervised appraisal process which is often a significantly lower amount. Mr. Moore did advise GPSB of the fact that some of the rebuild costs (e.g., improvements to a prior facility as it existed at the time of the loss) would not be covered under GPSB’s insurance claim, but that invoking appraisal could help to recover some of those costs depending on the manner in which these costs were assessed by the appraisers and the umpire. The insurance company is well aware of this process. Nothing in Mr. Moore’s statement above reflects public adjusting or any other illegal activity.

Mr. Moore Did Not Solicit or Receive Payment from Other Parties for Work Associated with the GPSB Contract.

The Report states that Mr. Moore “appears to have solicited additional compensation from Cimarron and two of GPSB’s potential vendors (DCF and Kevin Hromas) in relation to prospective services for GPSB.”

However, Mr. Moore never solicited or received any payment outside the scope of his contractual agreement with GPSB for work performed under that contract, and there was never an intention for him to receive additional compensation other than what was provided in the agreement for the services rendered by Mr. Moore to GPSB.

Kevin Hromas

Mr. Moore and Mr. Hromas are longtime friends and associates who refer work to each other. As to the allegation that texts between Mr. Moore and Kevin Hromas “appear to show” that Mr. Moore solicited a referral fee from Mr. Hromas, such texts were not intended as solicitation connected to the GPSB project, but rather a running statement between the parties regarding the referral of future work projects.

Cimarron

Mr. Moore did not solicit compensation from Cimarron in the form of a percentage for change order services, which was alleged to help Mr. Moore prepare supplemental cost estimates. Cimarron did express using Mr. Moore’s service for future/other projects, and any reference to any fees would have been for future projects, not the GPSB project.

The Report cites charges from Cimarron that showed it was billing for an employee to assist Mr. Moore in the preparation of cost estimates for permanent repairs. Mr. Moore understood he could not provide estimates, so he explained to Cimarron that they needed to hire someone with Xactimate experience to handle measurements to utilize the Xactimate software to generate a report. Cimarron hired an untrained employee to measure the sites for damages for data to input into Xactimate. Notably, as set forth in the report, the Cimarron employee who took the measurements denied having any contact with Mr. Moore, indicating that Mr. Moore did not work together with that Cimarron employee to provide any estimates. Further, according to the Report, Mr. Moore stated that he did not want to leave the supplemental estimating process to a novice crew, indicating that he did not intend to perform the estimates himself. In short, Cimarron sought advice from Mr. Moore on how to perform a supplemental cost estimate, and Mr. Moore told Cimarron that he could not use an estimate from individuals untrained in Xactimate software, because Xactimate software is what the insurance company would be relying upon to formulate their own estimate. Although Cimarron charged GPSB for this work, Mr. Moore did not receive any money from Cimarron regarding Cimarron’s attempt to prepare cost estimates. Furthermore, Mr. Moore’s interest in the estimates was limited solely to his role as a consultant, as any estimate performed by a contractor or adjuster could ultimately be used by Mr. Moore to assist GPSB.

DCF/Clay Fowler (prospective vendor)

The Report states that text messages “appear to show” that Mr. Moore and Clay Fowler “may have had an arrangement for Mr. Fowler to pay Mr. Moore a 5% fee” for the projects they worked on together. This, again, is without merit. Mr. Moore has been friends with Mr. Fowler since April 2000, and often uses this phrase jokingly with friends in the industry. He has never been paid a percentage as a referral. Moreover, Mr. Moore only suggested that Mr. Fowler switch to the Signal app (which is encrypted) because Mr. Fowler was going through a divorce at the time and Mr. Fowler was concerned with phone privacy from his wife.

The Report also states that text message “appear to show” that Mr. Moore worked with Mr. Sieja, Mr. Fowler, and Paul Gagnon (DCF employee) to steer permanent roof repair work at GPSB schools to DCF, and that he “may have” solicited a fee from Mr. Fowler for this prospective work. This is not true. Mr. Moore expressly denies this on the basis that he knew Mr. Fowler/DCF was not big enough to do this type of work. Mr. Fowler eventually brought in Mr. Gagnon, who has more experience with bigger projects.

Mr. Moore’s contract with GPSB provided that his services would include overseeing the development and implementation of GPSB’s reconstruction plan, including roof replacements. (See breakdown of services described above.) GPSB had significant damage to several of its locations from two hurricanes that occurred in a very short time period. There were multiple individuals and entities playing various roles throughout this process of trying to restore the schools. Mr. Moore’s involvement in this regard was limited to making sure that known eligible contractors who had the capacity to perform the work in the area were aware when the bid process was open.

The second group of roof projects was cancelled after multiple delays. Mr. Moore had nothing to do with the bidding process, did not have an arrangement with Mr. Fowler to receive a 5% referral fee, and did not have an arrangement with Mr. Sieja to steer roof projects to DCF.

Conclusion

For the reasons set forth above, there is no violation of any statute and no evidence that Mr. Moore participated in any wrongdoing in the performance of his consulting contract with GPSB. Accordingly, Mr. Moore respectfully requests a reconsideration of the characterization of his conduct.

Sincerely,

BREAZEALE, SACHSE & WILSON, L.L.P.



V. Thomas Clark, Jr.
Catherine M. Maraist

VTC:laf

cc: Roger W. Harris, J.D., CCEP, CFI
Joel Moore,

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the "Agreement") is dated this 16th day of October, 2020.

CLIENT

Grant Parish School Board

(the "Client")

CONSULTANT

Champions Insurance Services, LLC

(the "Consultant")

BACKGROUND

- A. The Client is of the opinion that the Consultant has the necessary qualifications, experience and abilities to provide consulting services to the Client.
- B. The Consultant is agreeable to providing such consulting services to the Client on the terms and conditions set out in this Agreement.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Client and the Consultant (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

SERVICES PROVIDED

1. The Client hereby agrees to engage the Consultant to provide the Client with the following consulting services (the "Services"):
 - To formulate with honesty and due care and truthfully express Consultant's opinion(s) in those areas (and only those areas) where Consultant feels qualified to render an opinion and where Client has requested an opinion. Client agrees that Consultants opinion(s) are not preordained, might be contrary to Client's position, and are subject to modification as a result of new or additional information.
 - To oversee the development and implementation of a reconstruction plan for all of Client's locations damaged by Hurricane Laura.
 - Assist third party consultants with the development of mitigation protocol for Client's locations damaged by Hurricane Laura.
2. The Services will also include any other consulting tasks which the Parties may agree on in writing. The Consultant hereby agrees to provide such Services to the Client.

TERM OF AGREEMENT

3. The term of this Agreement (the "Term") will begin on the date of this Agreement and will remain in full force and effect until the completion of the Services, subject to earlier termination as provided in this Agreement. The Term may be extended with the written consent of the Parties.
4. In the event that either Party wishes to terminate this Agreement prior to the completion of the Services, that Party will be required to provide 10 days' written notice to the other Party.

CURRENCY

5. Except as otherwise provided in this Agreement, all monetary amounts referred to in this Agreement are in USD (US Dollars).

COMPENSATION

6. The Consultant will charge the Client for the Services at the rate of \$250.00 per hour (the "Compensation").
7. A retainer of \$5,000.00 (the "Retainer") is payable by the Client upon execution of this Agreement, and Consultant shall deduct payments for services rendered from said retainer. Upon exhaustion of all funds comprising the retainer, Consultant will notify Client in writing.
8. For the remaining amount, the Client will be invoiced every month, for services rendered in the previous month.
9. Invoices submitted by the Consultant to the Client are due within thirty (30) days of receipt
10. The Compensation as stated in this Agreement does not include sales tax, or other applicable duties as may be required by law. Any sales tax and duties required by law will be charged to the Client in addition to the Compensation.

REIMBURSEMENT OF EXPENSES

11. The Consultant will be reimbursed from time to time for reasonable and necessary expenses incurred by the Consultant in connection with providing the Services.
12. All expenses must be pre-approved by the Client.

INTEREST ON LATE PAYMENTS

13. Interest payable on any overdue and undisputed amounts under this Agreement is charged at a rate of 1.50% per annum or at the maximum rate enforceable under applicable legislation, whichever is lower.

CONFIDENTIALITY

14. Confidential information (the "Confidential Information") refers to any data or information relating to the Client, whether business or personal, which would reasonably be considered to be private or proprietary to the Client and that is not generally known and where the release of that Confidential Information could

reasonably be expected to cause harm to the Client.

15. The Consultant agrees that they will not disclose, divulge, reveal, report or use, for any purpose, any Confidential Information which the Consultant has obtained, except as authorized by the Client or as required by law. The obligations of confidentiality will apply during the Term and will survive indefinitely upon termination of this Agreement.
16. All written and oral information and material disclosed or provided by the Client to the Consultant under this Agreement is Confidential Information regardless of whether it was provided before or after the date of this Agreement or how it was provided to the Consultant.

OWNERSHIP OF INTELLECTUAL PROPERTY

17. All intellectual property and related material, including any trade secrets, moral rights, goodwill, relevant registrations or applications for registration, and rights in any patent, copyright, trademark, trade dress, industrial design and trade name (the "Intellectual Property") that is developed or produced under this Agreement, is a "work made for hire" and will be the sole property of the Client. The use of the Intellectual Property by the Client will not be restricted in any manner.
18. The Consultant may not use the Intellectual Property for any purpose other than that contracted for in this Agreement except with the written consent of the Client. The Consultant will be responsible for any and all damages resulting from the unauthorized use of the Intellectual Property.

RETURN OF PROPERTY

19. Upon the expiration or termination of this Agreement, the Consultant will return to the Client any property, documentation, records, or Confidential Information which is the property of the Client.

CAPACITY/INDEPENDENT CONTRACTOR

20. In providing the Services under this Agreement it is expressly agreed that the Consultant is acting as an independent contractor and not as an employee. The Consultant and the Client acknowledge that this Agreement does not create a partnership or joint venture between them, and is exclusively a contract for service. The Client is not required to pay, or make any contributions to, any social security, local, state or federal tax, unemployment compensation, workers' compensation, insurance premium, profit-sharing, pension or any other employee benefit for the Consultant during the Term. The Consultant is responsible for paying, and complying with reporting requirements for, all local, state and federal taxes related to payments made to the Consultant under this Agreement.

EQUIPMENT

21. Except as otherwise provided in this Agreement, the Consultant will provide at the Consultant's own expense, any and all equipment, software, materials and any other supplies necessary to deliver the Services in accordance with the Agreement.

NO EXCLUSIVITY

22. The Parties acknowledge that this Agreement is non-exclusive and that either Party will be free, during and after the Term, to engage or contract with third parties for the provision of services similar to the Services.

NOTICE

23. All notices, requests, demands or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties at the following addresses:

- a. Grant Parish School Board
Attn: Superintendent
512 Main Street, Colfax, LA 71417
- b. Champions Insurance Services, LLC
13531 Charwell Crossing Lane, Houston, TX 77069,

or to such other address as either Party may from time to time notify the other, and will be deemed to be properly delivered (a) immediately upon being served personally, (b) two days after being deposited with the postal service if served by registered mail, or (c) the following day after being deposited with an overnight courier.

INDEMNIFICATION

24. Except to the extent paid in settlement from any applicable insurance policies, and to the extent permitted by applicable law, each Party agrees to indemnify and hold harmless the other Party, and its respective affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from or arise out of any act or omission of the indemnifying party, its respective affiliates, officers, agents, employees, and permitted successors and assigns that occurs in connection with this Agreement. This indemnification will survive the termination of this Agreement.

MODIFICATION OF AGREEMENT

25. Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or an authorized representative of each Party.

TIME OF THE ESSENCE

26. Time is of the essence in this Agreement. No extension or variation of this Agreement will operate as a waiver of this provision.

ASSIGNMENT

27. The Consultant will not voluntarily, or by operation of law, assign or otherwise transfer or assign its obligations under this Agreement without the prior written consent of the Client.

ENTIRE AGREEMENT

28. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement.

ENUREMENT

29. This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, administrators and permitted successors and assigns.

TITLES/HEADINGS

30. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement.

GENDER

31. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

GOVERNING LAW

32. This Agreement will be governed by and construed in accordance with the laws of the State of Louisiana.

SEVERABILITY

33. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

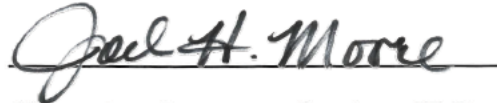
WAIVER

34. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions.

IN WITNESS WHEREOF the Parties have duly affixed their signatures under hand and seal on this 16th
day of October, 2020.



Grant Parish School Board



Champions Insurance Services, LLC

11-27-2023

RE: GPSB Audit

To whom it may concern:

This is in response to a letter I received from the Legislative Auditor regarding work in Grant Parish and at the schools.

Here is a summary and disputes on accusations.

I have known Joel Moore since 2000 and we became not only business acquaintances, but friends also.

DCF has been a licensed Louisiana Contractor since 2009.

I was originally contacted by a friend that owned a large roofing company and had met with the head of maintenance I believe for Grant Parish Schools to look at all of the roof damage and possibly help with the process of repairing.

He asked me to meet him and the Maintenance head to look at some of the properties because the damage was way more than the roofs.

After looking at everything and meeting a couple of the principals at the schools for them to show me some of the damage and things that needed addressing immediately as we do in any storm damage job, I knew I'd need some help and consulting as the damage was extensive.

I reached out to Joel Moore to ask him to meet me there and look over things and I would possibly hire him as a consultant to help me through the process of things as I knew how experienced he was in this area.

Joel met me there and we went and looked at several of the properties and saw the extensive damage and scope that this job would be.

During this process I saw some mitigation had been done already and was informed by I think the head of maintenance that a mitigation company had already been hired and started work on that portion and that someone on the board knew someone from the company hired and brought them in for this. The company was Cimmaron and they were already in the process of that part and had the relationship with someone on the board or at one of the schools.

The maintenance head set up a meeting for me and Mr. Teddlie so we could all discuss what was next and the possibility of DCF handling this claim for them just like we did on any other claim for a client.

I asked Joel to attend the meeting with me as I knew his expertise in not only the adjusting part but being able to help the client navigate through the policy and coverages itself. My intention was to hopefully hire Joel as a consultant for this job and contract with the schools to do the work as I know Mr Teddlie was very concerned and upset for all the kids and getting things back operational.

We had a good meeting with Mr. Teddlie and explained a lot of things that would need to be done to get process going and I told him I had brought on another person to work with me on all the insurance claims from the Hurricane that had years of experience not only in construction, but also in insurance and storm work.

After our meeting, Mr. Teddlie was going to discuss with the board and get back to me to see what the next step was.

It was just a little while later that Joel said Mr. Teddlie had asked him to come speak at the board meeting that night to explain a lot of this just as a courtesy and favor so maybe everyone would have a better understanding.

After that meeting Joel said that the board wanted to hire him as a consultant to help with the whole process which I totally understood.

I had already brought on someone, Paul Gagnon, to help me with all the claims and jobs we had as he had many years of experience with storms, insurance, and construction.

We started looking at some things at the schools for Mr. Teddlie that he was very concerned about with ceilings leaking and putting the kids and employees at further risk.

At that time, we had crews we could have ready and were able to put our hands on material if the school wanted to contract with us to handle all the work and the claim. Our experience with clients was to sign a contract and then write the estimates ourselves to provide to carrier and fight for the client to make sure everything was covered. Obviously, we could only do what the carrier was willing to pay in the end, but we would present all our findings to make sure the client was totally covered.

It was a few days later we found out that everything would have to go through a bid process because of it being a school so at this point we stepped back to follow the process but very much wanted to bid everything and hopefully get the work as we were somewhat involved in the initial stage although we were never paid for anything.

In regards to the "accusations" of the appearance of Mr. Moore soliciting anything from DCF...that was never the case. We joked occasionally about his nickel worth of knowledge and other things, but he never asked for anything, nor was he ever paid anything from DCF on the claim. In fact, he took his time out from a very busy schedule to come look at this for me as a favor and it ended up the better move for him to work for the board direct.

As to him telling me to download the signal app, this was indeed the case as I was going through a divorce and there were some things I confided in him on from a personal level that I didn't want to put through regular text.

Lastly, I was not privy to any conversations between Paul Gagnon and Ed Seja other than I knew who Ed was because he was running Cimarron there and I think all the mitigation.

I know that when we were trying to bid the roofs we were having major issues with it submitting electronically and I think Paul reached out to someone to try and help get it through and make sure it was correct. Again, no one was trying to "steer" work towards us nor solicited a fee or anything from DCF or Clay Fowler

Regards
Clay Fowler
DCF Construction



Fw: Grant Parish School Board - Investigative Audit Report

Tanya Phillips to: Gregory Clapinski, Roger Harris, Thomas Horne

10/31/2023 07:12 AM

This message is digitally signed.

From: Tanya Phillips/LLA

To: Gregory Clapinski/LLA@LLA, Roger Harris/LLA@LLA, Thomas Horne/LLA@LLA

Response from Paul Gagnon



Tanya Phillips
Executive Assistant

Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, La 70804-9397
Phone: 225-339-3839 | Fax: 225-339-3870

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----- Forwarded by Tanya Phillips/LLA on 10/31/2023 07:12 AM -----

From: [REDACTED]
To: "Tanya Phillips" <TPhillips@LLA.La.gov>
Date: 10/30/2023 06:15 PM
Subject: Re: Grant Parish School Board - Investigative Audit Report

Dear Tanya,

I have red your investigative audit report, I previously had, and currently have no involvement with DCF other than the previous writing of estimates. Any relationship Clay and Mr. Moore may have had, I simply have not knowledge of. I wrote estimates for Clay and processed the construction repair work as part of my agreement with him.

I've provided you with my work email as I no longer have any associations with Mr. Fowler, and I'm surprised the DCF email still works. Kindly use this email if you should need my services or further information.

**Best Regards,
Paul Gagnon**



On Oct 25, 2023, at 10:34 AM, Tanya Phillips <TPhillips@LLA.La.gov> wrote:

Good morning,

Attached is a draft of our Investigative Audit report on the Grant Parish School Board which references you. If you choose to respond, please do so no later than noon on Tuesday, November 7, 2023.

(See attached file: Exit Letter - Paul Gagnon.pdf)

Thank you,
Tanya



1E510700.gif

Tanya Phillips
Executive Assistant

Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, La 70804-9397
Phone: 225-339-3839 | Fax: 225-339-3870

ecblank.gif

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B.573



Exit Letter - Paul Gagnon.pdf

VILAR & GREEN

ATTORNEYS AT LAW

A Limited Liability Company

Mark F. Vilar
Aaron L. Green
Jonathan A. Cobb
R. Christopher Nevils*
Loren M. Lampert*
Jerry W. Deason, Jr.*
Paul Boudreaux, Jr.*

Alexandria Office

Lafayette Office

* Of Counsel

November 22, 2023

**VIA EMAIL: RHarris@LLA.La.gov
and U.S. MAIL**

Roger W. Harris, J.D., CCEP, CFI
Executive Counsel and
Assistant Legislative Auditor for Investigations
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA. 70804-9397

Re: Grant Parish School Board
Ballard CLC, Inc.

Dear Mr. Harris:

Our office represents Ballard CLC, Inc ("Ballard"). We have been asked to submit this response on behalf of Ballard to the Draft Audit Report ("Report") your office furnished to Ballard on October 25, 2023 relating to the Grant Parish School Board ("GPSB"). We appreciate your consideration of the information contained herein. Please do not hesitate to contact our office if you have any further questions.

On December 11, 2020, GPSB and Ballard entered into a "Standard Form of Agreement Between Owner and Architect" ("Contract") for a project entitled, "All Permanent Repairs of Facilities Damages by Hurricane Laura" ("Project"). GPSB issued an emergency declaration on September 1, 2020 and utilized the emergency expedited procedures for the Project in lieu of the Louisiana Public Bid Law. The Contract was prepared by GPSB, through its attorney, Charles F. Hardie, VI, who executed the Certification that appears within the Contract.

Superintendent Paxton Teddlie was designated by the GPSB as its representative. (Contract, § 1.1.7). The Contract also states that GPSB retained Cimarron Underground Services, LLC ("Cimarron") to serve as its Project Manager and primary representative for the Project. (Contract, § 1.1.8).

The Contract required that Ballard's submittals be furnished to Superintendent Teddlie and Cimarron's President, Chris Lang. The Contract further states that "[a]ll notices and requirements of the Owner shall be provided by and through the Owner's representative". (Contract, § 5.3).

The Contract requires that "[t]he Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service". (Contract, § 5.10). Ballard provided all its submittals and Instruments of Service to Superintendent Teddlie and Cimarron's President Lang. Ballard never received written notice from GPSB of any fault, omissions or errors with any of Ballard's work.

Ballard's Fee.

While GPSB's preliminary budget was \$8 million, the Contract contemplated the Final Budget would be amended. The Contract specified that the Owner's Fixed Budget of the Cost of the Work is provided in the Initial Information, and shall be adjusted throughout the Project. (Contract, § 6.2). Further, the Contract specified that "the preliminary estimate for the Cost of the Work and updated estimates of the Cost of Work, [are] prepared by the Architect, represent the Architect's judgment as a design professional". (Contract, § 6.2). "Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work, or from any estimate of the Cost of the Work, or evaluation, prepared or agreed to by the Architect." (Contract, § 6.2).

Ballard submitted detailed estimates to GPSB, dated November 10, 2020, for each school that totaled approximately \$11.180 million. Ballard's compensation was based on these estimates and is reflected in each and every Invoice/Request for Payment that Ballard issued to GPSB. Further, every Invoice/Request for Payment that was paid by GPSB was approved personally by Superintendent Teddlie.

The Report is critical of Ballard for not reducing its fee "when roofing **bids** came in lower than its estimated cost for that work". (Report, p. 4). As Mr. Butler pointed out in his December 8, 2020 email (sent before the Contract was executed), "[t]ypically, the final fee is adjusted based on the lowest acceptable bid". (Report, p. 4). In normal circumstances, multiple bids are received and the lowest bid is generally accepted. In this case, the receipt of bids for the Project was not typical. And, despite the Report stating that "roofing bids came in lower...", GPSB did not receive multiple roofing bids and it in fact only received a single bid, from Roofing Solutions – which GPSB rejected.

In short, the fees charged by Ballard were consistent with the terms of the Contract. Although the Report uses words like "may" and "possibly", the "take away" from the Report, as presently drafted, by anyone that reads it will be that the Louisiana Legislative Auditor

is accusing Ballard of improperly charging GPSB an “excessive fee” in the amount of \$84,772. This is inaccurate and is based solely on GPSB’s “preliminary budget” number and a single bid that the GPSB rejected.

The Contract also specifies Ballard’s compensation and that it is calculated based on the “Contract Sum”. Furthermore, the Report recognizes that Ballard reduced its fees in connection with a temporary campus at Georgetown High School by “credit[ing] GPSB \$18,702 based on the difference between its estimated cost and the **accepted** bid. (Report, p. 4). At a minimum, this demonstrates Ballard’s willingness to reduce its fee when appropriate and in accord with the Contract. Unfortunately, Ballard was terminated from the Project before there was an accepted roofing bid. At all times, Ballard’s calculated fees and Invoices/Requests for Payment (all of which were approved by Superintendent Teddlie) were in accord with the Contract. But, as the Contract recognizes, the estimates are subject to change during the Project and the final cost may vary from the good faith estimates prepared initially or over the course of the Project. If it is shown that a reduction of Ballard’s fee is appropriate under the Contract, Ballard is willing to make that adjustment. However, the adjustment should not be made, as the Report suggests, based on the bid received from the sole bidder, Roofing Solutions, a bid that was rejected by GPSB.

Ballard’s Work.

Ballard stands behind its work. Ballard furnished all of its work to Superintendent Teddlie and Cimarron in accordance with the Contract. If there was any fault, omissions or errors with Ballard’s work, GPSB was required to notify Ballard in writing. That never happened. All of Ballard’s work was performed in accordance with the Contract and in accordance with Superintendent Teddlie’s direction and stated goal to “get the kids back in class rooms as quickly and safely as possible”.

The Contract specified GPSB’s program for the Project as follows:

Permanent repairs, and/or all necessary replacement to all school and facilities damaged by Hurricane Laura. The work primarily consists of permanent roof repairs, as well as replacement of interior finishes damaged by water intrusion. (Contract, § 1.1.1).

Additionally, the Contract defined Ballard’s scope of work as:

Architect shall design permanent repairs to the roofing systems, along with all other necessary repairs to, replacement, and re-construction of facilities of Owner that were damaged by Hurricane Laura, to include Pollock Elementary School, Colfax Elementary School, Georgetown High School, South Grant Elementary School, Montgomery High School, Grant Jr. High School, Grant High School and Central Office. (Contract, § 1.1.2).

The above quoted language expressly states the “needs of GPSB” and the work Ballard was contracted to perform. And all work performed by Ballard served those needs and was within the scope of work expressly contained in the Contract.

Respectfully, it is inappropriate for the Report to accuse Ballard of performing excessive, unnecessary work and not reference the scope of work expressly contained in the Contract. Instead, it appears the Report chose to rely on information from: (1) the insurance adjuster, Meredith Campbell, a person whose obligation is solely to the insurance company and whose interests are adverse to the GPSB; and (2) Scott Gaspard, who was not working for the GPSB on the Project at the time Ballard contracted with GPSB or when Ballard completed its designs.

According to the Report, Meredith Campbell told you that:

- (1) “Ballard charged GPSB large lump sums without sufficient supporting documentation”;
- (2) “Ballard designed substantial upgrades to the roofs”;
- (3) “Ballard produced drawings for roof replacements before there was a scope of work for damages”; and
- (4) “there was no agreed scope of work with the insurer before Ballard went out for bid”.

(Report, p. 3-4). To put it as plainly as possible, Ballard did not have a contract with the insurer. The insurer was not identified as an Owner Representative. And, as confirmed by Mr. Gaspard, Ballard performed all of its work under the Contract and at the direction of the GPSB and Cimarron. There is no provision in the Contract that required Ballard to get approval from GPSB’s insurer or insurance adjuster before performing work. And, at no point while Ballard was providing services to the GPSB, did anyone complain or communicate in any way (and certainly not in writing as required by the Contract) to Ballard the things Ms. Campbell alleges.

Further, after the Contract was executed, a dispute developed between GPSB and its insurer. While that is outside the scope of Ballard’s involvement, like a lot of hurricane litigation following Hurricane Laura in our State, the insurance company did not want to fully fund GPSB’s claim and worked very hard to reduce the amount it ultimately paid. It is Ballard’s understanding that the dispute was settled, but specifics of any such settlement would need to come from GPSB.

There is no dispute that Ballard furnished GPSB with the supporting documentation contemplated by the Contract and any requested by GPSB. Superintendent Teddlie personally approved all Invoices/Requests for Payment submitted by Ballard. When Ms. Campbell states that Ballard did not provide sufficient supporting documentation, she cannot be basing that accusation on the terms of the actual Contract and she is not speaking

on behalf of GPSB – she means that the insurance company deemed the supporting documents insufficient. In short, she is attempting to justify decisions made by the insurance company in its handling of GPSB's insurance claim.

And, Ms. Campbell is wrong when she accuses Ballard of designing “substantial upgrades to the roofs”. It is undisputed that primary buildings on the campuses of the Grant Parish schools at issue were built over 50 years before Hurricanes Laura and Delta and the ice event of February, 2021, at a time well before Louisiana made application of the International Building Code mandatory in the year 2000. These buildings were also built before Hurricane Katrina and other major weather events. Suffice it to say, the building codes were significantly less strenuous 50+ years ago than they are today. And, Louisiana law mandated that all roof repairs and replacement performed on the Project must be compliant with the building codes, including the International Building Code, in effect at the time of the Project. Apparently, the insurance company took the position that compliance with current codes constituted an “upgrade”. Respectfully, the position taken by the insurance company or its adjuster has no bearing on Ballard's contractual obligations and whether it fulfilled those obligations.

Finally, Ms. Campbell accuses Ballard of “produc[ing] drawings for roof replacements before there was a scope of work for damages” and that “there was no agreed scope of work with the insurer before Ballard went out for bid”. What she is really saying is that Ballard produced drawings before the insurance company set a scope of work for the damages it was willing to pay for. Even if true, that has nothing to do with Ballard. The insurance company does not define the scope of work for the Project or the scope of Ballard's work under the Project and Ballard does not negotiate the “scope of work” with the insurance company. Ballard received its scope of work from GPSB as specified in Section 1.1.2 of the Contract.

The same type of “complaint” is made by Scott Gaspard on December 2, 2021 (more than a year after the Contract was signed) and is quoted in the Report:

Ballard was instructed to perform and report to Cimarron as project manager in that same contract [Ballard also reported to Superintendent Teddlie]. Ballard performed as instructed by producing plans and specifications for roofing projects on multiple schools. Some of the schools that Ballard was instructed to design for [each of which are listed in Section 1.1.2 of the Contract] were not damaged to the point of replacement and therefore not covered by insurance adjustment. Simply put, many of the plans and specs prepared are not an accurate representation of the scope of work **as adjusted by the insurance company** and will have to be redrawn to fit the specific need at each campus. They did a lot of unnecessary work. A lot of unnecessary work. By direction they did this work, ok. I'm not pointing fingers. I'm not here to beat anybody up. But what I'm telling you is that half, two-thirds of what they produced is paper. That's all it is, but it's paper they were told by the contractor to do.

(Report, p. 3). The Report goes on to state that Mr. Gaspard said that “no construction work was done using Ballard’s designs.” (Report, p. 3). Mr. Gaspard is wrong. The Temporary Facility at Georgetown High School was constructed using Ballard’s designs. The reality is all the other schools could have been addressed using Ballard’s designs, but GPSB allowed the insurance company to adjust the scope of work after the fact, which resulted in the designs having to be “redrawn” as Mr. Gaspard confirmed on December 2, 2021.

When Mr. Gaspard stated in a November 16, 2021 e-mail to Superintendent Teddlie that “Ballard’s design and specifications for roof replacement were ‘very incomplete,’ lack ‘crucial engineering information,’ and ‘were not satisfactory’ to the point he [Scott Gaspard] would not accept them”, there are only two possibilities: (1) either he is wrong; or perhaps more likely (2) he is judging Ballard’s designs compared to the “adjusted scope of work” created after the fact by the insurance company. Respectfully, the Report does the same when it begins the discussion on page 3 by stating: “[i]t appears Ballard’s designs were incomplete and did not match the specific needs of GPSB”. The reality is the fact few requests for information (RFIs) were submitted by the contractor and a bid was received under budget clearly indicates the plans were sufficient.

It is also important to note that Mr. Gaspard repeatedly confirms that Ballard “performed as instructed by producing plans and specifications for roofing projects on multiple schools....By direction they did this work, ok. I’m not pointing fingers. I’m not here to beat anybody up....it’s paper they were told by the contractor to do.” (Report, p. 3). It is simply undeniable that Ballard fulfilled its contractual responsibilities and acted at the direction of the authorized representatives specifically appointed by the GPSB.

To put it as plainly as possible, this was an emergency project and time was of the essence. The Contract was signed and Ballard got to work. Ballard did good work. Then GPSB allowed the insurance company to “move the goal posts” after the fact, which resulted in the GPSB not using some of Ballard’s deliverables even though Ballard did the work at the direction of persons specifically cloaked with authority by the GPSB. That is the result of a decision made by GPSB to avoid litigation with its insurance company and not a Ballard issue.

There is no need for Ballard to comment on the correctness of the GPSB’s decision to settle or agree to an “adjusted scope of work” with the insurance company, which resulted in GPSB not using some of Ballard’s designs, but in no way is that a negative reflection on the quality of Ballard’s work.

There is No Conflict of Interest.

Any evaluation of whether a conflict of interest exists must begin with the Contract. The Contract addresses this issue by providing:

Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

(Contract, § 2.4). As noted in the Report, this provision is similar to Louisiana Administrative Code 46:I,1901.B.3. It should also be noted that Section 2.4 above is the standard language in an AIA Contract.

The Report confirms that GPSB knew Cimarron and Ballard had a prior business relationship, as reported by "GPSB finance employees", and this prior business relationship is why Ballard was brought onto the Project. (Report, p. 2). As such, there is no violation of any ethics rule given the GPSB's knowledge of Cimarron and Ballard's prior business relationship.

Specifically, Ballard is the developer of a subdivision on land owned by Bayou Rapides Development, L.L.C. ("BRD") Monica Sieja (Edward Sieja's now ex-wife) owned a small tract of land next to property owned by BRD. On October 10, 2019, BRD entered into an Act of Sale with Monica Sieja for purposes of acquiring land for an additional entrance to the subdivision. The property owned by Mrs. Sieja consisted of four (4) lots. BRD only needed one of the lots for the subdivision entrance, so the October 10, 2019 Act of Sale included a purchase option granting Mrs. Sieja the right to purchase three of the lots within a specified period of time that included a modest profit for BRD. Ultimately, Mrs. Sieja failed or was unable to timely exercise the purchase option. However, she still wanted the three lots so she negotiated a short term lease and paid \$1,600.00 per month for six (6) months, receiving a \$1,000 credit for each payment towards the purchase price.

BRD and Mrs. Sieja anticipated Mrs. Sieja repurchasing the three lots when the October 10, 2019 Act of Sale was executed, which also included various purchase prices depending on when the repurchase occurred. The fact that the timing of that repurchase occurred in October 2020 does not create a conflict of interest, especially considering that the purchase price Mrs. Sieja paid is consistent with the prices contemplated in the October 19, 2019 Act of Sale, after taking into account the additional time that passed before the transaction could be perfected.

The short term lease pending the sale to Mrs. Sieja that was contemplated years earlier is not a violation of Section 2.4 of the Contract. Even assuming the circumstances above were deemed to be an "activity" between Ballard (or its members) and Edward Sieja, it is not reasonable to conclude that a short term lease with a \$1,600 monthly rent would "compromise Ballard's professional judgment with respect to this Project".

November 22, 2023

As noted in the Report, Cimarron's Alexandria office is in close proximity to where the subdivision is located. There are only so many local contractors who install utility infrastructure so it made sense to consider using Cimarron for this aspect of the subdivision's development. Some of that discussion is included in the e-mail shown on page 6 of the Report. However, Cimarron was ultimately not used as the contractor for this work. Cimarron did provide three laborers who worked installing utility infrastructure for several months and assisted Ballard in erecting a metal building used to house their offices. Cimarron was paid the standard rate, plus equipment rental costs for various pieces of equipment including a trackhoe and several trucks.

Conclusion.

On behalf of Ballard, we appreciate the opportunity to respond before the draft report is finalized. There are numerous instances in the draft that insinuate or outright accuse Ballard of inappropriate conduct based almost exclusively on circumstances related to a dispute between GPSB and its insurer. In short, Ballard has done nothing wrong and provided all of its services in good faith and at the instruction of persons given contractual authority to direct Ballard's work. We hope the information contained herein will help resolve any confusion regarding Ballard's fee and work performed.

With kindest regards, we are

Sincerely,

VILAR & GREEN, L.L.C.

By: 

Mark F. Vilar
Aaron L. Green

MFV/ALG/bdr