



## PAR urges safeguards for aid

Capitol news bureau

Louisiana needs a more-comprehensive oversight plan and additional contracting restrictions and requirements to assure the nation that Louisiana can properly spend billions of federal storm recovery dollars headed its way, according to a Louisiana think tank.

Action by the state's legislative auditor, inspector general, treasurer and Department of Revenue to coordinate and monitor federal disaster assistance to Louisiana was an appropriate response to meet the state's emergency financial oversight needs, the Public Affairs Research Council said in a report released Wednesday.

However, "Louisiana should go further by providing for more independent oversight, a more transparent process and more restrictions on who can get contracts," PAR recommends.

"Thorough and independent oversight on the front and back ends of spending is necessary to protect the public coffers, but the state should place primary emphasis on fortifying its front-end oversight and documentation capabilities," the private, government study group cautions.

Gov. Kathleen Blanco is in the process of hiring a national accounting firm to oversee receiving and spending funds the state gets from the Federal Emergency Management Agency.

The system of internal controls and pre-audit reports the selected firm will provide is an essential independent oversight mechanism. However, the firm should be responsible for oversight of all federal recovery funds, including those appropriated directly to Louisiana by Congress and thus bypass FEMA, the PAR report says.

"The state should also hire a separate independent entity (or expand the scope of the accounting firm) to perform background checks on all contractors and sub-contractors," the group said, and investigations should verify business owners and identify any lawsuits and liens against the companies.

In addition, PAR recommends that elected officials and their family members should be prohibited from receiving public contracts, whether competitively bid or not.

The prohibition would apply to state and local elected and appointed officials and their immediate family members with a 5 percent or greater stake in

companies seeking contracts with state and local governments. The prohibition would also apply to subcontractors because the potential for circumventing the law would be too great otherwise.

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