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Jeff cancels revenue-idea contract Watchdogs' bark helps scuttle deal

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The Jefferson Parish Council on Wednesday abruptly canceled a contract it approved just 10 months ago with a River Ridge firm that has been paid more than \$1 million for suggesting new sources of revenue.

The council's unanimous vote came a week after government watchdogs and some council members began attacking the deal with Revenue Resources. The one-year contract would have netted the firm 30 percent of the first \$5 million in new revenue produced by its ideas.

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The cancellation of the current contract, however, does not end annual payments averaging \$142,000 that the firm is slated to get until 2008. That's because these payments arise from Revenue Resources' previous contract and its recommendation in 1997 that the Legislature rededicate motel taxes in Jefferson Parish. But council members ordered administrators to put the continuing payments in an escrow account while they seek an opinion from Attorney General Charles Foti Jr. on the payments' legality.

"This company is getting paid for legislation. . . . It's inappropriate," said Councilman Chris Roberts, who has said the firm is getting paid for work public officials are supposed to do.

Revenue Resources' owner, Louis Biondolillo, said he could not comment because he had not seen the council's resolution. Last week he said his contract was a "win-win" for Jefferson,

because the parish did not have to pay him if his ideas did not pan out, as often happened.

The Parish Council had given Revenue Resources a new contract with a unanimous vote in August. However, after they learned that The Times-Picayune was researching the contract, some members began second-guessing it last week.

The contract also drew fire from the Bureau of Governmental Research and the Public Affairs Research Council, two government watchdog groups. And it raised questions in New Orleans, where Mayor Ray Nagin's administration is considering a similar contract at the same time he has a committee of volunteers working to find new revenue. Revenue Resources is one of two firms competing for the city's contract.

Wednesday's council decision might quench the criticism, but it also could ignite a court brawl. Parish Attorney Tom Wilkinson said putting the firm's continuing payments in escrow "will almost certainly" lead to a lawsuit.

But Wilkinson said the next quarterly payment to Revenue Resources is not due for a couple of months, perhaps giving the administration enough time to get an opinion from the attorney general before the money is withheld.

Revenue Resources is a small company that Biondolillo runs from his home. But it is no stranger to parish officials. The company has contributed \$4,050 since 2000 to the campaigns of Parish President Aaron Broussard, council Chairman Tom Capella and Councilmen John Young and Louis Congemi, campaign finance records show. Biondolillo often works with former U.S. Rep. Jimmy Hayes, R-Lafayette, who is now a lobbyist and who contributed \$5,000 to Broussard's 2003 campaign, records show.

The firm began working for Jefferson in 1995, and all its contracts have called for a 30 percent commission on new revenue realized from its ideas. The firm's share drops to 10 percent after \$5 million in new revenue.

The 1997 motel tax redistribution has been the firm's most lucrative proposal. It has grossed the parish \$3.3 million, of which \$997,000 has gone to Revenue Resources.

That tax is the only work for which the parish is still paying the company. But Biondolillo last week said he was exploring two new ideas, involving collecting unpaid sales taxes and selling the depreciation on some parish property.

At Young's urging, the council ordered administrators to seek council approval for any payments Biondolillo seeks on those ideas.

The council did not discuss a separate dispute with Biondolillo over whether his firm should be credited for a 1 percent increase in sales tax for motel rooms that Jefferson implemented in 2004. Administrators last week said they are considering sending the dispute to nonbinding mediation.

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