



January 03, 2017

To: Doug Seal, Councilman Ward 1
Jeff Reed, Councilman Ward 3
Bobby Compretta, Councilman Ward 4
Joey Boudin, Councilman Ward 5
Trent Favre, City Attorney

Re: Department of Justice Meeting
December 8, 2016, 10a.m.
Jackson, Mississippi

With respect to the fact that I have been both VP and now outgoing President for the entirety of 2016, I would like to include my notes for the record in regard to the above mentioned meeting. Please let this record reflect that my fellow Councilmen on 12-7-16 Council meeting concurred with Mike Favre, Trent Favre and myself attending this meeting.

Meeting commenced at Wise Carter offices with above in attendance including Sheriff Ricky Adam, Mayor Les Fillingame, Brian Boykin DOJ, Anne Insley DOJ, Crystal ??? DOJ.

Brian Boykin, of the Department of Justice, opened with outlining last 14 months review by his office and our hired auditor, Becky Hammond.

Mr. Boykin then proceeded to list DOJ findings regarding monies sent to Bay Saint Louis that reflect back to 2009 as audited.

They are:

1. Total lacking of internal controls.
2. Unreliable information as supplied by BSL.
3. Total co-mingling of and with DOJ Funds in General Fund.
4. Inaccurate Signed Affidavits reflecting amounts in Funds.



5. No supporting documentation to support Police Department expenditures as furnished, including amended expenditures.
6. DOJ Funds are not available for budget use.
7. Bay Saint Louis did not follow Asset Forfeiture guidelines and protocol in usage of these Funds.

Conclusion: "Bay Saint Louis is assessed a penalty of re-payment back to DOJ in the amount of \$320,000. Bay Saint Louis Police Department will be allowed to rejoin program and still may be able to receive the approximately \$31,000 currently being held. This is upon completion of these conditions." He went on to further explain that there was "EYES, as in the Inspector General of the DOJ, still reviewing this case."

Discussion turned to how "we would be returning these funds" and Mr. Boykin stated "to wait on his letter of instructions."

Please note I'm not notating the banter of dialogue by Mayor Fillingame (which I wrote down) regarding allegations of forged signatures, past Mayor's actions, and or deceased Chief Denardo. DOJ officials present exclaimed "it had no bearing on their findings as discussed earlier."

Question was then presented by me and joined in by Mike F. as to our ability "to earn these funds back thru dedicated spending on Bay Saint Louis Police Department needs such as building renovations, new bullet proof vests, and computers in Bay Saint Louis Police cars, etc. Mr. Boykin stated **numerous** times during this discussion that your proposal, "it won't change our findings", "it's never been tried before" but "we'll be more than willing to carry your proposal to our bosses."

I left with the impression that the damage and assessment was delivered and the matter was then over with. However, collectively we have at least an opportunity to keep this money in Bay Saint Louis and not sent back to Washington, DC.



This concludes notes I've deemed as meeting relevant and not just general conversation, such as spending monies in 3 and or 5 years which Mr. Boykin and present staff stated had no bearing on their decision.....

Lonnie Falgout
Council President, Ward 6

Mike Favre,
Council-At-Large

CC: Sissy Gonzales, City Clerk
Sheriff Ricky Adam, Hancock County Sheriff's Office