

CORRECTION APPENDED

The **Crescent City Connection** ran up a \$25 million deficit during the past five years and kept such poor financial records that it's impossible to know how all the money was spent, according to a long-anticipated audit released Monday.

The bridge spent more than it took in each fiscal year from 2004 to 2008, drawing down a \$61 million reserve fund to \$36 million, according to the audit by Legislative Auditor Steve Theriot's office.

Auditors said they couldn't verify where all the money went because some of the toll bridge's contracts could not be found.

Moreover, the vast majority of contracts that were located lacked "critical provisions," such as dollar amounts and due dates. The audit also found that bridge administrators failed to adequately monitor most contracts to ensure the terms were met and the services were provided.

State Rep. **Patrick Connick**, R-Harvey -- who, along with several other legislators, requested the audit more than a year ago -- said the findings support his contention that mismanagement at the bridge has wasted millions of toll-payers' dollars that should have been spent on West Bank road improvements.

"It shows that for years and years, no one cared what this organization did or where the money went. The government failed us," Connick said. "This whole organization needs to be scrubbed from top to bottom."

In a written response included in the 175-page audit, Department of Transportation and Development Secretary William Ankner agreed with all 17 of the audit's recommendations.

Ankner, who took office in January 2008 at the tail end of the period covered by the audit, said the department has already taken steps to fulfill many of the recommendations.

He said the most serious problem -- poor tracking of bridge contracts -- will be resolved when the **Crescent City Connection's** financial records are uploaded into the state's new LaGOV computer system.

Ankner, who could not be reached for comment Monday, also wrote that the department is seeking to cancel a bridge insurance policy, with a \$4 million annual premium, to help offset a projected \$10 million shortfall this year.

The policy provides \$100 million in coverage that transportation officials deem unnecessary

because the federal government would likely pick up most of the tab if the bridge were severely damaged in a storm.

--- Toll revenue ---

Connick began scrutinizing the bridge's finances last year to find out why surplus toll revenue was not being used for road improvements as specified by a state law renewing the tolls in 1998.

Just one of 11 projects has been completed, as costs to run the bridge and three Mississippi River ferry routes have spiraled out of control.

Connick said the \$36 million in the reserve fund should be set aside for West Bank road projects. He said he plans to introduce a bill this week to replace the bridge's largely powerless 13-member board with a new panel that would oversee the bridge's finances and operations.

The existing board has four vacancies and has failed to hold nearly half of its required quarterly meetings in the past decade, the audit said. The board made audio recordings of its meetings but did not keep written minutes until January, in violation of the state's public meetings law, the audit found.

Board members have said their meetings became sporadic because their sole responsibility -- prioritizing the road projects to be paid for by surplus toll revenue -- was completed years ago.

One of the few bright spots in the audit is that 94 percent of scheduled ferry trips were completed last year, exceeding the 91 percent goal.

But the aging fleet of ferries is a major drag on the bridge's budget. The ferries consume more than \$8 million of the \$27 million annual operating budget while generating just \$250,000 in passenger fees.

That amounts to a loss of at least \$21,000 a day for the ferries, which are heavily subsidized by bridge tolls, with one of every three toll dollars going to keep the boats afloat.

The tolls expire in 2012, and Connick has said he will oppose renewing them unless West Bank commuters start getting more bang for their buck.

--- Missing contracts ---

Much of the audit deals with shoddy record-keeping for bridge contracts and a lack of oversight to ensure the deals are honored.

A transportation department official spent more than three months pulling every contract file at the bridge's Algiers offices but still could not account for all of the contracts, the audit said.

Of the 79 contracts that were found, 65, or 82 percent, lacked basic provisions and safeguards, including 12 contracts that did not specify the cost and 16 without due dates for providing services, the audit said.

Connick said the missing contracts cast doubt on the conclusions of an earlier forensic audit commissioned by the transportation department that found no evidence of fraud.

"They can't even find all of the contracts they wrote," he said. "Who can tell us if money is missing or not missing?"

Having long butted heads with the bridge's top two administrators who resigned last year, Connick said he's hopeful about Ankner's increased involvement in the bridge's day-to-day operations.

"Without a doubt, he's been trying to change things," he said. "But so far, we've just scratched the surface of the problem."

The audit can be viewed at the legislative auditor's Web site www.la.la.gov.

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CORRECTION / CLARIFICATION

Audit did not discover missing contracts: A story in Tuesday's editions about a legislative audit of the **Crescent City Connection** incorrectly stated that auditors could not find some bridge contracts. The audit actually said that because of poor record-keeping, auditors couldn't be certain that they had found all of the bridge's contracts. Department of Transportation officials say that they have shown auditors where all money was spent, demonstrating that all contracts were accounted for. (4/1/2009)

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