



Office of the Criminal Sheriff
Parish Of Orleans • State Of Louisiana

Marlin N. Gusman
Sheriff

February 13, 2007

Honorable C. Ray Nagin
Mayor, City of New Orleans
1300 Perdido Street, Room 2E04
New Orleans, Louisiana 70112

Re: General Obligation Bonds, Series 2001 of the Law Enforcement District of the Parish of Orleans, State of Louisiana

Dear Mayor Nagin:

On April 5, 2001, the Law Enforcement District of the Parish of Orleans, State of Louisiana (the "LED") issued \$13,500,000 for City owned buildings. The proceeds of the Bonds were authorized to be issued for the following purposes:

\$2,500,000 for repairing, renovating, improving and constructing facilities for the District Attorney, including equipment and furnishings therefor;

\$8,500,000 for repairing, renovating, improving and constructing new courtrooms and other facilities for the Criminal District Courts, including equipment and furnishings therefor;

\$800,000 for repairing, renovating, improving and constructing facilities for the Clerk of Criminal District Court, including equipment and furnishings therefor;

\$1,000,000 for repairing, renovating, improving and constructing facilities for the Juvenile Court, including equipment and furnishings therefor;

\$700,000 for repairing, renovating, improving and constructing facilities for Municipal and Traffic Court, including equipment and furnishings therefor.

The aforesaid projects for the District Attorney, Criminal District Court, Clerk of Criminal District Court, Juvenile Court, and Municipal & Traffic Court (collectively the "City Projects") relate to facilities owned by the City.

Pursuant to Intergovernmental Agreements (collectively the "Agreement") executed on January 10, 2002 and September 3, 2002, \$13,500,000 of the proceeds of the Bonds were deposited into a City Projects Construction Account to fund the City Projects. The City covenanted in the Agreement to proceed with due diligence to undertake and complete the City Projects. The sole responsibility of the LED with respect to the City Projects is to disburse Bond proceeds upon City certification in the form of the Disbursement Request appended to the Agreement.

According to our records, only a small portion of the Bond proceeds allocated to the City Projects has been disbursed to date (see attached breakdown of amounts remaining for each City Project).

Given the fact that the Bonds were issued on a tax-exempt basis and the LED made various representations in the non-arbitrage certificate concerning the expected use of Bond proceeds, it is essential that we determine the estimated time line for disbursing the remaining funds for the City Projects.

This is certainly a difficult time for everyone post-Katrina, however, we need to take every step possible to comply with Federal tax laws applicable to the Bonds and the use of proceeds.

I look forward to hearing from you in the near future and working with you to address this issue and move forward.

If you have any questions, or wish to discuss this matter further, kindly call me at your convenience.

Sincerely,



Marlin N. Gusman
Sheriff

Enclosures

cc: Dr. Brenda Hatfield, Chief Administrative Officer
Mr. Reginald Zeno, Finance Director
Mr. David Becnel, Capital Projects Administrator
Honorable Eddie Jordan, District Attorney
All Judges, Criminal District Court
Honorable Arthur Morrell, Clerk, Criminal District Court
All Judges, Municipal & Traffic Court
Dr. Edward Blakely, Office of Recovery Management

Total Spent as of

2/14/2007

	Expensed	Available
District Attorney	1,173,357.00	1,326,643.00
District Court	247,799.64	8,252,200.36
Clerk of District Court	9,773.86	790,226.14
Juvenile Court	5,085.28	994,914.72
Municiple Traffic Court	534,111.00	165,889.00
Total for all five areas	1,970,126.78	11,529,873.22