

Summary: Investigation of an Appraisal and Land Transactions Related to a Federal Grant Awarded to Livingston Parish in Louisiana Through the Coastal Impact Assistance Program

Report Date: March 30, 2016

OIG investigated the circumstances surrounding an appraisal used to support a Coastal Impact Assistance Program grant awarded to Livingston Parish in Louisiana for the acquisition of 2,367 acres of wetlands. We also examined two land transactions involving the property that occurred immediately before Livingston Parish purchased the land.

We determined that the land appraisal, which was used to justify the final purchase price, did not meet the requisite standards of the Uniform Standards of Professional Appraisal Practice and the Uniform Standards for Federal Land Acquisition. Barber and Mann, Inc., a firm experienced in conservation wetland appraisals, conducted the appraisal, which valued the Parish wetlands at \$2,367,822, or \$1,000 per acre. We found this assigned value lacked credibility and was not a true indicator of market value.

We also found that the ownership of the property changed twice within a 120-day period before the Parish acquired it in 2011. We found that in February 2011, the initial owner sold the 2,367-acre parcel, along with additional acreage that extended into several other Parishes, to a private investment group for approximately \$200 per acre. At the time of this sale, the owner did not know that Barber and Mann had already appraised the property at \$1,000 per acre. The private investment group then sold the entire property to The Conservation Fund, a nonprofit conservation organization, for approximately \$258 per acre. Within 1 month of acquiring the land, The Conservation Fund sold the 2,367-acre parcel to Livingston Parish for approximately \$1,000 per acre. About 6 months later, The Conservation Fund sold the remaining acreage from the February 2011 sale to the Louisiana Department of Wildlife and Fisheries for approximately \$219 an acre. Parish grant officials did not know about the recent changes in ownership of the property until the closing transaction.

Despite the deficient appraisal, which financially benefitted numerous private parties, we did not identify any criminal collusion among those involved in the appraisal and subsequent transactions.

We referred our findings to the U.S. Attorney's Office for the Southern District of Mississippi, which declined prosecution.

This is a summary of an investigative report that was issued to the U.S. Fish and Wildlife Service for information.

