

Jindal withdraws housing finance agency appointment

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- Advocate Capitol News Bureau
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Gov. Bobby Jindal on Wednesday night withdrew his appointment of a Denham Springs man to the Louisiana Housing Finance Agency after learning the appointee had past ethics problems.

Appointee Fred Banks paid a \$10,000 fine as he agreed to misconduct in his job as executive director of the Denham Springs Housing Authority. The Louisiana Board of Ethics signed off on the consent agreement settling the case Oct. 13, 2005.

“The ethics violation related to his work as a housing director,” Jindal said. “In the light of that we have withdrawn the appointment.”

Jindal said Banks had alerted the Governor’s Office of his past ethics problem as he filled out a form that all appointees must complete.

“There was a breakdown in communication,” Jindal said. “I found out about it for the first time today (Wednesday).”

Jindal said he looked into the situation after The Advocate asked whether he was aware that his appointee, Banks, had run afoul of state ethics laws in the past.

Ethics has been a major subject of Jindal’s administration.

“This is not acceptable,” Jindal said. “This is a very important appointment. &hellip It’s a very important board” with policy and financial decision-making powers over housing programs.

Jindal appointed Banks to the 15-member Louisiana Housing Finance Agency on July 1. He was nominated for the position by the Housing Council.

The LHFA oversees various programs to assist in the financing of housing needs for low and moderate income residents.

Banks is a Denham Springs broker and owner of Fred Banks Realty Inc.

Jindal said he had advised Banks of his decision as well as the Housing Council that nominated him. He said the council needs to come up with a nominee who is “more appropriate.”

Banks paid the ethics fine in a case involving conduct that occurred from 2001 into 2003. It involved Banks' receipt of \$154,500 for consulting services he provided the Livingston Parish Education Association Federal Credit Union.

Banks was the paid executive director of the Denham Springs Housing Authority at the time, and the housing authority shared office space with the credit union.

The Ethics Board found the arrangement violated a state ethics law that bans a public servant from receiving a thing of economic value for services that are rendered to or for a person who has a contractual, business or financial relationship with the public servant's agency or a person who has a substantial economic interest that may be affected by the performance or nonperformance of their duties.

The Ethics Board also said Banks violated the law by participating in transactions in which the credit union had a substantial economic interest. He reviewed expenses shared between the housing authority and credit union.

The settlement agreement stated the potential ethics issue came to light in a December 2003 housing authority audit. It said that Banks stopped accepting payments for providing services and if called to testify that Banks would say he continued to do the same work without pay "as a service to his community."

As of October 2004, the credit union moved out of the building owned by the housing authority.

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