



# **ETHICS REVIEW BOARD**

**CITY OF NEW ORLEANS**

**ANNUAL REPORT**

**FY 2012**

**The Ethics Review Board seeks to uphold and enforce high ethical standards and promote the public's confidence in the government of the City of New Orleans.**

# ETHICS REVIEW BOARD

## CITY OF NEW ORLEANS

### **Board Members**

Dr. Michael Cowan, Chair

Elizabeth S. Nalty, Vice Chair

Dr. Laura Rouzan, Secretary

Rev. Dr. Donald R. Frampton

Rev. Cornelius Tilton

Okyeame Haley

### **Staff**

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Dear citizens,

The Ethics Review Board (ERB) exists to press for and support the ongoing efforts of the Office of Inspector General (OIG) and Independent Police Monitor to combat waste, fraud and abuse of power by those employed in local public institutions. Toward that end, the ERB receives and considers complaints of ethical misconduct; and reviews the annual work plan, budget and report of outcomes of the Office of Inspector General.

Beginning in 2013, the ERB will launch a sustained, long term effort to raise awareness of ethics rules and challenges, not simply by reviewing state and city ethics codes, but also by inviting participants to identify and reflect critically on the specific job and fiduciary responsibilities of city agencies, offices, boards and commissions that carry risks for unethical behavior. This proactive educational approach aimed at assisting public workers to know and do the right thing before they face discipline and/or criminal charges. Having considered issues and models over the past year, we are convinced that this educational work will complement strongly the enforcement emphasis of the OIG. I look forward to reporting to the public on its initial outcomes in our next annual report.

Good local public institutions have four defining characteristics: Honesty, fairness, efficiency and effectiveness. All local institutions supported by taxpayer dollars are accountable to all four criteria. In research conducted across the world, we find repeated confirmation of the fact that good public institutions create more economic opportunity for all and that those opportunities reduce tensions among racial, ethnic or religious groups living together. The Ethics Review Board and Office of Inspector General exist for the sole, but critical, purpose of holding those who oversee our local public institutions accountable for playing their irreplaceable role in the equation of social equity and peace. The Ethics Review Board will continue to play our role diligently and creatively.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael A. Cowan". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Michael A. Cowan, Ph.D.  
Chair

## Members of the Ethics Review Board

The Ethics Review Board consists of seven volunteer members who serve staggered terms of seven years each. Six members are appointed by the mayor from lists of nominees submitted by the presidents or chancellors of Dillard University, Loyola University, Southern University in New Orleans (SUNO), Tulane University, University of New Orleans (UNO), and Xavier University. The seventh member is appointed by the mayor. Each appointment is subject to approval by a majority of the members of the City Council.

Those individuals who served as members of the Ethics Review Board (ERB) during FY 2012 include:

**Dr. Michael A. Cowan**, chair, is a psychologist and theologian. On the faculty of Loyola University since 1990, he also serves as special assistant to the university president. He was co-founder of the Jeremiah Group, an interracial and interfaith community organization, and Shades of Praise, the New Orleans interracial gospel choir. After Hurricane Katrina, he served as chief of staff of the Government Efficiency and Effectiveness Committee of the bring New Orleans Back Commission, and subsequently founded Common Good, a network of civil society organizations to build multiracial consensus on the rebuilding of New Orleans. He served on the Human Relations Commission of the City of New Orleans from 2001-2008, and chaired the commission from 2002-2008.

**Ms. Elizabeth Nalty**, vice chair, is an extremely active member of the New Orleans community. She is a member of many local boards such as the Ogden Museum of Southern Art, Louisiana Endowment for the Humanities, and the Greater New Orleans Foundation. Nalty is a life member of the Louise S. McGehee School Board. Additional service includes membership on the Pennington Biomedical Research Foundation Board and the Louisiana State University's Health Science Department of Psychiatry Advisory Board. She is also a member of the board of administrators of Tulane University, serving on its Executive Committee, as well as the Tulane University Hospital and Clinic Board. Ms. Nalty also serves her community as president of the Edward G. Schlieder Educational Foundation, Vice Regent Emerita for the State of Louisiana, Mount Vernon Ladies' Association, and on the Executive Committee of Citizens for 1 Greater New Orleans.

**Dr. Laura Rouzan**, secretary, has over 30 years of teaching in the college level in the communication area. Dr. Rouzan is associate professor and serves as dean, College of Professional Studies, at Dillard University. She received her undergraduate degree from Xavier University of Louisiana in Speech and Drama in 1963, an MA from the University of Georgia in Organizational and Interpersonal Communication in 1965, and a Ph.D. from Florida State University in Communication in 1989. She has taught at Wake Forest University, Xavier University, where she received the teacher of the year award and where she became a tenured professor, the University of Louisiana at Lafayette's graduate school and Dillard University. She has lectured and taught courses ranging from speech

communication to mass communication at the institution with which she has been affiliated. Her publications include an essay, "The Genesis of the Black Press in New Orleans: L'Union and the New Orleans Tribune" in Dr. Sybil Kein's book *Gumbo People*, Margaret Media Press, 1999. Dr. Rouzan has written articles, appeared in the Documentary *Treme: The Untold Story*, and presented numerous papers at local and national conferences on the subject of the black press. She is a member of the Louisiana Creole Research Association, the Louisiana Communication Association, the Southern States Communication Association, and the National Communication Association. Dr. Rouzan serves on a number of university and community boards. Her present research concerns the political and artistic contributions of people of color in New Orleans, and black-owned newspapers in Louisiana.

**Reverend Cornelius Tilton** has 30 years of ministry leadership experience as a preacher, pastor and trainer in the para-church ministries in the greater New Orleans area. He is currently Pastor-Teacher of the Irish Channel Christian Fellowship and General President of Christian Bible College of Louisiana. Rev. Tilton is also president of the Louisiana Baptist Foundation Trustee Board and board chair of Audubon Charter School in New Orleans. He has over 25 years of professional experience in business and academic administration, teaching, training, strategic planning, and human resources management in secular and religious institutions. Tilton holds degrees in Business and French from Dillard University and Theology from Christian Bible College of LA. He has worked as a business and computer consultant, hospital community relations manager and real estate broker. He currently operates Tilton Travel and Cruises in New Orleans. Tilton has actively served the local religious and civic community for more than a quarter century. He has chaired the boards of the New Orleans Mission, New Orleans Area Habitat for Humanity and the Greater New Orleans Federation of Churches. Additionally he participates in many church and para-church ministries serving the less fortunate of our community. Rev. Tilton is the immediate past chair of the Ethics Review Board.

**Okyeame Haley** is the son of the late civil-rights activists Richard Haley and Oretha Castle Haley. He earned a B.S. degree in Finance from Xavier University of Louisiana, a J.D. degree from Howard University School of Law, and an LL.M. degree in taxation from Washington University School of Law. He is employed by Xavier University as Director of Planned Giving and teaches in the university's Division of Business. Mr. Haley also partners with Haley & McKee, LLC on tax law matters. He serves on the board of the New Orleans Council on Aging and as a member to the Louisiana Supreme Court's Judicial Campaign Oversight Committee as well as the A.P. Tureaud Legacy Committee. Previously, Haley worked as a law clerk for Louisiana Supreme Court Justice Bernette Johnson and Orleans Parish First City Court Judge Angelique Reed. Additionally, he worked in the United States Congress as a legislative aide to Congresswoman Maxine Waters and for the House Banking and Financial Services Committee. Haley was also a member of Louisiana Governor Bobby Jindal's Economic Transition Team in 2007. He lives in New Orleans with his wife, Melissa, and their two children, Nia and Kai.

**Reverend Dr. Donald R. Frampton** currently serves as senior pastor of St. Charles Avenue Presbyterian Church (SCAPC), the largest Presbyterian Church (USA) in Louisiana. The church is widely known for its worship, mission, and educational programs. In partnership with hundreds of Presbyterian and other churches across the country, SCAPC has played a leading role in post-Katrina work, housing over 4,000 volunteers, gutting 210 houses, building 18 Habitat for Humanity homes, and donating nearly \$1,000,000 to recovery efforts. Previously, Dr. Frampton was pastor of First Presbyterian Church, Rockingham, North Carolina, and Associate Pastor of First (Scots) Presbyterian Church in Charleston, South Carolina. He received his B. A. in History from the University of South Carolina and his D. Min. from Columbia Theological Seminary in Decatur, Georgia. Within the Presbytery of South Louisiana, Rev. Frampton is past Moderator of the Council and Moderator of the Presbytery. He has also been Moderator of the Committee on Ministry. He recently rotated off the Board of Trustees of Austin Presbyterian Theological Seminary where he chaired the Student Life Committee. He has been an active participant in various groupings of business, political, and religious leaders. Dr. Frampton and his wife, Colleen Harvin Frampton, have three children: Harrison, Catherine, and McCord.

Public trust is an essential ingredient of good governance and reliable public administration.

### **Mission Statement**

The Ethics Review Board seeks to uphold and enforce high ethical standards and promote the public's confidence in the government of the City of New Orleans.

### **History of the Ethics Review Board**

In 1996, citizens of New Orleans voted to amend the Home Rule Charter to mandate the City Council to establish, by ordinance, an Ethics Review Board. Under that ordinance, the ERB is empowered to issue advisory opinions, promulgate rules regarding interpretation and enforcement of the Code of Ethics, retain counsel and impose fines. The initial selection of board members occurred in December 2006. Pursuant to Article XIII, Sec. 2-1120 (3) of the Code of Ordinances for the City of New Orleans, the ERB is also designated as the appointing authority for the inspector general.

In the board's initial years, much of its attention was devoted to the formation of the Office of Inspector General. To that end, the ERB's efforts have proved invaluable in supporting and shoring up the public's confidence in the OIG.

Most recently, the Ethics Review Board has dedicated its energies to formulating its own priorities in order to ensure an effective government ethics program throughout the City of New Orleans, including ethics education, advice and enforcement.

## Functions and Authority

The Ethics Review Board is authorized by the Code of Ordinances for the City of New Orleans to administer and enforce the provisions of the Code of Ethics of the city. The Code of Ethics was established to remind each public official and employee that, individually and collectively, public officials and employees must adhere to high ethical standards not simply to avoid sanctions or criticism. It applies to all officials of city government, whether elected or appointed; all employees, whether classified or unclassified; and all members and employees of all boards, agencies, commissions, advisory committees, public trusts, and public benefit corporations of the city.

**When a man  
assumes a public  
trust, he should  
consider himself a  
public property.**

**~Thomas Jefferson**

The ERB is empowered to represent the public interest in the administration of any law within its jurisdiction; offer and enter into consent opinions regarding violations of the provisions of any law within its jurisdictions; refer to fact-finding complaints, advisory opinions, media reports, oral reports, referrals, or any other source; prescribe rules of order, evidence, and procedure to govern its meetings, hearings, and investigations; take such steps as may be necessary to maintain proper order and decorum during the course of its hearings and other proceedings, consistent with the resolution of matters coming before it for consideration; and include on the agenda for Board consideration any matter that is of interest to any Board member and that is within the Board's jurisdiction.

## Filing Complaints

Any person may file a complaint concerning violations of the City's Code of Ethics with the Ethics Review Board. Any public employee who reports information which the employee reasonably believes is a violation of any ordinance, statute, policy, order, rule, regulation or other ethical mandate is protected by the New Orleans Municipal Code Division 3. Code of Ethics, Subdivision 3. Generally, Section 2-772 (a) Freedom from reprisal and disclosure of improper acts, which states such employees "shall be free from discipline or reprisal for reporting such acts of alleged impropriety. An employee with authority to hire and fire, supervisor, agency head, or elected official may not subject to reprisal any public employee because of such employee's efforts to disclose such acts of alleged impropriety."

The Board may consider any matter that it has reason to believe may be a violation of any law within its jurisdiction, including but not limited to, a notice or report sent to the Board by the Inspector General. The Board may close the file, refer the matter to investigation, or take such other action as it deems appropriate.

The Ethics Review Board disposed of nine complaints which were pending at the end of FY 2011. Of those complaints, five were closed for either being outside the ERB's jurisdiction



or without merit or sufficient corroborating evidence, three were referred to the Independent Police Monitor, and one was referred to the Office of Inspector General.

During FY 2012, the Ethics Review Board received 25 complaints alleging ethical misconduct. Of the complaints received by the ERB, 18 complaints were closed because they were either outside the ERB's jurisdiction or without merit. Three complaints were referred to the Office of Inspector General and three complaints were also referred to the Independent Police Monitor. One complaint was referred to the Louisiana Office of Disciplinary Counsel. The board also received one request for an advisory opinion during 2012.

### Summary of Work Performed

In March of 2012, the Ethics Review Board engaged in a strategic planning process in order to determine its priorities. As a result of that reflective exercise, the board decided to devote its efforts to government ethics education, with a particular emphasis on ethical values in decision-making in the actual circumstances in which public employees work. Effective ethics education is a critical component of a strong ethics program, along with enforcement and advice. Ethics education informs government officials and public employees of the potential conflicts of interest which may arise in the exercise of their public duties and responsibilities and how to avoid them as well as guard against the appearance of improprieties.

Abuse of the public trust cannot and should not be tolerated. Strong preventative measures should be in place to ensure a high standard of integrity, accountability, and honesty within public service. Creating a culture of ethics and integrity throughout city government can best be achieved when actions and decision-making are processed through an ethical lens rather than simple adherence to code requirements or the rule of law. The board's thinking in this regard was guided by the desire to ensure the public's confidence in the government of the City of New Orleans and is embodied in the rationale presented below:

#### Safeguarding the Public's Trust

Public trust is an essential ingredient of good governance and reliable public administration. Trust between government and its citizens is a key element in a well-governed society. Indeed, there is substantial research to demonstrate that when ordinary people do not trust government officials they mistrust their fellow citizens as well, especially those who belong to other ethnic and/or

Corruption and waste in the administration of government undermine public trust in government. Highly publicized instances of corruption, abuse of power, and maladministration of government destroy public trust and erode confidence in government systems and government leaders. Such breaches represent a betrayal of the public trust by officials.

racial groups. The significance of this finding for our city needs no explanation. Within the public sector, public trust is created when, and only when, public servants and employees demonstrate plainly and consistently that they are working in the best interests of the citizenry.

Safeguarding the public trust requires that public servants place the public's interest above their private, personal, professional, or political interests. Their decisions and actions should be motivated by the intention to serve the common good of the community which they serve. Public servants should avoid both actual improprieties as well as the appearance of improprieties. Public ethics are grounded in the principle that government servants are stewards of the public's interests, with a solemn fiduciary responsibility to put those interests first.

### Compliance-based strategy vs. values-based strategy

Ethics codes prescribing and proscribing certain conduct have been created by varying levels of government to guide how individuals and government organizations should behave. These complex set of laws and rules tend to define the minimum standard by which public servants are expected to conduct themselves. Typically, rules-based ethics refer to a set of don'ts within a limited set of situations and circumstances, versus affirmative statements about what public officials should do. Such rules are often viewed as punitive and coercive because they include punishments and penalties for bad behavior. Their effectiveness is subject to serious question. Despite the promulgation of myriad laws and regulations designed to effect compliance, unethical behavior, lapses in judgment and violations of the public trust by public officials still persist. Compliance-based ethics, which rely on legal and regulatory schemes, do not encourage nor instill broader ethical principles by which government officials and employees should or ought to act.

The most common expression of a compliance-based strategy is to expose people to the pertinent code of ethics, stress the consequences of failure to comply, and enforce those consequences as widely as resources permit.

As noted above, high ethical standards are critical to the efficacy and credibility of government. The existence of ethics codes, however, does not assure that public servants will choose "proper behavior" or "good conduct."

While the compliance-based strategy relies on disseminating and enforcing a set of rules about what should not be done, the values-based strategy begins not with a formal ethics code but rather with an agreed upon set of norms with behaviors that embody them. The values-based (or integrity-based) strategy moves an organization toward an ethical culture to be internalized by its members.

The premise of a values-based strategy is that “adherence to ethics laws is not enough to instill public trust in governmental institutions and those who serve in government.”<sup>1</sup> A values-based approach to ethics creates an environment in which right and wrong are measured against a standard of integrity beyond that codified in laws and regulations. Within the public sector, values-based ethics codes reflect a set of norms and behaviors related to public service toward which both public servants and the communities they serve aspire. Such codes encourage organizations to aim high in the ethical standards they set and in their expectations of the individuals to whom they apply.

Section 2-2771 of the Code of Ethics for the City of New Orleans (Development of internal standards) reads as follows:

Each department, board, office or other agency of city government is encouraged to develop internal minimum standards of ethical conduct or behavior for situations or transactions that may be unique to the particular department, board, office or other agency. The opinions of employees and customers of the agency should be sought and used in the development of such internal standards, rules, regulations and guidelines for ethical conduct. Members of all boards and commissions of the city shall act as prudent administrators.

Ethics education will be tailored to be directly responsive to the above-referenced section of the city’s ethics code, addressing both ethics challenges unique to particular circumstances and general and particular ethics rules to which public officials and employees are accountable.

An environment that fosters integrity and accountability will ensure that public servants are responsive to the concerns of citizens and effective in the discharge of their public duties.

### Awareness and Outreach

To raise awareness about the Ethics Review Board and the local code of ethics, the board initiated outreach efforts within the community and among municipal government units. Throughout the year, the Ethics Review Board met with local neighborhood associations and community organizations to share information about the board’s mission and responsibilities, to remind the public of the existence of the local code of ethics, and to gain feedback from residents about their perceptions of local government ethics. The entities with whom the ERB met are indicated below:

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<sup>1</sup> Developing A Local Agency Ethics Code: A Process-Oriented Guide, Institute for Local Government, online at [http://www.ca-ilg.org/sites/ilgbackup.org/files/resources/20426.Complete\\_Developing\\_Local\\_Agency\\_Ethics\\_Code\\_Guide.pdf](http://www.ca-ilg.org/sites/ilgbackup.org/files/resources/20426.Complete_Developing_Local_Agency_Ethics_Code_Guide.pdf), p.5.

<b>Community Group</b>	<b>Number of Attendees</b>
Central City Renaissance Alliance	25
Carrollton United	13
Irish Channel NA	15
Parkview NA	17
Lower 9th Ward NENA	14
Urban League Young Professionals	26
Audubon Riverside NA	17
ENONAC	20
Bywater NA	50
Broadmoor Improvement Association	35
Bunny Friend NA	12
Hollygrove Neighbors	35
NAACP (select group of members)	8
<b>Total contacts</b>	<b>287</b>

\*NOTE: The ERB also met with the President & CEO, Urban League of Greater New Orleans

Local residents made the following observations:

- General cynicism and mistrust of public servants
- Government as corrupt; politics as unethical in practice
- Public servants' promotion of self-interest rather than the community
- Public officials profit from their positions
- City officials and public employees unresponsive to community needs
- Patronage/cronyism/ nepotism
- Favors in contracting; culture of the city reflects a quid pro quo in business dealings
- Self-dealing among public servants and public employees; conflicts of interest
- Lack of civility among public officials
- Public employees unresponsive and discourteous
- Lack of competency within public employee workforce
- Limitations of ERB as an enforcement and watchdog entity

In a limited number of instances, citizens were also asked to provide feedback regarding particular ethical values appropriate within municipal government. The most frequently cited responses are reflected below:

- Fairness
- Honesty
- Transparency
- Integrity
- Loyalty

Meetings were also held at varying levels within city government to increase awareness among public servants and public employees about the Ethics Review Board and the Code of Ethics for the City of New Orleans, including conversations with council members to inform them of the ERB's community outreach as well as to discuss government ethics education. The ERB provided informal presentations as part of the Civil Service City Employees Orientation and met with departmental human resource managers to share information and obtain feedback with regard to government ethics topics.

HR managers were provided with information that contrasted the state and local codes of ethics as well as hypotheticals reflecting ethical dilemmas. They were also asked to identify appropriate training topics as well as identify ethical values appropriate within municipal government.

<b>Ethics Education Topics</b>	<b>Responses</b>
Abuse of Power	14
Breach of Fiduciary Duty	2
Bribery	7
Conflict of Interest	13
Financial Disclosures	2
Gifts	4
Insider Dealing	5
Misuse of City Property	10
Nepotism	5
Post-employment Restrictions	5
Prohibitions on Income/Supplemental Income	3
Prohibitions on Transactions/Contracts	4
ALL topics	2

HR managers cited the following ethical values during their exchange:

- Fairness
- Transparency
- Impartiality

As part of its outreach efforts, the ERB developed and disseminated two brochures: *Ethics In New Orleans*, which describes both the Ethics Review Board and the Office of Inspector General, and *Ethics in New Orleans: Guide to the Code of Ethics for the City of New Orleans*.

In conjunction with the U.S. Department of State's International Visitor Leadership Program, Ethics Review Board staff spoke with two delegations of visiting dignitaries and officials from foreign countries to discuss good governance and transparency in government. Additionally, the ERB was represented during the New Orleans Neighborhood Summit, which was sponsored by the Neighborhood Engagement Office.

### **Future Work**

Building on its work in 2012, the ERB will explore and determine how best to cultivate and reinforce a healthy ethical culture within city government where public servants act in the public interest. In 2013, the Ethics Review Board will continue to focus its efforts on the development and implementation of government ethics education, in order to enhance the ethics environment throughout municipal government in the City of New Orleans.