

The Ethics Review Board
City of New Orleans

Tuesday, June 7, 2011
2:30 p.m.

City Council Chambers
City of New Orleans
1300 Perdido Street
New Orleans, Louisiana 70112

Present: Rev. Cornelius Tilton, Chair; Elizabeth S. Nalty, Vice Chair; Okyeame Haley, Secretary; Michael Cowan; Laura Rouzan.

Staff Present: Suzanne Wisdom/OIG on behalf of Steve Scheckman.

Guests: Edouard R. Quatrevaux, Inspector General

Rev. Tilton called the meeting to order at 2:54. Michael Cowan moved for approval of the minutes from the ERB meeting of May 3, 2011; Betsy Nalty seconded; the motion passed unanimously.

IG Edouard Quatrevaux spoke and reported that:

- An Audit Report of internal controls over Purchasing and Accounts Payable was issued
 - Failure to maintain segregation of duties
 - AFIN did not provide audit trail
 - Various violations of controls
 - Contracts amended without approval
 - City did not require ongoing Ethics Training
- Evaluation Report on NOPD's Arrest & Detention Policies was issued
 - Arrest rate 3 times national average
 - Incarceration for traffic and municipal offenses cost \$3m in 2009
 - NOPD did not implement ordinance requiring reports
 - 14% arrests were pursuant to warrants issued in other parishes for traffic violations
 - Funding mechanism for detention costs at OPP did not provide adequate accountability for resource use
- In comment cycle:
 - Audit of Donations
 - Audit Report on internal controls over fixed assets
 - Audit of French Market Expenses and Reimbursements
- Yesterday, the Governmental Affairs Committee voted to recommend approval of CEA with State Board Of Education
 - measure will come before council on June 16

- implementation likely in August

Michael Cowan asked why no one but the City Attorney's office commented on the Evaluation Report on NOPD's Arrest & Detention Policies; IG responded that he wants to pursue why no one else responded and that the OIG will continue to study and evaluate the funding of OPP.

Betsy Nalty asked about the CEA with the Recovery School District and clarified that it's for oversight of school construction.

Okyeame Haley asked IG Quatrevaux about the audit regarding lack of internal controls; the IG clarified the findings of the report. Haley also asked about the CEA and the IG responded that it covered just fraud and just school construction.

Michael Cowan commented that the OIG was on the verge of making a significant contribution towards the education system in Orleans Parish.

Cornelius Tilton asked about the donations audit; the IG responded that he expected a public report sometime in July after the City had commented on the Internal Review Copy. Tilton also questioned the IG regarding the public statement made by the OIG that its investigation of Superintendent Serpas had revealed no wrongdoing at this time. The IG responded that, in matters concerning public safety, it served the public interest to make statements regarding results of investigations. The IG noted that the investigation is still ongoing and that no one can predict the future.

Cornelius Tilton stated that the Board's search for its executive director was ongoing (agenda item #4).

Tilton discussed the Board's ongoing project on Ethics Reform (agenda item #5), and stated that there would be no vote at the meeting today and that Haley had the lead on this project. The Board would like to include measures in the local code. Tilton noted that the ERB, pursuant to a recent opinion by the Louisiana Board of Ethics, is not able to enforce ethics laws.

At 3:17 p.m., Betsy Nalty moved to enter executive session; the motion was seconded; the board voted unanimously to enter executive session.

Okyeame Haley made a motion to resume open session, Elizabeth Nalty seconded, all were in favor – motion passed.

The Board resumed open session at 4:30 P.M.

Meeting adjourned at 4:30 P.M.