

**Quality Assurance Review Advisory Committee
for the Office of Inspector General**

Written Report of Activities for 2019

**Harry Blumenthal, Ashley Barriere, and Bill Banta
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At the outset, we would like to commend the Inspector General, Derry Harper, and the staff of the Office of the Inspector General (“OIG”) for completing and issuing its 2019 Report on March 31, 2020, when the City of New Orleans was under a stay-at-home order due to the Covid-19 pandemic. Despite these extenuating circumstances, Inspector General Derry Harper and his staff rose to the occasion and issued a timely 2019 report, which in turn permitted a timely review and this Report by the Quality Assurance Committee within the calendar requirements imposed by Article XIII of the Municipal Ordinance.

I. Background: Purpose, Rules, Duties, and Powers

Article XIII of the Municipal Ordinance (hereafter, the “Ordinance”) establishes the OIG and states its purpose “is to establish a full-time program of oversight to prevent and detect fraud, waste, and abuse, and **to promote efficiency and effectiveness in city programs and operations.**” (Section 2-1120(2), (emphasis added). In terms of organizational structure, the Ordinance mandates the OIG to include, but is not limited to, a division of criminal investigations, a division of audit, a division of inspections, and a division of performance review. (Section 15(b)).

The Ordinance requires the OIG to produce an annual report to the Ethics Review Board. (Section 2-1120(9)). According to Section (9), the OIG’s annual report “shall include information on all matters undertaken, **costs incurred, costs recovered**, matters concluded, and any results. The report shall also describe accomplishments of the Office of Inspector General.” (emphasis added). The extensive Authority, Duties, and Powers of the OIG, contained in Sections (10), (11), and (12), of the Ordinance are set forth as attachment 1 to this report.

Section 2-1120(16) of the Ordinance calls for a third-party advisory committee, the QAC, to undertake an annual quality assurance review of the OIG. That section provides that the QAC shall consist of a representative appointed by the City Council, who serves as chair of the committee, a representative appointed by the Office of the Mayor, and a representative appointed by the Ethics Review Board. To undertake the assurance review for the year 2019, the City Council appointed Harry Blumenthal, the Mayor appointed Ashley Barriere, and the Ethics Review Board appointed Bill Banta. We are the same members who served last year and reviewed the OIG’s published work in 2018.

The Ordinance tasks the QAC with reviewing “[c]ompleted reports of audits, inspections and performance reviews.” (Section 2-1120(16) (emphasis added). The Ordinance requires the QAC to hold a public meeting where the QAC presents its written review. (Section 2-

1120(16)(2)(ii)). The QAC must present its written review to the Inspector General at least fifteen calendar days before the public meeting.

II. Overview of the OIG’s 2019 Annual Report and Published Documents

The QAC summarizes the OIG’s 2019 Annual Report (“Report”) as follows:

- In 2019, the OIG hired Patrice Harris Sullivan as the First Assistant Inspector General for Legal Affairs & General Counsel and Edward Michel as First Assistant Inspector General for Criminal Investigations. These hires signified the fulfillment of executive positions for the OIG. (Report, p. 7).
- Throughout 2019, Mr. Harper and the OIG staff participated in outreach and presentations to provide information about the OIG to the public. The OIG also engaged during the year with the news media to provide comments concerning certain audits and evaluations. The Report includes several of the media headlines regarding OIG audits and evaluations. (Report, p. 9-11).
- OIG staff received training and additional education in areas involved in the OIG work. (Report, p. 11).
- In 2019, the Audit and Review Division worked with the Inspectors and Evaluations Division to complete a systemwide risk assessment and methodology. As a result of this work, the OIG identified the city entities “with the highest risk and most significant impact on the public.” (Report, p. 12).
- Investigations and Reports:¹
 - Audit and Review Division
 - On August 15, 2019, the OIG Audit and Review Division published the Internal Audit Performance Audit of the Sewerage and Water Board (S&WB). The Audit concluded that S&WB management interfered with S&WB operations and that the S&WB Internal Audit Department was not sufficiently independent from S&WB management because the S&WB Internal Audit Department did not report to the Audit Committee, as called for by professional standards. The Audit further determined that the S&WB failed to develop and document an annual risk assessment as required by professional standards and failed to draft an engagement plan for each audit undertaken by the S&WB. The Audit also concluded that the S&WB failed to develop and implement a quality assurance and improvement that applied to internal audit activity.
 - On December 12, 2019, the OIG Audit and Review Division published the Emergency Catch Basin Cleaning Project Performance Audit. With this

¹ Note that the Report includes links or references to the reports but does not summarize the published reports in great detail. As detailed in Section I though, it is the QAC’s job to review the published work of the OIG and not just the annual report.

audit, the OIG Audit and Review Division reviewed the work of contractors, Royal Engineering, RamJ Construction, Compliance Envirosystems, and Hard Rock Construction, to perform inspections, cleanings, and/or repairs to catch basins. The Department of Public Works initiated this project in response to severe flooding on August 5, 2017 that exposed a lack of maintenance and need for investment in drainage infrastructure. In particular, at least some of the flooding was due to clogged catch basins. The Audit concluded that the contracted entities performed the work in accordance with the scope of work called for by their respective project contracts. Notably, the cost of the work actually came in under budget.

- On December 18, 2019, the Audit and Review Division published the Purchase Cards and Expense Reimbursements Audit for the Audubon Commission and Audubon Nature Institute (“Audubon Institute”). Although the OIG conducted a performance audit of the Audubon Nature Institute’s internal controls over employee purchase cards for the period January 1, 2013 through December 31, 2014, the audit’s findings went beyond that review. Specifically, the audit made the following findings: (1) that the Audubon Commission may have violated state and municipal law and controlling legal authority when it entered into a hybrid contract with the Audubon Institute; (2) the Audubon Institute may have violated the Louisiana Constitution when it used Audubon Commission funds to purchase \$33,961 in goods and services and paid \$4,718 that seemed to lack a public purpose; (3) the Audubon Institute may have violated state law when it used \$220,898 of Audubon Commission funds for a campaign to urge citizens to vote “yes” to the Audubon 2014 millage campaign; (4) the Audubon Institute did not obtain competitive bids for contracts, totaling \$308,650, which may have violated CAO Policy Memorandum 24(R) and state law; and (5) the Audubon Institute had developed policies for employee purchase cards and expense reimbursements that complied with best practices and that the Audubon Institute control over issuance and cancellation of purchase cards and its review/approval for transactions were effectively implemented. The OIG noted that on October 25, 2019, a representative for the Audubon Institute asserted that the legal finding for (1) was unsupported and disagreed with the finding detailed as (2). For the finding detailed as (3), the Audubon Institute asserted that it kept a bank account for the 2014 millage campaign. Regarding finding (4), the Audubon Institute asserted that it had obtained quotes for similar events in the following years.
- Inspections and Evaluations Division
 - On January 30, 2020, the Inspections and Evaluations Division released a report entitled “Management and Operations of the Traffic Safety Program.” This report documented the OIG’s evaluation of the city’s Traffic Camera Safety Program, the purpose of which was to determine whether the program was operating with applicable laws, polices, and best practices and to assess whether the City provided effective oversight of the

program. The report noted a number of findings, including among other things, that tickets were erroneously issued in school zones when school was not in session; citations were sometimes issued 30-days after identification of a registered ordinance in violation of the Ordinance; the program failed to impose late fees and other penalties on drivers who failed to appear for ticket hearings and thus created a loophole that permanently suspended actions on tickets and deprived the City of revenue; and the program failed to notify drivers of overpayments or proactively return their money, which could be a violation of the Louisiana Uniform Unclaimed Property Act.

○ Administrative Investigations

- On September 28, 2019, the OIG published the results of an investigation into the use of compensatory time in July 2016 at the Department of Health. In 2016, an immediate supervisor and a high level DOH manager were ignorant of the prohibition against “comp time.” Instead of applying the written policy and refusing an employee’s request to be absent 49 working hours to attend family events, the managers had the employee work an extra 49 hours before or after his normal schedule to “compensate” for the 49 hours of leave he was permitted.
- On October 18, 2019, the OIG published a follow-up report regarding a hot mix asphalt contract awarded to Barriere Construction Company, LLC (“Barriere Construction”).² The OIG concluded that although the City awarded the contract to Barriere Construction because its bid was \$130,900 less than the next highest bidder, the City failed to recognize that the Department would incur substantial costs (approximately \$201,837) to transport the asphalt from Boutte, LA—the location of Barriere Construction—to the various job sites. Still further, because of the amount of time required to travel to Boutte, the OIG concluded that some of the asphalt becomes unusable due to hardening.
- On November 4, 2019, the OIG published a Report of Investigation that a Department of Health employee personally benefited from the submission of an invoice from May 2017. As the ROI notes, the employee assisted a non-profit organization and advanced some personal money for the Hollygrove Family Festival and then sought to receive reimbursement of \$1487.13 in expenses for her monies.
- The OIG states it identified approximately **\$1,487,169 in project savings** and/or questioned costs, consisting of \$744,696 in PELP costs identified from the Audubon Purchase Cards and Expense audit; \$730,000 in collections retained as unclaimed property from the Traffic Camera Safety Evaluation; and \$12,473 in costs avoided in paid overtime to S&WB employees from the administrative investigation. (Report, p. 13, n. 3).

² Ashley Barriere, member of the QAC, has no connection to Barriere Construction.

- The OIG Investigations Division investigated thirty-two (32) complaints and noted that twelve (12) complaints remain open and that twenty-seven (27) have been closed.³ At the end of 2019, the OIG had twenty-one (21) active investigations. (Report, p. 14).
- The OIG included a section of noteworthy cases that included a list of criminal prosecutions where the OIG had lent some assistance and administrative investigations. (Report. P. 15-17).

III. Comments and Questions

1. Specific Reports:

- Internal Audit Performance Audit of the Sewerage and Water Board: the QAC thought this was a thorough, well-done report, and the underlying subject matter is an important one for the OIG to focus its efforts on. This was particularly true in 2019, when the Citizens of New Orleans expressed frustration with the S&WB. The QAC feels that this report—and other audits of City entities the OIG undertakes in the future—are essential to maintaining public trust in City institutions.
- Emergency Catch Basin Cleaning Project Performance Audit: the QAC thought this was a thorough, well-done report. Even though the QAC ultimately found that the contracting parties performed the scope of the work as defined by their respective contracts—and that there was no issue with the performance of the emergency catch basin cleaning project—the QAC recognizes that it is important for the OIG to undertake such investigations to confirm that contract work is being done in compliance with applicable laws and the contractual terms.
- The Purchase Cards and Expense Reimbursements Audit for the Audubon Commission and Audubon Nature Institute: The QAC felt this report should have been split into two separate reports, as the report seemed to tackle the somewhat unrelated subjects of the legality of the Audubon Institute and Audubon Commission contract and the propriety of certain expenses/purchase cards. Although the QAC does not take a position on the legality of the Audubon Institute and Audubon Commission contract, and notes the Audubon Institute's objection to the OIG's characterization of the contract as illegal, the QAC thinks it is important that the OIG review such government relationships/contracts and commends the OIG for undertaking this exercise and writing such a thorough analysis of the issue.

As part of this report, the OIG examined credit card data from 2013 and 2014 for its audit, and the QAC questions the relevancy of such data in 2019. The QAC understands that publication of this report was delayed for a couple of years to afford the Louisiana Attorney General time to opine on the legality of

³ The QAC recognizes that the number of open complaints (12) and closed complaints (27) add up to more than the number of investigated complaints (32).

the contract between the Audubon Institute and the Audubon Commission, and this may explain the reliance on the outdated data. Nevertheless, the QAC contends that it may have been useful for the OIG to update its data when it moved towards publication in 2019.

- Management and Operations of the Traffic Safety Program: the QAC thought this was a thorough, well-done report, and the underlying subject matter is an important one for the OIG to focus its efforts on. Given the controversy surrounding the Traffic Safety Program in New Orleans, the QAC believes it was an important undertaking for the OIG to investigate the program and did an excellent job with its investigation, analysis, and conclusions.
- Two Department of Health (“DOH”) Administrative Investigations: The two DOH investigations involved a minor amount of “comp time” and a reimbursement of expenses for a non-profit group. Neither matter concerned theft or even unaccountable funds, and each seem capable of quick resolution via telephone calls, letters and possibly a meeting. With regard to the “comp time” investigation, the OIG not only accepted the complaint—as opposed to referring it to appropriate City managers or attorneys—it seems the OIG devoted substantial time and effort to investigating it. The QAC feels this was a routine personnel issue that could have been handled in minutes by a City HR Representatives or attorneys. Although we hope the OIG’s work has motivated the City to improve its training of managers on basic employment matters, we question the time and effort expended in 2019 by the OIG (a 5 page Report with 23 pages of Exhibits) on a minor managerial error in 2016.

Further, the effort by a DOH employee assisting a non-profit organization to receive reimbursement of \$1487.13 in expenses (Hollygrove Family Fest) was apparently outside normal channels. But there is no suggestion of theft and the accurate reimbursement was accomplished. It seems, again, that education and training through quick telephone calls or meetings would have been the best remedy, as opposed to the OIG’s six-page Report with multiple Exhibits.

2. **Productivity**: The members of the QAC are the same as last year who reported on 2018, and we thus first want to highlight the sharp increase in productivity reflected in the work of the OIG. The OIG published two (2) reports in 2018 whereas in 2019 the OIG published (7) seven reports, of which five (5) were significant.

To this point, we want to particularly commend the OIG on its Internal Audit Performance Audit of the S&WB, the Emergency Catch Basin Cleaning Project Performance Audit, The Purchase Cards and Expense Reimbursements Audit for the Audubon Commission and Audubon Nature Institute, and the report on the Management and Operations of the Traffic Safety Program. As detailed above, these published reports are thorough, and by focusing on those particular issues, the OIG was carrying out its role “to prevent and detect fraud, waste, and abuse, and to promote

efficiency and effectiveness in city programs and operations.” (Ordinance, Section 2-1120(2)).

Nevertheless, the QAC still has concerns about the number of completed reports and the subject of two of the investigations:

First, we question whether the breadth and volume of the OIG’s work product in completing investigations was sufficient and whether it was commensurate with the OIG’s annual budget of \$3,839,979. (City of New Orleans 2019 Annual Operating Budget, p. 559). By way of comparison, in 2016, the OIG completed sixteen (16) investigations with a budget of \$3,440,797,⁴ whereas in 2019 with a budget of \$3,839,979, the OIG completed only seven (7) investigations.

Second, of the seven (7) completed investigations, two (2)—which were administrative investigations—did not match the gravity of the other five (5) investigations subject matter. These two investigations include the investigation into the use of compensatory time in July 2016 at the Department of Health and the investigation into the Health Department employee personally benefited from the submission of an invoice from May 2017. Although the QAC appreciates that it is important for the QAC to investigate complaints as to individual city employees, the subject matter of these investigations—when taken into account with the fact that they accounted for two of seven published investigations—makes the QAC question the productivity of the OIG in 2019.

3. Productivity of the Inspections and Evaluations Division: The Inspections and Evaluations Division only produced one report in 2019, though it did work with the Audit and Review Division to complete a systemwide risk assessment and methodology. Nevertheless, the QAC questions the productivity of the Inspections and Evaluations Division. This may be due to limited staffing, as the OIG acknowledged in its 2019 Report that the Inspections and Evaluations Divisions faced issues with “limited staffing.” (Report, p. 13) and the OIG organizational chart included on p. 8 of the Report identifies these vacancies.⁵ If limited staffing is the issue, the QAC urges the Inspections and Evaluations Division to make sure its staffing needs are met going forward.

4. Failure to include “costs incurred” and issues with “costs recovered”: The Ordinance requires the OIG’s Annual Report to present information on “costs incurred” and “costs recovered” (Section 2), but the OIG failed to identify “costs incurred.”⁶ This

⁴ City of New Orleans 2016 Annual Operating Budget, p. 441, *available at* <https://nola.gov/mayor/budget/documents/2016-adopted-budget-book-file/>.

⁵ The OIG Organizational Chart included in the Report on p. 8 is incredibly difficult to read, and the QAC suggests that the OIG consider using a better image in future reports.

⁶ In the OIG’s Response to the QAC’s 2018 Report, the OIG seemed to confuse “costs incurred” and “costs recovered.” (OIG 2018 Response, p. 9). The OIG compared “Potential Economic Loss Prevented” (“PELP”) with “costs incurred,” but “costs incurred” measures the costs expended by the OIG while “costs recovered” measures costs savings, similar to what PELP seeks to measure. Regardless, the OIG failed to include “costs incurred” in its 2019 report.

is a violation of the Ordinance, and the QAC feels strongly that this requirement is included in the Ordinance to ensure that the OIG provides transparency to the Citizens of New Orleans in the OIG's annual report. As it is the OIG's purpose to ensure that other city institutions are transparent and comply with applicable laws, it is particularly important for the OIG to be transparent and follow the governing Ordinance.

In addition to not including "costs incurred," the OIG also failed to identify its 2019 budget of \$3,839,979, and the QAC feels strongly that the OIG should include this number so that the Citizens of New Orleans can assess the OIG's work in the context of how much money the OIG was allocated for that year. The QAC recommends that in future reports, the OIG include something similar to the excerpt below taken from the 2019 Jefferson Parish Inspector General Annual Report to provide transparency and clarity:

Take Aways

-  Received total revenue of \$1,304,036 and expended \$1,382,914.
-  Completed 2019 with a \$1,233,283 fund balance. (Reserve)

The QAC also questions the placement of \$1,474,169 in costs recovered.⁷ Footnote 3 on p. 13 of the Report includes a breakdown of \$744,696 from the Audubon Purchase Cards and Expense audit; \$730,000 in collections retained as unclaimed property from the Traffic Camera Safety evaluation;⁸ and \$12,473 in costs avoided in paid overtime to S&WB employees. As the Ordinance requires that the Report include "costs recovered," the QAC feels the OIG should include this breakdown of costs recovered "above the line" and not in a footnote.

The QAC also questions the validity of the identified "costs recovered." Of the identified "costs recovered," \$744,696 came from the Audubon Purchase Cards and Expense audit, and the Audubon Institute has disputed the OIG's determination that these were improper costs. The QAC recognizes that the OIG has fulfilled its duty to raise the issue of these expenses as "questionable costs." Nevertheless, the QAC is of the opinion that these are better described as "questionable costs," and given the dispute as to their categorization, should not be included as "costs recovered."

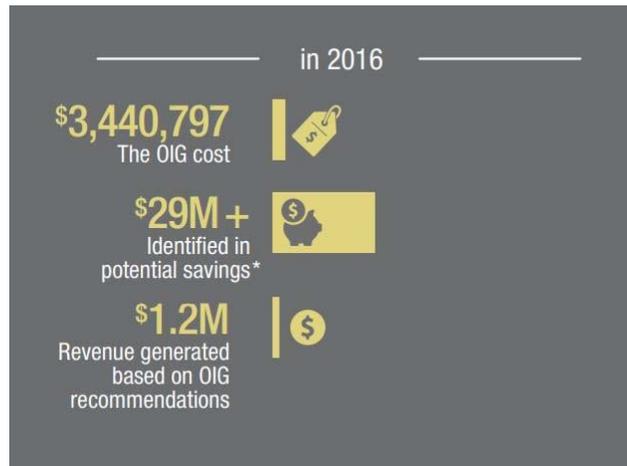
⁷ As an overarching matter, the QAC understands that the important revelations from the OIG's investigations may not exactly result in "costs recovered." For instance, the 2019 Audit of the S&WB was a critical investigation but did not result in definite "costs recovered."

⁸ As a general matter, the OIG did not publish the "Management and Operations of the Traffic Safety Program" until January 2020. The QAC recognizes that a cyberattack may have prevented publication of this report until 2020, but it seems odd that almost half of the 2019 costs savings identified stem from a report that was not technically published until 2020.

5. **Overall Format and Content of the Report:** We found that the Report was not as informative or as accessible as in other years. The Report did not include basic definitions or descriptions of the OIG sections such that citizens could easily comprehend and assess the OIG’s work in 2019. For instance, after the OIG describes its Vision and Mission in the Report, it would be helpful to include a summary of the various divisions and their respective duties.

IV. Recommendations

1. The OIG should comply with the Ordinance and should prominently include the “costs incurred” and “costs recovered.” For example, the QAC urges the OIG to include a chart similar to the chart the OIG included in its 2016 report:



2. We think it would be useful for the OIG to include in its Annual Report a high-level breakdown of how its budget was allocated during the year.
3. We think it would be informative for the OIG to include a section on how the OIG establishes the priority for investigations. For example, as detailed above, we question how the two DOH investigations were prioritized such that the OIG published ROIs for those investigations.
4. In order for New Orleans citizens to fully understand the breadth of the work done by the OIG, we recommend that the OIG include more information in the Report. This should include background information to educate the citizens about the structure and work of the OIG, but this additional information should also include—**without divulging any confidential work**—unfinished investigations or rejected complaints so that the citizens can better appreciate the scope and gravity of the work undertaken by the OIG.
5. We recommend the OIG include more definitions and detail in the Report, similar to what the OIG did in years prior.

V. Conclusion

As we detail above, we recognize that the OIG completed some significant investigations that are important for the Citizens of New Orleans. However, we still have

some concerns regarding the OIG's productivity for 2019. Specifically, while the OIG's productivity in 2019 clearly exceeds that of the previous year, we question whether the number and gravity of the matters "inspected" are commensurate with its significant City budget allocation of \$3,800,000. We are also troubled by the failure of the OIG to include the "costs incurred" or to mention its allocated budget in the Report.

In closing, we again want to thank the OIG for its work and hope that the OIG continues to build on its output in 2020.

ATTACHMENT 1

Sec. 2-1120. - Office of inspector general.

- (1) *Creation of the city office of inspector general.* Pursuant to section 9-401 of the Home Rule Charter of the city, this article establishes the city office of inspector general.
- (2) *Purpose.* The purpose of this section is to establish a full-time program of oversight to prevent and detect fraud, waste and abuse, and to promote efficiency and effectiveness in city programs and operations. This oversight includes audits, criminal and administrative investigations, inspections and evaluations, and monitoring. The scope of oversight activities includes all entities subject to the jurisdiction of the office of inspector general, as set out in paragraph (12).
- (3) *Appointment.*
 - (a) *Appointing authority and procedure.*
 1. In the case of a vacancy in the position of inspector general, the ethics review board shall be responsible for appointing a new inspector general.
 - a. The appointing authority shall convene within 60 days of a vacancy in the position of inspector general to initiate the selection process for a new inspector general.
 - b. The appointing authority shall conduct a nationwide search to fill the position of inspector general.
 - c. Appointment of an inspector general shall be by an affirmative vote of a majority of all the authorized membership of the appointing authority.
 - d. The chairperson of the appointing authority may appoint an interim inspector general to serve until such time as a successor inspector general is appointed.
 - i. The eligible candidates for interim inspector general are: an existing first assistant inspector general, deputy inspector general, or other office of inspector general management personnel.
 - ii. The appointing authority may, by a majority vote of all of its members, overrule the chairperson's appointment and appoint an alternative eligible candidate as interim inspector general.
 2. The appointing authority shall approve the inspector's general's annual salary each year at a meeting of its board.
 - (b) *Qualifications for appointment.*
 1. In considering a candidate for the position of inspector general, the appointing authority shall evaluate and consider any and all qualifications that are relevant to the position of inspector general, including, but not limited to:
 - a. The candidate's integrity;
 - b. The candidate's potential for strong leadership;
 - c. The candidate's demonstrated experience and/or ability in accounting, auditing, finance, law, management analysis, public administration, investigation, criminal justice administration, or other closely related fields;
 - d. The candidate's demonstrated experience and/or ability in working with local, state and federal law enforcement agencies and the judiciary; and
 - e. Any other qualifications deemed relevant by the appointing authority.
 2. The appointing authority's decision to appoint a particular candidate shall not under any circumstances be based in any part upon the candidate's age, gender, race, sexual orientation, religious affiliation or political affiliation.
 3. A qualified candidate for inspector general shall be a person who:

- a. Holds a bachelor's degree from an accredited institution of higher education;
 - b. Possesses demonstrated knowledge, skills, abilities and experience in conducting audits, investigations, inspections, and performance reviews; and
 - c. Has at least five years of experience in any one, or a combination, of the following fields:
 - i. As an inspector general;
 - ii. As a federal law enforcement officer;
 - iii. As a federal or state court judge;
 - iv. As a licensed attorney with experience in the areas of audit or investigation of fraud, mismanagement, waste, corruption, or abuse of power;
 - v. As a senior-level auditor or comptroller; or
 - vi. As a supervisor in an office of inspector general or similar investigative agency.
4. A highly qualified candidate shall be a qualified candidate who:
- a. Has managed and completed complex investigations involving allegations of fraud, waste, abuse, illegal acts, theft, public corruption, deception or conspiracy; or
 - b. Holds an advanced degree in law, accounting, public administration, or other relevant field.
5. The inspector general shall obtain professional certification as a certified inspector general within one year of appointment. Such certification shall be paid for by the office of inspector general.
- (c) *Term of office.*
1. The inspector general shall be appointed for a term of four years, which term shall begin when the inspector general begins employment with the city.
 2. The inspector general may be reappointed to subsequent four year terms at the discretion of the appointing authority.
- (d) *Restrictions on appointment.*
1. A former or current elected official or employee of New Orleans city government, including a former or current elected official or employee of governmental entities that receive funds directly or indirectly from the city or its citizens, may not be appointed inspector general within four years following the end of such individual's period of service. This restriction shall not prohibit the reappointment of an inspector general currently holding the position of New Orleans Inspector General.
 - a. Notwithstanding the foregoing restriction, employees of the office of inspector general who have served in the office for two or more years may be immediately eligible for appointment to the position of inspector general.
 2. A former or current elected official or employee of the state or its political subdivisions may not be appointed inspector general within four years following that individual's period of service.
 3. The inspector general shall not hold, nor be a candidate for, any elective office while inspector general, or for four years thereafter. The inspector general shall not hold office in any political party or political committee, nor shall he/she participate in any political campaign of any candidate for public office, nor make any campaign contribution or campaign endorsement, while inspector general.
 - a. An officer or employee of the office of the inspector general shall not hold, or be a candidate for, any elective office while an officer or employee, or for four years

thereafter. An officer or employee of the office of the inspector general shall not hold office in any political party or political committee, or participate in any political campaign of any candidate for public office, or make any campaign contribution or campaign endorsement, while an officer or employee of the office of inspector general.

- (4) *Removal from office.* Following a public hearing by the appointing authority, the inspector general may be removed from office for cause by an affirmative vote of two-thirds of the entire authorized membership of the ethics review board, which must then publicly report the reasons for removal to the city council.
 - (a) Causes for removal may include abuse of power or authority; conviction of a state or federal felony [charge]; entry of a guilty or nolo contendere plea to a state or federal felony charge; discrimination; ethical misconduct in office; unprofessional conduct; or other acts tarnishing the integrity of the office of inspector general.
- (5) *Resources.*
 - (a) Pursuant to section 9-404 of the Home Rule Charter of the city, the office of inspector general shall be funded by an annual appropriation by the city council as part of the city's operating budget.
 - (b) The office of inspector general shall prepare and transmit an annual operating budget to the chief administrative officer, identifying in the budget all proposed expenditures for the following fiscal year.
- (6) *Organizational placement.*
 - (a) The office of the inspector general shall be considered a city law enforcement agency for the purposes of this chapter, but shall not be a police force.
 1. Pursuant to section 4-502(2)(a) of the Home Rule Charter of the city, upon the request of the inspector general, the superintendent of police shall deputize investigative employees of the office of inspector general with limited police powers. Such deputies shall not be granted arrest power, and shall be deputized solely for the purpose of carrying out the duties of the office of inspector general and only in connection with the investigation of a matter within the purview of the office of inspector general.
 - (b) The office of inspector general shall be at all times operationally independent from the legislative and executive branches of the city government, including the Council of the City of New Orleans, and the office of the mayor.
 1. "Operationally independent" shall be defined as "not prevented, impaired, or prohibited from initiating, carrying out, or completing any audit, investigation, inspection or performance review."
 2. Pursuant to section 9-401(3) of the Home Rule Charter of the city, the office of inspector general may retain special counsel to provide legal advice and representation on its behalf, notwithstanding the provisions of section 4-403 of the Charter.
 - (c) The office of inspector general is authorized and encouraged to work cooperatively with the ethics review board in carrying out its functions and duties as laid out in this section.
 1. Upon request of the ethics review board, the office of inspector general may conduct preliminary inquiries or investigations on behalf of the ethics review board.
- (7) *Records disclosure.* All records of the office of inspector general shall be exempt from public disclosure and shall be considered confidential, unless it is necessary for the inspector general to make such records public in the performance of his or her duties. Unauthorized disclosure of information by the inspector general or any employee of the office of inspector general is subject to review and disciplinary action by the appointing authority. The office of inspector general is subject to all state laws concerning public records.

- (8) *Reporting the results of inspector general findings.*
- (a) Upon completion of any audit, evaluation or investigation, the office of inspector general shall report the results of its findings and any recommendations to the ethics review board.
 - (b) Prior to concluding an audit or evaluation report, which contains findings as to the person or entity which is the subject of the audit or evaluation, the office of inspector general shall provide the affected person or entity with an internal review copy of the report. Such person or entity shall have 30 days from the transmittal date of the report to submit a written explanation or rebuttal of the findings before the report is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report.
 - (c) This section shall not apply when the inspector general, in conjunction with a district attorney, attorney general, or United States Attorney, determines that supplying the affected person or entity with such report would jeopardize a pending criminal investigation.
 - (d) This section shall not apply when, upon completion of any audit, evaluation or investigation, the inspector general determines that:
 - 1. There was no criminality, but rather employee misconduct;
 - 2. The affected individual was presented with the allegations, and had an opportunity to rebut; and
 - 3. Making the report public could jeopardize confidentiality of sources and means.
- (9) *Annual reports.* The inspector general shall report annually to the ethics review board on the activities of the office of inspector general for the preceding calendar year.
- (a) Such report shall be submitted no later than March 31 and shall include information on all matters undertaken, costs incurred, costs recovered, matters concluded, and any results. The report shall also describe accomplishments of the office of inspector general.
 - (b) Copies of the report shall be provided to the city council and the office of the mayor upon completion, and to any other entity subject to the jurisdiction of the inspector general upon request.
 - (c) Upon issuance, members of the media and the public shall be promptly advised of the issuance of the report. A copy of the report shall be made available to the public on the office of inspector general's website.
- (10) *Authority .* The office of inspector general is authorized to engage in the following specific functions:
- (a) Audit, evaluate, investigate, and inspect the activities, records, and individuals with contracts, subcontracts, procurements, grants, agreements, and other programmatic and financial arrangements undertaken by city government and any other function, activity, process, or operation conducted by city government.
 - (b) Audit the efficiency and effectiveness of city government operations and functions and conduct reviews of city government's performance measurement system.
 - (c) Review the reliability and validity of the information provided by city government performance measures and standards.
 - (d) Initiate such investigations, audits, inspections, and performance reviews of city government as the inspector general deems appropriate.
 - (e) Receive complaints of fraud, waste, abuse, inefficiency, and ineffectiveness from any source and investigate those complaints that the inspector general deems credible.
 - (f) Engage in prevention activities, including, but not limited to, the prevention of fraud, waste, abuse, and illegal acts; review of legislation; review of rules, regulations, policies, procedures,

and transactions; and the supplying, providing, and conducting of programs for training, education, certification and licensing.

- (g) Conduct joint investigations and projects with other oversight or law enforcement agencies, including, but not limited to, the district attorney, attorney general, and the United States Attorney.
 - (h) Issue reports and recommend remedial actions to be taken by the city council, the office of the mayor, or municipal departments or agency heads to overcome or correct operating or maintenance deficiencies and inefficiencies identified by the office of inspector general.
 - (i) Issue public reports as set forth in subsections (8) and (9).
 - (j) Monitor implementation of recommendations made by the office of inspector general and other audit, investigative, and law enforcement agencies.
 - (k) Establish policies and procedures to guide functions and processes conducted by the office of inspector general.
 - (l) Require reports from the office of the mayor, city council, or city departments, agencies, boards, commissions, or public benefit corporations regarding any matter within the jurisdiction of the office of inspector general.
 - (m) File a complaint with the ethics review board or state board of ethics upon detecting a potential violation of any state ethics law or city ethics ordinance or code.
 - (n) Attend all city meetings relating to the procurement of goods or services by the city, including meetings involving third-party transactions.
 - 1. The office of inspector general may pose any questions and raise any concerns at such meetings consistent with its functions, authority and powers of the office of inspector general.
 - 2. The office of inspector general shall be notified in writing prior to any meeting of a selection or negotiation committee relating to the procurement of goods or services. The required notice shall be given as soon as possible after a meeting has been scheduled, but in no event later than 24 hours prior to the scheduled meeting.
 - a. An audio recorder or court stenographer may be utilized to record any selection or negotiation committee meetings attended by the office of the inspector general.
 - (o) Assist any city department, agency, board, commission, public benefit corporation, the office of the mayor, the city council, any city council member, or the governing body of any agency, board, commission, or public benefit corporation, upon request, with implementation of any suggested legislation or legislative policy. In such an event, the inspector general may assign personnel to conduct, supervise, or coordinate such activity.
 - (p) Do all things necessary to carry out the functions and duties set forth in this section, including promulgate rules and regulations regarding the implementation of responsibilities, duties and powers of the office of inspector general.
- (11) *Duties.*
- (a) When efficiency problems are noted, the inspector general has an affirmative duty to provide a standard of efficient practice to the unit in question, and assess whether adequate resources are available for implementation of a program. This may be done in the form of a public letter or other appropriate vehicle.
 - (b) The office of inspector general shall maintain information regarding the cost of investigations and cooperate with appropriate local, state, and federal administrative and prosecutorial agencies in recouping such costs from nongovernmental entities involved in willful misconduct. The office of inspector general shall also work with state and federal prosecutorial agencies to maximize the recovery of the costs of investigation and funds lost as a result of willful misconduct by nongovernmental authorities.

- (c) Upon discovering credible information of corruption, fraud, waste, abuse or illegal acts in carrying out his duties and responsibilities as inspector general, the inspector general shall report to the district attorney, or the United States Attorney, or other appropriate law enforcement agency.
- (d) Duties to refer matters.
 - 1. Whenever the inspector general has reasonable grounds to believe there has been a violation of federal or state law, the inspector general shall refer the matter to the district attorney, the United States Attorney or other appropriate law enforcement agency.
 - a. After referring the matter to an appropriate law enforcement agency, the office of inspector general may assist the law enforcement agency in concluding any investigation.
 - 2. When the inspector general has reason to believe he must recuse himself from a matter, because of a potential conflict of interest, the inspector general shall refer such matter to the district attorney, the United States Attorney or other appropriate law enforcement agency.
 - 3. The inspector general shall refer audit, investigative, inspection, or performance review findings to the ethics review board, the state board of ethics, or to any other federal, state or local agency he deems appropriate.
- (e) The office of inspector general shall submit any proposed changes to its governing policies to the city council for review and acceptance.

(12) *Powers.*

- (a) The office of inspector general shall have access to all records, information, data, reports, plans, projections, matters, contracts, memoranda, correspondence, audits, reviews, papers, books, documents, computer hard drives, e-mails, instant messages, recommendations, and any other material of the city council, office of the mayor, all city departments, agencies, boards, commissions, public benefit corporations or of any individual, partnership, corporation, or organization involved in any financial capacity or official capacity with city government that the inspector general deems necessary to facilitate an investigation, audit, inspection, or performance review. This includes any and all information relative to the purchase of supplies and services or anticipated purchase of supplies and services from any contractor by any city department, agency, board, commission, or public benefit corporation, and any other data and material that is maintained by or available to the city which in any way relates to the programs and operations with respect to which the inspector general has duties and responsibilities.
- (b) The inspector general may request information, cooperation, and assistance from any city department, agency, board, commission, or public benefit corporation. Upon receipt of a request for such information, cooperation, and assistance from the inspector general, each person in charge of any city department, or the governing body of any city agency, board, commission, or public benefit corporation shall furnish the inspector general or his authorized representative with such information, cooperation, and assistance.
- (c) The office of inspector general shall have direct and prompt access to all employees of the city, including, but not limited to, any elected official, deputy mayor, or head of any city department, agency, board, commission, or public benefit corporation.
- (d) At all times, the office of inspector general shall have access to any building or facility that is owned, operated or leased by the city or any department, agency, board, commission or public benefit corporation of the city, or any property held in trust to the city.
- (e) No subpoena is required for the information or documents mentioned in this paragraph. All information and documents are to be provided upon written request from the office of inspector general.

- (13) *Professional standards.* Standards for initiating and conducting audits, investigations, inspections, and performance reviews by the office of inspector general will conform to the Principles and Standards for Offices of Inspectors General (Green Book) promulgated by the Association of Inspectors General. The office of inspector general shall develop an operations manual available to the public that contains principles based on these standards.
- (14) *Physical facilities.* The city shall provide the ethics review board and the office of inspector general with office space, which shall be located in close proximity to, but not within, City Hall. The city shall also provide the ethics review board and the office of inspector general with sufficient and necessary equipment, office supplies, and office furnishings to enable the ethics review board and the office of inspector general to perform their functions and duties.
- (15) *Organizational structure.*
- (a) The office of inspector general and the ethics review board shall have the power to establish personnel procedures and procurement procedures for their respective offices. The office of inspector general and the ethics review board shall have the power to appoint, employ, contract, and remove such assistants, employees, consultants, and personnel, including legal counsel, as deemed necessary for the efficient and effective administration of the activities of their respective offices.
- (b) The office of inspector general shall include, but not be limited to, a division of criminal investigations, a division of audit, a division of inspections, and a division of performance review.
- (16) *External review of the office of inspector general.*
- (a) Completed reports of audits, inspections and performance reviews, and public reports of investigation, shall be subject to an annual quality assurance review by a third-party advisory committee, known as the quality assurance review advisory committee for the office of inspector general.
1. The quality assurance review advisory committee for the office of inspector general shall include a representative appointed by the city council, who shall serve as chair of the committee; a representative appointed by the office of the mayor; and a representative appointed by the ethics review board.
 - a. The committee shall be renewed annually, although representatives may be reappointed at the discretion of the appointing entities.
 - b. The chair shall be responsible for:
 - i. Providing each committee member with materials for the annual review;
 - ii. Setting a public meeting at which the committee will present its written review. The public meeting shall take place after the publication of the OIG's annual report mandated by subsection (9), but before May 31;
 - iii. Presenting the committee's written review to the office of inspector general at least 15 calendar days prior to the date of its public meeting.
 - c. Committee members must be domiciled in Orleans Parish.
 - d. A committee member may not hold any elective or appointed position with the city nor any other government or political party office, nor be employed by any entity that is subject to review by the office of inspector general. Additionally, a member may not have held any of these positions within two years before appointment to the committee.
 2. As the entity being reviewed, the office of inspector general does not participate on the committee, but will provide full cooperation, including access to all completed reports. The inspector general will appear before the committee at its annual public meeting.

- (b) The office of inspector general shall be subject to an independent, external peer review by the Association of Inspectors General every three years. Such peer review shall be paid for by the office of inspector general. When completed, the Association of Inspectors General shall submit its recommendations and findings of such peer review to the inspector general. The office of inspector general shall comply with the recommendations of the peer review within 90 days, provided that the recommendations and findings are accepted and approved by the ethics review board. Copies of the final report resulting from this peer review shall be furnished to the ethics review board, the clerk of the council, the city attorney, and the office of the mayor. The final report shall also be made available to the public.
- (17) *Annual work plan.* The inspector general shall present to the ethics review board an annual work plan for the ensuing calendar year. The plan shall be submitted no later than September 1 of each year and shall include:
- (a) Risk assessment criteria used in establishing the work plan;
 - (b) A schedule of projects and anticipated completion dates; and
 - (c) Quality assurance procedures planned for implementation.
- (18) *Subpoena power.*
- (a) For purposes of an investigation, audit, inspection, or performance review, the office of the inspector general may administer oaths and affirmations, subpoena witnesses, compel their attendance and testimony under oath, take evidence, and require the production of any records which the Inspector General deems relevant or material to an investigation, audit, inspection or performance review.
 - (b) In the performance of its duties, the office of the inspector general may compel the attendance of witnesses to be deposed under oath or the production of public and private records by issuing a subpoena. The subpoena may be served by certified mail, return receipt requested, at the addressee's residence or business address, or by representatives appointed by the Office of Inspector General.
 - 1. The procedure for obtaining approval of such a subpoena shall be in accordance with the requirements of state law.
 - 2. Any subpoena for production of private records shall be in compliance with all applicable constitutionally established rights and processes.
 - 3. Any request for financial records in the possession or under the control of a bank pursuant to this chapter is subject to and shall comply with the requirements and procedures of R.S. 6:333.
 - (c) Any person or entity that is the subject of a subpoena issued by the office of inspector general may challenge the sufficiency or scope, or both, of the subpoena by filing a protective order or motion to quash in the Orleans Parish Civil District Court.
 - (d) If a person or entity refuses to comply with a subpoena issued by the office of inspector general, the Orleans Parish Civil District Court may issue an order requiring the person or entity to appear before the court to show cause why an order should not be issued ordering such person to comply with the subpoena.
 - 1. Any costs and attorney's fees incurred [by] the office of inspector general may be taxed against the person who failed or refused to comply with the terms of the subpoena.
- (19) *Reserved.*
- (20) *Cooperation.*
- (a) It shall be the duty of every city officer, employee, department, agency, board, commission, public benefit corporation, contractor, subcontractor, licensee of the city, and applicant for certification of eligibility for a city contract or program, to cooperate with the office of inspector

general in any investigation, audit, inspection, performance review, or hearing pursuant to this chapter.

- (b) It shall be the duty of every city officer, employee, department, agency, board, commission, public benefit corporation, contractor, subcontractor, and licensee of the city to report to the office of inspector general any instance of fraud or abuse.
- (c) With the exception of those contracts specified in subsection (1) of this paragraph, every city contract and every contract amendment where the original contract does not include this statement, and every bid, proposal, application or solicitation for a city contract, and every application for certification of eligibility for a city contract or program shall contain the following statement:

"It is agreed that the contractor or applicant will abide by all provisions of City Code § 2-1120, including, but not limited to, City Code § 2-1120(12), which requires the contractor to provide the Office of Inspector General with documents and information as requested. Failure to comply with such requests shall constitute a material breach of the contract. In signing this contract, the contractor agrees that it is subject to the jurisdiction of the Orleans Parish Civil District Court for purposes of challenging a subpoena."

- 1. The provisions of subparagraph (c) shall not apply to contracts with other government agencies or to contracts where the city is the recipient of funds.
 - (d) Any employee, appointed officer or elected official of the city who violates any provision of this chapter shall be subject to discharge or such other discipline as may be specified in an applicable collective bargaining agreement, in addition to any other penalty provided in the City Charter or ordinances.
- (21) *Allegations by public employees.* The office of inspector general may receive and investigate allegations or information from any public employee concerning the possible existence of any activity constituting fraud, waste, abuse, and illegal acts. The office of inspector general shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the written consent of said employee, unless the inspector general determines such disclosure is necessary and unavoidable during the course of the investigation. In such event the employee shall be notified in writing at least seven days prior to such disclosure. Any employee who has authority to take, direct others to take, recommend, or approve any personnel action shall not, with respect to such authority, take or threaten to take any action against any employee as a reprisal for making a complaint or disclosing information to the office of inspector general, unless the complaint was made or information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

(M.C.S., Ord. No. 22444, § 1, 11-2-06; M.C.S., Ord. No. 22553, § 1, 3-1-07; M.C.S., Ord. No. 22888, § 1, 11-1-07; M.C.S., Ord. No. 24395, § 1, 4-28-11; M.C.S., Ord. No. 24950, § 1, 7-12-12; M.C.S., Ord. No. 27309, § 1, 3-9-17; M.C.S., Ord. No. 27745, § 1, 4-19-18)