

OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



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**OIG RECOMMENDED SALES OF TAX DELINQUENT PROPERTIES PRODUCE
MORE THAN \$12 MILLION IN REVENUE**

The New Orleans Office of Inspector General (OIG) today released its “Delinquent Property Tax Collection Program Follow-up Report.”

Evaluators conducted the follow-up to determine if the City implemented OIG recommendations from its 2013 report, which found that the City paid its collections contractor ten times the cost of collection services for a program that was less effective than it could have been.

In its follow-up process the OIG found that the City implemented some changes that increased the effectiveness of the collections program but did not follow recommendations to reduce the cost. Evaluators found a flawed requests for proposals (RFP) process failed to produce a less expensive contract and that the City continued to pay monthly invoices that lacked detail.

In its original report the OIG recommended that the City sell adjudicated properties to decrease the overall cost of collections and create additional incentive for property owners to pay delinquent taxes. Although the City rejected the recommendation in response to the OIG in 2013, it began holding adjudicated property auctions in July 2015. By November 2015, the auctions resulted in more than \$12 million in sales. In the weeks preceding the City’s first auction of adjudicated properties in July, it collected an additional \$1.2 million from delinquent accounts.

“It is gratifying to see that the City’s holding of adjudicated property auctions realized more than \$12 million in additional revenue,” stated Inspector General Ed Quatrevaux, “but the city should continue to improve the requests for proposals and reduce costs of collections.”

In addition to its follow-up report, the OIG issued a brief summarizing the reasons for its report and its findings.

OIG reports can be viewed on its website www.nolaoig.gov.

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