



# CITY OF NEW ORLEANS



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## **New Orleans Office of Inspector General and the Sewerage & Water Board of New Orleans Announce Theft Investigation Results and Enhanced Security Measures**

NEW ORLEANS, LA. The New Orleans Office of Inspector General (OIG) and Sewerage & Water Board of New Orleans (S&WB) today announced the findings of an OIG investigation into theft of brass fittings by S&WB employees, the consequences for those involved, and positive reforms to S&WB's security and logistics measures.

The OIG initiated an investigation based on computer analytics in January of 2016. Using these tools, the OIG further investigated and identified a number of S&WB employees selling S&WB brass fittings used in residential water meters.

The OIG determined that between January 2013 and June 2016, S&WB employees sold approximately 34,416 pounds of brass to scrap metal yards in the New Orleans area. The S&WB purchased these brass fittings at approximately \$15.30 a pound which resulted in a loss of \$526,565.

The OIG conducted parallel but separate criminal and administrative investigations with the full cooperation of the S&WB. The investigations are ongoing.

The OIG referred the results of the criminal investigations of 10 S&WB employees to the Orleans Parish District Attorney's Office. The District Attorney's Office confirmed arrest warrants have been issued for the 10 individuals who are being charged with theft of metals over \$10,000 and malfeasance in office under La. R.S. 14:67.28 and 14:134.

The OIG referred the results of the administrative investigations to the S&WB.

S&WB fully cooperated with the OIG and Orleans Parish District Attorney in this investigation and as a result, all individuals involved were terminated, resigned or retired prior to their termination.

The S&WB has implemented significant changes to its security and logistics policies and procedures as a result of this investigation. This includes the recent hiring of a Deputy Director of Security and contracting with a new security firm to patrol and safeguard S&WB plants and facilities. This increases institutional controls over property procurement, warehousing and inventory. Furthermore, S&WB has installed new video surveillance systems and enhanced its fencing, locks and intrusion detection.

To prevent stolen materials from being sold, all S&WB vendors must emboss items like brass piping with an appropriate S&WB marker to ensure public identification of government property. To more accurately track public resources, S&WB is reviewing its data processing capabilities to better track what assets are being used in every project. Next year, S&WB will launch a new online work order system which will further improve these

processes. As a direct result of this criminal investigation, S&WB is now implementing quarterly warehouse inventories and will be validating and reconciling its inventory annually.

Cedric Grant, Executive Director of the Sewerage & Water Board of New Orleans, said “Under my leadership, we are building a new S&WB – one that has zero-tolerance for theft of public property or any violation of the public’s trust. All individuals involved in this matter have been terminated and will be held to the fullest extent of the law while we pursue financial restitution. As a result of this criminal investigation, we have implemented significant changes to security and logistics to better ensure this type of malfeasance does not occur again.”

“The OIG has repeatedly found in our reports on the Sewerage and Water Board a lack of controls to safeguard the substantial investments of customers and taxpayers,” stated Inspector General Ed Quatrevaux. “We are encouraged by the steps taken by the Sewerage and Water Board to prevent employee theft of metals and we will follow up to measure their effectiveness.”

A link to today’s OIG/S&WB news conference can be found on the OIG website [nola.oig.gov](http://nola.oig.gov).

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