

Office of Inspector General

City of New Orleans

Construction Fraud Division

Quarterly Status Report

Report Period: 1/1/2014 – 3/31/2014

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Inspector General

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INTRODUCTION

In early 2013 executives at the Louis Armstrong International Airport and the Office of Inspector General (OIG) began discussions concerning the opportunity for oversight in regard to the design and construction of the new airport terminal. Months later, a resolution dedicating these Construction Fraud services was executed on May 16, 2013 by the New Orleans Aviation Board (NOAB).

The Office of Inspector General, Construction Fraud Division (OIG-CFD) is currently providing full time program oversight to prevent and detect fraud, waste and abuse, and to promote efficiency and effectiveness leading to the realization of the NOAB Long Term Strategic Infrastructure Plan or North Airport Terminal. These services, which are fully described within the approved Resolution, will be to develop and implement a full fraud detection and prevention program related to NOAB's implementation of the Strategic Plan. The Construction Fraud Division (CFD) services were approved for one (1) year and are automatically renewable each year for a maximum of four (4) years.

The CFD salaries are sponsored by NOAB Capital funds dedicated to the building of the North Airport Terminal. These resources are approved through the Resolution executed between the OIG and NOAB.

On June 24, 2013, the CFD offices became operational at the New Orleans Airport. The permanent offices of the 3 professional CFD representatives are housed at the New Orleans Airport. These officers include:

- Assistant Inspector General – Construction Fraud Division
- Deputy Assistant Inspector General – Construction Fraud Division
- Program Officer – Construction Fraud Division

The CFD will provide quarterly status reports which shall be posted and available for review through the City of New Orleans, Office of Inspector General website: www.nolaoig.org.

Any questions or concerns regarding this report or the function of the Construction Fraud Division should be brought to the attention of the Assistant Inspector General for Construction Fraud at 504-301-7553 or psmith@nolaoig.org

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A. 2013-2014 Review Goals and Objectives

I. SUMMARY

This report is issued quarterly to offer a periodic status on the work of the Office of Inspector General, Construction Fraud Division for the New Orleans Aviation Board. This report offers a summary of actions and accomplishments of the CFD for the period of: **January 1, 2014 through March 31, 2014.**

The CFD established a detailed set of Goals & Objectives which directly connects to the mission of the Division and serves as a road map for success. On January 7, 2014, the CFD held a *strategic planning session* to discuss the Division's Goals & Objectives and revise them to meet the current needs of the program. The results of the strategic planning session are illustrated in a set of planned action items the CFD will attempt to accomplish throughout 2014.

The main headings of this quarterly report are tied to the established CFD goals & objectives, and the action items will be discussed therein.

II. DEVELOPMENT OF GOALS & OBJECTIVES

(Attachment "A": 2013-2014 Review Goals & Objectives)

The CFD met at the beginning of January to conduct its strategic planning session, which included a comprehensive review of its Goals & Objectives for the past 6 months of work. The Division members discussed the year-end status of each objective and brainstormed ways to continually improve the process. Part of this improvement process involved updating specific objectives by including new action items that will help the CFD achieve its overall Mission & Vision for 2014. This re-working of objectives helped to revise the Goals of the Division and, in essence, update the strategy used to prevent and detect fraud on the North Airport Terminal project. Attachment "A" to this report is the document that identifies the discussions and considerations that transpired. The Goals and Objectives will be updated with the status of each action item in subsequent CFD quarterly status reports.

III. BUILD AND MAINTAIN EFFECTIVE OVERSIGHT UNIT

Establish Liaisons: Building relationships with stakeholders on the north airport terminal construction project continues to be a crucial undertaking by the Construction Fraud Division. Since inception of the CFD (July, 2012), team members—through their prior employment, education, and outreach—developed a network of stakeholders in the design/construction industry and the law enforcement and public sector oversight communities. These relationships continue to produce useful and worthwhile intelligence and/or input on all of the CFD deliverables.

Moreover, in an effort to plan for the future phases of the north airport terminal construction project, the CFD used the strategic planning session to identify future relationships the Division intends to foster. Among those future relationships: **(a)** the Construction Manager at Risk; **(b)** Contractors and Sub-Contractors that will be selected for airport enabling projects; **(c)** increase collaboration with Terminal Design Team; **(d)** regional representatives with the Federal Aviation Administration and Department of Transportation; and **(e)** begin outreach with Local Union Associations. The Division believes that the development of liaison relationships will ensure positive returns for all stakeholders while promoting awareness of the Construction Fraud Division.

Quarterly Status Reporting: One of the future tasks of the CFD will be to create a standard mailing list of individuals/companies/organizations that will be issued a copy of the CFD Quarterly Report. In the strategic planning session Division members agreed that a good way to increase public awareness about its work would be to target groups that are stakeholders in the success of the North Airport Terminal Project. The future protocol will be to issue the newest Quarterly Report on the O.I.G website and then send it directly to the recipients on the mailing list.

Visibility of CFD: A vital first step in building a thriving oversight unit is to elevate the visibility of the Division. A highly visible Division promotes the NOAB initiative toward true transparency within the design and construction process for the Strategic Infrastructure Plan.

The CFD has been extremely productive in establishing positive relationships with all project stakeholders. In this short time, the Construction Fraud Division has been involved in Strategic Project related meetings including: design progress meetings, design work-shops, internal airport staff meetings, consultant selection committee meetings, NOAB Board meetings, Strategic Infrastructure Project Coordination Meetings, Financial Feasibility Meetings, and Construction Manager at Risk – Request for Proposal Conferences. The Division has also been successful in making fruitful connections with many of the consultants currently working on the Infrastructure Project such as the project management team, the design team, legal consultants, and many of their sub-consultants.

These established relationships have proved to be highly useful to airport staff and project consultants. As part of the strategic planning session, the CFD discussed possible ways to increase public awareness about the existence of the Division at the airport. Two action items emerged from this discussion **(1)** announce on the NOAB webpage about the OIG CFD presence on the project, and **(2)** research additional means of public awareness, including the possibility of advertisements in local publications. The CFD completed both of these action items during this quarterly reporting period.

Prompt Monthly Invoicing: The CFD has submitted and been paid timely for all invoices: July, 2013 through February, 2014. An invoice for March, 2014 was submitted to the airport on April 2, 2014. This CFD expects to receive funds within 30 days.

During the strategic planning session, the CFD discussed possible ways to increase clarity in the invoicing process and created one action item – include a summary sheet in the CFD monthly invoices that lists employee hours per project code. The Division believes that this will allow for a better understanding of the hours each employee bills to each project and corresponding project code. The CFD completed this action item and included the summary sheet on the February and March 2014 invoices.

Continuous Development of CFD Staff: The Construction Fraud Division is committed to the continued training, education and advancement of its team members. It is important to maintain current knowledge on industry trends and perspective within Construction Fraud. As part of the strategic planning session, the CFD felt that a team member should attend the American Association of Airport Executives (AAAE) – Planning, Design and Construction Symposium. The CFD believed it was important to send a team member to the AAAE to better understand industry trends and technology in airport service delivery. A detailed list of the training sessions attended during this quarterly reporting period follows:

**Construction Management Association of America –
Improved Project Control through Scheduling**

Attendees: Deputy Assistant Inspector General – Construction Fraud Division;
Location: New Orleans, Louisiana
Date/s: January 24, 2014
Purpose: To learn methods of understanding and controlling the project through utilization of scheduling and reporting systems;
Goal/s: Use information and practices regarding scheduling to achieve stated CFD goals and objectives;
Outcome: What to look for in Baseline CPM schedules submitted by contractors; How to look for contractor’s schedule manipulation to hide delays, shifting of critical path, setting ground work for delay claim, sequestering float – all placing Owner in a liability position.

**Construction Management Association of America –
Practical Application of the General Conditions**

Attendees: Deputy Assistant Inspector General – Construction Fraud Division;
Location: New Orleans, Louisiana
Date/s: February 14, 2014
Purpose: To learn methods of constructing and applying the contract general conditions section in a responsible and effective manner;
Goal/s: Use information and practices regarding contract general conditions to achieve stated CFD goals and objectives;

Outcome: Robust discussions of common clauses, enforceability, and the practical application of contract provisions. Learned when notice provisions can be enforced, how to handle extended overhead cost requests, how to enforce liquidated damage provisions and much more.

**American Association of Airport Executives –
Planning, Design and Construction Symposium**

Attendees: Deputy Assistant Inspector General – Construction Fraud Division;
Location: Denver, Colorado
Date/s: February 19 & 20, 2014
Purpose: To gain knowledge on new trends and technology for airport planning, design and project delivery
Goal/s: Use information and practices regarding industry trends to achieve stated CFD goals and objectives;
Outcome: Attended seminars hosted by international airport executives and recognized design leaders focused on airport design and planning. Seminars included:

- Airline Partnerships for Project Delivery
- Achieving Meaningful Participation for DBE firms
- Program Cost Control Strategies

**Institute of Internal Auditors –
Audit Report Writing Course**

Attendees: Deputy Assistant Inspector General – Construction Fraud Division;
Program Officer – Construction Fraud Division
Location: New Orleans, Louisiana
Date/s: March 11 & March 12, 2014
Purpose: To improve the quality of public reports the I.G.'s Office issues;
Goal/s: To gain insight into how to better organize and present data. The course focus was on best practices in report writing and how to use these practices to write the best report;
Outcome: The CFD has put many of the skills learned in this course into use for the reports it issues.

**Construction Management Association of America –
South East Louisiana Drainage Program**

<u>Attendees:</u>	Assistant Inspector General – Construction Fraud Division; Deputy Assistant Inspector General – Construction Fraud Division;
<u>Location:</u>	New Orleans, Louisiana
<u>Date/s:</u>	March 28, 2014
<u>Purpose:</u>	To understand the complexities of a multi-year, public benefit construction project aimed at reducing flood claims in the New Orleans metropolitan area by improving drainage canals and building new pumping stations;
<u>Goal/s:</u>	To gain insight into best practices and lessons learned related to a large scale, multi-year construction project involving several jurisdictions, numerous government agencies, utilities, and civic groups and utilize that information in the oversight of the north terminal project;
<u>Outcome:</u>	The presentation illustrated the importance of preparation, attention to detail, coordination, information sharing, and cooperation.

IV. CREATE AND IMPLEMENT FRAUD DETERRENCE PROGRAM

Public Outreach Program

Create Public Awareness of CFD: The first step in creating an effective fraud prevention and detection program was to generate public awareness of the Construction Fraud Division and the on-going Mission and Vision. The CFD has a dedicated space on the OIG website introducing the CFD, its Mission, and offering all contact information. Further, the CFD created several dedicated portals for anonymous public reporting of possible fraud, waste or abuse of resources dedicated to the NOAB Long Term Strategic Infrastructure Plan. Reporting can be accomplished in numerous secure methods including email, hotline and in-person reporting.

In coordination with these dedicated communication measures, the CFD also developed a best practices needs assessment for the Division’s fraud hotline, to encourage anonymous tips. The results of this needs assessment were: the creation of a detailed coding process for incoming tips, research into website-embedded reporting forms, and additional methods of communication to the general public.

It is the mission of the CFD, through the creation and use of its website, hotline, e-mail, and posters, to not only effectively deter fraud, waste and abuse during the course of the project, but to grant a safe, anonymous manner in which to confidentially report such questionable activity.

Create Fraud Awareness Training Program: A significant component of successfully carrying out the CFD mission will be to engage and educate those companies and individuals employed on the Infrastructure project of their duty to comply with established ethical standards. After looking very closely and dissecting the overall goals and objectives of this segment of the CFD Mission, the Division developed a full ethical guidelines and fraud awareness training program. Based on the CFD's strategic planning session, it was decided that each training session should include an audience questionnaire to evaluate the effectiveness of the presentation and make any necessary improvements.

On February 20th, the CFD presented its Fraud Awareness and Ethical Guidelines training program to personnel from the Project Management team. The training session focused on the opportunities for and consequences of fraud, waste and abuse. Specifically, the session described ethical standards the LANOIA expects of all consultants working on the North Terminal project, as well as the *Louisiana Code of Governmental Ethics* (Louisiana R.S. Title 42; Chapter 15). The training session was participatory and attendees voluntarily described personal anecdotes related to fraud situations they have witnessed throughout their careers. On March 13th, the CFD presented its Fraud Awareness program to personnel from the LANOIA Finance Department with similar anecdotes and feedback from attendees.

Following both training sessions, the CFD distributed a survey questionnaire—based on the Likert Scale—to identify areas of improvement for future presentations. The preliminary results of the survey follow:

- When asked to respond to the statement, ***“I know more about the conditions in which fraud can occur,”*** 89% of the responses either agreed or strongly agreed with this statement.
- When asked to respond to the statement, ***“The presentation provided me with useful information about ethical standards for employees,”*** 89% of the responses either agreed or strongly agreed with this statement.
- When asked to respond to the statement, ***“I know more about industry best practices for fraud prevention and detection,”*** 89% of the responses either agreed or strongly agreed with this statement.
- When asked to respond to the statement, ***“The presenter seemed knowledgeable about the subject matter,”*** 100% of the responses either agreed or strongly agreed with this statement.

The training session is a critical objective for the CFD's goal of creating a fraud deterrence program. Going forward, the CFD will attempt to conduct at least one training session a month and continue to improve the presentation based on the results of the audience questionnaire.

Code of Ethics & Conduct for Vendors & Contractors: As previously stated, established ethical guidelines are one of the keys to support an organization's fraud deterrence program.

The Code of Ethics and Conduct is an intuitive document that establishes a baseline of ethics and conduct in which all vendors and contractors shall meet while under contract with the NOAB for their involvement in the North Airport Terminal. This *Code* is anticipated to be used as an exhibit to all vendor and contractor contracts signed with the NOAB involving the Strategic Infrastructure Project. This document includes a violations and penalties clause that contains commensurate consequences to vendor or contractor breaches of elements within this document.

The Division believes that this *Code of Ethics & Conduct* can improve vendor and contractor integrity and can play an important role in assisting the NOAB in its mission of successfully completing the Long Term Strategic Infrastructure Project. The CFD will continue to work with the Program Management Team and Airport Executives to improve and implement this essential document.

As of the end of this quarterly report, the Code of Ethics & Conduct for Vendors and Contractors has not yet been implemented. Following the strategic planning session, the consensus of the Division was to begin applying this Code retroactively to all vendors and consultants currently working on the North Airport Terminal project. In addition, the Code of Ethics & Conduct for Vendors and Contractors should be implemented with the Construction Manager at Risk and all enabling Contractors/Sub-contractors. Discussions with airport executives and City of New Orleans counsel have been established and are on-going.

Vetting Contractor Responsibility: In the Division's past experience, it was noted that there was no effort given to the determination of the "responsibility" of a low bid general contractor within a public bid. The public owner did not give consideration to whether or not the low bid general contractor possessed the ability, character or financial capacity to complete construction of the actual project. This behavior quite often resulted in a contractual relationship with a general contractor for work in which the company was not qualified to perform for one or more reasons. The project and public funds suffer when contractor responsibility is neglected.

To this end, the Construction Fraud Division believes in vetting the responsibility of contractors and consultants, which would provide a straightforward background review of these companies to determine whether the business is reasonably capable of performing the contracted work. The CFD would introduce the use of a Contractor Information Form that would be completed by all contractors prior to being contracted for work with the NOAB. This form will be used to screen the contractor. This screening should provide insight and information to the contractor's past behaviors, safety records, possible conflicts of interest, history of litigation, etc. which could be used to establish the responsibility of the contractors.

Vetting of Contractor Responsibility consists of four (4) fundamentals, which may be altered based on the project delivery process that will be decided upon by the NOAB. Briefly, these fundamentals consist of:

- 1) Establishing & Evaluating Vetting Methods
- 2) Comprehensive Action Plan for Contractor Vetting
- 3) Development of Contractor Evaluation System
- 4) Build & Maintain Vendor Database

Over the past six months as the CFD has become closely integrated into the larger more detailed plan for the Strategic Infrastructure Development Project, we have become aware that the originally established objective for the Vetting of Contractor Responsibility will require reworking. The original declaration of this objective, as stated above, must be approached within the Construction Manager at Risk (CMAR) project delivery methodology. The revision of this objective will create a robust plan for the vetting of contractors within the CMAR delivery method and generate an effective and collaborative system for this work. It is anticipated that the CFD will coordinate with the selected CMAR to develop and implement a thorough vendor screening program with the goal of ensuring the responsibility and capability of all vendors and subcontractors working on the North Airport Terminal project.

While the CMAR delivery method has been widely used within other states, its application has only been allowed in Louisiana through distinct legislative approval. Within the previous three months, the CFD has worked closely with Airport Executives, Project Management staff, and legal advisors on the building of the Request for Proposal (RFP) document for these CMAR services. This RFP is an important document to establish qualifications and expectations of the CMAR services. The development of the document and the selection of the CMAR are essential to successful and timely project delivery.

V. MANAGEMENT AND CONTINUATION OF OVERSIGHT

Investigations and/or Audits into Allegations of Fraud, Waste and Abuse:

As was previously stated in this report, the CFD has created an extensive liaison network to expand its effectiveness while promoting awareness. The creation of this network has laid the foundation for the CFD to effectively conduct any inquiries, investigations, or audits in an effort to reach a logical and appropriate conclusion. Although there have been no investigations or audits concerning the Strategic Infrastructure Project to date, CFD expects that when actual construction begins, this activity will generate future investigations or audits.

During the months of February and March the CFD began researching potential areas to conduct audits/evaluations relative to the North Airport Terminal project. It is the intention of the CFD to create potential areas for audit/evaluation that will be beneficial to administrative staff in the North Airport Terminal initiative. As of March 31, 2014, the CFD is coordinating with administrative staff to discuss and receive feedback on the audit/evaluation ideas.

Review Project Documentation: Distinctly stated within the OIG-NOAB Resolution, the OIG will “audit and review data, invoices and other materials related to consultants and contractors

performing work to implement the Plan". Throughout the 1st Quarter, this assignment has taken the majority of the Construction Fraud Division's focus, energy and time.

Out of this attention, the Division has instituted some routing alterations for efficiency by expediting review, comment and approval of these documents resulting in increased communication and facilitation of documents through the NOAB chain of approvals. These alterations have been met with positive feedback from all project stakeholders.

Use of Surveillance: It is widely believed that the use of electronic/video surveillance, and most important the awareness of this surveillance, successfully curtails the behavior of the observed populace. It has been well documented that surveillance creates an atmosphere of heightened consciousness and deters various types of activity, such as theft and fraud. The Construction Fraud Division believes that video surveillance in the proper locations can have a dramatic effect on the deterrence of fraud.

The use of these techniques will be instituted by the Project Management Company. The CFD will develop a list of criteria in combination with the PM services in which to focus the surveillance applications.

Integrity Monitors: The CFD will provide these construction site services for the Strategic Infrastructure Development Plan. A detailed plan will be developed to address criteria, documentation, and education for this type of monitoring to provide an effective program.

VI. CFD SUPPLEMENTAL CONSTRUCTION OVERSIGHT

In fulfilling its commitment to prevent fraud, waste, and abuse at Louis Armstrong Intonation Airport, the CFD is providing oversight and assistance on the following matters outside of the Long Term Strategic Infrastructure Plan:

- One matter investigated required the review and analysis of materials that were provided by the attorney representing the firm in questions;
- The CFD has also reviewed contracts and letters of authorization documentation for on-going NOAB construction projects outside of the Strategic Plan scope.

The above statements represent a general status of the work performed by the Office of Inspector General, Construction Fraud Division for the dates of January 1, 2014 through March 31, 2014.

If there are any questions or information needed beyond the contents of this report, please call the Office of Inspector General at 504-303-7553.

END OF REPORT



Attachment "A"

CONSTRUCTION FRAUD DIVISION

OFFICE OF INSPECTOR GENERAL, CITY OF NEW ORLEANS

2013 - 2014 Review of Goals and Objectives

2013 - Year in Review and 2014 - Planned Actions

GOAL #1: BUILD & MAINTAIN EFFECTIVE OVERSIGHT UNIT				2013 - YEAR IN REVIEW		2014 - PLANNED ACTIONS	
No.	Objective	Description of CFD Task	Target Conclusion	2013 Status	2013 Status Remarks	2014 Items to Discuss/Questions	2014 Action Items
1	Establish Liaisons	Identify those groups and individuals that will be closely linked to the implementation and success of the design and building of the new airport. Establish, develop and maintain a trusting relationship with these individuals.	Establishment of robust and productive relationships with LANOIA employees and contracted professionals involved with the process for design and building of the new airport.	Good	The CFD has been very successful in building effective relationships with consultants related to the airport Infrastructure Project including Parsons Brinckerhoff (Project Managers), CCAT (Design Team), along with many subconsultants of these two entities; The OIG has also made contact with many outside agencies and personnel to strengthen liaison contacts.	<ul style="list-style-type: none"> How to strengthen existing relationships? What existing relationships need strengthening? What groups/Whom to target for relationship building? What "outside" agencies/groups to target for contact? 	<p>Target the following:</p> <ul style="list-style-type: none"> CMAR - in Summer of 2014; Contractors & Subs for Enabling Projects; Enhance collaboration with CCAT; FAA - Local representative; DOT - Local/State representatives; Reach out to Local Union Associations
2	Quarterly Status Reporting	Development & delivery of quarterly status reports to LANOIA documenting CFD performance of deliverables.	Timely submission of status report to LANOIA offering comprehensive documentation on CFD Oversight Measures including status on all established goals and objectives.	Good	The CFD's first quarterly status report (reporting period from July, 2013 - September, 2013) was promptly delivered to the airport Director on October 15, 2013. The subsequent quarterly report is expected to be submitted on January 15, 2014. These reports may be found on the City of New Orleans OIG website: nolaoig.org	<ul style="list-style-type: none"> How to make format of report more robust? Ideas for changing format to provide easier reading and public understanding? Revise G&O: Add??? Proposed 4Q, 2013 Status Report dates: Ed on 1/10 & Airport on 1/15. 	<ul style="list-style-type: none"> Incorporate additional charts & graphs for clarity and ease; Create a standard mailing list of individuals/Companies that will be issued CFD quarterly Reports;
3	Visibility of CFD	Identify regular meetings, work sessions, assemblies or gatherings regarding the rebuilding of the airport. The CFD shall customarily attend all functions to promote the mission of the CFD and emphasize the focus of the CFD on the LANOIA Long Term Strategic Plan.	All Board Members, LANOIA employees and all contracted professionals involved with the long term strategic infrastructure plan will be educated on the existence and mission of the CFD.	Good	The CFD has been involved with a plethora of internal airport meetings associated with the Infrastructure Project including: Design Meetings, NOAB Board Meetings, CMAR RFP Meetings, Finance Meetings, Project Status meetings and other internal NOAB meetings;	<ul style="list-style-type: none"> How to increase airport visibility of CFD? How to increase public awareness of existence of CFD at airport? 	<p>Investigat the following options to balace cost and demographics:</p> <ul style="list-style-type: none"> Announcement on www.flymsy.com website; Advertisement in Trade magazines; Advertisement in local small publishings: Gambit, Etc. On-line advertisement: Nola.com; Advertisement on/in buses, bus stops, etc.
4	Prompt Monthly Invoicing	Development & delivery of monthly invoices to LANOIA documenting work performed during invoice period.	Timely submission of monthly invoices to LANOIA offering comprehensive documentation regarding CFD work performed.	Good	Five invoices for July, 2013 through November, 2013 have been submitted and paid. December, 2013 invoice was submitted on January 2, 2014 and is awaiting payment.	<ul style="list-style-type: none"> CFD IS consistently prompt at monthly invoicing. How can format of invoicing be clearer? Review overall Budget: 1. Deductions vs. Invoicing; 2. CFD 2013 Misc expenses 	<ul style="list-style-type: none"> Regarding end of year budget: Rectify costs with AFIN and Request assistance from City regarding discrepancy in budget.
5	Continuous Development of CFD Staff	Identify opportunities and commit to the continuing education, training and advancement of CFD staff in direct regard to current trends and prospectives within the Construction Fraud Industry. Grow system of network professionals within similar industries.	Gain and employ robust knowledge of Construction Fraud industry trends in regard to deterrance. Creation of strong network of professionals within the like industry.	Good	The CFD has taken advantage of several educational opportunities during the past six months including: CMAA Infrastructure Conference and Association of Inspector General National Conference.	<ul style="list-style-type: none"> Discuss additional CFD staffing to increase capabilities and enhance performance of goals. What is the process for hiring additional Staff? Upcoming targets or projected focus on 2014 development of CFD... new industry trends? 	<ul style="list-style-type: none"> Begin to research & plan path and strategy to add Construction Manager to CFD staff; AAAE symposium for the planning, design and construction of airports in February, 2014;

GOAL #2: CREATE & IMPLEMENT FRAUD DETERRENCE PROGRAM			2013 - YEAR IN REVIEW		2014 - PLANNED ACTIONS		
No.	Objective	Description of OIG Task	Target Conclusion	2013 Status	2013 Status Remarks	2014 Items to Discuss/Questions	2014 Action Items
1 Public Outreach Program				Public Outreach Program			
	Create Public Awareness of CFD	Utilize CFD Website, hotline & email for the reporting of Fraud, Waste & Abuse during the LANOIA Infrastructure Plan. Posters will be utilized to promote awareness of CFD Oversight and informing individuals of their duty to report fraud, waste and abuse.	Utilization of Website, hotline & email as an effective tool for reporting fraud, waste or abuse during LANOIA Infrastructure Plan. Posters shall be plainly and prominently visible at all design studios, PM and CM offices and Construction sites. Info on Posters shall advertise the CFD and instructions for the simplicity of reporting.	Good	The CFD website, dedicated hotline and email has been established. Many posters have been distributed within the airport and to several consultant offices working on the Infrastructure project.	<ul style="list-style-type: none"> How to gain more public awareness of these tools? How to measure public awareness? Are these tools effective? 	Investigate the following options: <ul style="list-style-type: none"> examine other options/places for installing CFD posters; Install posters at local Union Halls; Announcement on www.flymsy.com website; Advertisement in Trade magazines, Local publishings and on-line; Develop a needs assessment for the fraud hotline
	Create Fraud Awareness Training Program	Develop and Implement an educational and training program regarding fraud, waste & abuse within design & construction projects. This program shall target the understanding of opportunities and consequences of fraud, waste and abuse and elaborate on the duty to report such activities. This program will also address the expected ethical conduct of all LANOIA vendors and contractors.	Educational & Training programs shall occur on a quarterly basis and be tailored directly and specifically toward the group of individuals being trained. Targeted groups will include: NOAB staff, PM team, Design Team, CM team, General Contractors and Prime Contractors.	Implement	The Fraud & Ethical Awareness Education program and presentation has been fully developed. It has not yet been administered to any groups. Upon training commencement, the CFD will actively gather feedback and suggestions to enhance the program.	<ul style="list-style-type: none"> Ideas for launching training program? How to measure effectiveness of training program? Review proposed Evaluation of training session 	<ul style="list-style-type: none"> Implementation must be pushed forward; Evaluation will play an important role in the effectiveness of the training program: Use as a tool for improvement.
2	Code of Ethics & Conduct for Vendors & Contractors	Develop and coordinate the successful implementation of a comprehensive Vendor/Contractor code of Ethics that will detail expected conduct and behavior of all LANOIA contracted professionals. This document shall be utilized as standard practice during the realization of the Infrastructure Plan.	All LANOIA contracted professionals will acknowledge and understand expected Code of Ethics and Conduct along with penalties for violations of this policy. This document will be issued as a part of the executed contract. Systematic re-evaluation of the Code will be completed to guarantee inclusion of all relative issues and gauge the achievement of this document.	Implement	The Code of Ethics & Conduct has been developed by the CFD. We are now challenged with how to effectively implement these standards within the work of all consultants and future contractors.	<ul style="list-style-type: none"> Where does the value of the Code of Ethics lie? Ideas for implementation of the Code where it will be MOST effective? 	<ul style="list-style-type: none"> CFD believes that the Code of Ethics & Conduct brings much awareness, attention and education to those it will be implemented with; Retro-active implementation will be attempted; Plan for implementation with Enabling Contractors/Sub-contractors & CMAR will be established;
3 Vetting Contractor Responsibility				Vetting Contractor Responsibility			
	Evaluate Vetting Methods	CFD and LANOIA shall appraise in detail the two proposed structures of vetting the responsibility of contractors that may be performing contracted work on the long term infrastructure plan. CFD and LANOIA shall offer consideration to all pros and cons of each method of evaluation.	Selection of a method of Vetting the Responsibility of Contractors based on the mutual benefit of the Owner and the proposed contractor. Begin exercising the accountability of a public entity to defend the effective & efficient expending of funds.	Re-work of Objective Required	Objective shall be re-worked based on the fact that the Construction Manager at Risk will be designing a program for the vetting and selection of qualified sub-contractors. The OIG will work with the CM@R to define their strategy for gaining local, qualified subcontractor involvement.	<ul style="list-style-type: none"> <u>Create succinct objective in regard to changing situation:</u> <ul style="list-style-type: none"> What criteria shall be placed within CM@R RFP Meet with selected CM@R for insight into their individual plan to pre-qualify sub-contractors How to integrate CFD into CM@R pre-qual process? Answer question: What is CFD non-negotiable criteria for sub-contractor selection? 	<ul style="list-style-type: none"> CFD believes that the Contractor Information Form can bring much awareness and attention to the fact that the OIG has established roots at the airport; CFD believes that the information drawn from this form can, in some cases, prove extremely valuable; Retro-active implementation will be attempted for all consultants; Plan for implementation with Enabling Contractors/Sub-contractors & CMAR will be established;
	Create Comprehensive Action Plan for Contractor Vetting	Based on the selected method of vetting, a step-by-step action plan will be developed to assure successful implementation of the system. The plan will include all work necessary, identify expected obstacles, include all required support, etc.	Development of an action plan that will be thorough and will expedite progress toward successful contractor vetting.				
	Develop Contractor Evaluation System	<ul style="list-style-type: none"> Develop Contractor Information Form (CIF) Develop Evaluation Standards & Review Procedures Implement CIF via Web form for Maximum Access 	Development of an evaluation system that is fully researched and based on proven techniques of vetting the capability of contractors to perform specified work. This system shall be mindful and inclusive of industry protocols and trepidation with such systems of evaluation.				
	Build & Maintain Vendor Database	Based on the selected structure of vetting, a Vendor Database may be necessary to organize and maintain all vendor information. This tool could be critical to the success of Vetting vendors/contractors.	Established database promoting ease of information contribution, evaluation of contractors, organization of information, and reporting/sharing of information.				

GOAL #3: MANAGEMENT & CONTINUATION OF OVERSIGHT			2013 - YEAR IN REVIEW		2014 - PLANNED ACTIONS		
No.	Objective	Description of OIG Task	Target Conclusion	2013 Status	2013 Status Remarks	2014 Items to Discuss/Questions	2014 Action Items
1	Investigations and/or Audits into allegations of Fraud, Waste and Abuse	Upon discovery, or receipt of a complaint or allegation of Fraud, Waste or Abuse, CFD will conduct an Investigation or Audit as deemed necessary and employ all resources as required to arrive at a satisfactory conclusion. CFD shall inform or make recommendations to LANOIA as deemed necessary or essential to the success of the Long Term Infrastructure Plan.	Ensure all reviews, investigations, and inquiries are conducted in a thorough and effective manner and all matters are resolved appropriately. Referrals to Federal, State, and Local Law Enforcement will be made when warranted. Maintain integrity of all on-going investigations or audits.	Good	The CFD has not yet received any allegation of fraud, waste or abuse, nor yet encountered reason to investigate or audit any issue within the Infrastructure Project.	<ul style="list-style-type: none"> How to create opportunity for investigations, evaluations, reviews or audits? Where to direct CFD attention during different phasing? Create plan for DBE program review Evaluate Risk asses. & management opportunity to write letter 	<ul style="list-style-type: none"> Create new Goal for "<u>Detection of Fraud, Waste and Abuse</u>" which will house all mini reports, evaluations, recommendations, etc. including: DBE program review and risk assessment and management
2	Review Project Documentation	Assess review standards and processes for typical documentation, offer feedback for the improvement of set standards and processes. Random analysis, as deemed necessary, of typical documentation. Documents including: Invoicing, Construction Change Directives, Change Proposals, Change Orders, Request for Information, etc.	Improvement of standards and processes for reviewing project documentation resulting in the thorough and expeditious assessment of project documents.	Good	Within the first 6 months at the airport, the CFD has reviewed countless contracts, Letters of Authorization and invoices related to the Infrastructure Project. Invoices reviewed have totalled over \$6.9M.	<ul style="list-style-type: none"> Discuss current process for reviewing documentation Opportunity for improvement? OR anything we do that we should change for better? Is CFD review timing ok? 	<ul style="list-style-type: none"> This function will be on-going and timing of OIG reviews is viewed as acceptable; With the initiation and implementation of: Invoice & LOA Process review Coversheet; Invoice, Contract & LOA review checklists; These documents currently provide enhanced visibility and a faster overall process.
3	Use of Surveillance	Determine use and design for surveillance application on construction jobsite. The plan should be inclusive of all security measures promoting the deterrence of fraud, waste and abuse during active construction.	Development of a successful "Team designed" surveillance and security plan that is to the satisfaction of all stakeholders including LANOIA, security team and CFD. Plan shall actively deter attempts at any type of fraud, waste and abuse.	Good	The CFD has discussed with Airport security their suggested need for increased surveillance at the new terminal location. The CFD has also integrated its' interest and need for security and surveillance surrounding the actual construction process of the new terminal.	<ul style="list-style-type: none"> CFD will discuss options with PB for surveillance & timelapse cameras to cover construction site. What is CFD criteria? 	<ul style="list-style-type: none"> CFD will establish a full list of criteria which may include: <ul style="list-style-type: none"> OIG Access to imagery; Careful consideration of what preventable or detectable scenarios are at highest risk; Careful consideration regarding site confinement;
4	Use of Integrity Monitors	Use of an on-site independent organization with legal, auditing, investigative, environmental, safety and loss prevention skills to ensure compliance with relevant laws, regulations and contracts. Also to deter, prevent, uncover and report unethical or illegal conduct.	Evaluation of existing internal controls. Recommend best practices to minimize fraud risks. Act as conduit from construction jobsite to CFD.	Good	The CFD staff will be providing this service during the actual construction of the airport terminal.	<ul style="list-style-type: none"> Discuss plan for Integrity Monitors for proposed construction start date initial projects in September, 2013. Investigate "best practices" on Integrity Monitoring. Best method to document & compile site visits 	<ul style="list-style-type: none"> CFD believes that the careful & thoughtful implementation of this objective can prove to be very valuable; CFD will establish full program with criteria by summer, 2014; This program will be implemented with enabling projects;