

Office of Inspector General

City of New Orleans

Construction Fraud Division

Quarterly Status Report

Report Period: 6/24/2013 – 9/30/2013

E. R. Quatrevaux
Inspector General

Issued October 15, 2013

INTRODUCTION

(Attachment "A": OIG-NOAB Resolution for construction fraud services)

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) will provide 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.nola.oig.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@nola.oig.org

The OIG-NOAB Resolution for construction fraud services is added as attachment "A" to this report.

TABLE OF CONTENTS FOR REPORT

I. Summary	4
II. Development & Measuring Goals & Objectives	4
III. Build & Maintain Effective Oversight Unit	4
IV. Create & Implement Fraud Deterrence Program	7
V. Management & Continuation of Oversight	10
VI. CFD Supplemental Construction Oversight	11

ATTACHMENTS:

- A. OIG-NOAB Resolution for Construction Fraud Services
- B. Construction Fraud Division Goals & Objectives
- C. CFD Fraud Awareness Poster
- D. Code of Ethics & Conduct for Vendors & Contractors (Draft)
- E. Contractor Information Form (Draft)

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:

June 24, 2013 through September 30, 2013.

The CFD has spent the first three (3) months of their assignment to the New Orleans Airport defining and setting the program under which it will operate. The CFD began its journey by establishing a road map for its success. This was accomplished by creating a detailed set of goals and objectives which directly connect to the mission of the Division and the specific work dedicated to the NOAB Strategic Infrastructure Plan through the OIG-NOAB Resolution.

The main headings of this quarterly report are tied to the established CFD goals & objectives.

II. DEVELOPMENT & MEASURING OF GOALS AND OBJECTIVES

(Attachment "B": CFD Goals & Objectives)

As stated above, the Construction Fraud Division has translated deliverables from the OIG-NOAB Resolution and the Mission of the Division into goals and objectives to guide and measure the actions and progress of the CFD. This newly created Document is attached as "B" to this report. This document will be updated with the status of each objective in subsequent CFD quarterly status reports.

III. BUILD AND MAINTAIN EFFECTIVE OVERSIGHT UNIT

Establish Liaisons: The effective building of relationships, contacts and liaisons are keys to success for an organization charged with preventing and deterring fraud, waste, and abuse on a large scale, long term construction project. Since inception of the CFD, staff members through their prior employment, education, experience, and outreach have created an extensive network of individuals in the design/construction industry, law enforcement community, oversight agencies, community groups, and government agencies to enhance and maintain a strong, productive group of individuals to assist the CFD in achieving its established goals and objectives. These relationships have produced useful and worthwhile intelligence and input on the CFD deliverables of creating a Code of Ethics & Conduct for Vendors & Contractors, Vetting the Responsibility of Contractors, and Investigations & Audits. The CFD staff will continue to develop liaison relationships to ensure positive returns for all stakeholders while promoting awareness of the Construction Fraud Division.

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.

Within the past three (3) months, 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 a plethora of Strategic Project related meetings including design progress meetings, design work-shops, internal airport staff meetings, consultant selection committee meetings, NOAB Board meetings, etc. 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, and many of their sub-consultants.

The established relationships have proved to be highly useful to airport staff and project consultants and realized through the consistent demand for CFD consultation, advice, approvals and opinions. There is an obvious level of comfort that is present with the existence of the CFD at the New Orleans Airport.

Through this relationship building and steady attendance at various project-related meetings, the CFD has had the ability to build great visibility and viably promote the mission and vision of the CFD.

Prompt Monthly Invoicing: The CFD has submitted three (3) monthly invoices to airport executives with all required ancillary information per the Resolution. The first two (2) invoices for the months of July and August were delayed in their submission to airport executives due to required revisions to the OIG-NOAB Resolution which was passed by the Board on September 27, 2013. These adjustments to the Resolution then allowed the invoices to be paid appropriately.

The 3rd monthly invoice for CFD work within the month of September was submitted to airport executives on October 4, 2013.

Continuous Development of CFD Staff: The Construction Fraud Division is committed to the continued training, education and advancement of the team members. It is important to maintain current knowledge on industry trends and prospective within Construction Fraud. Most recently, we continued to promote CFD knowledge through the following listed training sessions:

New Orleans Office of Inspector General
All Staff Meeting

Attendees: Assistant Inspector General – Construction Fraud Division;
Deputy Assistant Inspector General – Construction Fraud Division;
Program Officer – Construction Fraud Division;

Location: New Orleans, LA

Date/s: June 26th, 2013

Purpose: Discuss departmental projects and review 2014-2017 Strategic Plan.

Goal/s: Understand new projects the department will address in the coming years and share best practices from each division.

Outcome: The CFD is aware of the OIG's expectations, goals and objectives, for the next three (3) years.

2013 Esri International User Conference

Attendees: Program Officer – Construction Fraud Division;

Location: San Diego, CA

Date/s: July 8th – 12th, 2013

Purpose: Attend training seminars for the Esri technology software suite, specifically the ArcMap program.

Goal/s: Gain expertise on the use of ArcMap for potential applications during the construction process of the LANOIA North Terminal project.

Outcome: Seminars Attended:

- Spatial Analyst – An Introduction
- Regression Analysis
- Spatial Analyst Techniques
- Applying Statistical Methods in Analysis
- Management of Public Assets
- ArcGIS for Local Government
- Applying Design to Web Maps

The Program Officer gained overall knowledge of the Esri software suite, including ArcMap, and several classes exploring the Spatial Analyst extension tool, which can be used to inventory and track assets during the construction process of the North Terminal project.

Construction Management Association of America (CMAA)
2nd Annual New Orleans Infrastructure Conference

Attendees: Assistant Inspector General – Construction Fraud Division;
Deputy Assistant Inspector General – Construction Fraud Division;
Program Officer – Construction Fraud Division;

Location: New Orleans, LA

Date/s: August 23rd, 2013

Purpose: Gain insight into short and long-term prioritization and planning of critical infrastructure projects in the greater New Orleans area.

Goal/s: Maintain awareness of current and future regional projects that will impact the construction industry.

Outcome: Featured Speakers:

- o Iftikhar Ahmad, PE – Executive Director, New Orleans Aviation Board
- o Lona Hankins – Executive Director of Major Capital Projects, Recovery School District
- o Kyle Graham – Deputy Executive Director, Coastal Protection and Restoration Authority

CFU gained overall knowledge of ongoing and future construction projects in the greater New Orleans area. CFD also connected with industry trend setters within the construction field.

IV. CREATE AND IMPLEMENT FRAUD DETERRENCE PROGRAM

(Attachment "C": CFD Fraud Awareness Poster; Attachment "D": Code of Ethics & Conduct for Vendors & Contractors (Draft); Attachment "E": Contractor Information Form (Draft))

Public Outreach Program

Create Public Awareness of CFD: The first step in creating a truly effective fraud prevention and detection program was to generate public awareness of the Construction Fraud Division and the on-going Mission and Vision. In late June, 2013 the CFD dedicated a 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.

The CFD anticipates that these developed tools will prove to be effective outreach within the construction industry, as well as the community, to support the reporting of suspected fraud, waste and abuse on this important NOAB project.

In coordination with these dedicated communication measures, the CFD developed Fraud Awareness Posters. These posters are informational articles to notify all consultants, vendors and contractors involved in the creation of the North Terminal project about the existence and mission of the Construction Fraud Division. The poster also informs its audience of the importance and duty of reporting suspect behavior which may result in fraud, waste or abuse. In continuation with this objective, the CFD shall carry on the issuance of fraud awareness posters to all project stakeholders.

The CFD Fraud Awareness Posters have been installed throughout the Louis Armstrong New Orleans International Airport at eight (8) specific locations. These locations are within highly traversed public areas, as well as within the offices of the Project Management Team and in conference area locations. In addition, the CFD installed posters at nine (9) professional offices of consultants and sub-consultants currently working on the North Terminal project.

It is the mission of the CFD, through the creation and utilization 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 manner in which to confidentially report such questionable activity.

A copy of the CFD Fraud Awareness Poster is included to this report as Attachment "C".

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 set 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.

We expect that we will realize great value from this type of training of all individuals engaged in the project. This dual objective instruction (ethical guidelines with fraud detection awareness) will define and communicate full employee behavioral expectation during the life of this project. This shall include a brief introduction to the *Louisiana Code of Governmental Ethics* (Louisiana Statute Title 42; Chapter 15) in which they are required to abide and the CFD's Code of Ethics and Conduct.

CFD delivery of program and active training shall begin in October, 2013.

Code of Ethics & Conduct for Vendors & Contractors: As alluded to above, established and observed ethical guidelines are one of the keys to a thriving 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.

A draft version of the *Code of Ethics & Conduct for Vendors and Contractors* is affixed as attachment "D" to this report.

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 the 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 would suffer from the neglect given to determining contractor responsibility.

To this end, the Construction Fraud Division believes heavily in vetting the responsibility of contractors which would result in 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 any 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 all 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

Throughout the next few months, this contractor vetting program will be built and better defined to employ the best practices for determining the true responsibility of contractors. This program shall include a detailed application of contractor vetting for the Construction Manager at Risk (CM@R) delivery method proposed for the building of the new terminal structure.

While the CM@R delivery method has been widely used within other states, its application has only been allowed in Louisiana through distinct legislative approval. In preparation for the upcoming challenges that may be faced with this newly explored project delivery process, the CFD has performed research into the CM@R project delivery method. The Division has met with other Owners and Contractors in the local area using this method. We have also met with the CEO and President of the Louisiana Associated General Contractors (AGC) to gain insight into successful application of this newly explored project delivery process.

In tandem with the *Code of Ethics & Conduct for Vendors and Contractors*, the vetting of contractor responsibility can provide assistance in the responsible selection of contractors while setting an expectation of ethical guidelines. A copy of the draft Contractor Information Form is included as attachment "E" to this report.

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 thoroughly and 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.

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". Currently, and since the inception of the CFD work at the New Orleans Airport, this assignment has taken the majority of the Division's focus, energy and time.

The CFD has spent numerous hours reviewing past consultant contracts and letters of authorization to become familiar with the set structure and expectations for which the consultants shall be performing and delivering their work product. In addition to this, the Division has reviewed and provided comments and recommendations to airport executives for all newly submitted contracts, letters of authorization and invoices. Out of this attention, the Division has instituted some routing alterations for 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, does successfully curtail 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 researched by the CFD over the upcoming months. The application of surveillance on the forthcoming new terminal construction site will be appraised.

VI. CFD SUPPLEMENTAL CONSTRUCTION OVERSIGHT

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

- The CFD has assisted OIG-Investigations Division in an on-going airport matter related to construction; however, due to the sensitive nature of the investigation, no further details will be provided in this report. CFD staff has had regular, information sharing meetings with OIG-Audit and Investigations regarding on-going audits, investigations, and initiatives at the New Orleans Airport.
- The CFD is actively conducting an investigation into an allegation of construction fraud on an existing NOAB project. Again, details will not be provided in this report so as to maintain the integrity of the investigation.
- 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 brief and general status of the work performed by the Office of Inspector General, Construction Fraud Division for the dates of June 24, 2013 through September 30, 2013.

If there are any questions or information needed beyond the contents of this report, please call the Office of Inspector General at 504-303-7630.

END OF REPORT

RESOLUTION OF THE NEW ORLEANS AVIATION BOARD

The following resolution was offered by Mr./Ms. Martin and seconded by Mr./Ms. Teamer.

RECITALS

WHEREAS, in accordance with Section 5-602 of the Home Rule Charter for the City of New Orleans ("City Charter"), the New Orleans Aviation Board ("NOAB"), is charged with administrating and operating Louis Armstrong New Orleans International Airport ("LANOIA"), representing the City in all technical matters pertaining to aeronautics in consultation with state, national or international aeronautics officers or agencies; and

WHEREAS, the purpose of the Office of Inspector General ("OIG") for the City of New Orleans 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; and

WHEREAS, the Airport will be implementing an estimated \$650 million capital program that will involve the construction of a new terminal facility in accordance with its Long Term Strategic Infrastructure Plan ("Plan"); and

WHEREAS, the OIG has a Construction Fraud Unit capable of fully vetting vendors and contractors and willing to work congruently with NOAB and City of New Orleans procurement officials to provide information bearing on final vendor selection and thereafter to audit and review data, invoices and other materials related to consultants and contractors performing work to implement the Plan; and

WHEREAS, the NOAB desires to obtain through the OIG and the OIG is agreeable to providing OIG personnel to provide oversight and audit related to the implementation of the Plan; and

NOW THEREFORE, BE IT RESOLVED that the NOAB and the OIG mutually agree as follows:

UNDERSTANDING

1. OIG agrees to provide the NOAB, the following (3) positions to work and dedicate thirty-five (35) hours each per week at LANOIA to provide the work and services identified hereinafter at the following hourly rates:

Office of Inspector General, Construction Fraud Unit LANOIA Staffing

Personnel	Hourly Rate
First Assistant Inspector General	\$ 97.00
Deputy Assistant Inspector General	\$ 96.27
Program Officer	\$ 41.85

Additional positions may be added, if necessary or beneficial, upon request and concurrence between the NOAB and OIG, with reimbursement for such personnel to be based on an hourly rate, which will include all fringe benefits. Selection of the three OIG personnel assigned and located at LANOIA will be determined by the OIG..

2. OIG agrees that it will station all personnel engaged in the performance of the work hereunder at LANOIA and, in consideration of same, the NOAB will provide OIG certain office space and parking for the three staff persons at no cost. OIG will provide all equipment and supplies needed by its personnel assigned to perform the work and services hereunder at no cost to NOAB.

3. The NOAB agrees to pay the OIG hourly rates identified in 1 above for the personnel assigned to perform the work at LANOIA for a maximum yearly cost of \$427,926.00 (a maximum total of \$2,139,630.00 provided all renewals identified in Section 5 are exercised). It is agreed and understood that the hourly rates include all fringe benefits. OIG will invoice the NOAB not more frequently than monthly once the work and services have been rendered. Such invoice shall identify the total number of hours worked by each person assigned during the invoice period, the total amount requested, and a brief description of the work and services performed. NOAB will use all best efforts to have payment issued within thirty (30) days from receipt of a billing invoice from OIG.

4. The OIG personnel assigned hereunder will develop and implement a full fraud detection and prevention program related to the NOAB's implementation of the Plan. Attachment A hereto further details the work and services that will be performed by OIG personnel. In addition, OIG personnel will perform such audits as is necessary or beneficial in providing oversight of the contractors and consultants performing work and services for implementation of the Plan.

5. The term of this Agreement shall be for a period of one (1) year, automatically renewable each year for a maximum of four (4) additional years, unless terminated by either party via written instrument giving 30 day notice. Any modifications and/or changes to the understandings set forth in this Resolution shall be via written instrument and approved by NOAB.

6. The NOAB, through its Director of Aviation, or Director's designee, shall monitor the performance of the OIG staff assigned to handle airport matters/projects, for purposes of ensuring conformance with objectives, plans, schedules and budgets pertaining to the business of LANOIA and according to the federal regulations and grant requirements as set by the Federal Aviation Administration. The OIG personnel will follow all policies and procedures as set out in Principles and Standards for Offices of Inspector General ("The Green Book"). These principles include, but are not limited to, the maintenance of independence in all work undertaken by the OIG.

This Resolution having been submitted to a vote, the vote thereon was as follows:

Yeas: Teamer, Thornton, Ogden, Smith, Martin & Hudson

Nays: None

Absent: Montgomery

And the resolution was declared adopted on this 10th day of May 2013.


CHAIRPERSON, New Orleans Aviation Board

CONSTRUCTION FRAUD UNIT
OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



ED QUATREVAUX
INSPECTOR GENERAL

Office of Inspector General, Construction Fraud Unit
Mission and Staffing

MISSION –

The overall mission of the Office of Inspector General, Construction Fraud Unit (OIG-CFU) is to deter Fraud, Waste, and Abuse as it relates to design and construction projects at Armstrong International Airport. The OIG-CFU will engage in the project from inception and provide oversight in all phases from design to completion.

The OIG-CFU will implement a full Fraud Detection and Prevention Program that will include various proven tactics to prevent fraud, waste and abuse within these projects. One component of this program includes the training of all stakeholders linked to the rebuilding effort through a continuing fraud awareness training curriculum. This program will identify and review internal controls, surveillance capabilities, and other means of detecting fraud.

The OIG-CFU will also act as a central hub for the reporting of potential fraud by the public, airport employees, contractors and vendors, during the airport construction project. This will be accomplished by Fraud Awareness Posters, Website Reporting Forms, a telephone Hotline and training seminars.

The program will also include the creation and implementation of a Code of Ethics & Conduct to ensure that all vendors and contractors are aware of expected conduct and the behaviors and activities that are unacceptable.

The Construction Fraud Unit operates based on the belief that the pre-qualification and screening of all vendors and contractors is a significant method of ensuring that the contractors associated with the project possess the skill sets, ability, resources and financial solvency to complete the project. Vendors and contractors will be fully vetted by the OIG-CFU, and the Unit will work congruently with airport procurement officials to provide information bearing on final vendor selection. A comprehensive vendor database will be created to maintain all data acquired that is related to contractors performing work on the airport construction project.

Last, the OIG-CFU will conduct investigations into allegations of fraud and corruption with our Federal, State, and Local law enforcement partners.

STAFFING –

First Assistant Inspector General:

A Law Enforcement professional with over 32 years of experience, 22 of which were with the Federal Bureau of Investigation, where he specialized in Public Corruption, Fraud Against the Government, and White Collar Crime investigations.

Deputy Assistant Inspector General:

A licensed Architect with 16 years of local design and construction experience. This position will serve as the principal construction expert overseeing, reviewing, and advising on all construction matters from design to completion.

Program Officer:

An individual who holds a Master's Degree in Public Administration. This professional has advanced computer skills that will be used to develop and maintain databases and systems to support the mission, such as the Vendor Screening database and the contractor Pre-qualification questionnaire, as well as other support functions and activities as warranted.

The aforementioned positions will dedicate 35 hours per week each to the project.

Thank you for your continuing cooperation.



Ed Quatrevaux
Inspector General
City of New Orleans

EXCERPT FROM THE MINUTES OF
THE REGULAR MEETING OF THE
NEW ORLEANS AVIATION BOARD
HELD ON September 27, 2013

Item 7 **Approval of the Resolution for OIG Rates as Attached.**

Motion by Jim Hudson
Second by Lea Polk-Montgomery

All in favor.

CERTIFIED TO BE A TRUE COPY



Iftikhar Ahmad
Director of Aviation

RESOLUTION OF THE NEW ORLEANS AVIATION BOARD

The following resolution was offered by Mr./Ms. Jim Hudson and seconded by Mr./Ms. Lea Polk-Montgomery

RECITALS

WHEREAS, the Board adopted a resolution in May 2013 authorizing the establishment of a full-time Construction Fraud Unit by the Office of Inspector General ("OIG") for the City of New Orleans to prevent and detect fraud, waste and abuse, and to promote efficiency and effectiveness in the implementation of the Airport Long Term Strategic Infrastructure Plan ("Plan"); and

WHEREAS, the audit oversight work performed by the OIG for the Plan qualifies for funding and reimbursement under federal grants issued by the Federal Aviation Administration ("FAA"); and

WHEREAS, FAA funding and reimbursement of such services is based on applications that identify hourly rates that has all employee fringe benefits included such as vacation, sick leave, holidays, and health care benefits; and

WHEREAS, the hourly rates for the three on-site OIG personnel set forth in the May 2013 resolution did not have holidays and vacation included in the hourly rate calculation; and

WHEREAS, the Airport and OIG agree that it is necessary to adjust the hourly rates to include such employee benefits and further agree that it will not affect the maximum yearly cost of \$427,926.00 (for a maximum total of \$2,139,630.00 provided all four one-year renewal periods are exercised); and

NOW THEREFORE, BE IT RESOLVED that the NOAB and the OIG mutually agree as follows:

UNDERSTANDING

1. To comport with federal requirements in seeking funding and reimbursement for the audit and oversight work performed by the OIG for the Plan, the following hourly rates are approved and such rates include all allowable fringe benefits:

Office of Inspector General, Construction Fraud Unit LANOIA Staffing

Personnel	Hourly Rate
First Assistant Inspector General	\$ 112.59
Deputy Assistant Inspector General	\$ 111.74
Program Officer	\$ 48.57

Notwithstanding this adjustment in the hourly rates for OIG personnel, it is agreed that the maximum yearly cost for all OIG services for the Construction Fraud Unit will not exceed \$427,926.00 (a maximum total of \$2,139,630.00 provided all four one-year renewals are exercised).

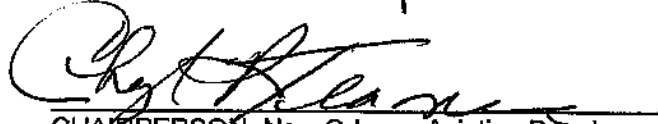
This Resolution having been submitted to a vote, the vote thereon was as follows:

Yeas: Teamer, Francis, Hudson, Martin, Montgomery, Smith

Nays: None

Absent: Thornton, Ogden

And the Resolution was declared adopted on this 24th day of September 2013.


CHAIRPERSON, New Orleans Aviation Board



CONSTRUCTION FRAUD DIVISION

OFFICE OF INSPECTOR GENERAL, CITY OF NEW ORLEANS

TWO YEAR GOALS & OBJECTIVES

Relative to: LANOIA Long Term Strategic Infrastructure Plan

GOAL #1: BUILD & MAINTAIN EFFECTIVE OVERSIGHT UNIT

	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. Timely submission of status report to LANOIA offering comprehensive documentation on CFD Oversight Measures including status on all established goals and objectives.
1	Establish Liaisons	
2	Quarterly Status Reporting	Development & delivery of quarterly status reports to LANOIA documenting CFD performance of deliverables. 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.
3	Visibility of CFD	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.
4	Prompt Monthly Invoicing	Timely submission of monthly invoices to LANOIA offering comprehensive documentation regarding CFD work performed.
5	Continuous Development of CFD Staff	Gain and employ robust knowledge of Construction Fraud Industry trends in regard to deterrence. Creation of strong network of professionals within the like industry.

GOAL #2: CREATE & IMPLEMENT FRAUD DETERRENCE PROGRAM

<p>1 Public Outreach Program</p>	<p>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.</p> <p>Create Public Awareness of CFD</p> <p>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.</p> <p>Create Fraud Awareness Training Program</p>	<p>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 advise the CFD and instructions for the simplicity of reporting.</p> <p>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.</p> <p>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.</p>
<p>2 Code of Ethics & Conduct for Vendors & Contractors</p>	<p>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.</p>	<p>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.</p>
<p>3 Vetting Contractor Responsibility</p>	<p>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.</p> <p>Evaluate Vetting Methods</p> <p>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.</p>	<p>Development of an action plan that will be thorough and will expedite progress toward successful contractor vetting.</p> <p>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 trepikation with such systems of evaluation.</p> <p>Established database promoting ease of information contribution, evaluation of contractors, organization of information, and reporting/sharing of information.</p>
<p>Create Comprehensive Action Plan for Contractor Vetting</p>	<ul style="list-style-type: none"> • Develop Contractor Information Form (CIF) • Develop Evaluation Standards & Review Procedures • Implement CIF via Web form for Maximum Access <p>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.</p> <p>Build & Maintain Vendor Database</p>	


GOAL #3: MANAGEMENT & CONTINUATION OF OVERSIGHT

<p>1</p> <p>Investigations and/or Audits into allegations of Fraud, Waste and Abuse</p>	<p>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.</p> <p>CFD shall inform or make recommendations to LANOIA as deemed necessary or essential to the success of the Long Term Infrastructure Plan.</p>	<p>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.</p>
<p>2</p> <p>Review Project Documentation</p>	<p>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.</p> <p>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.</p>	<p>Improvement of standards and processes for reviewing project documentation resulting in the thorough and expeditious assessment of project documents.</p> <p>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.</p>
<p>3</p> <p>Use of Surveillance</p>	<p>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.</p>	<p>Evaluation of existing internal controls. Recommend best practices to minimize fraud risks. Act as conduit from construction jobsite to CFD.</p>
<p>4</p> <p>Use of Integrity Monitors</p>		



REPORT CONSTRUCTION FRAUD, WASTE & ABUSE

ALL REPORTS CAN BE MADE ANONYMOUSLY AND CONFIDENTIALLY

 HOTLINE: (504) 303.7630

 EMAIL: CFD@NOLA.OIG.ORG

**CONSTRUCTION
FRAUD DIVISION**

Office of Inspector General
City of New Orleans

The Mission of the Construction Fraud Division is to prevent and detect Fraud, Waste and Abuse in public projects for the City of New Orleans. We need your valued assistance in accomplishing this important mission.

CONSTRUCTION FRAUD DIVISION
OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



Louis Armstrong New Orleans
International Airport



CODE OF ETHICS & CONDUCT

for

Vendors & Contractors

I understand that the following code shall apply to My Company, myself, the Company's direct employees and all subcontractors, their employees and material suppliers that perform work or supply materials under the NOAB contracted work agreement.

All subcontractors shall read, understand and sign this agreement as an attached exhibit of their subcontract with the hired general contractor performing the work for the NOAB.

Louisiana Statute Title 42; Chapter 15:

I have read and understand the "*Louisiana Code of Governmental Ethics*" and shall use this as a guideline for the actions of myself, My Company, the Company's direct employees and all subcontractors, their employees and material suppliers during the course of performing contracted work with the NOAB.

Introduction to Code:

My Company and I will be honest and forthright and act with integrity, fairness, and professional care in all dealings with employers, employees and all other parties with whom we may have business-related dealings through this contract. Participants will not engage or assist in fraudulent activities or disregard the rights of others, nor tolerate others that do as related to the contract work.

My Company and I will serve the New Orleans Aviation Board (NOAB) with honesty, integrity, candor and objectivity. We will provide services with competence, using reasonable care, skill and diligence consistent with the interests of my client and the applicable standard of care.

My Company and I will not engage in any activity that may give the appearance of illegal or unethical behavior. I will avoid actions which promote my own self-interest or the interests of my Company at the expense of the profession, and I will uphold the standards of my profession with honor and dignity.

I will continue to develop my and my professional staff's knowledge and competency by maintaining all necessary licenses and continuing education as required by my profession and this contract work.

I. Competition

My Company agrees to compete fairly for contracts, avoiding any practice that might be viewed to be in violation of the letter or spirit of the law. We will avoid any activity that could be construed as any form of bid rigging or collusion. We will only engage in just competition for contracts.

Although there are no current Louisiana State statutes or Federal Legislation barring the practice of "Bid Shopping", "Bid Chiseling" or "Bid Peddling", this practice is widely viewed as highly unethical by the Association of General Contractors of America, the American Subcontractors Association, and the Associated Specialty Contractors as stated in a 1995 joint statement, "abhorrent business practices that threaten the integrity of the competitive bidding system that serves the construction industry and the economy so well".

My Company will not violate any law or regulation governing the competitive process.

II. Qualifications

I/My Company will only accept contract work for which we are qualified by education, training, professional experience and technical competence, and I will assign staff to projects in accordance with their qualifications and commensurate with the services to be provided under the contract. I will only make representations concerning my and my Company's qualifications and availability which are truthful and accurate.

I will represent my and my Company's project experience accurately to the NOAB and offer services and staff that I am capable of delivering. I will develop my professional reputation on the basis of my direct experience and service provided.

My Company and I will not accept contracts for work in which we are not qualified.

III. Conflict of Interest

I will avoid conflicts of interest, both corporate and individual which may impair my objectivity or integrity. In the case that such a conflict does exist or arise, I will disclose such conflict to all interested parties including the City of New Orleans, Office of Inspector General. I shall regularly educate myself and all Company staff about personal conflicts of interest.

Any participants in NOAB projects from my Company will not accept nor offer any payments, gifts, kick-backs or bribes designed to influence their decisions or the decisions of others on current or future projects.

My company has established, documented and advertised to all employees a procedure for internal disclosure for the above stated items.

IV. Standards of Practice

My Company and I will negotiate fairly and openly with the NOAB in establishing a basis for compensation, and I will charge fees and expenses that are reasonable and commensurate with the services to be provided and the responsibilities and risks to be assumed.

My Company will provide materials and services in a manner consistent with the established and accepted standards of the Architecture and Construction industries and with the laws and regulations that govern it. My Company shall perform this contract with competence, reasonable care and diligence and serve its customers with honesty and integrity.

V. Professional & Public Safety

My Company will assure that the safety of employees, the employees of others on and around the job site, and the general public are protected during the provision of these contractual services within the reasonable context of my work. My Company will conduct continuing safety education classes and on-site safety checks as required and necessary by guidelines and to maintain a safe work environment.

VI. Compliance with Laws

My Company will perform the entirety of work within this contract within all applicable City, State and Federal codes, guidelines and laws.

My Company currently has and will maintain throughout the entirety of this contract all applicable licenses required by the City and State to perform such work.

My Company is registered as part of the State of Louisiana's E-Verify System. My reported employee database within the E-Verify system is currently up-to-date and will be fully maintained throughout the length of this contract. All employees performing work for this Company and under this contract are legal to perform work in Louisiana and the United States of America.

My Company and I will not break the law.

VII. Discrimination & Non-Retaliation

My Company will not discriminate in the performance of these contracted services on the basis of race, religion, national origin, age, disability, or sexual orientation. My Company will not violate any law, statute, or regulation dealing with employment or in the performance of my professional services. We shall comply with the letter and spirit of the laws relating to working conditions, equal employment opportunities, and pay practices.

My Company will openly promote a non-retaliation policy on behalf of all employees to encourage whistleblowers. This shall include posted non-retaliation policies in a clearly visible location.

VIII. Duty to Inform

I will be alert to activity of my company. If I discover any activity which I know to be illegal or fraudulent, I shall report such knowledge to the City of New Orleans, Office of Inspector General.

Any allegations of wrongdoing violating this Code of Ethics & Conduct will be thoroughly investigated and valid charges are to be reported to the City of New Orleans, Office of Inspector General.

IX. Violations and Penalties

If I, my Company, or any employees of my Company are found to be in violation of this Code of Ethics & Conduct, penalties may and can be enforced against me and/or my Company. The penalty shall be commensurate with the seriousness of the violation, up to the possibility of loss of the contract and/or legal action. Some penalties may involve financial contributions from the vendor/contractor for the hiring of Independent Integrity Monitors to observe on-going contractual obligations in order to maintain their existing contract.

I recognize that a wide range of people including the NOAB and the public rely heavily on my behavior in the execution of my professional duties and those of the Company I represent. In all activities, my Company and I will maintain the highest ethical standards and advise and encourage employees to engage in ethical conduct in the pursuit of all business affairs. We will actively model and encourage the integration of ethics into all aspects of the management of the Company.

Printed Name of Company

Printed Name of Signee

Title of Signee

Signature of Signee

CONSTRUCTION FRAUD DIVISION
OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



Louis Armstrong New Orleans
International Airport



CONTRACTOR INFORMATION FORM (CIF)

Instructions: Each item **MUST BE ANSWERED**. Whenever a particular item does not apply, write "none" or "n/a" (not applicable). Please complete form electronically, use typewriter or print legibly in dark ink when preparing the application. Attach additional sheets of information if necessary.

Who Fills out the CIF?: Two Low-Bid General Contractors, Sub-Contractors and Material Supplymen performing work for the NOAB with a contract amount of \$100,000 or more in relation to the NOAB Strategic Infrastructure Plan.

When does the CIF need to be Submitted?

CIF shall be submitted within 3 calendar days of official bid date. **Failure to submit may qualify any entity as non-responsive.**

Where do I submit the completed CIF? :

Construction Fraud Division
Office of Inspector General
City of New Orleans
cfid@nolaig.org

CONTRACTOR INFORMATION

Business Name of "Applicant" _____

Contractor License Number/s _____

Business Address (Street or P.O. Box) _____

City _____ State _____ Zip Code _____

Telephone () _____ Fax () _____

E-Mail Address _____

Louisiana Office Address _____

City _____ State _____ Zip Code _____

Louisiana Telephone No. () _____

Federal Employer's Identification No. _____

Name of Individual Completing this form _____

Above Individual's Association with Business _____

Business Organization - Section 1

The term "Applicant" refers to the Business.

1. Has the Applicant previously submitted this form under this business name or any other business name?

- Yes No

If yes, which business name _____

2. What is the form of business organization of the Applicant?

- Sole Proprietorship Partnership
 Corporation LLC

3. How many years has the Applicant been in business under the business name? List any prior name or assumed name and years of business.

4. Is the Applicant an outgrowth, result or reorganization of a predecessor business?

- Yes No

If yes, list the name and address of each predecessor business and indicate whether any is still in business.

5. Will an assumed name ever be used for bidding purposes?

- Yes No

If so, indicate the name _____

6. If the Applicant is a corporation, indicate the state or commonwealth and date of incorporation.

a. Indicate whether the Applicant is a parent or subsidiary corporation and the name and address of each such related company.

b. Indicate whether the Applicant has affiliates and the name and address of each such related company.

c. Indicate whether any of the related companies listed are engaged in similar or related business as the Applicant.

d. Indicate whether the Applicant's owners have ownership in other construction companies, sub-contractor companies or construction material supply company and the name and address of each such owned company.

7. Does the Applicant conduct business in connection with any other company or firm?

8. Is the Applicant a Disadvantaged Business Enterprise?

Yes

No

If yes, indicate the certifying recipient and certifying agent

9. List the names of the Principals of the Applicant's Company:

10. List the name of each owner, shareholder, partner, member, beneficiary or any other person expected to have a direct/indirect economic interest in the Applicant's Company.

11. Of the persons listed in answer #9 & #10 above, have any ever been convicted of any felonies or sentenced to any jail time? Please explain the situation, felony and describe amount and location of jail time.

12. List the name of each owner, shareholder, partner, member, beneficiary or any other person expected to have a direct financial interest in a contract awarded by the Recovery

School District who holds an elective office within the State of Louisiana; who is appointed to or employed in any office or agency of Louisiana State or New Orleans City government; or who is the spouse, minor child, in-law or any such person and explain.

13. Please indicate your work profitability for the last three (3) years:

2010: Yes No

2011: Yes No

2012: Yes No

WORK - Section 2

14. What type of work will the Applicant be performing for the contracted work?

15. Does the Applicant currently possess all necessary licenses to perform described work (Question 14) as required by the State of Louisiana and the City of New Orleans?

Yes (all applicable license #'s shall be stated on page 1) No

If no, explain

If yes, How long has the Applicant held these licenses?

16. Has the Applicant performed this type and scope of work within the past five (5) years?

Yes No

If no, please explain:

If yes, please give 3 brief examples of this type and scope of work completed by the Applicant's own forces within the past 3 calendar years (include title of job, location of job, scope of work, cost of work, completion date of job) with references for each example (include name and contact information):

Example 1

Reference _____

Example 2

Reference _____

Example 3

Reference _____

17. What is the dollar amount of the Applicant's combined construction contracts from 2012? _____
How many projects does this account for? _____

18. Has the Applicant worked in the current project's geographical area within the past three (3) years? Yes No
If Yes, Where?

SAFETY - Section 3

All General Contractors and Sub-Contractors, Please provide the following information for the 2012 Calendar Year.

19. Does the Applicant have a written safety program? Yes No

20. Does the Applicant have a dedicated safety manager? Yes No

21. Does the Applicant require their subcontractors to have a safety program? Yes No

ITEM	2012	2011	2010
EMR (Experience Modification Rate)			
OSHA Citations (# of total citations/year)			
No. of Fatalities			

LEGAL - Section 4

23. Legal Concerns:

- a. Explain the circumstances and outcome of any litigation, arbitration, or claims filed against the Applicant's company (or previous company/companies) by any client OR any of the same the Applicant's company (or your previous company/companies) have filed against any client within the past 5 years

- b. Explain the circumstances and outcome of any litigation, arbitration, or claims filed against the Applicant's company's owner, shareholder, partner, member or beneficiary (or such personnel from previous company/companies) by any client OR any of the same the Applicant's company owner, shareholder, partner member or beneficiary (or such personnel from previous company/companies) have filed against any client within the past 5 years

24. Does the Applicant have any current assessments or penalties levied against it in regard to unemployment compensation?

Yes No

If Yes, Please briefly explain assessment or penalty

25. Has the Applicant or an officer, agent, superintendent, foreman or employee of the Applicant ever been determined to knowingly or willfully fail to properly classify an individual as an employee in accordance with the law and who failed to pay required contributions?

Yes No

If Yes, Please briefly explain the situation

26. Has the Applicant ever petitioned for bankruptcy, defaulted or been terminated on a contract? Yes No

If yes, Explain circumstances?

27. Has the Applicant's surety ever finished one or more of your construction projects?

Yes No

If yes, What Project? And When?

28. Has the Applicant's company ever been debarred or precluded from bidding public work?

Yes No

If yes, What public entity?

Ethics - Section 5

29. Does the Applicant employ a "Code of Ethics" within its' business practice.

Yes No

If yes, Please attach "Code of Ethics" to this form.

30. Does Applicant perform background checks on its own employees? Yes No

If yes, what are the elements of the background check?

Attestation - Section 6

Date of Completion and Submission of this Vendor Information Form: _____

**This Vendor Information Form is valid for 2 years from completion OR upon the date that any information on this form changes. You (the vendor/s) are required to contact the OIG (504-681-3200) to make any necessary changes on this form.*

Printed Name of Individual preparing this Document: _____

Attestation:

I attest that all statements, answers and representations in this application including all supplementary statements attached thereto, are true and accurate and acknowledge that any purposeful false information submitted on behalf of this Applicant and/or myself and verified by the signature is cause to be found as a non-responsible Applicant.

Printed Name of Authorized Agent of Applicant: _____

Title of Authorized Agent of Applicant: _____

Live Signature of Authorized Agent of Applicant: _____

DRAFT