



Office of Inspector General City of New Orleans

Press Release

April 21, 2010

The New Orleans Office of Inspector General today released a report on the City's massive project management contract with MWH Americas, Inc. The report documents problems with the City's procurement and management of this contract, the value of which had mounted to \$36 million by January 2010 and continues to grow. A review draft of the report was given to City officials on March 4, 2010 and the City submitted its response on April 15.

The City's response denied all 14 findings. The OIG considered the City's comments, and made minor changes to 3 findings to clarify their meaning. However, the OIG stands by all the findings and the final report provides documentary evidence supporting its views.

Inspector General Ed Quatrevaux today said:

"The City's ability to bring project management costs under control will have profound consequences for the recovery program. I am disappointed that the City does not acknowledge the need to address any of the problems identified in the report. The City's response is in lockstep with MWH on every issue, creating concern about the City's willingness or ability to manage this contractor effectively."