

# **Report of Investigation Allegation that Specific City Department Heads and Managers Have Each Received Free Tickets to Jazz Fest**

Final Report • March 9, 2018



**OIG** NEW ORLEANS OFFICE OF  
INSPECTOR GENERAL

Derry Harper, Esq., CIG, Inspector General

**FINAL**  
**REPORT OF INVESTIGATION**



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**TITLE:** Allegation that Specific City Departments Heads and Managers Have Received Free Tickets to Jazz Fest

**LOCATION OF OCCURRENCE:** New Orleans, LA

**DATE OF OCCURRENCE:** April 2017

**INVESTIGATED BY:** Investigator Michael J. Centola 

<b><u>Louisiana Code of Governmental Ethics</u></b>	R.S. 42:1111 - Payment from Nonpublic Sources R.S. 42:1115 - Gifts
<b><u>Louisiana Constitution</u></b>	LA Const., Art. 7, §14(A) - Prohibition on Loans/Donations

**ACTION TAKEN:** Referral for administrative action to the City of New Orleans

**EXECUTIVE SUMMARY**

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Festival Productions, Inc. - New Orleans provided seven (7) different Department Heads, within the City of New Orleans, between 284 to 424 free admission tickets to the Jazz Festival in 2017. The majority of the aforementioned Department Heads and their employees stated they were aware that they could not accept free tickets to the Jazz Festival for personal use. They also said they either did not use the tickets at all or only used the tickets for the purpose of conducting official City business. The Parks and Parkways Department “loaned” three gazebos to the Jazz Festival in 2017 without executing a “Hold Harmless Agreement” nor charging an equipment rental fee.

**BASIS FOR INVESTIGATION**

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In August of 2017, the Office of Inspector General (OIG) received a confidential complaint alleging that the company, which organizes and hosts the Jazz Festival, had routinely provided City of New Orleans employees with free admission tickets to attend the Jazz Festival each year. Quint Davis, the CEO of Festival Productions, Inc. - New Orleans, confirmed that he had provided 144 free admission tickets to the following seven (7) City Hall departments in 2017: Parks and Parkways Department (PPD), Property Management Department (PMD), Chief Administration Office (CAO), Public Works Department (PWD), Finance Department (FD), New Orleans Police Department (NOPD), and the New Orleans Fire Department (NOFD). Mr. Davis also advised that the “Orleans Parish Sheriffs’ Office/Marlin Gusman” received 16 free admission tickets in 2017. This information concerning the Orleans Parish Sheriffs’ Office has been referred to the Louisiana Legislative Auditor. Mr. Davis provided the OIG with a table showing the number

of free admission tickets that had been provided to the above-described departments in 2017. This table is attached as **Exhibit 1**.

The aforementioned City Hall departments were contacted by OIG Investigators in an effort to determine the circumstances surrounding the receipt of the tickets and any possible business relationship that may exist between the City and the Jazz Festival.

## **BACKGROUND of the Jazz Festival**

According to information found on the Neworleansonline.com website, the New Orleans Jazz & Heritage Festival is the celebration of the unique culture and heritage of New Orleans and Louisiana. The website describes the festival as “an endless amount of music, succulent local and regional delicacies, one-of-a-kind handmade arts and crafts, second line parades.”

According to information found on the Jazzandheritage.org website, the festival is the world's premier showcase of Louisiana music, food and culture, and one of the most popular festivals in the world. The website describes the Jazz Fest as “the principal fundraiser for the New Orleans Jazz & Heritage Foundation, which uses the proceeds from the festival for year-round programs in education, economic development and cultural enrichment. As the nonprofit owner of the New Orleans Jazz & Heritage Festival, the Jazz & Heritage Foundation is active all year long with assets and programs in the areas of education, economic development and cultural enrichment.”

According to an article published in the Times Picayune on February 2, 2017, the 2017 New Orleans Jazz & Heritage Festival was held on April 28 to April 30, and from May 4 to May 7. A one-day ticket to the Jazz Fest could be purchased in advance for \$65 through Feb. 14, 2017, while the gate price for the same ticket was \$80.

## **EXTENT AND RESULTS OF INVESTIGATION**

### **Parks and Parkways**

**(Parks and Parkways received 60 free admission tickets – See Exhibit 1)**

On October 19, 2017, Ann MacDonald, Director (Dir) of the Parks and Parkways Division (PPD), was interviewed by OIG Investigators. Dir MacDonald advised she has been the Director since 2002. Previously, Dir MacDonald served as the Assistant Director of PPD for two years. Dir MacDonald advised that all during her City tenure, since 1988, City departments received tickets to the Jazz Festival. These tickets are provided free of charge to City employees for their personal use. A representative of the Jazz Festival delivers tickets to the PPD Office. Dir MacDonald believes “someone” signs for receipt of the tickets. PPD has approximately 135 employees. Dir MacDonald advised that she personally distributes envelopes containing the tickets to the employees of PPD. Dir MacDonald could not recall the exact number of free tickets she received. Dir MacDonald said that she places two or three tickets in each envelope. Dir MacDonald said that she provides more than one ticket because she feels employees should not attend the festival alone. Usually the tickets are provided to the office staff since “there is never

enough tickets for everyone.” Dir MacDonald advised that she has personally used tickets a few years ago. Dir MacDonald said she distributes them “equally to her employees.”

Dir MacDonald advised that PPD personnel deliver gazebos to Fortier Park located on Esplanade Avenue. There is no assembly or construction to perform. She is unsure how the gazebos are utilized and does not recall seeing them when she attended the Jazz Festival. A photocopy of a photograph of the gazebos is attached as **Exhibit 2**.

Dir MacDonald advised that, “to the best of her knowledge” there is no documentation of the arrangement between the PPD and the Jazz Festival for the use of the gazebos or the receipt of the tickets. Dir MacDonald does not believe the tickets are provided in exchange for the use of the gazebos. The only communication may be a telephone call requesting the delivery of the gazebos. Dir MacDonald did not know of any “Hold Harmless Agreement” regarding the gazebos.

Dir MacDonald has never received any formal directive on how to handle the receipt of the tickets. She is not aware of any other City department that returns the tickets to the Jazz Festival. Dir MacDonald reiterated the tickets are not received for a service provided, but she feels the Jazz Festival has a “partnership” with the City. She thinks it is the City’s responsibility to encourage tourism and the Jazz Festival is a major draw of tourists for the City. A photocopy of the Memorandum of Interview for Dir MacDonald is attached as **Exhibit 3**.

On October 24, 2017, Timothy LaVelle, Assistant Director (AD) of PPD, was interviewed by OIG Investigators. AD LaVelle has worked for PPD since 2003. He has also held various positions in other City Departments since 1987. AD LaVelle advised that he is the primary contact for the gazebos, which PPD delivers to the Jazz Festival each year. PPD does receive Jazz Fest tickets, but they are not addressed to him. AD LaVelle stated, “All tickets received by PPD go to (Director) Ann MacDonald.” AD LaVelle advised that Dir MacDonald, not AD Lavelle, distributes the tickets. AD LaVelle stated that Dir MacDonald gave him eight tickets to the Jazz Fest in 2017. He has also received eight tickets in past years from Dir MacDonald. LaVelle did not know of any directive or instruction on how to handle the receipt of tickets provided to City Departments.

AD LaVelle advised that PPD provided three gazebos to the Jazz Festival in 2017. PPD employees delivered and placed them inside the festival grounds located at the Fair Grounds Racetrack. Steve Meyers is the PPD employee who is responsible for the delivery of the gazebos. AD LaVelle believes there are letters or other correspondence in which the Jazz Festival requested the use of the gazebos. AD LaVelle said that in the past, four gazebos were provided, but one became in such disrepair, AD LaVelle had it dismantled. He could not recall when the practice of loaning the gazebos began, but advised it has been, “for more than a few years.” PPD does not perform any other service for the Jazz Festival until the removal of the gazebos. AD Lavelle advised he did not know of any time where the gazebos are utilized other than for the Jazz Festival. He believes Jazz Festival programs are sold from the gazebos. He recalled PPD painting them when they looked bad. AD LaVelle had no reason for PPD to maintain the gazebos other than to loan them out to the Jazz Festival every year. A photocopy of the Memorandum of Interview for AD LaVelle is attached as **Exhibit 4**.

On October 24, 2017, Steve Meyer, Senior Maintenance Welder (SMW) for PPD was interviewed by OIG Investigators. He is the individual who is responsible for the delivery of the gazebos utilized by the Jazz Festival. He normally receives an email identifying the delivery date and he asks a fellow PPD employee to assist him. The gazebos are delivered to the infield of the Fair Grounds Racetrack. He has been delivering the gazebos for at least the past 20 years. The gazebos have been stored at PPD since 1986 when he came to work at PPD. SMW Meyer described the gazebos as “kind of raggedy.”

After delivering the gazebos, SMW Meyer stated he went to a trailer where a representative of the Jazz Festival gave him two brown envelopes. He believed they contained Jazz Festival tickets. One envelope was addressed to Dir MacDonald and the other to AD LaVelle. SMW Meyer stated that Dir MacDonald distributed the tickets to PPD Supervisors and Administrative Assistants. SMW Meyer said he “normally” receives two tickets from Dir MacDonald. SMW Meyer said he gives the tickets he receives to his daughter. SMW Meyer believes tickets may have been delivered to the PPD office in the past. SMW Meyer did not know of any other festival that provides free tickets to PPD. A photocopy of the Memorandum of Interview for SMW Meyers is attached as **Exhibit 5**.

**Property Management Department (PMD)**  
**(Property Management received 18 free admission tickets – See Exhibit 1)**

On September 29, 2017, Property Management Department (PMD) Director (Dir) George Patterson, was interviewed by OIG Investigators. Each year shortly after Mardi Gras, the PMD receives a letter from the Jazz Festival Foundation requesting a specific amount of City bleachers to be used at the Jazz Festival. These bleachers are owned and used by the City during Mardi Gras. According to Dir Patterson, the request is exactly the same each year. The letter details how many sections and braces are requested. The letter further details the specific period as to when the equipment is to be picked up and returned by the Jazz Festival personnel from the City warehouse located on Tchoupitoulas Street. A photocopy of the 2017 letter from the Jazz Festival dated January 19, 2017 and DIR Patterson’s response letter dated April 17, 2017 are attached as **Exhibits 6 and 7**. The letter is forwarded to Assistant Chief Administrative Officer (CAAO) Courtney Bagneris, for the CAO’s approval. Dir Patterson advised that to his knowledge, the request has never been denied. The equipment is not transported nor erected by City personnel. Jazz Festival personnel perform both. The Jazz Festival also provides the City with a “Hold Harmless Agreement” concerning the rental of the bleachers. A photocopy of the 2017 “Hold Harmless Agreement” is attached as **Exhibit 8**. When the equipment is returned, an inventory is conducted to ensure all of the equipment is returned undamaged. Dir Patterson stated that the City is paid “maybe a couple thousand dollars” for the use of the bleachers. The check is made payable to the City and is deposited into the City’s General Fund. Dir Patterson feels the money received should be placed into the PMD budget.

According to Dir Patterson, a courier from the Jazz Festival comes to City Hall and distributes tickets to various City Departments, including the PMD. Dir Patterson advised that Cedric Grant, Deputy Mayor (DM) of Facilities, Infrastructure and Community Development, ordered PMD to forward Jazz Festival tickets to his office for return to the Jazz Festival. Dir Patterson’s assistant, Adrienne Recasner, returned the tickets to DM Grant’s Office. DM Grant has recently left City employment. Dir Patterson advised that City departments also receive free admission tickets for the Essence Festival, Mardi Gras stands and other

events. DM Grant had established a policy that no division under his supervision would keep any free admission tickets for the Jazz Festival, or other events, such as the Essence Festival.

Dir Patterson understands that DM Grant forwards any tickets he receives to Scott Hutcheson of the Mayor's Office for return to the Jazz Fest. Dir Patterson does not know if the tickets are returned to the Jazz Festival or not. According to Dir Patterson, "This practice has been going on for decades." The tickets are provided to the Departments and are, "not associated with names, but the titles" of the departments. Dir Patterson believes it is unfair that employees who are earning minimal salaries are not allowed to utilize the tickets provided to the City.

Dir Patterson advised that Adrienne Recasner maintains all documents regarding the agreement between the City and the Jazz Festival Foundation. Dir Patterson advised he was not going to jeopardize his job with the City by going behind Cedric Grant's back and obtain Jazz Festival tickets. Dir Patterson does not attend the festival, but if he chose to, he would purchase his ticket. A photocopy of the Memorandum of Interview for Dir Patterson is attached as **Exhibit 9**.

On October 30, 2017, Adrienne Recasner, PMD Assistant to the Director (ATD) was interviewed by OIG Investigators. She did not have direct knowledge of PMD receiving free tickets for the Jazz Festival. She has in the recent past signed for the receipt of an envelope she assumed contained Jazz Festival tickets. When she received the envelope, she would immediately bring it to the Director of PMD, George Patterson. Dir Patterson would advise her to bring the envelope to his supervisor's office, Deputy Mayor (DM) Cedric Grant. ATD Recasner would deliver the envelope to Sabrina Hill, who accepted the envelope on behalf of DM Grant. ATD Recasner advised that Dir Patterson is adamant that Jazz Festival tickets be returned to the Jazz Festival at the direction of DM Grant.

ATD Recasner is aware that the PMD does provide bleachers to the Jazz Festival. Each year the Jazz Festival sends a letter requesting the use of a specific number of bleachers. Once she receives the request, she forwards it to Assistant Chief Administrative Officer (CAAO) Courtney Bagneris for her approval. Once approved, ATD Recasner forwards a work order to the warehouse located on Tchoupitoulas Street authorizing the release of the bleachers to the Jazz Festival. Theodore Mars is the Jazz Festival point of contact for the delivery of the bleachers. Mr. Mars is also the individual who delivers the envelope possibly containing the tickets. In the past, City employees would deliver and assemble the bleachers. The City has discontinued this practice due to budget restraints.

In return for the use of the bleachers, the Jazz Festival pays the City approximately [REDACTED] along with a [REDACTED] check for deposit. A photocopy of the payment paperwork is attached as **Exhibit 10**. The City deposits the payment into the City General Fund. The City returns the deposit check once the Jazz Festival has brought back all the equipment to the PMD and the PMD has inspected it for any damage. ATD Recasner feels [REDACTED] is too low and nowhere near the current market rate for bleacher rental.

ATD Recasner advised that she did not receive Jazz Festival tickets from PMD but she has obtained Jazz Festival tickets from the City Council Office. ATD Recasner often contacts that office and inquiries about the availability of tickets for events within the City. ATD Recasner believes that the PMD has also in the past received tickets to the Essence Festival and Mardi Gras stands at no cost. Dir Patterson did not want

to have any part in providing the tickets to PMD personnel. Instead, he gives the tickets to ATD Recasner and instructs her to “try and do what you can and accommodate the employees.” A photocopy of the Memorandum of Interview for ATD Recasner is attached as **Exhibit 11**.

On November 7, 2017 Sabrina Hill, Executive Assistant (EA) to the Deputy Mayor (DM) of Operations, was interviewed by OIG Investigators. The Operations Department does not receive Jazz Festival tickets directly from the Jazz Festival. Instead, the Jazz Festival distributed tickets to the PMD in 2017 and in years past. The PMD Director, George Patterson, knew that neither he nor his staff could use the free tickets to attend the Jazz Festival; therefore, he sent them to EA Hill at the direction of DM Grant. According to EA Hill, DM Grant did not receive any free Jazz Festival tickets from the other Departments under his supervision.

In 2017, after EA Hill received an envelope from PMD containing free Jazz Festival tickets, she met with Deputy Chief Administrative Officer (DCAO) Scott Hutcheson and personally delivered the envelope to him. In the years past, EA Hill gave the tickets to DM Grant who left them on his desk where they remained until after the Jazz Festival. EA Hill advised that after the festival, the tickets were thrown away. EA Hill did not open and look inside the envelope from PMD to verify the envelope contained tickets. EA Hill did not know what DCAO Hutcheson did with the tickets she gave him. EA Hill recalled that DM Grant told her “when you get that package get it right to Scott.” The envelope was sealed and to her knowledge, no one opened it. She advised that DCAO Hutcheson knew that tickets to the Jazz Festival were in the envelope.

[REDACTED]  
[REDACTED]  
[REDACTED] A photocopy of the Memorandum of Interview for EA Hill is attached as **Exhibit 12**.

On December 11, 2017, Scott Hutcheson, Deputy Chief Administrative Officer (DCAO) was interviewed by OIG Investigators. According to DCAO Hutcheson, the Mayor’s Office purchases Jazz Festival tickets through the New Orleans Tourism Marketing Corporation via a credit card. These tickets are used to staff the Mayor’s Hospitality Tent on site at the Jazz Festival. DCAO Hutcheson advised that approximately 50 tickets are purchased each year. This has been a standard practice, which started when the Mayor was the Louisiana Lt. Governor prior to being elected Mayor.

DCAO Hutcheson advised that he initially purchased the tickets in 2017 from a Jazz Festival representative whose name he could not recall. DCAO Hutcheson was told that the tickets would be delivered along with the other tickets being delivered to City Hall. He questioned the Jazz Festival representative as to what tickets they were referring to and was told the Jazz Festival provides free tickets to various Departments within the City. DCAO Hutcheson stated, “Based on his yearly Ethics Training”, he knew that City employees were unable to accept free tickets to any event. He immediately contacted then Deputy Mayor Cedric Grant to advise him of the pending delivery of free Jazz Fest tickets. DCAO Hutcheson also reminded DM Grant that City employees could not accept tickets to attend the Jazz Festival due to possible ethics violations. In addition, DCAO Hutcheson contacted Director of PMD George Patterson, and advised

him that he could not accept any free tickets as well. He then contacted Rebecca Dietz, the City Attorney, and advised her of the potential ethical issues.

DCAO Hutcheson advised that the Department of Revenue is the only City Department that would have a legitimate reason to be at the Jazz Festival in any official capacity. (OIG Note: The Department of Revenue is also known as the Bureau of Revenue.) Later he came to understand that the PMD did have legitimate work at the Jazz Festival, but is unsure exactly what work that would be and if it required any City employees to enter the Jazz Festival. A photocopy of the Memorandum of Interview for DCAO Hutcheson is attached as **Exhibit 13**.

### **CAO Office**

#### **(Assistant CAO received two free admission tickets – See Exhibit 1)**

On December 12, 2017, Assistant Chief Administrative Officer (ACAO) Courtney Bagneris was interviewed by OIG Investigators. ACAO Bagneris understands that each year as many as “several hundred” Jazz Festival tickets are provided to a “centralized person” within City Hall who distributes them to various City Departments. She added that PMD Director George Patterson told her that PMD Deputy Director (DD) Ed Sens was the “hub” who distributed Jazz Festival tickets to employees in the past. Dir Patterson also told ACAO Bagneris that he, Dir Patterson, should be responsible for distributing any Jazz Festival tickets. She said that Dir Patterson was “upset” that DD Sens was distributing Jazz Festival tickets.

ACAO Bagneris also advised that neither she nor her staff have been the recipient of any tickets distributed to City departments. She advised that she did receive two tickets this year, as she has in the years past, directly from the Jazz Festival. The tickets normally appear in her mailbox located in the CAO’s reception area. She has been receiving two tickets dating back to when she was employed with the New Orleans Police Department (NOPD) in the 1990’s. ACAO Bagneris stated that she knew, through her yearly ethics training that City employees may not accept anything of value. She gave away the tickets she received this year, but could not recall to whom she gave them. ACAO Bagneris added that in the past she has given the tickets to complete strangers. A photocopy of the Memorandum of Interview for ACAO Bagneris is attached as **Exhibit 14**.

### **Public Works**

#### **(Public Works received 33 free admission tickets – See Exhibit 1)**

On November 27, 2017, Dani Galloway, Director (Dir) of the Department of Public Works (DPW), was interviewed by OIG Investigators. Dir Galloway has been the Director of the DPW since August of 2017. Prior to her current position, she served as a Special Assistant to then Deputy Mayor (DM) Cedric Grant. In that capacity and at the direction of DM Grant, Galloway contacted Allen Yrle, the Assistant Director (AD) of the DPW, in April 2017 regarding the receipt of Jazz Festival tickets from a representative of the Jazz Festival. Galloway on behalf of DM Grant advised that tickets to attend the Jazz Festival could not be used unless the tickets were provided by the Mayor’s Office.

Dir Galloway did understand that different City Departments received tickets from the Jazz Festival, but no Department was authorized to use them to attend the Jazz Festival. Dir Galloway does understand



that some Departments provide services and equipment to the Jazz Festival. The City maintains a record of some of these arrangements and collects a minimum payment. Dir Galloway is unsure if all City Departments complete a "Hold Harmless Agreement" with the Jazz Festival. She advised that the City Attorney would have this information. A photocopy of the Memorandum of Interview for Dir Galloway is attached as **Exhibit 15**.

On November 2, 2017, Allen Yrle, Assistant Director (AD) for the Department of Public Works (DPW), was interviewed by OIG Investigators. AD Yrle advised that the DPW installs both metal and cardboard traffic signs for the Jazz Festival in the area surrounding the Fair Grounds Racetrack. The DPW does not install any signs inside the Fair Grounds Racetrack where the Jazz Festival is held. Each year the DPW receives a letter from the Jazz Festival requesting the placement of the signs along with maps designating the locations where the City should place the signs. A photocopy of a letter dated March 13, 2017 with attachments concerning the installation of signs for the 2017 Jazz Festival is attached as **Exhibit 16**.

AD Yrle stated that "each year" the DPW office receives envelopes containing free Jazz Festival tickets. AD Yrle believes an Orleans Parish Sheriff's Deputy delivers the tickets. Stephen Giang, an Engineer (Eng) with the DPW, signed for the receipt of the envelopes. Eng Giang gives the envelopes to AD Yrle. AD Yrle believes that DPW receives 18 tickets, but he is unsure since he has never counted the tickets. One envelope is addressed to AD Yrle and the other is addressed to Peter Lollis, who retired from the DPW approximately 2 ½ years ago. AD Yrle knows from the Ethics Training he receives each year that he is unable to accept and use the tickets, free of charge.

AD Yrle recalled this past year, 2017, Dani Galloway called him a day or two prior to receiving the tickets and asked if he had in fact received the tickets. He advised her that he had not. Dir Galloway commented, "You know you can't use them." AD Yrle advised Dir Galloway he understood the tickets could not be used. When he did receive the tickets, he kept them until after the Jazz Festival. After the Jazz Festival, he threw the tickets away. AD Yrle advised that "normally" he would throw them away as soon as he received them. AD Yrle has not received any guidance regarding the receipt of Jazz Festival tickets, other than his Ethics Training. AD Yrle has never used nor given away any Jazz Festival tickets received by the DPW.

AD Yrle stated, "I am appalled at the amount of work we do for Jazz Fest" without compensation. He contends that the City provides a huge and important service to the Jazz Festival free of charge. AD Yrle added that the DPW is reimbursed for work performed on behalf of film crews, movie sets and some Mardi Gras parades. The amounts paid by the groups are determined from a set fee established by the DPW. A photocopy of the Memorandum of Interview for AD Yrle is attached as **Exhibit 17**.

On November 13, 2017, Darren Walker, Sign Shop Supervisor (SSS) for the Department of Public Works (DPW), was interviewed by OIG Investigators. The Jazz Festival sends a written request to the DPW setting out the locations that temporary signs are to be placed. According to SSS Walker, the Sign Shop uses the same signs each year. The signs used for the Jazz Festival are stored in the Sign Shop and are only used for the Jazz Festival. When a sign needs to be replaced or a new sign is required, the City makes it in the Sign

Shop at no cost to the Jazz Festival. SSS Walker did not know if the Jazz Festival pays for the placement and removal of the signs.

In years past, SSS Walker had utilized Jazz Festival tickets given to him by the previous Supervisor, Peter Lollis. Since becoming the Supervisor two years ago, SSS Walker has not used any tickets. SSS Walker stated that he distributed tickets to his employees in 2016. In 2017, he was instructed by AD Yrle not to distribute tickets received from the Jazz Festival. SSS Walker had received an envelope containing approximately 14 tickets. The envelope was addressed to Peter Lollis. SSS Walker recalled giving two tickets to one of his employees and having to retrieve the tickets at the direction of AD Yrle. SSS Walker returned the envelope with the tickets to AD Yrle. SSS Walker is not sure why AD Yrle requested the tickets back.

SSS Walker advised that all the signs placed for the Jazz Festival in the immediate vicinity of the Fair Grounds Racetrack are temporary. Signs are not placed inside the festival site (**See Exhibit 16**). A photocopy of the Memorandum of Interview for SSS Walker is attached as **Exhibit 18**.

**Finance Department**  
**(Finance received 10 free admission tickets – See Exhibit 1)**

On February 16, 2018, Norman Foster, former Deputy Mayor, Director of Finance (DIR), City of New Orleans, was interviewed by OIG Investigators. DIR Foster did not recall receiving Jazz Festival tickets in 2017. DIR Foster believes that he was no longer employed by the City when the Jazz Festival tickets were distributed. He recalled leaving in mid-March. He also recalled being on annual leave for two weeks prior to his departure [REDACTED]

[REDACTED] According to DIR Foster, if he had received Jazz Festival tickets, he would have given them to Romy Samuel, Collector of Revenue, to be used by City employees in the course of their official duties, which included the collection of tax revenue from vendors operating at the Jazz Festival. A photocopy of the Memorandum of Interview for DIR Foster is attached as **Exhibit 19**.

**Bureau of Revenue**  
**(The Bureau of Revenue is not listed as a recipient of free admission tickets in Exhibit 1; however, the OIG is aware that Revenue received approximately 140 to 280 free admission tickets – See Exhibit 20)**

The Jazz Festival did not include the Bureau of Revenue (BOR) in their list of City Departments that received free admission tickets. The Collector of Revenue (COR), Romy Samuel voluntarily provided this information to OIG Investigators.

On December 7, 2017, Romy Samuel, Collector of Revenue (COR) for the Bureau of Revenue (BOR) was interviewed by OIG Investigators. COR Samuel advised that the BOR does receive tickets, at no charge, from the Jazz Festival. She advised that the tickets were used by BOR employees to conduct official business inside the Jazz Festival site as well as around the immediate vicinity of the Festival. COR Samuel stated that employees of the BOR are responsible for ensuring all vendors are properly licensed and

registered with the City and they adhere to its rules and regulations. The BOR's focus is on the concessions and crafts vendors.

COR Samuel advised she received, "enough tickets to allow between 20 and 40" BOR employees to enter the Jazz Festival each day. She advised that the number of tickets needed was discussed with George Wright who coordinates with the vendors on behalf of the Jazz Festival. (OIG Note: George Wright is the Concessions Director at New Orleans Jazz & Heritage Festival and Foundation, Inc.) COR Samuel provided an email documenting this meeting and another email containing a list of BOR employees who were working at the Jazz Festival each day. A photocopy of both emails is attached as **Exhibit 20**. COR Samuel stated that Mr. Wright delivered the tickets to Wendell McCall, Assistant Collector of Revenue, who passed them on to COR Samuel. COR Samuel advised that she retains the tickets until they are to be used by her staff assigned to operate at the Jazz Festival.

Each day the BOR employees distribute flyers to the vendors setting forth the BOR's expectations and the requirement that vendors remit their sales tax collections to the City each day. The BOR collects the sales tax remittances daily on site.

BOR employees also check businesses near the Jazz Festival site to determine if they are operating within the scope of their permitted business. In addition, BOR employees respond to complaints received via the City 311 system concerning unlicensed vendors operating in areas adjacent to the Jazz Festival site. COR Samuel recalls that the Jazz Festival also employs personnel who monitor vendor activity outside the actual festival grounds. A photocopy of the Memorandum of Interview for COR Samuel is attached as **Exhibit 21**.

#### **New Orleans Police Department**

**(The New Orleans Police Department received 11 free admission tickets – See Exhibit 1)**

On January 10, 2018, Chief of Staff (COS) for the Superintendent of the New Orleans Police Department (NOPD) Daniel Cazenave, sent an email to the OIG in which he advised that these tickets were used by the Superintendent for official business in order to access the location of officers and/or supervisors working stage assignments. COS Cazenave added that the Superintendent would sometimes make complimentary tickets available to the clerical and support staff at NOPD headquarters. A former NOPD Police Captain delivered the tickets to the Superintendent's office and the Superintendent signed for them personally. A photocopy of the email from COS Cazenave is attached as **Exhibit 22**.

#### **New Orleans Fire Department**

**(The New Orleans Fire Department received 10 free admission tickets – See Exhibit 1)**

On January 23, 2018, Fire Chief Timothy McConnell, New Orleans Fire Department (NOFD) sent an email to the OIG in which he advised that he received these tickets on behalf of the NOFD at no cost. Additionally, the NOFD received six entry passes and eight parking passes that allowed staff to enter/exit and park on the Jazz Fest grounds. Chief McConnell advised that the tickets were utilized by the NOFD's Chief's Aides, NOFD Deputy Chief Division Heads and Deputy Superintendents who are on-duty NOFD employees assigned to assist Chief McConnell each day as part of their official duties. Chief McConnell

personally received and signed for the tickets from a courier for the Jazz Fest. He also advised that he personally utilized the entry and parking passes assigned to him. He recalls that he gave unused tickets, free of charge, to a woman in the community who is a member of one of the Mardi Gras Indian organizations that performs at the Jazz Fest and who would not have otherwise been able to have family members attend. The NOFD did not purchase any additional tickets. A photocopy of the email from Chief McConnell is attached as **Exhibit 23**.

## CONCLUSIONS

Festival Productions, Inc. - New Orleans provided free admission tickets to the 2017 Jazz Festival to the following departments within the City of New Orleans: Parks and Parkways Department (60 tickets), Property Management Division (18 tickets), Chief Administration Office (2 tickets), Public Works Department (33 tickets), Finance Department (10 tickets), New Orleans Police Department (11 tickets), and the New Orleans Fire Department (10 tickets). The Director of Revenue, Romy Samuel voluntarily self-reported to the OIG that the Bureau of Revenue received between 20 to 40 tickets per day, for each of the seven days of the Jazz Festival (20 multiplied by 7 days equals 140, while 40 multiplied by 7 days equals 280 tickets). The City of New Orleans received somewhere between 284 to 424 free admission tickets to the 2017 Jazz Festival based upon above-described manner in which free tickets were distributed.

OIG Investigators conducted interviews of 19 City employees. The majority of employees stated that they were aware that they could not accept free tickets to the Jazz Festival for personal use. The majority of employees said that they either did not use the tickets at all or used the tickets to enter the Jazz Festival to conduct official City business in 2017.

The Director of Property Management, George Patterson advised that Deputy Mayor Cedric Grant had established a policy that no division under his supervision would keep any free admission tickets to the Jazz Festival, or other events.

The Executive Assistant to the Deputy Mayor of Operations, Sabrina Hill advised that Director of Property Management George Patterson was aware that neither he nor his staff could use the free tickets to attend the Jazz Festival so the tickets were returned.

The Deputy Chief Administrative Officer, Scott Hutcheson stated, "Based on my yearly Ethics Training", he knew that City employees were unable to accept free tickets to any event. Deputy CAO Hutcheson also "reminded" Deputy Mayor Grant, and "advised" Director of Property Management Patterson that City employees could not accept free tickets to the Jazz Festival "due to possible ethics violation." He also reported the potential "ethical issues" surrounding the free Jazz Festival tickets to the City Attorney.

The Assistant Chief Administrative Officer, Courtney Bagneris ACAO Bagneris stated that she knew, through her yearly ethics training that City employees may not accept anything of value.

The Director of the Department of Public Works, Dani Galloway recalled having been instructed by Deputy Mayor Grant that tickets to attend the Jazz Festival could not be used unless the tickets were provided by the Mayor's Office. Director Galloway also instructed her Assistant Director that he could not use the free tickets.

The Assistant Director for the Department of Public Works, Allen Yrle recalled knowing from the Ethics Training that he was unable to accept and use the tickets, free of charge.

Ann MacDonald, the Director of Parks and Parkways was the only department head who did not mention that City employees were taught during their yearly ethics training that they could not accept anything of value including free admission tickets. Instead, she advised that she personally distributes envelopes containing two or three tickets to the employees of PPD. Dir MacDonald said that she provides more than one ticket to PPD employees because she feels they should not attend the festival alone. Dir MacDonald also advised that she has personally used tickets a few years ago.

## **RECOMMENDATIONS**

### **Discontinue the practice of accepting free admission tickets.**

The City should discontinue the practice of accepting free admission tickets because City employees may be prohibited from doing so under Louisiana Revised Statute 42:1111 and 42:1115 as shown below:

#### **§1111. Payment from nonpublic sources (See Exhibit 24)**

A.(1)(a) Payments for services to the governmental entity. No public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position.

#### **§1115. Gifts (See Exhibit 25)**

A. No public servant shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or from any officer, director, agent, or employee of such person, if such public servant knows or reasonably should know that such person:

(1) Has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency, or

(2) Is seeking, for compensation, to influence the passage or defeat of legislation by the public servant's agency.

B. No public employee shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or from any officer, director, agent, or employee of such person, if such public employee knows or reasonably should know that such person:

(1) Conducts operations or activities which are regulated by the public employee's agency.

(2) Has substantial economic interests which may be substantially affected by the performance or nonperformance of the public employee's official duty.

City employees who accepted free admission to the Jazz Festival may be also be subject to the following penalties under Louisiana Revised Statute 42:1153 "Penalties" Sections A and B (**See Exhibit 26**):

A. Upon a determination that any elected official or other person has violated any provision of any law within the jurisdiction of the Board of Ethics except violations of the Campaign Finance Disclosure Act which shall be governed by Chapter 11 of Title 18 of the Louisiana Revised Statutes of 1950, the Ethics Adjudicatory Board may censure the elected official or person, or impose a fine of not more than ten thousand dollars, or both.

B. Upon a determination that any public employee or other person has violated any provision of any law within the jurisdiction of the Board of Ethics except violations of the Campaign Finance Disclosure Act which shall be governed by Chapter 11 of Title 18 of the Louisiana Revised Statutes of 1950, the Ethics Adjudicatory Board may remove, suspend, or order a reduction in pay, or demotion of the public employee or other person, or impose a fine of not more than ten thousand dollars, or both.

The City may also wish to confer with the appropriate oversight entity concerning any potential ethics violations.

Discontinuing the practice of accepting free admission tickets is also supported by the following Louisiana Board of Ethics opinions:

**Ethics Board Consent Order No. 2014-188B**

On January 15, 2016, the Louisiana Board of Ethics issued a consent order finding a parish school board member violated the Louisiana Code of Governmental Ethics by soliciting and receiving tickets provided by an entity who had or was seeking a contractual and business relationship with the parish school board. The Board also levied \$1,000 fine upon the parish school board member who accepted the tickets. A photocopy of decision 2014-188B was obtained from the State of Louisiana Ethics Board website and is attached as **Exhibit 27**.

**Ethics Board Advisory Opinion No. 2008-541**

In a letter dated July 2, 2008, the Louisiana Board of Ethics concluded that the Louisiana Code of Governmental Ethics prohibits members of the New Orleans City Council from accepting free tickets to a New Orleans Hornets game from business entities or representatives of the New Orleans Hornets that have or are seeking to have a contractual, business or financial relationship with the Council since the Council members would attend the basketball game in their public capacity and the tickets to the Hornets game are things of economic value. A photocopy of decision 2008-541 was obtained from the State of Louisiana Ethics Board website and is attached as **Exhibit 28**.

**Discontinue the practice of loaning City property to the Jazz Festival.**

The City should instruct the Parks and Parkways Department to discontinue the practice of loaning three gazebos to the Jazz Festival because this practice may be prohibited by Article 7, Section 14(A) of the Louisiana Constitution as shown in the excerpt below:

§14. Donation, Loan, or Pledge of Public Credit **(See Exhibit 29)**

Section 14.(A) Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

The City should also require Parks and Parkways to follow the protocol established by the Property Management Department. Property Management does not “loan” bleachers to the Jazz Festival. Instead, Property Management executes a “Hold Harmless Agreement” with the New Orleans Jazz & Heritage Festival and charges an equipment rental fee for the bleachers. Property Management also retains a complete set of records and correspondence concerning these transactions.

**Establish a Credentialing process rather than rely on the “goodwill” of a vendor.**

The City should not rely on the “goodwill” of a vendor, in this instance - Festival Productions, Inc., to provide free admission tickets so that City employees can carry out their official duties.

The City should issue credentials to approved City employees that must enter the Jazz Festival to conduct official City business. This approval process can then be audited/tracked by simply requiring Supervisors/Managers to document the employee’s name, dates requiring entry into the Jazz Festival and the official purpose.



## EXHIBITS ATTACHED

- Exhibit 1: Photocopy of a table showing the number of free admission tickets distributed to City Hall departments and the Orleans Parish Sheriffs' to attend the 2017 Jazz Festival (1 page)
- Exhibit 2: A photocopy of the photograph of the gazebos (1 page)
- Exhibit 3: A photocopy of the Memorandum of Interview for Dir MacDonald dated October 19, 2017 (2 pages)
- Exhibit 4: A photocopy of the Memorandum of Interview for AD LaVelle dated October 19, 2017 (1 page)
- Exhibit 5: A photocopy of the Memorandum of Interview for SMW Meyers dated October 19, 2017 (1 page)
- Exhibit 6: A photocopy of the 2017 the Jazz Festival Foundation letter requesting a specific amount of City bleachers to be used at the Jazz Festival dated January 19, 2017 (1 page)
- Exhibit 7: A photocopy of DIR Patterson's response letter dated April 17, 2017 (2 pages)
- Exhibit 8: A photocopy of the Hold Harmless Agreement dated April 18, 2017 (2 pages)
- Exhibit 9: A photocopy of the Memorandum of Interview for Dir Patterson dated September 29, 2017 (2 pages)
- Exhibit 10 A photocopy of payment paperwork concerning the sums paid by the Jazz Festival to rent the bleachers (4 pages)
- Exhibit 11 A photocopy of the Memorandum of Interview for ATD Recasner dated October 30, 2017 (2 pages)
- Exhibit 12 A photocopy of the Memorandum of Interview for EA Hill dated November 7, 2017 (1 page)
- Exhibit 13 A Photocopy of the Memorandum of Interview for DCAO Hutcheson dated December 11, 2017 (2 pages)
- Exhibit 14 A photocopy of the Memorandum of Interview for ACAO Bagneris dated December 12, 2017 (1 page)
- Exhibit 15 A photographic the Memorandum of Interview for Dir Galloway dated November 27, 2017 (1 page)
- Exhibit 16 A photocopy of a letter dated March 13, 2017 with attachments concerning the installation of signs for the 2017 Jazz Festival (12 pages)

- Exhibit 17 A photocopy of the Memorandum of Interview for AD Yrle dated November 2, 2017 (2 pages)
- Exhibit 18 A photocopy of the Memorandum of Interview for SSS Walker dated November 13, 2017 (1 page)
- Exhibit 19 A photocopy of the Memorandum of Interview for DIR Foster dated February 16, 2018 (1 page)
- Exhibit 20 A photocopy of the email documenting COR Samuel's meeting with George Wright and another email containing a list of BOR employees who were working at the Jazz Festival each day (3 pages)
- Exhibit 21 A photocopy of the Memorandum of Interview for COR Samuel dated December 7, 2017 (1 page)
- Exhibit 22 A photocopy of the January 10, 2018 email from COS Cazenave (2 pages)
- Exhibit 23 A photocopy of the January 23, 2018 email from Chief McConnell (2 pages)
- Exhibit 24 A photocopy of pages five (5) through seven (7) of the Code of Governmental Ethics obtained from the Louisiana Secretary of State website, which covers La. R.S. 42 §1111 (3 pages)
- Exhibit 25 A photocopy of page nineteen (19) of the Code of Governmental Ethics obtained from the Louisiana Secretary of State website, which covers La. R.S. 42 §1115 (1 page)
- Exhibit 26 A photocopy of page sixty-nine (69) of the Code of Governmental Ethics obtained from the Louisiana Secretary of State website, which covers La. R.S. 42 §1153 (1 page)
- Exhibit 27 A photocopy of the consent order in Ethics Board Consent Order No. 2014-188B dated January 15, 2016 (7 pages)
- Exhibit 28 A photocopy of the decision in Ethics Board Advisory Opinion No. 2008-541 dated July 2, 2008 (2 pages)
- Exhibit 29 A photocopy of Article 7, Section 14(A) of the Louisiana Constitution (2 pages)