

OFFICE OF INSPECTOR GENERAL  
CITY OF NEW ORLEANS



ED QUATREVAUX  
INSPECTOR GENERAL

March 28, 2012

Iftikhar Ahmad, Director of Aviation  
P.O. Box 20007  
New Orleans, LA 70141

Mr. Ahmad:

In August 2009, the Office of Inspector General (OIG) issued a report on "The Cost and Management of Passenger Type Vehicles of the New Orleans Aviation Board (NOAB)", hereafter referred to as the 2009 Report.

The OIG issued the "Follow-Up Report: New Orleans Aviation Board Vehicle Fleet Control" on October 18, 2011. Hereafter referred to as the 2011 Follow-up Report, it revealed that the NOAB implemented two of the nine recommendations in the 2009 Report<sup>1</sup>. The 2011 Follow-up Report disclosed that the NOAB considered the propriety of each employee assigned a take-home vehicle and determined that each assignment met the criteria<sup>2</sup> as outlined in the revised CAO Policy Memorandum No. 5(R).<sup>3</sup> On January 5, 2012, the NOAB further substantiated this determination by obtaining a legal opinion which found that each employee's take-home vehicle assignment met the criteria outlined in Section 6 of the revised CAO Policy Memorandum No. 5(R).

The second follow-up revealed that the NOAB corrected the remaining open items within four months of the release of the 2011 Follow-up Report.

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<sup>1</sup> The 2011 Report was based on policies and procedures in place as of December 31, 2010. The NOAB's administrative staff changed significantly in 2011, and the current management's policies and procedures were not reflected in the 2011 Report.

<sup>2</sup> Findings #5 & # 6 in the 2011 Follow-up Report

<sup>3</sup> The revised CAO Policy Memorandum 5 (R) – "Vehicle and Equipment Policy" - had an effective date of August of 2010.

The NOAB implemented the following seven corrective actions:

- The NOAB fully implemented an electronic fueling system in November 2011 that allowed the airport to track all fuel usage by vehicle and user. The NOAB also reviewed the electronic fueling system's monthly report for reasonableness.<sup>4</sup>
- The NOAB properly completed and submitted the necessary forms provided by the City for take-home vehicle use by the due dates.<sup>5</sup>
- The NOAB properly completed and submitted the personal use fringe benefit calculation to the City of New Orleans for all four quarters of 2011<sup>6, 7</sup>
- All employees with a take-home vehicle completed the required forms in accordance with the revised CAO Policy Memorandum No. 5(R)<sup>8</sup>. The records identified personal and business use of the vehicle and were properly maintained in the Airport Finance Department.<sup>9</sup>
- The NOAB implemented the use of PetroVend Software, a fuel monitoring and maintenance program, to track the maintenance performed on its fleet in January of 2012.<sup>10</sup>
- The NOAB issued a Vehicle and Equipment Quarterly Inventory Policy in December 2011 and maintained an electronic vehicle inventory listing of its entire fleet which tracked and provided quarterly physical inventory.<sup>11</sup> The inventory of the NOAB take-home vehicles was independent of the entire fleet listing as required by City Policy 5 (R). The NOAB also entered into a contract with PropertyRoom.com for the disposal of surplus equipment and vehicles and all disposed vehicles were immediately removed from the NOAB's insurance policies.<sup>12</sup>
- The NOAB issued a Driver's License Policy on December 20, 2011, and conducted driver's license checks on those employees assigned take-home vehicles.<sup>13</sup>

All recommendations from the 2009 Report were implemented and the New Orleans Aviation Board Vehicle Fleet Control audit requires no additional follow-up.

The 2009 Report and the 2011 Follow-up Report referred to in this letter can be viewed in entirety at [nolaoig.org/ Reports & Public Letters/ View Archived Reports & Public Letters](http://nolaoig.org/Reports%20&%20Public%20Letters/View%20Archived%20Reports%20&%20Public%20Letters).

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<sup>4</sup> Finding #1 in the 2011 Follow-up Report

<sup>5</sup> Finding #2 in the 2011 Follow-up Report

<sup>6</sup> The NOAB uses the Annual Lease Value Rule as required by the City, which included separately valuing any fuel received, to determine the amount of the fringe benefit received by employees assigned a take-home vehicle. NOAB maintained a complete set of fuel and mileage logs for the three employees assigned a take-home vehicle and submitted the Personal Use of Vehicle benefit calculation for all four Quarters of 2011 to the City of New Orleans for inclusion in NOAB employees W-2 forms prepared by the City for NOAB.

<sup>7</sup> Finding #3 in the 2011 Follow-up Report

<sup>8</sup> Revised CAO Policy Memorandum 5 (R) became effective on August 1, 2010.

<sup>9</sup> Finding #4 in the 2011 Follow-up Report

<sup>10</sup> Finding #7 in the 2011 Follow-up Report

<sup>11</sup> Quarterly inventories were completed in November 2011 and January 2012.

<sup>12</sup> Finding #8 in the 2011 Follow-up Report

<sup>13</sup> Finding #9 in the 2011 Follow-up Report

Sincerely,



E.R. Quatrevaux  
Inspector General

cc:

Iftikhar Ahmad, NOAB Director  
Raymond Anderson, NOAB CFO  
Nolan Rollins, Chairman of Board  
David Campbell, Kenner Representative  
Ti Martin, Board Member  
Cheryl Teamer, Board Member

Walter Krygowski, NOAB COO  
Tom Moore, NOAB Staff  
Doug Thornton, Vice-Chairman  
Douglas Evans, Board Member  
Lea Montgomery, Board Member  
Roger Ogden, Board Member