

Response of the City of New Orleans
Office of Inspector General To the
Quality Assurance Review Advisory Committee Report
Written Report of Activities for 2018

EXECUTIVE SUMMARY

After careful consideration of the Quality Assurance Review Advisory Committee Report (hereinafter “QARC” or “the Report”) submitted on May 16, 2018, to the Office of Inspector General (OIG), we conclude that the findings and conclusions in the Report are not supported by sufficient evidence. In addition, the QARC’s failure to interview OIG staff regarding several issues was a fundamental flaw in the methodology and approach utilized to conduct the review.

As detailed in the OIG’s response, the QARC met with OIG staff on only one occasion (February 28, 2019) and declined to speak to OIG staff on May 20, 2019, regarding several misstatements contained in the Report. For example, if asked regarding “performance reviews” we would have confirmed several projects meeting that description were undertaken in 2018, including two reviews of operations at the Sewerage and Water Board. Both these matters have been discussed at several Ethics Review board meetings and are listed in the March 2018 Annual Work Plan.

More troubling is the QARC’s recommendation that information regarding investigations or reviews be made available to them or any other City agency, elected official, or employee. To do so would violate professional standards, the right of the OIG to operate autonomously, and potentially cause irreparable harm to persons who had allegedly committed acts of misconduct or criminal offences. Even a cursory review of the OIG ordinance, and professional standards make it abundantly clear the release of “draft reports” not released during an investigation, audit, or evaluation would result in the piecemeal release of information, which would cause confusion and harm to the public. OIG reports are not final and cannot be released until there is a thorough review for legal sufficiency.

For these reasons and others detailed in our Response, the vast majority of the QARC’s findings, conclusions, and recommendations lack sufficient supporting evidence. In addition, the QARC’s failure to gather additional information by interviewing OIG staff was a fundamental flaw in the methodology and approach of their review. As confirmed by the Peer Review Assessment conducted by the Association of Inspectors General in 2018, the OIG complied with all professional standards in compliance with the Ordinance that established the OIG.

The Office of Inspector General appreciates the opportunity to review and respond to the report prepared by the QARC. We thank the members of the QARC for their commitment to public service.

I. Overview of QARC Duties and Responsibilities as Interpreted in the QAR:

Section 2-1120(16)(a) of the Office of Inspector General Code of Ordinances vests in the QARC the authority to review completed reports of audits, inspections, and performance reviews, and public reports of investigation. The Report's conclusions, among other things, address § 2-1120(9) which requires the OIG to issue an annual report including, among other things, information on all matters undertaken, costs incurred, costs recovered, matters concluded, any results, and accomplishments of the office. The QAR's criticisms relate to matters addressed in the OIG 2018 Annual Report, other matters not addressed in that report, the lack of reports, the quality of issued reports, and the OIG's utilization of resources. Finally, the QARC seeks to expand its jurisdiction by amendment to the Ordinance to permit review more akin to that currently authorized by § 2-1120 16(b) in an independent external peer review organization. The QARC also concludes an amendment to the Ordinance to permit examination and review of unpublished and incomplete OIG reports or work undertaken by the OIG. For the reasons set forth below, the OIG respectfully opposes any amendments to the existing OIG Charter expanding review parameters set forth in § 2-1120(16) and addresses the concerns raised by the QARC.

II. Vacancies, Staffing, Reorganization, and Utilization:

A. Personnel Matters:

According to the QAR, personnel changes made by the Inspector General are not sufficient to justify the office's budget. As explained in our entrance conference meeting with the QARC, and herein, the OIG is making strategic personnel changes to correct several organizational deficiencies in the office, and to enhance operations.

Meanwhile, we believe comparisons to OIG work in prior years and to other agencies is an inappropriate benchmark. Based on the nature of work performed, some projects will come to fruition in one year, and then the next will have a smaller number of work products completed as new ones are undertaken. Comparisons to other agencies are not appropriate because they depend on staffing, the complexity of work products undertaken, and the ability of the agency under review to respond to requests for data and interviews.

While we acknowledge the QARC's observations that impacted pace of filling staff vacancies, the OIG strongly disagrees with the report's conclusions as they relate to personnel matters or utilization of time. In 2018, the OIG had approximately 8 vacant positions that required extensive work by the staff to fill. Some of these vacancies arose from retirements or resignations. Available positions included both classified and unclassified job descriptions that required complying with the Civil Service System rules and knowledge of position classifications and research of viable candidates to determine whether they possessed the required skill sets to perform any given position or would need training necessarily impacting OIG budgetary and time concerns. The OIG staff encountered the same procedural difficulties as any government entity obtaining approval for the allocation of unclassified positions.

The OIG engaged in a nationwide search for the best qualified candidate to fill the position of Deputy Inspector General over the Audit and Evaluation Division by engaging an

executive search group. A candidate was found in June of 2018, interviewed in October and November of 2018, and eventually offered the job in December 2018. Completion of this process was delayed due to the time consumed obtaining approval of the contract with the professional search group. The position was not filled until February 2019 – about an 8-month process – because of delays encountered in contract approval process.

The most significant vacancy was that of the General Counsel, a position that remained vacant since April 17, 2018. The General Counsel position was advertised and approximately 40 candidates applied. These candidates were extensively vetted by the Inspector General and management to select an individual with the institutional experience, discretion, and maturity to hold a position necessitating a high level of governmental responsibility and ethics. As the candidates were evaluated, the Inspector General learned that the announcement for the General Counsel position inadvertently remained posted. Nevertheless, because additional applications were submitted, the Inspector General properly considered those applications in accordance with appropriate Civil Service Commission guidelines. At the end of the process, including interviews, a General Counsel was hired.¹

During that vacancy, internal quality control procedures, including jurisdictional determinations that required the legal opinion of OIG General Counsel for released reports, were unavailable. However, the investigations and audits continued without delay based upon the exigency of the matter presented to the OIG. One such report was not completed based upon faulty jurisdictional foundations and evidentiary conclusions.² Therefore, the OIG was unable to seek advice on the final states of pending reports, and was unable to release other reports that were underway.³

Historically, the OIG employed at least two staff members to manage the business of the office. Those duties included, among other things, some IT matters, and public records requests. Since October 2017, because of attrition, those responsibilities were delegated to one person creating an extremely heavy work load. That employee has had to tend to the traditional duties of an administrative assistant responsible for facilities management, Civil Service interactions, procurement, and any other administrative tasks. The office manager's time has been further stressed by the absence of the General Counsel to provide advice and counsel on human resource issues, including hiring, firing, disciplinary matters, and employee complaints.

Claims in the QAR related to the OIG's efforts to hire staff are unfortunately based upon events about which no explanation was sought. Had that information been considered, along with events too numerous and obstructive to list herein, we submit the QARC's conclusions would be different.

¹ Although not within the timeframe of 2018, note that the General Counsel eventually hired had an initial interview on February 19, 2019, an offer letter on March 21, 2019, a subsequent interview on April 2, 2019, and a start date of May 22, 2019, resulting in a period of time from first interview to first day on job of about 13 weeks.

² This report will be addressed again in the discussion relating to the attempt to expand the Committee's jurisdiction.

³ It is important to note that the public disclosure of this report, handled in violation of OIG regulations prior to the IG's hiring, if released, would be detrimental to the people and organization involved as well as to the public. This demonstrates the correctness of the Charter provision that only completed reports be subject to public disclosure.

B. Utilization (Productiveness):

Credentialing and Continuing Education: Expenditures of time and cost – professional service is required and is normal in the inspector general world as in other professions. The OIG takes specific exception with the phrase “significant time on matters other than audits, investigations, and inspections/evaluations.” First, it is noteworthy that the QAC did not quantify the time it believes was spent on other matters. Had the QARC inquired, context would have been provided about matters for which the QARC was unaware.

The OIG and staff are actively sought after by the AIG to make presentations at training programs. A staff member was invited by the Association of Inspectors General (AIG) to make two professional presentations to the AIG in Jacksonville, Florida, and New York, New York. Both out-of-town travels were paid for the by AIG and totaled 6 days of 260 days in 2018.

The Inspector General Ordinance mandates that a triennial peer review be conducted by the AIG to assess compliance with professional standards. OIG offices “must provide staff to conduct similar reviews for other AIG member agencies.” To fulfill that obligation, the OIG provided a staff member to conduct the peer review in Washington, D.C. Had the QARC inquired, we would have provided them with the publically available requirement on the AIG’s website.⁴ Also noteworthy, the DC peer review was paid for by the Washington DC OIG. Please refer to the footnoted link regarding expenses.

Generally Accepted Government Auditing Standards and the Principles and Standards for Offices of Inspector General require continuing professional education. The OIG is required to adhere to both sets of standards to ensure the OIG releases complete, accurate, and credible reports. Had the QARC inquired, we would have informed them that training is required by our standards and training records are also “audited” by the triennial peer review team to ensure compliance with the standards.⁵ Additionally, OIG management and staff hold various licenses and certifications. These licensing and governing boards also require each person to obtain a certain number of continuing professional education. Specifically, we have four Certified Public Accountants (CPA) employed by the OIG. As a condition of employment, the staff is required to have a minimum of 20 hours per year to maintain their licenses. Those continuing professional education requirements are publically available at <http://cpaboard.state.la.us/cpe-continuing-professional-education/>.

Public Records Requests: The General Counsel vacancy required the Inspections & Evaluations (I&E) Division to assume the responsibilities for several large-scale public records requests that routinely take a significant amount of time away from our other duties. Additionally, the OIG could not respond effectively to public records requests, which must be addressed in three days, or deal swiftly with human resource issues. Because this position was

⁴ For reference, it is located at: <http://inspectorsgeneral.org/about/peerreview/>.

⁵ See requirements at: <https://www.gao.gov/assets/700/693136.pdf> (p.63); <http://inspectorsgeneral.org/files/2014/11/AIG-Principles-and-Standards-May-2014-Revision-2.pdf>

vacant or held by an interim general counsel who was not interested in the permanent job, many key issues were unresolved or delegated to other OIG staff.

LA R.S. § 44:31-32 states that it is the responsibility and duty of the appointive or elective office of a custodian and his/her employees to provide access to public records to any person of the age of majority who so requests. Further, the custodian shall make no inquiry of any person who applies for a public record, except an inquiry as to the age and identification of the person. New Orleans, City Code, Article XIII, §2-1120(7) prohibits the OIG from the unauthorized disclosure of certain documentation:

All records of the Office of Inspector General shall be exempt from public disclosure and shall be considered confidential, unless it is necessary for the Inspector General to make such records public in the performance of his or her duties. Unauthorized disclosure of information by the Inspector General or any employee of the Office of Inspector General is subject to review and disciplinary action by the appointing authority.

Pursuant to LA Rev. Stat. § 33:9614 B:

Any material, records, data, and information compiled by an office of inspector general in an investigation, examination, audit, inspection, or performance review under this Chapter is confidential and privileged and not subject to R.S. 44:1 et seq., until the investigation, examination, audit, inspection, or performance review **is complete**. The investigation, examination, audit, inspection, or performance review **is not deemed complete if the office of inspector general has submitted material, records, data, and information from or the results of such investigation, examination, audit, inspection, or performance review to any other law enforcement or regulatory agency for further investigation..., and if such investigation ... has not been completed or become inactive.**

(Emphasis added). Through the interpretation of these provisions, the OIG responds to public records requests through a laborious, manpower intensive examination of paper and electronic records to determine what records the OIG are permitted to disclose. Throughout 2018, the OIG was responsible for responding to these requests. These tasks, indeed this extensive utilization of OIG resources, was not considered in the QAR.

Community Relations: The QAR also criticized the OIG's utilization of time spent on matters other than audits, investigations, and inspections and evaluations. As a new New Orleans resident it was reasonable, prudent, and expected that the Inspector General meet with public officials, such as city, state, and federal criminal prosecutive offices, with the expectation that the OIG's Investigations Division continue to work together with those offices. Furthermore, in a City rich with a colorful past, the IG must interact with the public in order to obtain feedback from all segments of the community and learn about the concerns and needs of the City and the office as he formulated his agenda and plan for action. It is undisputed that an OIG must be engaged with the community we serve to be involved in public relations. The Inspector General must maintain a visible presence in the community to remind residents to reach out to the office if they see something unusual. The IG's job is to ensure that they feel confident about doing so.

Therefore, service in the form of public presentations is widely accepted as normal in a variety of professions.

Additionally, the NOLA OIG is part of the Inspector General community through the active membership and participation of the national Association of Inspectors General (AIG). During the 2018 calendar year, two members of our staff were sought out to participate and present to the IG community at the Inspectors General Institute in Jacksonville, Florida, and in New York. Further, one staff member was selected and participated in a week-long Quality Assurance Review (peer review) team in Washington, D.C. These efforts result in fruitful networking opportunities, and further allowed the office to obtain the required peer review through a reciprocity agreement. These reviews are required by national standards. Seemingly unaddressed by the QAR were the favorable and complimentary conclusions of the peer review team complementing our office practices and finding that the New Orleans OIG complies with national standards, conclusions made by the team without the need to expand the parameters of their review provided by the OIG charter. Moreover, this peer review and those in which OIG employees participated encourages the IG community to obtain and provide an exchange of information and best practices.

The OIG suggests to the QARAC that its well-intended conclusions related to the OIG's general productivity did not consider many factors that, while time-consuming and inherent in the running of this office, should realistically be considered.

Training: Annual professional training is required by AIG standards and professional affiliations, based on the professional designation held by OIG staff. OIG wisely selects some of the resources available because of unfilled positions for high-quality professional training, such as pursuing certifications that will help staff perform more effectively and efficiently. For example, the Director of the evaluation group took review classes for the Certified Internal Audit exams because the new Inspector General sought to have the audit and evaluation groups working more closely together. Further, the professional training has been extremely helpful in updating our procedures and approach to projects. These are important considerations when hiring staff that correctly impacts the Inspector General's selection of valuable candidates.

III. REPORTS/INVESTIGATIONS/COMPLAINTS/QUALITY

The most concerning comments and conclusions by the QAR involve the criticisms of the reports issued by the OIG, the lack of reports, and the quality of reports particularly in light of the history most recent to IG Harper's appointment to the position. The corrections suggested by the QAR include the improper, unprecedented expansion of their area of review which would cause immeasurable damage to this office and to the City of New Orleans. As the Ordinance states, only completed reports are subject to review by not only the QARC but also the Peer Review organization. Importantly, the public records laws also restrict disclosure to completed reports, examinations and audits. The release or examination of any incomplete, unsubstantiated, unproven, or jurisdictionally infirm product by the OIG exposes the OIG and like organizations – District Attorney's offices, United States Attorney's Offices, and any other oversight or law enforcement agency – and ultimately the public to information that is unsupported by fact that could be libelous, defamatory, and damaging to individuals and/or organizations. Such incomplete and unsubstantiated information could cause untold harm to the public under certain

circumstances. It is for this reason, examination of anything but a complete, factually and legally supported report, audit, examination, or investigation should be the only reports examined by any entity or person. Secondly, such disclosures would abrogate the laws regulating disclosures of publicly held documents. Finally, the OIG is prohibited by State law from divulging information about unfinished, incomplete and/or inactive audits, examinations or rejected complaints.

Risk Assessment – During the 2018 calendar year, the OIG staff initiated a framework for a risk assessment designed to produce a system-wide plan for how to implement the assessment of risk at city agencies, and began soliciting information. This effort is part of the work performed by the Audit/Review and Inspections & Evaluations groups, and is not an investigation or work of the Investigations Division. The primary objective of the risk assessment process is to determine and set priorities for the engagements to be performed, based on the results of the risk scoring. The Audit & Review and Inspections & Evaluations Divisions began conducting a risk assessment over \$2 Billion in revenues and over \$2 Billion in expenditures. This effort will determine future audits, reviews, inspections, and evaluations in the years to come. The risk assessment is on-going and is expected to be completed in 2019, resulting in a new list of priorities and potential projects for OIG going forward. It will also ensure that the OIG is working on the right projects that provide the most value and benefit to the City of New Orleans.

The risk assessment has been a major initiative, but it is one that is necessary and also a good professional development experience for staff. Regular work on projects has been on-going while the risk assessment has been underway. Although the staff was very productive in 2018 the OIG was unable to complete the reports in time to demonstrate the work that was accomplished. And in cases where we did have reports that were substantially complete, they could not be released because they had not been reviewed by General Counsel. This aspect may be part of the QARC's misunderstanding as to the types of work performed by the various divisions within the OIG.

- A. Investigation Results: The OIG issued two public reports/letters (one report and one letter):
 - 1. OIG published a Report of Investigation (ROI) concerning the New Orleans Jazz and Heritage Festival tickets in December 2018, rather than in March 2018 because we were waiting for a response from the City. The Landrieu administration did not issue a written response. The Cantrell administration issued their response to the ROI on August 8, 2018. On August 21, 2018, the OIG submitted a Request for Documents to the Chief Administrative Officer (CAO) asking for the dates upon which employees completed the Louisiana Board of Ethics Online Code of Ethics Training for Public Servants for the years of 2016 and 2017. The CAO responded on August 28, 2018 regarding Ethics Training completed. On November 30, 2018, the OIG replied that 2016 completion dates occurred sometime prior to the date upon which Festival Productions, Inc. distributed free admission tickets to the 2017 Jazz Festival to City Departments Heads and Managers. The OIG informed the CAO that this information was being

provided as a supplement to the previous report the CAO received and for any action the CAO deemed appropriate.

2. On April 4, 2018, the OIG published a letter issued to the Department of Public Works on November 27, 2017 concerning OIG's findings related to S&WB's employees' use of handicap placards. The letter was published on April 4, 2018, rather than in November 27, 2017, because the City did not provide a written response until March 9, 2018. The OIG published the letter along with the City's response on April 4, 2018.

The QAR's contention that the two reports above do not meet the "purpose" standard set forth in the Ordinance to promote efficiency and effectiveness ignores the first half of the sentence in the "Purpose," which reads: "to establish a full-time program of oversight to prevent and detect fraud, waste and abuse. The report concerning the Jazzfest tickets and the letter concerning the abuse of handicap parking tags address matters that fall within the parameters of "prevent and detect fraud, waste and abuse." The recommendations made in these reports also demonstrate the IG's efforts to promote "efficiency and effectiveness in city programs."

Under Section 10, paragraph (d) and (e), of the Ordinance, the Office of Inspector General is authorized to:

(d) Initiate such investigations, audits, inspections, and performance reviews of city government as the inspector general deems appropriate.

(e) Receive complaints of fraud, waste, abuse, inefficiency, and ineffectiveness from any source and investigate those complaints that the inspector general deems credible.

The QARC's selective reading of our ordinance is unfortunate and leaves the impression that these two investigations were too insignificant to merit the respect of the Committee. All organizations handling investigations of fraud, waste and abuse will encounter cases that do not necessarily have the appeal warranted by large criminal investigations such as those involving noted local musician Irvin Mayfield, a criminal case for which the OIG provided and still provides invaluable assistance but merited no mention in the QAR. The OIG's handling of these matters informed the citizenry of New Orleans that fraud, waste, abuse, and cronyism will not be tolerated. The OIG respectfully submits that the QARC's concerns related to these two products could have satisfactorily been addressed with the QARC and are an insufficient basis for the level of criticism levied at the OIG.

B. Performance Reviews and Work Outputs:

The OIG strongly disagrees with the findings of the QAR related to performance reviews and work output.⁶ Although the OIG did not *release* any performance reviews in 2018, several projects were initiated during the year, the fieldwork for three products was completed, and all were, at year's end, awaiting the appropriate legal review. The inability to complete those reviews based upon unavailable legal advice has been established. During the review, the OIG provided ample context to the QARC which adequately informed it that OIG provides monthly

⁶ "Work output" has been more fully addressed above.

reports to the Ethics Review Board (ERB). This material misstatement and omission raises doubts about the full accuracy and integrity on the reporting on the OIG's work products.⁷

C. Completed Investigations:

Because 2018 was a transition year for the OIG, we recognize the level of effort that was required to redirect the operations from some of the issues that became apparent at the end of the previous OIG administration. As participants in the local community, the OIG likewise expected the QARC to recognize that objectives for a number of active projects established by the previous administration were re-evaluated and ultimately cancelled, resulting in work and valuable time expended on nonviable projects. Starting and completing new projects takes time. This OIG is optimistic that with a newly hired General Counsel, work product anticipated by the Charter and the QARC will be expediently released. Meanwhile, the anticipated completion of the risk assessment in 2019 will enable us to embark on a new round of projects that have emerged from a logical, rational framework.

D. Violations of the Ordinance:

The QARC obviously confused cost incurred with the "Potential Economic Loss Prevented" (PELP) that measured impact of investigations, PELP was not applied to audits, reviews or evaluations in 2018 or in any previous Annual Report.

A former OIG employee brought the concept of PELP (Potential Economic Loss Prevented) from the FBI to the OIG, The OIG used that formula for many years to estimate the economic value of the office's work. Inspector General Harper has reservations about the PELP concept, and would like to implement yardsticks used in other IG offices, the concepts of "questioned costs" and "potential cost savings." However, because the OIG had no reports with financial savings and nothing to list in the annual report, the question of which formula to use was irrelevant for 2018.

The QAR's statement, "...we detect no such information about work on performance reviews in the 2018 Report" is troubling given the purpose of the QAR. Both the Audit & Review group and the Evaluation group have undertaken projects in 2018. These projects are listed in the annual work plan which was provided to the QAR Committee in February. Additionally, the OIG provides the ERB with monthly reports with a status update on these projects. Inspector General Harper asked that the QARC members feel free to reach out to OIG department heads if they had any questions. No one on the QARC inquired about whether performance reviews were underway. We provided copies of completed reports as required by the generally accepted provisions of the City Charter.

E. Division of Performance Review:

As noted in a section header in the 2018 report, one of the OIG's divisions is called the Audit & Review division, as in performance review. Much of the work performed by the Inspections & Evaluations division could also be considered performance reviews. The three divisions of the office – Investigations, Audit & Review, and Inspections & Evaluations – have been unchanged since the office was founded. No previous QAR committee has misunderstood the office's organization. It is unfortunate that the QARC failed to understand the structure of the

⁷ See September Annual Work Plan.

office and did not inquire of management before declaring OIG in violation of its own ordinance. Past performance audits/reviews are publically available on the OIG's website. <http://www.nolaoig.gov/reports/all-reports>.

F. Overall Format and Content of the Report

Justice System Funding projects – Previous annual reports provided to the QAR and available on the OIG website provided information relating to the Justice System Funding projects. The QARC had the responsibility to ensure their full understanding of these projects by requesting further details. It is also worth noting that priorities change from one administration to another. Inspector General Harper has taken the steps to protect the integrity and independence of the office, and ensure that staff concentrate on projects that are viable and well-conceived.

The QARC's comments suggest that its mission was to critique the annual report rather than seek to understand the functioning and goals of the office and evaluate it on those criteria. Perhaps this result arises from the narrow parameters of the Charter for the QARC to critique only completed reports. Although the QARC did seek the permission from the OIG to review incomplete reports because there were few reports available for them to review, the OIG properly and legally restricted access to only those jurisdictional limits provided by the Charter.

IV. OIG RESPONSES TO THE RECOMMENDATIONS OF THE QARC:

The statement that "OIG did not undertake any performance reviews in 2018" is false. It undermines the credibility of the QARC to make such unsubstantiated claims.

A. The QAR conclusion that "it seems odd that so many resources were devoted to the Jazz Fest ticket investigation when the offenders immediately acknowledged their violations" fails to recognize the scope of the investigation. In addition to conducting interviews of 12 City employees and documenting their responses in a Memorandum of Interview, OIG Investigators also:

- Gathered material to determine the number of free tickets that had been distributed;
- Complied and analyzed documents that described how the Jazz Festival Foundation rented City bleachers;
- Complied and analyzed documents that described how the Parks and Parkways Department "loaned" three gazebos to the Jazz Festival in 2017;
- Recommended in the ROI that the City 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;
- Cited Louisiana Board of Ethics opinions in the ROI concerning the acceptance of free admission tickets;

- Recommended in the ROI that the City discontinue the practice of loaning City property to the Jazz Festival, which is prohibited by Article 7, § 14(A) of the Louisiana Constitution of 1974; and
- Recommended in the ROI that the City should issue credentials to approved City employees that must enter the Jazz Festival to conduct official City business.

With utmost respect to the voluntary efforts of the QARC, this conclusion is especially troublesome to any investigative body by suggesting that the successful efforts of the OIG were wasted on inappropriate conduct that would be considered offensive in any governmental organization. Furthermore, suggesting that investigatory efforts were foolhardy in part because of the excellent techniques utilized by OIG investigators that promptly lead to admissions of liability is unconscionable.

B. Budget in annual report:

Information about the OIG's budget can be found in the Adopted City Budget available on the City's website. The OIG will consider the committee's request.

C. More detail in annual reports:

In 2015, the OIG began producing more elaborate annual reports because it had the services of a communications director. For the 2018 report, the OIG made the decision to return to a simpler style of report because we did not think it was an appropriate use of staff time to produce a more polished annual report, especially when we had few published work products. Producing a more elaborate report would have distracted staff from their work on projects; deciding not to do so was a prudent call. Our top priority is to complete reports; we do not see ourselves producing a fancier annual report until our normal workflow has been reestablished and we have the staff to competently do so.

D. Amending the ordinance:

Amending the OIG ordinance to allow the QARC access to unpublished reports is, as discussed above, solidly rejected. To do so would violate state law about our duty to safeguard the information captured by the office, and would put our independence and confidentiality at risk. This suggestion by the QARC leads the OIG to conclude that the QARC has misunderstood its mission to evaluate the quality of work products that have been released. Moreover, even the AIG peer review team made up of credentialed, nationwide IG professionals is not permitted to examine unpublished work products and did not seek such examination.

G. Process and procedure:

The QARC's statement that "it seems there is an emphasis on process and procedure to the detriment of productivity" is completely inappropriate and demonstrates a fundamental lack of understanding about the scope of responsibilities our office. We are required by all professional standards to follow detailed and documented procedures in conducting our work. Following these rigorous standards takes time, but ensures that the work produced by the OIG is accurate, reliable, and credible. We categorically believe had the QARC followed the same standards in its work, its report would not have lacked full context and perspective.

V. CONCLUSION

The OIG understands the concerns of the QARC regarding productivity. Indeed, that is also a concern of the OIG. However, it takes time and thoughtful effort to get an office back on track. Having a General Counsel on staff addresses a roadblock to the release of reports.



Derry Harper Esq., CIG
Inspector General

FOR IMMEDIATE RELEASE:
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MEDIA CONTACT:
Jlang@nolaoig.gov
504-681-3219

**OFFICE OF INSPECTOR GENERAL SAYS THAT THE QARC FAILED TO OBTAIN
SUFFICIENT EVIDENCE TO SUPPORT ITS CONCLUSIONS**

The Office of Inspector General (OIG) today, in its response to the Quality Assurance Review Advisory Committee (QARC) Report, expressed concern at the QARC's failure to gather the appropriate and sufficient evidence to support the conclusions in its report.

The annual QAR was released today by the Ethics Review Board (ERB), which oversees the OIG. The report contains a number of errors, omissions, and misstatements about the OIG's work and its approach to its work. The OIG's response to the report also was released by the ERB.

The ordinance that created the OIG calls for a committee of citizens appointed by the City Council, the Mayor, and the Ethics Review Board each year to review reports published by the OIG during the previous year. The scope of work of the QARC is properly limited to assessing the quality of work released by the OIG.

Previous QARC reports fulfilled their mandate of assessing the quality of published OIG work products. This QARC report instead passed judgment on OIG training, use of time, hiring, approach to projects, selection of projects, and decisions related to its on-going risk assessment. These subjects are properly the subject of management decisions by the Inspector General and the oversight by the Ethics Review Board.

In addition, the QARC report made a number of unfounded assertions about the OIG that could have been avoided if the committee had asked questions, sought to clarify information, or requested appropriate documentation. For example:

- The QAR stated that the OIG was violating its ordinance by not having a Division of Performance Review. In fact, one group in the office is called the Audit & Review division, as in performance review. The Audit & Review Division and the Inspections & Evaluations Division both produce reports that, are in fact, performance reviews.
- The QAR stated that "The OIG did not undertake any performance reviews in 2018." This statement is false. The OIG did not *release* any performance reviews in 2018, but it had several under way. This statement is puzzling because the OIG provided the QARC with monthly reports describing the status of on-going work.
- The QAR stated that the OIG spent "significant time on matters other than audits, investigations, and inspections/evaluations" because staff members had out-of-town travel. The QARC did not

inquire as to the amount of time spent out-of-town nor did the committee request documents to support the assertion that the time was “significant.” A staff member was invited to speak at the Association of Inspectors General (AIG) Institute in Jacksonville, Fla., and New York, NY. The total travel was six days in 2018, and all travel expenses were paid by the AIG. Additionally, as a requirement to receive a peer review from the AIG, OIG offices “must provide staff to conduct similar reviews for other AIG member agencies.”

Other examples can be found in the OIG’s response to the QAR.

Inspector General Derry Harper stated that because the committee failed to ask appropriate questions and clarify information, the process that produced the report was flawed, and the ERB, the City Council, and the public should not rely upon the conclusions of the report.

The OIG also solidly rejects the QARC’s suggestion that the City Council should change the OIG ordinance so that the citizen committee can review pending and unreleased work products. Such a move would violate state law as well as standards set by the Association of Inspectors General.

There is no doubt 2018 was a year of transition at the OIG. Much of our work was behind the scenes as we sought to make sure the office was functioning at its best as we move forward. We focused on training so that employees could work in the most effective way possible. We embarked on a risk assessment so that we could ensure we select projects that are best for the community. And while the risk assessment is pending, we started a new round of projects on a subject that is important to everyone: the Sewerage & Water Board.

As noted in the QAR, the OIG released reports on two investigations in 2018: one about tickets, and the other about handicap parking tags. We had several audits that were substantially complete in 2018, but delayed release until a General Counsel was hired to conduct a legal review.

We thank the members of the QARC for their service and look forward to setting the record straight at the public meeting on June 10, 2019.