

OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



ED QUATREVAUX
INSPECTOR GENERAL

FOR IMMEDIATE RELEASE
OCTOBER 26, 2016

MEDIA CONTACT:
[Paula Pendarvis](#)
(504) 717-7591

FRENCH MARKET CORPORATION INCREASED REVENUE FOR CITY

The New Orleans Office of Inspector General (OIG) today released a [report](#) titled “French Market Corporation Use of Funds: Follow-up Report.” The follow-up shows the French Market Corporation (FMC) implemented eight out of 11 recommendations OIG auditors made in their original [October 2013 report](#) and increased revenue for the City.

In 2013, the OIG found that the FMC received \$1 per year to lease valuable Edison Park property on Bourbon Street to New Orleans Musical Legends (NOML) which subleased the property to Café Beignet. The OIG recommended that the FMC obtain an appraisal for the fair market rental value of Edison Park and lease it directly for no less than its appraised value. The follow-up showed that the FMC obtained an appraisal, and it leased Edison Park directly to Café Beignet for more than its appraised fair market rental value. As a result, the FMC increased its rental income from \$1 per year under the previous lease agreement to nearly \$180,000 during the first year of the new agreement.

In 2013, auditors found that the FMC made sponsorship payments of \$64,696 to other organizations without a written agreement. Because the FMC did not identify the public purpose or the benefit it received, those payments violated the Louisiana Constitution, which prohibits the donation of public funds. In their follow-up auditors found that the FMC obtained written agreements identifying the public purpose for its sponsorships and cooperative endeavors as well as the FMC’s benefit.

Auditors noted during the follow-up that the FMC Board of Directors approved a three-year contribution to the City for 100% of parking lot net revenues generated from the FMC’s management of three parking lots, beginning in 2015. This change increased the FMC’s annual contribution to the City from \$1.1 million in 2014 to approximately \$2 million in 2015.

“We are pleased that the FMC eliminated the middleman which generated new revenue for the City, and that the FMC stopped making illegal donations,” stated Inspector General Ed Quatrevaux. “The next step for the FMC is improving employee overtime controls to follow Civil Service rules.”

In addition to today’s report, the OIG released a [brief](#) with highlights. All OIG reports are posted on the website nola.oig.gov.

###