

## EXECUTIVE SUMMARY

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The Office of Inspector General for the City of New Orleans (OIG) conducted a review of New Orleans security taxing districts. The objectives of the review were to examine possible motivations for security taxing district formation, document key characteristics of the security districts, examine their governance, and evaluate their impacts on public safety. The scope of the review encompassed all security districts in New Orleans that had been established as special taxing districts and that provided active patrol services as of August 2012.

The purpose of security taxing districts is to reduce crime within the district boundaries and improve residents' sense of safety. Security districts attempt to fulfill this purpose by providing neighborhoods with extra patrol presence beyond the level of service provided by the New Orleans Police Department (NOPD).

Security districts began forming in New Orleans in 1997, and by August 2012 there were twenty-five active districts. In 2013 security districts' budgets showed combined revenues of \$5.1 million from an average of \$200,000 per district. About 85 percent of that amount was spent directly on security patrols, which were provided by private companies (61%), on-duty NOPD officers (30%), and off-duty officers (9%).

Evaluators identified the following observations relating to security taxing districts' management and effects on crime:

- Each security district is required to file annual financial statements with the Louisiana Legislative Auditor (LLA). Evaluators reviewed LLA filings and found that security districts did not fully adhere to governance requirements established by law.
- In general, security districts were localized safety efforts that were distinct from the City of New Orleans and the NOPD, but some types of patrols did have cost implications for City government. Off-duty patrols and on-duty patrols provided through CEAs increased the City's exposure to risks of loss or liability, as well as adding costs for use of vehicles, fuel, and equipment.
- Evaluators' analysis of NOPD emergency response data found that security districts did not appear to influence NOPD presence; security districts with private patrol did not have slower or faster response times than similar non-district areas.
- The analyses showed that security districts were statistically significant predictors of lower property crime rates, but had no statistical relationship with violent crime or murder rates. The districts also did not have any spillover effects on surrounding areas.

Evaluators also examined crime trends before and after the formation of five new security districts and found no clear trends.

Security districts were associated with lower property crime rates but were not a significant predictor of violent crime or murder rates, which are the city's most pressing public safety concerns. Furthermore, security districts were only available to those able to pay additional taxes for increased services, which raises the question of whether public safety should be treated as a private good at the neighborhood level, or as a public good at the city-wide level.