

MONTHLY REPORT

MAY 2023



OIG

**NEW ORLEANS
OFFICE OF INSPECTOR GENERAL**

**EDWARD MICHEL, CIG
INSPECTOR GENERAL**

ADMINISTRATION DIVISION



1,948

Number of registered Twitter followers

ADMINISTRATION

The Office Manager is responsible for the following ongoing tasks:

- Human Resources
 - Coordinating the hiring process
- Finance
 - Managing and refining the OIG budget
- Procurement Process
 - Communicating with OIG vendors
 - Processing requisitions to create purchase orders
 - Overseeing the timely payment of OIG expenditures
- Operations
 - Coordinating with the OIG's landlord and various City departments on administrative matters

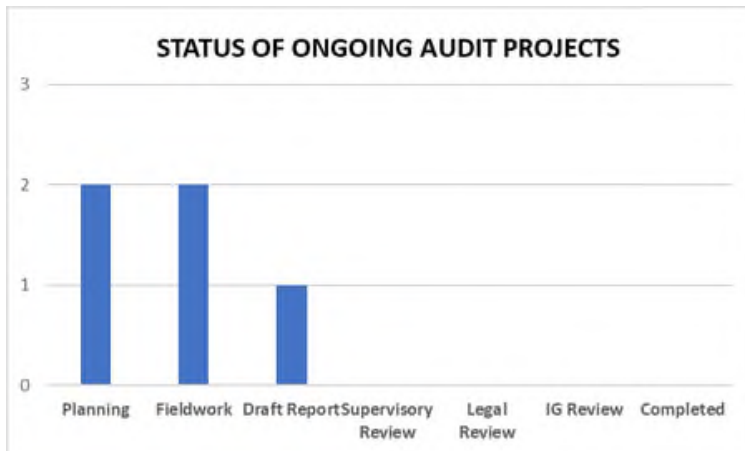
INFORMATION SECURITY

The OIG Information Security Specialist is responsible for the following tasks to maintain the OIG's information technology (IT) integrity

- Technical Support
- Hardware and Software Updates
- Communication and Coordination
- Consultation for IT Purchases

AUDIT & REVIEW DIVISION

The Audit and Review Division conducts financial audits, attestations, compliance, and performance audits of City programs and operations. Auditors test for appropriate internal controls and compliance with laws, regulations and other requirements.



The Audit and Review Division has the following projects in process:

- Wisner Fund
- Orleans Parish Sheriffs Office
- Short Term Rentals
- Safety and Permits Third Party Contractors
- New Orleans East Hospital Credit Card

Project Phase Descriptions:

Planning - includes background research, data gathering, initial interviews, and/or internal controls assessment.

Fieldwork - includes data and statistical analyses, interviews, testing of procedures, onsite observations, and/or physical inspections.

Draft Report - includes data and statistical reviews, documenting fieldwork results, initial report writing, revisions and internal Quality Assurance Review (QAR) prior to supervisory review.

Supervisory Review - includes the review by both Deputy Inspector General and First Assistant Inspector General to ensure sufficiency and appropriateness of evidence, adequate fieldwork procedures, and proper conclusions, content, presentation and readability.

Legal Review - Report review by in-house General Counsel and/or outside Legal Counsel to ensure appropriate and proper legal citations and/or interpretations.

IG Review - Report review by the Inspector General based on corrections and recommended changes resulting from the Legal Review.

30-Day Comment Period - 30-day deadline for the department to review the draft report and submit management responses for inclusion in the final report.

MEASURING PROGRESS

AUDIT AND REVIEW DIVISION

The following information provides a summary of the Audit Division's project phase and a summary of the audit objectives.

Project Name	Project Phase ¹	Anticipated ² Completion Date
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Wisner Fund	Draft Report	Ongoing
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Summary of Objectives: The OIG will be releasing a letter explaining why the 2020 Extension of the Wisner Trust was not proper, violating City Code and prior court rulings concerning the Trust.

Orleans Parish Sheriffs Office	Fieldwork	Ongoing
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Summary of Objectives: The purpose of the audit is to evaluate the operating effectiveness of the Orleans Parish Sheriff Office's controls and expenditures related to payroll and paid details.

Short-Term Rentals	Fieldwork	Ongoing
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Summary of Objectives: The OIG will be releasing a letter suggesting that the City increase its efforts to levy fines on illegal short-term rentals.

Safety and Permits Third Party Contractors	Planning	Ongoing
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Summary of Objectives: TBD

Footnotes:

1 - Project phase determination is based on the objective(s), scope, and methodology for each project. It is not determined by a standard set of hours and/or phase deadline.

2 - The completion date may be re-evaluated if necessary.

MEASURING PROGRESS

AUDIT AND REVIEW DIVISION

The following information provides a summary of the Audit Division's project phase and a summary of the audit objectives.

Project Name	Project Phase ¹	Anticipated ² Completion Date
New Orleans East Hospital Credit Card	Planning	Ongoing

Summary of Objectives: The purpose of the audit is to determine whether New Orleans East Hospital credit card purchase were business-related and allowed by law, and that these purchases followed relevant agency policies.

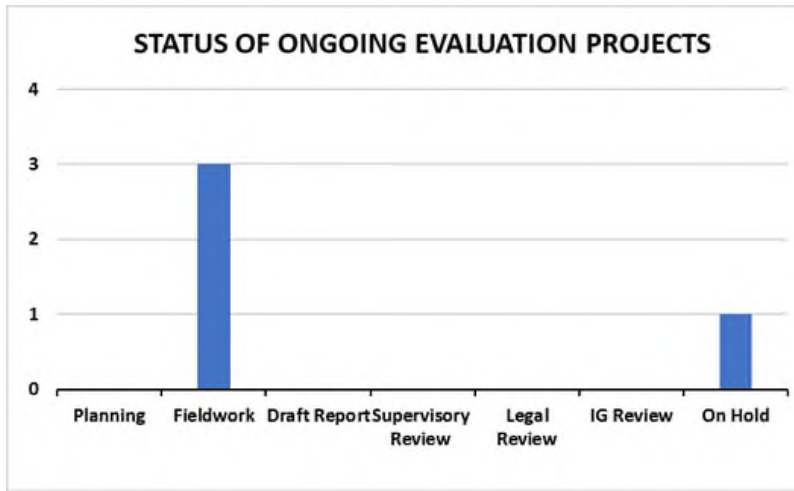
Footnotes:

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2 - The completion date may be re-evaluated if necessary.

INSPECTIONS & EVALUATIONS DIVISION

The Inspections and Evaluations Division works to increase the efficiency, effectiveness, transparency, and accountability of City programs, agencies, and operations. Evaluators conduct independent, objective, empirically based and methodically sound inspections, evaluations, and performance reviews.



The Inspections & Evaluations Division has the following projects in process:

- New Orleans Police Department (NOPD) Violent Crime Response Analysis
- City of New Orleans Employee Time and Attendance Reporting
- EMD Fuel Dispensing Follow-Up
- Sewerage and Water Board Water Loss Control

Project Phase Descriptions:

Planning - includes background research, data gathering, initial interviews, and/or internal controls assessment.

Fieldwork - includes data and statistical analyses, interviews, testing of procedures, onsite observations, and/or physical inspections.

Draft Report - includes data and statistical reviews, documenting fieldwork results, initial report writing, revisions and internal Quality Assurance Review (QAR) prior to supervisory review.

Supervisory Review - includes the review by both Deputy Inspector General and First Assistant Inspector General to ensure sufficiency and appropriateness of evidence, adequate fieldwork procedures, and proper conclusions, content, presentation and readability.

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MEASURING PROGRESS

INSPECTIONS AND EVALUATIONS DIVISION

The following information provides a summary of the Inspections and Evaluations Division's project phase and a summary of the each project's objectives.

Project Name	Project Phase ¹	Anticipated ² Completion Date
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City of New Orleans Employee Time and Attendance Reporting	Fieldwork	Ongoing
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Summary of Objectives: To determine whether the City has policies, procedure, and controls to ensure that Time and Attendance is reported accurately.

NOPD Violent Crime Response Analysis	Fieldwork	Ongoing
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Summary of Objectives: To assess the NOPD's response to violent crimes in the City in relation to best practices and industry standards.

EMD Fuel Dispensing Follow-Up	On Hold	Ongoing
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Summary of Objectives: This follow-up evaluation seeks to determine if the City implemented the corrective actions to which it agreed in June 2016 in response to the OIG's initial evaluation, and whether the deficiencies identified in the original report still exist.

Sewerage & Water Board Water Loss Control	Fieldwork	Ongoing
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Summary of Objectives: To evaluate S&WB's policies and practices related to water loss control management.

Footnotes:

1 - Project phase determination is based on the objective(s), scope, and methodology for each project. It is not determined by a standard set of hours and/or phase deadline.

2 - The completion date may be re-evaluated if necessary.

INVESTIGATIONS DIVISION

ADMINISTRATIVE INVESTIGATIONS (MAY HIGHLIGHTS)

In the first quarter of 2022, the Bureau of the Treasury issued a revised Real Estate Tax bill retroactive to 2020 in the amount of \$2,902.92 concerning a residential property that the OIG had identified as having benefited from a homestead exemption and a freeze in the assessed value despite the listed homeowner reportedly being deceased. The homestead exemption and the freeze in the assessed value of this property have also been removed.

Issued five requests for documents in ongoing investigations.

Issued a referral letter to the Sewerage and Water Board regarding a billing error.

Issued a letter and related documents to the Assessor's Office concerning ten (10) residential properties which continued to receive a homestead exemption and senior freeze reduction despite the listed homeowner reportedly being deceased. The total number of residential properties submitted for 2023 is 50. Assessor's Office acknowledged receipt of the letter

INVESTIGATIONS DIVISION

CRIMINAL INVESTIGATIONS (MAY HIGHLIGHTS)

On May 23, 2023, Jay Arnold, the former utility services administrator at the S&WB, was charged with embezzlement by a government agent. Arnold is accused of stealing cash that belonged to the Sewerage and Water Board. The bill of information alleges that Arnold would instruct plumbers to provide him with payments for plumbing permits and that Arnold would keep the payments for his own use. Arnold, a resident of Harahan, ran the city of New Orleans' plumbing inspections and permit division. It was the only construction permitting office housed at the Sewerage & Water Board instead of City Hall. Arnold was in charge of all city plumbing inspections even though he had not been licensed to do inspections in Louisiana since at least 2016.

The charged offense of Theft from an Agency Receiving Federal Funds is punishable by up to ten years' imprisonment followed by up to three years' supervised release, a fine of up to \$250,000, and a \$100 mandatory special assessment fee.

INVESTIGATIONS DIVISION

CRIMINAL INVESTIGATIONS (MAY HIGHLIGHTS)

Former Sewerage & Water Board employee indicted on a count of theft

James Arnold is accused of stealing board-required fees and handing out required permits for free

By GABRIELLA KILLETT | Staff writer

May 24, 2023



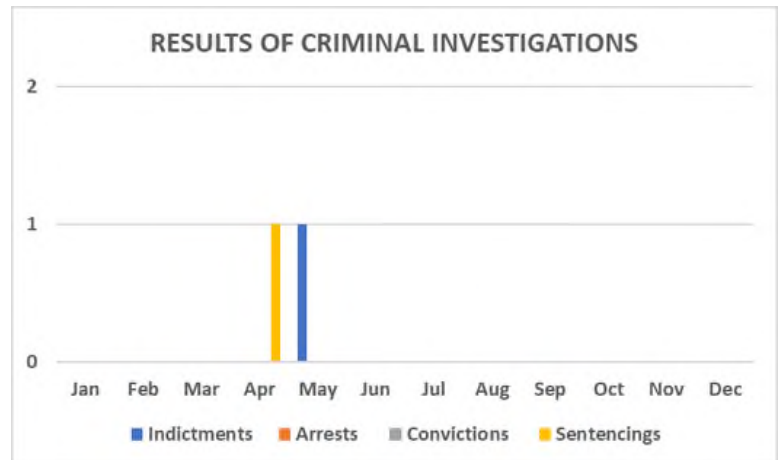
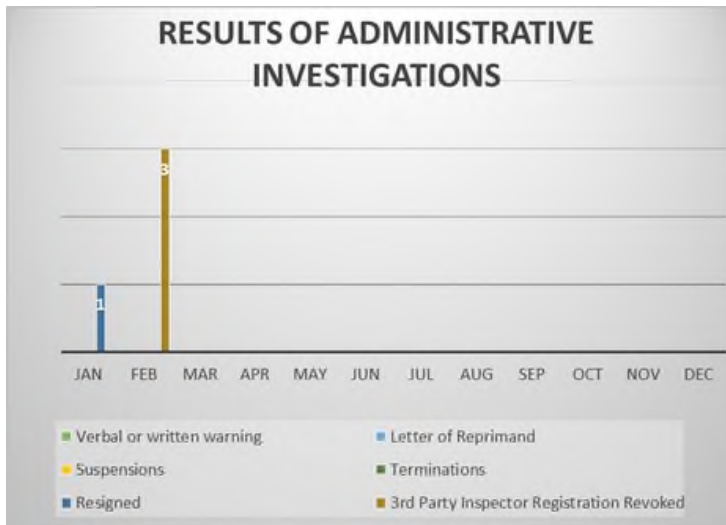
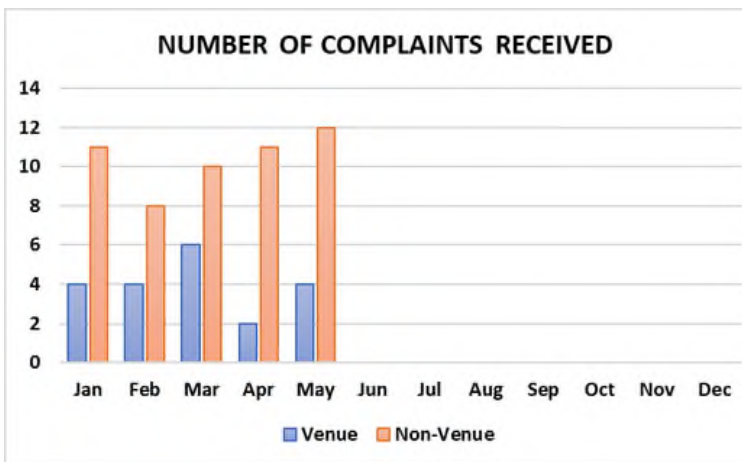
A Sewerage and Water Board sticker is stuck to machinery inside a water tower at the Carrollton Water Plant in New Orleans, Friday, June 10, 2022. (Photo by Sophia Germer, NOLA.com, The Times-Picayune | The New Orleans Advocate)

Sophia Germer

MEASURING PROGRESS

INVESTIGATIONS DIVISION

The Investigations Division conducts criminal and administrative investigations involving City of New Orleans employees, contractors, and vendors that receive City funds. Investigators also work with local, state, and federal partners to conduct joint investigations. The Investigations Division is also available to provide fraud awareness training to City employees and to engage in other outreach programs with businesses and citizens.



Venue: Matters that the OIG has the jurisdiction to investigate

Non-Venue: Matters outside of the OIG's jurisdiction

AUDIT DIVISION

(MAY HIGHLIGHTS)

Released a public letter concerning tires and rims purchased for NOPD vehicles. The purpose of this letter is to mitigate waste and promote efficiency concerning the City's use of public funds to purchase specialized tires and rims to replace the original equipment manufacturer tires and rims included on new law enforcement vehicles assigned to New Orleans Police Department (NOPD) Commanders. The purchase was in possible violation of City procurement policy, as well as Louisiana Public Bid Law because it did not comply with the State contract that was used.

It is the opinion of the OIG that public funds should not have been used to replace the OEM tires and rims included with the Tahoe PPVs. The verbal justifications provided by the City that the tires offered a "smoother ride" and that the chrome rims distinguished the NOPD Commanders' vehicles from regular patrol vehicles were purely cosmetic and a wasteful use of \$42,270. Additionally, the aftermarket tires may not have complied with the mandated police vehicle specifications, which could have increased the risk of tire failure.

NOPD leaders got new Tahoes, then wasted \$42K on 'purely cosmetic' new tires, report finds.

The \$42,270 in purchases in chrome rims and lower-graded tires were "purely cosmetic," the city's inspector general found.

By JOSEPH CRANNEY | Staff writer May 18, 2023 Updated May 18, 2023

2023 BUDGET

Total 2023 Appropriation \$ 4,020,437

Expenditures	Spent YTD	Projected Expenditures FY 2023
Personnel	\$ 1,076,825	\$ 3,209,430*
Operating	\$ 227,154	\$ 743,368
Total	\$ 1,303,979	\$ 3,952,798
Remaining Balance	\$ 2,716,458	\$ 67,639

As of 6/1/2023

*The OIG is actively hiring to fill the following vacant positions: Public Relations Specialist, Information Technology II Specialist, Criminal Investigator IV, Forensic Auditor II, Forensic Auditor III, Inspector & Evaluator III, and two additional interns.

OIG ON SOCIAL MEDIA



New Orleans OIG @NOLAOIG · May 3



The New Orleans Office of Inspector General Presented the OIG 2022 Annual Report to the New Orleans Rotary Club today.



OIG ON SOCIAL MEDIA



New Orleans OIG @NOLAOIG · May 5



Dr. Camacia Smith-Ross from Southern University at New Orleans received an OIG Executive Briefing today. Special thanks to SUNO for supporting the mission of the OIG to prevent fraud, waste and abuse in New Orleans City Programs [@ChancellorSUNO](#)



128



OIG ON SOCIAL MEDIA



New Orleans OIG @NOLAIG - May 18

Dillard President Dr. Rochelle L. Ford, received an OIG Executive Briefing today. Special thanks to Dillard for supporting the mission of the OIG to prevent fraud, waste and abuse in New Orleans City Programs. @du1869



4

14

1,132



New Orleans OIG @NOLAIG - May 17

Director Lauren Jardell from Tulane University received an OIG Executive Briefing today. Special thanks to Tulane for supporting the mission of the OIG to prevent fraud, waste and abuse in New Orleans City Programs. @Tulane



1



3

187



OIG ON SOCIAL MEDIA



New Orleans OIG @NOLAOIG · May 18

The New Orleans OIG released a public letter today titled 'NOPD Tires and Rims':

nolaig.gov/media/tires-an...



New Orleans OIG @NOLAOIG · May 26

The New Orleans OIG presented training concerning the identification and mitigation of procurement fraud to the Chief Procurement Officer and his staff. Special thanks to Chief Procurement Officer Julian Meyer for participating in this event.



OIG ON SOCIAL MEDIA

New Orleans OIG Retweeted



Robert Collins @DrRobertCollins · May 30

I spent the afternoon being briefed by Inspector General Ed Michel on the efforts of his office to investigate and expose corruption in city government. Stay tuned. #NOLA #OIG @NOLAOIG



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New Orleans OIG @NOLAOIG · Jun 2

Members of the New Orleans OIG attended the Association of Certified Fraud Examiners seminar regarding Cyber-Enabled Financial Fraud taught by Felton L. Worrell, Technical Special Agent, US Secret Service. Special thanks to the United States Secret Service. @SecretService



83