



REPORT OF INVESTIGATION

Allegations of improper actions by City employees in the procurement regarding the Smart City Systems RFP.

November 8, 2023

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Inspector General



This correspondence is part of an ongoing investigation, examination, audit, inspection, or performance review and is exempt from the Public Records Act until the investigation, examination, audit, inspection, or performance review is complete. See La. R.S. 33:9614 and La. R.S. 44:4.1(B)(20). Please notify this office immediately should you receive a Public Records Request which includes this correspondence.

REPORT OF INVESTIGATION

22-0006-I

TITLE: The investigation concerning allegations of unethical or other improper actions by City employees and others in the preparation and issuance of the Request for Proposal (RFP) regarding Advanced Broadband and Smart City Systems, RFP No. 1193 and the selection of Smart+Connected NOLA for award of the project.

LOCATION OF OCCURRENCE: New Orleans, LA

DATE OF OCCURRENCE: January 21, 2021 through April 25, 2022

INVESTIGATED BY: Investigation Division

VIOLATIONS:

Statutes

La. R.S. 14:125 – False swearing

La. R.S. 14:133 – Filing or maintaining false public records

La. R.S. 42:1112 – Participation in certain transactions involving the governmental entity

Local Laws

Home Rule Charter of the City of New Orleans, Article IX, Section 9-309 – Prohibited acts of officers and employees

New Orleans City Code Section 2-691 – Financial statements

New Orleans City Code Section 2-692 - Contents of financial statements

Executive Order LC 20-01 - Procurement and Professional Services

ACTION TAKEN: This report is provided to the Council of the City of New Orleans, the City of New Orleans (City) Chief Administrative Office, the Louisiana Board of Ethics, and the Orleans Parish District Attorney for any actions they deem appropriate.

I. BASIS FOR INVESTIGATION

On April 16, 2021, the City released an RFP titled “Request for Proposals for Advanced Broadband and Smart City Systems” (Smart City RFP).¹ The Statement of Needs attachment to the Smart City RFP describes the services needed by the City as follows:

The City seeks Proposals from entities who are willing to enter contracts with the City to deploy advanced wireless and wireline infrastructure and address the digital divide and community needs by providing for a level of free services to members of the public. The City also seeks to partner to provide a fully integrated suite of streetlights, sensors, networks, and data analytics platforms that will result in the City becoming a leader in improving mobility, accessibility, and safety.²

Following receipt of responses to the RFP, Smart City RFP Selection Committee members Jonathan Wisbey, Norman White, Joshua Cox, Kim LaGrue, and Christopher Wolff met on June 30, 2021 to evaluate and score the submissions. The respondent ranked first was Smart+Connected NOLA, which was a consortium of the following companies: Qualcomm Technologies, Inc. (Qualcomm), JLC Infrastructure, and Jacobs Engineering Group, Inc.³ The other four bidders in order of rankings were Cox Louisiana Telcom LLC dba Cox Business (Cox), Foresite Group LLC, Wi-Fiber LLC, and Urban Innovative Partners, LLC.

On July 2, 2021, the City issued a Notice of Intent to Award letter advising Smart+Connected NOLA that their proposal had been selected.⁴ On July 28, 2021, the second-place respondent, Cox, sent a Protest of Award letter via email to Julien Meyer, Chief Procurement Officer, regarding the City’s selection and intent to award a contract to Smart+Connected NOLA pursuant to the Smart City RFP.⁵ Cox alleged in its Protest of Award Letter that a City consultant, IGNITE Consulting doing business as IGNITE Cities (IGNITE), was also a business partner of Smart+Connected NOLA and the Smart City RFP was a product of their collaboration, specifically stating:

REASONS FOR PROTEST

Conflict of Interest - Smart+Connected NOLA's member entities, Qualcomm Technologies, Inc. ("Qualcomm"), Jacobs Engineering Group, Inc. ("Jacobs

¹ See Exhibit 1, City of New Orleans Request for Proposals for Advanced Broadband and Smart City Systems, RFP No. 1193, dated April 16, 2021.

² See Exhibit 1, City of New Orleans Request for Proposals for Advanced Broadband and Smart City Systems, RFP No. 1193, dated April 16, 2021, page 22.

³ See Exhibit 2, Cover sheet of Smart+Connected NOLA submission, dated June 17, 2021.

⁴ See Exhibit 3, Notice of Intent to Award letter from the City to Smart+Connected NOLA, dated July 2, 2021.

⁵ See Exhibit 4, Cox Protest of Award letter, dated July 28, 2021.

Engineering"), and JLC Infrastructure ("JLC") are business partners and collaborators with City consultant, IGNITE Cities. As a product of their collaboration, Qualcomm and its partners in the Qualcomm Smart City Accelerator Program, including City consultant IGNITE Cities, drafted the integral basis of the New Orleans Smart City RFP. A party who drafted all or part of the RFP or collaborated in the drafting of the RFP cannot later be awarded a contract under the RFP. Such an award is in direct contravention of the Louisiana Public Works Act and the Louisiana Code of Governmental Ethics. Any contract signed by Smart+Connected NOLA and the City is subject to rescission.⁶

To substantiate the allegation that IGNITE was a business partner of Smart+Connected NOLA and the Smart City RFP was a product of this collaboration, Cox attached the following exhibits to their Protest of Award letter:

- An announcement dated June 8, 2020, with the title, "Qualcomm, JLC Infrastructure and IGNITE Collaborate to Enable Key Segments with Smart Cities Solutions".⁷
- A Mayor's Office news release dated April 16, 2021, announcing the publication of the Smart City RFP in which Jonathan Rhodes stated, "I'd like to thank our partners at Ignite Cities, who have provided assistance to help New Orleans understand the power of the Smart City approach to digital equity."⁸

On December 3, 2021, the City issued a Notice of Decision dismissing the allegations raised in the Protest of Award letter.⁹ Among the reasons cited for its decision, the City stated,

... this office considers Cox's claim is without merit because Cox did not provide enough evidence to demonstrate that IGNITE was a contractor of the City and that IGNITE participated in the drafting of the Solicitation.¹⁰

On April 21, 2022, the City Council issued Resolution No. R-22-201 in order to "commence an investigation into procurement practices and activities involving the Mayor's Office of Utilities (the "Utilities Office"), including without limitation the selection of Smart+Connected NOLA for smart cities and public Wi-Fi deployment in New Orleans."¹¹

⁶ See Exhibit 4, Cox Protest of Award letter, dated July 28, 2021, page 2.

⁷ See Exhibit 4, Cox Protest of Award letter, dated July 28, 2021, pages 129-130.

⁸ See Exhibit 4, Cox Protest of Award letter, dated July 28, 2021, page 121.

⁹ See Exhibit 5, Notice of Decision, City of New Orleans, Office of Procurement, issued December 3, 2021.

¹⁰ See Exhibit 5, Notice of Decision, City of New Orleans, Office of Procurement, issued December 3, 2021, page 3.

¹¹ See Exhibit 6, City Council Resolution No. R-22-201, Smart Cities investigation hearings, adopted on April 21, 2022.

The City Council set the first hearing on the matter for April 27, 2022.¹² Jonathan Rhodes, who at the time was the Director of the Mayor's Office of Utilities, was the only person called to testify before the City Council at the April 27, 2022 hearing.¹³ The City Council passed the below resolution requesting the OIG initiate an investigation into potential ethical or improper actions, however, the OIG had previously initiated investigative actions before receiving the request from the City Council.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the Council requests the New Orleans Office of Inspector General ("OIG") investigate any potential ethical or other improper actions by City employees in the procurement of the advanced broadband and smart cities RFP awarded to Smart + Connected NOLA.

II. EXTENT AND RESULTS OF INVESTIGATION

A. Documents reviewed

The OIG requested and received documents and electronic records from the City and the City Council, which included transcripts of Rhodes' testimony at the April 27, 2022 City Council hearing. A review of all cell phone data, laptop data, and emails from City employees related to this investigation was also performed.¹⁴ In addition, the OIG interviewed Johnathan Rhodes, Julien Meyer, and Smart City RFP Selection Committee members Christopher Wolff and Kim LaGrue.

Among the documents obtained by the OIG was a Memorandum of Understanding (MOU), effective as of April 17, 2019 between the City and IGNITE.¹⁵ The MOU was signed by George Burciaga, CEO of IGNITE, and states:

IGNITE will provide the City pro bono consulting and advisory services involving ... [t]he alignment of the City's initiatives with global partners to reframe smart city offerings that can scale, replicate and become profitable for the City of New Orleans.¹⁶

¹² *Ibid.*

¹³ See Exhibit 7, City Council Agenda for April 27, 2022.

¹⁴ On May 10, 2022, OIG personnel obtained access to the City-issued cell phones and laptops, including emails for Jonathan Rhodes and Christopher Wolff. The cell phones and laptop data were downloaded and copies were secured in the OIG's computer forensics lab.

¹⁵ See Exhibit 8, MOU between Ignite Consulting, LLC dba Ignite Cities and the City of New Orleans, effective as of April 17, 2019.

¹⁶ *Ibid.*

On January 5, 2021, Rhodes sent a Meeting Memo titled “Technology Infrastructure Investment with Ignite Cities and Loop Capital”.¹⁷ In the Memo, Rhodes states:

During this effort we built a partnership with Ignite Cities and have developed a plan to get New Orleans residents connected, improve city services, save the City money, increase revenue for the City, and build a Smart City that will promote economic development.¹⁸

The Meeting Memo also states:

Over the last 10 months, the Office of Utilities and [Office of Information Technology & Innovation] have worked closely with Ignite Cities, Qualcomm and JLC Infrastructure/Loop Capital to develop plans for digital equity (the “Ignite Plan”).¹⁹

On January 21, 2021, Rhodes emailed Burciaga a copy of the Scope of Services for the Smart City Project.²⁰ In the email, Rhodes states, “I would appreciate your insight on the attached Scope of Services for a comprehensive smart city program that the City would like to deploy asap.”²¹ On March 25, 2021, Rhodes emailed Burciaga a copy of the Smart City RFP prior to the RFP being released to the public on April 16, 2021.²²

In an interview posted to the Qualcomm website on April 21, 2021, Sanjeet Pandit, Qualcomm’s head of Smart Cities, described IGNITE as “... our Smart Cities Accelerator Program ecosystem partner.”²³ Pandit also mentioned New Orleans among several cities actively deploying the Smart Cities Accelerator Program.²⁴

As previously mentioned:

- On July 2, 2021, the City issued a Notice of Intent to Award letter to Smart+Connected NOLA advising them that their proposal had been selected.²⁵

¹⁷ See Exhibit 9, Meeting Memo: Technology Infrastructure Investment with Ignite Cities and Loop Capital dated January 5, 2021.

¹⁸ See Exhibit 9, Meeting Memo: Technology Infrastructure Investment with Ignite Cities and Loop Capital, dated January 5, 2021, page 1.

¹⁹ *Ibid.*

²⁰ See Exhibit 10, Rhodes’ email to Burciaga with a draft copy of the Scope of Services for the Smart City Project attached, dated January 21, 2021, and Exhibit 11, the Scope of Services attachment.

²¹ See Exhibit 10, Rhodes’ email to Burciaga with a draft copy of the Scope of Services for the Smart City Project attached, dated January 21, 2021.

²² See Exhibit 12, Rhodes’ email to Burciaga with a copy of the RFP for the Smart City Project attached, dated March 25, 2021.

²³ See Exhibit 13, Q&A with Sanjeet Pandit, dated April 21, 2021, page 12.

²⁴ *Ibid.*

²⁵ See Exhibit 3, Notice of Intent to Award letter from the City to Smart+Connected NOLA, dated July 2, 2021.

- On July 28, 2021, the second-place respondent, Cox, sent a Protest of Award letter via email to Julien Meyer, Chief Procurement Officer, regarding the City’s selection and intent to award a contract to Smart+Connected NOLA pursuant to the Smart City RFP.²⁶

On April 18, 2022, Meyer attended a meeting during which he learned that George Burciaga, CEO of IGNITE, had a financial interest in the Smart+Connected NOLA consortium, the entity to whom the Smart City RFP contract was awarded.²⁷

On April 21, 2022, Meyer sent a letter to the representatives of the Smart+Connected NOLA consortium and IGNITE asking them to confirm whether IGNITE has a relationship with any member of Smart+Connected NOLA. The letter itself was incorrectly dated April 21, 2021.²⁸

On April 25, 2022, the Smart+Connected NOLA consortium acknowledged receipt of Meyer’s April 21, 2022 letter and expressed their intent to decline the City’s July 2, 2021 award notification, “... due to significant uncertainty surrounding the future of the project.”²⁹ Qualcomm also issued a letter to Meyer on April 25, 2022 in which the company states:

In June 2021 [Qualcomm] engaged Ignite under a standard consulting services agreement to better understand how best to meet the needs of nearly a dozen cities across the country, including New Orleans, as they digitally transform.³⁰

B. Interviews Conducted

1. Jonathan Rhodes

On March 9, 2023, Jonathan Rhodes, former Director of the Mayor’s Office of Utilities, City of New Orleans, was interviewed by OIG Investigators.³¹ Rhodes had previously appeared before the City Council on April 27, 2022 and was questioned about his involvement in the Smart City Project.

Under questioning from a Councilmember, Rhodes responded:

. . . But my impression, at the time my understanding from what was represented to me and what is represented on Ignites website that they’re a pro bono

²⁶ See Exhibit 4, Cox Protest of Award letter, dated July 28, 2021.

²⁷ See Exhibit 28, Meyer MOI, dated October 26, 2022.

²⁸ See Exhibit 14, Meyer letter to Smart+Connected NOLA consortium and IGNITE, incorrectly dated April 21, 2021 (Correct date April 21, 2022), and Exhibit 31, Meyer MOI, dated October 26, 2022.

²⁹ See Exhibit 15, Smart+Connected NOLA consortium withdrawal letter sent to Meyer, dated April 25, 2022.

³⁰ See Exhibit 16, Qualcomm Technologies letter to Meyer, dated April 25, 2022.

³¹ See Exhibit 17, Rhodes MOI, dated March 9, 2023.

consultant, was that they were a group that I could go to for information and assistance.³²

During his April 27, 2022 appearance before the City Council, the topic of Rhodes' outside business ownership interests was also discussed and he was questioned as to why he did not believe it was necessary to disclose that information to the City.³³ As detailed in his testimony, Rhodes and Christopher Wolff, an employee for the City's Office of Information Technology & Innovation (ITI), are partners in a Delaware corporation named Verge Internet, which was incorporated in August 2020.³⁴ Rhodes testified that Verge Internet has zero revenue, zero assets, zero employees, zero compensation, and zero salaries.³⁵ Rhodes described Verge Internet as having a mission to disrupt the status quo and provide more equitable services and make sure all people in the United States have access to the internet.³⁶

During his April 27, 2022 appearance before the City Council, Rhodes was asked who Verge Internet had provided consulting services for.³⁷ Rhodes responded that Verge Internet provided information to Qualcomm, which was submitting information to the City of Los Angeles for a Request for Information (RFI).³⁸ Rhodes denied the information that he and Wolff provided to Qualcomm was consulting services, but rather Verge Internet "... provided information about Wi-Fi solutions in specific areas of the City of Los Angeles..."³⁹

The Certificate of Incorporation for Verge Internet shows that Rhodes incorporated Verge Wireless on August 13, 2020.⁴⁰ A "Certificate of Amendment of Certificate of Incorporation" shows that Rhodes changed the name of the corporation to Verge Internet on August 17, 2020.⁴¹

³² See Exhibit 18, Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, page 89, lines 16 to 20.

³³ See Exhibit 20, Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, page 176, Lines 17 to 22, and page 177, Lines 8 to 14.

³⁴ See Exhibit 22, Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, page 98, lines 1 to 15, and Exhibit 21, Verge Internet Certificate of Incorporation, filed on August 13, 2020.

³⁵ See Exhibit 22, Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, page 100, lines 15 to 17.

³⁶ See Exhibit 22, Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, page 99, lines 1 to 3.

³⁷ See Exhibit 22, Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, page 101, lines 4 to 7.

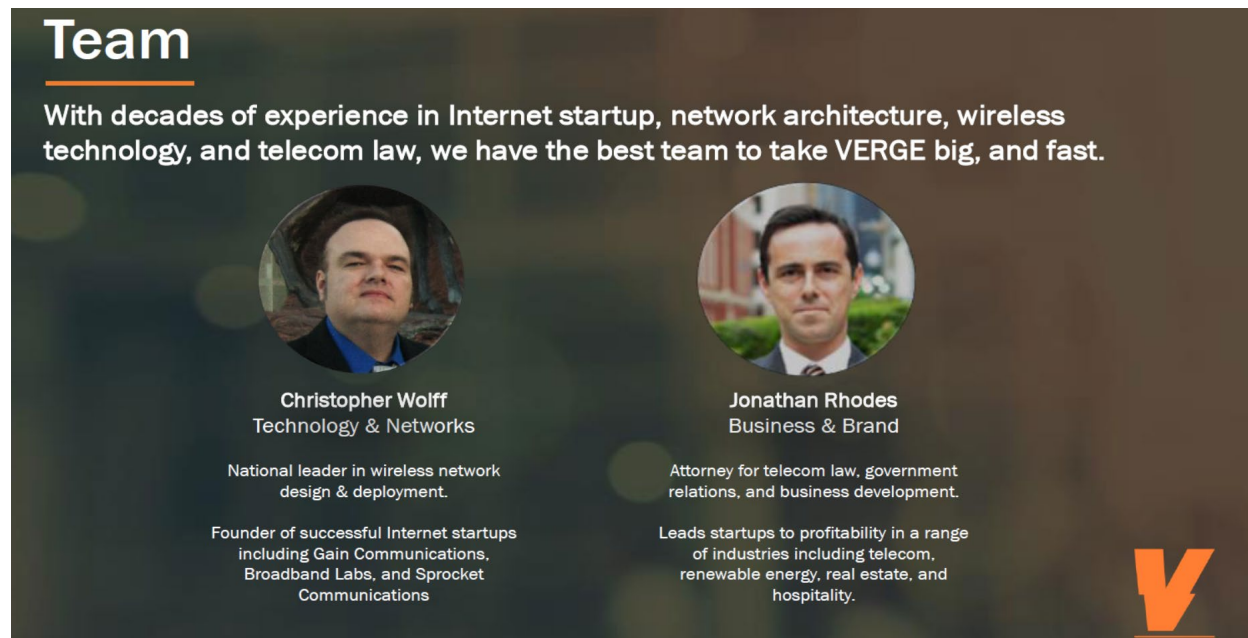
³⁸ See Exhibit 22, Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, page 101, lines 9 to 23, and Exhibit 23, Qualcomm / RFI Narrative to the City of Los Angeles, 2021.

³⁹ See Exhibit 24, Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, page 102, lines 10 to 15.

⁴⁰ See Exhibit 21, Verge Internet Certificate of Incorporation, filed on August 13, 2020.

⁴¹ *Ibid.*

Rhodes and Wolff were partners in Verge Internet.⁴² Among the documents provided to the OIG, was a brochure for the company Verge Internet.⁴³ The brochure, which was created on October 21, 2020, includes pictures of the Verge Internet team (shown below), which consisted of Christopher Wolff, Technologies & Networks, and Jonathon Rhodes, Business & Brand.⁴⁴

A brochure titled "Team" for Verge Internet. The title "Team" is in a large, white, sans-serif font at the top left. Below it is a horizontal line. The main text reads: "With decades of experience in Internet startup, network architecture, wireless technology, and telecom law, we have the best team to take VERGE big, and fast." Below this text are two circular headshots. The left headshot is of Christopher Wolff, and the right is of Jonathan Rhodes. Under each headshot is the person's name and title. Below each name and title is a short bio. At the bottom right of the brochure is a stylized orange "V" logo.

Team

With decades of experience in Internet startup, network architecture, wireless technology, and telecom law, we have the best team to take VERGE big, and fast.

Christopher Wolff
Technology & Networks


National leader in wireless network design & deployment.

Founder of successful Internet startups including Gain Communications, Broadband Labs, and Sprocket Communications

Jonathan Rhodes
Business & Brand

Attorney for telecom law, government relations, and business development.

Leads startups to profitability in a range of industries including telecom, renewable energy, real estate, and hospitality.



City Code Section 2-691, required Rhodes, as the Director of the Department of Utilities, to file a City of New Orleans Financial Disclosure Form (Financial Disclosure Form) annually with the City Attorney on or before May 15th.⁴⁵ During the course of this investigation, the OIG obtained the Financial Disclosure Forms submitted by Rhodes for the years 2021 and 2022.⁴⁶ As stated in Paragraph (a)(3) of the Financial Disclosure Form, the City requires the filer to provide the following information:

The name, address and nature of association with and the amount of interest in each business in which the individual or spouse is a director, officer, owner, partner, member or trustee, or in which the individual or spouse, either individually or collectively, holds an interest worth in excess of ten percent.⁴⁷

⁴² See Exhibit 19, Verge Internet brochure, created on October 21, 2020, page 17, and Exhibit 33, Rhodes' Verge Internet profile page, <https://www.vergeinternet.com/jonathan-m-rhodes/>, and Exhibit 34, Wolff's Verge Internet profile page, <https://www.vergeinternet.com/christopher-j-wolff/>.

⁴³ See Exhibit 19, Verge Internet brochure, created on October 21, 2020.

⁴⁴ See Exhibit 19, Verge Internet brochure, created on October 21, 2020, page 17.

⁴⁵ See Exhibit 32, New Orleans City Code Sections 2-691 – 692.

⁴⁶ See Exhibit 25, City of New Orleans Financial Disclosure Form, J. Rhodes, 2021 and 2022.

⁴⁷ *Ibid.*

In Rhodes' 2021 Financial Disclosure Form to the City, notarized on May 14, 2021, he does not list Verge Internet or Verge Wireless.⁴⁸ The last page of the 2021 Financial Disclosure Form is an affidavit signed by Rhodes swearing the information "... is true and correct to the best of his/her knowledge, information and belief."⁴⁹ Rhodes's statement under oath was made nine months after his incorporation of Verge on August 13, 2020.

Several weeks after Rhodes' testimony at the April 27, 2022 City Council hearing, he submitted his 2022 Financial Disclosure Form to the City on May 12, 2022.⁵⁰ Rhodes does list Verge Internet on his 2022 Financial Disclosure Form and also discloses that he has a 50% ownership interest in the business.⁵¹

During his March 9, 2023 interview with OIG Investigators, Rhodes denied intentionally withholding information from the City by not disclosing his Verge Internet ownership in his 2021 Financial Disclosure Form.⁵² Rhodes said he probably was unsure whether to disclose his ownership interest in Verge Internet because it did not have any business revenue. Rhodes also noted some other companies in which he had an ownership interest were not listed on his Financial Disclosure Forms either.

Rhodes recalled in his interview that George Burciaga, CEO of IGNITE, was a pro bono consultant for the City who had prior experience within the Smart Cities realm. Rhodes understood Burciaga had prior experience with working with Mayors of color from other U.S. cities on various technology projects.

Rhodes told OIG Investigators he wondered what was Burciaga's angle with the City, but noted that there was always someone wanting to work with the City. Rhodes described Burciaga as a charismatic and inspiring person, whose goal was to help with the City's technical abilities.

Rhodes also told OIG Investigators that he was unaware that Burciaga had a relationship with Qualcomm. Rhodes did not think Burciaga had a financial interest in the program (in this instance, Rhodes was referring to Smart+Connected NOLA). Rhodes recalled seeing a letter from Julien Meyer dated April 21, 2022 that referenced an April 18, 2022 meeting with Meyer, Rhodes, Clifton Davis and members of Smart+Connected NOLA, the winning bidder for the Smart City RFP. At that meeting, Rhodes recalled that a member of Smart+Connected NOLA said something to the effect they did not want there to be any confusion that IGNITE "would have a financial

⁴⁸ *Ibid.*

⁴⁹ See Exhibit 25, City of New Orleans Financial Disclosure Form, J. Rhodes, 2021 and 2022.

⁵⁰ See Exhibit 25, City of New Orleans Financial Disclosure Form, J. Rhodes, 2021 and 2022.

⁵¹ *Ibid.*

⁵² See Exhibit 17, Rhodes MOI, dated March 9, 2023.

interest in the project down the road." Rhodes said his immediate impression was that this project was over and it rightfully should be over.

2. Christopher Wolff

On April 5, 2023, Christopher Wolff, Network Technical Specialist with the City's ITI Department was interviewed by OIG Investigators.⁵³ He confirmed his involvement during the pre-RFP period for the Smart City RFP was to review technical requirements for the project. Wolff recalled Burciaga was involved with other City projects prior to the Smart City Project. One such project Wolff described involved solar-powered Wi-Fi in the City's Hoffman Triangle neighborhood. Based on his experience working with Burciaga on this project, Wolff said he was left with the impression that it was Burciaga's first time dealing with the Wi-Fi technology and that he did not understand the technology being used.

Wolff told OIG Investigators that as a member of the Smart City RFP Selection Committee, he participated in the scoring process of the proposals submitted by the five responding entities. He denied being pressured to choose any particular vendor and stated he only wanted the Smart City RFP to be awarded to the best vendor. Wolff said it was his first time participating on a Selection Committee for RFPs related to City projects. As required for Selection Committee participation, Wolff completed a Conflict-of-Interest Disclosure form.⁵⁴ Wolff told OIG Investigators he answered the Conflict-of-Interest Disclosure truthfully and his impartiality was not compromised in scoring proposals for the Smart City RFP. He recalled a conversation with Burciaga related to projects in Miami and Harlem in which Burciaga was trying to become involved in those projects.

During the OIG interview, Wolff was shown a document labeled, "Qualcomm / RFI Narrative 2021".⁵⁵ Wolff denied he prepared the document and was unsure who exactly created the document. However, Wolff did indicate the verbiage in the RFI sounded like words previously used by Burciaga. He confirmed that he discussed Verge Internet with Burciaga and Burciaga asked Wolff if he would be willing to coordinate with Qualcomm and Cambium. Wolff stated that he did not have any consulting agreements or contracts with any of those identified companies. Wolff also affirmed no promises, inducements, or quid pro quos were provided to him for any actions.

Wolff recalled his participation on a telephone call with Andy Kim of JLC who stated to those participants on the call that Burciaga had a financial relationship with JLC. This acknowledgement

⁵³ See Exhibit 26, Wolff MOI, dated April 5, 2023.

⁵⁴ See Exhibit 27, Conflict of Interest Disclosure, Christopher Wolff, bearing his electronic signature, signed June 24, 2021.

⁵⁵ See Exhibit 23, Qualcomm/RFI Narrative to the City of Los Angeles, 2021.

caused concern regarding the ongoing Smart City Project with Smart+Connected NOLA and the City.

3. Julien Meyer

On October 26, 2022, Julien Meyer, Chief Procurement Officer, City of New Orleans, was interviewed by OIG Investigators.⁵⁶ He confirmed being asked to attend a meeting with Rhodes, the Mayor's Executive Counsel, Clifton Davis, and Director of Strategic Initiatives, Joshua Cox, on April 18, 2022. Meyer stated that it was during this meeting he learned that George Burciaga, CEO of IGNITE, had a financial interest in Smart+Connected NOLA.

This was an issue for Meyer as the purity of the contracting process came into question during the Cox protest. Meyer told OIG Investigators he was aware of allegations related to Burciaga's financial interest in Smart+Connected NOLA since the issue was raised by Cox in their Protest of Award Letter, dated July 28, 2021.⁵⁷ However, Meyer asserted that the rumor was only confirmed for him at the April 18, 2022 meeting. After learning of the validity of this information, Meyer questioned if the awarding of the Smart City RFP to Smart+Connected NOLA was appropriate.

During his interview with OIG Investigators, Meyer confirmed that a letter he wrote with a date of April 21, 2021 was incorrectly dated. Meyer said the correct date should have been April 21, 2022 as the letter was written after the April 18, 2022 meeting discussed in the previous paragraphs. Meyer's letter was addressed to members of the Smart+Connected NOLA consortium and was seeking further clarification regarding the recent confirmation of Burciaga's financial interest in the company.⁵⁸ In particular, Meyer's letter included an attached copy of the Conflict of Interest Disclosure signed by Andrew Kim.⁵⁹ The Conflict of Interest Disclosure identifies Kim as a Managing Director and authorized representative of MJE-Loop Capital Partners LLC, d/b/a JLC Infrastructure, sponsor of Smart+Connected NOLA.⁶⁰ Meyer told OIG Investigators that it was typical City practice for the leader of a consortium to sign the Conflict of Interest Disclosure for the group.

Meyer said that as the City's Chief Procurement Officer he is responsible for the awarding of contracts and hearing protests that may arise, but the Mayor signs all contracts for the City. He explained that the City's Bureau of Purchasing (Office of Procurement) is contacted for assistance in the contracting process whenever a City department sponsors an RFP. For the Smart City RFP,

⁵⁶ See Exhibit 28, Meyer MOI, dated October 26, 2022.

⁵⁷ See Exhibit 4, Cox Protest of Award letter, dated July 28, 2021.

⁵⁸ See Exhibit 14, Meyer letter to Smart+Connected NOLA consortium and IGNITE, incorrectly dated April 21, 2021 (Correct date April 21, 2022).

⁵⁹ See Exhibit 35, Conflict of Interest Disclosure signed by Andrew Kim, dated June 12, 2021.

⁶⁰ *Ibid.*

the City's IT department, ITI, was the sponsoring party requesting bids. As part of this process, ITI would have sent the necessary supporting documents to the Office of Procurement and Meyer's staff would work with ITI to generate the Smart City RFP.

Once the Smart City RFP was ready for release, the Office of Procurement would have entered it into the City's Budget, Requisition and Accounting Services System (BRASS). A sourcing event was then created in BRASS and the supply portal published the Smart City RFP documents. Meyer said his staff would allow thirty days after the RFP's release date in BRASS for responses to be received from vendors. Meyer said that in the instance of big contracts it was not uncommon for the Office of Procurement to grant extensions to the thirty-day response period in order to address any questions that may arise, as occurred with the Smart City RFP.

During the interview, OIG Investigators showed Meyer the MOU between the City and IGNITE, effective as of April 17, 2019.⁶¹ This MOU was signed by Burciaga and Mayor LaToya Cantrell and described the pro bono consulting and advisory services provided by IGNITE to the City. Meyer acknowledged to OIG Investigators this was the first time he had seen the MOU.

Meyer explained that Electronic Contracting Management System (ECMS) was the old system that was replaced by BRASS in July 2019. Meyers said that all City contracts were stored on ECMS prior to BRASS and there was a transition period whereby all active City contracts were transferred from ECMS to BRASS. However, all closed contracts in ECMS were not transitioned over to BRASS. Meyers stated he searched BRASS and the City Attorney's Office and could not find any documents indicating a contract existed between the City and IGNITE, including the April 17, 2019 MOU. Meyer conducted his own due diligence in an effort to find any documents that that verified IGNITE had a consulting agreement with the City. This would either affirm or deny the Cox Protest of Award letter's allegation that a conflict of interest existed regarding IGNITE. Meyer was unable to find any executed document relating to this allegation in his search.

OIG Investigators requested Meyer read the second paragraph of a document labeled, "Qualcomm / RFI Narrative 2021".⁶² The paragraph contains the following statement:

Our team of industry leaders is comprised of Qualcomm, Cambium Networks, Verge Internet, Comptek, Black & Veatch (collectively the "Technical Members"), and JLC Infrastructure ("JLC" or the "Equity Member").⁶³

Meyer was not aware of Christopher Wolff's ownership interest in Verge Internet, one of the team members listed in the above narrative he read. Meyer said Wolff should have indicated his

⁶¹ See Exhibit 8, MOU between Ignite Consulting, LLC dba Ignite Cities and the City of New Orleans, effective as of April 17, 2019.

⁶² See Exhibit 23, Qualcomm/RFI Narrative to the City of Los Angeles, 2021.

⁶³ *Ibid.*

connections (to Qualcomm) on the Conflict-of-Interest Disclosure form that he signed on June 24, 2021 as required for his participation on the Smart City RFP Selection Committee.⁶⁴

A letter dated April 25, 2022 from Andrew Kim of Smart+Connected NOLA and addressed to Julien Meyer, Chief Procurement Officer, City of New Orleans, in response to Meyer's April 21, 2022 letter, informed the City of the Smart+Connected NOLA consortium's intent to decline the City's award of the RFP on July 2, 2021 "... due to significant uncertainty surrounding the future of the project proposed by the SC Consortium."⁶⁵ The letter is absent of any acknowledgement or denial of any financial connection between the Smart+Connected NOLA consortium and George Burciaga, CEO of IGNITE.

4. Kim LaGrue

Kim LaGrue, ITI Director, City of New Orleans was interviewed by OIG Investigators on May 8, 2023.⁶⁶ LaGrue said that in 2019, prior to the cyber-attack and pandemic, she and Jonathan Wisbey, Mayor Cantrell's Chief Technical Officer, Erin Spears of the Council Utility Regulatory Office (CURO) for the City Council, and Jonathan Rhodes, former Mayor's Office of Utilities Director, had created a working group in which each person's expertise was used to conceptualize a city-wide Wi-Fi project. LaGrue said a 2019 cyber-attack and the subsequent pandemic put most things on hold and the frequency of the meetings stopped. LaGrue was shown a report titled, "WIFI REPORT, Utility, Cable, Telecommunications, and Technology Committee" dated December 10, 2020 (2020 WiFi Report).⁶⁷ LaGrue said the work for the 2020 WiFi Report was done by Spears, Rhodes, and herself dating back to late 2018 and into early 2019.

LaGrue said George Burciaga entered the picture as the Mayor's consultant for her technology initiatives. LaGrue said Burciaga became known through the United States Mayor's National Conference. LaGrue said she met Burciaga in late 2019 after talking about a smart card initiative project that was previously completed in Hawaii. Burciaga had experience with that project and it was thought that forming a working group for the City would be good to move the City forward on this initiative.

LaGrue said that in January 2021 a proposal was made to Mayor Cantrell by a group consisting of JLC Infrastructure, Qualcomm, and others related to moving New Orleans into the Smart Cities

⁶⁴ See Exhibit 27, Conflict of Interest Disclosure, Christopher Wolff, bearing his electronic signature, signed June 24, 2021.

⁶⁵ See Exhibit 15, Smart+Connected NOLA consortium withdrawal letter sent to Meyer, dated April 25, 2022.

⁶⁶ See Exhibit 29, Kim LaGrue MOI, dated May 8, 2023.

⁶⁷ See Exhibit 30, WIFI Report- Utility, Cable, Telecommunications, and Technology Committee, dated December 10, 2020.

arena.⁶⁸ LaGrue said that ultimately, as a result of this presentation, it was decided the Smart City Project would have to be procured with an RFP through the Office of Procurement led by Julien Meyer, Chief Procurement Officer.

LaGrue explained her role as a technical adviser in the RFP process and said that the sponsoring department of a project owns the proposal. The ITI Department would join in on the technical side of a proposed project and lend required ITI expertise to advance a particular project. She recalled Christopher Wolff with ITI was brought in to review the request for technical aspects of the Smart City RFP. LaGrue said Wolff became the City's technical consultant on the Smart City Project due to his network expertise. LaGrue said Wolff and Rhodes worked together and authored 80% of the 2020 WiFi Report.⁶⁹ She said she was happy that Wolff was involved because he was a subject matter expert and he liked this type of project work.

LaGrue said that Rhodes did not like the Mayor's Office being involved as a sponsor of the RFP. LaGrue mentioned Rhodes was expected to know how the procurement process worked, however, he did not have the required experience in government procurement.

LaGrue said her department, ITI, ultimately became the sponsor of the Smart City RFP because of Rhodes' lack of procurement experience and the complex technical aspects of the Smart City Project.

LaGrue was on the Smart City RFP Selection Committee since the Smart City Project was sponsored by ITI. She confirmed communication with the City Council and the Administration regarding the Smart City Project was either non-existent or insufficient. LaGrue felt the responsibility for communication fell on Rhodes as he was the Director of the Mayor's Office of Utilities.

LaGrue said that proponents of Smart City projects across the country are a small group who know each other well. She said the people in this area of expertise come from universities, governmental entities, publications, and other interested parties.

LaGrue stated she was unaware of any financial interest Burciaga may have had with the Smart City Project until JLC made the disclosure to the City during a telephone call she was participating on. Once this was disclosed, LaGrue had many concerns about the Smart City Project moving forward.

⁶⁸ See Exhibit 29, Kim LaGrue MOI, dated May 8, 2023, and Exhibit 9, Meeting Memo: Technology Infrastructure Investment with Ignite Cities and Loop Capital dated January 5, 2021.

⁶⁹ See Exhibit 30, WiFi Report- Utility, Cable, Telecommunications, and Technology Committee, dated December 10, 2020.

LaGrue learned of the existence of Verge Internet from media reports rather than directly from Rhodes or Wolff. This bothered her that two City employees working close with her on this project did not inform her of their ownership interest. LaGrue said that Rhodes told her he was glad they had not informed her about the Verge Internet ownership interest so she would not have to become involved in the media coverage of that fact.

LaGrue discussed with Wolff the Conflict of Interest Form he signed to serve on the Smart City RFP Selection Committee.⁷⁰ She agreed with the OIG Investigators assessment that a perceived conflict of interest can be as concerning as an actual one. LaGrue was greatly concerned about Wolff's actions. She confirmed no personnel action was taken by the City against Wolff. LaGrue said Wolff is a great worker and she respected his knowledge. She confirmed that she continued to assign him to other projects that need his expertise even though she has concerns about his judgement when it comes to procurement and relationships since the potential conflict of interest occurred.

LaGrue stated she had no knowledge of any quid pro quo from the project going to Wolff and Rhodes. LaGrue said Wolff tried to explain his actions to her. However, what concerned her most about this situation was Rhodes and Wolff being instrumental in developing the Smart City RFP and Wolff serving on the Smart City RFP Selection Committee. She said that was a big problem for her.

5. George Burciaga

George Burciaga, CEO of IGNITE, failed to respond to multiple emails sent by OIG Investigators to his business-related email addresses seeking to arrange an interview with him. Email read receipts indicate the OIG's sent emails were received and read.⁷¹ Burciaga also did not respond to OIG Investigators' calls placed to his cell phone. The OIG did not apply for judicial approval of the issuance of a subpoena to Burciaga under La. R.S. 33:9613 because he resides in Chicago and outside the jurisdiction of the State District Court. Therefore, OIG investigators were unable to compel Burciaga for testimony.

III. CONCLUSIONS

Burciaga, IGNITE, Rhodes and Wolff should have excluded themselves from participating in the Smart City RFP solicitation and selection process because they had a relationship with Qualcomm, a member of the Smart+Connected NOLA consortium, whose proposal was selected.

⁷⁰ See Exhibit 27, Conflict of Interest Disclosure, Christopher Wolff, bearing his electronic signature, signed June 24, 2021.

⁷¹ See Exhibit 31, Four (4) email read receipts, dated April 4, 2023 and April 12, 2023.

During the course of this OIG investigation, no quid pro quo or kickback arrangement tied directly to the Smart City RFP was identified. However, Rhodes should have disclosed his interest in Verge Internet and his partnership with Qualcomm to the City on his 2021 Financial Disclosure Form and Wolff should have done the same on his Conflict-of-Interest Disclosure form for the Smart City RFP.⁷²

George Burciaga, CEO of IGNITE

It is unknown why the MOU between the City and IGNITE for pro bono consulting and advisory services to the City did not appear in the City's previously used ECMS or its current BRASS system for maintaining all City contracts and supporting documents.⁷³

As shown in the above-described documents, George Burciaga had an MOU with the City concerning "smart city offerings that can scale, replicate, and become profitable for the City of New Orleans"⁷⁴, while also being designated as a Qualcomm "Smart Cities Accelerator Program ecosystem partner"⁷⁵ with respect to New Orleans. In addition, Burciaga was also mentioned in Qualcomm announcement dated June 8, 2020, titled, "Qualcomm, JLC Infrastructure and IGNITE Collaborate to Enable Key Segments with Smart Cities Solutions."⁷⁶

On April 25, 2022, Qualcomm issued a letter to Julien Meyer, Chief Procurement Officer, in which the company states:

... in June 2021, [Qualcomm] engaged Ignite under a standard consulting services agreement to better understand how best to meet the needs of nearly a dozen cities across the country, including New Orleans, as they digitally transform.⁷⁷

Rather than withdraw from any role in the Smart City RFP solicitation and selection process because of his partnership and consulting services agreement with Qualcomm, Burciaga received emails concerning the Scope of Services⁷⁸ for the Smart City Project and a copy of the Smart City RFP⁷⁹ prior to its public release.

⁷² See Exhibit 25, City of New Orleans Financial Disclosure Form, J. Rhodes, 2021 and 2022, and Exhibit 27, Conflict of Interest Disclosure, Christopher Wolff, bearing his electronic signature, signed June 24, 2021.

⁷³ See Exhibit 28, Meyer MOI, dated October 26, 2022.

⁷⁴ See Exhibit 8, MOU between Ignite Consulting, LLC dba Ignite Cities and the City of New Orleans, effective as of April 17, 2019.

⁷⁵ See Exhibit 13, Q&A with Sanjeet Pandit, dated April 21, 2021, page 12.

⁷⁶ See Exhibit 4, Cox Protest of Award letter, pages 129-130.

⁷⁷ See Exhibit 16, Qualcomm Technologies letter to Meyer, dated April 25, 2022.

⁷⁸ See Exhibit 10, Rhodes' email to Burciaga dated January 21, 2021 with a draft copy of the Scope of Services for the Smart City Project attached, and Exhibit 11, the Scope of Services attachment.

⁷⁹ See Exhibit 12, Rhodes's email to Burciaga with a copy of the RFP for the Smart City Project attached, dated March 25, 2021.

Jonathan Rhodes, Director of Mayor’s Office of Utilities and Christopher Wolff, Network Technical Specialist, with the City’s ITI Department

Rhodes and Wolff both had a relationship with Qualcomm, a member of the Smart+Connected NOLA consortium, whose proposal was selected. Rhodes and Wolff had a relationship with Qualcomm because their company, Verge Internet, was a member of the Qualcomm team.⁸⁰ According to Rhodes’ testimony before the City Council on April 27, 2022, he and Wolff provided information to Qualcomm which was submitting a RFI to the City of Los Angeles.⁸¹ Neither Rhodes nor Wolff had disclosed their relationship with Verge Internet or Qualcomm to the City.

Rhodes’ involvement in the Smart City RFP

On January 5, 2021, Rhodes sent a Meeting Memo titled “Technology Infrastructure Investment with Ignite Cities and Loop Capital”.⁸² In his Meeting Memo, Rhodes acknowledges “[t]he Office of Utilities [read “Rhodes” since he was the sole employee of the Office] and ITI have worked closely with Ignite Cities, Qualcomm and JLC Infrastructure/Loop Capital to develop plans for digital equity (the ‘Ignite Plan’).”⁸³

On January 21, 2021, Rhodes emailed Burciaga a draft copy of the Scope of Services for the Smart City Project.⁸⁴ In the email, Rhodes states, “I would appreciate your insight on the attached Scope of Services for a comprehensive smart city program that the City would like to deploy asap.”⁸⁵

On March 25, 2021, Rhodes emailed Burciaga a copy of the Smart City RFP prior to the RFP being released to the public on April 16, 2021.⁸⁶

In Rhodes’ 2021 Financial Disclosure Form to the City notarized on May 14, 2021, he does not list Verge Internet or Verge Wireless.⁸⁷ The last page of the 2021 Financial Disclosure Form is an affidavit signed by Rhodes swearing the information “... is true and correct to the best of his/her

⁸⁰ See Exhibit 23, Qualcomm/RFI Narrative to the City of Los Angeles, 2021.

⁸¹ See Exhibit 22, Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, page 101, lines 9 to 23.

⁸² See Exhibit 9, Meeting Memo: Technology Infrastructure Investment with Ignite Cities and Loop Capital dated January 5, 2021.

⁸³ *Ibid.*

⁸⁴ See Exhibit 10, Rhodes’ email to Burciaga with a draft copy of the Scope of Services for the Smart City Project attached, dated January 21, 2021, and Exhibit 11, the Scope of Services attachment.

⁸⁵ See Exhibit 10, Rhodes’ email to Burciaga with a draft copy of the Scope of Services for the Smart City Project attached, dated January 21, 2021.

⁸⁶ See Exhibit 12, Rhodes’ email to Burciaga with a copy of the RFP for the Smart City Project attached, dated March 25, 2021.

⁸⁷ See Exhibit 25, City of New Orleans Financial Disclosure Form, J. Rhodes, 2021 and 2022.

knowledge, information and belief.”⁸⁸ Rhodes’ statement under oath was made nine months after his incorporation of Verge on August 13, 2020.

Several weeks after Rhodes’ testimony at the on April 27, 2022 City Council hearing, he submitted his 2022 Financial Disclosure Form to the City on May 12, 2022.⁸⁹ Rhodes does list Verge Internet on his 2022 Financial Disclosure Form and also discloses that he has a 50% ownership interest in the business.⁹⁰

Rhodes’ providing Burciaga, CEO of IGNITE a draft copy of the Scope of Services 4 months in advance of the issuance of the Smart City RFP and opportunity for input to its formulation, and a copy of the Smart City RFP 3 weeks in advance of its public issuance would appear to provide an unfair advantage to IGNITE and its associates in the Smart+Connected NOLA consortium which would reasonably be expected to damage the competition in the Smart City RFP process and the advanced broadband and smart city systems market.

Wolff’s involvement in the Smart City RFP

As a member of the Smart City RFP Selection Committee, Wolff participated in the scoring process of the proposals submitted by the five responding entities.⁹¹ As required for Selection Committee participation, Wolff completed a Conflict-of-Interest Disclosure form on June 24, 2021.⁹²

On his June 24, 2021 Conflict of Interest Disclosure form Wolff confirmed the following statement with a checkmark:

I do not have any financial or substantial economic interest in this solicitation or a contractual or financial relationship with any of the respondent(s), including any identified subcontractors, to this solicitation.⁹³

Wolff’s Conflict of Interest statement made no mention of his ownership in Verge Internet, any conversations with Burciaga about Verge Internet, or any possible future ventures as noted in the “Qualcomm / RFI Narrative 2021.”⁹⁴

⁸⁸ *Ibid.*

⁸⁹ See Exhibit 25, City of New Orleans Financial Disclosure Form, J. Rhodes, 2021 and 2022.

⁹⁰ *Ibid.*

⁹¹ See Exhibit 17, Rhodes MOI, dated March 9, 2023.

⁹² See Exhibit 27, Conflict of Interest Disclosure, Christopher Wolff, bearing his electronic signature, signed June 24, 2021.

⁹³ *Ibid.*

⁹⁴ See Exhibit 23, Qualcomm/RFI Narrative to the City of Los Angeles, 2021.

Julien Meyer, Chief Procurement Officer, affirmed that Wolff should have indicated his connections (to Qualcomm) on the Conflict-of-Interest Disclosure form that he signed on June 24, 2021 as required for his participation on the Smart City RFP Selection Committee.⁹⁵

Potential Violations of Louisiana Code of Governmental Ethics

Rhodes and Wolff's relationship with Qualcomm, a member of the Smart+Connected NOLA consortium, whose proposal was selected, may constitute a violation of the Louisiana Code of Governmental Ethics, La R.S. 42:1112(A), which provides:

No public servant, except as provided in R.S. 42:1120, shall participate in a transaction in which he has a personal substantial economic interest of which he may be reasonably expected to know involving the governmental entity.

Potential Violations of City Charter and City Code

Rhodes and Wolff's relationship with Qualcomm, a member of the Smart+Connected NOLA consortium, whose proposal was selected, may constitute a violation of the City's Home Rule Charter, Article IX, Section 9-309, which states, "No officer or employee of the City shall have a financial interest in any contract with the City."

City Code Section 2-691, required Rhodes, as the Director of the Mayor's Office of Utilities, to file an annual Financial Disclosure Form with the City Attorney on or before May 15th.⁹⁶ As stipulated in City Code Section 2-692 (a)(3) Rhodes was required to make the following disclosures concerning businesses in which he had a financial interest:

The name, address, and nature of association with and the amount of interest in each business in which the individual or spouse is a director, officer, owner, partner, member, or trustee, or in which the individual or spouse either individually or collectively, holds an interest worth in excess of ten percent.⁹⁷

City Code Section 2-692 (c) defines a business as:

... any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, business, organization, self-employed individual, holding company, trust or any other legal entity or person.⁹⁸

⁹⁵ See Exhibit 28, Meyer MOI, dated October 26, 2022 and Exhibit 30, Conflict of Interest Disclosure, Christopher Wolff, bearing his electronic signature, signed June 24, 2021.

⁹⁶ See Exhibit 32, New Orleans City Code, Sections 2-691 – 692.

⁹⁷ *Ibid.*

⁹⁸ *Ibid.*

Rhodes' failure to disclose his financial interest in Verge Internet and his relationship with Qualcomm, as required by New Orleans City Code, Section 2-692, may constitute a violation of City Code Section 2-691(c), which provides:

Whoever fails to file a financial statement required by this article, or knowingly and willfully fails to timely file any such statement, or knowingly and willfully fails to disclose or to accurately disclose any information required by this article shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$100.00. Whoever willfully and intentionally files a false report required by this article shall be guilty of a misdemeanor and upon conviction thereof shall be fined \$100.00, or imprisoned for not more than 90 days, or both.⁹⁹

City Code Sections 2-691 and 2-692 do not exempt a person in Rhodes' position from having to report an interest in a business that has no income.

Potential Violations of State Criminal Statutes

Rhodes may have violated La. R.S. 14:125 by making his 2021 sworn Financial Statement. La. R.S. 14:125 establishes the criminal offense of "false swearing" as "the intentional making of a written or oral statement, known to be false, under sanction of an oath or an equivalent affirmation, where such oath or affirmation is required by law." Rhodes' sworn Financial Statement was required by law, City Code Sections 2-691 and 2-692. His failure to disclose his 50% ownership interest in Verge Internet and his association with Qualcomm in his sworn 2021 Financial Statement appears to have been a knowing falsity by omission in violation of La. R.S. 14:125.¹⁰⁰

Rhodes may also have violated La. R.S. 14:133 by filing his 2021 sworn Financial Statement with the City. La. R.S. 14:133 establishes the criminal offense of "filing or maintaining false public records" as "the filing or depositing for record in any public office of with any public official, or the maintaining as required by law, regulation or rule, with knowledge of its falsity . . . [a]ny document containing a false statement or false representation of a material fact." Rhodes' filing with the City of his 2021 sworn Financial Statement required by law, City Code Sections 2-691 and 2-692, with knowledge of its falsity by omission of the material facts of his 50% ownership interest in Verge Internet and his association with Qualcomm may have violated La. R.S. 14:133.

Wolff may also have violated La. R.S. 14:133 by filing with the City his June 24, 2021 Conflict of Interest Disclosure. Executive Order LC 2021 required that Wolff, as a member of the Selection Committee for the Smart City RFP, "execute a disclosure certifying that [he] did not possess a conflict with any of the respondents." Wolff's certification that he did not have any relationship with any of the respondents to the Smart City RFP with knowledge of the falsity of his certification

⁹⁹ See Exhibit 32, New Orleans City Code, Sections 2-691 – 692.

¹⁰⁰ See Exhibit 25, City of New Orleans Financial Disclosure Form, J. Rhodes, 2021 and 2022.

because of his 50% ownership interest in Verge Internet and his association with Qualcomm, a partner in respondent Smart+Connected NOLA, and the filing of same with the City may have violated La. R.S. 14:133.¹⁰¹

IV. RECOMMENDATIONS

A. The City currently maintains documentation for all RFPs, contracts, Cooperative Endeavor Agreements, purchase orders, invoices, disbursements and related documents in BRASS.¹⁰² The fact that the MOU dated April 17, 2019 between the City and IGNITE to provide pro bono consulting and advisory services to the City was not maintained in the Electronic Contracting Management System (ECMS) nor its successor, BRASS, and was not readily available to the public gives the appearance of impropriety.¹⁰³

In order to obtain the MOU and other documents, the City Council issued a subpoena to the Administration¹⁰⁴ and initially the Administration went to court to delay or quash the subpoena.¹⁰⁵ They eventually complied and released emails and other supporting documents, including the MOU between the City and IGNITE.

The OIG recommends that all City agreements, including pro bono MOUs, be uploaded into in BRASS. In addition, the OIG recommends that all City agreements should include the OIG cooperation clause, as shown below, which was not present in the MOU with IGNITE:

The Contractor will abide by all provisions of City Code § 2-1120, including but not limited to City Code § 2-1120(12), which requires the Contractor to provide the Office of Inspector General with documents and information as requested. Failure to comply with such requests shall constitute a material breach of the contract. The Contractor agrees that it is subject to the jurisdiction of the Orleans Parish Civil District Court for purposes of challenging a subpoena.

B. City Code Sections 2-691 and Section 2-692 do not exempt a person in Rhodes' position from reporting an interest in a business that has no income. However, to provide further clarification, the OIG recommends the City Council revise City Code Section 2-692(b), which establishes dollar value categories for required disclosure, to read "Category I: \$0 to \$5,000.00", rather than "Category I: less than \$5,000.00".¹⁰⁶

¹⁰¹ See Exhibit 27, Conflict of Interest Disclosure, Christopher Wolff.

¹⁰² See Exhibit 36, New Orleans Office of Inspector General, BRASS Purchasing & Accounts Payable Internal Controls, Issued April 7, 2022.

¹⁰³ See Exhibit 28, Julien Meyer MOI, dated October 26, 2022.

¹⁰⁴ See Exhibit 37, City Council Subpoena, issued May 10, 2022.

¹⁰⁵ See Exhibit 38, City Temporary Restraining Order petition, dated June 1, 2022.

¹⁰⁶ See Exhibit 32, New Orleans City Code Sections 2-691 – 692.

C. The OIG also recommends that the City should require companies and persons who volunteer their services to the City to complete the same annual Louisiana Ethics training that is mandatory for public employees pursuant to La. R.S. 42:1170. The City should also require companies and persons who volunteer their services to the City to adhere to the following provision of La. R.S. 42:1121(B)(1) in the same manner required of public employees providing assistance to others after termination of their public service:

No former public employee shall, for a period of two years following the termination of his public employment, assist another person, for compensation, in a transaction, or in an appearance in connection with a transaction in which such former public employee participated at any time during his public employment and involving the governmental entity by which he was formerly employed, or for a period of two years following termination of his public employment, render, any service which such former public employee had rendered to the agency during the term of his public employment on a contractual basis, regardless of the parties to the contract, to, for, or on behalf of the agency with which he was formerly employed.

This report is provided to the Council of the City of New Orleans, the City of New Orleans (City) Chief Administrative Office, the Louisiana Board of Ethics, and the Orleans Parish District Attorney for any actions deemed necessary. If you wish to speak to me, I can be contacted at (504) 681-3263 or via email at emichel@nolaoig.gov.

Sincerely,



Edward Michel, CIG
Inspector General
City of New Orleans

EXHIBITS ATTACHED

- Exhibit 1: City of New Orleans Request for Proposals for Advanced Broadband and Smart City Systems, RFP NO. 1193, dated April 16, 2021 (88 pages)
- Exhibit 2: Cover sheet of Smart+Connected NOLA submission, dated June 17, 2021 (1 page)
- Exhibit 3: Notice of Intent to Award letter from the City to Smart+Connected NOLA, dated July 2, 2021 (1 page)
- Exhibit 4: Cox Protest of Award letter, dated July 28, 2021 (184 pages)
- Exhibit 5: Notice of Decision, City of New Orleans, Office of Procurement, issued December 3, 2021 (4 pages)
- Exhibit 6: City Council Resolution NO. R-22-201, Smart Cities investigation hearings, adopted on April 21, 2022 (2 pages)
- Exhibit 7: City Council Agenda for April 27, 2022 (5 pages)
- Exhibit 8: Memorandum of Understanding between Ignite Consulting, LLC dba Ignite Cities and the City of New Orleans, effective date April 17, 2019 (1 page)
- Exhibit 9: Meeting Memo: Technology Infrastructure Investment with Ignite Cities and Loop Capital, dated January 5, 2021 (2 pages)
- Exhibit 10: Rhodes' email to George Burciaga with a draft copy of the Scope of Services for the Smart City Project attached, dated January 21, 2021 (1 page)
- Exhibit 11: Draft copy of the Smart Cities Scope of Services (21 pages)
- Exhibit 12: Rhodes' email to Burciaga with a copy of the RFP for the Smart City Project attached, dated March 25, 2021 (1 page)
- Exhibit 13: Q&A with Sanjeet Pandit, dated April 21, 2021 (19 pages)
- Exhibit 14: Meyer letter to Smart+Connected NOLA consortium and IGNITE, incorrectly dated April 21, 2021 (Correct date April 21, 2022) (1 page)

- Exhibit 15: Smart+Connected NOLA consortium withdrawal letter sent to Meyer, dated April 25, 2022 (2 pages)
- Exhibit 16: Qualcomm Technologies letter to Meyer, dated April 25, 2022 (1 page)
- Exhibit 17: Jonathan Rhodes Memorandum of Interview (MOI) dated March 9, 2023 (3 pages)
- Exhibit 18: Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, pages 86 to 89 (1 page)
- Exhibit 19: Verge Internet brochure, created on October 21, 2020 (21 pages)
- Exhibit 20: Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, pages 174 to 177 (1 page)
- Exhibit 21: Verge Internet Certificate of Incorporation, filed on August 13, 2020 (6 pages)
- Exhibit 22: Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, pages 98 to 101 (1 page)
- Exhibit 23: Qualcomm / RFI Narrative to the City of Los Angeles, 2021 (2 pages)
- Exhibit 24: Transcript of Proceedings of Special City Council Meeting held on April 27, 2022, pages 102 to 105 (1 page)
- Exhibit 25: City of New Orleans Financial Disclosure Form, J. Rhodes, 2021 and 2022 (8 pages)
- Exhibit 26: Christopher Wolff MOI dated April 5, 2023 (3 pages)
- Exhibit 27: Conflict of Interest Disclosure, Christopher Wolff, bearing his electronic signature, signed June 24, 2021 (1 page)
- Exhibit 28: Julien Meyer MOI, dated October 26, 2022 (4 pages)
- Exhibit 29: Kim LaGrue MOI, dated May 8, 2023 (3 pages)
- Exhibit 30: WIFI Report- Utility, Cable, Telecommunications, and Technology Committee, dated December 10, 2020 (8 pages)
- Exhibit 31: Four (4) email read receipts, dated April 4, 2023 and April 12, 2023 (4 pages)
- Exhibit 32: New Orleans City Code, Sections 2-691 - 2-692 (3 pages)
- Exhibit 33: Rhodes' Verge Internet profile page, <https://www.vergeinternet.com/jonathan-m-rhodes/> (6 pages)

- Exhibit 34: Wolff's Verge Internet profile page,
<https://www.vergeinternet.com/christopher-j-wolff/> (2 pages)
- Exhibit 35: Conflict of Interest Disclosure signed by Andrew Kim, dated June 12, 2021.
(1 page)
- Exhibit 36: New Orleans Office of Inspector General, BRASS Purchasing & Accounts
Payable Internal Controls, Issued April 7, 2022. (34 pages)
- Exhibit 37: City Council Subpoena, issued May 10, 2022. (8 pages)
- Exhibit 38: City Temporary Restraining Order petition, dated June 1, 2022. (21 pages)