



REPORT OF INVESTIGATION

Allegation that the Orleans Parish Sheriff's Office (OPSO) improperly obtained hotel rooms for command staff during Mardi Gras 2023.

November 1, 2023

Edward Michel, CIG
Inspector General



REPORT OF INVESTIGATION

23-0005-I

TITLE: Allegation that the Orleans Parish Sheriff's Office (OPSO) improperly obtained hotel rooms for command staff during Mardi Gras 2023.

LOCATION OF OCCURRENCE: New Orleans, LA

DATE OF OCCURRENCE: February 14 - 22, 2023

INVESTIGATED BY: Investigation Division

VIOLATIONS: City of New Orleans Chief Administrative Office, Policy Memorandum NO. 139¹

ACTION TAKEN: Referred to the Orleans Parish Sheriff's Office and the City of New Orleans Chief Administrative Officer (CAO) for administrative action.

BASIS FOR INVESTIGATION

This investigation was predicated upon an anonymous complaint provided to the Office of Inspector General (OIG) alleging that the Orleans Parish Sheriff's Office (OPSO) improperly secured and paid for hotel rooms at the Omni Royal Orleans Hotel, located at 621 St. Louis St., New Orleans, LA 70130, in the French Quarter to house OPSO Command Staff during Mardi Gras 2023. The complaint also alleged rooms were left vacant by other staff members.

BACKGROUND

As a result of historic manpower shortages by the New Orleans Police Department (NOPD), efforts were undertaken by the City of New Orleans (City) to augment NOPD Mardi Gras parade route security in order to return parades to their traditional and long-standing routes. As part of that effort, outside law enforcement agencies were requested to assist with parade security and other law enforcement functions during Mardi Gras. To facilitate operation, a Cooperative Endeavor Agreement (CEA) was entered into by the City and Orleans Parish Sheriff Susan Hutson.²

The CEA allowed for officers from outside law enforcement agencies who traveled more than 35 miles to work the Mardi Gras Detail to be provided with lodging. The CEA governing this security detail function explains the obligation of each party with the City agreeing to compensate the

¹ See Exhibit 1, CAO Policy Memorandum NO. 139, dated October 31, 2017.

² See Exhibit 2, CEA K23-100 between the City and OPSO, effective date February 10, 2023.

OPSO up to a maximum amount of \$950,000. These City funds were to be used to cover the costs of approximately 150 deputies working 10 hours a day for each of the 9 days of Mardi Gras parades in the City. Also enumerated in the CEA is a provision to provide single room lodging to any officers/deputies “from outside law enforcement agencies who assist OPSO in Detail support of NOPD and have to travel more than 35 miles to work the Mardi Gras Detail.”³ However, the CEA does not address any need, desire or obligation for the City to provide lodging for OPSO Command Staff.

EXTENT AND RESULTS OF INVESTIGATION

On April 4, 2023, OIG Investigators served an OIG Subpoena Duces Tecum for hotel reservation records on the Omni Royal Orleans Hotel (Omni), pertaining to 7 rooms. On July 31, 2023, another OIG Subpoena Duces Tecum for hotel reservation records was served on the Omni pertaining to 6 rooms.

Among the records produced by the hotel in response to the subpoenas were records related to room charges incurred by the OPSO as well as all available door key swipe records.⁴ The door key swipe records will be referred to as lock interrogation in various sections within this report. The lock interrogation records were sought in order to determine when each room was occupied. It should be noted that not every lock interrogation was recovered. This was due to technical difficulties or the lock interrogations for some rooms which were over-written and are no longer available. The unavailable lock interrogations were attributed to the amount of time that had elapsed between the dates of the hotel stays and when the subpoenas were issued, as well as computer error.

According to the records provided by the Omni, the OPSO reserved 13 rooms for 90 nights from February 14, 2023 to February 22, 2023, totaling \$18,174. See **Figure 1**.

³ Ibid.

⁴ See Exhibit No. 3, Subpoenaed records received from the Omni Royal Hotel.

Figure 1: Omni reservations summary

Employee		Room Rate	Nights Rented	Total Room Charges
Corey	Amacker	\$160.00	8	\$1,280.00
Dana	Busby	\$271.00	6	\$1,626.00
Briankisha	Crusto	\$160.00	8	\$1,280.00
Earl	Fox	\$160.00	8	\$1,280.00
Anthony	Fricano	\$271.00	6	\$1,626.00
Kristen	Morales	\$160.00	8	\$1,280.00
Ernest	Newman	\$271.00	4	\$1,084.00
Silas	Phipps	\$160.00	8	\$1,280.00
Tanya	Picard	\$271.00	6	\$1,626.00
John	Scott	\$160.00	8	\$1,280.00
Kevin	Talley	\$271.00	6	\$1,626.00
Laura	Veazey	\$160.00	8	\$1,280.00
Lance	Wade	\$271.00	6	\$1,626.00
Totals			90	\$18,174.00

On July 26, 2023, Silas Phipps, Interim Compliance Director, OPSO, was interviewed by OIG Investigators⁵. Director Phipps did not know whose decision it was to provide hotel rooms for the OPSO Command Staff. During the second weekend of Mardi Gras, hotel rooms were secured at the Omni from February 14 to February 22, 2023. Director Phipps went to the Omni and picked up six or seven room keys and returned with them to the OPSO. He kept his key and gave the remaining keys to an OPSO Sergeant. Director Phipps did not use his credit card to check in at the Omni. He stated the rooms were rented because Kristen Morales, former Assistant Sheriff, OPSO, thought since NOPD had rooms the OPSO Command Staff needed rooms as well.

On July 26, 2023, John Scott, Lieutenant and Training Academy Manager, OPSO, was interviewed by OIG Investigators.⁶ Lieutenant Scott said he did not use the room rented for him at the Omni. Lieutenant Scott recalled an email he received before Mardi Gras discussing hotel rooms being provided to select OPSO personnel. Lieutenant Scott stated that he neither requested nor required a hotel room during Mardi Gras. After Mardi Gras was completed, Lieutenant Scott said former Assistant Sheriff Morales, OPSO, learned he did not sleep in the hotel room reserved for him by the OPSO. Lieutenant Scott stated Morales told him he could be in trouble for not staying

⁵ See Exhibit No. 4, MOI of Phipps dated July 26, 2023.

⁶ See Exhibit No. 5, MOI of Scott dated July 26, 2023.

in the room. Lieutenant Scott advised he told Morales he never asked for a room but received one from Laura Veazey, Assistant Sheriff, OPSO.

On July 26, 2023, Earl Fox, Human Resource Investigator, OPSO, was interviewed by OIG Investigators.⁷ Investigator Fox noted former Assistant Sheriff Morales spearheaded the idea and wanted rooms provided to OPSO Command Staff during Mardi Gras. Investigator Fox said he was told by Morales that Sheriff Susan Hutson, OPSO, approved the command staff to have rooms. Investigator Fox informed Morales that he did not need a room, but received a room during the Mardi Gras weekend anyway. Investigator Fox said he was given the key to his room by either Morales or Assistant Sheriff Veazey. Investigator Fox stated that he did not stay overnight in the Omni.

On July 26, 2023, Corey Amacker, Detective, Internal Affairs, OPSO, was interviewed by OIG Investigators.⁸ Detective Amacker advised that former Assistant Sheriff Morales decided that hotel rooms were needed during Mardi Gras and Sheriff Hutson approved it. Detective Amacker stayed at the Omni with his wife during the Mardi Gras weekend (February 17-19, 2023). Detective Amacker said he went to his room as soon as he got the key, which he believed was on February 14, 2023. OIG Investigators showed Amacker the lock interrogations for his room which indicated that he first entered his room on February 16, 2023. After reviewing the lock interrogations, Detective Amacker stated he used the room as soon as he received the key, and it could have been on February 16, 2023. Detective Amacker said he was involved in Mardi Gras planning sessions with the NOPD. Detective Amacker advised that during these planning sessions, there was no mention of securing hotel rooms for NOPD personnel. However, during Mardi Gras someone with the NOPD mentioned the NOPD had access to hotel rooms to Detective Amacker, but he was unable to identify who made the statement.

On July 26, 2023, Briankisha Crusto, Sergeant, OPSO, was interviewed by OIG Investigators.⁹ During Mardi Gras 2023, she was a member of the OPSO Command Staff and had a room at the Omni. Sergeant Crusto told OIG Investigators she stayed one night at the Omni.

On July 26, 2023, Laura Veazey, Assistant Sheriff of External Affairs, OPSO, was interviewed by OIG Investigators.¹⁰ Veazey stated she was told that the NOPD obtains hotel rooms so they (OPSO) should have them as well. According to Veazey, she could not recall the source of that information. Veazey said obtaining hotel rooms was a public safety decision. When asked, who at OPSO made that decision, she also could not recall. Veazey said that a representative at the Chief Administrative Office (CAO) helped the OPSO secure hotel rooms. Veazey again stated that

⁷ See Exhibit No. 6, MOI of Fox dated July 26, 2023.

⁸ See Exhibit No. 7, MOI of Amacker dated July 26, 2023.

⁹ See Exhibit No. 8, MOI of Crusto dated July 26, 2023.

¹⁰ See Exhibit No. 9, MOI of Veazey dated July 26, 2023.

she could not recall who at the CAO's office assisted her. Veazey confirmed she stayed at the Omni from February 14-22, 2023. Veazey said no one person at the OPSO had the lead for obtaining hotel rooms, but nothing was done without Sheriff Hutson's approval. She did not remember who initiated reserving hotel rooms for the OPSO Command Staff. She said Morales spoke with Sheriff Hutson about the concept and that she (Veazey) eventually agreed to the plan after the Sheriff's approval. Veazey advised that she resides in Orleans Parish. She further added that Sheriff Hutson did not stay at the Omni.

On August 3, 2023, Kevin Talley, Detective Internal Affairs, OPSO, was interviewed by OIG Investigators.¹¹ Detective Talley was unable to identify whose idea it was to reserve hotel rooms for the OPSO Command Staff. Detective Talley believed that rooms for the OPSO Command Staff were unnecessary for Mardi Gras 2023. He added that most of the OPSO personnel who worked the Mardi Gras details worked 18-19 hours per day. Talley said he was offered a room for Mardi Gras by Silas Phipps, Interim Compliance Director, OPSO. He believed he did not need a room during Mardi Gras. After the first offer from Phipps, Talley was again asked by either Phipps or Assistant Sheriff Veazey about his hotel room. He was informed the room was not just for him, but for anyone who may need one. Talley said he received a phone call from Veazey informing him that she had his hotel room key to the Omni. Talley said he got the key and went to the hotel to see the room. After going inside, he noted that the room was "nice" but unnecessary. Detective Talley returned the hotel key to Veazey and did not use the room.

On August 3, 2023, Dana Busby, Deputy Sheriff, OPSO was interviewed by OIG Investigators.¹² She stated that the OPSO did need to secure rooms for those outside officers that came into New Orleans to assist with the 2023 Mardi Gras security details. Busby did not believe the OPSO needed to provide rooms to the OPSO Command Staff at Mardi Gras. Busby said she received a room during Mardi Gras but only used it for the night of Lundi Gras (February 20, 2023). According to Busby, she never requested a room, but was told about the rooms by former Assistant Sheriff Morales and Assistant Sheriff Veazey. Busby advised that she received her Omni room key from Veazey. Busby said she did not place a personal credit card on file at the Omni for incidental expenses.

On August 3, 2023, Lance Wade, Lieutenant Intelligence Division, OPSO, was interviewed by OIG Investigators.¹³ Lieutenant Wade identified the OPSO representative with overall direction for Mardi Gras as former Assistant Sheriff Kristen Morales. Lieutenant Wade did not know who made the decision for OPSO to provide hotel rooms to the OPSO Command Staff during Mardi Gras. He said he was informed by either Morales or Assistant Sheriff Veazey about having a hotel room

¹¹ See Exhibit No. 10, MOI of Talley, dated August 3, 2023.

¹² See Exhibit No. 11, MOI of Busby, dated August 3, 2023.

¹³ See Exhibit No. 12, MOI of Wade, dated August 3, 2023.

for Mardi Gras. Lieutenant Wade said he received his room key from Deputy Busby. Lieutenant Wade said he only stayed one night in room 611 during the time the hotel room was reserved. Lieutenant Wade said he has worked previous Mardi Gras details and heard hotel rooms were donated to the NOPD and the OPSO. He reiterated his belief the rooms for the OPSO Command Staff were donated to the OPSO. Lieutenant acknowledged the rooms were not needed for the number of nights obtained.

On August 3, 2023, Ernest Newman, Lieutenant Investigative Services Bureau, OPSO, was interviewed by OIG Investigators.¹⁴ Lieutenant Newman stated that when he learned of hotel rooms being available for the OSPO Command Staff, he spoke to Assistant Sheriff Veazey and obtained his hotel room from her. According to Lieutenant Newman, an email was sent to the OPSO Command Staff indicating rooms were available. This email was sent to select members of the OPSO Command Staff by Deputy Silas Phipps dated February 14, 2023.¹⁵ Lieutenant Newman said he went to the Omni, and received his room key from the front desk. He used his personal credit card for hotel incidentals. Lieutenant Newman advised he stayed one night at the hotel and does not know if anyone else used the room.

On August 8, 2023, Anthony Fricano, Lieutenant, OPSO, was interviewed by OIG Investigators.¹⁶ Lieutenant Fricano recalled receiving an email from Deputy Silas Phipps stating, "Hey Team! In the event that we can secure hotel rooms this weekend, who has to travel a distance and would possibly need one? Thanks, Silas."¹⁷ According to Lieutenant Fricano, this information was of interest to him because he lives in Slidell. He said he did not hear anything again about hotel room availability until he was handed a hotel room key on the parade route by Assistant Sheriff Veazey. Lieutenant Fricano stated that he used the hotel room on two nights; Sunday, February 19, 2023, and the night of Lundi Gras, February 20, 2023. Fricano felt the number of nights in which hotel rooms were reserved was unnecessary.

On August 8, 2023, Tanya Picard, Captain, OPSO, was interviewed by OIG Investigators.¹⁸ Captain Picard stated that it was former Assistant Sheriff Morales who decided to reserve hotel rooms for Mardi Gras. Captain Picard advised she lives in Slidell, LA and the rooms which were rented were for out-of-town personnel. Captain Picard believed the rooms were not needed for as long as they were obtained by the OPSO. Captain Picard was provided a room on the second weekend of Mardi Gras by the OPSO. The room was available from Thursday, February 16, through the Wednesday after Mardi Gras Day, February 22, 2023. Picard was assigned room number 571 but only used it for three nights, Sunday February 19, 2023 thru Tuesday, February 21, 2023. Captain

¹⁴ See Exhibit No. 13, MOI of Newman, dated August 3, 2023.

¹⁵ See Exhibit No. 14, Phipps email, Tuesday February 14, 2023 at 3:26 PM.

¹⁶ See Exhibit No. 15, MOI of Fricano, dated August 8, 2023.

¹⁷ See Exhibit No. 14, Phipps email dated Tuesday February 14, 2023 at 3:26 PM.

¹⁸ See Exhibit No. 16, Picard MOI dated August 8, 2023.

Picard said she did not have to check in at the front desk and did not provide a personal credit card for incidental expenses. Captain Picard said Morales gave her the room key in an envelope with the room number printed on it.

On August 16, 2023, Paul Leblanc, owner of LAK9, was contacted telephonically by OIG Investigators.¹⁹ LeBlanc advised an individual he knew, Edward Sieja, was familiar with OPSO Sheriff Hutson. Sieja wanted Leblanc to pay for the hotel rooms. Leblanc said his name was associated with the rooms because Sieja invoked his name to the OPSO. LeBlanc said that Sieja had a police commission from Rapides Parish. LeBlanc did not know anyone affiliated with the OPSO until he met them while discussing the donation for the Mardi Gras hotel rooms used by the OPSO Command Staff. This meeting was aired by the news media in New Orleans. During this meeting, Leblanc was made an Honorary Deputy by Sheriff Hutson and photographs were taken during this meeting. LeBlanc said he met former Assistant Sheriff Morales during the photograph session and that Sieja had a connection to the OPSO through Morales. LeBlanc said he later withdrew the donation offer and has not paid any money for the Mardi Gras hotel rooms.

On September 6, 2023, David Trautenberg, former Chief Financial Officer, OPSO, was interviewed by an OIG Investigator.²⁰ Trautenberg was not involved in the negotiations with the CEA between the City and the OPSO. Trautenberg noted that former Assistant Sheriff Kristen Morales and Assistant Sheriff Laura Veazey were involved in the negotiations regarding the CEA. He is unaware to what extent. Trautenberg first learned of hotel rooms being reserved by the OPSO during Mardi Gras when Veazey indicated a purchase order was being requested by the Sheraton Hotel. He thought the room reservations pertained to outside deputies and officers coming into New Orleans to assist with the Mardi Gras security. Trautenberg noted if that would have been the case, the City was responsible for securing those rooms for law enforcement officers. Trautenberg contacted the Sheraton and inquired about the rooms being requested. It was during this conversation he learned the rooms were for OPSO personnel. Trautenberg said that hotel rooms were not needed by the OPSO so he did not provide a purchase order as requested. The OPSO did not pay for the rooms at the Sheraton.

According to Trautenberg, rooms for the OPSO Command Staff were also secured at the Omni for Mardi Gras. He was not involved in reserving these rooms and noted that OPSO staff member Elaine Frantz is the person who normally obtains rooms and travel for OPSO staff. Trautenberg recalled that Morales and Veazey reserved the rooms at the Omni. Upon learning that rooms had been reserved at the Omni, Trautenberg spoke to Sheriff Hutson. He told Sheriff Hutson the rooms were not needed for OPSO Command Staff because OPSO vehicles were available to transport any deputies home if necessary. Additionally, he advised Sheriff Hutson mattresses

¹⁹ See Exhibit No. 17, Leblanc MOI dated, August 16, 2023.

²⁰ See Exhibit No. 18, Trautenberg MOI, dated September 6, 2023.

could be pulled out and used to sleep on at the training academy. He noted this was similar to the hurricane protocol used by the OPSO. Sheriff Hutson told Trautenberg she was informed by Morales the NOPD and Louisiana State Police obtained rooms for their staffs. Trautenberg did not know what other agencies do for Mardi Gras but he did not think OPSO needed hotel rooms and he did not support the idea.

Trautenberg recalled having an occasion to speak with John Scott, Lieutenant and Training Academy Manager, OPSO. Scott informed Trautenberg that a room was reserved for him but he never stayed in the room. Trautenberg was called into OPSO Chief of Staff John Williams' office and instructed to cease any further investigation into the hotel rooms reserved for Mardi Gras. Williams told Trautenberg that Sheriff Hutson was going to have Silas Phipps investigate the hotel rooms issue. He informed Williams that Phipps was one of the OPSO employees who received a room at the Omni.

Trautenberg's concern about the hotel rooms reserved at the Omni for Mardi Gras arose from his belief they were unnecessary. In addition, he felt OPSO reserving hotel rooms at the Omni during Mardi Gras and paying for them with tax dollars was not a good look to the taxpayer.

Nick Gernon, Deputy Superintendent, NOPD, was interviewed by an OIG Investigator on September 12, 2023.²¹ Superintendent Gernon stated that for Mardi Gras 2023, the NOPD did not provide hotel rooms for their officers or command staff working Mardi Gras. Since moving into the Command Staff of NOPD in 2016, he is unaware of any hotel rooms being obtained for NOPD Command Staff during Mardi Gras. After consultation with other NOPD leadership about hotel rooms at Mardi Gras, Superintendent Gernon stated he was unable to find any indication of NOPD obtaining hotel rooms during Mardi Gras for their Command Staff.

David Bilbe, General Manager, Omni, was interviewed by an OIG Investigator on September 29, 2023.²² The Omni did not require the reservations made by the OPSO to have a minimum number of nights stay. However, the room rate charged was based upon the length of stay. Bilbe identified the point of contact for the OPSO in regard to the hotel rooms as Assistant Sheriff Veazey.

Elizabeth Boyer, Director of Finance, OPSO, was interviewed by OIG Investigators on October 12, 2023.²³ Boyer confirmed the OPSO credit card was used to pay for the hotel rooms utilized at the Omni during Mardi Gras. The credit card bill was paid using the general fund of the OPSO. After Mardi Gras, the possibility of having a donor pay the costs of the hotel rooms was considered.

²¹ See Exhibit No. 19, Gernon MOI dated, September 12, 2023.

²² See Exhibit 20, Bilbe MOI, dated September 29, 2023

²³ See Exhibit 21, Boyer MOI, dated October 12, 2023

However, that possibility never came to be and the idea of using the Special Projects Account to pay the room costs was considered.

Boyer indicated the Special Projects Account was created by a previous sheriff for the OPSO. Boyer noted the account is used to hold rental income from television or movie production companies received by the OPSO. During the interview, OIG Investigators noted to Boyer these were public funds to which Boyer replied they were Law Enforcement District Funds. The rental income being received is related to the currently closed Templeman 5 building.

CONCLUSIONS

As was initially described by Sheriff Hutson and the OPSO to local media, LAK9, a dog training business located in Vermilion Parish, had initially offered to pay the costs of the hotel rooms via a donation. OIG Investigators were told by the owner of LAK9, Paul Leblanc, that the donation idea was originally suggested by Edward Sieja, an individual not associated with LAK9. Leblanc later declined to make the donation to OPSO for the cost of the hotel rooms at the Omni. Leblanc stated the donation could affect future business with the OPSO.

Based upon the review of records obtained from the Omni, a total of 90 room nights were secured and paid for by the OPSO. In the OIG analysis of the Omni records and interviews conducted of OPSO employees, 37 hotel nights were occupied by the OPSO Command Staff. As illustrated in **Figure 2** below, four employees stayed six nights or more, three employees did not occupy a room at all, and six employees stayed three nights or less in a room secured and paid for by the OPSO.

Figure 2: Table of nights rooms were occupied at Omni.

Employee		Room Rate	Nights Rented	Nights Used	Total Room Charges	Charge for Unused Rooms
Corey	Amacker	\$160.00	8	6	\$1,280.00	\$320.00
Dana	Busby	\$271.00	6	1	\$1,626.00	\$1,355.00
Briankisha	Crusto	\$160.00	8	1	\$1,280.00	\$1,120.00
Earl	Fox	\$160.00	8	0	\$1,280.00	\$1,280.00
Anthony	Fricano	\$271.00	6	2	\$1,626.00	\$1,084.00
Kristen	Morales	\$160.00	8	8	\$1,280.00	\$0.00
Ernest	Newman	\$271.00	4	1	\$1,084.00	\$813.00
Silas	Phipps	\$160.00	8	6	\$1,280.00	\$320.00
Tanya	Picard	\$271.00	6	3	\$1,626.00	\$813.00
John	Scott	\$160.00	8	0	\$1,280.00	\$1,280.00
Kevin	Talley	\$271.00	6	0	\$1,626.00	\$1,626.00
Laura	Veazey	\$160.00	8	8	\$1,280.00	\$0.00
Lance	Wade	\$271.00	6	1	\$1,626.00	\$1,355.00
Totals			90	37	\$18,174.00	\$11,046.00

This table depicts approximately a 41% occupancy rate of the rooms reserved by the OPSO. Consequently, the OPSO incurred a cost of \$11,046 for hotel rooms which went unoccupied by the OPSO Command Staff. The OIG was unable to determine if any family members of the OPSO Command Staff occupied rooms at the Omni which were left vacant by other staff members non-use. The Omni records do not indicate a room was reserved for Sheriff Hutson.

A consensus during the interviews regarding the hotel rooms pertained to the incorrect assumption the NOPD provided rooms for their command staff. As noted in the interview of Deputy Superintendent Nick Gernon, he confirmed to the OIG Investigator that the NOPD did not provide rooms to its officers or command staff working Mardi Gras 2023 and has not in previous Mardi Gras seasons.

Under the terms of CEA entered into by Sheriff Hutson and the City, the OPSO was contracted with the City during Mardi Gras 2023.²⁴ As a contractor, the OPSO had to adhere to the requirements of CAO Policy Memorandum NO. 139, City of New Orleans Fraud, Waste, and Abuse Policy, which states, “The City of New Orleans (the “City”) is committed to being a good and responsible steward of all public funds. The City has zero tolerance for the commission or concealment of acts of fraud, waste, or abuse. This policy shall also apply to any external persons, entities, or organizations contracting with the City.”²⁵ The fact that OPSO incurred a cost of \$11,046 for hotel rooms which went unoccupied by the OPSO Command Staff during the Mardi Gras detail may constitute a violation of CAO Policy Memorandum NO. 139.

In addition, the OPSO received nearly \$56 million from the City for 2023.²⁶ As expressly articulated in CAO Policy Memorandum NO. 139, Section V - External Persons, Entities or Organizations Obligations:

“All such persons, entities, or organizations shall maintain industry-accepted internal controls and processes at all times while under contracting with the City. Failure to maintain such controls and processes may constitute a breach of contract and provide grounds for immediate termination for cause.”

It is demonstrably evident the OPSO would fall under this Policy Memorandum and be required to exercise the appropriate controls to eliminate fraud, waste, and abuse in regard to monies awarded by the City.

As illustrated in **Figure 2** above, \$11,046 of the OPSO funds were spent wastefully and unnecessarily. This conclusion is based upon a total of 90 nights of hotel rooms paid for by the

²⁴ See Exhibit No. 2, CEA K23-100 between the City and OPSO, effective date February 10, 2023.

²⁵ See Exhibit No. 1, CAO Policy Memorandum No. 139

²⁶ See Exhibit No. 22, The City of New Orleans 2023 Annual Operating Budget, Page 102.

OPSO. The investigation found 53 of the nights paid for were not used. As found during the investigation, employees did not use the room, some employees believed rooms were unnecessary, and other employees felt the length of stay was excessive.

Recently disclosed information in media reports by the OPSO related to the cost of the Mardi Gras hotel rooms, claimed the rooms were paid out of a “special projects account” which uses money from sources like “vending machines and fundraisers.”²⁷ As noted in the OIG interview of Elizabeth Boyer, Comptroller, OPSO, the special projects account is funds from donations and income for the Law Enforcement District of Orleans Parish. However, as noted in Louisiana Revised Statutes 13:5901, the purpose of the district is to provide financing to the Sheriff. La. R.S. 13:5908 requires that all funds collected by the District be paid into the Sheriff’s general fund and disbursed in accordance with law and subject to the State public bid laws.

It is apparent the wasteful expense associated with the Mardi Gras hotels rooms; which from the news report and the Boyer interview may be reimbursed to the General Fund of the OPSO by the Special Projects Account still constitutes a wasteful use of public funds. The Law Enforcement District of Orleans Parish is a political subdivision of the State of Louisiana and by creation is a public entity.

RECOMMENDATIONS

The funds expended by the OPSO for hotel rooms obtained during Mardi Gras 2023 for the command staff was wasteful and unnecessary. David Trautenberg, the former Chief Financial Officer, OPSO, believed the expense to be unnecessary, a bad look to the taxpayers and expressed his concerns.²⁸ In accordance, the OIG recommends future expenditure of taxpayer or public funds be scrutinized in order to ensure the funds are appropriate and relate to the successful completion of any OPSO mission. The wasteful expenditure of any funds, taxpayer or public, must be prevented to ensure the government is a steward of those funds.

It is the position of this office that there would be substantial benefits for the City and its taxpayers if the OPSO adopts the Budget, Requisition, and Accounting Services System (BRASS) replacing the OPSO’s Enterprise Resource Planning (ERP) system which is an outdated purchasing system.

Although the CEA between the City and OPSO was stored by the City in BRASS, OPSO has no comparable system. OPSO’s adoption of BRASS as its purchasing system in place of ERP would greatly improve transparency. This would also address concerns raised by various city councilmembers during previous budget hearings. BRASS has the ability to allow read-only access

²⁷ See Exhibit No. 23, wwltv.com article, October 9, 2023

²⁸ See Exhibit No. 18, Trautenberg MOI, dated September 6, 2023.

to important stakeholders. This will reassure the City, who appropriates more than 70% of OPSO's budget, that those City funds will be spent effectively and efficiently.

If you wish to speak to me, I can be contacted at (504) 681-3263 or via email at emichel@nolaoig.gov.

Sincerely,

A handwritten signature in blue ink that reads "Edward Michel". The signature is written in a cursive style with a prominent initial "E".

Edward Michel, CIG
Inspector General
City of New Orleans

EXHIBITS ATTACHED

- Exhibit 1: City of New Orleans Chief Administrative Office Policy Memorandum NO. 139 (3 pages)
- Exhibit 2: CEA K23-100 between the City and OPSO, effective date February 10, 2023 (12 pages)
- Exhibit 3: Subpoenaed records received from the Omni Royal Hotel (129 Pages)
- Exhibit 4: Silas Phipps MOI, dated July 26, 2023 (2 pages)
- Exhibit 5: John Scott MOI, dated July 26, 2023 (1 page)
- Exhibit 6: Earl Fox MOI, dated July 26, 2023 (1 page)
- Exhibit 7: Corey Amacker MOI, dated July 26, 2023 (2 pages)
- Exhibit 8: Briankisha Crusto MOI, dated July 26, 2023 (2 pages)
- Exhibit 9: Laura Veazey MOI, dated July 26, 2023 (2 pages)
- Exhibit 10: Kevin Talley MOI, dated August 3, 2023 (1 page)
- Exhibit 11: Dana Busby MOI, dated August 3, 2023 (1 page)
- Exhibit 12: Lance Wade MOI, dated August 3, 2023 (1 page)
- Exhibit 13: Ernest Newman MOI, dated August 3, 2023 (1 page)
- Exhibit 14: Silas Phipps email from Tuesday, February 14, 2023 @ 3:26 pm (1 page)
- Exhibit 15: Anthony Fricano MOI, dated August 8, 2023 (1 page)
- Exhibit 16: Tanya Picard MOI, dated August 8, 2023 (1 page)
- Exhibit 17: Paul Leblanc MOI, dated August 16, 2023 (1 page)
- Exhibit 18: David Trautenberg MOI, dated September 6, 2023 (2 pages)
- Exhibit 19: Nick Gernon MOI, dated September 12, 2023 (1 page)
- Exhibit 20: David Bilbe MOI, dated September 29, 2023 (1 page)
- Exhibit 21: Elizabeth Boyer MOI, dated October 12, 2023 (1 page)
- Exhibit 22: The City of New Orleans 2023 Annual Operating Budget, page 102 (1 page)

Exhibit 23: “Several hotel rooms to house sheriff’s staff during Mardi Gras were empty”,
Mike Perlstein, October 9, 2023, www.wvltv.com (4 pages)