

## **An allegation that the Mayor's Office of Youth and Families was directing the disbursement of monies donated to the private non-profit Forward Together New Orleans.**

March 21, 2024

### **Purpose of This Report**

The OIG received an anonymous complaint that the Mayor's Office of Youth and Families (OYF) was directing the disbursement of monies donated to Forward Together New Orleans (FTNO). FTNO served as the transition committee for Mayor-elect LaToya Cantrell. After the OIG initiated an investigation based on the anonymous complaint, an additional request for the OIG to investigate FTNO's receipt and use of City funds was made by the City Council of New Orleans (Council) on April 27, 2022. The Council's Resolution NO. R-22-203 stated, **"BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS**, That the Council also requests the OIG investigate monies being awarded to nongovernmental agencies through one-year CEAs, including public monies being diverted to Forward Together New Orleans."

### **What the OIG Found**

- FTNO's receipt of donations from a City Contractor demonstrated a potential conflict of interest for a City employee who was a FTNO board member.
- A City employee at OYF directed the expenditure of funds donated to FTNO. This also demonstrated a potential conflict of interest because those funds included donations from a City contractor.
- FTNO's Former Executive Director expressed concern and objected to a City employee's direct involvement with FTNO and its daily operations, ultimately attempting to operate FTNO independently in a direction contrary to the FTNO board. As a result of those attempts, he was terminated from FTNO.

### **What the OIG Recommended**

- The City must maintain sufficient documentation to confirm that City funds provided to non-profits and other charitable organizations are properly characterized, expended, and utilized in a manner consistent with the agreed-upon terms outlined within a Cooperative Endeavor Agreement (CEA).
- The City should add a section to its current financial disclosure form requiring City employees to disclose any service they provide to non-profits or other charitable organizations that receive funds from the City.

### **Statement of Inspector General**

"After the OIG initiated its investigation, the FTNO board disclosed its intent to dissolve FTNO. As part of the dissolution process, FTNO returned a cashier's check to the City for \$1,063,410.40. Non-profits and charitable organizations receiving City funds should remember they are acting as stewards of public funds through the authority granted by the City for the purposes outlined in a CEA. The City must verify those funds are utilized in accordance with the terms of the CEA and maintain adequate supporting documentation to demonstrate the effectiveness of the efforts being performed by the non-profit or charitable organization. The City should also implement policy to ensure possible conflicts of interest are disclosed prior to entering into CEAs with non-profits and other charitable organizations."

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