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MEDIA CONTACT:

Laura McKnight, Public Information Officer
504-681-3203
lmcknight@nolaoig.gov

OIG FINDS ORLEANS PARISH COMMUNICATION DISTRICT VIOLATED POLICY WITH \$6 MILLION CONTRACT FOR POLICE DATA SYSTEM THAT NEVER LAUNCHED

The **New Orleans Office of Inspector General (OIG)** today released a report finding the Orleans Parish Communication District (OPCD) used a non-transparent process and violated its own purchasing policy when entering a \$6 million contract for software intended to manage data for the New Orleans Police Department and Orleans Parish Sheriff's Office.

The OIG report details findings of our evaluation of the OPCD's multimillion-dollar contract with Hexagon OnCall Records. The OPCD entered into the Hexagon contract in December 2020. Two and a half years later, after spending nearly \$3 million in public money, the OPCD cancelled the contract, leaving the NOPD without a comprehensive Records Management System (RMS). Law enforcement agencies rely on these data-management systems to securely document their work, comply with federal crime reporting requirements, and increase efficiency.

In reviewing documents related to the Hexagon contract, the OIG found:

- The OPCD used a non-transparent process that deviated from standard practices and violated the OPCD's own internal purchasing policies by lacking documentation of proposals from alternate vendors. The OPCD was unable to show that multiple vendors were considered.
- The OPCD purchased a product that did not meet the needs identified by the agency. The OPCD was unable to provide documentation that the proposal was evaluated based on pre-established criteria and specifications prior to purchasing the software. NOPD Information Technology staff identified 171 technical requirements, or about 24% of total requirements, that were at least partially unmet or undemonstrated by the product. NOPD's IT staff also noted the product did not meet some specifications needed for compliance with the NOPD's federal consent decree and crime reporting obligations.
- The OPCD's former executive director signed the Hexagon contract without prior approval and altered board documents to secure financing for the project. The OPCD's policies did not explicitly authorize any individual to sign contracts over \$30,000, leaving questions about whether the Executive Director was authorized to sign a \$6 million contract. Due to vague policy provisions, the agency's former executive director was able to enter into the Hexagon contract without a board

resolution specifically authorizing him to do so. In addition, while the former executive director did obtain board approval to finance the project, he subsequently altered the original board resolution to obtain financing from a different bank than originally specified, under different terms.

Based on these findings, the OIG made the following recommendations:

- The OPCD should revise its procurement policies to include internal controls for documentation and the approval process.
- The OPCD should adopt an evaluation process for all competitive procurements that is consistent with best practices to ensure the selection of products that meet the needs of the organization.
- The OPCD should clearly define the roles and responsibilities of the Board of Commissioners and the executive director. Further, the OPCD should establish a formal process for entering collaborative partnerships with other governmental entities.

In its official response, the OPCD accepted these recommendations and noted several steps the agency had already taken to improve internal controls.

Inspector General Ed Michel stated:

“When the OPCD entered into the Hexagon contract, the NOPD was contending with a substantial shortage of officers, and both NOPD and OPSO were working to comply with federal consent decrees that required improved documentation and analysis of law enforcement activities. The OPCD’s executive director had an opportunity to mitigate the strain on these agencies by providing a data management system that increased efficiency, supported consent decree compliance, and ultimately improved safety for New Orleans residents and visitors. Instead, the OPCD spent millions in taxpayer money on a software system that did not meet the identified needs and was never launched. While we are disappointed with the waste of taxpayer funds, we are encouraged by the OPCD’s efforts to implement stronger procurement policies and procedures to ensure future purchases are efficient and comply with procurement best practices.”

To view the report, visit nolaoig.gov.

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