

# **MONTHLY REPORT**

**JULY 2025**



# **OIG**

**NEW ORLEANS  
OFFICE OF INSPECTOR GENERAL**

**EDWARD MICHEL, CIG  
INSPECTOR GENERAL**

# ADMINISTRATION DIVISION

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# 2,079

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## ADMINISTRATION

The Office Manager is responsible for the following:

- Human Resources
- Finance
- Procurement Process
- Operations

## INFORMATION SECURITY

The OIG Information Security Specialist is responsible for maintaining the OIG's information technology (IT) integrity through:

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

## COMMUNICATIONS

The Public Information Officer is responsible for the following:

- Public and Media Relations
- Social Media
- Monthly and Annual Reports to the ERB
- Editing | Writing | Reviewing

# AUDIT & REVIEW DIVISION

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



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

- NOAB Contract Audit
- EMS Response Time
- New Orleans Recreation Department Maintenance Audit
- Non-profit Property Tax Exemptions

## **Project Phase Descriptions:**

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

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

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

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

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

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

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

# MEASURING PROGRESS

## AUDIT AND REVIEW DIVISION

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

Project Name	Project Phase <sup>1</sup>	Anticipated <sup>2</sup> Completion Date
NOAB Contract Audit	Fieldwork	Ongoing
<b>Summary of Objectives:</b> The purpose of the audit is to verify NOAB management compliance with relevant policies and procedures while procuring professional services contracts and assess the effectiveness of NOAB management controls in ensuring vendor compliance with contract terms.		
EMS Response Time	Fieldwork	Ongoing
<b>Summary of Objectives:</b> The purpose of the audit is to determine whether the City is responding to medical emergencies timely and in accordance with their policies and national standards.		
New Orleans Recreation Department Maintenance Audit	Fieldwork	Ongoing
<b>Summary of Objectives:</b> The objective of the audit is to determine whether NORD maintained their facilities in accordance with policy and best practices.		
Non-profit Property Tax Exemptions	Planning	Ongoing
<b>Summary of Objectives:</b> The objective of the audit is to determine if the City is adequately verifying the eligibility of non-profits exempt from paying property taxes, as well as to determine if organizations are improperly included as exempt.		

### Footnotes:

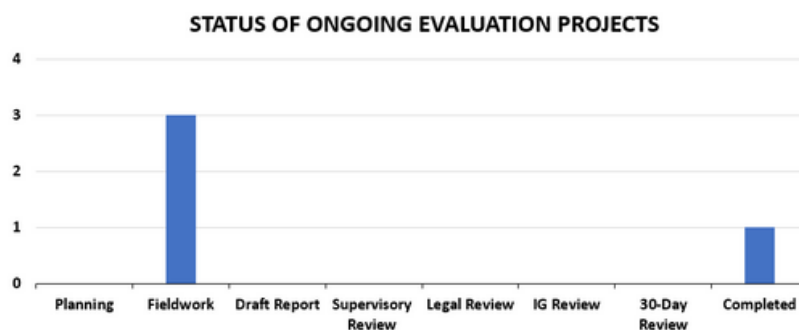
**1** - Project phase determination is based on the objective(s), scope, and methodology for each project. It is not determined by a standard set of hours and/or phase deadline.

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



# INSPECTIONS & EVALUATIONS DIVISION

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



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

- NORD Commission and NORD Foundation Annual Audit Requirements
- NORD Booster Clubs and Athletic Teams Resources
- Traffic Camera Safety Program Follow-Up
- Equipment Maintenance Division Fleet Management

## **Project Phase Descriptions:**

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

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

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

# MEASURING PROGRESS

## INSPECTIONS AND EVALUATIONS DIVISION

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

Project Name	Project Phase <sup>1</sup>	Anticipated <sup>2</sup> Completion Date
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NORD Commission and  
NORD Foundation Annual  
Audit Requirements

Completed

Released July 9,  
2025

**Summary of Objectives:** To determine whether the NORD Commission and NORD Foundation met their legal obligations to obtain audits and sworn financial statements.

NORD Booster Clubs and  
Athletic Teams Resources

Fieldwork

Ongoing

**Summary of Objectives:** To determine whether NORD has sufficient controls in place to ensure that teams comply with NORD policies and with the law as well as to assess whether NORD's youth athletics registration fee policies and procedures result in equitable and consistent opportunities for the City's youth.

Traffic Camera Safety Program  
Follow-Up

Fieldwork

Ongoing

**Summary of Objectives:** To determine whether the City adopted the changes recommended in the OIG's 2020 report Management and Operations of the Traffic Camera Safety Program.

Equipment Maintenance Division  
Fleet Management

Fieldwork

Ongoing

**Summary of Objectives:** To determine if the EMD has policies and procedures to adequately maintain, inventory, and surplus City equipment in an efficient and effective manner.

### Footnotes:

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

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

# INVESTIGATION DIVISION

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## **OIG seeks information following arrest of City tow truck driver**

The New Orleans Office of Inspector General (OIG) and Louisiana State Police Troop NOLA conducted a joint investigation of a City of New Orleans employee who allegedly used his position for personal gain. The investigation revealed that a City tow truck driver was bypassing the official tow process by accepting cash payments in exchange for not towing vehicles.

In late July, that individual was arrested by Louisiana State Police on charges of malfeasance in office, obstruction of justice, and injuring public records. In connection with this case, the OIG is seeking information from anyone who may have been asked to pay cash by a City of New Orleans tow truck driver in exchange for the release of their vehicle.

## **Contractors lose business licenses and Qualifying Party Status**

The Louisiana State Licensing Board for Contractors (LSLBC) revoked the Qualifying Party Status of three contractors along with licenses for two of their associated businesses in a July 17 hearing. Those losing their Qualifying Party Status and licenses include Jon Andersen and his company, Andersen Design + Build LLC and James Louis Jones and Daisy Mae Jones, and their company, JLJ Construction LLC. Contractor Freddie Baker Jr. also lost his Qualifying Party Status at the July hearing. His business, A-Cubed Corp., had previously lost its business license.

In the cases of Andersen and Baker, the revocations were made in connection with alleged fraudulent documents submitted to the New Orleans Department of Safety & Permits. Baker also had numerous state contracting law violations. Regarding the Joneses, the revocations were made in connection with alleged patterns of gross deviation from New Orleans Sewerage and Water Board standards and a series of state contracting law violations.

## **State appeals court upholds firing of City inspector**

Louisiana's Fourth Circuit Court of Appeals ruled July 14 to uphold the City's termination of a former inspector for the Department of Safety and Permits. The inspector was fired following an OIG investigation into improper permitting procedures.

## **Department of Safety and Permits (DSP) Initiative in review phase**

This joint initiative with the Louisiana State Licensing Board for Contractors (LSLBC) is working to identify ways to ensure effective operations of DSP. As part of the initiative, OIG staff have been assigned to DSP to review policies, procedures, and internal controls with a focus on identifying and mitigating gaps and weaknesses. This report is under supervisory review.

# INVESTIGATION DIVISION

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## ONGOING PROSECUTIONS

The Investigation Division also continues to assist in the criminal prosecutions of Leessa Augustine, Tyrell Morris, Gabriel Thomas, and Jeffery Vappie II.

**Augustine**, a former New Orleans SWBNO Senior Special Agent and reserve NOPD officer, pled guilty June 11 to two counts of wire fraud relating to an emergency benefit, one count of wire fraud affecting a financial institution, and one count of making false statements to investigators. Her sentencing is set for Sept. 16, 2025.

**Morris**, former Executive Director of the Orleans Parish Communication District (OPCD), was indicted on charges of insurance fraud, malfeasance in office, impersonation of a police officer, and second-degree injuring of public records. Morris is scheduled for trial Aug. 12, 2025.

**Thomas**, a former SWBNO employee, was arrested by Louisiana State Police's Troop NOLA on Dec. 27, 2024 as part of a joint investigation into brass and copper thefts from SWBNO. An OIG Investigator appeared at a July 9 motions hearing in Orleans Criminal District Court as part of this case.

**Vappie**, a former NOPD officer, was indicted on seven counts of wire fraud in connection with falsifying NOPD timecards. He was additionally indicted for making false statements to federal agents. His trial is scheduled for December 2025.

An indictment is merely a charge and the guilt of the defendant must be proven beyond a reasonable doubt.

## BY THE NUMBERS

During July, the Investigation Division received 16 complaints, opened 2 investigations, and served seven requests for documentation.



# 2025 BUDGET

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**Total 2025 Appropriation \$ 4,488,636**

<b>Expenditures</b>		<b>Spent YTD</b>
<b>Personnel</b>		<b>\$ 1,890,141</b>
<b>Operating</b>		<b>\$ 190,921</b>
<b>Total</b>		<b>\$ 2,081,063</b>
<b>Remaining Balance</b>		<b>\$ 2,407,573</b>

# SOCIAL MEDIA



Facebook: @[NewOrleansOIG](#)



New Orleans Office of Inspector General is with Louisiana State Police.

Published by Edward Michel · 4h ·

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The OIG is seeking information from anyone who may have been asked to pay cash to a City of New Orleans tow truck driver in exchange for the release of their vehicle.

If you have knowledge of such cash solicitations, please contact the OIG hotline at 504-681-3247 or [hotline@nolaog.gov](mailto:hotline@nolaog.gov). Tips may be submitted anonymously.

## Has a City of New Orleans tow truck driver solicited you for cash?



The New Orleans OIG wants to hear from you.

Call:

504-681-3247

Email:

[hotline@nolaog.gov](mailto:hotline@nolaog.gov)

Visit:

[NolaOIG.gov/report](https://NolaOIG.gov/report)



New Orleans Office of Inspector General

Published by Edward Michel · July 9 at 12:00 PM ·

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The OIG today released a public letter finding the New Orleans Recreation Department (NORD) Commission and NORD Foundation failed to conduct annual audits and sworn financial statements as required by law.

"NORDC plays a crucial role in our City by providing opportunities for learning, social interaction, and enhanced health and well-being through recreational activities," stated Inspector General Ed Michel. "The importance of these activities, combined with the more than \$22 million investment of public and private money in NORDC, make it imperative that NORDC and the NORD Foundation adhere to the highest standards of financial stewardship."

Read the letter here: <https://nolaog.gov/investigations/>



New Orleans Office of Inspector General

Published by Edward Michel · July 24 at 4:25 PM ·

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Inspector General Ed Michel presented highlights of the OIG's 2024 Annual Report to the Rotary Club of New Orleans this week. IG Michel spoke about several OIG projects and initiatives that contributed to more than \$27 million in potential economic loss prevented in 2024.

Thank you to the Rotary Club for hosting the IG! If your agency or organization would like a presentation or briefing by IG Michel, visit [NolaOIG.gov](https://NolaOIG.gov) and complete a Speaker Request Form.



# SOCIAL MEDIA



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X: @NOLAOIG

neworleansoig 4h

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→ [Nolaolg.gov](https://nolaolg.gov)



New Orleans OIG  
@NOLAOIG



We appreciate @MetroCrimeNOLA for having Inspector General Ed Michel speak today!



MetroCrimeNOLA @MetroCrimeNOLA · Jul 15

Thanks again to New Orleans Inspector General Ed Michel for speaking at our July board meeting about the ways in which his office works towards transparency and accountability in New Orleans.

SPECIAL THANKS TO OUR JULY BOARD MEETING GUEST SPEAKER:

**Ed Michel**  
New Orleans Office of Inspector General



Inspector General Ed Michel addressing MCC board members on the role of his office in New Orleans.

MCC President Rafael Goyeneche with New Orleans Inspector General Ed Michel.

# SOCIAL MEDIA



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**Office of Inspector General City of New Orleans**

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The OIG's Fraud Tip of the Month for July highlights conditions that can lead to fraud.

Similar to the way certain weather conditions are more likely to create storms, certain conditions make fraud more likely to occur. The Association of Certified Fraud Examiners lists the items below as factors that can lead employees to engage in fraud.

To report fraud, waste, abuse, or corruption by City employees or contractors, call our tip line at 504-681-3247, email [hotline@nolaoig.gov](mailto:hotline@nolaoig.gov), or visit [NolaOIG.gov/report](https://nolaoig.gov/report). Tips can be made anonymously.

[#FraudTipOfTheMonth](#) [#GovernmentAccountability](#) [#NolaOIG](#)

NEW ORLEANS OIG

## FIGHTING FRAUD

### TIP OF THE MONTH

#### Conditions That Can Lead to Fraud

- **Perceived financial pressure**  
Financial strain can motivate someone to commit fraud.
- **Perceived opportunity**  
An employee must find an area of opportunity to commit fraud. This happens when assets are easy to access or poorly accounted for, and/or proper oversight and internal controls are missing.
- **Rationalization**  
If an employee has a perceived need to cheat and sees a way to do so, they might rationalize the cheating. Example: "I deserve a raise; it won't hurt anyone."

