



Department of Safety and Permits Permitting and Inspections

Review

October 7, 2025

Edward Michel, CIG

Inspector General





October 7, 2025

Re: Department of Safety and Permits Permitting and Inspections Review

I certify that the inspector general personnel assigned to this project are free of personal or other external impairments to independence.

Edward Michel
Inspector General

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As part of its mission and mandate, the New Orleans Office of Inspector General (OIG) investigates fraud, waste, and abuse. Since 2013, the OIG conducted nineteen investigations at the New Orleans Department of Safety and Permits (S&P) and the Sewerage and Water Board of New Orleans (S&WB) that led to significant actions taken against City of New Orleans (City) employees and third-party inspectors. Twelve S&P employees were fired and two resigned under investigation; two S&WB employees were fired; and three third-party inspectors were completely or partially banned from doing business in the City. As a result of these cases, the OIG conducted a review at S&P to address systemic issues that allowed fraud, waste, and abuse.

The OIG began this review in partnership with City leadership, including the Office of the Chief Administrative Officer (CAO), the Office of the Deputy Chief Administrative Officer for Business and External Affairs (DCAO), and S&P. The Louisiana State Licensing Board for Contractors was also an integral partner in the initiative. The OIG embedded staff in S&P from September 23, 2024, until December 13, 2024. In particular, OIG staff observed S&P's internal controls, policies, procedures, and practices regarding its building permitting and inspection operations. This review, including its observations and recommendations, is based on interviews and interactions with almost three dozen former and current City and S&P personnel, who graciously provided time, insights, information, and data.

OIG staff made numerous observations regarding S&P over the course of these several months. Two overarching observations were particularly significant:

First, several independently-conducted external assessments of S&P were conducted since early 2021. These separate, stand-alone assessments focused either directly or indirectly on S&P's management, governance, and operations. However, few of the substantive recommendations from these assessments have been fully adopted and/or implemented by City officials.

Second, OIG staff observed a substantial lack of internal controls. Specifically, OIG staff observed the following:

- S&P lacked an effective system of internal controls, including a coherent set of operational policies and procedures, and oversight and accountability mechanisms;

- S&P's permitting and inspections divisions lacked formal training policies and procedures;
- S&P's permitting and inspection divisions lacked a clear and consistent workflow structure;
- S&P lacked robust internal review mechanisms for approved permits and inspections;
- S&P did not consistently enforce permitting and inspection requirements and fees for inappropriate or inadequate permit applications and inspections.

The recent independent assessments of S&P conducted within the past few years consistently found similar gaps and weaknesses concerning S&P's management, governance, and operations. However, OIG staff observed that S&P had implemented few of the proposed recommendations. City officials should now prioritize implementation of these recommendations to ensure efficient and effective permitting and inspections operations at S&P. The OIG believes that significant positive change can be made fairly quickly if the mayor, CAO, DCAO, S&P management and City Councilmembers combine their resources in an efficient manner.

The starting point for any reform effort should be S&P's development and implementation of a clearer, more vigorous, and more transparent system of internal controls. The absence of clear policies, procedures, and practices—ranging from basic internal supervisory oversight to standard operating procedures concerning the City's building code—opens S&P's permitting and inspection processes to abuse by bad actors, both internally and externally. Therefore, it is incumbent upon City leadership and S&P management to design and implement a strong internal controls system that incorporates clear policies, procedures, and practices.

The OIG recommends City leadership and S&P management prioritize the following recommendations:

- S&P should establish a coherent set of operational policies and procedures documented in a single, integrated policies and procedures manual. The completed S&P policy manual should establish a clear system of internal controls.
- S&P should establish formal training policies and procedures for each division.

- S&P should create a clear workflow process for permitting and inspections through its LAnd MAnagement (LAMA) platform that cannot be bypassed, up to and including supervisory approval.
- S&P should implement a tracking system in LAMA for permit application and inspection requests that is able to pause the review of certain applications without preventing subsequent applications from moving forward.
- S&P should review and revise LAMA permissions so that employees have access only to the portions of a permit application or inspection request appropriate to their role and responsibilities.
- S&P should restrict permit and inspection approvals to supervisors only.
- S&P should establish a random internal review process to ensure permits and inspections are compliant with S&P policy.
- S&P should establish clear and easily accessible criteria for permit and inspection requests and share checklists with prospective applicants and other external stakeholders.
- S&P should ensure the building code sections of the City Code, including permitting and inspection criteria, fees, and penalties, are easily accessible, and consistently enforce them.
- S&P should work with the City Council to increase fees and penalties for inadequate or inappropriate permit and inspection submissions.
- S&P should establish a tracking system of inadequate permit applications and third-party inspections and institute a sanctions policy for repeat offenders.

I. OBJECTIVES, SCOPE, AND METHODOLOGY

OIG staff were embedded in S&P from September 13, 2024 through December 13, 2024. The objective of this partnership was to observe the management, governance, and internal controls of S&P's building permitting and inspection divisions. OIG staff did not inspect S&P's other divisions, such as the Motor Vehicle Inspection Bureau, Short-term Rental Administration, or Healthy Homes.

While observing S&P's building permitting and inspection functions, OIG staff broadly followed internal controls best practice standards as promulgated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the United States Government Accountability Office (GAO).¹ Since the GAO standards were based on the COSO framework, but more directly address government entities, the GAO standards were more regularly referenced in this review. OIG staff followed the New Orleans Office of Inspector General "Qualitative Standards for Investigations," which was based on the Association of Inspectors General *Principles and Standards for Offices of Inspectors General*.²

This review is a high-level overview informed by these standards and OIG staff members' observations while embedded in S&P. Following the GAO standards, Internal control is defined as "a process affected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved."³ Internal controls are comprised of five components: control environment, risk assessment, control activities, information and communication, and monitoring. Following these best practice standards, internal controls are best understood as "the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity" under inspection.⁴ Such plans, methods, policies, and procedures were the

¹ Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control—Integrated Framework* (Durham, NC: American Institute of Certified Public Accountants, 2013); United States Government Accountability Office, Comptroller General of the United States, *Standards for Internal Control in the Federal Government* (Washington, D.C.: United States Government Accountability Office, 2014).

² Association of Inspectors General, *Principles and Standards for Offices of Inspector General* (New York, NY: Association of Inspectors General, 2022.)

³ United States Government Accountability Office, 5.

⁴ *Ibid.*, 12.

primary, although not exclusive, focus of this review, especially as they pertained to S&P's control environment, control activities, and monitoring. Since fraud, waste, and abuse has been sufficiently covered through other investigations, risk assessment was not covered as part of the review. Information and communication are touched upon only insofar as they relate to the other components of S&P's internal control system.

Methodological approaches included, but were not limited to the following:

- Reviewing relevant policies, contracts, laws, regulations, audits, and other information to obtain an understanding of S&P's authority, responsibilities, organization, and structure;
- Conducting interviews with S&P management and staff to understand S&P permitting and inspection policies and practices and S&P's capacity to effectively implement such policies and practices;
- Reviewing samples of S&P work processes and products;
- Identifying sources, sufficiency, and appropriateness of evidence; and
- Collaborating with those charged with governance to find and access the necessary documents, data, and personnel.

In particular, OIG staff interviewed thirty-two S&P-related personnel, including current and former senior City and departmental leadership, as well as almost all personnel in S&P's building permit intake division, plan review division, building inspection division, mechanical inspection division, and electrical inspection division. OIG staff also interviewed relevant personnel in the zoning division.

Over the past several years, there have been numerous external evaluations, assessments, and audits of S&P that included specific recommendations for improving S&P's operations. However, this review of S&P permitting and inspections operations is not intended to be a comprehensive review of the implementation status of the recommendations contained in those assessments. The OIG includes selective references to these prior assessments to support its own observations and recommendations, draw parallels among observations and recommendations, or simply draw attention to more nuanced, yet important observations.

The OIG encourages stakeholders to take it upon themselves to familiarize themselves with the recommendations of prior external assessments of S&P mentioned in this review. Summaries of these recommendations are included in

the appendices. Some of these recommendations deal with very specific and detailed administrative issues, while others deal with broader governance and management issues. This review leans more toward management and governance issues and addresses administrative issues only to the extent they impact or are impacted by governance structures and processes. While the OIG offers reform recommendations in this review, the OIG also recognizes the right and responsibility of City leadership and S&P management to determine the best path forward for identifying, designing, and implementing specific reforms. However, the OIG strongly recommends any reforms that City and S&P leadership choose to implement be firmly situated within a robust framework of internal controls.

II. INTRODUCTION

S&P is responsible for “administering and enforcing standards for the construction and use of buildings and property” and “promoting and protecting the public’s interest and safety to life and property.”⁵ S&P is charged with specific duties in this regard under the New Orleans Home Rule Charter, Article IV, Chapter 7, Section 4-702.⁶ S&P permitting and inspections divisions include the following: permit processing division (permit intake division), building inspection division, electrical inspection division, mechanical inspection division, zoning administrative division, and plan review division.

According to data provided to OIG staff by S&P, in 2024, S&P was responsible for processing 22,119 permit applications.⁷ For the same time period, a total of 16,984 inspections were performed. S&P inspectors performed 5,993 of these inspections, while third-party inspectors performed 10,991 inspections. Broken down by sector, 5,032 were building inspections; 5,241 were electrical inspections; and 6,711 were mechanical inspections. (One inspection was a special zoning inspection.) By comparison, according to data provided by the S&WB, the S&WB plumbing inspection unit, which does not use third-party inspectors, conducted 4,438 plumbing inspections in 2024.⁸ Although S&P had 96 employees at the time the OIG began its review, the S&P employees that performed permitting and inspection activities at this time numbered approximately 29. Only 12 S&P employees, including the Chief Building Official, were actual inspectors who performed inspections. OIG staff noted these numbers fluctuated during their time embedded at S&P.

⁵ Department of Safety and Permits, <https://nola.gov/next/safety-and-permits/home/>.

⁶ City of New Orleans, Home Rule Charter, Art. IV, Sec. 7 (4-702), https://library.municode.com/la/new_orleans/codes/code_of_ordinances?nodeId=PAI_HORUCH_ARTIVEXBR_CH7DESAPE_S4-702FU.

⁷ The figures provided by S&P and S&WB were not validated or verified by OIG.

⁸ The S&WB Plumbing Department inspects plumbing work for new construction, renovations, and other building permits.

III. IMPLEMENTATION OF PRIOR RECOMMENDATIONS

OIG staff noted at least six external assessments of S&P’s operational policies, practices, and procedures had been conducted from 2021 through 2025. OIG staff reviewed the following external assessments to gain a better understanding of the extent to which their own observations overlapped with issues that had been previously identified:

- Morgan, Lewis & Bockius LLP (Morgan Lewis), “Department of Safety and Permits (‘S&P’) Investigative Report, 2021.”⁹
- The New Orleans Office of Performance and Accountability (OPA), *Permit Inspection Audit: City of New Orleans*, 2021.¹⁰
- New Orleans Office of Inspector General, *Department of Safety and Permits Inspections Audit*, 2022.¹¹
- New Orleans Councilmember Freddie King III, “Report of the Permitting Task Force,” 2023.¹²
- The Matrix Consulting Group (Matrix), “Evaluation of Permitting and Code Enforcement Operations,” 2024.¹³
- New Orleans Office of Inspector General, *Department of Safety and Permits Third Party Inspections Audit*, 2025.¹⁴

Observation 1: S&P had not implemented recommendations from recent external assessments over the course of four years regarding its governance, internal controls, and operations.

OIG staff found that many of the observations in this report had been previously identified through several external assessments of S&P dating back to at least

⁹ Morgan, Lewis & Bockius LLP, “Department of Safety and Permits (‘S&P’) Investigation Report,” March 9, 2021.

¹⁰ New Orleans Office of Performance and Accountability, *Permit Inspection Audit: City of New Orleans* (New Orleans, LA: New Orleans Office of Performance and Accountability, 2021).

¹¹ New Orleans Office of Inspector General, *Department of Safety and Permits Inspections Audit* (New Orleans, LA: New Orleans Office of Inspector General, 2022).

¹² Office of New Orleans Councilmember Freddie King, III, Permitting Task Force, “Report of the Permitting Task Force (originally VCC Task Force),” August 28, 2023.

¹³ Matrix Consulting Group, “Evaluation of Permitting and Code Enforcement Operations,” Revised Draft Final Report, June 12, 2024.

¹⁴ New Orleans Office of Inspector General, *Department of Safety and Permits Third Party Inspections Audit* (New Orleans, LA: New Orleans Office of Inspector General, 2025.)

March 2021. The findings and observations from these earlier assessments were wide-ranging, depending on the focus and intent of the entity conducting the assessment. Some findings were closely aligned with the OIG's observations, whereas others were more indirectly related. Recommendations were also included in the external assessments to correct the gaps and weaknesses identified, which were also broadly in line with OIG recommendations in this report.

Since many of the findings and recommendations from these earlier assessments overlapped and aligned with many of the OIG's observations in this report, the OIG concluded that the primary issue facing S&P is not identifying weaknesses and gaps in S&P governance, internal controls, and operations, but rather addressing the weaknesses that have already been identified and implementing the recommendations that have been made. In the course of this review, S&P leadership asserted that much of what was found in these assessments were not so much independent findings and recommendations by external analysts, but reiterations of what S&P had already determined was not working and S&P's own recommendations for fixing these problems. S&P leadership stated this was especially the case with the 2022 OPA audit and the 2024 Matrix evaluation.

In November 2019, City leadership retained outside counsel Morgan Lewis to investigate misconduct at S&P and broader non-compliance issues.¹⁵ Morgan Lewis was tasked with reviewing and making recommendations regarding S&P's "personnel, policies, practices, procedures, specifically regarding whether any contributed to, or failed to mitigate, similar misconduct."¹⁶ By March 2021, Morgan Lewis released its report, which contained the following primary findings:

- S&P employees were strongly suspected of engaging in bribery activity;
- S&P lacked clear policies and procedures and did not consistently enforce the ones that were in place; and
- S&P had difficulty hiring and retaining qualified inspectors.¹⁷

¹⁵ Morgan, Lewis & Bockius LLP, 2.

¹⁶ Ibid., 2.

¹⁷ Ibid., 2.

These findings were accompanied by eleven recommendations, including hiring a full-time compliance officer, increasing monitoring, and enhancing training (See **Appendix 1**).¹⁸

In December 2021, OPA released its own audit of S&P permitting and inspections.¹⁹ This audit was a direct follow-up to the Morgan Lewis report. OIG staff were told by S&P leadership that, although conducted by an outside agency, the OPA's audit was seen as a kind of "self-report." OPA mapped and tracked its own recommendations against expanded versions of those from the Morgan Lewis report (See **Appendix 2**). Without going into great detail, OPA found:

- S&P implemented one Morgan Lewis recommendation prior to the OPA audit;
- S&P addressed two of the Morgan Lewis recommendations during the course of the OPA audit;
- Seven Morgan Lewis recommendations "aligned" with OPA's recommendations in the final audit, but had not yet been implemented by S&P.²⁰

Perhaps most striking were two of the three Morgan Lewis recommendations that were left unaddressed in this OPA follow-up audit. The first noteworthy Morgan Lewis recommendation left unaddressed was that S&P should hire a full-time compliance officer. In a footnote, the OPA audit stated the following:

The CAO's office has committed to hiring a compliance officer to monitor S&P inspections and other activities going forward. This initial audit will provide a framework for the compliance officer to work from.²¹

However, S&P did not hire a compliance officer and still did not have a compliance officer at the time of this review.

A second noteworthy Morgan Lewis recommendation that was not addressed in the OPA audit was that, "going forward," S&P should conduct internal personnel audits to identify compliance issues and disciplinary actions. The reasoning behind

¹⁸ Ibid., 9-10.

¹⁹ New Orleans Office of Performance and Accountability.

²⁰ Ibid., 4-5.

²¹ Ibid., 5.

why such audits and disciplinary actions could only be taken in the future bears emphasizing. In a footnote, the OPA stated:

Compliance issues were determined by S&P leadership not to necessitate suspension, removal from leadership position and/or other disciplinary actions *due to the lack of clear, consistently enforced policies and procedures in the past* [emphasis added]. Going forward, clear policies and procedures and regular trainings will facilitate any necessary disciplinary actions.²²

However, despite S&P management's acknowledgment that it lacked clear, consistently enforced policies and procedures and its commitment to rectify this situation, OIG staff found that no clear, consistently enforced policies had since been created. While embedded in S&P, the OIG staff observed there was still no basis on which to determine any disciplinary measures at S&P beyond the basic Civil Service rules and regulations. As pointed out earlier by Morgan Lewis, the basic Civil Service rules refer generally to an employee's inability or unwillingness to perform their duties in a satisfactory manner as the only basis for disciplinary action.²³

In October 2022, the OIG released an audit of S&P, which covered inspections performed by S&P from April 2019 through March 2020.²⁴ While this audit was not as wide-ranging as the previous assessments and focused specifically on S&P inspectors, the findings reflected continuing operational deficiencies. The audit contained the following findings:

- S&P inspectors did not perform in-person inspections for a significant portion of reviewed inspections;
- S&P inspectors did not spend adequate time conducting inspections; and
- S&P inspectors did not document inspections adequately.²⁵

OIG recommendations to address these findings included updating and enforcing S&P policies and procedures; requiring City inspectors to complete a checklist and

²² Ibid.

²³ Morgan, Lewis & Bockius LLP, 7.

²⁴ New Orleans Office of Inspector General, *Department of Safety and Permits Inspections Audit*.

²⁵ Ibid., 3.

uploading the checklist into LAMA; and requiring supervisors to perform regular quality checks (See **Appendix 3**).²⁶

In July 2023, New Orleans Councilmember Freddie King III sponsored a task force (King Task Force) comprised of five local prominent business and policy professionals to provide recommendations to improve S&P's permitting functions.²⁷ The King Task Force produced a brief report focused on the shortage of talented and skilled workers, transparency in the permitting process, and lax enforcement of building and housing codes. The King Task Force's recommendations touched on similar themes found in the other assessments, such as increasing investment in permitting personnel, enhancing the transparency of the permitting process, and improving enforcement of code violations (See **Appendix 4**).

In June 2024, Matrix released another major, wide-ranging evaluation of S&P and Code Enforcement. This evaluation was commissioned prior to the King Task Force's work, but was not completed until 2024. The Matrix evaluation offered seventy-eight recommendations, many of which echoed the previous assessments, again based on what S&P leadership and staff had identified as problem areas and potential fixes. The recommendations included improvements on S&P's standard operating procedures, oversight and accountability, workflow, recruitment, and training. Many of the recommendations were expected to be addressed between end of 2024 or sometime in 2025 (See **Appendix 5**).

Most recently, in April 2025, the OIG released an audit covering a sample of third-party inspections performed during the year ended December 31, 2022.²⁸ Among other things, the 2025 OIG audit contained the following findings for the period under review:

- S&P had not hired a full-time compliance officer to review City or third-party inspections;
- Third-party inspectors did not submit proper documentation for over 40% of inspections;

²⁶ Ibid., 3.

²⁷ Office of New Orleans Councilmember Freddie King, III, Permitting Task Force.

²⁸ New Orleans Office of Inspector General, *Department of Safety and Permits Third Party Inspections Audit*.

- S&P did not implement inspection checklists for City or third-party inspectors;
- S&P approved inspections conducted by third-party inspectors with expired licenses;
- S&P did not consistently collect late fees; and
- S&P did not consistently enter relevant permit inspection information into LAMA.²⁹

The OIG’s recommendations in the April 2025 audit included creating a full-time compliance officer position, implementing a uniform inspection report template, and performing regular quality reviews of inspections (**See Appendix 6**).³⁰ Many of the audit’s findings regarding third-party inspections, and S&P management’s response to the OIG’s recommendations, confirmed that, by mid-2025, S&P had still not yet addressed the issues identified in the 2021 Morgan Lewis report, the 2022 OPA audit, or the 2022 OIG audit. In response to these findings, S&P management committed themselves to some third-party inspection reform, including new inspection report templates and verification policies for third-party inspections.³¹

These earlier assessments of S&P independently identified many of the same issues over the course of several years, yet few substantive changes were observed by OIG staff. Challenges to implementing reforms were both internal and external. For instance, in response to the 2022 OIG audit, S&P management committed themselves to hiring a compliance officer by the first quarter of 2023.³² In the course of this review, OIG staff were informed by a senior S&P official that City officials approved a budgeted auditor-type position to support the implementation of reforms, but that this position was a junior position with a salary so low it was “absurd.” The position was never filled. On the other hand, OIG staff also observed little urgency to take action on issues identified and shared with S&P personnel during the course of this review. For example, while embedded at S&P, OIG staff encouraged S&P leadership and staff on more than one occasion, individually and in groups, to begin working on collecting, revising, and documenting S&P policies and procedures at the divisional levels. By the time

²⁹ Ibid., 4.

³⁰ Ibid., 5.

³¹ Ibid., 41.

³² Office of Inspector General, *Department of Safety and Permits Inspections Audit*, 23.

OIG staff left S&P in December 2024, they observed that only two divisions out of the six divisions reviewed—building permit intake and building inspections—had actually begun revising and documenting their policies and procedures. Furthermore, OIG staff were told by several other supervisors and staff they had received no formal instructions from S&P leadership to begin revising their policies and procedures.

Recommendation 1: City and S&P leadership should prioritize and address the issues that have been consistently identified since 2021 by independent external entities and adopt and implement relevant modifications in accordance with prior recommendations.

The findings and recommendations of the prior assessments of S&P are far-ranging and overlap each other, including the observations and recommendations in this review. City leaders should pause commissioning more assessments of S&P and focus on implementing the relevant recommendations already made. The prioritization and sequencing of specific reforms are the responsibility of management and should therefore be left to City and S&P leadership. However, the OIG recommends S&P first design and adopt an internal controls system within which these reforms can and should be framed. These internal controls should be clearly documented and include the following:

- Clear chains-of-command;
- Clear operational roles and responsibilities, especially oversight roles and responsibilities; and
- Regularized processes for monitoring and reviewing permitting and inspections functions, from initial intake to final approval by the director.

The CAO should consider creating a special position temporarily assigned to S&P to help prioritize the many recommendations made by the various external assessments. Whoever is appointed to such a role should also be tasked with designing and implementing a system of internal controls within which the recommendations would be situated. This position should not be a compliance officer position or an internal audit position. It is not the role of a compliance officer or internal auditor to design and implement governance mechanisms. It is the role of management to do so. Nor should it be a junior role. While an

appropriate candidate should have significant experience in the corporate governance or internal audit fields, this expert would be specifically tasked to design and implement reforms within S&P's internal controls structure. If this role cannot be filled by a senior employee within S&P, the position should be filled by a senior corporate governance professional from the CAO's office. Another option may be to work with organizations like the Louisiana Legislative Auditor and the Government Finance Officer Association to identify and hire a consultant to design an internal control system. Only then should a compliance officer or internal auditor reporting directly to the CAO be positioned within S&P to ensure S&P personnel comply with the newly-designed policies and procedures embedded within the internal control system.

IV. INTERNAL CONTROL OBSERVATIONS

OIG staff observed that S&P policies, procedures, and criteria were spread out over a broad landscape. At the City level, Chapter 26 of the Code of the City of New Orleans covered a broad range of criteria for buildings, building regulations and housing standards.³³ The criteria ranged from the documentation required for submitting building permit applications to required procedures for certain inspections. The policies, procedures, and criteria for building regulations in the City Code can be quite extensive and addressed through multiple sections of the Code.

At the departmental level, OIG staff were shown an older unused computer drive on S&P's server that contained several terabytes of data going back to 2013. OIG staff were told the data on this drive included a trove of S&P documents, including older, but still relevant policies and procedures. OIG staff discovered in subsequent interviews that only a few S&P staff were aware this drive existed and what was on it. OIG staff requested that senior leadership make sure senior S&P staff were aware of this drive. To ensure efficient operations, OIG staff requested managers and supervisors be provided an electronic pathway so they could search for relevant policies and procedures. OIG staff received no response to this suggestion. One of the few S&P staff who was aware of the drive speculated that the drive was temporarily de-activated during the ransomware attack on the City in 2019 and was forgotten about, even after being re-activated.

At the S&P division levels, OIG staff found each division had at least some internal policies and standard operating procedures. However, internal policies and procedures were often in the form of informal memos and included individual staffer's personal notes. OIG staff could discern no organizational order to these documents.

It would not be accurate to say S&P had no policies and procedures in place. S&P does, in fact, have some policies and procedures. They are, however, disorganized, disparate, disconnected, and sprawling and do not provide a coherent overview or structure of the department's governance or operations.

³³ Code of the City of New Orleans, Louisiana, Chapter 26 – Buildings, Building Regulations and Housing Standards.

Observation 2: S&P lacked an effective internal controls system, including a coherent set of operational policies and procedures, and oversight and accountability mechanisms.

OIG staff observed S&P lacked coherent, formal written policies or procedures setting out roles and responsibilities of supervisors or staff members, including oversight and accountability functions. None of the S&P staff interviewed by OIG staff were aware of any such policies or procedures. While the City Code repeatedly referred to the responsibilities of the S&P director or “his duly authorized representative,” these references detailed the multitude of responsibilities only very broadly. It is clearly the S&P director’s responsibility to determine how those responsibilities are to be met. However, OIG staff did not find any clear policies or procedures setting out these responsibilities and no supervisor was aware of any.

Moreover, OIG staff observed that most of the S&P divisions with whom they interacted did not have comprehensive formal, documented internal policies and procedures in place for permitting- and inspections-related work. At the time OIG staff were embedded in S&P, only the zoning division was observed to have at least some documented internal policies and procedures, including checklists and training policies and procedures. These policies and procedures were not integrated into a single set and the zoning employees with whom OIG staff spoke were either not aware of them, or were aware of only certain parts. The building permit intake division and the building inspection division were in the process of creating sets of policies and procedures for their own divisions. However, all of these policies and procedures were created or being developed in isolation from the other permitting and inspections divisions.

The building, mechanical, and electrical inspection divisions relied primarily on the International Code Council (ICC) codes, as well as the City Code, which incorporated much of the ICC codes, as criteria to conduct inspections.³⁴ S&P management stated in the OPA audit that it had created seventeen different checklists and inspectors had signed off on policy saying they will use them.³⁵ But,

³⁴ See International Code Council, “The International Codes (I-Codes),” <https://www.iccsafe.org/products-and-services/i-codes/the-i-codes/>.

³⁵ Office of Performance and Accountability, 24.

beyond the City building code, OIG staff found the inspection divisions lacked any established internal operating policies and procedures to conduct, review, or approve inspections. No inspection division utilized any type of checklist.

Elements of this observation follow similar findings made in previous external assessments of S&P. The Morgan Lewis report stated bluntly, “S&P lacks clarity, and consistent enforcement of, critical policies and procedures.”³⁶ The Morgan Lewis report noted that Civil Service rules provided the only framework by which employee performance can be assessed. This framework essentially hinged on vague definitions of employees performing their duties in a “satisfactory manner” without sufficiently describing how those duties were to be defined and assessed.³⁷ The OPA audit found that S&P’s ability to determine if inspections were thorough and documented appropriately was difficult due to a lack of standard operating procedures, inconsistent use of checklists, and inconsistent documentation uploaded into LAMA.³⁸

A footnote in the OPA audit addressing S&P personnel compliance with policies and procedures acknowledged that S&P could not discipline personnel precisely because it lacked clear and consistently enforced policies and procedures.³⁹ Two years later, Matrix went so far as to conclude:

It was clear that some individuals did not have a clear understanding of their team’s primary duties and responsibilities and several instances emerged where supervisors were unsure about the number of staff that reported to them.⁴⁰

Additionally, the 2025 OIG audit of third-party inspections found that S&P had not implemented any kind of checklist for inspections and over 44% of third-party inspections did not include an inspection report.⁴¹ These kinds of organizational and internal control failures lead to operational failures, which, in turn, can lead to fraud, waste, and abuse.

³⁶ Morgan, Lewis & Bockius LLP, 2.

³⁷ Ibid., 7.

³⁸ Office of Performance and Accountability, 18.

³⁹ Ibid., 5.

⁴⁰ Matrix Consulting Group, 16.

⁴¹ New Orleans Office of Inspector General, *Department of Safety and Permits Third Party Inspections Audit*, 13, 17.

Recommendation 2: S&P should establish a coherent set of operational policies and procedures documented in a single policies and procedures manual. The completed S&P policy manual should establish a clear system of internal controls.

S&P leadership, with the support of City leadership, should develop a clear system of internal controls. This process begins with identifying, designing, and documenting clear policies and procedures. These policies and procedures give structure to a “control environment.” The control environment, in turn, is the foundation upon which the internal control system is built. As the GAO explains in its *Standards for Internal Control in the Federal Government*, the control environment provides the structure of the internal controls system.⁴²

Through this control environment, standards of conduct are defined, oversight responsibilities are established, and enforcement mechanisms are put in place. However, it is crucial that S&P management clearly define and document the organization’s structure and operations in formal policies and procedures. It is through such documentation that management establishes the “who, what, when where and why of internal control execution.”⁴³

Closely related to S&P identifying and documenting the control environment through formal policies and procedures, S&P management should also identify and document control activities. As expressed by the GAO, “Management should implement control activities through policies and procedures to achieve objectives and respond to risks in the internal control system....”⁴⁴ Through documented policies and procedures, management identifies and defines each unit within the organization and its responsibilities for achieving the organization’s objectives. These policies should include how each unit is to be held accountable to management levels above it, as well as holding operational units accountable below it.⁴⁵ This mapping of operational policies and processes should run throughout the organization, from the top to the bottom.

⁴² Government Accountability Office, 21.

⁴³ Ibid., 29.

⁴⁴ Ibid., 44.

⁴⁵ Ibid., 56.

S&P should therefore design and establish a clear operational structure through a formal, documented operational policies and procedures manual. Although S&P has many policies and procedures, they are disjointed and spread out across City ordinance, the S&P website, and internal documents. All of these policies and procedures should be collected and organized in a single integrated document, or at least referenced in that single document, in a clear, easy-to-understand way with clearly identifiable links to underlying sources. There is no need, for example, to reproduce the entire set of relevant sections of City Code.

This recommendation strongly supports the Matrix evaluation's recommendation that S&P "update and create standardized policies and procedures...and publish an SOP manual to guide operations."⁴⁶ S&P's policies and procedures should encompass the following for each of its functions and operations:

- Who has authority and responsibility;
- When that authority should be exercised and how;
- Where that authority and responsibility begins and ends; and
- Why one division or members of that division are the appropriate and/or necessary unit to handle that function or operation.

The policies and procedures should include criteria for oversight and monitoring, as well as enforcement and disciplinary measures. They should also be reviewed regularly to ensure they remain relevant and appropriate to achieving S&P's objectives. Finally, every employee of S&P should receive a complete copy of the operational policies and practices manual and sign an acknowledgment certifying that they have read it. This manual should be made available to external stakeholders, as well.

As discussed in Recommendation 1, the CAO should consider hiring a senior corporate governance professional to carry out the task of establishing a single, coherent S&P policies and procedures manual. The Morgan Lewis report recommended hiring a full-time compliance officer to lead S&P's efforts in "preventing, detecting, responding to, and mitigating compliance risks."⁴⁷ However, the compliance officer's role is to determine if S&P personnel are following proper policies and procedures, not to create those policies and procedures. Once a system of S&P policies and procedures is designed and

⁴⁶ Matrix Consulting Group, 5.

⁴⁷ Morgan, Lewis & Bockius LLP, 9.

implemented, the CAO should consider dedicating a compliance officer or internal auditor to S&P to ensure the policies and procedures are followed, as also recommended in the 2025 OIG audit of third-party inspectors.⁴⁸

⁴⁸ New Orleans Office of Inspector General, *Department of Safety and Permits Third Party Inspections Audit*, 11.

Observation 3: S&P’s permitting and inspections divisions lacked formal training policies and procedures.

Along with S&P’s lack of coherent operational policies and procedures, OIG staff observed a significant lack of formal training policies and procedures in any of the S&P permitting and inspections divisions. It is the responsibility of an entity’s leadership and management not only to set and enforce expectations of staff operations and performance, assign responsibilities, and delegate authority, but also to support and enable employees to accomplish their tasks and objectives.⁴⁹ If expectations regarding operational roles and responsibilities are not clear, and employees are not given the support they need to succeed, employee performance cannot be thoroughly and fairly assessed and effectively improved.

OIG staff were told by almost every S&P employee with whom they spoke, both at the supervisor levels and lower staff levels, that there were no formal training policies and procedures in place in their respective divisions. Instead, S&P supervisors and senior staff provided guidance on-the-job to new or junior staff when they entered into their position. S&P expected all staff to attend LAMA training, but there was no enforcement of this expectation. Consequently, few staff actually attended formal LAMA training and, more commonly, learned to use LAMA on-the-job.

S&P’s lack of training policies and procedures was noted in the previous assessments. In the OIG’s 2022 audit of inspections performed by S&P inspectors, S&P management acknowledged that “S&P did not have adequate policies and procedures in place and City inspectors did not know what was expected of them.”⁵⁰ It is worth reemphasizing the more recent finding of the Matrix evaluation that stated “it was clear that some individuals did not have a clear understanding of their team’s primary duties and responsibilities and several instances emerged where supervisors were unsure about the number of staff that reported to them.”⁵¹

It is also worth reemphasizing the earlier finding in the Morgan Lewis report that “the imprecise language and inconsistent understanding of acceptable practices

⁴⁹ General Accountability Office, 30.

⁵⁰ New Orleans Office of Inspector General, *Department of Safety and Permits Inspections Audit*, 8.

⁵¹ Matrix Consulting Group, 16.

[at S&P] make employee discipline challenging.”⁵² Ultimately, OIG staff observed that S&P leadership did not fully achieve its commitment to create clear and consistently enforced policies and procedures or enact regular training sessions to ensure employee familiarity with them, as stated in the OPA audit.⁵³

Recommendation 3: S&P should establish formal training policies and procedures for each division.

This recommendation is in line with the recommendations of previous external assessments of S&P. The Morgan Lewis report recommended S&P should conduct additional training at the staff level regarding existing policies and procedures.⁵⁴ The OPA audit echoed this recommendation.⁵⁵ Additionally, Matrix recommended that S&P “develop an onboarding program for all staff that is focused on their position and holistic understanding of the development process.”⁵⁶ All of these external assessments focused on S&P’s broader department-wide policies and procedures. The OIG supports these recommendations and recognizes the importance of being fully versed in these higher-level policies and procedures. However, it is equally, if not more, important that S&P staff are well-versed and thoroughly trained in their divisional policies and procedures. An added wrinkle to these earlier recommendations is the reference to “existing” policies and procedures. As already mentioned, OIG staff found no existing set of comprehensive, coherent S&P policies and procedures. S&P must first create clear and comprehensive policies and procedures.

⁵² Morgan, Lewis & Bockius LLP, 7.

⁵³ Office of Performance and Accounting, 5.

⁵⁴ Morgan, Lewis & Bockius, LLP, 9.

⁵⁵ Office of Performance and Accountability, 27.

⁵⁶ Matrix Consulting Group, 3.

Observation 4: S&P’s permitting and inspection divisions lacked a clear workflow structure.

S&P relied overwhelmingly on its LAMA software to manage the permitting and inspections workflow and data. Information systems play a uniquely important role in internal controls, particularly where control activities are concerned. Best practices recognize that information technology is a crucial component of most control activities.⁵⁷ Therefore, LAMA should provide, or be able to provide, a clear and consistent process for managing S&P’s permitting and inspection data, including oversight and approvals. However, OIG staff observed the S&P’s processes and procedures for data management through LAMA to be somewhat disorganized. Although the LAMA system lay at the core of S&P’s permitting and inspection work, OIG staff observed its current configurations to contribute to an inefficient workflow.

Many S&P employees suggested that what OIG staff observed as a lack of a clear workflow structure did not contribute to inefficiencies, but rather created efficiencies. These employees asserted that the existing structure allowed S&P analysts and inspectors the flexibility to review any number of permit applications or inspections without being slowed down by a few or even a single permit application or inspection that could not move forward in the approval process. While waiting on missing documentation for a permit application, for example, S&P analysts could begin reviewing other applications. OIG staff were also told that not all permit applications needed to be reviewed by every division. Routing all permits through all divisions for approval was therefore unnecessary.

While these assertions had some merit, OIG staff observed that LAMA was not set up to track permit applications throughout the review process. Applications that were missing documentation or needed attention were left in the queue with no way of tracking or keeping tabs on the application status within LAMA. There were no notifications to alert S&P staff when an application had been forwarded to the next stage of review or if an application had been sitting in the queue for an extended period of time. As for inspections, the inspection divisions kept track of inspections and inspection requests through their own systems outside of LAMA. These systems were usually developed and managed independently by office workers using additional software, such as Microsoft Lists. In all permitting and

⁵⁷ General Accountability Office, 52.

inspections divisions, S&P supervisors expected individual employees to keep track of the cases they had been working on, but there was no system in place to ensure a regular review of applications awaiting resolution.

As for the sequence of permitting, while it might be assumed that all permit applications began with S&P's permit intake division, this was not necessarily the case. OIG staff observed any S&P division could begin the permit application review. None of the S&P employees interviewed could inform OIG staff where the review process for permit applications actually began, with some staff having contradictory understandings of this process. For example, one S&P employee insisted the application process began with the zoning division, while zoning officials emphatically rejected this assertion. In other cases, S&P employees assumed the plan review division was the final division to review a permit application. However, OIG staff observed that the plan review division could initiate the review for permit applications and any division could give final approval. S&P inspectors told OIG staff that permitting divisions would send them permit applications for their review that were clearly not adequate and missing information. These inspectors also asserted they had noticed the plan review division issuing building permits before the proper inspection division had signed off as part of the permit approval process.

In all cases, there seemed to be an understanding among the S&P divisions that whoever was the last S&P employee to review a permit application was the person to approve the permit, regardless of whether this was someone in permit intake, zoning, or plan review, and regardless of whether this person was a supervisor. Virtually all staff with whom OIG staff spoke confirmed this general process. Some S&P employees went further and suggested permit approvals could be made by persons outside of their division. For example, a plan review analyst could approve an intake review or an intake analyst could approve a zoning review. It was difficult for OIG staff to substantiate these claims. On the one hand, one employee with intimate knowledge of LAMA said it was not unusual for an employee to have access and approval permissions they should not have, and that approvals could be and were made by employees outside of their division. On the other hand, most permitting and inspection staff said they didn't know if they could make approvals outside of their division, but knew that they should not. All employees said they did not make such approvals. At the very least, though, the fact that a permit application can be given final approval by the S&P employee who last worked on

it, regardless of their division or rank, suggests a more permissive environment than is realized or acknowledged.

OIG staff made other observations in the S&P inspections divisions that, while not necessarily directly promoting fraud, waste, and abuse, could potentially contribute to questionable activities. To begin with, although most inspection divisions had instituted a central call-in line to manage inspection requests, S&P inspectors were still being contacted directly by contractors requesting an inspection or by third-party inspectors requesting an inspection be approved. S&P inspectors' impartiality and objectivity are critical in ensuring trust in their work. This impartiality and objectivity are enhanced through arms-length business relations. Furthermore, OIG staff noted that S&P inspectors were sometimes assigned inspections in particular geographic areas. While it makes sense that geographic clusters of inspections be assigned to a single inspector on any given day to ensure efficiency, no inspector should be regularly assigned to a particular geographic area. Instead, inspectors should be randomly rotated.

OIG staff also observed a similar potential issue among S&P permit analysts where certain types of permits were reviewed by a single analyst. For example, at the intake stage, OIG staff observed almost all demolition permits were reviewed by a single analyst, while almost all solar installation permits were reviewed by another. In the former case, given the complexity of demolition applications, the most senior intake person managed these applications. In the latter case, an intake analyst had gained such a high level of familiarity with solar installation permitting that it made sense for this person to manage most of those kinds of permits. However, permit analysts told OIG staff there was no formal system in place assigning any particular analyst with any particular type of permit application. Certain analysts had simply gravitated toward certain types of permits. In and of itself, this informal self-assigned review by permit type did not necessarily present a clear danger of fraud, waste, and abuse. The OIG recognizes that specialization of certain types of work can create efficiencies, especially where complex permitting is involved, such as demolition permit requests. Nevertheless, the self-assigned review by permit type did place certain S&P employees in unique positions regarding permit approvals. This unique positioning required effective oversight.

OIG staff also observed inspection documents being approved by S&P office workers who were not certified inspectors. S&P inspection supervisors made the

case that the documents being reviewed by office workers were of a non-technical nature. Furthermore, S&P inspectors also noted that, while a single S&P office worker or inspector might review a permit application or a third-party inspection and approve or reject it, the S&P inspection teams often worked together to review questionable inspections. In such instances, they accepted or rejected questionable inspections based on a consensus among them. Nevertheless, all inspections should be reviewed by a supervisor and final approvals should only be made at the supervisory level.

Recommendation 4: S&P should create a clear workflow process for permitting and inspections through its LAMA platform that cannot be bypassed, up to and including supervisory approval.

Recommendation 5: S&P should create and implement a tracking system for permit applications and inspection requests that is able to pause the review of certain applications without preventing subsequent applications from moving forward.

Recommendation 6: S&P should review and revise LAMA permissions so that employees have access only to the portions of permit applications or inspection requests appropriate to their role and responsibilities.

Recommendation 7: S&P should restrict permit and inspection approvals to supervisors only.

S&P should develop a clear workflow structure as part of its internal control system and document this workflow structure so both internal and external stakeholders understand how its permitting and inspection processes are conducted. All S&P responses to initial permit applications and inspection requests should be accompanied by specific and detailed information on the types of information and documentation required to attain approval. A linear workflow should follow a consistent process whereby only one step is reviewed and approved before the next step is taken. Only S&P supervisors should have the

authority to approve permit applications and passed inspections within their own division.

If for any reason a permit application or inspection request cannot be approved at any given stage, the request should be placed in a temporary holding bin within LAMA until outstanding issues are resolved. LAMA should be set-up to automatically notify analysts regularly that cases in the pending bin are still waiting review and approval. Automatic notifications should alert next-in-line analysts and/or supervisors that a permit application or inspection request is ready for their review. Essentially, all open permit applications and inspection requests should be easily tracked and their stage in the queue easily identified.

In addition, permit and inspection requests should be randomly assigned by a duly-authorized office worker or supervisor. Individual S&P analysts and inspectors should not have the ability to pick and choose which permits or inspections they work on. In cases where specialization might increase the efficiency and effectiveness of the workflow, as in the case of demolition permitting, particular oversight attention should be given to ensure analysts are insulated from any undue outside influence. Furthermore, as an important offshoot of these workflow procedures, owners, contractors, or third-party inspectors should not contact S&P inspectors directly. All inspection requests should go through a central line managed by an office worker or through an online request. Supervisors should be kept abreast of all discussions between S&P staff and external parties regarding permit and inspection approvals.

Supervisors, inspectors, and analysts should be able to search for inspections in LAMA according to whether they were conducted by S&P or third-party inspectors. Most importantly, again, only S&P supervisors should have the authority to approve any permit application or inspection request. Although OIG staff did not substantiate any instances of an S&P employee abusing his or her permissions, the fact that any employee can sign-off on a final approval of a permit application or inspection request is problematic and has been exploited in the past.

Similar recommendations were offered in separate external assessments of S&P by Morgan Lewis, OPA, and Matrix. The Morgan Lewis report recommended randomizing inspector assignments and increasing monitoring through onsite

quality inspections.⁵⁸ The OPA audit took this recommendation further and offered a number of additional recommendations, including developing a standardized inspection intake and assignment process, creating inspector performance dashboards, and weekly performance check-ins.⁵⁹ The Matrix evaluation offered a couple of dozen recommendations along these lines, including conducting an application completeness check during the intake process to providing clear instructions regarding how to submit and re-submit applications, as well as setting up a revised workflow in LAMA to track major milestones in the review process.⁶⁰

⁵⁸ Morgan, Lewis & Bockius LLP, 9-10.

⁵⁹ Office of Performance and Accountability, 24-29.

⁶⁰ Matrix Consulting Group, 5-7.

Observation 5: S&P lacked robust internal review mechanisms for approved permits and inspections.

Monitoring is the last, but no less critical, component of an internal control system. Internal control monitoring is essential to ensuring the internal control system is functioning as intended over time, as well as ensuring the system adapts to new challenges and risks through corrective actions as they arise.⁶¹ Internal control monitoring is an area where most of the previous external assessments of S&P had little to say, despite OIG staff being told by every S&P employee interviewed that their division had no internal review process in place. Although S&P staff asserted that, if there were any questions regarding a particular permit or inspection, the team would confer to arrive at a consensus, this practice did not suffice as a formal internal monitoring system.

OIG staff found no evidence during this review that S&P analysts or inspectors were intentionally approving inadequate permit applications and third-party inspections. However, at least in the inspections divisions, the OPA found in its audit that over 17% of City inspections included no photos and almost 60% of City inspections included only “some documentation.” Only 22.6% of inspections sampled were found to be “well-documented.”⁶² The OIG’s 2022 audit of S&P inspections found S&P inspectors did not perform on-site inspections for 20% of the inspections reviewed, but these inspections passed anyway.⁶³ The 2022 OIG audit also found that S&P inspectors were not uploading required documentation to LAMA.⁶⁴ The OIG’s 2025 audit on third-party inspectors found over 44% of third-party inspections reviewed lacked an inspection report.⁶⁵ The audit found that approximately 70% of those inspections lacking an inspection report were approved by S&P at the time of testing.⁶⁶ In this last audit, the OIG auditors also noted inspections approved by S&P were missing other required documentation, such as pictures of the third-party inspector and contractor at the inspection site with their credentials visible. Given the relatively small testing sample, the number of inadequate inspections making it through the system is likely quite higher. Such

⁶¹ Government Accountability Office, 64.

⁶² New Orleans Office of Performance and Accountability, 19.

⁶³ New Orleans Office of Inspector General, *Department of Safety and Permits Inspections Audit*, 5-6.

⁶⁴ *Ibid.*, 13.

⁶⁵ New Orleans Office of Inspector General, *Department of Safety and Permits Third Party Inspections Audit*, 16.

⁶⁶ *Ibid.*, 17.

high numbers of questionable approvals coupled with no review mechanism suggests a considerable gap in quality control efforts and ample opportunity for fraud, waste, and abuse.

Recommendation 8: S&P should establish a random internal review process to ensure permits and inspections are compliant with S&P policies.

S&P should implement a monitoring system in every permitting and inspections division. This is not just a matter of mitigating fraud, waste, and abuse. It is a matter of effective quality control and quality assurance. Supervisors should establish and conduct quality assurance tests by randomly reviewing actual approved permits and inspections, from intake to final approval. Several of the previous external assessments of S&P lightly touched on the lack of monitoring and oversight mechanisms. The Morgan Lewis authors recommended randomized onsite quality checks.⁶⁷ They also recommended S&P conduct internal personnel audits to identify any compliance problems. The OPA audit acknowledged the Morgan Lewis recommendations and added a few more, including that S&P should create inspector performance dashboards. Again, in the OIG's 2022 audit of inspections performed by S&P inspectors, S&P management acknowledged that, "S&P did not have adequate policies and procedures in place and City inspectors did not know what was expected of them."⁶⁸ Accordingly, the OIG recommended S&P management update and enforce its policies and procedures to ensure inspections were properly conducted.⁶⁹ The OIG had several recommendations in its 2025 audit covering similar issues related to third-party inspections. These recommendations included hiring a compliance officer to perform regular quality reviews of approved inspections and implementing uniform inspection report templates and inspection checklists.

Given the volume of inspections and permits S&P inspectors must conduct and review, for now the OIG recommends S&P focus on randomly reviewing the adequacy and accuracy of the documentation for approved inspections completed by both S&P and third-party inspectors. To repeat, in the absence of any clear policies and procedures, the OIG recommends S&P focus on implementing a

⁶⁷ Morgan, Lewis & Bockius LLP, 25.

⁶⁸ New Orleans Office of Inspector General, *Department of Safety and Permits Inspections Audit*, 8.

⁶⁹ *Ibid.*, 9.

strong internal control environment first, including documented policies and procedures. Once this internal control system has been put in place, S&P will be in a better position to efficiently and effectively address other recommendations related to compliance issues as part of the monitoring process.⁷⁰ It is up to S&P management to determine the best path forward for ensuring transparency and accountability, but some system of internal monitoring and review control should be adopted.

⁷⁰ Ibid.

Observation 6: S&P did not consistently enforce permitting and inspection requirements, including penalties for inappropriate or inadequate permit applications and inspections.

For the most part, S&P followed the ICC building, electrical, mechanical, and fuel gas codes, which included procedural guidelines. These codes were revised as necessary to fit New Orleans-specific issues in the City Code. Consequently, Chapter 26 of the City Code covered a very wide range of laws, rules, regulations, and standards for buildings and housing, including the broad procedures and criteria for submitting permit applications and inspection requests.⁷¹ The City Code also established fee schedules, including penalties for beginning construction before obtaining the necessary building permit(s). Chapter 26 of the City Code was fairly easy to find using the City’s online Code of Ordinances.⁷²

Despite the density of the City Code, almost all S&P staff interviewed by OIG staff said they believed permit applicants and third-party inspectors—most of whom were construction professionals—understood what materials they needed to submit and how to do so. S&P staff said many applicants still submitted inadequate or inappropriate documentation. More than one S&P inspector told OIG staff they felt there was a pervasive attitude among third-party inspectors that the job of S&P inspectors was to rubber stamp third-party inspections.

Inadequate documentation was less of an issue for permit applications than third-party inspections. S&P leadership stated the more challenging problem with permitting was owners/contractors beginning building before even obtaining a permit. City Code Section 26-15, Building Code Section 109.2 stipulated any person who began work on a building prior to obtaining the necessary permits was subject to an additional fee equivalent to 200% of all regular required fees in addition to the regular required fees. This section further provided that, if a person applied for a permit, but began building before the permit is approved, the additional fee was 100% of all fees. S&P leadership opined that these additional fees did not prevent bad behavior since contractors would simply pass the costs to the owners.

⁷¹ Code of the City of New Orleans, Louisiana, Chapter 26 – Buildings, Building Regulations and Housing Standards.

⁷² https://library.municode.com/la/new_orleans/codes/code_of_ordinances

Inadequate or inappropriate documentation seemed to be especially troublesome with third-party inspectors, as reported in the OIG's report on third-party inspections.⁷³ S&P inspectors stated that, in some cases, third-party inspectors did not include basic documentation such as photos. In other cases, S&P inspectors stated third-party inspectors submitted photos of work that S&P inspectors determined was in such clear violation of ICC and City Code requirements that it was difficult for the S&P inspectors to believe the certified third-party inspectors did not know the work did not meet the necessary criteria. S&P inspectors stated that some third-party inspectors went so far as to re-submit the same photos from prior inspections as the documentation for separate inspections at an entirely different inspection site.

In most cases of questionable inspections submitted by third-party inspectors, S&P inspectors stated they tried to work with third-party inspectors to resolve outstanding issues without rejecting the inspections outright. S&P only imposed fines or fees against inadequate third-party inspections in the most egregious cases. S&P inspectors also told OIG staff the worst inspections were often performed by the same third-party inspectors or companies. However, S&P inspectors stated they felt they had little authority to do anything about it. As a last resort, they could refuse to release a certificate of occupancy or refuse to release a meter.

Since a detailed review of accepted or rejected inspections was outside the scope of this review, OIG staff did not determine how many of these inadequate third-party inspections were being approved or rejected by S&P. OIG staff were told by City IT/LAMA experts that the LAMA system was not set up to track approvals and rejections. However, as already noted, the OIG's 2025 audit looked at a random sample of third-party inspections and found that 44% lacked even an inspection report. Seventy percent of those inspections lacking an inspection report were approved by S&P at the time of testing.⁷⁴

As a final note on this observation, the City Code did establish fines and fees for inspections that did not meet City criteria. However, similar to the building permit scenarios mentioned by S&P leadership, S&P staff opined that these fines and fees were not stringent enough to deter bad behavior from third-party inspectors and

⁷³ New Orleans Office of Inspector General, *Department of Safety and Permits Third Party Inspections Audit*, 15.

⁷⁴ *Ibid.*, 16.

contractors. City Code Section 26.15, Building Code Section 109.6(5) called for a \$50.00 penalty to be applied when extra building inspections must be performed as a result of incomplete work, stating the following:

An extra inspection or wasted trip fee of \$50.00 shall be incurred for each inspection called for by the owner or the owner's representative when, in the opinion of the Director, the work to be inspected is incomplete and/or not suitable for inspection. This charge is for any and all extra inspections made necessary as a result of blatantly incomplete work, inaccessibility to perform the inspection or for alterations to work previously accepted.

City Code Section 26-15, Electrical Code Section 2727 had almost identical language for electrical inspections with a fee of \$190.00. Section 26-17, Mechanical Code Section 126(A) covered mechanical inspections with a fee of \$75.00. City Code Section 26-19, Fuel Gas Code Section 111.26(a) covered gas inspections with a fee of \$150.00. These fees were in addition to the regular permitting fees established by the City Code.

Although it was also outside the scope of this review for OIG staff to determine exactly how many permit or inspection requests had additional fees levied, it was clear S&P employees spent considerable time resolving outstanding issues with permit application and inspection requests which added significant time to the overall permitting and inspection approval process. If S&P consistently and more quickly rejected drawn-out interactions with intransigent owners, contractors, and third-party inspectors and applied the extra fees and fines as established by the City Code, S&P would likely save itself considerable time and money.

Recommendation 9: S&P should update its policy to include clear and easily accessible criteria for permit and inspection requests and share checklists with prospective applicants and other external stakeholders.

Recommendation 10: S&P should ensure the building code sections of the City Code, including permitting and inspection criteria, fees, and penalties, are easily accessible, and consistently enforce them.

Recommendation 11: S&P should work with the City Council to increase fees for inadequate or inappropriate permit and inspection submissions.

Recommendation 12: S&P should implement a tracking system of inadequate permit applications and third-party inspections and institute a sanctions policy for repeat offenders.

The OIG recognizes that many S&P policies and procedures are publicly available to those applying for permits and requesting inspections. However, OIG staff also found this information was not always easily obtainable or clear. The OIG therefore supports the King Task Force’s recommendation to develop and display better guides to the public in easy-to-understand language.⁷⁵ S&P should establish clear criteria and checklists for permit applications and inspection requests and make these criteria easily accessible to the public. S&P should post the checklists on its One-Stop Shop website.⁷⁶ Hyperlinks to the relevant sections of the City Code should also be included on the same website. S&P should also include the checklists in the comprehensive policies and procedures manual discussed in Recommendation 2 of this review. Additionally, S&P should collaborate with the City Council and other relevant stakeholders to ensure the most current policies and procedures are clearly and adequately reflected in the City Code.

The criteria for permit inspections should include a checklist for the primary types of permits and associated fees. S&P currently has approximately sixty-six different permit types. Extensive checklists are not necessary for all permit types. The OIG also recommends S&P should establish similar criteria and checklists for inspection requests. Such criteria would include applying the fees for substandard work as described in City Code to incomplete or inadequate inspection reports submitted to S&P by third-party inspectors.

Licensed contractors should understand the building, electrical, mechanical, and other standards of their trades, per their training and certifications, and third-party inspectors should have a firm grasp of inspection criteria as ICC-certified inspectors. Nevertheless, it would benefit S&P to make requirements and criteria

⁷⁵ King Task Force, 4.

⁷⁶ <https://onestopapp.nola.gov/>.

for permits and inspections so accessible and clear that all stakeholders, both internal and external, have little excuse to claim ignorance, make willful mistakes, or shift blame for inadequate or insufficient documentation. It would help to make this information, especially the building, electrical, mechanical, and fuel/gas codes, more visible and easily accessible in the City Code and through S&P's One-Stop Shop and/or other access points. Ultimately, all parties must take responsibility for their respective roles in the permitting and inspection processes.

To ensure the most egregious external stakeholders do not abuse, or try to abuse, the permitting and inspections systems, S&P should institute a system of random internal reviews of approved permits and inspections, as discussed in Recommendation 8 of this review. Such internal reviews are particularly important for the inspections process. Alongside conducting random internal reviews, S&P should maintain a database of inadequate permits and inspections and the individuals and entities responsible for them. S&P should vigorously enforce the penalties for insufficient or inadequate third-party inspections and track the third-party inspectors and/or companies responsible for the inadequate inspection. In partnership with the City Council, S&P could develop a system of increasing sanctions and penalties, up to and including termination of third-party inspectors' City licenses to conduct inspections. This system could go hand-in-hand with the aforementioned internal review process. Effective implementation of these recommendations should enable the S&P permitting and inspections divisions to more effectively and efficiently focus limited resources that are largely spent reviewing inadequate permit applications and third-party inspections.

V. CONCLUSION

Over the course of the past decade, numerous instances of fraud, waste, abuse, and mismanagement have been identified within S&P. These instances included arrests, indictments, terminations, and/or resignations of S&P employees. Although these bad actors were removed from S&P, the internal structures that allowed them to engage in bad behavior remained. Since 2021, several independent external assessments of S&P and its internal workings have been conducted. Each of these assessments independently identified numerous managerial, operational, and administrative shortcomings of the department and included recommendations for reform. The findings and recommendations of these assessments touched on many of the same issues. This OIG review was no exception. The OIG made one significant observation that was not discussed at length in any of these previous assessments: The absence of a comprehensive internal control system within which reforms can be situated. All of the OIG's other observations and recommendations flow from this single critical flaw.

S&P should design and implement a clear, rigorous, and transparent system of internal controls. The first step in this process is to formalize its policies and procedures, both at the broad organizational level and at each divisional level. While current S&P operations ultimately result in processed permits and inspections, these permits and inspections almost seemed to be processed in spite of, not because of, the many gaps and shortcomings permeating S&P's operational workflow. While embedded in S&P, OIG staff observed an absence of clear policies, procedures, and practices within a coherent internal controls system covering the permitting and inspection process, including oversight of the actors involved in permitting and inspection processes. The absence of a comprehensive internal control system opens the entire permitting and inspections process to potential abuse by bad actors, both internally and externally. Strong internal controls are intended to mitigate precisely these kinds of issues. It is, therefore, incumbent upon S&P, along with City leadership, to design and implement strong internal controls, including monitoring procedures and practices, and develop methods to improve efficiency, boost accountability, and lessen the potential for fraud, waste, and abuse.

APPENDIX 1. MORGAN, LEWIS & BOCKIUS LLP RECOMMENDATIONS

IV. RECOMMENDATIONS

Throughout the investigative process, Morgan Lewis solicited recommendations and feedback from City employees, members of the public, and individuals familiar with the operation of similar departments in other municipalities. Accordingly, we recommend that the City consider implementing the following:

- A. Hire a full-time Compliance Officer, a first within a City department. This individual will be responsible for leading S&P's efforts in preventing, detecting, responding to, and mitigating compliance risks. One initial task would be continuing the Department's internal personnel audit (initially started by Zach Smith) and recommending whether any compliance concerns necessitate suspension, removal from leadership positions, and/or other disciplinary actions. Further, the Compliance Officer should be responsible for reviewing, analyzing, and revising S&P policies and procedures to enhance clarity, and in particular, eliminating unnecessary individual discretion as to the performance of basic job requirements and responsibilities and specifically defining "satisfactory manner" for the purposes of the Civil Service Rules.
- B. Review certifications for all current inspectors to ensure that each is in compliance with state regulations and licensed to perform assigned inspections. This is particularly critical, as there are credible allegations of inspectors who are certified to perform only residential inspections, but are doing so for commercial projects;
- C. Advocate for revisions to the text and/or interpretation of applicable Civil Service Rules to provide the City with greater flexibility to impose swift discipline, including termination, where there is compelling evidence of employee misconduct;
- D. Randomize the inspector assignment process to avoid inspectors having individualized "territories" within neighborhoods;
- E. Utilize the existing GPS tracking system to ensure inspector attendance at every onsite inspection;
- F. Increase monitoring by conducting randomized onsite quality checks of inspections performed by both City and third-party inspectors (a practice utilized in Jefferson Parish);
- G. Conduct policy training at the supervisory level regarding existing policies and procedures and emphasize the importance of consistent enforcement of all policies (including but not limited to staff job duties and fines and fees);
- H. Conduct additional training at the staff level (and with third-party inspectors) regarding existing policies and procedures to foster a consistent understanding of the job requirements and responsibilities;

- I. Incentivize continuing education at all levels by linking training with potential pay increases (*e.g.*, in St. Tammany Parish, there is an incremental raise for every new certification an inspector receives);
- J. Review and analyze the need for additional inspectors, with a specific focus on those with expertise on high-rise buildings; and
- K. Establish a compliance hotline system where City employees and members of the public can report good faith allegations of Department misconduct. The hotline should allow for anonymous reporting, a best practice that encourages reporting and mitigates concerns regarding retaliation.

Source: Morgan, Lewis & Bockius LLP, "Department of Safety and Permits ('S&P') Investigation Report," March 9, 2021, 9-10. By the time of this review, the Morgan Lewis report had already been released into the public sphere through public records requests. See, for example, David Hammer, "Reports detail corruption, dysfunction inside N.O. building inspection office," *WWL-TV*, January 21, 2022, <https://www.wwltv.com/article/news/investigations/reports-detail-corruption-dysfunction-inside-no-building-inspection-office/289-cf479ca9-6a22-411f-95b5-194c3b9e90a9>

APPENDIX 2. NEW ORLEANS OFFICE OF PERFORMANCE AND ACCOUNTABILITY RECOMMENDATIONS

Status	Recommendation
Complete prior to this audit	1. Establish a compliance (anonymous) hotline system where City employees and members of the public can report good faith allegations of Department misconduct.
Addressed by the process of conducting this audit	2. Review certifications for all current inspectors to ensure that each is compliant with state regulations and licensed to perform assigned inspections. 3. Utilize existing GPS tracking systems to ensure inspector attendance at every onsite inspection.
Aligned with recommendations of this audit	4. Review, analyze, and revise departmental and employee policies and procedures for clarity and specificity as to the execution of job duties. Eliminate unnecessary individual discretion as to the performance of basic job requirements and responsibilities. More specifically define "satisfactory manner" for the purposes of the Civil Service Rules. 5. Randomize the inspector assignment process to avoid inspectors having "territories". 6. Increase monitoring by conducting randomized onsite quality checks of inspections performed by both City and third-party inspectors (a practice utilized in Jefferson Parish). 7. Conduct policy training at the supervisory level regarding existing policies and procedures and emphasize the importance of consistent enforcement of all policies. 8. Conduct additional training at the staff level regarding existing policies and procedures and foster a consistent understanding of the job requirements and responsibilities. 9. Incentivize continuing education at all levels by linking training with potential pay increases. 10. Review and analyze the need for additional inspectors, with a specific focus on those with expertise in high-rise buildings.

Not addressed by this audit	<p>11. Hire a full-time compliance officer.¹</p> <p>12. Continue the internal personnel audit to identify any additional compliance problems and analyze whether these compliance issues necessitate suspension, removal from leadership positions, and/or other disciplinary actions.²</p> <p>13. Advocate for revisions to the text and/or interpretation of applicable City Civil Service Rules to provide the City with greater flexibility to impose swift discipline, including termination, where there is compelling evidence of employee misconduct.³</p>
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¹ The CAO's office has committed to hiring a compliance officer to monitor DSP inspections and other activities going forward. This initial audit will provide a framework for the compliance officer to work from.

² Compliance issues were determined by DSP leadership not to necessitate suspension, removal from leadership position and/or other disciplinary actions due to the lack of clear, consistently enforced policies and procedures in the past. Going forward, clear policies and procedures and regular trainings will facilitate any necessary disciplinary actions.

³ Advocating for changes to Civil Service was found to be outside the scope of this audit.

Source: New Orleans Office of Performance and Accountability, *Permit Inspection Audit: City of New Orleans* (New Orleans, LA: New Orleans Office of Performance and Accountability, 2021), 4-5.

APPENDIX 3. NEW ORLEANS OFFICE OF INSPECTOR GENERAL INSPECTIONS

AUDIT RECOMMENDATIONS

- S&P management should update and enforce S&P policies and procedures in order to ensure the City inspectors are conducting on-site inspections. S&P should also verify on a quarterly basis that GPS is installed and working for all vehicles driven by City inspectors.
- S&P should require that City inspectors complete an inspection checklist that details the required steps necessary for each type of inspection. City inspectors should upload the checklist into LAMA to document that a comprehensive inspection was conducted.
- S&P supervisors should perform regular quality checks to ensure City inspectors upload required documentation to LAMA for all inspections.

Source: New Orleans Office of Inspector General, *Safety and Permits Inspections Audit* (New Orleans, LA: New Orleans Office of Inspector General, 2022, 3).

APPENDIX 4. PERMITTING TASK FORCE RECOMMENDATIONS

- 1) Increase financial investment in permitting agencies by a minimum of \$3,000,000
- 2) Create a standard for excellent customer service
- 3) Implement systems to bring more transparency in the permitting process
- 4) Hire technical experts, such as a structural engineer
- 5) Dramatically improve internal communication between City departments
- 6) Improve enforcement of building and land-use violations
- 7) Expedite permits, licenses, and other approvals for tradespeople
- 8) Limit the use of IZDs
- 9) Focus on Technology Audit and Upgrades with input from City staff
- 10) Improve integration with Outside Agencies and Groups

Source: Office of New Orleans Councilmember Freddie King, III, Permitting Task Force, "Report of the Permitting Task Force (originally VC Task Force)," August 28, 2023, 3.

APPENDIX 5. MATRIX CONSULTING GROUP RECOMMENDATIONS

Management and Administration	Implementation Completed	Assigned Party
1 Implement recruitment and retention strategies to hire and retain quality personnel for permitting review positions and to ensure productivity and success.	Ongoing	DSP / DCE / HR
2 Perform a targeted classification and compensation study to determine if pay for each development review staff position is competitive compared to peer or market rates.	Q1 2026	HR / Civil Service
3 Ensure a City-wide onboarding program is created for all new employees. Safety and Permits should develop an onboarding program for all staff that is focused on their position and holistic understanding of the development process.	Q2 2025	DSP / DCE
4 Institute monthly department-wide meetings to discuss important issues, upcoming initiatives, project updates, etc.	Immediately	DSP / DCE Leadership
5 Create a department culture that is focused on providing a high level of customer service. (Both Departments)	Ongoing	DSP / DCE Leadership
6 Develop customer service focused training program for all staff. Customer service training should also be incorporated into the onboarding process for new hires and refresher training provided annually. (Both Departments)	Q4 2025	DSP / DCE
7 Implement a culture of accountability within both departments and hold all staff and leadership accountable for their actions (or inactions).	Ongoing	DSP / DCE Leadership
Department and Safety Specific Recommendations		

8	To provide time for both Departments to focus on their primary mission and objectives, the City Council should refrain from initiating new programs or initiatives without associated funding and staffing resources. This will help ensure that the Departments can maintain the level of service for their core tasks.	Ongoing	City Council
9	Create a cross-functional leadership team responsible for implementing permitting improvements and reporting on performance of the system overall.	Q4 2024	DSP / DCE Leadership
10	Develop clear, high-level reporting on performance and workload for use by the Safety and Permits director, Division directors, and elected officials to develop a fact-based methodology for assessing the performance associated with reviewing and issuing permits and licenses.	Q1 2025	DSP Leadership
11	In conjunction with process changes related to DSP inspections, develop clear reports to track timelines involved in scheduling and completion of inspections.	Q3 2024	DSP Leadership
12	Within complex permitting systems, identify interim points of accountability to measure performance and develop individual reports to track these areas.	Q2 2025	DSP Leadership
13	Develop public-facing reports to provide current information regarding the performance of the city's permitting systems and processes.	Q4 2024	DSP Leadership & Office of Performance & Accountability
14	Develop a cross-cutting mission for permitting activities that incorporates all divisions within Safety and Permits, as well as outside divisions including Planning Commission, Vieux Carré, Historic, Public Works, and others.	Q1 2025	DSP Leadership
15	Establish an expectation for all staff that when working with applicants, the goal is to provide service that reflects well on the entire city and that both the technical objective (e.g., safe construction or	Immediately	DSP Leadership

historically consistent design) and the customer service objective (e.g., efficient and helpful) are addressed.		
16 Reframe DSP One Stop Shop personnel to focus more on permit facilitation and response to questions from the public. Ensure staff are empowered and knowledgeable to provide answers to the most frequent questions that arise.	Q2 2025	DSP Leadership
17 Transition to Certified Permit Technicians to staff the One Stop Shop and give them broader responsibility for facilitating permit review.	Q2 2025	DSP Leadership
18 Staff the One Stop Shop with additional expertise in zoning and building to be available to answer more complex questions.	Q4 2024	DSP Leadership
19 Set a cost recovery policy for fees, conduct a fee study for all departments, and implement new fees in conjunction with service improvements.	Q2 2026	City Council / Mayor
20 Update and create standardized policies and procedures for the Department of Safety and Permits and publish an electronic SOP manual to guide operations.	Q2 2025	DSP Leadership
21 For cases including both Code Enforcement and Safety and Permits, ensure that there is a clear lead investigator and that any required work is coordinated among all departments.	Immediately	DSP / DCE Leadership
Code Enforcement Specific Recommendations		
22 Create and implement policies related to code enforcement issues that spans multiple City departments.	Q4 2024	DCE Leadership
23 Develop clear management reports on code enforcement activities.	Q4 2024	DCE Leadership & IT

24	In Code Enforcement create the position of Office Worker Supervisor for the Research and Hearings team.	Q4 2024	DCE Leadership
25	Reconfigure the LAMA Code Enforcement module to show all pending complaints and investigations assigned to each Code Enforcement Inspector.	Q3 2024	DCE Leadership & IT
26	Code Enforcement leadership should create a prioritization matrix and guidelines to help guide Inspector's daily activities.	Q4 2024	DCE Leadership

Process Evaluation

Department and Safety Specific Recommendations

27	Conduct an application completeness check during the intake process and reject incomplete applications prior to forwarding on to reviewers.	Q3 2024	DSP Leadership
28	For each type of permit or license, identify a case manager to serve as the primary point of contact and shepherd the application through the approval process.	Q2 2025	DSP Leadership
29	All review comments should be made directly on the plans and memorialized in the permitting software system. The case manager should review and consolidate all comments into a single comment letter prior to notifying the applicant that the first review is complete.	Q2 2025	DSP Leadership
30	The applicant should be provided clear instructions regarding how to resubmit their application. All comments should be addressed prior to resubmission and submitted as a single resubmittal.	Q3 2024	DSP Leadership
31	The revised workflow should be set up in LAMA to track major milestones.	Q4 2024	DSP Leadership / IT Staff

32	Eliminate the requirement for a copy of the contract for building permit applications.	Immediately	DSP Leadership
33	Establish a list of building permit types that do not require zoning or DPW review and do not route these applications to zoning and DPW.	Q4 2024	DSP Leadership
34	Allow a fast-track (same day or instant) process for permitting of new roof, minor renovations, and replacement structures under certain size. These permits would be subject to inspection.	Q4 2024	DSP Leadership / IT Staff
35	Improve coordination between building plan review and both plumbing and DPW permitting processes.	Q2 2025	DSP / DPW Leadership
36	Issue combination permits instead of requiring separate building and mechanical or electrical permits for projects that involve both a building and mechanical / electrical review.	Q3 2025	DSP Leadership
37	Provide instant scheduling of inspections through LAMA or a dedicated phone line with a staff person who has access to a calendar of available slots.	Q1 2025	DSP Leadership & IT Staff
38	Establish a target of next day inspections for all inspections overseen by Safety and Permits, related to the vertical built environment.	Q1 2025	DSP Leadership
39	Create capacity and time slots for planners to meet with applicants or potential applicants to conduct pre-plan reviews and answer zoning questions. These can be through online meetings that could be scheduled electronically.	Q1 2025	DSP Leadership
40	Use combination inspectors for rough and final inspections.	Q2 2025	DSP Leadership
41	Establish a maximum timeframe of no longer than three business days within which 90 % of Letters of Zoning Determination must be sent and ensure adequate staffing to achieve this.	Q4 2024	DSP Leadership

42	Consider eliminating the requirement for onsite inspection of businesses as part of the occupational license process. If the City would like to conduct an in-person inspection of each new business, they should instead create a stand-alone Certificate of Compliance process.	Q4 2024	DSP Leadership
43	Update protocols so that if City Planning Commission approvals are needed, CPC staff are involved in providing guidance to applicants.	Q4 2025	DSP / CPC Leadership
44	Require more lead time between submittal deadline and the event. Add cost penalties if applications are submitted late or that fail to respond comprehensively to comments in a timely fashion. (Would require ordinance change.)	Q3 2025	DSP Leadership & City Council
45	Allow permits to be issued with conditions (e.g., conditioned upon final contracts with police, EMS, or fire) instead of holding up permit issuance.	Q3 2025	DSP & Partners Leadership
Code Enforcement Specific Recommendations			
46	Explore more efficient options for blight prevention and remediation that limit the need for Adjudication Hearings.	Q1 2025	DCE & City Leadership
47	Consolidate the Inspection and Lot Abatement Teams in Code Enforcement, and have all Inspectors enforce all ordinances under the Code Enforcement Department umbrella.	Q4 2024	DCE Leadership
48	Create a standard operating procedures manual that provides oversight of the City's code enforcement responsibilities and assignments.	Q1 2025	DCE Leadership
49	Expand focus on resources to assist property owners with clean-up efforts, including through funding assistance, cooperative efforts community groups.	Q4 2025	DCE Leadership & City Council
50	Focus assistance and remediation programs to benefit low income communities and individuals who	Q4 2025	DCE Leadership & City Council

lack the means to independently remediate violations.

Technology Assessment

51	Conduct a technology skills need assessment to identify current technology training needs and create a program to address these needs.	Q1 2025	DSP / DCE / IT Leadership
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52	Establish a new hire technology training program.	Q2 2025	DSP / DCE / IT Leadership
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53	Create and implement a technology training program as new features are released on primary software systems.	Q2 2025	DSP / DCE / IT Leadership
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Department and Safety Specific Recommendations

54	Incorporate the features of best in class permitting software platforms in the LAMA system.	Q2 2025	DSP & IT Leadership
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55	Continue to expand deployment of LAMA system across all City departments involved in permitting and licensing or build interfaces where separate systems are utilized (such as for Revenue).	Q2 2025	DSP & IT Leadership
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56	Update system configuration in conjunction with recommended process improvements.	Q2 2025	DSP Leadership & IT Staff
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57	Update the business license interface through the one-stop application, to provide a more customer friendly interface. This should be focused on renewals and information updates.	Q1 2025	DSP Leadership & IT Staff
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Code Enforcement Specific Recommendations

58	Update the code enforcement module in LAMA to include prevailing features and functionalities of effective code enforcement case management software systems.	Q2 2025	DCE Leadership & IT Staff
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59 Code Enforcement Inspectors should be equipped with tablets that can access the code enforcement case management software system.	Q2 2025	DCE Leadership & IT Staff
60 Create a centralized code enforcement webpage that spans all City code compliance operations.	Q1 2025	IT Staff
61 Standardized the information provided on the code webpage for each department, provide a map of active code complaints/cases, and informational material.	Q1 2025	DCE Leadership & IT Staff
62 Implement a code education program that incorporates multiple languages and utilizes multiple media sources to reach community members and businesses that may not seek out information on code compliance.	Q1 2026	DCE Leadership, City Communications, & IT Staff

Staffing Analysis

Department and Safety Staffing Changes

63 Hire an Efficiency Coordinator reporting to the Director of OBES, to help manage cross-departmental improvement efforts and put in place a performance monitoring program.	Q4 2025	OBES Leadership
64 Hire or secure outside consultants equivalent to 4.25 Building plans examiners, one mechanical plans examiner, and 2.5 electrical plans examiners.	Q4 2024	OBES & DSP Leadership
65 Track inspector workload and activities to confirm calculated surplus of capacity; if surplus is confirmed, reallocate staff to plan review and customer service functions.	Q4 2024	DSP Leadership
66 Increase zoning review capacity by 2 zoning reviewers for review of building permits and one additional reviewer to serve as "planner of the day" providing customer service to individuals who call or	Immediately	DSP Leadership

walk in to the One Stop Shop. This is a total need of four zoning reviewers.

67	Reduce inspections for occupational license applications and redeploy capacity to core occupational license review and processing.	Immediately	DSP Leadership
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Code Enforcement Staffing Changes

68	Increase the number of Inspectors for Inspections/Lot Abatement from six to nine. This is an increase in three authorized Inspector positions.	Q4 2025	DCE Leadership
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69	Maintain the current contract to supplement Research and Hearings Case Specialist until the backlog of pending investigations/cases is manageable.	Ongoing	
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70	The current allocation of Office Workers assigned to Research and Hearings is appropriate if the study's operational, process, and technology recommendations are implemented.	Ongoing	
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Adjudication

71	Centralize adjudication operations under one central Office of Adjudication.	In Progress	OA Director
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72	Review all projected workload numbers with staff in each department.	Q2 2024	OA Director
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73	Reach out to DPW and Sewerage and Water Board for potential adjudication support for work in the Right of Way or plumbing work without permits.	Q4 2024	OA Director
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74	Hold a meeting with all departments to compare processes and create as much alignment / commonality as possible.	<u>Q4 2024</u>	OA Director, DSP and CE Leadership
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75	Clarify and document what types of cases should be referred to adjudication, and what process should be	Q1 2025	OA Director, DSP and CE Leadership
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used if an inspector in one area identifies violations that are outside of their scope.

76	Develop an operations plan that encompasses the full range of adjudication case types, and addresses what case types can be handled on a walk-in basis, who needs to participate in hearings, and whether certain days will be dedicated to specific types of hearing.	Q3 2024	OA Director
77	Develop a staffing plan that provides as much cross-training as possible but includes specialization if needed for more complex land use issues.	Q3 2024	OA Director
78	Design physical space and technology around the broader city-wide adjudication mission.	Q2 2024	OA Director

Source: Matrix Consulting Group, "Evaluation of Permitting and Code Enforcement Operations," Revised Draft Final Report, June 12, 2024.

APPENDIX 6. NEW ORLEANS OFFICE OF INSPECTOR GENERAL THIRD PARTY INSPECTIONS AUDIT RECOMMENDATIONS

- S&P should create a full-time Compliance Officer position, whose primary responsibilities include performing quality reviews of inspections, as well as Certificates of Occupancy issuance. Additionally, the City should consider modifying the City Code to place S&P in charge of receiving and randomly assigning requests for Third Party Inspectors.
- S&P should implement a uniform inspection report template that both City and Third Party Inspectors are required to submit for each inspection. S&P should provide training to Third Party Inspectors concerning the required photographic documentation submitted for inspections and discipline Third Party Inspectors who do not consistently comply with those requirements.
- S&P should implement inspections checklists for each type of inspection and require City and Third Party Inspectors to submit a completed checklist for each inspection. All completed checklists should be uploaded to LAMA.
- S&P should ensure that Third Party Inspectors are blocked from submitting inspections if they have not renewed their City license in accordance with policy or if their license is suspended or revoked.
- S&P should directly communicate policy to Third Party Inspectors at quarterly meetings, as well as maintain record of the discussion at those meetings.
- S&P should perform regular quality reviews of inspections, as well as Certificate of Occupancy issuance, to ensure S&P personnel properly review and upload required documentation to LAMA for all inspections.

Source: New Orleans Office of Inspector General, *Department of Safety and Permits Third Party Inspections Audit* (New Orleans, LA: New Orleans Department of Safety and Permits, 2025), 5.