

FOR IMMEDIATE RELEASE: Oct. 8, 2026

MEDIA CONTACT:

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

OIG FINDS CITY COULD SAVE MORE THAN \$13.1 MILLION VIA IN-HOUSE ILLEGAL DUMPING RESPONSE

The New Orleans Office of Inspector General (OIG) today (Oct. 8) released a public letter finding that the City could save more than \$13.1 million over a 10-year period by performing certain sanitation work in-house rather than continuing to contract the work out.

OIG evaluators identified the potential savings amid an ongoing evaluation of the Department of Sanitation's handling of illegal dumping complaints. Staff of the Department of Sanitation informed the OIG that Sanitation could address illegal dumping complaints in-house, but understaffing and underfunding have led to poor service, including poor response times.

In an attempt to remedy the backlog of illegal dumping complaints, Sanitation expanded existing contracts with MDL, a private company, to provide supplemental equipment and operators for illegal dumping response services.

However, MDL was not licensed in Louisiana to haul waste tires, which comprise more than 22% of illegal dumping complaints. Instead, MDL only cleaned general debris from illegal dump sites. This left Sanitation staff to clean all sites with illegally dumped tires, including sites already cleaned by MDL, resulting in a duplication of efforts.

OIG evaluators compared the cost of MDL's illegal-dumping response to an in-house response operated by Sanitation. After reviewing and analyzing the costs associated with the contract, OIG evaluators determined that the City could save approximately \$13,167,592 over 10 years by hiring staff to perform the work in-house.

Evaluators noted that using a private contractor could be slightly cheaper in the first year of the contract, assuming the City may need to purchase all necessary equipment. However, after purchasing the requisite equipment, the City would realize significant savings (more than \$1.1 million per year).

Based on this analysis, the OIG recommends that the City consider the feasibility of hiring adequate staff and acquiring the necessary equipment to provide illegal dumping response services at the Department of Sanitation.

Further, the OIG has found that, on multiple occasions, City Departments have hired contractors to perform essential City services that could be performed by City employees. For example, an April 6, 2026, OIG public letter found the City could generate an additional \$710,000 to \$1.74 million annually by investing in New Orleans Emergency Medical Services (NOEMS) staffing instead of hiring contractors to perform EMS services.

Considering these findings, the OIG recommends that City leaders regularly assess the cost-benefit of contracting with outside vendors to perform departmental services.

Inspector General Ed Michel stated:

“Our office is committed to ensuring that City services are delivered as efficiently and effectively as possible. Our recent findings show that, in some cases, the City can save substantial taxpayer money over the long term by performing work in-house rather than contracting it out. Given the City’s fiscal constraints, we encourage City leaders to regularly conduct multi-year cost-benefit analyses to help maximize value and protect public resources.”

To view the OIG’s letter, visit NolaOIG.gov.

###