

The Ethics Review Board
City of New Orleans
Tuesday, August 7, 2012
2:30 p.m.
City Council Chambers
City of New Orleans
1300 Perdido Street
New Orleans, Louisiana 70112

Minutes

Present: Rev. Cornelius Tilton, Chair; Elizabeth Nalty, Vice Chair; Okyeame Haley, Secretary; Dr. Laura Rouzan; Dr. Michael Cowan; Rev. Dr. Don Frampton

Staff: Steven Scheckman, General Counsel
Felicia R. Brown, Executive Director

Guest: Edouard R. Quatrevaux, Inspector General

A quorum being present, the chair called the meeting to order at 2:46 p.m. Dr. Rouzan moved that the minutes of the June 5, 2012, meeting be approved; Ms. Nalty offered a second. The motion passed unanimously.

Rev. Tilton stated his intention to leave the board; thus, he would not seek re-election to the position of chair. He indicated he would notify the mayor of his decision.

Election of officers: Ms. Nalty moved that Dr. Michael Cowan be nominated as chair of the Ethics Review Board; second offered by Dr. Rouzan. All were in favor and the motion passed unanimously. Dr. Cowan thanked the members for their trust.

Vice Chair: Mr. Haley moved that Ms. Elizabeth Nalty continue to serve as vice chair of the Ethics Review Board; a second was offered by Rev. Frampton. All were in favor and the motion passed unanimously.

Secretary: Mr. Haley offered a motion nominating Dr. Rouzan for the position of secretary for the Ethics Review Board. Ms. Nalty seconded; all were in favor and the motion passed unanimously.

Rev. Tilton extended his congratulations to the newly elected officers and thanked Mr. Haley for his service to the board. Ms. Nalty thanked Rev. Tilton for his service to the board as a member and commended his efforts as the ERB's chair.

Rev. Tilton recognized Inspector General Ed Quatrevaux and acknowledged the presence of Ms. Carroll Suggs, a member of the Jefferson Parish Ethics and Compliance Commission.

Inspector General Report

The inspector general indicated that Ms. Susan Hutson, independent police monitor, would not be attending this afternoon's meeting, due to another matter that required her attention.

Mr. Quatrevaux mentioned the most recent audits, reports, and/or letters issued by the OIG: Urban Development Action Grants Agreed-Upon Procedures; Follow-Up Report: A Review of the New Orleans Municipal Employees' Retirement System Travel Policy (the IG noted all recommendations were followed); Follow-up Report on A Performance Audit of the Municipal Court Remittances to the City: six recommendations of the OIG were implemented by the Municipal Court and three recommendations will require legislative changes for implementation and one recommendation was partially followed. Mr. Quatrevaux referenced the inquiry conducted with regard to the respective hiring of each others' wives by former Municipal Court Administrative Judge Paul Sens and Orleans Parish Sheriff Marlin Gusman as consultants. Mr. Quatrevaux opined that while these actions did not rise to the level of criminal behavior, they do give the appearance of impropriety on the part of the public officials involved. The IG also noted the letter referring the personnel practices within Municipal Court, namely the hiring of family members of Judge Paul Sens, to the Judiciary Commission. He stated that the OIG's letter to the mayor commenting on the proposed legislation to approve rate changes by the Sewage and Water Board reflected concerns about size and lack of administrative oversight.

Mr. Quatrevaux indicated he would participate in an advisory capacity to Jefferson Parish in the search and selection process for its inspector general and will share best practices in the creation of the office of inspector general.

The IG indicated that Peter Smith, first assistant inspector general for school construction, and Amy Knower, deputy inspector general for school construction, are the senior staff responsible for the OIG RSD fraud unit; two additional staff members will be hired. Mr. Smith is a former FBI supervisor and Ms. Knower is an architect who previously headed facility development for Oschsner.

He reiterated the legislative changes to make the OIPM a division within the OIG and to establish its independence in its operations; this action should end challenges to the IPM's authority to shield records,

Regarding the ERB-OIG budget, he stated there was a \$79,000 surplus (which will be used to restore professional development for the OIG staff); he also stated the ERB has approximately \$26,000 that is not included in the above surplus. He referenced the shared criteria for calculating shared expenses and explained the budget process, including interface with the mayor's office and the city council. Presently, there's a deficit of \$55,000 reflected in the 2013 budget forecast; the 2013 budget assumes the same general fund levels for the current fiscal year.

In response to Rev. Tilton's inquiry, the IG confirmed no evidence of criminal activity was found with regard to the hiring practices of Judge Sens and Sheriff Gusman. Rev. Tilton asked for clarity with regard to the risk assessment used by the OIG with regard to recommendations issued concerning the Sewage & Water Board. Mr. Quatrevaux noted the risk assessment reflected an auditing methodology used internally to guide planning and acknowledged the letter was intended as an expression of concern relevant to size and oversight of the S&WB, as well as offer to the administration concrete action that the mayor might pursue in this regard. In response to Dr. Cowan's inquiry about the issuance of the letter regarding the hiring practices of Judge Sens, Mr. Scheckman, general counsel for the ERB, explained the process for review that will be undertaken by the Judiciary Commission.

Rev. Tilton recognized ERB executive director Felicia Brown. The executive director reviewed the extracted budget details for the Ethics Review Board's proposed 2013 budget. In explaining the budget details, she referenced the estimating criteria provided and the proposed staffing changes. An exchange

ensued between the executive director and Rev. Tilton with regard to the differentials in costs for proposed staff and specific shared costs as represented within the spreadsheet.

She indicated that the budget did not reflect funds to support program efforts that might be undertaken by the board in FY 2013, specifically noting the \$30,000 provided in the FY 2012 budget had not been carried over. In response to Ms. Nalty's question, Ms. Brown stated the current staffing reflects an office assistant, trainee and that she proposed a change in that position to an office assistant IV as well as a trainer position, as reflected by the proposed management development specialist II position. The two positions will require action by the board.

Government Ethics Education: Dr. Cowan provided a report of the ethics education working group (comprised of Dr. Rouzan, Dr. Frampton and Dr. Cowan). He offered a possible framework that the board might consider for decisions in this regard, including consideration of the following:

- Potential targets/recipients of ethics education (e.g., contractors, board/commission members, elected and appointed officials, and public employees;
- Content that might be provided based on the needs of subgroups and which may vary by populations (Dr. Cowan referenced the work of Judy Nadler and the development of specific dilemmas within respective work environments;
- Formats for the delivery of training, either on-line and/or live.

Dr. Cowan proposed a process by which the working group will report back to the full board and offer recommendations for the board's consideration. On August 23, the working group, along with the executive director, will meet with the inspector general and Howard Schwartz, first assistant inspector general for criminal investigations. Rev. Tilton referenced the inclusion of state ethics provisions as well.

Change in December 4, 2012, meeting: Due to the COGEL conference (December 2-5, 2012), the December meeting will be rescheduled for Tuesday, December 11, at 2:30pm. Because the council chamber will not be available on December 11, the meeting will be scheduled at an alternate location. Details for the COGEL conference were provided in the folders, and she asked board members to advise of their intention to attend by Friday, August 31.

A discussion ensued regarding the evaluation instruments developed for the positions of inspector general, ERB executive director and general counsel. Ms. Brown proposed a working group to guide the evaluation process on an annual basis and to make recommendations for necessary changes to the instruments. Dr. Cowan inquired whether the former instrument for the IG has been used in the past. Rev. Tilton explained that previously a self-evaluation was conducted by Mr. Quatrevaux. Rev. Tilton also indicated that action on this matter should be deferred to the incoming leadership and advised that the board consider a self-evaluation of its operations on an annual basis. With regard to Dr. Cowan's question about the necessity of the IG's review by the ERB through an evaluative process, Rev. Tilton noted that no final decision had been made in that regard. The initial thinking was that as the appointing authority for the IG the ERB needed a mechanism for the recommendation of salary increases. Dr. Cowan suggested one basis for evaluation might be the OIG's strategic plan. Rev. Tilton also noted utilization of the findings of the OIG Quality Assurance Review Committee as well as the peer review conducted by the Association of Inspectors General. Mr. Scheckman referenced page 5 of the ERB-OIG MOU with regard to annual review of the IG's compensation by the Ethics Review Board.

In response to Ms. Nalty's inquiry regarding the OIG Quality Assurance Review Advisory Committee, Mr. Scheckman noted the late appointment of some committee members that created a delay in the committee's work. Ms. Brown stated the work of the advisory committee is progressing and that the final report will be completed soon and the public meeting should be scheduled for the first week in October.

The ERB-OIG MOU had been provided for review when the budget conversations were initiated and intended for the full board's review to determine the need for changes to the document.

Advisory Opinion Request: A discussion ensued about the request for an advisory opinion submitted by Lawrence Williams. Mr. Scheckman noted the request had also been submitted to the state ethics board for its consideration. It was recommended that the board defer its decision in this regard and monitor the action by the state in this matter.

At 3:32 p.m., Dr. Cowan motioned that the board recess into executive session; there was a second offered by Ms. Nalty. The motion passed unanimously.

The board resumed open session at 3:58 p.m. Rev. Tilton referenced the Guide to the City Code of Ethics distributed to ERB members and developed by the ERB staff.

A motion for adjournment was offered by Dr. Frampton and seconded by Ms. Nalty. The motion passed unanimously; the meeting adjourned at 3:58 p.m.