

Ethics Review Board

City of New Orleans

March 29, 2016

3:30 P.M. – 5:30 P.M.

City Council Chambers | 1330 Perdido Street | New Orleans, Louisiana 70112

Meeting Minutes

Present: Dr. Michael Cowan, Chair; Mr. Allen Miller, Vice Chair; Mr. James Brown;
Mr. Howard Rodgers; Dr. Joe Ricks; Rev. Dr. Frampton
Guest: Toni Hackett, The Hackett Group, ethics education trainers

At 3:32 p.m., with a quorum being present, the Chair called the meeting to order. On a motion by Rev. Dr. Frampton and seconded by Dr. Ricks, the board unanimously approved the minutes of February 29, 2016.

Inspector General's Report

The Inspector General (IG) referenced the following reports issued by the Office of Inspector General (OIG) since the ERB's February meeting: Sewerage and Water Board (S&WB) Fee Collections and Controls and a public letter regarding the Law Department's procurement of outside counsel.

The IG told the board that the audit found that 47 percent of S&WB's accounts receivable were delinquent more than 90 days. In addition, the audit found that the S&WB's billing system (CAM System) could not produce detailed aging reports and did not assess late fees on 23 percent of the accounts that were tested by auditors.

The IG told the board that the staffing managers did not follow the S&WB policies; some because they were not aware of the policies. The IG also observed that switching to a commercial lock box service to process mailed in payments could have saved S&WB approximately \$83,000 a year.

The IG told the board that a public letter advised that the Law Department needed to improve controls and document procurement actions with outside legal counsel and legal contracts should be competed.

The IG told the board that the 2015 OIG Annual Report will be issued at midnight on Wednesday, March 30, 2016. The Annual Report highlights the following:

- In 2015, the OIG cost approximately \$3.5 million;
- The Audit & Review Reports found a savings of \$5.5 million;

- The Investigations Division’s efforts resulted in approximately \$3.1 million in potential economic loss prevented (PELP); and
- The City implemented a recommendation from the Inspection and Evaluation Division’s 2013 report on Delinquent Tax Collections that resulted in approximately \$13.2 million in additional revenue.

The OIG savings to date is a total of approximately \$66 million in addition to the \$13.2 million in revenue generated as a result of the implementation of the previously mentioned recommendation from 2013. The IG told the board that the Annual Report also highlights that the OIG has issued 122 reports and public letters between 2008 and 2015.

The IG told the board that there were 13 criminal actions (indictments, convictions and sentencing) in 2015 and 79 from 2012-2015. Seven city employees have been terminated and 24 suspended as a result of administrative investigations. OIG Investigator Eduardo Hernandez was honored by the Department of Justice for his work on the Ray Nagin investigation.

The IG also discussed the Nagin investigation and the OIG’s involvement in identifying fraud committed by the former accountant at Traffic Court (Vandale Thomas). The OIG identified several questionable payments while performing an evaluation of the Traffic Court and provided information to its law enforcement partners. Mr. Thomas was convicted in 2014 and reported to prison in August 2015 and was ordered to pay restitution of \$685,000 to the City of New Orleans.

The IG told the board that another investigation found 2 taxi cab inspectors used inappropriate force against the tour guide and taxi cab driver; 1 was found guilty and the other pled guilty.

The IG told the board that the New Orleans City Council reduced its reliance on outside utility consultants by reducing their contracts by \$800,000, as recommended in the June 2015 OIG evaluation of utilities regulation in New Orleans.

The IG told the board that NOPD initially rejected all of the OIG recommendations on staffing and deployment. Since, Superintendent Harrison has implemented most of the recommendations and with the assistance of the City Council, aid will be provided for more burglar alarms and more freedom not to conduct investigations on “fender-benders” within the city limits. As a result of these efforts, more officers will be placed on patrol to answer citizens’ calls for service.

The IG told the board that in 2016, the OIG will produce the following reports: an Audit of the Uniform Crime Report for accuracy of sex crimes; the French Market use of Funds; the S&WB use of Funds; Audubon Credit Card Purchases and expense reimbursements; Audubon Payroll Controls & Catering; Municipal Court Funding; NOLA 311; Pedestrian Walk Signals; Vehicle Maintenance and Fuel Dispensing Contracts.

In response to Mr. Howard Rogers, the IG said that the Audubon Commission and Audubon Institute are within the OIG's jurisdiction. He stated he was aware of the conflict of interest issue that arose in the contract with the Carrolton Boosters, but noted the issue had been involved.

In response to Mr. Brown, the IG told the board that NOLA 311 is the City of New Orleans' emergency hotline for City Services.

Independent Police Monitor

The Independent Police Monitor (IPM) Susan Hutson reported the Office of the Independent Police Monitor's (OIPM) year-to-date activities for 2016: 11 complaints (4 pending filing), 4 case monitoring's, 2 contacts only, 3 criminal liaisons, 2 new case reviews, 0 commendations, 1 lawsuit review, 0 criminal incidents, 3 disciplinary hearings and 4 mediations.

The IPM told the board that the OIPM has monitored a number of Community Protests including the NOPD's handling of the Trump rally, HANO protests, the Oil Lease protest and Mardi Gras Indian/Super Sunday Fests.

The IPM told the board that the OIPM has assisted the NOPD by bringing the community and NOPD together to ensure that the protests are policed according to Constitutional standards.

The IPM told the board that the OIPM will not have an Annual Report by the end of March, but will issue the report in parts. The first part of the report will be a 'Year-in-Review' and will not contain analysis. Later, the OIPM will issue additional, separate reports that will include Mediation, Critical Incidents, Complaints and Disciplinary Hearings.

The IPM told the board that the OIPM is still working to build the office, install technology and working to hire personnel, including contracted attorneys.

The IPM told the board that there is a need to rehire someone to replace the OIPM's writer Jordan Shannon; an Auditor and Deputy Police Monitor over Critical Incidents, will also be hired later this summer.

The IPM told the board that a RFP has been submitted for Legal Counsel which closed on March 24, 2016 and the OIPM is awaiting the process to start. OIPM will soon be issuing Outreach proposals and a contract for Data Analysis services.

In response to Dr. Cowan, the IPM told the board that there will be four to five separate reports pertaining to 2015: Report 1 will be a 'Year-in-Review' with no analysis; report 2 will focus on complaint intakes, case monitoring's and reviews; report 3 will focus on critical incidents; report 4 will focus on disciplinary hearings and report 5 will focus on mediations.

Dr. Cowan told the board that a link was provided by Mr. Ciolino for the ERB members to view the new ERB website. Dr. Cowan also asked the board to please send any comments or feedback to him.

Mr. Rodgers told the board that he finds the website to be very nice and user-friendly.

Dr. Cowan also told the board that the website looks very nice.

Ethics Education Report

Ms. Toni Hackett of the Hackett Group told the board that the Hackett Group has undergone recent staff changes, but are confident that the ethics trainers will continue to provide high-quality, relevant training and meet all of the objectives of the board and the requirements of the contract.

Ms. Hackett told the board that John Washington has resigned from the Hackett Group.

Ms. Hackett told the board that in the remaining three (3) sessions, the Hackett Group will be assisted by Mr. Erich Caulfield and Rose Hager with Aaron & Gianna PLC, will continue to attend every training session and provide updated rulings of the State Board of Ethics, in addition to any legal insight regarding ethics enforcement in Louisiana.

Ms. Hackett told the board that the training sessions are always lively and interactive.

Ms. Hackett told the board out of the seven trainings: 2 trainings were completed for the Department of Safety and Permits, which consisted of 15 Inspectors attending the first session and 16 Inspectors attending the second session. 2 trainings were also completed for the S & WB, which consisted of 25 Support Servicers, Mid-Management, Supervisors and Heads of Department were in attendance for both sessions.

Ms. Hackett told the board that she completed the Continuing Education Training offered by the State, to become a State Trainer and will be certified by May 2016. She also told the board that Mr. Caulfield is also scheduled to take 2 hours of Ethics for Public Employees and 2 hours of Ethics for Public Liaisons and will be certified by June 30, 2016.

Ms. Hackett told the board that Mr. Caulfield has worked in both the public and private sectors and prior to moving back to New Orleans, Mr. Caulfield was appointed by President Barack Obama to serve as a White House Fellow. She also told the board that Mr. Caulfield also lead the White House Strong Cities, Strong Communities (SC2) Initiative.

Ms. Hackett told the board that Mr. Caulfield is the youngest member to be elected as a member of the Board of Trustees for the Massachusetts Institute of Technology (MIT).

Ms. Hackett told the board that after every ethics training session, an evaluation is completed by each city employee. She also told the board that The Hackett Group has received positive feedback from all employees that have attended the ethics education trainings.

In response to Dr. Ricks, the 3 departments remaining for ethics education training are: Public Works, City Council and Finance; the Mayor's Office is a work in progress.

Ms. Hackett told the board that the City Council asked if the Hackett Group could submit their presentations so that they can review the trainings to see if it would be suitable for CLE Credits.

Dr. Cowan told the board that he is working on a draft of the ERB Annual Report that will be sent to the members for review and any comments. He also told the board that the edited edition will be available at the ERB April meeting.

The chair called for a vote to adjourn to executive session pursuant to Louisiana Revised Statutes section 42:16 to discuss (1) two investigative proceedings regarding allegations of misconduct; and, (2) the character and professional competence of a person. Rev. Dr. Frampton moved and a second was offered by Mr. Rodgers, at 4:02 P.M.

The board, by an affirmative vote of all members present, held an executive session.

At the conclusion of the executive session, the board reconvened its public meeting. Mr. Brown moved for the board to close Complaint No. 2015-01 with respect to all claims against the Inspector General and his staff; noting that the Inspector General and his staff are not a party to ongoing employment proceedings and without making any comment on the validity of claims against any other parties, to any other proceedings or any other claims against any other parties. The motion carried by a second offered by Dr. Ricks.

Mr. Brown also moved for the board to close Complaint No. 2015-08 with the issuance of a private cautionary letter to the respondent, emphasizing the importance of compliance with state and local public records requirements. The motion carried by a second offered by Rev. Dr. Frampton.

Mr. Brown moved that the meeting adjourn, a second was offered by Rev. Dr. Frampton. The motion carried unanimously and the meeting adjourned.