



OFFICE OF INSPECTOR GENERAL
JEFFERSON PARISH

DAVID N. McCLINTOCK
INSPECTOR GENERAL



May 24, 2019

TO: Mr. John E. Benz, Chairman,
Mr. Duke McConnell, Board Member
Mr. Jim Letten, Board Member

RE: The First Annual Quality Assurance Review of the Jefferson Parish
Office of Inspector General

Thank you for the timely transmission of the report titled “The 1st Annual Quality Assurance Review of the Jefferson Parish Office of Inspector General”. We found the report to reflect a high level of understanding regarding the mission, function and environment in which the Jefferson Parish Office of Inspector General (JPOIG) operates. It is clearly reflective that the time and effort put forth by the Quality Assurance Review Committee (Committee) was substantial and of great value to the role of oversight in Jefferson Parish. The Parish was well served by the Committee, as each member has a distinguished history of public service and demonstrated a commitment to provide a meaningful and objective review of our work.

Working with the Committee was a very positive, productive and professional experience. The JPOIG found the process, and the resulting feedback, to be very meaningful. The JPOIG looks forward to implementing many of the recommendations made and working cooperatively to realize others with the help of Parish leadership. Where the JPOIG does not fully accept an element, or premise, of a recommendation we have indicated the basis for our position. Failure to adopt a recommendation is by no means intended as a dismissal of the suggestion(s); but rather as an indication that we look forward to continuing the discussion.

The Parish Administration, the Parish Council, and the Ethics and Compliance Commission should be proud of the work completed by their respective appointees. The Committee’s report was most welcomed and valued. We look forward to the next annual review.

Response to the QAR’s Recommendations

Recommendation 1.

“In future Annual Reports, in order to ensure enhanced security for members of the Inspector General’s investigative and support staff, the Review Committee recommends that no photographic images of such employees of the OIG (with the exception of the Inspector General himself) should be included in the report or otherwise publicly released or disseminated”.

JPOIG Response - Accept

The JPOIG concurs with the recommendation. Previously, the JPOIG strived to balance the perception of availability and accessibility against operational needs. In response to the recommendation, changes will be made to current JPOIG postings and to future publications.

Recommendation 2.

“Because the Office of the Inspector General is an investigative body, with the power to gather, assimilate, and analyze all forms of probative evidence—testimonial, documentary, electronic, public, private—for the purpose of identifying, exposing, deterring and where appropriate, referring for possible enforcement action all forms of fraud, waste, and abuse in parish government; and because the IG and his staff frequently act in concert with—or share information with—federal, state, and local law-enforcement, the Review Committee recommends that the OIG consider reporting to the public where appropriate and non-sensitive those matters which have been referred by the OIG to law enforcement for investigation and possible prosecution.

We likewise recommend that in those matters in which previously-referred and investigated matters have yielded *criminal charges and dispositions* (i.e., convictions, sentences, acquittals, etc.), in those instances in which such information is available and releasable without compromising criminal investigative investigations, sources, methods, and processes, the OIG report those referrals which have resulted in such *publicly-available* actions in the Annual Report.

This will, to the extent possible, provide citizens with additional, essential information about not only the efficacy of the OIG and its investigative processes—but also about the ultimate results of those investigations and actions.

(E.g., Referrals to: District Attorney; Sheriff; FBI; United States Attorney, etc. which have resulted in formal public actions.)”

JPOIG Response - Accept

The JPOIG agrees with the QAR Committee that the inclusion of criminal case referrals made and outcomes, when feasible and judicious, will add additional value to annual reporting. Additionally, we will continue our practice of including references to all types of case referrals at the time reports are finalized and made public.

Recommendations 3 and 4. (2 Recommendation Components)

On page 2 of the OIG’s 2018 annual report, it is noted that:

“...Since our inception, 48.9% of all [OIG] recommendations have been either rejected or have gone unaddressed. I believe this is a reflection of some and parish leadership avoiding to contend with some of the more complex and long-term practices...”

3.

“It is the Review Committee’s recommendation that a brief, separate report specifying the details of these matters referred to be provided to the Review Committee, Parish President, Parish

Council, and public. It is also recommended that any such report specify *which* OIG recommendations have been:

- a. ignored altogether;
- b. rejected without dispute or explanation or some alternate interaction; or...
- c. the subject of disagreement or dispute, and relevant circumstances thereof.”

JPOIG Response – Accept

In March 2018, the JPOIG submitted a report to the Parish Administration and the Ethics and Compliance Commission, summarizing findings and recommendations, to date. We have offered to discuss this report and its associated recommendations with the Administration. Most recently, IG McClintock met with newly appointed Chief Operating Officer Walter Brooks to discuss several reports which included a discussion of recommendations we believed to be of import to an incoming COO. The meeting was constructive and the information was well received.

In the next 60 days, the JPOIG intends to update the report and focus on specific recommendations and their current status. In response to the recommendation, the updated report will be published in the form of a public memorandum.

4.

“Because this recommendation addresses the lack of response to some of the IG's reports, the Review Committee *further recommends* that the OIG, Jefferson Parish Council and the Parish Executive Offices make a concerted effort to come to an agreement or protocol to eliminate altogether those cases in which the OIG's recommendations are ignored, or are rejected without any explanation.

Ideally, legislation should be explored *requiring* a response from the parish official, governmental department or component addressed in an OIG report.

The Review Committee notes that *the OIG does indicate* in its reports what if any responses are received; corrective action taken; or contrary positions or disputes expressed...as well as those instances simply not receiving acknowledgement or responses.

Because Inspector General McClintock expressed disappointment and frustration when the OIG did not receive a response, the review Committee recommends that the Parish Council and the Executive Branch explore options for some action in that regard through either legislation or executive order which could at a minimum require some response—whether compliance, further study, agreement, opposition, explanation, or dispute—in order to provide citizens with more transparency into parish government”.

JPOIG Response –Accept

The JPOIG accepts the recommendation made by the QAR, in so far as, the JPOIG would, if given the opportunity, fully support legislation amending the JPOIG ordinance to mandate responses to findings and recommendations contained in JPOIG reports. Further, the JPOIG

acknowledges that any action short of mandated legislation would fail to produce the accountability sought by the above recommendation by the QAR.

The JPOIG notes with interest, that the concept of mandated responses has recently been embraced by the Parish as it pertains to the Department of Internal Audit. Additionally, the language adopted in JPCO 2-165.5 (b) for Internal Audit could serve as a template for amendments to the JPOIG . It reads as follows:

“Within ten [10] business days of receiving the draft audit, the appropriate director or manager will prepare a written response to the to the findings and recommendations outlining the corrective action to be taken, which shall be included, unaltered, in the final audit. The director may agree to an extension of the ten (10) business day deadline. If a response is not received within the appropriate timeframe, the director shall issue the final audit without management's response”.

The JPOIG looks forward to working with the Parish to develop legislation that supports increased communication and effective corrective action planning.

Recommendation 5.

“One of the Review Committee Members, with the acknowledgement of the other two, noted that in many if not most instances, the OIG, through investigation, objectively identifies abuse or waste...such as the unnecessary duplication of photographic services resulting in over \$36,000 in unnecessary expenditures—resulting in notice to appropriate Parish officials to implement procedures to avoid such a duplicate of an expenses going forward. (E.g., Case number 2016-0028; Sonny Randon Photography... Questioned costs \$36,224.)

However, in two such investigations—case number 2017-0031 Investigation of Public Bid; and in case number 2017-0041/Parish premium payment— a Committee Member noted that in both of these, the OIG’s findings, while objectively accurate based upon analysis of the evidence, were possibly subject to legitimate dispute by Parish Officials.

Specifically, in case number *2017-0031*, Inspector General accurately noted that the employment of a landscaping subcontractor was technically not in keeping with the specific provisions of the Request For Proposal (bid) ...resulting in a technical non-compliance with RFP requirements...but did not otherwise appear to establish whether that technical violation (which consisted of the failure to accurately list an employee, and which was disputed by the Parish Attorney) resulted in actual loss or degraded services to the Parish as a result thereof.

Similarly, in case number *2017-0041* involving Parish Premium Pay, while the OIG’s investigation did clearly indicate that the discretionary provision of such premium pay as “stand-by” pay for Parish employees was wasteful...that Committee member expressed concern that the investigation did not appear to provide a clear analysis of whether those forms of “standby“ pay in fact on occasion provided a viable and even potentially cheaper alternative to keeping essential employees on the payroll when full-time commitment was not necessary to accomplish the mission.

In such cases, it was suggested that the OIG and Review Committee confer to explore the possibility of alternative solutions which could conceivably identify possible issues while not providing outwardly negative opinions or pronouncements— as long as the potential for resolution and explanation of such questions practices remain unresolved and open to challenge, dispute or debate.

One additional solution discussed was the selective utilization of an “Agreed Upon Corrective Action Plan” following discussion of a draft, not-yet-public report”.

JPOIG Response –Accepts, In Part

The JPOIG concurs that the best outcomes typically take the form of an agreed upon Corrective Action Plan. Ideally, these plans address the issues contained in the findings, regardless of the format chosen by the responsible party. The JPOIG, however, disagrees that the form of reporting should change based upon the, “potential for resolution and explanation of such questionable practices remain unresolved and open to challenge, dispute or debate” The JPOIG’ reports include findings, recommendations, and observations presented in a manner consistent with the Association of Inspectors General Standards and Practices. In those cases where there remains, after discussion and best efforts, disagreements concerning a finding or recommendation, the Parish should explain the foundation for their position for inclusion in the public report.

The JPOIG also would like to highlight that our mission goes beyond that of identifying fraud and financial issues. The ordinance establishing the office is a mandate to prevent and detect fraud, waste, abuse and illegal acts, by assisting management in the establishment of effective systems of control. Pursuant to JPCO 2-155.10(h), the inspector general has an affirmative duty to provide a standard of efficient practice to government and monitor implementation of process improvement initiatives. Thus, our purpose includes reporting on the Parish’s maintenance of practices, policies and procedures that, where supported by evidence and analysis, are shown to be more costly, less efficient or less effective than alternatives.

The JPOIG, through the report on a Public Bid (2017-0031), demonstrated that the Parish did not have an effective system of controls to assure compliance with state mandates pertaining to a bid that required certification; that the Parish failed to identify relevant information during a bid protest; and that the Parish lacked a codified protest procedure of the nature commonly seen in municipal government. The JPOIG’s purpose in this case was to assist the Parish in further developing the bid processing protocols and in establishing a more complete and codified bid protest.

The JPOIG feels obligated to note that the Parish did not choose to meet during the draft period, thereby eliminating the ability to discuss the report. Following a negative response by the Administration, the Ethics and Compliance Commission issued an Advisory Opinion, calling for the codification of a meaningful bid protest process. Recently on May 8, 2019, the Council acted to adopt an ordinance codifying an improved bid protest process.

The JPOIG, through the recent Premium Pay report (2017-0041), demonstrated through detailed analysis of policy and outcomes that the Parish’s established policies and practices are not

subject to effective parish-wide tracking and management. Further, that policies and procedures commonly exist within local governments that reduce costs and promote a more transparent employee compensation system. Additionally, pending action has been proposed by the Personnel Board to amend the Personnel Rules to further support a better managed approach to stand-by pay in particular.

Recommendation 6.

“One of the review Committee members, referring to Case Number 2018-0003; Parish allowance report: 10-year value \$836,982...Questioned costs \$83,000, questioned whether the IG’s recommendation that the parish buy and issue mobile phones as an alternative to providing employee allowances was indisputably the most efficient and cost-effective expenditure to effect communications. Asserting that the purchase of phones vice allowance for use of personal phones for official use itself has drawbacks, the Committee member suggested that in such matters in which alternative solutions could have merit and therefore could be subject to debate, the report could be couched in such terms—offering instead an option or suggestion and therefore triggering constructive debate, studies, or exploration which could in turn result in solutions”.

JPOIG Response – Accepts in Part

The JPOIG agrees that alternative solutions may be part of a debate, or conversation. Indeed, the nearly six-week, mandatory draft period is intended to facilitate discussions, draw out viable alternatives and ideally results in agreed upon solutions.

The JPOIG disagrees with the premise underlying this recommendation. The QAR recommendation questions, “whether the IG’s recommendation that the parish buy and issue mobile phones as an alternative to providing employee allowances was indisputably the most efficient and cost-effective expenditure to effect communications.” The report does not assert a preference to any specific solution.

The JPOIG routinely provides options and does not do so in a manner that indicates their exclusivity to other solutions. Report 2018-0003 clearly sets forth options, see Finding #2 that reads, in part, that: “The JPOIG has *identified several options* to reduce to cost to Parish to under \$50 per month per user.” [*emphasis added*].

Meetings with Council members and the Administration were held during the draft period to discuss options. The meetings did produce responses from the Administration and some Council members, all responses were included in the report. The Administration agreed with the finding that there are cost savings and pledged to work with the Council’s Office of Research and Budget who was directed to assess the issue via Council resolution on November 8, 2018; however, no results have been reported to date.

Recommendation 7.

“The Review Committee recommends that wherever possible, the OIG research, consider and report in appropriate cases (e.g., matters involving potential fraud and waste with unexplained benefits going to contractors), whether any *conflicts of interest* appear to exist involving any

parish officials or employees, such as familial or marital relationships, associations, or other affiliations, and disclose such associations and relationships”.

JPOIG Response – Accepts

The JPOIG assesses relationships and associations of many individuals related to matters under review, audit and investigation. Potential conflicts are evaluated according to state and local ethics provisions and other applicable professional standards. When evidence supports potential violations of law, they will be reported publically.

Recommendation 8.

“One Committee Member noted—concurred in by the other members—that the OIG individual interim reports were thorough, but at the same time quite lengthy, due in part to various sections having been repeated, some on multiple occasions. IG McClintock acknowledged the repetition process, explaining that the urgent need to make critical elements plainly evident (in some cases thereby repeated) in order to ensure that they are more difficult to miss or ignore. As the IG put it: “The Parish Council continues to struggle with post-report action. “

Appreciating this important motivation—particularly in light of the all-too-frequent failure to respond by various affected government departments or sections—the Committee suggests that the OIG make efforts to streamline the reports where possible without truncating them or missing the imperative to prominently deliver the intended message”.

JPOIG Response – Agreed

The JPOIG understands and appreciates the importance of writing in such a manner as to reduce duplicity and increase understandability. The JPOIG will continue to work toward achieving a written product that can be easily comprehended by all audiences.

Sincerely,



David McClintock
Inspector General