



Jefferson Parish Office of Inspector General



Inspector General Report

September 2024

Kim Raines Chatelain, Inspector General

**INSPECTOR GENERAL REPORT
TO THE ETHICS AND COMPLIANCE COMMISSION
Wednesday, September 25, 2024**

I. JPOIG Operations

A. Budget

1. Budget to actual report through 3rd Quarter will be reported in November.

B. Compliance

1. Peer Review

JPOIG withstood a Peer Review conducted by the Association of Inspectors General. Peer Review team members were timely provided requested information to include policies and procedures, state and local laws, listing of cases, listing of intakes for relevant scope period. The Peer Review team was on-site September 16-17. Please find attached a copy of the opinion letter. There were “no reportable instances of failure to meet” standards, and there “are no limitations or qualifications on our opinion.” *See attached.*

2. Staff evaluations

Agent/Evaluator Alaa Abuali and Agent/Evaluator Brian Smith were timely evaluated, and each received an annual raise in accordance with JPOIG policy.

3. 2025 Annual Work Plan

By September 1st of each year, the JPOIG is required by Parish ordinance to present our annual work plan for the upcoming year. Our 2025 Annual Work Plan was published and shared on 08/30/2024.

C. Procurement

None.

D. Recruitment and retention

None.



E. Professional Development

1. Deputy Inspector General Jeffrey Adolph and Agent/Evaluator Alaa Abuali attended the Association of Inspectors General Institute earning their certifications of Inspector General and Investigator, respectively.



2. Inspector General Kim Raines Chatelain instructed on history of Inspectors General and Ethics for the Association of Inspectors' General Institute.
3. Deputy Inspector General Jeffrey Adolph was invited to participate in a joint presentation with the New Orleans Inspector General's Investigative staff before the New Orleans Chapter of the Association of Fraud Examiners (ACFE) on 09/25/2024.

4. The Association of Inspectors General will be hosting the 2024 Annual Training Conference in New Orleans, 11/13-11/15, 2024



SAVE THE DATE



*THE ASSOCIATION OF INSPECTORS GENERAL
2024 ANNUAL TRAINING CONFERENCE*

NOVEMBER 13-15, 2024

*THE CITY OF NEW ORLEANS
THE HILTON NEW ORLEANS RIVERSIDE*

HOSTED BY

STEPHEN STREET
INSPECTOR GENERAL LOUISIANA

EDWARD MICHEL
INSPECTOR GENERAL NEW ORLEANS

KIM RAINES CHATELAIN
INSPECTOR GENERAL JEFFERSON PARISH

II. JPOIG Reports

JPOIG	Type	Description	Draft(s)	Published
#2024-0001	Public Letter	To Parish Council	N/A	09/19/2024



JPOIG Overview

Public Letter to Parish Council – Donating Public Funds and Property, Public Improvements without Public Bid, and Lack of Transparency, JPOIG #2024-0001

What We Found

Public Bid and Public Lease Laws are designed to protect the public from fraud, favoritism, exorbitant or extortionate pricing related to construction or occupancy of public properties. The Parish has spent or may spend a possible \$38.5 million of public funds to make improvements to public properties without complying with Public Bid laws:

- \$16.2 million for a garage the Parish will not own until 2031
- \$10.3 million thus far toward a brewpub and taco restaurant the Parish will own but will receive no revenue
- \$12 million in the future for another garage

In 2000, the Parish Council authorized the formation of Jefferson Redevelopment Inc. (JRI), a public benefit corporation, and Jefferson Facilities Inc. (JFI), an economic development corporation. The Parish then entered into a Cooperative Endeavor Agreement (CEA), leasing properties to JRI, which subleased them to JFI. JFI was responsible for securing \$9 million to build a garage, expecting the revenue from the garage to cover the debt, but it didn't. The Parish paid the debt: \$11.8 million so far, with another \$4.4 million expected, bringing the total to \$16.2 million. JRI owns the garage. The Parish will not own the garage until 2031 when the debt is paid. In the end, JFI spent the money, the Parish paid the debt, and JRI did nothing.

Between 2023 and 2024, the Parish Council amended its CEA with JRI and JFI to authorize a Multi-Use Development on Parish property, committing \$10.3 million to JFI to construct two leasable spaces, which will be leased to Port Orleans Brewing Company for a brewpub and taco restaurant. The true breadth and scope of what will be constructed with the \$10.3 million is unclear. A future \$12 million garage is also expected. This time JFI, receives the money from the Parish **and** Port Orleans Brewing Company. The Parish receives nothing. JRI does nothing.

The CEAs with JRI and JFI provide no discernable public benefit. Instead, they serve to bypass Public Bid laws and Public Lease laws, obscure the true costs of public projects, conceal relationships, and deny the public the protections afforded by the Public Bid laws.

Open Meeting Laws protect citizens from secret decisions made without opportunity for public input. Discussions, planning, and negotiations for a brewpub and taco restaurant involving a Councilmember, JFI representatives, and Port Orleans Brewing Company representatives began as early as 2021, before an unknown RFP was issued. Rather than presenting the full scope of the concept and project to the public in a transparent manner, it was presented piecemeal across four Council meetings, three occurring within 7 months. This approach obscured – or possibly deceived – the public about the true nature of the project: a commercial building constructed with public funds for the benefit of a single business, Port Orleans Brewing, Company, with no equivalent return in revenue to the Parish.

Visit us at: www.JPOIG.net

September 19, 2024

Why We Issued This Letter

The purpose of the public letter is to promote transparency and accountability in government by raising concerns about past and future expenditures that circumvent Public Bid laws. These concerns relate to a specific public project where only the outcome was revealed to the public, rather than the deliberations leading to them, as required by the Open Meetings Law. Public letters may consider the impact of legislation, rules, regulations, and policies on government accountability and operations, ensuring that public interests are protected, and governance remains transparent.

Why We Are Concerned

The Parish Council is poised to expend \$26.5 million on public buildings without following Public Bid law, with the possibility of another \$12 million in the future. These buildings have been and will be constructed by entities with no proven ability to meet financial obligations absent additional Parish funding. The Parish is incurring expenses and will incur more to maintain these buildings, all while receiving no equivalent consideration in return. This was achieved by the Parish Council incrementally passing legislation authorizing the use, development, and funding all while denying the public key information to understand the outcome: the construction of garages, brewpub, and taco restaurant paid for with public funds which the Parish does not/may not own or operate.

What We Recommend

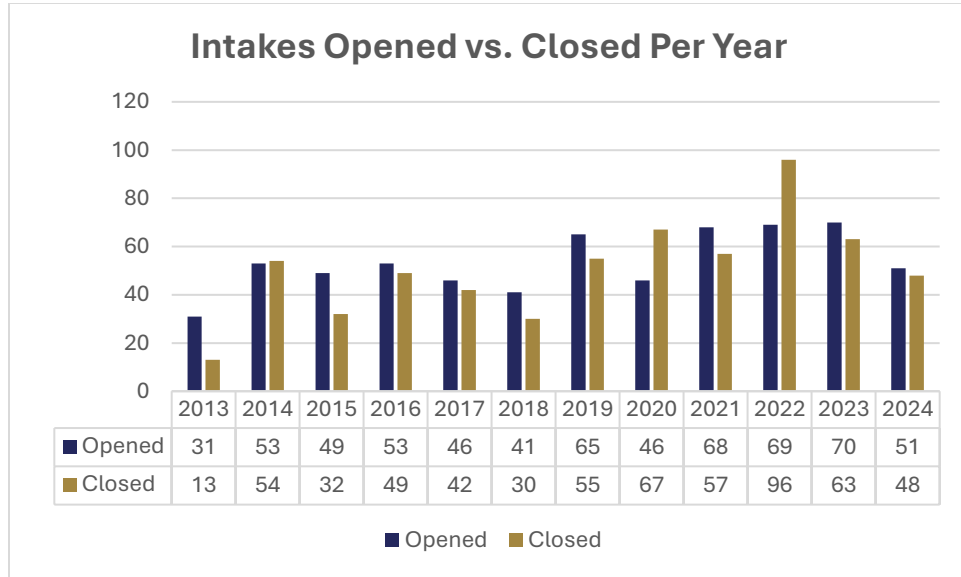
The Parish could pay-off bond debt on the garage of \$4.6 million; take ownership of the garage; cancel the CEA with JRI and JFI, save \$10.3 million; perform a study on the best use and feasibility of the property; and develop a plan for the design and construction of the building by complying with Public Bid laws. If leased, comply with Public Lease laws.


x.com/JPOIG

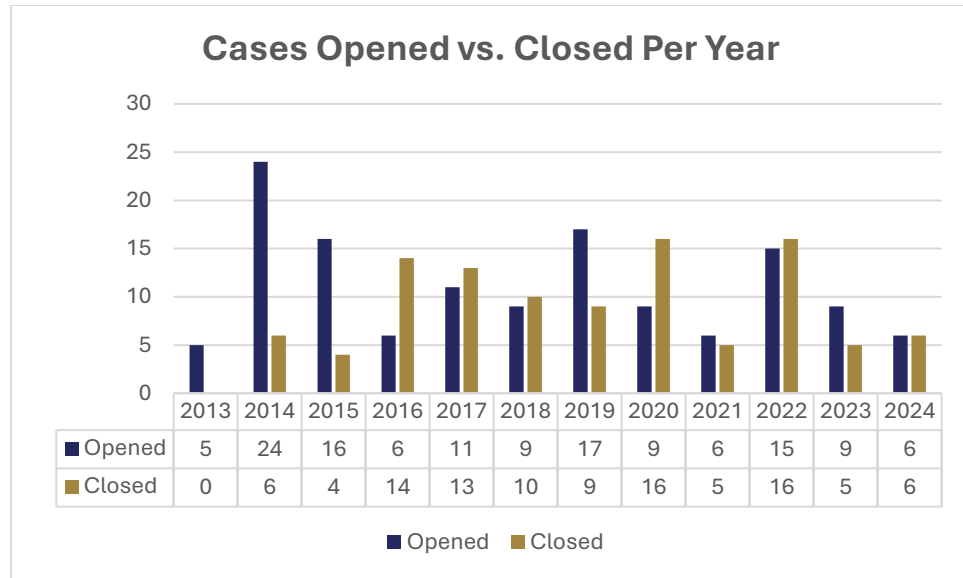
Facebook.com/JPOIG

LinkedIn.com/Company/JPOIG

III. Milestones



07/18/2024 through 09/20/2024			
Intakes Opened	Complaint Date	Intakes Closed	Close Date
2024-000000044	7/25/2024	2024-000000042	9/20/2024
2024-000000045	8/5/2024	2024-000000043	8/9/2024
2024-000000046	8/26/2024	2024-000000044	9/20/2024
2024-000000047	8/28/2024	2024-000000045	9/20/2024
2024-000000048	9/3/2024	2024-000000047	9/20/2024
2024-000000049	9/4/2024	2024-000000050	9/20/2024
2024-000000050	9/6/2024		
2024-000000051	9/16/2024		



07/18/2024 through 09/20/2024			
Cases Opened	Open Date	Cases Closed	Close Date
2024-0000000006	8/9/2024	2018-0000000017	9/20/2024

IV. Audits

JPOIG #	Description	Planning	Field Work	Report/ Review	Draft Report	Non-Parish Draft	Public
<i>Follow-up Audits</i>							
<i>Audits</i>							
2023-0006	East Bank Consolidated Fire (Payroll-Sick Leave)						
<i>Examination/Review</i>							
2024-0001	Jefferson Facilities, Inc. and Jefferson Redevelopment, Inc.						

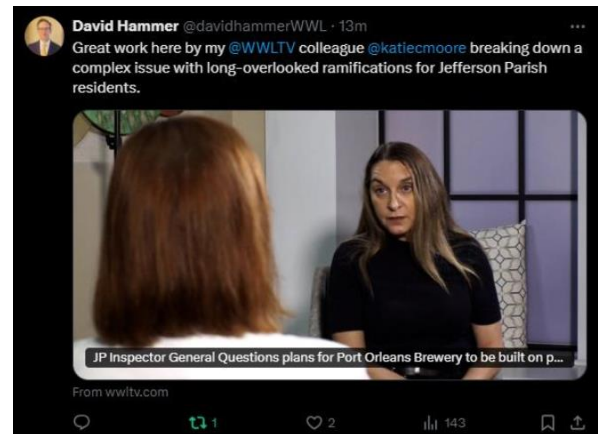
V. Evaluations/Inspections

JPOIG #	Description	Planning	Field Work	Report/ Review	Draft Report	Non-Parish Draft	Public
2021-0019	VFC and EBCFC Drug Policies and Testing						
2022-0020	Personnel: Classified Service						
2023-0009	Third Party Inspections						
2024-0002	West Jefferson Medical Center						





VI. Investigations

Investigations (As of 09/20/2024)	
Open Intakes:	36
Open Cases:	22

VII. Public outreach and engagement



VIII. Social Media

Social Media Platform	Engagement
 <p>Facebook 771 Followers</p>	<ul style="list-style-type: none"> • Gained 16 followers. • 12 Posts/Re-posts. • Reached 4,457 viewers across app posts. • Page Visits: 1,148.
 <p>Instagram 7 Followers</p>	<ul style="list-style-type: none"> • Gained 1 followers. • 3 Posts/Re-posts. • Reached 19 viewers across app posts. • Page Visits: 4.
 <p>X 146 Followers</p>	<ul style="list-style-type: none"> • Lost 3 followers. • 11 Tweets/Re-tweets.
 <p>Linked-In 315 Followers</p>	<ul style="list-style-type: none"> • Gained 5 followers. • 8 Posts/Re-posts. • 2,416 Post Impressions.



**Association of Inspectors General
524 West 59th Street, 3532N
New York, New York 10018**

September 17, 2024

Kim Raines Chatelain
Inspector General
Jefferson Parish Office of Inspector General
990 N Corporate Dr., Suite 300
Jefferson, Louisiana 70123

Dear Inspector General Chatelain,

The Association of Inspectors General (AIG) performed a Peer Review of the Jefferson Parish Office of Inspector General (JPOIG) Audit Division (AD) and Investigations Division (ID) at your request. The Peer Review Team (Team) evaluated the work of these two Divisions covering the last three years (January 1, 2021 through December 31, 2023). The Team performed the review in your office located at 990 Corporate Dr., Suite 300, Jefferson, Louisiana 70123. The Peer Review assessed the work of both Divisions for compliance with the AIG Principles and Standards for Offices of Inspector General (Green Book) and the International Standards for the Professional Practice of Internal Auditing (Red Book) issued by The Institute of Internal Auditors (IIA). These standards are consistent with the qualitative standards under which your office's Divisions have operated throughout the review period.

The three-person Peer Review Team consisted of the following individuals:

Team Leader	Edyth D. Porter-Stanley – Forensic Auditor City of Detroit Office of Inspector General
ID Review	Flora Miller – Regional Investigator / Accreditation Manager Florida Department of Children and Families Office of Inspector General
AD Review	Karen Mullen – Quality Control Manager Office of Inspector General Texas Health and Human Services Commission

On behalf of the Team, I am pleased to advise that we found no reportable instances of failure to meet these standards. There are no limitations or qualifications on our opinion.

It is the unanimous conclusion of the Team that both AD and ID met all relevant AIG and IIA standards for the period under review.

The remainder of this letter sets forth the purpose, scope, and methodology of the Peer Review.

Purpose

The Team conducted an independent, qualitative review of the operations of the AD and ID Divisions of JPOIG, focusing on compliance with agreed-upon standards.

Scope

The Peer Review covered AD and ID operations, resulting work products, and related file materials chosen from closed audits and investigations between January 1, 2021 and December 31, 2023 for both Divisions. The Peer Review's scope also covered the Divisions' compliance with their relevant policy and process manuals and procedural guides; staff qualifications; and professional training requirements. Lastly, the Peer Review assessed supervisory review and quality control over the work product, reporting of results, and JPOIG's relationship and communications with outside agencies. For this last step, the Peer Review Team met with external stakeholders with whom JPOIG frequently works, or who are the recipients of JPOIG work products.

Method

The Peer Review Team generally followed the Peer Review/Qualitative Assessment Review Checklists for AD and ID. These Checklists are based on the AIG and IIA Quality Standards. The Team also called upon their own professional experience as senior managers of various Offices of Inspectors General and through their knowledge of and familiarity with best practices within the Inspector General community.

Prior to the actual on-site review, the Team requested information from both AD and ID, including but not limited to policy and procedures manuals, closed case logs, a list of issued reports, and a list of external stakeholders. The Team used this information to select the work products and related case materials that were ultimately reviewed.

Prior to our arrival, the Peer Review Team Leader provided information to you and your executive leadership through e-mail communication, through which we explained the Peer Review scope, methodology, limitations, and proposed schedule. Upon our arrival on September 16, 2024, we delivered our request for sample review materials. During our review, the Peer Reviewers conducted their fieldwork through examination of the selected case files. Peer Reviewers also interviewed AD and ID staff as well as the Information Technology/Data Analyst, and Administrative Assistant.

The Team also reviewed the personnel files of current AD and ID employees and reviewed their Training and Continuing Education files, personnel files, and all relevant policy and process manuals and procedural guides. All file requests were met fully and timely.

Team members also met with you and members of your executive leadership to gauge their involvement and interaction with AD and ID.

- Erica Smith, Deputy Inspector General – Audit Division
- Jeffrey Adolph, Deputy Inspector General – Investigations Division

The Team conducted all interviews in confidence and without any limitation on scope or time. Reviewers requested follow-up interviews and explanations, as well as any supplemental documentation, and JPOIG staff graciously accommodated the Team.

The Peer Review Team also chose several external stakeholders to interview.¹ Meetings were arranged between the Peer Reviewers and the external stakeholders for the purpose of evaluating agency cooperation, effectiveness, and responsiveness. Stakeholders included representatives from the:

- Jefferson Parish Ethics and Compliance Commission, and
- Jefferson Parish Council's Office

Finally, the Team held an exit conference with you and your executive leadership on September 17, 2024, during which time the Team shared its conclusion that the two Divisions fully met respective AIG and IIA standards. Team members provided you with our observations and opinions gathered during the review. We held separate exit conferences with the DIGs of each Division. During each of these exit conferences, Peer Review Team members elaborated on the observations made during the review. In each of the exit conferences, Team members provided several observations that did not limit or qualify the opinion of the Peer Review but were shared with you and your leadership team as possible areas of consideration going forward. Throughout the week, we had productive discussions with JPOIG members (from leadership to professional staff) regarding their experiences.

As noted above, it is the unanimous conclusion of the Peer Review Team that both AD and ID met all current and relevant AIG or IIA standards for the review period.

On behalf of the AIG, I want to thank you for the confidence placed in the Association by requesting that we conduct this review. On behalf of the Peer Review Team, we would like to acknowledge and thank Inspector General Kim Raines Chatelain, Deputy Inspector General - Audit Erica Smith and Deputy Inspector General - Investigations Jeffrey Adolph

¹ It is noted that the Team selected a several external Stakeholders for interviews; however, due to Hurricane Francine storm pre- and post-operation availability, only three Stakeholders were interviewed while on-site.

Inspector General Kim Raines Chatelain
Peer Review Opinion Letter
September 17, 2024

for all their efforts in the coordination and planning of this event and for ensuring that we were provided with the necessary records and tools for a thorough and smooth review. Lastly, on behalf of the Team, we would like to recognize that in all our interactions with your staff, we were shown the respect and cooperation that is the hallmark of a professional staff truly interested in a full and open review of their work. At the same time, this has been a learning experience for each member of the Peer Review Team, for which we wish to convey our sincerest thanks.

Please feel free to contact me or any member of the Peer Review Team if you have any questions.

Yours truly,

A handwritten signature in cursive script that reads "Edyth Porter-Stanley - OIG".

Edyth D. Porter-Stanley, Team Leader, AIG Peer Review for Jefferson Parish Office of
Inspector General, September 2024
Peer Review Committee, Association of Inspectors General

cc:

Flora Miller, Team Member, AIG Peer Review for Jefferson Parish Office of Inspector
General, September 2024

Karen Mullen, Team Member, AIG Peer Review for Jefferson Parish Office of Inspector
General, September 2024

William Fletcher, AIG President

Michael Castrilli, AIG Executive Director

Jodie Stickney, AIG Project Coordinator

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BY INTERNET:

Visit our website at www.jpoig.net, click
"Report Waste, Fraud or Abuse"

BY PHONE:

Call our tip line at (504) 528-4444

BY MAIL:

990 N. Corporate Drive, Suite 300
Jefferson, LA 70123

IN PERSON:

Contact us at (504) 736-8962 to schedule an appointment

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