OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS

ED QUATREVAUX
INSPECTOR GENERAL

April 9, 2013

Iftikhar Ahmad
Director of Aviation
Louis Armstrong International Airport

Dear Mr. Ahmad,

Thank you for briefing Office of Inspector General staff on airport operations at our quarterly gathering last week. I especially appreciate your noting the work of two OIG staff members by name, because our staff rarely gets recognition for their work from outside this Office.

The changes made at Armstrong by you and the Aviation Board produced results beyond expectations. You will recall that I visited the Aviation Board meeting in October 2011, and was very critical of the way in which the airport had been managed. I attributed the poor condition of the airport to corruption, and advised the Board that this Office would station staff at the airport to examine contracts and other agreements as long as it would take to eliminate fraud, waste and abuse.

The cooperation displayed by you and your staff made our work more efficient and effective. More important, it allowed for the rapid discovery of numerous procurement arrangements that did not serve the best interests of the airport and the citizens of New Orleans. You took action to re-negotiate or terminate many of those agreements, and reported savings of $25 million from those actions.

Too few citizens understand that those savings have a real and substantial impact on the rates we charge the airlines. The cost per enplanement (CPE) is the gauge airlines use in considering an airport for service. As your data showed, the CPE has declined from $10.20 in 2009 to $8.41 today, a reflection of the cost savings cited above, and has made New Orleans a more attractive service location to airlines. No doubt additional carriers and additional flights will be the result. In short, Louis Armstrong is a success story in New Orleans' fight against corruption.

The OIG will maintain staff at the airport for the next several years as we complete our investigations. You told us that the airport expects to begin construction projects with a value of approximately one-half billion dollars in the near future. A government construction project of that magnitude will certainly attract the attention of persons wanting a share and willing to

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defraud the airport to get it. However, I regret that I am unable to continue the current operation and simultaneously provide fraud protection for a very large construction project due to resource constraints.

The OIG Construction Fraud Unit has been working on the Recovery School District construction program since last summer, and has developed tools and methods to detect construction fraud in that program. Staff also attended special training in construction fraud on government projects. This OIG capability is available to you if you are able to provide funding for staff for the duration of the construction project. Please let me know if you would like to discuss this option in greater detail.

In closing, due to the actions of you, your staff and the Aviation Board, operating costs have declined significantly as have the rates we charge the airlines per passenger. This is a good news story for the City, and I plan to cite the experience at every opportunity.

Thank you again,

Ed Quatrevaux

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