



**BALTIMORE CITY  
OFFICE OF THE  
INSPECTOR GENERAL**

**ANNUAL REPORT**

**2022**

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## MESSAGE FROM THE INSPECTOR GENERAL

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Dear Citizens of Baltimore,

It seems hard to believe sometimes that more than four years have passed since the Mayor appointed me to the position of Inspector General. Since January 2018, and throughout the complicated events of the past years, the Office of the Inspector General (OIG) has pursued accountability, transparency, and independence with steadfast clarity. Our mission and our work are defined by these core principles.

Over the past four years, citizens and stakeholders of Baltimore have alerted our Office to literally thousands of issues involving potential fraud, waste, or conflicts of interest. Their complaints and our subsequent investigations have resulted in over \$14,000,000 in identified savings and/or waste avoidance.

The OIG Advisory Board met for the first time in July of 2021. One of the central issues addressed were concerns relating to the independent oversight of this Office. A year later, in July 2022, the City Council passed legislation to change the make-up of the Advisory Board. This new legislation will put Baltimore City residents on the Board while prohibiting elected officials or City employees from participating, thus preventing potential conflicts of interest. The Mayor has signed the legislation and it will now be placed before the voters as a charter amendment this November. I urge you to again affirm your commitment to transparency and accountability and cast your ballot in favor of this important legislation!

To further improve on our existing structure and processes, the OIG also has invited the Association of Inspectors Generals to perform a thorough and independent peer review of our Office in December. We are looking forward to sharing the results of that review with the citizens of Baltimore next year.

I pledge that this Office will continue to work tirelessly to earn the title of “the People’s Investigators“ as we fight for an effective, efficient, and transparent government, eliminating fraud, waste, and conflicts of interest.

With sincere gratitude,



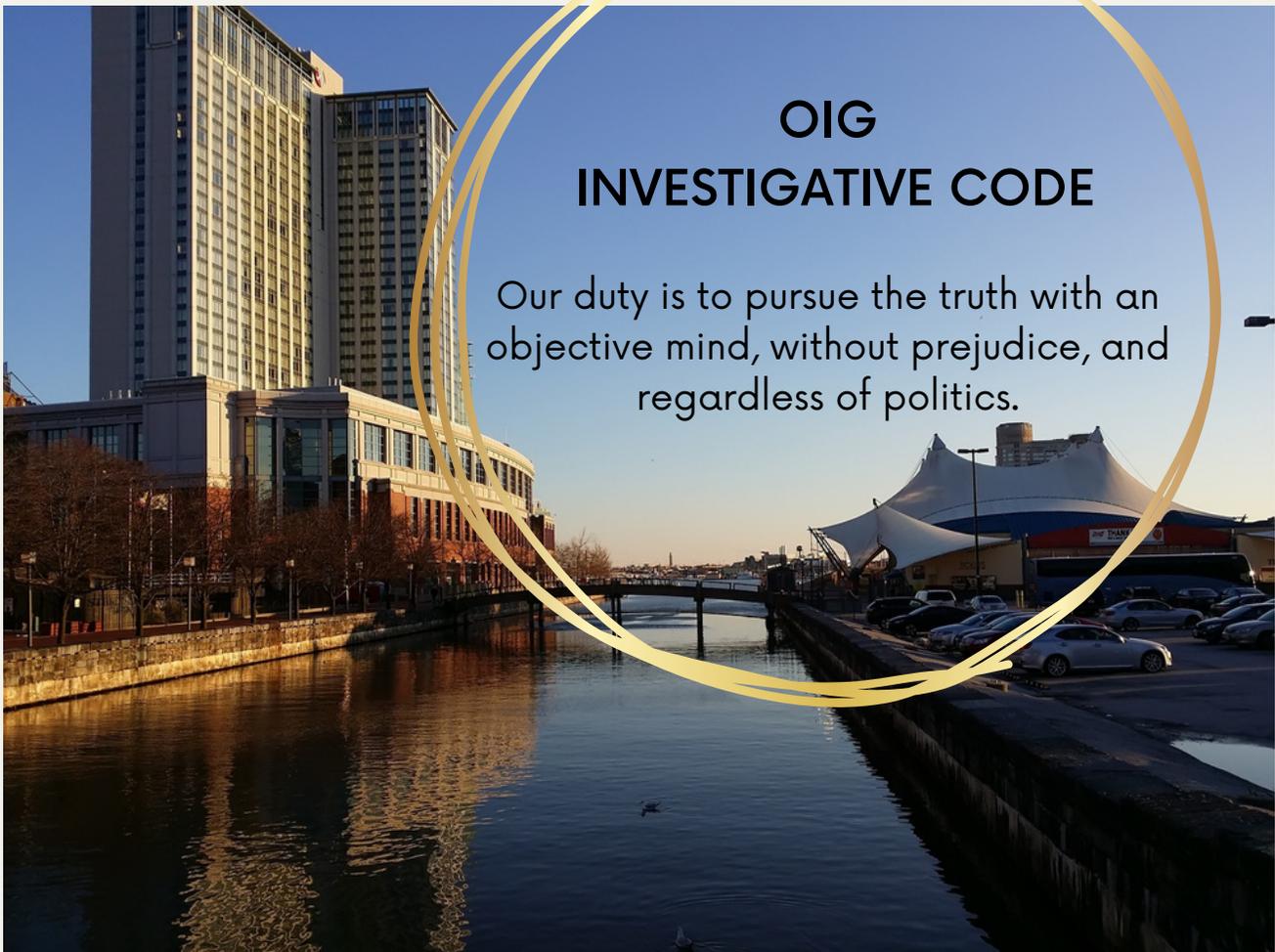
A handwritten signature in black ink that reads "Isabel Mercedes Cummins". The signature is written in a cursive, flowing style and is positioned below the typed name.

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# OUR MISSION

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**The mission of the Office of Inspector General is to promote accountability, efficiency, and integrity in City government by identifying waste, fraud, and abuse to ensure public trust in City government. Citizens have the right to expect efficiency and honesty from City leadership, qualities that are best fostered when the government polices itself and initiates improvements in operational efficiency. The OIG contributes to these objectives through impartial and independent investigations.**



# Principles and Standards



The OIG has adopted the Principles and Standards for an Office of Inspector General (also known as the "Green Book") established by the Association of Inspectors General (AIG). The AIG, organized on October 26, 1966, is a national, non-profit membership organization for agencies and professionals in the inspector general community. The AIG promotes excellence in the inspector general community by establishing and encouraging adherence to office-wide and discipline-specific quality standards.

The AIG fosters and promotes public accountability and integrity through policy research and analysis in the general areas of fraud, waste, and abuse, including prevention, examination, investigation, detection, elimination, and prosecution. It promotes professionalism through standardized practices, policies, and ethics and encourages professional development through educational resources and qualification, certification, and licensing programs.

The OIG has applied for Peer Review by the AIG, scheduled for December 2022. A Peer Review is a voluntary process where the agency requesting the review opens itself up to a thorough examination of its policies and procedures, processes, documentation, work flow, and community impact. The goal of the Peer Review is not just to assess how well an OIG is functioning, but to assess how well its organizational processes and activities work toward maximizing operational efficiency and adherence to established quality standards.

# Office of the Inspector General Organizational Chart



## OUR TEAM

The Inspector General is supported by the Executive Team, consisting of a Deputy Inspector General, two Assistant Inspectors General and two Lead Agents. As more responsibility has been placed on the OIG, the Office has expanded its staff in response, adding three more team members to its ranks, for a total of 18. Our diverse staff of Special Agents is integral to the OIG's mission. Their distinctive backgrounds add perspective and depth to each investigation. Many of them possess professional certifications including Certified Fraud Examiner (CFE) and Certified Inspector General Investigator (CIGI).

# AGENCY OVERVIEW

## INVESTIGATIONS

The Investigations Division conducted investigations into a broad range of alleged misconduct, including fraud, bribery, theft, extortion, public corruption, waste of public assets, mismanagement, self-dealing, and nepotism. While the OIG is an investigatory agency, the Office is not an accredited law enforcement agency and thus lacks the power of arrest. Most of the OIG investigations are administrative in nature, but the OIG also conducts criminal investigations in conjunction with our law enforcement partners when appropriate.

Lead Agents Richard Mitchell and Matthew Neil are heading up the Investigations Unit and direct both criminal and administrative investigations of fraud, waste, abuse, and misconduct related to City programs, operations, and employees. They coordinate with City prosecutors and other law enforcement authorities to leverage resources and fraud-fighting efforts.

## WHISTLEBLOWER

The Whistleblower Rights and Responsibilities Act went into effect on March 15, 2020. The law prohibits supervisors from taking retaliatory actions against City employees who make "covered disclosures" related to fraud, gross misuse or waste of public resources, violations of law, or substantial and specific threats to health, safety, or security. The law also requires the OIG to adopt rules and regulations to carry out the law and assist the Department of Human Resources in training employees and supervisors about the law. The OIG Whistleblower team completed five cases for investigation in FY2022. Deputy Inspector General Yvonne Brooks oversees the OIG's Whistleblower responsibilities. She also is the OIG's financial officer and human resources coordinator, handling the Office's procurement needs, training, and internal Office policies and procedures.

## ETHICS

In April of 2020, the City Council voted for Baltimore's Inspector General to also become the Executive Director of the Ethics Board. The IG designated Jeffrey Hochstetler to be the designee Director for FY2022 and assigned Maura Ford to serve as Ethics Officer. The team supports the Board's important functions, including investigating ethics complaints, promoting awareness of the Ethics Law, and answering all ethics-related questions from City officials, employees, and citizens. The Ethics staff also oversees the OIG's Ethics Program. In July 2022, former Assistant State's Attorney J. Christoph Amberger took over the role of designated Director of the Ethics Board.

## OPERATIONS

Assistant Inspector General Bryan Bartsch oversees and directs the day-to-day activities of the office's information technology, ensuring that systems, services, and infrastructure work reliably and securely. He also gathers and analyzes relevant data in support of investigations.

# BOARD OF ETHICS

The Baltimore City Board of Ethics is an independent body comprised of five members that oversee Baltimore's Public Ethics Law, contained in Article 8 of the City Code. The Ethics Law ensures that officials and employees serve the public with fairness and independence by guarding against conflicts of interest and other types of improper actions connected with City employment. The Ethics Law also governs lobbyist registration and activity in the City.

The Inspector General serves as the ex officio Executive Director of the Ethics Board and designates an Ethics Director and Ethics Officer to staff the Board. The Board and its staff are committed to carrying out all of the Board's important functions, including investigating ethics complaints, promoting awareness of the Ethics Law, overseeing the financial disclosure and lobbying systems and processes, and answering all ethics-related questions from City officials, employees, and citizens.

## FY22 ETHICS HIGHLIGHTS

*Learn more in the Ethics Board's 2022 Annual Report!*

**9**

ADVISORY OPINIONS

**14**

ETHICS COMPLAINTS

**181**

REGISTERED LOBBYISTS  
IN 2021

**872**

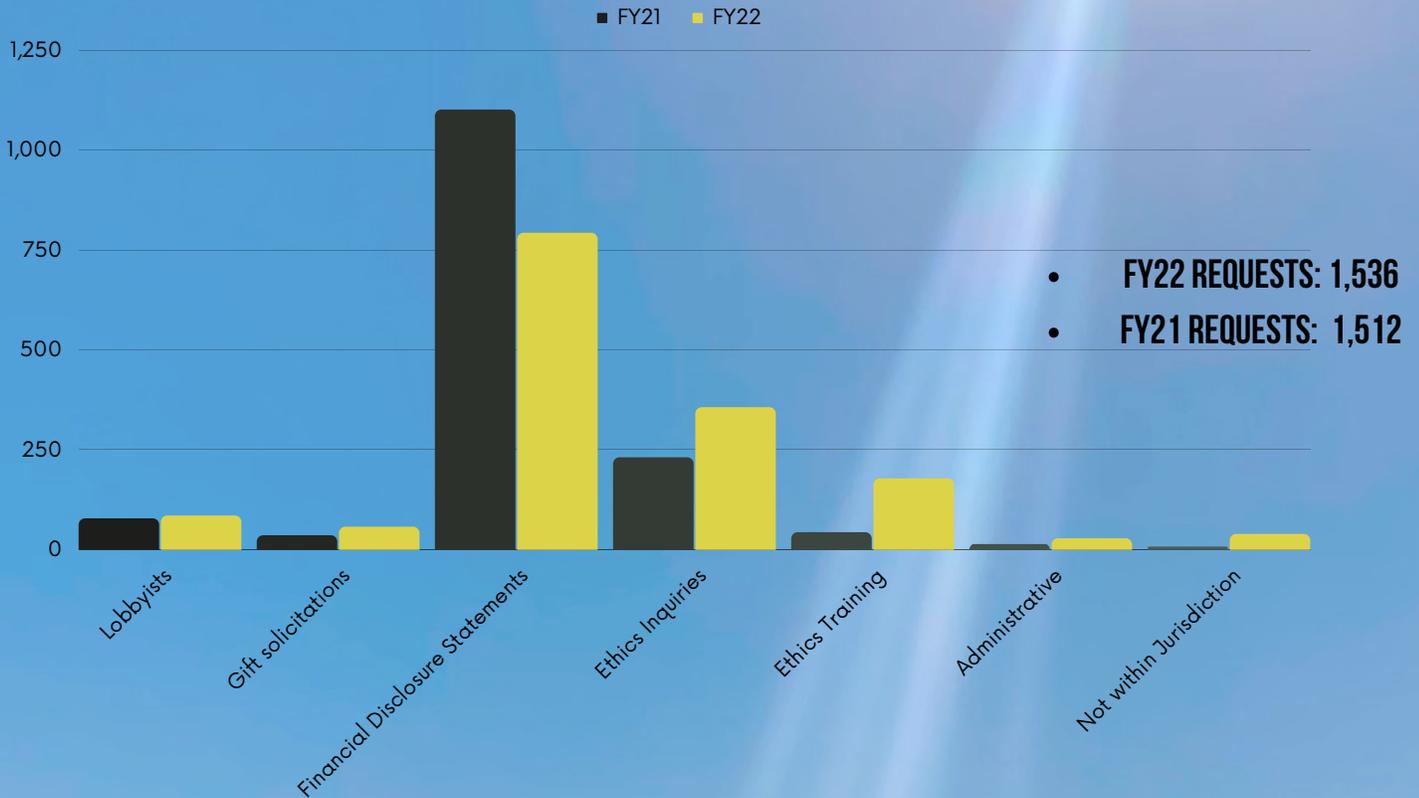
ETHICS TRAINING  
ATTENDEES

**2,800+**

FINANCIAL DISCLOSURE  
STATEMENTS FILED IN 2022



# Board of Ethics Help Desk Requests



In FY22, Ethics Board staff fielded 1,536 requests for ethics advice and guidance, all of which were resolved in a timely manner.

Board staff received 100 more requests for substantive guidance on the Ethics Law's application in FY22 than in the prior fiscal year, and nearly four times the number of inquiries about the Ethics Training. Questions about the financial disclosure process dropped by more than 300, which is likely due to the improved online tools and filers' growing familiarity with the financial disclosure filing application, which had been deployed in FY21.



# RETURN ON INVESTMENT

The OIG serves a city with a workforce of more than 12,000 employees and is home to nearly 600,000 residents. Most of the OIG's budget is dedicated to salaries and training. OIG investigations require competent investigators. All investigators are required to obtain their Certified Inspector General Investigator certification as well as Certified Fraud Examiner certification within three years. With over 730 hotline calls and each agent carrying between three to five active cases, the challenge of addressing all investigations in a timely manner remains. The remaining portion of the budget is dedicated to operating costs including case management software, computer hardware and maintenance, and three fleet vehicles. In an ongoing effort to act as good financial stewards of citizens' hard-earned tax dollars, we source all of our furniture needs from the City and State Department of General Services' surplus supply of used items, and design our Annual Reports in-house.



What is the cost for each resident of Baltimore City in relation to our budget?

**\$4.10** per person (OIG FY22 Budget \$2,406,269.00 divided by the population of Baltimore City 585,708)! Basically, the same cost as a **Baltimore City Snow Ball!**



# 2022 Highlights

- **\$2,751,313.33**  
**Identified Savings or Waste**
- **739 Hotline Complaints**
- **30 Reports Issued**
- **26 Outreach Activities**

## BUDGET HISTORY

**2019**

**\$1,171,100**  
**10 Positions**

**2020**

**\$1,660,420**  
**13 Positions**

**2021**

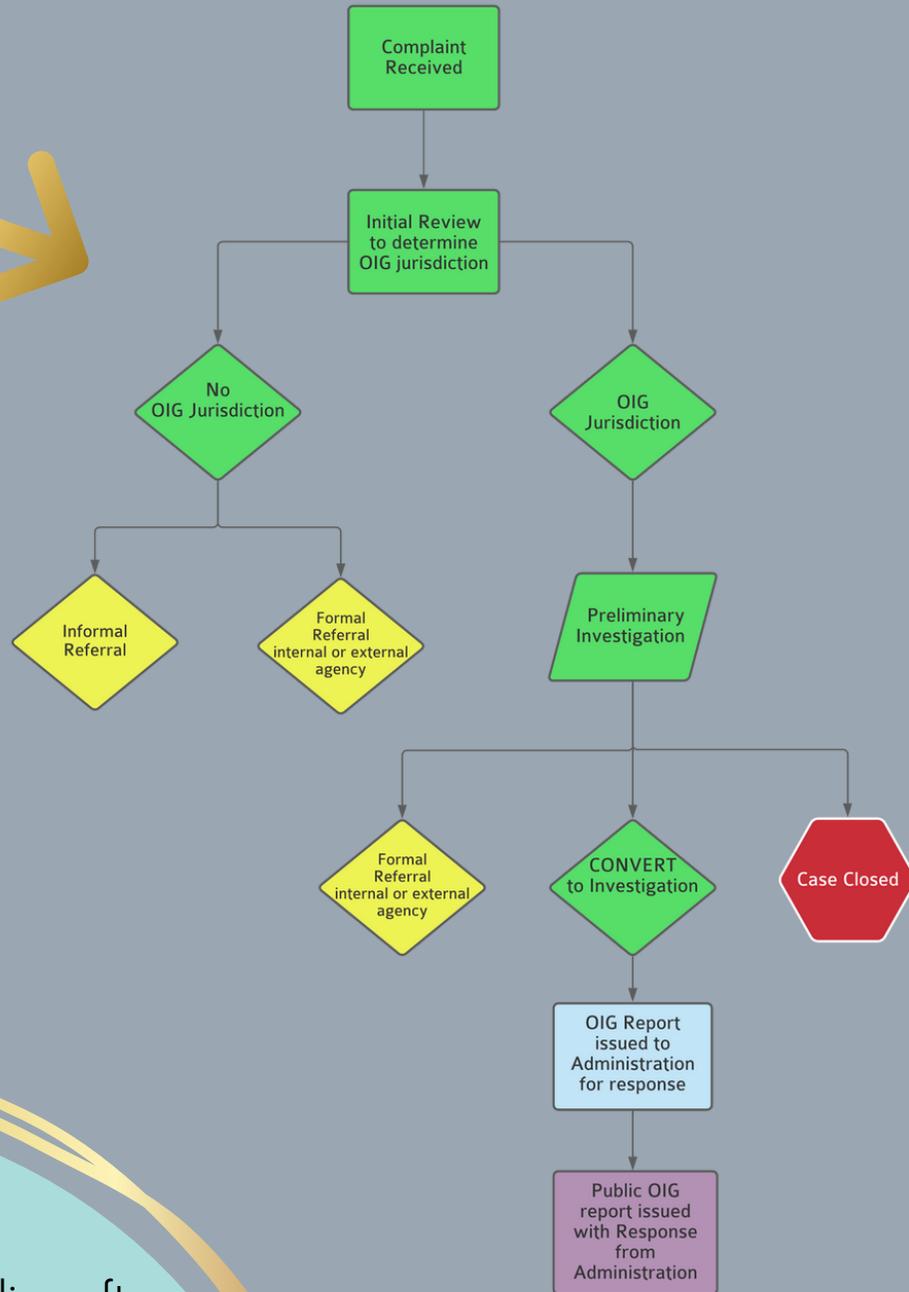
**\$1,808,349**  
**17 Positions**

**2022**

**\$2,406,269**  
**18 Positions**

# FILING A COMPLAINT

The OIG receives numerous complaints every day. All complaints are carefully vetted to ensure they fall within the authority of the OIG in accordance with its mandate of rooting out fraud, waste, and abuse of the City's financial resources.



Complaints made to the OIG hotline often involve issues related to Human Resources such as personnel matters, employment-related decisions, or discrimination. The OIG does not normally investigate such claims unless the claims involve financial matters. However, every attempt will be made to assist a complainant by answering their questions and/or referring them to the proper agency.

# NOTABLE CASES

## 2022

### Medication Inventory

The OIG was notified of concerns at the Sexual Health Clinics (SHC) in Baltimore City. Multiple complaints alleged mishandling of medication inventory and the related procedures and practices. In Dec. 2020, OIG staff interviewed on-site employees and OIG was informed that several employees disregarded protocols by failing to document the removal of medications. In response to our investigation, management has mandated new monthly inventory reports and set clear expectations regarding standard processes.

### Keeping our Clinics Safe

The Druid Sexual Health Clinic (SHC) was investigated due to safety and health concerns. Following a site visit from OIG staff and thorough evaluation of complaints, OIG determined that there were indeed numerous issues, including: dead rodents and insects in the stairwell, malfunctioning doors, temperature control issues for proper testing, damaged ceiling tiles, leaking pipes, and expired testing packages. Additionally, the dumpster outside of the building is frequently overfilled, creating a rat infestation. Multiple Druid SHC personnel reported that rapid tests for sexually transmitted infection was halted due to high building temperatures which could affect the test kits results. The OIG was informed that BCHD is planning to complete improvements to the site, or possibly relocate the Druid SHC because of ongoing concerns.



# NOTABLE CASES

## 2022

### Cashing Out

The OIG investigated financial waste at the Baltimore City Office of Information and Technology (BCIT). BCIT allowed employees to resign in lieu of termination and remain active on City's payroll to deplete unused leave. Although employees are permitted to be paid for unused vacation and sick time upon separation, they were also improperly permitted to use accrued compensatory time after the date of their termination.

Typically, employees are not entitled to use or receive payment for unused compensatory time when they are terminated. This practice cost Baltimore tax payers a total of \$261,998.02.

### Charge Order and Underserviced

A vendor received an additional \$139,224 from the Baltimore City Health Department (BCHD) for services that were initially agreed on by contract. The pricing terms for Services #1 and #2 were missing from the contract's initial price and Service #2 appeared higher than contractually permitted. Although the BCHD contract did not establish pricing for Service #2, the OIG found contract language stating that the cost for Service #2 shall not exceed the cost of another service (Service #3) listed in the contract.

### Stashing Equipment

A Baltimore City Police (BPD) officer failed to report to that agency's administration the purchase of equipment which was kept at the officer's residence without knowledge or approval of BPD command. The actions were deemed permissible, but BPD was forced to reimburse \$1,374 of the equipment costs. The employee received appropriate counselling by his supervisor. The employment of another BPD employee involved on the policy side has since been terminated. As a result of the OIG investigation, all procurement is now required to be approved through the chain of command, regardless of funding source.

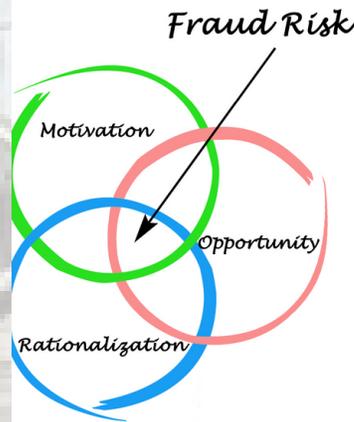


# NOTABLE CASES

## 2022

### Big 'Phish' Caught

On October 6, 2021, an outside source compromised an electronic funds transfer from a vendor associated with the Mayor's Office of Children and Family Success. The incoming funds were sent without the vendor's knowledge and were flagged as fraudulent to three different bank accounts associated with vendor. The OIG found that on January 7, 2021, the Bureau of Accounting and Payroll Services (BAPS) initiated and completed a second EFT payment intended for the vendor in the amount of \$376,213.10. The OIG later determined that the email account associated with the vendor was compromised by a malicious actor, who established rules within a vendor employee's email account as a result of a phishing attack. Since then, new policy changes have been instituted. A phishing loss insurance claim has refunded \$50,000 of the funds along with \$38,730.15 of frozen funds sent to a safe internal account.



### No longer Permitted

Multiple complaints were received from the Department of Transportation (DOT) regarding Right of Way (ROW) permit passes. The DOT had been reducing permit fees for one company and failed to invoice another company resulting in \$46,660 in unpaid invoices. DOT responded and is reexamining the department's billing process for improvements and also met with the Department of Finance (DOF) to ensure processing of unpaid invoices.

# NOTABLE CASES

## 2022

### Special Treatment

The OIG investigated a complaint from the Baltimore Police Department (BPD) concerning a police officer receiving preferential treatment in regard to a position not assigned to him. That officer also had received overtime pay from 2016-2020. The mismanagement of overtime hours had resulted in an extra \$158,803.76 compensation during that period. This officer also was receiving a regular salary despite the fact that his police powers had been suspended since 1993. Despite that suspension, the officer remained employed as a BPD police officer for 28 years. The OIG's report was sent to the Mayor on April 30, 2021. The officer left BPD on August 1, 2021.

### Payroll Patrol

An investigation of BPD overtime practices confirmed that employees received overtime pay on days they were on approved leave. (Once a BPD employee receives authorization for paid leave on a particular date, any additional time submitted for the same date automatically becomes overtime.) After interviewing employees and staff, OIG established that in the last two fiscal years, BPD exceeded its overtime limit by \$12,013,506 as management allowed employees to submit and receive payment for both approved personal or vacation time and overlapping overtime. Although this practice was permitted, it can be perceived as wasteful. The policy was changed accordingly.

### Dual Deployment

An engineer working for the Department of Public Works (DPW) took a job with a private company without ending his employment with DPW. He told his new employer that he ceased to work for DPW in 2020. He worked for both until, during an application for a transfer within DPW, the private company found out he never terminated his employment with the agency. The OIG's investigation did not find evidence that the engineer was using City resources for the secondary employment.

# NOTABLE CASES 2022

## Overpaid

The OIG received a complaint alleging that Baltimore City Information Technology (BCIT) overpaid a vendor that assisted with the 2019 ransomware attack recovery efforts, resulting in financial waste. That vendor billed the City hourly without detailed justification or itemization. The OIG could not retrieve details or tasks completed between May 2019-March 2020. Since the investigation, the vendor has assigned a new principal account delivery executive.

## Unlawful Use of City Property

The OIG received complaints that a Department of Transportation (DOT) supervisor was unlawfully using City-owned property, and paying City employees to help complete their personal home improvements. When interviewed by OIG staff, the supervisor admitted to paying employees but denied personal use of City property. Further investigation was hampered due to a malfunctioning camera system. In response to our investigation, DOT City property is now being secured with locks and security cameras have been repaired. Also, requirements for use of City property, including vehicles and scrap lumber, have been updated.

## Integrity Not So Concrete

**The OIG received anonymous complaints that a subcontractor was not performing their work adhering to City code. The subcontractors responsible for the maintenance of small cell towers throughout the City were not properly pouring concrete and sloppily covering it up. After inspection of the jobs, the Department of Transportation (DOT) found the work to be deficient and insufficient based on the requirements specified by the City code. Specifically, DOT prohibits bagged concrete and DOT inspectors must be on-site to ensure only concrete from a mixing truck is used during restorations. By contrast, the subcontractor merely slapped on a thin layer of bagged concrete, causing multiple sites to fail. In all, 450 sites were determined to have been inadequately restored. The subcontractor was fined \$477,000 for Code violations.**

# NOTABLE CASES

2022

## Diverting Auctioned Cash

Baltimore City's former Auction Services vendor failed to pay \$575,299 to the City for vehicle auctions conducted from June-August 2018. The auction company was to collect all auction proceeds and deposit the City's funds into a bank account held in trust. However, the company deposited the City's money into its own business banking account and acknowledged commingling the City's auction revenue with its own operating funds. This practice not only meant the City had no control over the account, but also that it could not verify whether the correct amount of money from each auction was deposited. After a civil lawsuit, the Auction Company paid \$95,000 of the amount due, leaving \$480,299 in lost City revenue. The company agreed not to conduct or attempt to conduct any auction sales in the City for 15 years and forfeited its auctioneer's license and the right to apply for or seek an appointment and an auctioneer's license for 15 years.



## Money Comes and Goes

In January 2022, the OIG received information that numerous, potentially fraudulent payments were originating from a bank account for the Law Department's (Law) Workers' Compensation (WC) program. A designated employee conducted a daily transfer of funds to Law's WC bank accounts to offset a vendor's WC payments from the previous day. This daily transfer of funds to the WC accounts resulted in a zero-dollar account balance at the end of every business day. The vendor requested assistance when it could not reconcile multiple WC account transactions. DOF then learned from the City's banking institution about multiple possibly fraudulent payments that occurred for over a year. The OIG determined that the potentially fraudulent payments were associated with 22 external account holders and referred the matter to law enforcement for criminal investigation. The OIG also assisted the DOF in determining that the total unauthorized payments amounted to \$317,241.71. Quick response resulted the City recovering \$290,971.97 in credits. The City was unable to recover \$26,269.74 in this scheme.



## EDITORIAL

# Provide independent oversight of Baltimore inspector general

The OIG Advisory Board's inaugural meeting took place in July 2021. Prior to that meeting, the Inspector General had raised the issue of the Board's independence and impartiality. The concern was that having elected officials and City employees serving on the Board could create conflicts of interest. (In the past, numerous public officials and positions have been the subjects of OIG investigations.)

The Inspector General also offered to waive confidentiality relating to her own evaluation by the Board and made her evaluation public as soon as it was received.

In response, Councilwoman Odette Ramos submitted legislation that no elected officials or City employees can serve on the OIG Advisory Board. The measure was passed unanimously by the City Council and was signed by the Mayor on July 29, 2022.

The Charter Amendment is now on the ballot for the November 2022 election. If approved by the voters, Citizens will be able to apply to serve on the Board by submitting the application, soon to be found on the OIG website. Council members will then randomly select from the approved applications. The OIG urges the Citizens of Baltimore to vote for the Amendment and participate in the process.

CITY OF BAL:QMORb  
RESOLUTIOQ{ 4  
Council Bill 22-0238

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Introduced by: Councilmember Ramos, Cohen, Porter, Conway  
Introduced and read first time: May 16, 2022  
Assigned to: Rules and Legislative Oversight Committee  
Committee Report: Favorable with Amendments  
Council action: Adopted  
Read second time: July 25, 2022

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# CONTACT US



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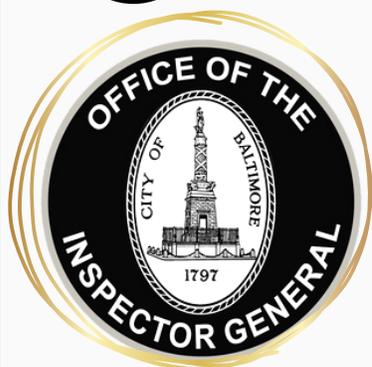
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Special thanks to  
intern Sophia  
Blackwell for  
designing this  
Annual Report

