

OFFICE OF THE INSPECTOR GENERAL
CITY OF BALTIMORE



Isabel Mercedes Cumming
Inspector General

Investigative
Report Synopsis

OIG Case # 23-0022-I

Issued: October 11, 2023



OFFICE OF THE INSPECTOR GENERAL
Isabel Mercedes Cumming, Inspector General
City Hall, Suite 635
100 N. Holliday Street
Baltimore, MD 21202



October 11, 2023

Dear Citizens of Baltimore City,

The mission of the Office of the Inspector General (OIG) is to promote accountability, efficiency, and integrity in the City of Baltimore (City) government, as well as to investigate complaints of fraud, financial waste, and abuse. On January 6, 2023, the City's Law Department (Law) alerted the Office of the Inspector General (OIG) to three Worker's Compensation (WC) checks never received by the intended recipient, a law firm (Firm). Instead, the WC checks were allegedly fraudulently deposited into an unknown individual's bank account.

BACKGROUND

Law's WC Division oversees all City agencies' WC Programs and handles claims, in coordination with the City's third-party WC vendor (WC Vendor), for injured City employees utilizing WC benefits. The WC Vendor provides daily operational claims services, including claim investigation, case management, and payment of invoices for the WC program.

INVESTIGATION

The OIG learned that Law's WC Vendor issued three WC checks to the Firm between December 2021 and February 2022 for \$3,237.50, \$1,483.36, and \$3,827.63. The Firm denied receiving the checks and contacted Law regarding the lack of payment. Law then filed three separate claims with the City's financial institution (City's Bank), alerting it to the fraudulent activity. The City's Bank requested an investigation to be conducted by the unknown individual's financial institution (Individual's Bank). Approximately 13 months after the first check was issued, Law reported the missing checks to the OIG while still awaiting a resolution from the banks.

The OIG's review of the banking transactions between the City's Bank and the Individual's Bank yielded the identification of a suspect in the theft of the checks. The OIG subpoenaed bank statements in the suspect's name and found records of online deposits for all three checks into the suspect's banking account. The investigation did not find evidence connecting the suspect to the City, the WC Vendor, or the Firm. Consultation with law enforcement concerning the checks found that recent increases in U.S. Mail theft could potentially be the source of the theft.¹

The OIG referred this matter and the investigative information found to law enforcement for potential criminal investigation. The OIG recommended that Law report potentially fraudulent transactions to the OIG or a law enforcement agency when discovered to avoid the hindrance of any investigation.

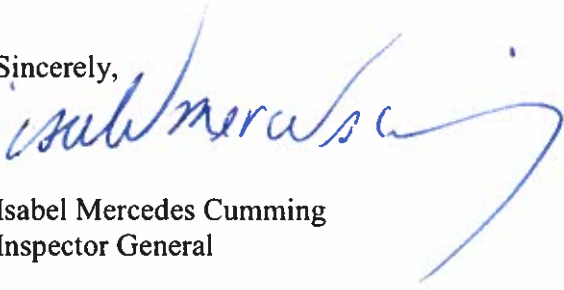
¹ In May 2023, the U.S. Post Office issued a press release regarding expended crime prevention measures resulting from an increased high volume of mail theft incidents from mail receptacles, including blue collection boxes, in FY22 and more than 25,000 in the first half of FY23.

REPORT FRAUD, WASTE AND ABUSE

HOTLINE: 443-984-3476/800-417-0430 EMAIL: OIG@BALTIMORECITY.GOV WEBSITE: OIG.BALTIMORECITY.GOV

This public synopsis is only a summary of a more comprehensive report of investigation submitted to the appropriate City management official

Sincerely,



Isabel Mercedes Cumming
Inspector General

CC: Hon. Brandon M. Scott, Mayor of Baltimore City
Hon. Nick Mosby, Baltimore City Council President
Hon. Bill Henry, Baltimore City Comptroller
Honorable Members of the Baltimore City Council
Hon. Ebony Thompson, Acting Baltimore City Solicitor

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Baltimore City Law Department

Response

Case # 23-0022-I

CITY OF BALTIMORE

BRANDON M. SCOTT,
Mayor



DEPARTMENT OF LAW
EBONY M. THOMPSON,
ACTING CITY SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

September 5, 2023

Sent via Email

Isabel Mercedes Cumming
Inspector General
100 N. Holliday Street, Room 635
Baltimore, MD 21202

Dear IG Cumming:

The Law Department has reviewed the Office of the Inspector General's ("OIG") Report of Investigation for OIG Case # 23-0022-I.

In response, the Law Department would like to thank you and your office for your partnership in helping to bring this matter to a resolution. The Law Department alerted the OIG's office earlier this year about the suspected theft of three checks in the amounts of \$3,237.50, \$1,483.36, and \$3,287.63 paid by the Law Department to a law firm representing workers compensation claimants. When the checks were never received by the law firm, but were drawn from the City's account, the Law Department—with the assistance of the Department of Finance—made repeated requests to the City's financial institution, [REDACTED], to initiate an investigation. After these efforts were unsuccessful, the Law Department alerted the OIG for assistance, and fully cooperated with the OIG's investigation.

We thank you again for your partnership in this matter and we are happy we were able to assist the OIG's office in bringing the matter to a resolution.

Sincerely yours,

Stephen Salsbury

Stephen Salsbury
Deputy City Solicitor