

OFFICE OF THE INSPECTOR GENERAL
CITY OF BALTIMORE



Isabel Mercedes Cumming
Inspector General

Investigative
Report Synopsis

OIG Case #24-0017-I
Issued: September 24, 2024



OFFICE OF THE INSPECTOR GENERAL
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City Hall, Suite 635
100 N. Holliday Street
Baltimore, MD 21202



September 24, 2024

Dear Citizens of Baltimore City,

The mission of the Office of the Inspector General (OIG) is to promote accountability, efficiency, and integrity in City government, as well as to investigate complaints of fraud, financial waste, and abuse. The following synopsis is a condensed version of the full report provided to City management officials and does not contain all investigative information.

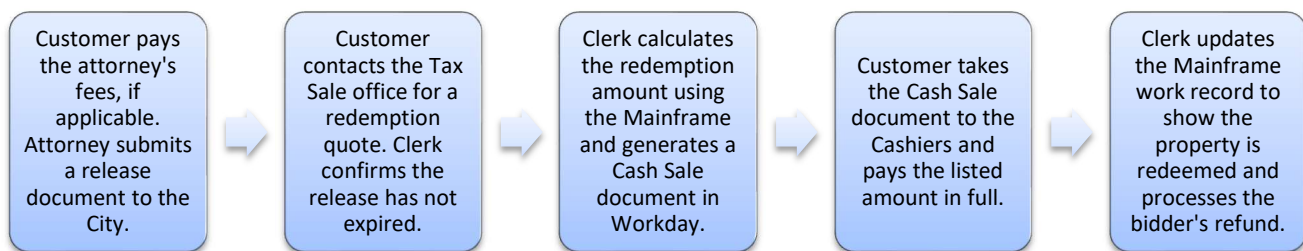
In September 2021, the OIG referred case information and allegations of misconduct in the City's Department of Finance (DOF) 's Tax Sale Office to the United States Department of Justice (DOJ). In October 2023, the OIG received information from the DOJ regarding allegations that a Customer Care Analyst III (the employee) working in the Tax Sale Office had accepted payments from customers in exchange for discounts or extensions on tax sale redemptions. DOJ investigated the criminal matter, which resulted in a guilty plea and sentencing scheduled for December 9, 2024¹.

The OIG examined the tax sale process, procedures, and the employee's work product. The OIG's investigation identified discrepancies in redemption paperwork, found that the employee received Zelle payments from property owners for whom he had processed redemptions, and found that the employee had forwarded City documents to his personal email address.

Background

The City generates revenue from several bill types, and unpaid bills may result in liens that can qualify a property for the annual tax sale. If bills remain unpaid at the end of each April, the property enters the tax sale, normally held in the third week of May. After the City receives the winning tax sale bidders' payments and applies them to the outstanding bills, the property owner or an interested party, such as a mortgage holder, can redeem the property by paying the attorney's fees, the amount of the liens, and the accumulated daily interest. If the property is not redeemed within a designated time period after the tax sale, the bidder's attorney may charge fees and file a lawsuit to foreclose the owner's right of redemption. If the attorney has charged fees, the customer must pay them to the attorney before redeeming the property with the City. If a property is redeemed, the City will refund the winning bidder. Customer Care Analysts, also called clerks, process redemptions at the Abel Wolman Municipal Building at 200 Holliday Street, using the City's Mainframe and Workday². Figure 1 outlines the redemption process.

Figure 1: Redemption Steps Summarized



¹ <https://www.justice.gov/usao-md/pr/former-baltimore-city-department-finance-employee-pleads-guilty-wire-fraud-conspiracy>

² Workday is the City's human resources, payroll, and financial processes software.

REPORT FRAUD, WASTE AND ABUSE

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

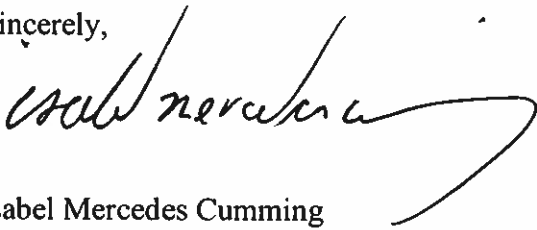
This public synopsis is only a summary of a more comprehensive report of investigation submitted to the appropriate City management official

Investigative Findings

The OIG investigation found that, according to Mainframe and Workday records, the employee processed redemptions for individuals who had sent him payments via Zelle. The investigation also identified date and/or amount inconsistencies in a sample set of the employee's redemptions and found over 50 instances between February 2020 and July 2023 in which the employee forwarded tax sale documents and information, including bills, deeds, Mainframe screenshots, and check scans, to his personal email address. These actions may have violated the City's Technology Acceptable Use Policy, AM-118-I, which prohibits users from sending or transmitting sensitive or protected data without appropriate authorization and requires that when the distribution of such data is authorized, the data be transmitted over encrypted communication channels.

Additionally, the OIG noted a lack of audit logs and security features in the Mainframe's redemption process, leaving records vulnerable to manipulation. The OIG recommended increasing security features in the Mainframe and ensuring audit log capabilities in any replacement systems. The OIG had a productive meeting with DOF leadership to discuss these recommendations and will provide relevant materials to the Department of Audits.

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, Baltimore City Solicitor