

OFFICE OF THE INSPECTOR GENERAL
CITY OF BALTIMORE



Isabel Mercedes Cumming
Inspector General

Investigative
Report Synopsis

OIG Case # 24-0023-I

Issued: February 5, 2025



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



February 5, 2025

Dear Citizens of Baltimore City,

The OIG received a complaint alleging that a former Mayor's Office of Children and Family Success (MOCFS) Human Services Worker I (the Worker), was potentially authorizing fraudulent payments totaling more than \$200,000 for the City of Baltimore's Water4All program. Upon initial review, the OIG determined that MOCFS had terminated the Worker for other reasons. MOCFS also discovered the unauthorized payments during the termination process.

BACKGROUND

The City's Water Accountability and Equity Act, Ordinance 20-468, was enacted to provide financial assistance to eligible City residents who need help paying their water bill. The Water4All discount program is open to City residents with an income less than 200% of the federal poverty level guidelines, which would be approximately \$55,500 a year for a four-member household. Additionally, the homeowner's name must be on the water bill. Tenants whose names are not on the water bill can provide a lease stating they are responsible for paying water and sewer services separately from the rent along with other supporting documentation to prove eligibility. The Water4All program utilizes a formula to calculate the annual discount for City residents who qualify. Once the application is approved, homeowner applicants are refunded within thirty days and receive the refund as a credit on their water bill. Approved tenants are paid via check, prepaid visa card, or direct deposit within thirty to sixty days.

The Worker began employment with MOCFS' Water4All program as a contract employee and was hired as a full-time City employee starting July 10, 2023. The Worker's job duties were to input and upload online applications, assist constituents with in-person applications, and accurately log applications processed on a productivity sheet. The Worker was terminated in November 2023.

OIG INVESTIGATION

The OIG found evidence to support the complaint allegations. In late October 2023, a Water4All Manager discovered that the Worker approved 202 applications without the Manager's knowledge. Multiple witnesses confirmed that the Worker was not authorized to approve applications. Moreover, the Worker approved numerous applications within seconds or minutes of the applications entering the portal. The Manager explained that the approval process takes longer than a few seconds because application information must be reviewed thoroughly. According to the Water4All applications reviewed, the Worker approved water bill refunds amounting to approximately \$209,000.

The OIG learned that the Worker had been instructed not to approve applications unless requested to do so by the Manager. However, the investigation also revealed that the early version of the Water4All portal gave Water4All employees the ability to approve applications. Water4All management confirmed that all Water4All associates were able to input, process, and approve applications but were instructed not to approve applications because only managers were authorized to approve. The Manager subsequently

REPORT FRAUD, WASTE AND ABUSE

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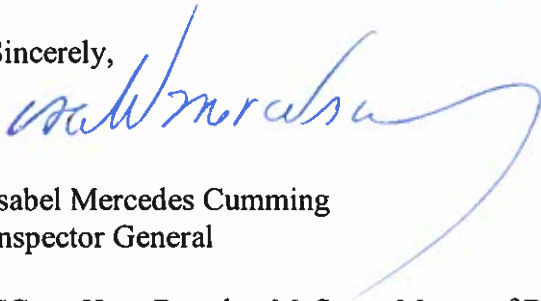
This public synopsis is only a summary of a more comprehensive report of investigation submitted to the appropriate City management official

coordinated with Baltimore City Information & Technology to remove the approval function from all unauthorized employees.

The Manager noted that some of the applications the Worker approved had significant or irregular water usage, which should have been referred to the Department of Public Works for leak reviews but were not. Additionally, some of the refund amounts were incorrect. One of the Worker's previous managers (Manager 2) told the OIG that the Worker approved a \$10,000 and a \$12,000 refund in October 2023. Manager 2 was able to reverse these payments but noted that MOCFS was not able to retrieve every incorrect refund that the Worker processed.

Manager 2 also stated that he was very alarmed that the City's disbursement vendor (the Vendor) had processed \$6,000, \$7,000, \$10,000, and \$12,000 refunds for applications the Worker had approved. Manager 2 said the Vendor and Water4All agreed that the program was never to send a single constituent a refund of over \$5,000 without Manager 2's review and approval. Approved refunds over \$5,000 were to be dispersed in multiple payments. Manager 2 stated that Water4All planned to stop using the Vendor as a payment processor effective November 30, 2023. The OIG has referred the matter to law enforcement.

Sincerely,



Isabel Mercedes Cumming
Inspector General

CC: Hon. Brandon M. Scott, Mayor of Baltimore City
Hon. Zeke Cohen, 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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Mayor's Office of Children & Family Success (MOCFS) Response

Case # 24-0023-I

REPORT FRAUD, WASTE AND ABUSE

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October 17, 2024

Isabel Mercedes Cumming, Inspector General
City Hall, Suite 635
100 N. Holliday Street
Baltimore, MD 21202

RE: OIG Case# 24-0023-1

Dear Inspector General Cumming,

I am writing to provide an official response to your letter dated September 26, 2024 regarding OIG Case# 24-0023-1. In line with the findings of the report, MOCFS has created internal controls and process improvements to prevent a future occurrence of erroneous application approvals. Please see the actions taken below.

Creation of Standard Operating Procedures

- In collaboration with BCIT, MOCFS created an SOP for the Water4All application approval process on February 3, 2024 (Exhibit A). An updated SOP was created to include using gross income instead of net and requiring social security cards for all minors on the application. The original and updated Water4All (W4A) SOPs were submitted to OIG ([REDACTED]) on February 17, 2024 and September 4, 2024.
- A second update to the W4A SOP was issued on October 2, 2024 (Exhibit B). Notable updates include:
 - o W9s are only required for tenants on a master meter
 - o Human Service Workers are only permitted to *submit* applications, *not approve*
 - o CAP managers are permitted to approve applications amounting up to \$1700. Applications amounting to greater than \$1700 are sent to W4A Manager, [REDACTED] for review.
 - o Any approvals for amounts greater than \$4,000 require a DPW audit.
 - o The W4A system now has an alert for a file about to receive more than one credit in a rolling calendar year. Managers should thoroughly review all case materials and qualifications and decide if the second credit should be approved or declined.

Enhanced PH protection

- A PII SOP (Exhibit C) was created in February 2024 to define and outline PII handling best practices. There is also an accompanying Disposal of PII form (Exhibit D) that all W4A staff must sign and date confirming their understanding of the policy.

- At outreach events, use of paper applications has been suspended. Instead, constituents are encouraged to scan the QR code to access the application portal.
- At the CAP centers, W4A paper applications are entered into the system and materials are uploaded within 48 hours. Papers are subsequently shredded immediately.

Staff Training

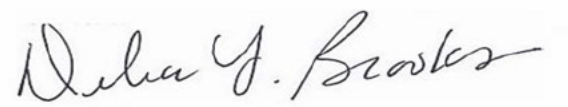
- W4A staff had a meeting on September 12, 2024 at the Southeast CAP center location. The W4A application SOP was reviewed at this meeting along with staff Q&A about the procedures.
- The next W4A staff meeting will be held virtually on October 30, 2024 to review the latest updated SOP.
- SOPs will continue to be reviewed at W4A staff meetings to ensure all staff are well-informed of the process and can ask questions.

Application System

- The W4A Manager will conduct a quarterly review of system authority levels for associates and managers to ensure proper authorization levels have been assigned.
- The W4A applications were rewritten/reprinted to provide enhanced and more direct messaging (ex: email is REQUIRED)
- The W4A system now creates an alert for a file that is about to receive more than one credit in a rolling calendar year.
- The contract with application portal partner BEAM has not been renewed. The W4A platform has since been relaunched inhouse through Workday. This new system gives 99% of approved applications a credit on their DPW water bill. Only 1% (master meter tenants) will receive a live check. This provides greater assurance that water bills are paid, and funds are not diverted for another purpose as could happen with a check.
- We began working with DPW to conduct audit reports on selected cases in June 2024. As of today, we have submitted 50 audits and 11 have been completed and decisioned "NOT TO PAY". The audit results were based on leaks, repairs not completed, and usage discrepancies. Those credits equated to approximately \$141,400.

MOCFS leadership will continue to examine our approval process practices across all BCCAP programs to determine areas of vulnerability and create the necessary policies and procedures to address such weaknesses. I would like to thank OIG and BCIT for their support and collaboration as we corrected this matter, and we will continue to make ourselves available should any additional action be required.

Sincerely,

A handwritten signature in black ink that reads "Debra Y. Brooks". The signature is written in a cursive style with a large, looped initial "D".

Dr. Debra Brooks
Executive Director, MOCFS

cc: Honorable Brandon M. Scott, Mayor
Honorable Ebony M. Thompson, City Solicitor
Faith Leach, Chief Administrative Officer
Simone Johnson, Deputy City Administrative Officer
Marvin James, Mayor's Chief of Staff