

Good morning Honorable Committee and esteemed Guest -

The Office of Inspector General (OIG) investigates allegations of waste, fraud and abuse committed by employees, elected officials and contractors of Baltimore City. This includes violations of criminal law, civil statutes, regulations, ethical laws or standards of conduct. The OIG then provides comprehensive factual reports to Agency heads or the Citizens when allowed by law.

In March of this year, this same FY2023 Budget Proposal was presented in great detail to the OIG Advisory Board with members Chairman Costello and Vice President Middleton participating. That Board unanimously determined the proposed budget of 2.3 million **with** the one-time enhancement of \$300,000 for Ethics to be sufficient. As outlined by law (Article X, Sec 4(c)(2), that Board then presented the budget which they found to “provide sufficient funding to meet the duties of the Office” to the Board of Estimates. Now the OIG is presenting this same budget to this committee.

**HIGHLIGHTS for FY22 include** - The numerous investigative reports the OIG completed which included DPW, BCIT, Finance, Health and others agencies including both the Baltimore City Police and Fire Department. These reports and management alerts can be read online.

The new responsibilities imposed by law for the Whistleblower Rights and the Ethics Program continue to impact the OIG. There were six confidential whistleblower reports issued by the OIG this year. In Ethics – the achievements include; conducting the first ethical hearing in decades, publishing 8 advisory opinions; investigating over 10 ethics complaints, fining lobbyists who failed to file forms and answering over 1,000 resolved help desk requests for just this year.

**THE OIG CURRENTLY HAS FOUR PERFORMANCE MEASURES (with only 2 captured on the slide) -** The first is Effectiveness which is the *Number of Criminal, Civil, or Administrative Actions* - **The numbers in the printed BUDGET BOOK are completely incorrect – are now correct on the slide & online.** For FY 2021, the OIG completed 98 actionable items - however the goal was 100 so the OIG fell two items shy of that target. The reality of fewer people at their work locations to retrieve documents and the difficulty to bring people in for interviews, has impacted ongoing investigations which are now taking much longer to complete.

2. The second performance metric is the **number of hotline complaints** received. This number has stayed above 700 now for the last three years. Being responsive to all complainants is paramount- even if a matter is outside of the OIG jurisdiction, the OIG still tries to provide the proper resources for the citizen. These hotline complaints are the basis of how OIG investigations are developed.

3. ***Number of Outreach Activities*** - The OIG is committed increasing awareness as to who we are and what we do. Awareness greatly impacts the number of complaints. The OIG greets all new employees virtually every month at the New Employee Orientation; setting a foundation to work with integrity and ethics. I stress the importance of reporting fraud, waste & abuse. The OIG furthers awareness by maintaining an active social media presence on Facebook, Twitter, and LinkedIn. Finally, the OIG will be hosting a Citizen's Academy in the fall – we hope to have representation from all 14 districts.

4. ***Identified Savings or Waste*** - The final metric is the amount of money wasted or saved as a result of an investigation. The OIG hopes that in identifying waste and savings, it encourages better fiscal management through new legislation and/or updated policies and procedures. During each OIG investigation, any financial issues identified can either fall into the category of waste or savings. This metric is contingent on the cases the OIG receives. Although the OIGs has been very successful in this metric – it should not be considered the most important. This is demonstrated by the fact that ethics investigations may not have dollar amount of value. But the value of effective ethics program and ethical workers is immeasurable as that is the basis for good government. For both FY 21 and 22 The OIG met and surpassed its target of identified savings and waste.

**BUDGET** - The OIG budget is 91% dedicated to salaries and personnel costs with the OIG holding 18 funded positions. The challenge for the OIG is being able to address all investigations in a timely manner with qualified investigators. Each agent carries between 3-5 active cases. The office currently has over 30 active cases & a pending list of over 10 cases. This year the OIG saved money by utilizing our own employees for all outreach materials such as the OIG annual report, the Ethics Board Annual report, as well as training videos and presentations. It should be noted that even the OIG's furniture for the new ethics wings was surplus that the OIG acquired free from the federal government and the OIG shared this cost savings process with DGS to help other departments to save money.

Finally, the OIG did ask for a one-time enhancement of \$300,000 to simplify the process for the 3,000 City employees that complete the Financial Disclosure forms and so the Ethics Officer would not continue to get the hundreds of complaints and questions every year. This Ethics request which represented **less than a .015 of one percent** of the city budget was turned down based on incorrect information that the process was already being handled by BCIT. I spoke to Todd Carter and he agreed – it is not but there may have been a communication issue. This one-time enhancement of \$300,000 would directly impact the ease of completing these forms city employees including every member of the committee. We ask this committee to join the OIG asking the Mayor to find funds elsewhere in this \$2 billion-dollar budget for this important tool of accountability and transparency.



**Priority Outcome:** Responsible Stewardship of City Resources

**Service Number:** 836

**Fiscal 2022 Recommended Budget:** \$2,331,165

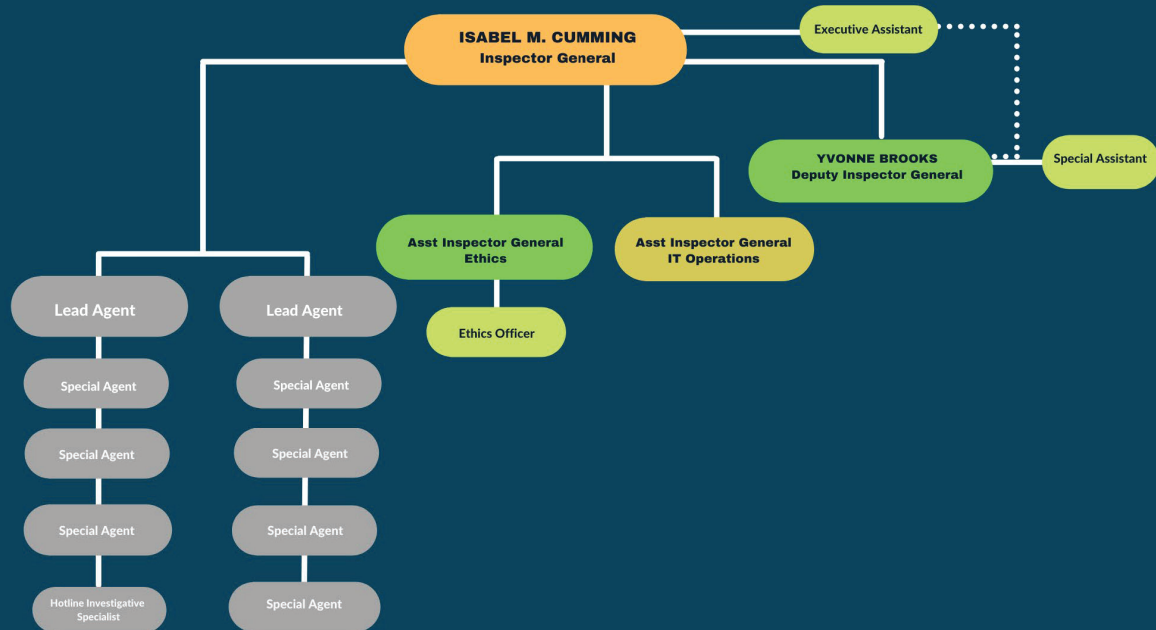
**Service Description**

This service provides for the professional and independent investigation of allegations of fraud, waste, and abuse within City government; among those vendors and businesses doing business with or seeking to do business with the City; and those individuals, organizations, and businesses receiving some benefit from the City.

**Major Budget Items**

The recommended budget maintains the current level of service.

# Office of the Inspector General Organizational Chart



Type	Performance Measure	Actual 2018	Actual 2019	Actual 2020	Target 2021	Actual 2021	Target 2022	Target 2023
Effectiveness	# of criminal, civil, or administrative actions	41	99	115	100	98	80	80
Output	# of hotline complaints	164	380	751	350	705	400	400