

Department of Public Works

Response

Case # 23-0018-I

CITY OF BALTIMORE

BRANDON M. SCOTT, Mayor



DEPARTMENT OF PUBLIC WORKS

Richard J. Luna, Interim Director
Abel Wolman Municipal Building, 6th Floor
200 N. Holliday Street
Baltimore, Maryland 21202

September 5, 2023

Ms. Isabel Mercedes Cumming, Inspector General
Office of the Inspector General
100 North Holliday Street, Suite 640
Baltimore, MD 21202

Dear Inspector General Cumming:

I am writing to provide comments on the investigative findings regarding Office of Inspector General (OIG) Report of Investigation case #23-0018-I, which details the investigative findings for a complaint received that alleged the Housing Authority of Baltimore City (HABC) has not paid water bills from City of Baltimore (City) since 2018 and owes millions of dollars to the City.

Based on the findings of your investigative assessment, the Department of Public Works (DPW) has taken the following steps:

- A meeting with HABC has been diligently arranged for September 11, 2023, involving Deputy Counsel [REDACTED] from the Department of Public Works Law Department. [REDACTED] leads our metered-water legal collections endeavors. The objective of this meeting is to engage in a comprehensive discussion concerning the prospect of reaching a mutually acceptable settlement agreement pertaining to the Housing Authority of the City of Baltimore City's outstanding balance.
- As stated in our Management Response to OIG case #24-0035 and our reply to the Biennial Audit Findings for FY 19 & 20, DPW has established robust internal reporting on accounts receivable. DPW is actively developing comprehensive collections and revenue management processes, including documented customer lifecycles, delinquency strategies, sustainable staffing models, and KPIs for program evaluation. Promise Pay, launched this year, aims to facilitate payments, and payment plans to Consolidated, Commercial, and Multi-Family accounts will be offered by the end of FY24, Q2.
- DPW has arranged an internal meeting for September 12, 2023, with the aim of delving into the variances between UMAX and the publicly available data in the Department of Finance's payment system. DPW believes this is attributed to unallocated sub-credits in UMAX. However, as part of our commitment to thoroughly investigate the findings, DPW will involve both BCIT and Itineris, DPW's utility billing support vendor, to conduct an in-depth examination of the discrepancies identified in this report.

- DPW's verification confirms the accuracy of sub-credits within HABC's account. As outlined in written correspondence submitted to OIG staff on August 10, 2023, it remains imperative to enact precise allocation of these sub-credits. To this end, DPW has convened a collaborative session involving HABC and the Department of Finance's Bureau of Review Collections (BRC) to chart the optimal course of action.

It's noteworthy that the BRC's protocol now necessitates comprehensive premise address documentation for processing customer payments, including account and address verification prior to applying payments. Concurrently, HABC is actively engaged in the process of identifying the specific accounts where unallocated sub-credits are currently residing within the master account framework to allow for proper crediting of payments.

In parallel, DPW and Itineris are diligently collaborating to engineer a mechanism that seamlessly integrates sub-credit visibility into billing statements. This strategic initiative is aimed at fostering clarity in payment tracking, ensuring unambiguous differentiation between settled amounts and outstanding obligations.

- An upgrade to the latest version of UMAX is currently slated for deployment in late October 2023. Notably, the forthcoming version promises enhanced automation for the Consolidated Billing process. Recognizing the significance of this matter, DPW has arranged specialized training sessions in collaboration with Itineris. This training initiative is designed to equip five designated employees with comprehensive proficiency in the consolidated billing procedures, thereby ensuring a seamless adoption of the new system's capabilities while ensuring that the current process is executed timely.
- A comprehensive audit of HABC properties within the UMAX system will be conducted by DPW, comparing them against the list of properties owned by HABC. This audit is scheduled for completion by December 1, 2023. In the event of any disparities identified, HABC will be promptly informed of the findings, and necessary corrections to the master account will be undertaken by December 29, 2023.

DPW is committed to enhancing the operational efficiency of our Customer Support and Services Division through ongoing process refinement, the implementation of standardized operating procedures (SOPs), and leveraging technological advancements. Should you require any additional support or information, please do not hesitate to notify me. I extend my gratitude to you and your team for apprising us of this inquiry.

Sincerely,



Richard J. Luna
Interim Director

cc: Honorable Brandon M. Scott, Mayor
Faith P. Leach, Chief Administrative Officer
Simone C. Johnson, Deputy City Administrator
Michael Moiseyev, Director of Finance
Ebony Thompson, Acting City Solicitor