TO: OIG Advisory Board

DATE: March 15, 2022

Honorable Members of the Office of the Inspector General (OIG) Advisory Board,

We present to you the OIG Fiscal Year 2023 (FY23) Budget Proposal and respectfully request approval for submission to the Board of Estimates (BOE).

An effective OIG will foster public trust in all City agencies by ensuring the impartiality, integrity, and transparency with which they operate. In turn, citizens will recognize that those leading the City are committed to effective and honest government. This mission is best realized when an independent agency of government identifies fraud, waste, or abuse, and recommends improvements in the efficiency with which government operates. The OIG accomplishes this mission through its primary program of investigations, along with other key activities.

The OIG employs a risk-based approach across its various activities to prioritize and target significant impact and high-risk areas of concern across City government. These activities include:

1) Investigating allegations of misconduct by City employees and contractors, which may involve violations of criminal law, civil statutes, City regulations, or employee standards of conduct;
2) Providing comprehensive and factual reports that include findings and recommendations regarding program weaknesses, contracting irregularities, and other institutional problems discovered as a result of the investigations initiated by the OIG; and
3) Engaging in outreach for employees, stakeholders, and citizens to provide information that raises awareness of fraud, waste, and abuse indicators and prevention techniques.

In developing the FY23 Budget Proposal, the OIG reviewed the new responsibilities imposed by the City’s Whistleblower Rights and Responsibilities law (WRR) and the Baltimore City Public Ethics Law ("Ethics Law"). Under the WRR, the OIG is responsible for adopting rules and regulations, outlining procedures relative to handling complaints of Whistleblower retaliation, and providing written notice of the City’s WRR to all employees. Additionally, the OIG must assist the Department of Human Resources (DHR) and the Law Department (Law) in developing Whistleblower training for all City employees and supervisors.

The Ethics Law was amended on April 13, 2020—with an effective date of October 10, 2020—to designate the Inspector General (IG) as the Executive Director of the Baltimore City Board of Ethics (Ethics Board) and to require the IG or the IG’s Designee to assist the Ethics Board in performing its essential responsibilities. These responsibilities include: overseeing the annual financial disclosure process required of City officials and employees; providing advisory opinions and other guidance on compliance with the Ethics Law; enforcing the Ethics Law, including investigating ethics-related complaints; training City officials on the Ethics Law; promoting public awareness of the Ethics Law; and receiving and reviewing lobbyist registrations and activity reports.

HIGHLIGHTS

Whistleblower

During Fiscal Year 2021 (FY21), the OIG’s investigative reports continued to cover the gamut of City agencies, including the Departments of Public Works, Finance, and Health, and the Baltimore Police Department (BPD)
and Fire Department. Another focus this year was the rollout of the Whistleblower program, including increasing awareness of the program with our agency partners in DHR and the Office of the Labor Commissioner.

The OIG received six Whistleblower complaints, which resulted in four Whistleblower investigations involving City agencies and BPD. These investigations included high-level interviews and meetings with a wide range of City employees to understand the allegations and weigh the evidence.

Working with the Baltimore City Council, Law, and the Department of Legislative Reference, the OIG drafted and submitted an amended City Whistleblower law. Under Baltimore City Code, Article 1, Subtitle 8, the new changes allow for internal agency Whistleblower investigations, clarifies the role of human resources in resolving Whistleblower complaints, and details the intake process for a Whistleblower complaint with the OIG. Furthermore, the amendments add a new remedies provision where the respective agency director, the IG, and the City Administrator meet collaboratively to solve any wrongdoing caused by a Whistleblower retaliation.

The OIG has prepared training documents and is planning training for City human resources professionals to not only identify and prevent potential Whistleblower retaliation, but to also facilitate the investigation of Whistleblower complaints independently of the OIG. On April 8, 2021, the OIG conducted training with BPD’s Public Integrity Bureau and plans to hold City-wide training sessions in partnership with DHR.

Ethics

In FY21, staffing for the Ethics Board fully transitioned from the Department of Legislative Reference to the OIG. With crucial support from two new OIG staff who are dedicated to the Ethics Board (Board), the Board made remarkable progress during FY21. The Ethics Board’s FY21 Annual Report highlights recent highlights, including: 1,512 resolved help desk requests; five published advisory opinions; 800+ newly identified required financial disclosure filers; and 17 ethics complaints. Additionally, for the first time in recent memory, the Ethics Board charged fees for late lobbyist registration and late reporting. Ethics Board staff also increased outreach initiatives, which included revamping the Ethics Board’s website and the ethics training, creating content for the City’s New Employee Orientation, and distributing a Notice of Ethics Requirements to City agencies and boards to be incorporated into the onboarding process for new officials and employees.

The Ethics Board’s activities continue apace in the current fiscal year. In the first six months of FY22, nearly 600 City officials and employees have completed the new, automated ethics training course, surpassing the 396 total training attendees in FY21. The Ethics Board has issued five additional advisory opinions, and Board staff have resolved more than 500 help desk requests, of which the majority are for substantive ethics guidance. Additionally, the Ethics Board has received ten ethics complaints, some of which are investigated with the assistance of OIG special agents.

I. HOW OIG MEASURES PERFORMANCE

Data Sources, Validation, Verification, and Limitations

The OIG uses the Case Management Tracking System (CMTS), a web-based relational database, to track and manage its cases. The database administrator runs routine maintenance programs against the database. Database maintenance plans are in place to examine the internal physical structure of the database, backup the database and transaction logs, handle index tuning, manage database alerts, and repair the database, if necessary. Currently, the general database backup is scheduled nightly and the transaction log is backed up daily. The system captures descriptive information and records responses to several open-ended questions seeking more information on deficiencies noted by special agents and whether a case was referred for administrative action and its outcome. Reports can be generated at any time for real time status of any complaint or investigation.
All complaints are logged into the database and the application tracks all aspects of the complaint lifecycle once they are assigned an internal tracking number. The OIG assigns at least one dedicated special agent to manage complaints that arrive through a telephone and email “hotline.” A complaint can be elevated to an investigation that falls under the categories “general”, “Whistleblower”, or “ethics”, in which each is assigned another unique tracking number. All documents and evidence associated with each complaint or investigation are uploaded into CMTS, in addition to being maintained in an investigative hard file and/or electronic file, as appropriate.

A report of investigation (ROI) or a management alert (MA) is the culmination of completed OIG investigations. These reports are typically drafted by an agent and go through several reviews by the Deputy IG of Investigations and the IG prior to final submission. Ethics investigations follow a different process, as outlined in Subtitle 5 of the Ethics Law.

The OIG monitors and evaluates performance toward its plans and commitments using ongoing, periodic, and one-time assessments, through which OIG senior leadership identify issues, measure OIG component-specific and overall organizational health, and provides appropriate data and evidence to the IG.

In the continuous effort to improve OIG’s measurement performance indicators, it was determined that the number of hotline complaints received during the fiscal year would not continue be used as a performance indicator. This measurement can fluctuate for a variety of factors that may not be quantifiable or controllable by the performance of the OIG. As a result, it will no longer be a strategic measure for budget proposals in future years. However, the OIG will continue to use this number in its annual reports and other outlets because it is a meaningful measure of employee/citizen participation and awareness of the OIG’s mission.

II. PERFORMANCE MEASURES

1. Number of Criminal, Civil, or Administrative Actions

This number reflects the OIG’s completed investigations, management alerts, and formal referrals to an internal or external agency. This number does not include “informal” referrals for matters that do not fall within the jurisdiction of the OIG. With informal referrals, the OIG provides the complainant with the necessary information to seek proper redress elsewhere. All of these actionable items start with a complaint number. Most of OIG’s investigations are developed from tips received from employees, citizens, and/or taxpayers, and some are developed from an existing investigation. In carrying out this mission, the OIG can utilize inspections, evaluations, and/or investigations. Since 2018, based on available resources, the OIG has utilized investigations as the primary tool to carry out its mission.

The OIG has a dedicated phone number for all hotline complaints. Complaints are also submitted through the OIG website, directly to the office, and through mail/email. Every complaint is logged in CMTS.

In FY2021, the OIG logged 705 complaints. Each complaint is vetted and will fall into one of the following categories:

1. Informal Referral
2. Formal Referral (internal or external)
3. Preliminary Investigation
4. Investigation
5. Closed

This performance measure can tie to another OIG performance measure: the number of outreach activities. The greater the number of employees, citizens, and taxpayers who are aware of the OIG’s mission, the more eyes and ears are on the lookout for potential fraud, waste, and abuse.
Negative Factors: 2020 Coronavirus Pandemic

The OIG fell two items short of the FY21 target of 100 actionable items, completing 98 actionable items. The coronavirus pandemic interrupted City processes and procedures. The City, rightfully, focused on providing essential services. OIG investigations involve interviewing employees or other individuals and collecting documents and data. With the disruption, ongoing investigations took much longer to complete. It is unknown if the OIG will meet its future targets as the pandemic continues to present new challenges to the City, including changing reliance on remote technology.

Positive/Ongoing Factor: Internal Training Initiatives

After personnel, the third-largest portion of the OIG budget is dedicated to training OIG's special agents. Training is critical to the mission of the OIG. Baltimore City's salary constraints inhibit the OIG’s ability to compete for experienced investigators within the Washington D.C. vicinity, where federal and D.C. local salary ranges are much higher. OIG special agents are encouraged to be certified as Certified Inspector General Investigator (CIGI) by the Association of Inspectors General (AIG) and Certified Fraud Examiners (CFE) by the Association of Fraud Examiners.

The OIG recognizes that a high-performing culture relies on a highly engaged workforce. The OIG is focusing on developing a culture that enables a high-performing, optimized, and mission-driven workforce, by providing developmental tools that OIG staff and leaders need to grow and succeed, and by creating an environment of openness, engagement, and collaboration. This important investment creates a workplace culture and environment that encourages enhanced employee engagement, increased employee morale and satisfaction, continuous learning and development, and shared institutional knowledge. Collectively, these efforts leverage principles of organizational development focusing on activities that will impact not only OIG staff, but, indirectly, all OIG stakeholders and taxpayers.

The 2020 coronavirus pandemic presented the OIG with the opportunity to create more comprehensive internal trainings, including: Employee Misconduct Investigations, Procurement Fraud, Report Writing, and Whistleblower Retaliation. These internal trainings were necessary because external training agencies needed time to respond to the pandemic. The OIG plans to continue facilitating internal training for all new employees and all employees on a yearly basis. Applications such as Microsoft Teams and WebEx has made delivery of training content accessible to everyone no matter where they are. The OIG will continue to utilize those applications. Continued training will foster increased investigative skills, knowledge, and abilities which in turn will increase efficiency during investigations.

2. Number of Outreach Activities

The OIG is committed to serving the employees and citizens of Baltimore City. One way it does this is by spreading the word about who the OIG is and what it does. It is important for people to know there is a City agency that can be trusted to investigate fraud, waste, and abuse within City government. Toward this end, the IG greets all new City employees virtually every month at the New Employee Orientation, setting a foundation for working with integrity. The IG stresses the importance of reporting fraud, waste, and abuse, and assures new employees that OIG is a safe place to do so. OIG furthers awareness by maintaining an active social media presence on Facebook, Twitter, and LinkedIn. Furthermore, when a new OIG report is available, OIG sends out an alert on social media with links back to the OIG website.

OIG is a member of the AIG, where the IG serves on the National Board of Directors and is the Second Vice President. The AIG is an organization that focuses on integrity and ethics in government. The Baltimore City OIG was recognized by the AIG as a model of an effective Inspector General’s office. The IG is often asked to speak at notable events where she discusses the importance of the OIG’s mission.
Positive/Ongoing Factors

The OIG was able to meet its goal of conducting more than 20 outreach activities in FY21. As the IG continues to promote awareness and educate employees and the public on the mission of the OIG, calls to the hotline increase. The OIG hopes to promote more comprehensive education about the types of cases the OIG investigates, which should impact the number of actionable items in which the OIG may engage. The OIG will continue to increase the number of outreach activities, including to citizen-led associations and groups.

The OIG also plans to create and implement an OIG Academy program that gives business, religious, civic, and community members a deeper understanding of the OIG’s mission. The program will start in late FY22 with educational discussion about the role and mission of the OIG. The OIG will extend its outreach and awareness activities proactively with internal and external stakeholders to identify areas of high risk that could lead to potential investigations. The Academy hopes to select citizens from all 14 districts and to have discussions about the operations of the OIG and do so on a yearly basis.

3. Identified Savings or Waste

It is crucial that OIG investigations show City leaders 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 fall into the category of waste or savings. The OIG website dedicates a page to defined terms used within the OIG, which includes the definition of “waste”. The OIG maintains the sources used to calculate savings or waste data within CMTS for every completed investigation. A key measure of the value of OIG’s work is its dollar return on investment.

Positive/Ongoing Factors

The OIG was able to meet and surpass its target of $1,000,000.00 in identified savings and waste for FY21. Going forward, the OIG will continue to adjust policies, procedures, and processes that reflect best practices in investigations and develop, mentor, and coach the OIG workforce in order to deliver accurate and meaningful investigative reports.

III. OIG BUDGET

OIG serves a City that employs over 12,000 employees and is home to nearly 600,000 residents. Most of the OIG budget is dedicated to personnel costs. OIG investigations require competent investigators. The challenge for the OIG is being able to address all investigations in a timely manner. Each agent carries between 3-5 active cases. The office currently maintains a pending case list. The OIG holds 18 funded positions. The additional responsibilities placed upon the OIG office, through legislation, required an expansion of staff and office space. See OIG Organizational Chart on next page.
Based on the data above, salaries and personnel costs represent over 91% of the total budget. In preparing the FY22 budget last year, the OIG requested additional funding to cover three positions and professional service needs. The three additional positions were granted to support the additional responsibilities mandated by the WRR and Ethics Law. The additional funding to support the information technology needs of the office were offset by a reduction in the OIG In-Service Training line item by $27,154.00, in a best faith effort to only request what was absolutely needed. The OIG adapted its training program in order to support the reduction.

The OIG strives for organizational excellence by improving efficiency and effectiveness of all activities. This includes: engaging in planning to anticipate future mission needs and maximize the use of limited resources; developing sound budget forecasts for investigative activities; improving performance; increasing accountability; and reducing costs. The OIG leverages resources and business processes in an effort to ensure the most effective use of limited resources, such as:

- Utilizing in-house personnel to design and create outreach materials, including the OIG annual report, the Ethics Board annual report, and internal and external training videos and presentations.
- Sourcing used furnishings for its expanded office space through the Baltimore City Department of General Services (DGS).
- Sourcing free furniture from federal agencies through the Maryland Department of General Services and sharing this type of procurement process with DGS.
By ensuring good stewardship of its own resources while carrying out the mission of responsible stewardship further enables the OIG to achieve its goals and furthers the Mayor’s Pillar Goals for Baltimore success.

Given the already limited resources of the office, the OIG is unable to support a 3% reduction to its budget. The amount required to meet such a reduction would entail a loss of a position. Given the numerous responsibilities of the OIG, that is a loss that cannot be supported. However, to share the burden of reduction across the City, the OIG will make reductions in the following line items:

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<th>OBJECT NAME</th>
<th>SUB OBJECT</th>
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<th>FY23 CLS</th>
<th>REDUCED AMOUNT</th>
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IV. STRATEGIC PLAN

The OIG Strategic Plan covers Fiscal Years 2022-2025. Through its Strategic Plan, the OIG pledges to provide independent oversight and promote integrity, excellence, accountability, and transparency. This plan is a living document that is intended to be sensitive to the availability of resources, flexible and adaptive to the dynamic environment in which both the OIG and City government operates, while remaining consistent to the OIG’s values.

Strategic Goal 1 - Advance organizational effectiveness

To successfully carry out its mission, the OIG must continue to identify opportunities to advance its organizational effectiveness. The OIG aims to ensure improvements in reporting and recommendations.

Strategic Objectives:
- Streamline internal processes and procedures to achieve effective use of resources.
- Improve internal and external communication.
- Ensure support and resources are flexible, efficient, and effective.

Performance Indicators:
- OIG policies, procedures, and processes that reflect best practices.
- Public feedback tool that enhances public satisfaction with the operations of the OIG.
- Technologies and tools that enable collaboration and communication among our staff.

Strategic Goal 2 - Deliver results that promote integrity, excellence, and accountability

OIG’s investigations focus on improving the efficiency, effectiveness, and integrity of City programs and operations.

Strategic Objectives:
- Enrich OIG’s understanding of operations through enhanced engagement with other City agencies and the public.
- Issue and encourage recommendations that address systemic weaknesses and effect positive change.
- Enhance OIG’s focus on providing oversight of City-wide spending efforts.
- Improve the value and quality of OIG’s products to internal and external recipients.

Performance Indicators:
- Reports that identify more efficient and effective ways for the City to carry out its missions.
- Communications that promote productive interactions and encourage feedback about our oversight activities and products.
- Initiatives that identify opportunities to improve OIG tools, processes and products, including gathering internal and external feedback.
Strategic Goal 3 - Cultivate a skilled, diverse workforce and foster a collaborative environment

OIG has highlighted the importance of ensuring all OIG staff receive the training, mentoring, and coaching needed to address the office’s complex missions and issues. OIG developed a stronger on-boarding training and requires effective management to ensure stronger employees.

Strategic Objectives:
- Identify, recruit, and retain a diverse, skilled workforce.
- Develop, coach, and mentor OIG’s workforce.
- Maximize collaboration across and within the OIG’s organizational units.
- Increase information sharing and collaboration with other City agencies, the public, and other organizations to improve OIG’s knowledge, operations, and partnerships.

Performance Indicators:
- Enhanced workforce diversity, competencies, and training efforts.
- Communication and collaboration within and across program areas that contribute to organizational planning and performance activities.

V. ENHANCEMENT REQUEST

Modernizing Ethics Transparency through Enhanced Financial Disclosure and Lobbyist Reporting Applications

After assuming staffing responsibility for the Ethics Board, the OIG identified major improvement needed to bring the City’s financial disclosure system and lobbying registration and reporting system into compliance with the Ethics Law, to maximize these systems’ goals of transparency and conflict of interest prevention, and to make them most accessible and accurate to the populations they serve. Although the Ethics Board has requested funding for this project through the City’s American Rescue Plan Act (ARPA) grant application, the OIG is also requesting a budget enhancement because an ARPA grant award is far from certain.

This project aims to overhaul the Ethics Board's online financial disclosure system and lobbyist registration system to increase remote accessibility, accuracy, compliance, systems integration, and public transparency. The upgrades will ensure that the City's primary ethics disclosure systems are fully digital, stable, and remotely accessible, obviating the need to ever return to an onerous in-person, paper-based system.

The City's Ethics Law requires around 3,000 City employees and officials to file annual financial disclosure statements that contain a variety of information about themselves and their family members, including real estate ownership, business affiliations, gifts, and other sources of income. All of these statements must be made available to public viewers. The idea is to identify and prevent conflicts of interest and promote public trust in City government.

The Ethics Law also requires all City lobbyists--typically around 150 to 200 individuals--to publicly register and submit activity reports twice per year that include information about who they are working for, the issues they are seeking to influence, and any expenditures and gifts given to public servants. As with financial disclosure statements, this information must be available to the public, the goal being transparency and accountability.

This project seeks to ensure that the financial disclosure and lobbying filer and viewer systems administered by the Ethics Board are fully digital and accessible remotely, obviating the need for any in-person filing and review, now or in the future.

In early 2020, near the beginning of the COVID-19 pandemic, the Ethics Board was forced to resort to a paper-based system for financial disclosure filings due to an outdated, fragile, and inflexible online filing platform. This previous platform was unable to accommodate changes to the application that were required by law, so the Ethics Board had to abandon that system and return to paper-based one. This required City filers--most of whom were working remotely because of the pandemic--to access printers or scanners, and to either email or mail hard copies of their forms to the Ethics Board. Ethics Board staff (housed within the OIG), in turn, were required to receive, sort, and review these filings in person. Likewise, staff were required to manually scan and mail or email copies of the disclosures to members of the public who wanted to view them.
The problem, however, is that the online platforms currently hosting these systems are not as user friendly as they could be, increasing the likelihood of incomplete or inaccurate information. Moreover, the platforms have limited capacity for updates, edits, and streamlining, meaning that even a simple change in the law requiring additional information or confidentiality safeguards might result in complete system incapacitation.

In response to these difficulties, Ethics Board staff worked with Baltimore City Information Technology (BCIT) to develop a stopgap online filing site, which was deployed in early 2021. Although an improvement over the paper-based process, the new online site is not user-friendly and has presented various technical difficulties. During the 2021 filing season, Ethics Board staff—consisting of two OIG employees—received more than 1,100 questions about financial disclosures, the vast majority of which were technical questions related to using the site.

Simultaneously, the electronic lobbyist activity site experienced significant technical issues; most notably, lobbyists were unable to register in advance for the 2021 calendar year and unable to amend lobbying activity reports due to a system error. Although BCIT staff restored the registration function, a flaw that must be repaired annually, lobbyists must now file amendments by paper or email. Moreover, the current lobbyist site does not accommodate public viewing of lobbyist activity reports, as required by law.

None of these outcomes are consistent with best practices during the current COVID-19 pandemic or possible future pandemics, when digital platforms should be fully supportive and responsive to remote work needs. Many City employees, lobbyists, and members of the public, with varying levels of education and computer literacy, cannot access the current financial disclosure filing site and lobbyist activity site without assistance, presenting equity concerns and impeding government transparency.

By overhauling the Ethics Board's online disclosure systems to a stable, streamlined, and flexible platform, this project would ensure: 1) that City officials and employees can accurately and timely file all forms remotely; 2) that Ethics Board staff can access and review all forms remotely and make necessary future changes to the platform to increase efficiency and synergy with other City systems; and 3) that members of the public have easy remote access to all filings as required by law.

Success means financial disclosure and lobbyist reporting applications that are user-friendly and automated in a way that captures complete and accurate information and makes that information both easily viewable by members of the public and easily analyzable by Ethics Board staff and other relevant City personnel and systems. Successful implementation will result in greater ethics transparency by ensuring accurate and complete disclosure of required information and greater integration with other City data systems and processes to proactively identify and prevent conflicts of interest before they occur.

**Project Budget**

**Requested Amount:** $300,000.00 (One time cost to cover initial development and one year of maintenance)

**Year 1: One Time Development-Related Costs:** (Total estimate: $155,000 to $310,000)

- $10,000 - $20,000: Discovery, including stakeholder meetings, information gathering, technical, functionality, and compliance requirements, etc.
- $25,000 - $50,000: Strategy, including information architecture, requirements documentation, wireframes, user journey mapping, etc.
- $25,000 - $50,000: Design, including design concepts, design drafts, style guides, final visual style, etc.
- $75,000 - $150,000: Development, including content, environment configuration, forms, integrations, migration, permissions, regulatory compliance, search and user interface, user personalization, intelligent automation, etc.
- $7,500 - $15,000: Deployment, including DNS launch, email setup, database setup, web server setup, production launch, training sessions, etc.
• $12,500 - $25,000: Project Management, including project plan execution and coordination communications, responsibilities, and details.

Years 2-6 Maintenance and Enhancements: (Total estimate: $120,000 to $250,000)

• Ongoing maintenance, operations, and enhancements for 5 years, including training, technical support and troubleshooting, system maintenance and upgrades, future systems integration support, etc.

VI. CONCLUSION

OIG is dependent upon its partners throughout City government to bring concerns regarding waste and inefficient operations within their respective functions. As the OIG continues to move forward in its mission, it will do so by proactively promoting a culture of engagement with City stakeholders. The OIG works in cooperation with many City agencies, especially the DHR, Law, and BPD. The OIG has a Memorandum of Understanding with BPD and the State Education Office of the Inspector General. The OIG already works in cooperation with many State and Federal agencies.