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Office of Inspector General
640 City Hall

Synopsis of OIG Final Report #101371-106 (PABC)

Hon. President and Members of the City Council
400 City Hall

06/14/2011

Attached please find the Office of the Inspector General's (OIG) Synopsis of Investigation relating to contract management at the Parking Authority of Baltimore City (hereinafter "PABC"). The report further considers specific aspects and costs of security services within managed facilities. Since PABC is a City quasi-governmental agency the personnel rules and regulations do not mirror those applied by the City and were not addressed by this report in the usual violation and recommendation format.

The OIG investigation began with information from Mr. Peter Little, the current PABC Executive Director, and was based on concerns of possible vendor collusion and/or unethical procurement practices. The investigation involved written and electronic document review and numerous interviews with PABC employees, contractors and sub-contractors. Additionally, the OIG considered issues involving the licensure and cost of various classes of security staff utilized in PABC facilities.

Please also be advised that as this matter involves potential violations of the Baltimore City Ethic's Code the final report was referred to the Ethic's Board for review and processing as is deemed appropriate.

The OIG appreciates the invaluable assistance provided by PABC during the course of the investigation. PABC's response to the final report accompanies this synopsis. Both documents will also be posted on the OIG website. We remain committed to providing independent investigations that help provide increased transparency of government, a solid foundation for meaningful policy review, and a platform for staff accountability.

Attachment

DNM/

cc: OIG Admin/Case file

I:/mcclintock/public synopsis/IG 101371-106 mem-council

- This report is available to the public in print or electronic format.
- To obtain a printed copy, please call or write:

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- Baltimore City employees, citizens, and vendors or contractors doing business with the City should report fraud, waste, and abuse to the fraud hotline. Call 1-800-417-0430 24 hours a day, 7 days a week.



OFFICE OF THE INSPECTOR GENERAL BALTIMORE CITY

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BALTIMORE, MD 21202



Synopsis of the Office of Inspector General's Report #IG 101371-106

Parking Authority Contract Management

In February 2010, OIG staff met with Peter Little (hereinafter "Mr. Little"), the Executive Director for the Parking Authority of Baltimore City (hereinafter "PABC"), at the request of City Solicitor George Nilson in reference to allegations initially reported by Mr. Little in September 2009. This report addresses issues brought forward involving potential vendor collusion and/or unethical procurement practices involving a PABC Contract Manager (hereinafter "Contract Manager").

Information from Mr. Little and other reliable sources within the parking industry revealed serious concerns surrounding the actions of certain contracting and management personnel. Specifically addressed within this report are the actions of the Contract Manager for Off-Street Parking and allegations concerning potential improprieties occurring during the selection and retention of C.W. Security Services, LLC (hereinafter "C.W. Security").

Allegations presented to the OIG indicated that the Contract Manager micro-managed City-owned garages and its employees in a way that amounted to an abuse of position. One example provided was the Contract Manager's efforts to replace Watkins Security Agency, Inc. (hereinafter "Watkins Security") (hourly rate of \$13.65) with what was believed to be off-duty City of Baltimore police officers (hourly rate of \$40.00) to perform security work at City-owned garages. Additional investigation revealed that the Contract Manager, via her position, exerted influence on certain garage operators to secure security services with C.W. Security, which was owned by her eventual fiancé.

It was also alleged that the Contract Manager's fiancé and Resident Agent of C.W. Security was commonly believed to be an active member of the Baltimore City Police Department (hereinafter "BPD"). Inquiries to the BPD revealed that the Contract Manager's fiancé had never been an employee of the BPD and was not a certified law enforcement official in the State of Maryland. Further queries led Investigators to discover that the Contract Manager's fiancé was actually a retired State of Maryland Corrections Officer who at one point had a Maryland Security Guard license, but the license had expired during the period when he was working as an "off-duty police officer." It was determined that since he was not, and had never been, a sworn Maryland certified police officer he would have been required to maintain the proper permit issued by the Maryland State Police Licensing Division to fulfill the role of an armed security officer.

Based on the information received and preliminary inquiries, the OIG initiated an investigation to determine the validity of these allegations. The investigation included a

review of relevant contract documents, contractor invoices, other relevant records, and personal interviews. Further, review of additional PABC records and invoices was conducted concerning the escalation in funds expended for security services incurred as a result of the transition to off-duty-police from private security services and examination of FY 2007–FY 2010 records.

Background

It will be helpful to the reader to have a basic understanding of the PABC, the structure of the PABC’s relationship with its garage operators, the Contract Manager position, and other relevant entities.

PABC

According to background and research conducted by the Department of Law, PABC was created in 2000 by Ordinance, reauthorized, and continued in 2006.¹ These Ordinances purport to exempt PABC from the Charter requirement to competitively bid its procurement,² though City Code specifies that any contract involving an expenditure of \$10,0000 or more is subject to the approval of the Board of Estimates (hereinafter “BOE”).³ In addition, BOE must approve contracts for the operation of City garages because they must be made by both the City and PABC.⁴ For example, PABC would initiate a bidding competition by soliciting proposals from private contractors. The proposal review process then adheres strictly to principles of fair and open competition. All proposals are treated equally due to the stable, consistent, and unchanging playing field. This prohibits bidding documents from being altered during the bidding process⁵ or after the contract has been awarded in the absence of extraordinary unforeseen circumstances.

PABC contracts are also specifically subject to the City’s Minority and Women-Owned Business Opportunity Ordinance.⁶ It is important to note that PABC has been following these procedures and obtaining BOE approval for its Parking Garage Management General Contracts.

Ordinances specify that PABC is not an agency of the Mayor and City Council of Baltimore, and its employees are not agents or employees of the City.⁷ Thus, unlike the Off-Street Parking Commission, which PABC replaced, PABC employees are not subject to Civil Service Commission regulations. However, the City Code specifically requires employees of PABC file financial disclosure forms.⁸

¹ Baltimore Ordinance 00-071 & 06-253, codified at Baltimore City Code, Art. 13 s 13 et seq.

² Baltimore City Code 13 s 13-4 (h) (2).

³ Id. at (h) (3).

⁴ Id. at ss 13-5 (b) “The City and the Authority may contract for the Authority’s undertaking any 1 or more of the following functions: 1. operation of 1 or more parking projects owned or controlled by the City ... (4) Otherwise managing part or all of the City’s parking operations.

⁵ The awarding authority may alter the bid specifications by means of an addendum, if necessary, before the bid opening, as long as all potential bidders are notified of the change within a reasonable time before the opening date and time.

⁶ Id. at ss 13-15 (c).

⁷ Id. at ss 13-6 (a).

⁸ City Code Art. 8 ss 2-2 (b), 2-3 (b), 2-9 (b).

As such, PABC is not a City of Baltimore “agency,” and its employees are not City employees or agents. However, its operating budget is provided through budget grants via BOE.⁹ BOE approved a Memorandum of Understanding (hereinafter “MOU”) on 7/23/2003 “for the purpose of managing and operating parking garages, surface lots owned by City of Baltimore.” This MOU establishes PABC as the Managing Agent of City-owned parking garages and lots. It also specifies, “PABC shall assume all of the duties of the CITY PURCHASING AGENT” in its management of the parking facilities.¹⁰

One of the primary functions of PABC is to maintain and preserve the parking assets the City owns. PABC’s purpose is to assist the City of Baltimore in the planning, development, management, and administration of its parking assets. Twenty-eight team members manage 8,932 off-street parking spaces, 1,476 residential reserved disabled parking spaces, 750 garage multi-space parking meters and growing, and 35,000 Residential Parking Permits (hereinafter “RPPs”), totaling a net collection of \$30 million in revenue during the course of a year.

PABC is responsible for overseeing the management of parking spaces in seventeen City-owned garages and twelve lots¹¹. PABC does not own any parking facilities or other real property. PABC’s main source of revenue is a grant from the City. The grant is intended to fund all operating expenses of PABC. A five-member Board, four of whom are appointed by the Mayor and confirmed by the City Council, while one is a member of City Council appointed by the City Council President, governs PABC. Each member of the Board serves a three-year staggered term and may be removed at will by the appointing representative. PABC’s staff is employed to administer its programs and fulfill the decisions of the Board.

Contract Manager

The Contract Manager under review was hired by PABC on 05/05/2003 as an Executive Assistant to a former PABC Executive Director. On 09/21/2004, Mr. Little assumed the position of PABC Executive Director. Shortly thereafter, on 11/29/2004, the Contract Manager was transferred to a new assignment as PABC Manager, Off-Street Parking. According to Mr. Little, her duties included overseeing the garages and lots while acting as the liaison between management companies and PABC.

In addition, the Contract Manager participated in the Request for Proposal (hereinafter “RFP”) evaluation process designed to elicit, review, and evaluate proposals from bidders for specific solicitations. She was also involved in managing individual garage operators during the course of their contract. This management included responsibility for verifying that specific purchases or services obtained by the garage operators were authorized under the contract and had been appropriately allocated while conferring with the Director of Operations to ensure the request for purchase was in fact necessary.

⁹ Memorandum of Understanding dated 7/23/03, 4.3. In addition, the Board of Estimates must approve its rules, regulations, and parking rates, as well as any contracts over \$10,000.00.

¹⁰ MOU at ss 2.1.1.

¹¹ See Public CITY-Managed Parking FACILITIES spreadsheet.

Watkins Security Agency, Inc.

Watkins Security had several contracts with garage operators managing PABC facilities prior to August 2008. On 08/29/2008, Watkins Security received a written notice of cancellation from the garage operator for the Penn Station Garage located at 1511 N. Charles Street, Baltimore, MD. Each of the garage operators had contracted directly with Watkins Security as opposed to the contracts being directly with PABC. At the inception of the specific contract, Watkins Security's hourly rate was \$13.75 and had been increased to \$14.25 at the time the contract was cancelled as part of a transition from unarmed security guards to armed security.

C.W. Security Services, LLC

Maryland Department of Assessments and Taxation records indicate that C.W. Security was formed/registered on 12/08/2008. The company was listed as a Domestic Limited Liability Company. The Registered Agent was listed as the Contract Manager's fiancé and eventual husband.

The listed purpose of the LLC was to "provide personnel to include off-duty police and security personnel for commercial, government, and private businesses."

INVESTIGATION

At the request of the OIG, a memorandum was presented to all managers of City-owned parking facilities on 4/19/2010 by Mr. Little assigning the "OIG the full rights of the Parking Authority to review, copy, and audit any and all records associated with each firm's management of any City- owned parking facility under contract with the Parking Authority." As such, many documents, emails, and other records were requested and received from PABC staff and garage operators.

A significant number of interviews were conducted during the course of the investigation with individuals from within the PABC, as well as those involved in Baltimore's parking industry as partners with PABC. The interviews yielded valuable information and insight concerning the conduct and activities of the Contract Manager and certain vendors doing business with PABC through its garage operators.

The areas of interest developed through interviews and document reviews were:

1. The influence the Contract Manager exercised over subcontracting procurement decisions that would typically be the responsibility of garage managers and contractors to include retention and termination of contractors. This area also involved actions impacting the boyfriend/fiancé and eventual husband, via C.W. Security.
2. The use of certain PABC-owned parking facilities as part of the Contract Manager's wedding arrangements.
3. Issues surrounding the transition of security officers, the licensure of non-Maryland certified law enforcement officers working as security, and the financial impact of security decisions were considered.

Influence of the Contract Manager

During interviews, the Contract Manager stated that “security staffing” is currently one of her responsibilities. She indicated that she does not have “daily input” regarding security staffing at particular garages although she noted that she periodically receives electronic messages from garage managers detailing staffing of security personnel for “special events,” and at times she does indicate to garage managers to “add security officers.” Further, she does receive a detailed monthly schedule for security staff from garage managers by the fifteenth of each month.

During the interview, the Contract Manager was presented with documents referencing off-duty police security increases demonstrating she had some degree of knowledge and/or involvement in that process. However, the Contract Manager continued to decline a role in that process. When asked about scheduling a specific off-duty officer, she alleged being instructed by her former supervisor to place the specific officer at a specific location. Moreover, she denied meeting with that off-duty officer regarding additional hours at parking garages despite being presented with an electronic message from the officer’s personal email account citing his meeting with her.

When asked who set the rate for off-duty police officers, the Contract Manager indicated that “the rate that was set for off-duty police officers was \$40.00 by . . . [the former supervisor].” However, when asked why certain security firms or off-duty officers were paid at a rate of \$50.00 rather than \$40.00, the Contract Manager indicated, “the rate for all off-duty police officers at \$40.00 per hour was across the board,” repeatedly insisted that the former supervisor was the person who instructed the Contract Manager to “adjust hourly rates for security from \$35.00 to \$40.00 and to eventually \$50.00.” Further, the Contract Manager maintained that the escalating fees that were charged for off-duty security officers, including her eventual fiancé through C.W. Security, were ultimately on the garage operators who had awarded the security contracts.

The Contract Manager then described written correspondence with management companies specifically citing complaints concerning Watkins Security officers and insisted she could provide written documentation to that effect; however, none was provided. Further, she indicated that a former supervisor had “instructed” her to replace Watkins Security officers with paid off-duty police officers.

The Contract Manager acknowledged that the owner of C.W. Security is currently her husband. She also acknowledged that she met her husband and began dating him while she was overseeing security firms at City-owned garages. She indicated that she notified her immediate supervisors of her relationship . . . but was told “let’s see where the relationship goes. Don’t worry about it” by her former supervisor, as well as PABC’s General Counsel. PABC indicates that the General Counsel was not aware at that time that her boyfriend oversaw off-duty police security at PABC garages.

The Contract Manager objected to the suggestion that she utilized her position as Contract Manager to influence any management company or parking garage manager to replace or recommend C.W. Security. She contends the “only” time she conducted a phone call or composed an electronic message relating to C.W. Security or other security

companies involved another off-duty officer. In fact, she insisted that in “no way” did she get “involved in the payment process for [her] husband.”

However, on Wednesday, 9/09/2009, the Contract Manager composed an electronic message entitled “Franklin & St. Paul Off-Duty Pay” to several persons with PABC and also with garage operator PMS/LAZ concerning payment to part-time police officers. In the body of the message, the Contract Manager cites a “bit of a runaround regarding payment to the officers working Franklin and St. Paul” garage. She then goes on to write, “I never had to get involved before and am uncertain why I have to say anything now in order to get to the simple question WHO WILL PAY the officers and WHEN? I expect an answer today on this.”

The Contract Manager’s oversight duties sparked serious concerns for many and further suggested a conflict of interest primarily due to her direct involvement in the security operations of the individual parking management companies. One garage operator responded to one of the Contract Manager’s electronic messages by indicating, “Please have the officers call me as they should be contacting us not you. I do not recall receiving an invoice lately for his or her services and I do not recall receiving a call from anyone.” In addition, one garage manager cites in his response to the email:

I spoke with [the officer (later the Contract Manager’s fiancée)] yesterday and explained to him that he would need to submit W-9’s and the time worked to [the garage operator] for processing and payment by LAZ. ... explained that he would need new W-9’s since it would be the first time he is processed by LAZ. Submitting the paperwork to the manager for approval is standard. Who writes the check should not be his concern.

The Contract Manager responded to the referenced electronic messages by stating, “I think that is what he was trying to do but as stated, couldn’t get confirmation of who to submit them to. That is the issue, my question was who is paying I know that is who should get the forms. You may want to make sure you all are on the same page.”

The OIG interviewed the Marriott Garage Manager who explained that one of his responsibilities was the “authority to hire individuals.” However, when Investigators asked specifically about the security services and/or arrangements, he stated that he was never asked to approve any request for security. Further, he indicated that either the Contract Manager or her previous supervisor told him to provide them with dates and times when security was needed at the garage, and they assigned C.W. Security to the garage. If there was a problem, he was to call PABC to get permission regarding security.

During early 2008, a City of Baltimore Police Officer began working off-duty security, mainly at the West Street (LAZ Parking), Arena Garage (Republic Parking), and Water Street (Republic Parking) Garages, for a third-party security company.

In early 2009, the City Officer was contacted by the Contract Manager regarding becoming an individual “subcontractor” for St. Paul (LAZ Parking) and Marina (LAZ Parking) Garages. He was then provided with contact information to facilitate the

additional security work. Throughout the period following this contact by the Contract Manager, he was reimbursed at an hourly rate of \$40.00. As a result of the Contract Manager's actions, the specific City Officer (not her fiancée) was able to work independently of the third-party security company, resulting in higher pay.

The actions of retaining, managing, and paying security are properly the purview of the garage managers and operators and not PABC.

Use of PABC Facilities for Personal Gain

The OIG met with an individual who wished not to be identified (hereinafter CI-1) who presented information indicating that the Contract Manager and her fiancée were to be married at the Tremont Plaza Hotel & Tremont Grand located at 222 St. Paul Place, Baltimore, MD in or around April 2010. CI-1 alleged that a special deal was made between the hotel and St. Paul Garage concerning the valet parking agreement.

The OIG met with an individual who wished not to be identified (hereinafter CI-3) who presented information regarding valet services at the Tremont Hotel during the wedding weekend. CI-3 provided a schedule for valet and parking vouchers assigned for the ceremonial event at the Tremont Hotel.

Transition of Security Services and Related Issues

The OIG determined that after concerns developed over late-night activity and a series of vehicle thefts, a decision was made to utilize off-duty Baltimore City police to increase security levels and enhance the response to issues in and around the Marina Garage. This effort to use armed personnel was initially targeted to a specific issue in a refined area in late 2007 and or early 2008.

Over the following months and years, the effort seemingly morphed into a wide-scale transition to the armed off-duty police officer from the unarmed security services. The OIG was unable to locate written documentation that articulated any study, evaluation, or review conducted by PABC that demonstrates a purposeful and reasoned process behind the transition from unarmed to armed security services. The monetary effect of the transition was to more than double the PABC security cost.

Records indicate that for FY 07, PABC expended \$719,540.83 for security services, which represents a full fiscal year utilizing unarmed security services. Whereas, PABC expended \$1,570,200.75 in FY 09, representing a full fiscal year of armed security services. The FY 09 increase amounted to an additional \$850,660 in security costs that represented an increase of approximately 118%. It should be noted that PABC FY 10 security expenses were \$1,107,390.43, which is down from FY 09 by \$462,810 or a 29% decrease.

During the course of the investigation, it became apparent that the transition to armed security services by PABC had resulted in individuals with a variety of professional backgrounds and certifications working in this capacity. As with many of the functions carried out by each individual garage operator, the process of locating and securing security staff was conducted by the garage operators at the direction of PABC.

One effect of the direction to retain “Off-Duty Police” was that there was not a consistent approach to verify the status of those retained. In addition to legitimate active sworn law enforcement personnel who are lawfully able to work as armed security guards, there are also individuals who are licensed by the State of Maryland to be both armed guards and carry a firearm. It is important to note that in Maryland there is a legal distinction between sworn law enforcement and Correctional Officers. Correctional officers do not have the ability to carry a weapon off-duty in public under the authority of the office alone and must obtain additional licensure. There are also many issues that develop regarding powers of arrest, jurisdiction, training protocol, ability to wear uniforms, and communications that require careful consideration.

While the retention of either type of armed guard is a perfectly legal arrangement, it is incumbent upon the employer, PABC, and/or the individual garage operator, to ensure that appropriate documentation is maintained regarding individual status and certifications. During the course of the investigation, this issue was identified and brought to the attention of PABC, which immediately initiated a verification process on Tuesday, 1/18/11.

FINDINGS

1. The Contract Manager began employment with PABC on 05/05/2003 as an Executive Assistant to the Executive Director of PABC.
2. The Contract Manager was assigned to the position of Manager, Off-Street Parking for PABC on 11/29/2004.
3. In November 2009, Mr. Little removed the Contract Manager from her managerial duties in PABC procurement after receiving information that her nephew was a Parking Attendant at one of the City-owned/managed garages.
4. The Contract Manager’s nephew is employed as a parking attendant by Impark/Danas, a PABC Garage Operator.
5. Adjustments were made to the Contract Manager’s supervision when she was placed under the PABC Director of Operations and Capital Projects. The adjustment was made due to conflict of interest issue questions posed by a PABC Garage Operator in 2009. Those adjustments included temporarily removing the Contract Manager from any further participation or oversight in the procurement procedures for PABC.
6. The Contract Manager met and courted the owner of C.W. Security while she was engaged in a supervisory capacity with PABC and while he was working as an armed Security Guard for garage operators of PABC.
7. The Contract Manager’s Ethics Disclosures indicate:
 - a. In calendar year 2004, “TO MY KNOWLEDGE, NO family members have business conducted with the City, but I want to disclose their employment information just in case.”
 - b. In calendar year 2005, “I have a member of my family (nephew) that works with a parking management company that works for the City. Since his

employment, the company has not received any new-awarded “Contracts” and he does not hold a supervisory position. His current position is entry level customers’ service representative.”

- c. In calendar year 2007, “I have a member of my family (nephew) that works with a parking management company that currently has a management agreement for two of the City facilities. Since his employment, he has not been promoted to a salaried position with the company. His current position is still entry level customer service representative for which he has held for 2 years.”
 - d. In calendar year 2008, the Contract Manager submitted a disclosure but failed to mention that her nephew, relatives, or associates were conducting business with the City of Baltimore.
 - e. In calendar year 2009, the Contract Manager noted that her fiancé is the holder of a position with Business Entity C.W. Security Services, LLC. listing Republic and PMS Parking as agencies of the City which C.W. Security Services does business. Further, she disclosed, “nephew . . . works with Impark/Danas and has since I believe the year of 2008 or more of it.”
8. Records indicate that on 11/09/2009, PABC Executive Director Mr. Little requested to inspect the Contract Manager’s Ethics Disclosure form.
 9. The first record that can be located where the Contract Manager disclosed her relationship with the owner of C.W. Security was in her 2009 Ethics Disclosure.
 10. The Contract Manager failed to provide the written documentation she indicated was available concerning the reason Watkins Security was released.
 11. The Contract Manager did not provide the written documentation she indicated was available concerning specific instructions she received from either former PABC staff or Mr. Little regarding the pay rates for off-duty security officers.
 12. The owner of C.W Security was hired as a Correctional Officer with the Maryland Reception Diagnostic & Class Center on 03/01/1989.
 - a. He was hired by the Maryland Division of Corrections as a Correctional Transport Officer on 2/01/2005.
 - b. He was certified by the Maryland Police and Correctional Training Commission (MPCTC) as a Corrections Officer from 03/01/1990 – 06/30/2008. (Exhibit #13)
 - c. He retired as a Corrections Officer from the State of Maryland Division of Corrections effective 06/30/2008.
 - d. He had never been employed by the City of Baltimore Police Department as a Police Officer.
 - e. His status as a Correctional Officer did not authorize the carrying of a weapon outside of correctional facilities or provide him with the ability to work as an Armed Guard.

- f. He currently holds an active State of Maryland Firearms License. This permit allows him to carry a weapon but does not authorize employment as an Armed Guard.
 - g. He indicates that at one time he did possess a State of Maryland Security Armed Guard License, but it has not been renewed since 2008. Any person who is not an active sworn member of law enforcement, as opposed to Corrections, must hold a valid State of Maryland Security Armed Guard License while working in that capacity.
13. PABC, largely through the Contract Manager's position, directed the garage operators to retain off-duty police officers for security services in City-owned garages in lieu of unarmed security services.
 14. A Garage Manager stated that he was instructed to provide the necessary dates and times for security services by a former PABC employee and the Contract Manager. Further, it was his understanding that one or the other had provided C.W. Security to perform those specific services.
 15. Fee rates for "off-duty" armed security services ranged between \$30.00 and \$50.00 per hour, inclusive of "administrative fees," on occasion. PABC approved the rates when presented by the garage operators.
 16. Shortly after being retained, C.W. Security billed an hourly rate of \$50.00 per hour (\$40.00 per hour for staff plus a \$10.00 per hour administrative fee) for security services.
 17. On or about 08/01/2008, one garage operator questioned the \$50.00 per hour fee. The fees were then reduced to \$40.00 per hour total although there was no indication that the prior administrative fee was credited or otherwise recouped.
 18. The Garage Manager and her fiancée/owner of C.W. Security participated in wedding activities during the weekend of Sunday, 04/18/2010, at Tremont Plaza Hotel and Tremont Grand located at 222 St. Paul Place in Baltimore, MD.
 19. The OIG was not able to locate records that either confirmed or denied the allegation that the Contract Manager obtained parking vouchers or arranged for valet services in an inappropriate manner for attendants to their wedding activities on Saturday, 04/17/2010, and/or Sunday, 04/18/2010.
 20. Security expenses for PABC City-owned garages more than doubled during the period of FY 07 (\$719,540.83) to FY 09 (\$1,570,200.75) due to the transition from unarmed to armed security services.

VIOLATIONS

Ordinances establishing the PABC clearly indicate that it is not an agency of the Mayor and City Council of Baltimore; therefore its employees are not agents or employees of the City. As such, PABC employees are not held accountable to Baltimore City personnel and administrative rules and regulations. However, PABC employees are bound by the Baltimore City Ethics Code.

Therefore, it will be incumbent upon PABC to apply the findings, recommendations, and other evidence developed by the OIG to their specific personnel and administrative rules

and regulations. The following will be restricted solely to the consideration of potential violations of the Ethics Code.

Baltimore City Code, Art. 8, "Ethics," sets forth various prohibitions on the activity of a covered employee based upon specific business and personal relationships, as well as other situations that may present a conflict of interest.

The OIG believes that certain conduct engaged in by the Contract Manager may have violated certain provisions of the Baltimore City Ethics Code. As such, this matter has been referred to the Ethics Board for further consideration.

RECOMMENDATIONS

1. *The OIG recommends that PABC institute stronger and more effective oversight and verification mechanisms in the Off-Street Parking Program.*
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It is the responsibility of the PABC Executive Director and the PABC Board of Directors to ensure that the Off-Street Parking Program has efficient and resilient oversight and verification protocols concerning the relationship between the PABC Off-Street Parking Manager and the various garage operators.

The OIG recognizes that an effective Off-Street Parking Manager must necessarily maintain vigilant oversight of the garage operator's adherence to the terms and conditions of their contracts. That said, the OIG firmly believes that PABC's role in overseeing garage operators is to ensure that they are substantially completing the terms and purpose of the contract. It is the responsibility of the garage operators to choose the methods and means of accomplishing their contractual obligations.

The OIG recommends that PABC ensure their internal contract management procedures clearly articulate the areas of responsibility for the both the PABC Off-Street Parking Manager and the contracted garage operator. Which party is responsible for operational decisions, reporting requirements, notifications of performance, finances, certain events, etc., and the applicable timelines should not be a matter for debate. While the nature of public parking management does require routine communications, the responsibilities of the parties must be clearly established and acknowledged.

2. *The OIG is recommending that PABC establish a vetting process for security services that addresses authority, certifications, and liability when applicable.*
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The OIG recommends that PABC develop and incorporate into their garage management contracts a protocol for operators to follow in securing security services. This is especially necessary regarding efforts to secure armed security services. During the course of the investigation, the OIG determined there was not a systematic approach to this process.

In Maryland, it is regular practice for many businesses and governments in certain situations to require the retention of armed security services. Many times the

preferred method is the retention of off-duty police officers working their private capacity. Other options include the retention of properly licensed non-law enforcement armed guards. Each of these options presents unique questions involving how the individuals present themselves (in uniform, plain clothes, clothing identifying them as “police,” etc.), arrest powers/situations, and liability.

The OIG also recommends that an element of the PABC procedure in this area include the requirements that the garage operators maintain documentation from either the security company retained or the individual guards/officers supporting their ability to serve in that capacity, acceptance of operating protocol, and addressing any liability/insurance requirements.

3. *The OIG recommends that PABC conduct a specific review and assessment of security needs and costs across all facilities.*

The OIG recommends PABC conduct a comprehensive review and assessment of security needs across their facilities. PABC security costs fluctuated widely over a short period of time, ranging from \$719,540.83 in FY 07 to \$1,570,200.75 in FY 09, representing a 118% increase. The OIG does recognize that these expenditures are in a downward trend since 2009. No systematic approach or methodology for security services was detected.

PABC should engage in a fact-based review of documented incidents of criminal and non-criminal activity within the PABC garage system considering seasonal, day of the week, time, and special event trends at a minimum. After establishing the factual basis for security needs, PABC should consider providing guidance to garage operators, allowing a blended security system based on established historical trends and current intelligence information. In this way garage operators could retain private unarmed security services during routine periods where basic vigilance is sufficient while also having the ability to retain armed security services when the data and/or current information supports a heightened presence.

The OIG believes it is possible to increase effectiveness and reduce costs in this area.