

BALTIMORE CITY
OFFICE OF THE
INSPECTOR GENERAL

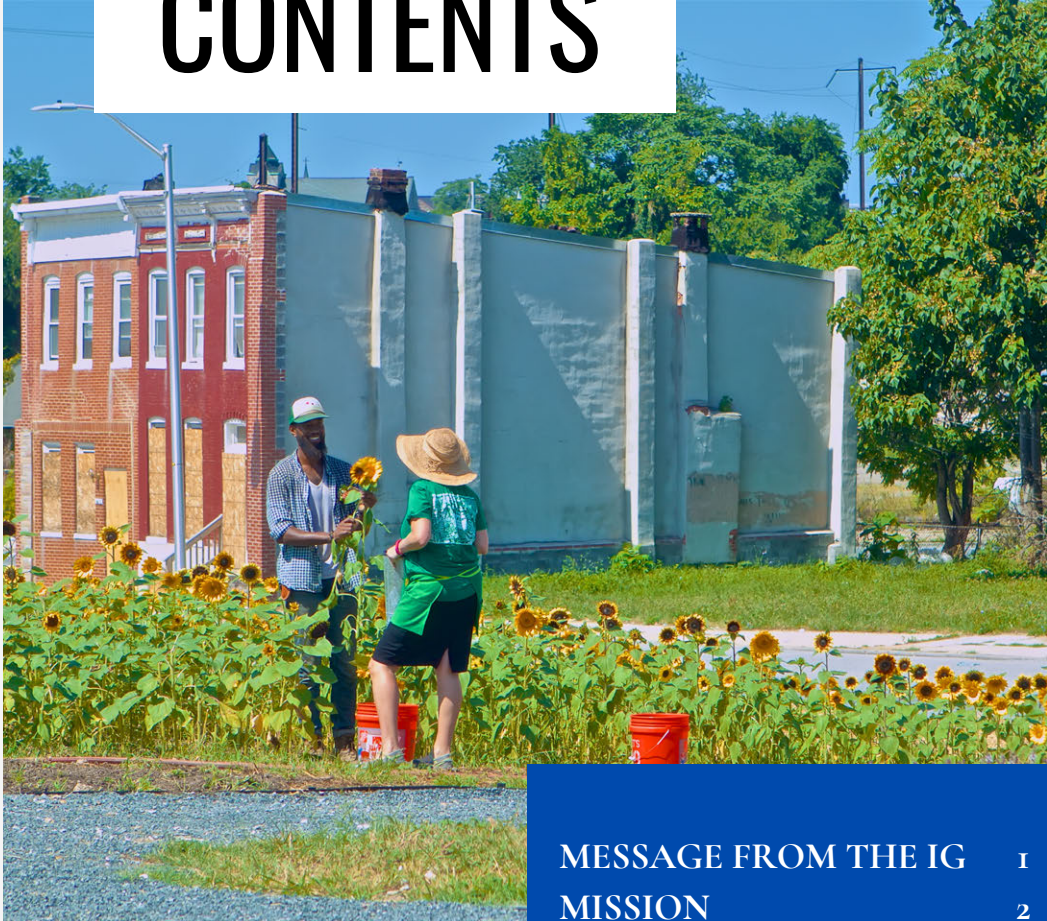
2020



ANNUAL REPORT



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Message from the Inspector General

With much gratitude, the Baltimore City Office of the Inspector General (OIG) presents its second independent Annual Report to the citizens and employees of Baltimore City. The OIG has been an independent office within City government since November 7, 2018, when voters overwhelmingly mandated its independence. The Office is best described as a nonpartisan arbiter of truth that promotes efficiency in government programs.

This past year has been another productive year for the OIG. Again, City employees and members of the public have made the greatest impact on our cases. The growth of the hotline has allowed the public and employees to play an integral role in fighting financial waste and corruption in our fine City. Teamwork with other law enforcement agencies have proven to be an integral part of the success of this office. We appreciate the partnership with the Maryland Office of the State Prosecutor, Federal Bureau of Investigation, Department of Labor, Internal Revenue Service, Office of the U.S. Attorneys, and many more.

Often, it felt as if the Office faced insurmountable obstacles; however, like the flower pictured on the front of this Annual Report, we have managed to break through with investigations and reports that have made a difference to our City. There is still a long way to go, but you have my sincere promise that the OIG will continue to move forward with its mission to provide the citizens of Baltimore City with accountability and transparency.

Much appreciation must go to my tireless team. Since each must have the ability to blend into any situation, they are relegated to anonymity by necessity. They are the reason for the success of the OIG. They are a diverse and highly trained group of investigators who believe in uncovering the truth and relaying the facts to citizens. They represent the best of our City.

The OIG team is proud of its accomplishments in 2020, with documented savings of almost three million dollars, the establishment of an Ethics Program within the Office, and the roll out of the Whistleblower program. As stated in our report last year, the Inspector General is the “People’s Investigator.” Our Office has an unwavering commitment to help Baltimore City and its people. We work diligently to provide citizens and employees an avenue to successfully fight financial fraud, waste, and abuse in our government.

With sincere gratitude,



Isabel Mercedes Cumming

MISSION



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The mission of the Office of the Inspector General is to promote accountability, efficiency, and integrity in City government by promoting trust and eliminating identified financial waste, fraud, and abuse. The OIG investigates allegations of misconduct giving rise to fraud, waste, and abuse by City employees and contractors, which may involve violations of criminal law, civil statutes, City regulations, or employee standards of conduct. The OIG also reports on program weaknesses, contracting irregularities and other institutional problems that are discovered in the course of OIG investigations.

An effective OIG fosters the impartiality, integrity, and transparency of all City agencies. Citizens have the right to expect effective and honest City leadership--virtues that are best fostered when the government polices itself. The OIG does this by investigating those who perpetrate fraud, waste, or abuse, which leads to improvements in governmental operations and efficiency.

The OIG gained independence in 2018 by voter referendum. OIG independence is crucial to the objectivity of the Office's investigations and its reviews of City agencies--reviews that benefit the government and taxpayers. Independence means impartiality, and impartiality leads to meaningful accountability and checks and balances. The IG and her team serve as the peoples' watchdog.

The OIG Team

The Inspector General is supported by her Executive Team, consisting of a Deputy Inspector General and three Assistant Inspectors General. As more responsibility has been placed on the OIG, the Office has expanded its staff in response, adding five more to their ranks for a total of 17. The diverse staff of Special Agents are integral to the OIG's mission. Their distinctive backgrounds add perspective and depth to each investigation. Many of them possess professional certifications including Certified Fraud Examiner (CFE) and Certified Inspector General Investigator (CIGI).

ADMINISTRATION and OVERALL OPERATIONS

Deputy Inspector General Yvonne Brooks assists the IG in overseeing OIG office operations. She serves the OIG as the office financial officer and human resources coordinator. She also handles the office's procurement needs, provides staff training, and develops office policies and procedures.

INVESTIGATIONS

Assistant Inspector General, Michelle Phillips, is charged with leading the Investigations Unit and directing criminal and administrative investigations of fraud, waste, abuse and misconduct related to City programs, operations and employees. She coordinates with City prosecutors and other law enforcement authorities to leverage resources and fraud-fighting efforts.

OPERATIONS

Assistant Inspector General, Bryan Bartsch, oversees and directs the day-to-day activities of the office's information technology (IT), ensuring that systems, services, and infrastructure work reliably and securely as well as gather and analyze relevant data in support of investigations.

PROGRAMS

Assistant Inspector General, Jeffrey Hochstetler, recently joined the ranks of the OIG team and serves as the Inspector General's designee for Director of the Ethics Board. Jeff assists the Ethics Board in performing its responsibilities and oversees the OIG's Ethics Program and Whistleblower Program.

SUPPORT

The various functions of the OIG are glued together by Executive Assistants Marubeth Sanchez and Maura Ford who provide all administrative support for all members of the OIG staff.

What's New

IG to serve as Executive Director of Baltimore City Board of Ethics

The Baltimore City Public Ethics Law ("Ethics Law") was amended on April 13, 2020 to designate the Inspector General as the Executive Director of the Ethics Board and to require the IG to assist the Board in performing its important responsibilities, including:

- 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.

The IG has designated the Assistant Inspector General of Programs, Jeffrey Hochstetler, to carry out these new responsibilities, which take effect on October 10, 2020.

See City Code, Art. 8, Subtitle 3.

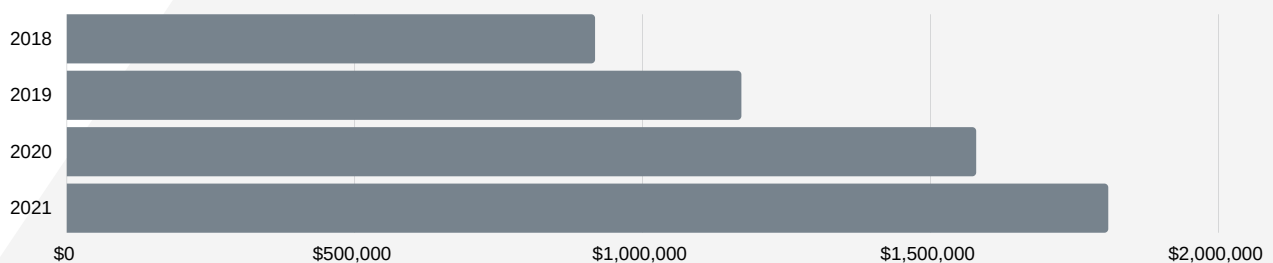
The OIG to Investigate Whistleblower Retaliation Complaints

The Whistleblower Rights and Responsibilities Act went into effect on March 15, 2020. The law prohibits supervisors from taking retaliatory personnel actions against City employees who make "covered disclosures" about the actions of City government, meaning reports of fraud, gross misuse or waste of public resources, violations of law, or substantial and specific threats to health, safety, or security. The law authorizes employees to file complaints about alleged whistleblower retaliation with their supervisors, or directly with the OIG if the employee believes their supervisors are implicated by the covered disclosure or are complicit in the alleged retaliation. The law also requires the OIG to adopt rules and regulations to carry out the law, to assist the Department of Human Resources in training employees and supervisors about the law, and to create an administrative manual that outlines procedures for handling complaints.

See City Code, Art. 1, Subtitle 8.

The OIG Budget

The additional responsibilities placed upon the OIG office required an expansion of staff and office space. Since IG Cumming was appointed on January 29, 2018, the Office has grown from four to seventeen employees, which is reflected in the increases to the OIG budget over the past couple of years.



MEASURING SUCCESS

The OIG measures its performance by tracking specific data that reflect effectiveness, output, and outcome during the City's fiscal year. Fiscal Year 2020 runs from July 1, 2019 through June 30, 2020.

The number of criminal, civil, or administrative actions reflects the number of reports produced by our investigators.

1 OIG investigations can take anywhere from one month to more than a year to complete. This data reflects all investigations that are closed, resulting in a final Report of Investigation, Management Alert, or Review.

The number of hotline complaints.

2 By tracking how many complaints the office receives, we can gauge how effective we have been by promoting awareness of what this office does for the City of Baltimore. The numbers climb every year.

OIG outreach activities conducted to educate and inform City employees, contractors, fund recipients, and citizens on fraud.

3 The more employees, citizens, and taxpayers are aware of what we do, the more eyes and ears we have on the ground. Most of our investigations are developed from tips received from employees, citizens, and taxpayers.

Amount of annual waste and savings identified

4 It is incredibly important that our investigations show City leaders the amount of money wasted or saved as a result of an investigation. Identifying waste and savings encourages better fiscal management through new legislation and/or updated policies and procedures.

20
year in review 
20

\$2.98M
Identified Savings and/or Waste

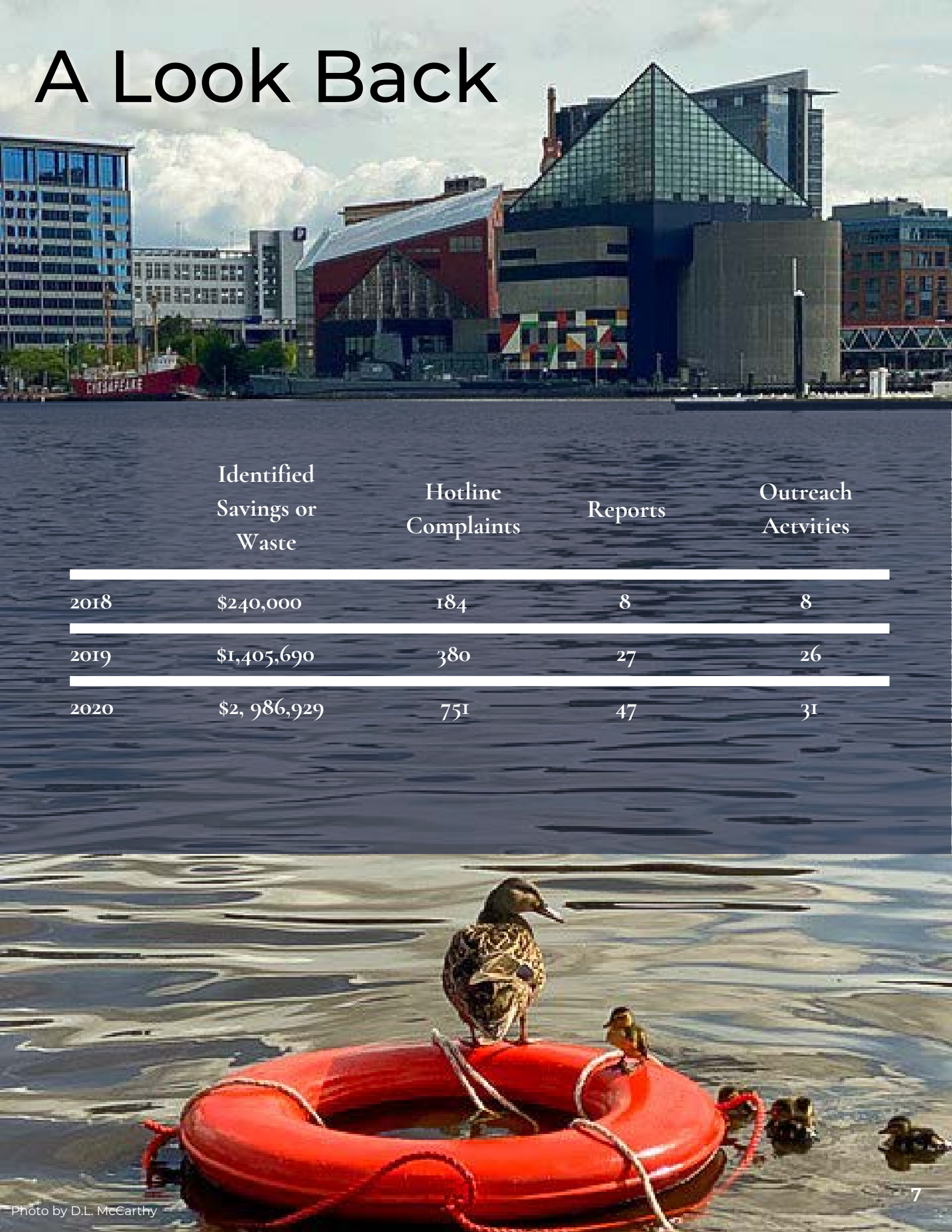
751
Hotline Complaints

47
Reports

31
Outreach Activities

OIG is committed to constant forward momentum

A Look Back



	Identified Savings or Waste	Hotline Complaints	Reports	Outreach Activities
2018	\$240,000	184	8	8
2019	\$1,405,690	380	27	26
2020	\$2,986,929	751	47	31

WHAT WE INVESTIGATE

We are often asked, "what is fraud, waste and abuse?" Many times, a single investigation contains elements of all three, and all three fall within the OIG's jurisdiction. Below, we define these terms, as well "corruption" and "conflict of interest", and provide examples of each.

FRAUD

An act, intentional or reckless, designed to mislead or deceive.

- *intentional misrepresentation of cost of goods or services*
- *fraudulent travel reimbursement*
- *falsifying payroll records*

WASTE

A reckless or grossly negligent act that causes City funds to be spent in a manner that was not authorized or which represents significant inefficiency and needless expense.

- *purchase of unneeded supplies or equipment*
- *purchase of goods at inflated prices*
- *failure to reuse major resources or reduce waste generation*

ABUSE

The intentional, wrongful, or improper use or destruction of City resources.

- *failure to report damage to City equipment or property*
- *improper hiring practices*
- *misuse of overtime or compensatory time*
- *misuse of City money, equipment, or supplies*

CORRUPTION

An intentional act of fraud, waste, or abuse, or the use of public office for personal, pecuniary gain for oneself or another.

- *accepting kickbacks or other gifts or gratuities*
- *bid rigging*
- *contract steering*

CONFLICT OF INTEREST

A conflict of interests is a situation in which a person exploits their professional capacity in some way for personal benefit.

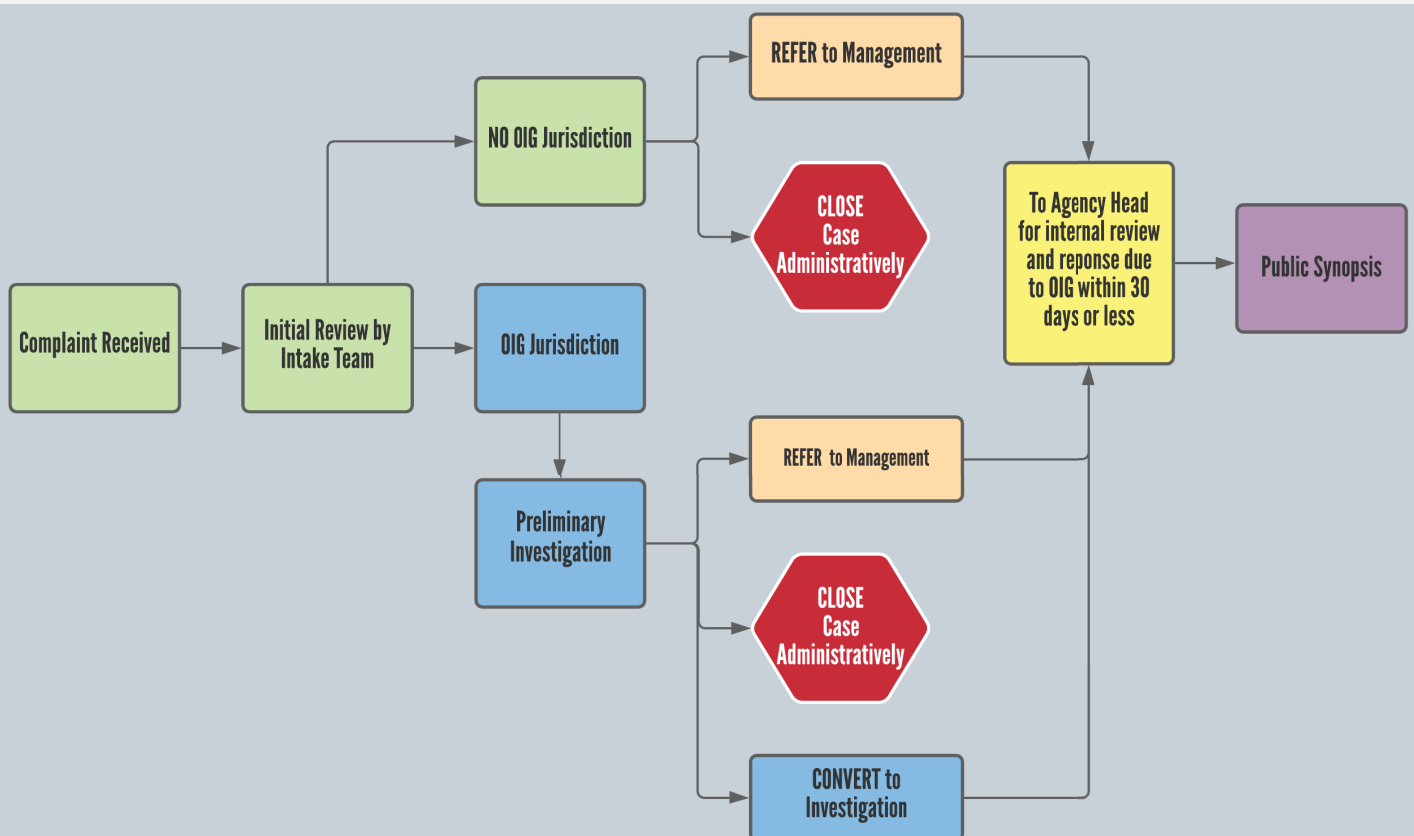
- *outside employment with vendors*
- *city goods from vendors who employ or are controlled by the purchaser's relatives*
- *using confidential information for personal profit or to assist outside organizations*

MAKING A COMPLAINT

Anyone can call or email the OIG to report fraud, waste, abuse, and whistleblower retaliation. The OIG receives numerous complaints every month. All complaints are carefully vetted to ensure they fall within the authority of the OIG in accordance with its mandate of rooting out fraud, waste, and abuse of the City's financial resources. Complaints made to the OIG hotline often involve issues related to human resources such as personnel matters, employment-related decisions, or discrimination. The OIG does not normally investigate such claims unless the claims involve financial matters. The OIG follows the standards set forth by the Association of Inspectors General's *Green Book* which outlines the principles and standards for an Office of Inspector General. With that, the OIG takes an impact-oriented approach to prioritizing the numerous complaints that come into the OIG hotline. What does that mean? It means the OIG must decide which investigations to pursue based on the potential impact to the taxpayers of Baltimore City.

Complainants may remain anonymous if they so choose. Oftentimes, however, anonymous complaints do not contain enough information for our Office to act upon. It is a priority of this Office to protect the identity of OIG witnesses to the fullest extent possible. We will advise those witnesses who elect confidentiality on all avenues for a potential investigation that will not reveal their identity. If there is no way to investigate an allegation without revealing your identity, we will tell you.

While most of the OIG investigations are administrative in nature, OIG does conduct criminal investigations with our law enforcement partners when appropriate. OIG maintains partnerships with the Office of the State Prosecutor, Federal Bureau of Investigation, Internal Revenue Service, Baltimore City State's Attorney's Office, Housing and Urban Development Office of Inspector General, and Baltimore City Police Department. The OIG's presence on various law enforcement task forces assists in forming new partnerships with other agencies.



OIG VISIBILITY



The OIG's annual increases in hotline complaints, investigations, and identified savings or waste are directly attributable to increased public awareness of the Office. The Inspector General continues to greet all new City employees every month at the New Employee Orientation, setting a foundation for working with integrity. She stresses the importance of reporting fraud, waste, and abuse, while also assuring new employees that the OIG is a safe place to do so.

The Inspector General, in her commitment to serve the employees and citizens of Baltimore City, grants media requests for interviews in order to promote government transparency and further public awareness that there is a City agency that can be trusted.



The OIG also furthers awareness by maintaining an active social media presence on Facebook, Twitter, and LinkedIn. When a new report is available, OIG will send out a breaking news alert on social media with a link to the OIG website.



The Baltimore City OIG is recognized by other organizations as a best practice example in government oversight. The Inspector General was invited last year to speak in Atlanta, Georgia about Baltimore's OIG as the City of Atlanta contemplated creating its own OIG. Atlanta Mayor Keisha Lance Bottoms and the Atlanta City Council signed legislation creating the City of Atlanta's first-ever Office of Inspector General in January 2020 using Baltimore City as a model!

The Inspector General is often invited to speak at various community events. She uses those opportunities to tell the community about the mission of the OIG and to encourage the public to call us and ask questions. Overall, the Inspector General has participated in over 30 outreach activities!



NOTABLE CASES

REFUSE RACK UP \$100K

The Village of Cross Keys (VCK) complex in Northwest Baltimore City had been serviced by Solid Waste (SW) more frequently than Department of Public Works (DPW) policy allows. The VCK was receiving two days of mixed refuse services and one day of recycling services per week, amounting to an additional day of curbside collection for its residents. However, the OIG could not find that any additional payment had been made to the DPW or SW directly for the additional service. The OIG found that SW management authorized the additional service day without authorization from the Board of Estimates (BOE). As a result, at least \$100,000 in City resources and time was wasted in collecting mixed refuse from the VCK on Mondays over a 10-year period. After the OIG investigation, the SW Bureau initiated an internal investigation. As of July 2019, SW Bureau discontinued the additional day of refuse service.

TWITTER TURMOIL

A Department of Public Works (DPW) employee was tweeting racist, anti-Semitic, and derogatory tweets from a personal Twitter account. The employee's timecard showed that he may have been on City time when the tweets in question were posted. After reporting the OIG its findings to DPW, OIG learned the employee is no longer employed by the City of Baltimore.

WICKED WORDS

A manager of the Department of Transportation (DOT) created an environment so toxic and hostile it resulted in a negative effect on DOT operations. The manager's statements in meetings publicly humiliated DOT employees and discounted their expertise and experience. The manager referred to the employees as unqualified and questioned their professional judgement. The manager's criticism of DOT employees often exceeded the bounds of professional conduct, bordering on personal attacks. Witnesses said the manager threatened the job security of senior DOT staff. It was reported the toxic environment at DOT led to increased stress amongst employees. Employees reported the toxic environment affected their physical and mental health. The manager is no longer employed by the City of Baltimore.

THROWING CASH IN THE TRASH

The curbside collection division within the Bureau of Solid Waste (SW) was found to be operating under a task system. The 3-person crews are excused from any further work once they have completed their one assigned task/route, regardless if the task is completed prior to the end of their 10-hour shift. Additionally, the crew will be released from any further duties for the day and paid for 10 hour-shift even if the task does not take 10 hours to complete. Upon completion of the assigned task, employees can earn overtime for a second task, with overtime starting at the time they pick up the second task, not when their 10-hour shift ends. This costs the City of Baltimore thousands of dollars in overtime pay. At the same facility, safety and sanitation concerns were made prominent to the OIG. The Department of Public Works created an Office of Quality Assurance in response to the OIG's report.

NOT-SO STRANGER DANGER

A terminated Department of Public Works (DPW) employee returned to the City office building where they formerly worked and accessed locations containing sensitive material and equipment. The employee was provided unfettered access by a security guard. This guard, despite being told directly by the individual that they had been terminated from City employment, allowed them access without requesting identification. Employees thought it was unusual for the individual to be walking around the offices; however, no employee alerted security. The terminated employee stated that they knew the security guard should have scanned their identification but did not question the decision. The former employee wore what appeared to be a tactical vest, and a badge like those issued to law enforcement. The former employee admitted they purchased the items online. Several employees who interacted with the individual said that they found the uniform to be unusual and they assumed the former employee was now in law enforcement. Department of General Services (DGS) implemented immediate security changes to prevent similar incidents from occurring.



SOLVING AND ABSOLVING

The OIG received a complaint of wasteful spending on out-of-town travel by two City employees. The employees took a trip to Austin, Texas for the South by Southwest Conference (SXSW) to recruit potential sponsors and scout musical talent for future AFRAM Festivals after obtaining approval from the Board of Estimates (BOE). The BOE had approved a total amount of \$4,075.20 for one employee and \$4,309.12 for the other for them to travel to SXSW. Due to a mix up in dates, the employees requested to change the flight and hotel dates at no additional cost, which was approved by their agency. The employees stated that the hotels in downtown Austin were out of the city's budget, so they booked a stay over 20 miles outside of downtown Austin. Once in Austin, they found the long commute caused them to miss important parts of the event, and one of the employees stated that hotel staff interactions made her uneasy. With four nights remaining on the trip, the employees canceled their stay at the place out of town and got a one-bedroom hotel room in the city. This change was also approved. It was alleged that the request for reimbursement of the employees exceeded the budget the employees were given for the trip. The OIG found that the reimbursement request was not in excess of the budget. The employees personally paid for over \$2,218.74 and \$334.16 dollars of the stay. Ultimately, the employees did not exceed the approved spending amounts.

MAXIMIZING THE MINIMUM

A towing company (Vendor) falsely reported subcontractor payment information to the Bureau of Procurement (BOP). The Vendor over-reported subcontractor payment amounts in order to appear compliant with the Minority and Women's Business Opportunity Office (MWBOO) in a contract (the Contract) for Police Requested Towing. The Vendor was selected to perform towing services on behalf of the Baltimore City Police Department (BPD) with minority participation goals of 10% for Minority Business Enterprise (MBE) and 3% for Women's Business Enterprise (WBE). Payment records showed the Vendor reported paying Subcontractor One \$130,036 and Subcontractor Two \$61,181.74 during the review period. However, the Vendor actually paid Subcontractor One \$17,844.97 and Subcontractor Two \$21,425.24, significantly lower than what was reported to the BOP. The Vendor did not meet the required goals specified in the Contract and MWBOO found them non-compliant. The BOP's lack of an implemented compliance verification process allowed the Vendor to over-report the subcontractor payments for three years.

(NO) WORK FROM HOME

An employee in the Department of Human Resources (DHR) submitted altered documents in support of a request for leave as an accommodation under the Americans with Disabilities Act (ADA). The employee changed the return to work date on the ADA form, thereby authorizing the employee to remain out of work for an additional two weeks. The employee admitted to changing the date in order to remain out of work until after the employee finished taking a prescribed medication. DHR elected to terminate this employee.



OVER-BLOWN OVER-TIME

Solid Waste (SW) management from two SW locations were paying employees for overtime they did not work and created quasi-positions with "built-in overtime" without the authorization or guidance of Department of Public Works (DPW) Management or Human Resources. SW has limited internal controls, a lack of consistency and accountability, a shortage of staff, and inadequate working equipment. SW failed to adequately staff the curbside collection operation leading to frequent route delays, forcing the use of overtime. The SW Bureau Head's communications to his staff were unclear and lacked a clear vision, leading to an environment ripe for financial waste. It is not sustainable to excessively use overtime rather than of hiring permanent employees. The number of employees on sick and accident leave cripple the curbside collections forcing supervisors to pull staff from other operations or forcing temporary workers to work overtime. Management must provide a more responsive environment for all employees.



1-800-204 INACTIVE PHONES

The OIG found telephone billing concerns that required immediate attention and issued a Management Alert (Alert). There were irregular billing practices by the Municipal Telephone Exchange (MTE). A spreadsheet listed 204 Voice Over Internet Protocol (VOIP) lines believed to be inactive were still being billed to various City agencies. The OIG sent emails to all City agencies believed to be billed for VOIP lines not in use and confirmed 76% of the VOIP lines reported in the Alert were not being utilized and the agencies requested billing of the lines to be discontinued. These agencies have paid approximately \$108,451,80 for the 204 VOIP lines. After the OIG reports were issued, reimbursements were made issued to the agencies that requested them.

INSIDE JOB

Two vendors submitted bids for the 2019 Invitation for Bid (IFB) to procure wheel loaders for the Department of Public Works (DPW), the Department of Transportation (DOT), and the Department of Recreation and Parks (R&P). Before the bid was awarded, Vendor 1 contacted Department of General Services' (DGS) Chief of Fleet Management threatening to protest if Vendor 2 received the DOT and DPW contracts. This is in violation of the formal protest procedures as outlined in the bid solicitation. Vendor 1 was ultimately awarded the contracts for DPW and DOT, even though Vendor 2 was the lowest bidder. The Chief of Fleet Management's communication with Vendor 1 during the award received period of an IFB gave the appearance of a conflict of interest. The decision to award the DPW and DOT contracts to Vendor 1 rather than Vendor 2 created an increased cost of \$155,312.76 to the City of Baltimore. The Chief of Fleet Management separated from City service and DGS will require all leadership receive full training on the procurement process.

FAMILY FUN CENTER (MINUS THE FAMILY AND THE FUN)

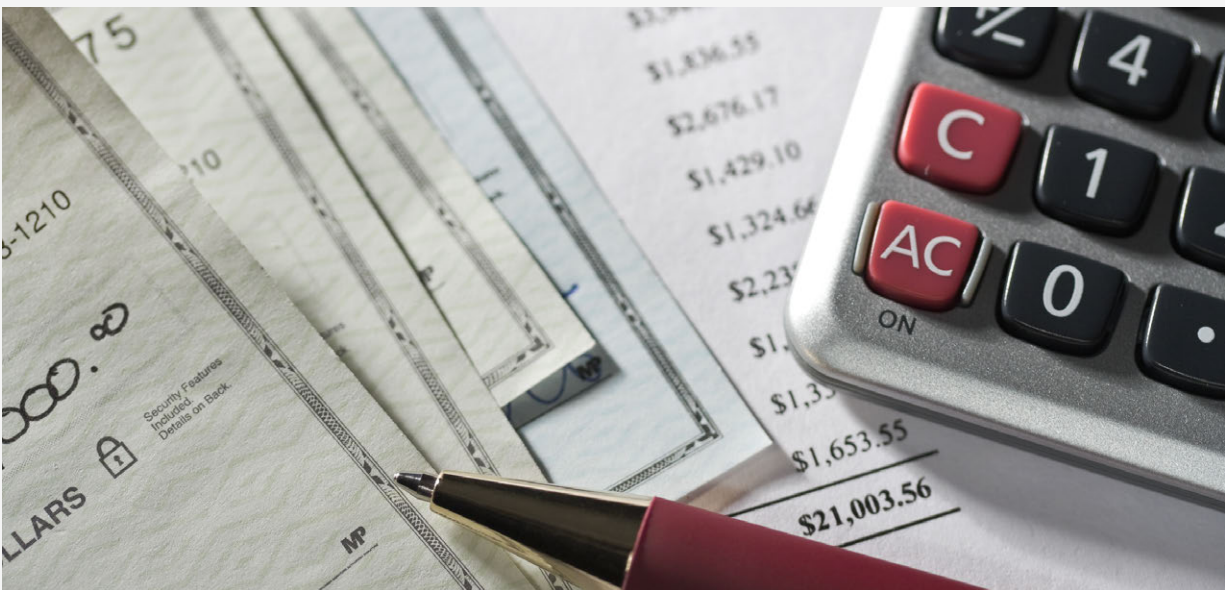
Shake and Bake Family Fun Center (S&B) employees hosted unauthorized parties at the facility. S&B employees advertised private parties on their personal social media sites and sold tickets for the events. Proceeds from the concession stands were never deposited into the S&B account. For example, a former S&B Recreation Activities Assistant held a late-night adults-only bowling party at S&B. Seven additional late-night S&B events were advertised on social media. Five of the seven events were not listed in Civic Rec or Sync, while the remaining two were listed without any verification of payment. The OIG found poor cash handling procedures and a lack of internal controls. The S&B Facility Director abused his authority and violated City policies, allowing a former employee to host an event without paying rental fees. The event was described as a "promoter" event and charged \$20 per person for admission. Potential loss revenue is estimated between \$2,680 and \$5,680. The Facility Director was terminated.

(BOB)CAT BURGLAR

A City employee conspired with a former City employee to sell City property for personal financial gain. Target 1, a laborer with the Department of Transportation (DOT), and Target 2, a formerly terminated employee both of DOT and the Department of General Services (DGS), were involved in two equipment thefts. First, a Bobcat skid-steer loader and grapple bucket, valued at \$33,554.47, were stolen from the back of the DGS shop. DGS surveillance showed a small vehicle entering the facility shortly before the theft and following the stolen equipment as it was driven off the City lot. The vehicle registration identified the DOT laborer, Target 1, as the owner of the vehicle. The Bobcat was recovered but was missing its grapple bucket, valued at \$3,600. The person who bought the Bobcat from Target 2 for \$6,000 was under the impression that he was buying equipment which the City previously auctioned. Target 2 was the individual who drove the Bobcat off the City lot. Second, following this incident, a Toro Z-Master 5000 riding lawnmower, valued at \$1,293.33, was stolen from the front of the same facility. Target 1 was identified as the driver of the City truck that transported his accomplice to the mower and followed the stolen mower as it was driven off the City lot. In both incidents, Target 1 is believed to have assisted Target 2 in physically removing the equipment from City property with the express purpose of facilitating the theft. Target 1 was terminated from City employment and the cases are with the Baltimore City States Attorney's Office.

UNCHECKED CHECKS

An employee (Employee 1) from the Office of Compliance and Laboratories (OCAL) within the Department of Public Works (DPW) neglected to deposit thousands of dollars in collected checks. Twelve checks totaling \$48,478 were found in a box on Employee 1's desk. Several expired checks ranging from \$500 to \$3,000 were included in the box. A single expired check in the amount of \$38,000 was found. The checks from multiple companies had expired and were no longer in business, including the company that submitted the \$38,000 check. As a result, the City cannot collect \$48,478 in outstanding funds owed. The OCAL Chief's decision to not inform DPW executives of the mismanagement and the loss disadvantaged any attempts to recoup the funds. DPW pursued disciplinary action against the employees.



RISK IT FOR THE TICKETS

Two Risk Management (Risk) employees disclosed potentially confidential information pertaining to an upcoming City of Baltimore request for proposal (RFP) relating to workers' compensation claims administration services. The confidential information, sent via email from the Risk employee (Employee One) to an employee of the incumbent vendor (Vendor), consisted of confidential internal discussions. In other e-mails, Employee One referenced his friendship with one of the Vendor's employees by using terms of endearment on multiple occasions. Both Risk employees forwarded e-mails to unauthorized individuals containing confidential workers' compensation information concerning two different City of Baltimore employees. Both e-mails contained possible personal identifying information of the employees involved and descriptions of the incidents that took place. The other Risk employee (Employee Two) forwarded other emails to the Vendor outlining confidential internal concerns about a contract. Employee Two accepted two Baltimore Ravens tickets from the Vendor employee for a discounted price of \$25 each. Both employees are no longer employed by the City of Baltimore. The employee at the Vendor was terminated as well.



ADDING INSULT TO INJURY

A Baltimore City vendor (Vendor) that contracted with the Department of General Services, Fleet Management Division (FMD) submitted inflated invoices to the City for goods and services not part of the contract, including snow equipment, specialized vehicle testing, and repair and replacement parts. The inflated invoices directly resulted in the City paying the Vendor \$160,000 more than it should have. In addition, the Vendor did not possess the knowledge or equipment to perform the specialized vehicle testing for which it billed the City. To perform the work, the Vendor secretly subcontracted with a separate, unaffiliated company; the Vendor would then add its own markup to the work performed and pass it on to the City. The investigation also revealed that FMD employees responsible for the oversight and allocation of work to the Vendor were receiving personal benefits from the Vendor. Both FMD employees are no longer with the City.



COMMUNITY IN THE COLD

Residents of the communities surrounding the area affected by the sale of fifteen City-owned vacant lots to Bethel African Methodist Episcopal Church (Bethel AME) did not receive timely notifications of the deal to allow for proper community input. While community outreach for City land deals should be completed prior to approval by the Board of Estimates (BOE), the Bethel AME sale was not presented for community engagement until after the sale was finalized by the BOE. Before City-owned land is to be sold for development, there must be a period of community outreach and input to gauge how the sale will affect residents. OIG found Baltimore City's Comptroller's vote to approve the sale to the church was a conflict of interest because of her longstanding membership in Bethel AME and the necessary meetings to present the proposed sale and land development plans were not held in a timely manner. The Comptroller admitted that she should have abstained from the vote because it was a conflict of interest. As a result, the Office of the Mayor requested new Standard Operating Procedures be drafted for the land disposition process to ensure employees are working within procedure.

NOT SO HEALTHY HOLLY

Former Mayor Catherine Pugh had established Healthy Holly, LLC to publish four different children's books. The books were part of a fraud scheme where nonprofit organizations, companies, and individuals were actively solicited to buy the Healthy Holly books. The number of books sold far outweighed the number of books printed. Pugh used the money she received for the books, \$769,688.00, to fund her mayoral campaign and to purchase and renovate her Baltimore City home. The OIG was part of a joint investigation by the USAO, FBI, IRS, US Department of Labor and Maryland State Prosecutor. The investigations resulted in an indictment of Pugh on November 14, 2019 (pictured below) on a scheme to defraud purchasers of Healthy Holly Books. The former mayor pled guilty and was sentenced to three years in federal prison for conspiracy to commit wire fraud, conspiracy to defraud the government and two counts of tax evasion. She also pled guilty to a State count of perjury for omitting her books from her financial disclosure forms.



From Left to Right:
Sarah David, Deputy State Prosecutor
State Prosecutor's Office

Kelly Madigan, Acting State Prosecutor
State Prosecutor's Office

Troy Springer, ASAC
Department of Labor OIG

Matthew Hooker, SSA
Internal Revenue Service

Isabel Cumming, IG
Baltimore City Inspector General

Marty Clark, AUSA
Department of Justice MD

Robert Hur, US Attorney
District of Maryland

Jennifer Boone, SAC
Federal Bureau of Investigation

THE OIG INVESTIGATIVE PRINCIPLE

The only question to answer is: what does the evidence show? It may lead down a road you will not want to go down or it will lead exactly where you thought it would. It may not lead anywhere. Do not ever give up looking for evidence, but do not create it either. Wherever the evidence leads is the path we take. We pursue the truth with an objective mind, without prejudice, and regardless of politics.

CONTACT US

Office of the Inspector General
Room 635 City Hall North
100 N. Holliday Street
Baltimore, MD 21202

HOTLINE

443-984-3476
1-800-417-0430

EMAIL

oig@baltimorecity.gov



[@baltcityoig](https://www.facebook.com/baltcityoig)



[@oig_baltimore](https://twitter.com/oig_baltimore)



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