



Public Synopsis

OIG Report #2012-0074

Abuse of City-Issued Credit Card and Purchasing Authority by
the Former TV25 Director



**OFFICE OF INSPECTOR GENERAL
BALTIMORE CITY**

100 N. Holliday Street, Rm. 640
Baltimore, MD 21202



Public Synopsis

Synopsis of OIG Report #2012-0074: Abuse of City-Issued Credit Card and Purchasing Authority by the Former TV25 Director

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Synopsis of OIG Final Report #2012-0074

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

05/27/2015

Please find attached, the Office of Inspector General's (OIG) Public Synopsis of case 2012-0074, which involved the former Director of TV 25 within the Mayor's Office of Cable and Communications. The former Director, Cassandra Vaughn-Fox, abused her City-issued credit card and purchase order authority by making inappropriate and highly questionable purchases and failed to adhere to purchasing and asset management policy and procedures established by the City. The cost to the City from this malfeasance was \$12,117.26.

On 07/17/2012, the OIG received an anonymous email regarding theft and other improper activities occurring within TV25. The OIG began a preliminary review to corroborate the allegations and noted a significant quantity of questionable purchases made by Vaughn-Fox, many of which were of a high dollar amount. These items were catalogued and on 9/23/2013, the OIG conducted an onsite procurement and asset verification review at TV 25. During the onsite review, some catalogued items were verified or accounted for, however, many were not and those fell into three categories: 1. Unaccounted for Tangible Items, 2. Inappropriate Purchases and Subscriptions, and 3. Other Questionable Purchases.

Ms. Vaughn-Fox's employment with the city ended on 5/31/2013. After completion of the investigation, the OIG referred this case to the Law Department in September 2014 for potential civil recourse. Ultimately, the Law Department negotiated a settlement in January 2015 in the amount of \$4524.15.

The OIG investigation identified significant concerns regarding effective oversight of the City's credit card program, as well as the administration of its inventory tracking and asset management. These are two areas where the City recognizes improvements must be made across all agencies. As a result, the OIG has begun a comprehensive evaluation of the City's credit card program, inventory tracking, and asset management capabilities and administration. The results of these evaluations will be released publicly at a later date.

The OIG would like to thank all of the City agencies and personnel who acted as valuable partners in working towards the successful conclusion of this investigation. The OIG looks forward to continuing our partnership to strengthen policy, procedure, and internal oversight protocols.

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

Office of Inspector General
100 N. Holliday Street
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Baltimore, MD 21202

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- Notifications of new reports are now available via Twitter by following us **@OIG_BALTIMORE**.

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Public Synopsis

Synopsis of OIG Report #2012-0074: Abuse of City-Issued Credit Card and Purchasing Authority by the Former TV25 Director

Subject: Cassandra Vaughn-Fox, Former Director, MOCC-TV25

Introduction

The former Director of TV25, a division of the Mayor's Office of Cable and Communications (MOCC), abused her City-issued credit card and purchase order authority by making inappropriate and highly questionable purchases and failed to adhere to purchasing and asset management policy and procedures established by the City. The OIG conducted a procurement review and determined that there were missing items in the amount of \$7,228.69, inappropriate purchases and subscriptions in the amount of \$583.96, and questionable purchases in the amount of \$4,304.61. The total cost of these items is \$12,117.26.

Background

On 07/17/2012, the OIG received an anonymous email regarding theft and other improper activities occurring within TV25. Through that email and the subsequent correspondence with OIG personnel, the complainant provided a number of allegations regarding the now former TV25 Director, Cassandra Vaughn-Fox. More specifically, the complainant alleged that Vaughn-Fox:

1. Used her purchasing authority to purchase electronics and other items for personal use;
2. Defrauded the City by falsifying her hours to receive pay for hours not worked;
3. Misused City equipment and facilities for her personal gain; and
4. Created a hostile work environment through abusive management practices.

After receiving the complaint, the OIG began a preliminary review to corroborate the above allegations. During this review, the OIG noted a significant quantity of questionable purchases made by Vaughn-Fox, many of which were of a high dollar amount. At that point, the OIG focused its investigation on determining the validity of these questionable purchases.

To assist readers, a more detailed description of TV25 and relevant City procurement procedures is included below.

The Mayor's Office of Cable and Communications – TV25

TV25 is a 24-hour, commercial-free television station that produces several television programs and offers coverage of various City government functions such as press briefings, Council hearings, and Planning Commission meetings. TV25 is located in a non-City owned building in the downtown Power Plant Live complex. The TV25 office contains a three-camera production studio, editing rooms, data storage areas, and general-use office space.

TV25 has four full-time employees, but also utilizes roughly half a dozen freelance contractors to support operations. TV25's full-time staff includes a Director, administrative officer, and two Media Production Directors (MPDs). The Director is responsible for overseeing all aspects of operations and budgeting while working to ensure that TV25 accomplishes its short and long-term mission objectives. At the onset of this investigation, Vaughn-Fox was the Director of TV25. After Vaughn-Fox's termination on 06/14/2013, a new Director was hired on 07/08/2013. TV25's Administrative Officer is responsible for coordinating many of TV25's daily operations and handling administrative functions, such as payroll and accounting. The MPD I and MPD II are responsible for overseeing the technical aspects of TV25's media production, broadcasts, and data storage. Due to their high level of operational involvement, MPD I and MPD II have exceptional knowledge of TV25's inventory of audio/visual equipment.

Procurement Processes

The City's procurement processes are overseen by the Bureau of Purchases (BOP), which is a division of the Finance Department. The BOP provides City agencies with a number of options to procure needed items. Three of the most common options used are:

1. Blanket Contract Purchase Orders
2. Expenditure Authorizations
3. City-Issued Credit Cards

The City uses blanket contracts to procure a wide variety of goods and services that are generally recurring and/or used by multiple agencies. Blanket contracts are generally required to be used by any City agency/department in need of the specific goods or services covered. Blanket contracts are BOP's preferred method of procurement because it allows the City to benefit from competitively bid prices and track MBE/WBE impact. Additionally, once a blanket contract is established by BOP, individual purchase orders can be processed much more expediently compared to using non-blanket purchase orders, such as expenditure authorizations described below. However, blanket purchase orders require that City agencies use forward planning in determining their purchase order needs and, if necessary, request that the BOP solicit new blanket purchase orders for items not covered under existing blankets. A Board of Estimates approval of a purchase order carries with it an explicit directive to City agencies to purchase those goods or services from that particular vendor only.

Goods and services that are not covered by blanket contracts may be procured through Expenditure Authorizations (EAs) as long as the purchase is no greater than \$5,000 and is of a non-recurring nature. If a transaction is valued at greater than \$5,000 but has explicit approval of the Board of Estimates and is also of a non-recurring nature, then an EA may appropriately be

utilized to pay this obligation. There are certain specific categories of obligations that may be paid, even on a recurring basis and regardless of dollar amount, with an EA without seeking Board of Estimates approval for payment. These specific categories are limited to those outlined in the City's Administrative Manual.

City-issued credit cards are administered by the BOP and are used to save the City time and money by allowing authorized purchasers a convenient alternative to an EA for making inexpensive day-to-day purchases necessary for City operations or emergency situations. The intended use of the credit cards is to eliminate the issuance of many EAs to ensure prompt vendor payment, reduce the number of small value checks, and facilitate the procurement of small dollar value items. Each employee's credit card is limited on an agency by agency basis in terms of the amount and quantity of monthly transactions. City policy prohibits use of credit cards for utilities, education, travel, and cash withdrawals. The primary responsibility for proper use of the credit card rests with the authorized employee who is accountable for every purchase and each month must justify each purchase as being necessary to City operations and in accordance with policies outlined in the Administrative Manual. As such, all City employees with credit card authority are expected to use sound purchasing judgment by obtaining the best value for the City and not making excessive or unnecessary purchases.

Summary of Investigation

Synopsis

After receiving the complaint on 07/17/2012, the OIG began a preliminary review into the allegations received against Vaughn-Fox. During this review, the OIG identified a significant quantity of questionable purchases that occurred since Vaughn-Fox began her tenure as TV25 Director on 07/09/2010. At that point, the OIG focused its investigation on determining the validity of these purchases through a review of Vaughn-Fox's procurement history.

In preparation for an onsite procurement and asset verification review, OIG personnel created a spreadsheet that outlined the purchases made by Vaughn-Fox through her City-issued credit card and TV25 purchase orders. In the spreadsheet, OIG personnel included items which were of high dollar amount and/or items which could easily be converted to personal use. OIG personnel then arrived unannounced at TV25 on 09/23/2013 to conduct an onsite review. OIG personnel, with assistance from TV25 staff, conducted a search of the TV25 premises to determine which items on the spreadsheet were in the secure custody of TV25. During the review, OIG personnel conducted informal interviews regarding the items on the spreadsheet with the administrative officer, MPD I, and MPD II. The OIG also interviewed the Mayor's Staff Photographer, who receives much of his equipment from TV25. More formal interviews were conducted with these individuals at a later date.

After the initial procurement and asset verification review on 09/23/2013, there were a number of items on the spreadsheet that were not physically present within the TV25 studio but were accounted for by TV25 staff as being elsewhere. The OIG then went to these locations to verify that the items were properly held in the City's custody.

The OIG onsite review of the TV25 premises effectively verified the existence of some, but not all, of the items included on the OIG spreadsheet. The remaining items that could not be verified or accounted for through the procurement review and subsequent interviews were categorized by the OIG into one of the following groups:

1. Unaccounted for Tangible Items
2. Inappropriate Purchases and Subscriptions
3. Other Questionable Purchases

Category 1: Unaccounted for Tangible Items

The majority of Vaughn-Fox's questionable purchases fell within the first category. These were tangible items, including cameras and other electronics, which could not be accounted for by TV25 staff or OIG personnel during the investigation. The items identified by OIG personnel include:

Camera Equipment

Vaughn-Fox made the following camera equipment purchases:

- On 09/15/2010, TV25 ordered a Canon EOS-5D Mark II with 24-105 Lens for \$3,233.95. This purchase was made via purchase order from B&H Photo and Video and approved by Vaughn-Fox. This camera was missing from TV25 when the OIG conducted its procurement review. During the interview stage, the MPD II and the administrative officer stated they had not seen this camera and lens since Vaughn-Fox left City government. Other personnel interviewed stated they had never seen that camera and lens at TV25. Vaughn-Fox claimed during her interview with the OIG that she left these items in a red backpack ("edit bag") at the TV25 studio prior to her departure.
- On 01/19/2011, TV25 ordered a Sony HVR-A1U camcorder (Serial No. S010116746B) for \$2,315. TV25 ordered two additional Sony HVR-A1U camcorders (Serial No. S010116947E and S0101169148) on 03/16/2011 for \$2,295.95 each. Both purchases were made via purchase order from B&H Photo and Video and approved by Vaughn-Fox. During the TV25 procurement review, OIG personnel verified that the \$2,315 camcorder (Serial No. S010116746B) purchased on 01/19/2011 was at TV25. During interviews with OIG personnel, the MPD I and MPD II stated they were made to understand that one of the camcorders was for TV25, and the other two camcorders were purchased by TV25 for Enoch Pratt Free Library. However, upon reviewing Enoch Pratt Library's inventory, OIG personnel found only one of the two \$2,295.95 camcorders (Serial No. S0101169148) purchased on 03/16/2011 by TV25. When questioned about the whereabouts of the second camcorder, the audio-visual team at Enoch Pratt Library insisted that they had only the one camcorder and had never asked for or received a second camcorder. The third Sony HVR-A1U camcorder (Serial No. S010116947E) was at one time loaned by TV25 to the Mayor's Office of Information Technology (MOIT) for the purpose of live-streaming an event being held at The Walter's Art Museum and subsequently returned by MOIT staff to a TV25 technician. This camcorder could not be found during the procurement review and remains unaccounted

for at the time of this report. Vaughn-Fox claimed during her interview with the OIG that all three of these camcorders were accounted for prior to her departure from TV25.

The OIG believes that Vaughn-Fox may have misled staff from both TV25 and Enoch Pratt Free Library as to the number of camcorders and their intended uses with the intent to misappropriate one of the camcorders.

Designer Headphones

Among the list of unaccounted for items were the purchases made by Vaughn-Fox and listed below:

- On 03/19/2011, Vaughn-Fox purchased two pairs of Bose AE2 Audio Headphones for \$149.99 each, totaling \$299.98. This purchase was made using Vaughn-Fox's City-issued credit card at the Owings Mills Best Buy. Both pairs of headphones were missing from TV25 when the OIG conducted its procurement review. Additionally, none of the TV25 staff interviewed reported ever seeing either of these two headphones at TV25. Vaughn-Fox claimed during her interview with the OIG that she can only account for the one pair of these headphones, black in color, that she had in her possession and returned to the TV25 studio prior to leaving. She stated she remembered these headphones distinctly, because her intern broke the headphones while on a production shoot.
- On 05/28/2012, Vaughn-Fox purchased two pairs of Beats by Dr. Dre - Solo HD On-Ear Headphones, one black and the other white in color, at \$199 each for a total of \$398. This purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy. Both pairs of headphones were missing from TV25 when the OIG conducted its procurement review. During the interview stage, the MPD II stated that he had seen Vaughn-Fox using the black pair of Beats by Dr. Dre Solo HD On-Ear Headphones when she was with TV25, but he had not seen them since she left. The MPD II also stated that he had not seen the white pair of Beats by Dr. Dre Solo HD On-Ear Headphones at any time at TV25. None of the other TV25 staff interviewed could recall seeing either pair of these headphones at TV25. Vaughn-Fox claimed during her interview with the OIG that both the MPD I and MPD II had a pair of these headphones and that she also had a pair, black in color, which she left at the office prior to her departure.

Other Items

In addition to the above listed items, Vaughn-Fox purchased the following miscellaneous items that could not be accounted for during the OIG's procurement review:

- On 11/08/2010, Vaughn-Fox purchased two Cisco AE1000 Wireless Adapters at \$64.99 each, totaling \$128.98. This purchase was made using Vaughn-Fox's City-issued credit card at the Owings Mills Best Buy. Both items were missing from TV25 when the OIG conducted its procurement review. None of the TV25 interviewees had seen those adapters at the studio.
- On 02/16/2011, TV25 ordered a Focusrite Saffire Pro 24 Firewire Audio Interface, which is a preamplifier used for audio production, for \$229. This purchase was made via purchase order from B&H Photo and Video and approved by Vaughn-Fox. The item was missing from TV25 when the OIG conducted its procurement review. The MPD II stated he had never seen

this item at TV25, and the other three interviewees reported never having seen this item at TV25.

- On 03/19/2011, Vaughn-Fox purchased a DVD box set of HBO's The Wire: Season 1 for \$29.99. This purchase was made using Vaughn-Fox's City-issued credit card at the Owings Mills Best Buy. This DVD set was missing from TV25 when the OIG conducted its procurement review. The MPD II stated he had not seen this DVD box set since Vaughn-Fox left TV25, and the other three TV25 staff members reported never having seen this DVD box set at TV25. Vaughn-Fox claimed during her interview with the OIG that a former receptionist provided through MOED's job placement program had purchased the DVD set based on a misunderstanding of a job task delegated to her. The receptionist was later terminated based on this purchase and the additional purchase of The Wire: Season 2 two months later (described below). Vaughn-Fox stated to OIG personnel that The Wire: Season 1 DVD set should be at the TV25 studio, but she admits that she did not check to confirm the whereabouts of the DVDs after the receptionist was terminated.
- On 04/08/2011, Vaughn-Fox purchased a Swiss Gear IBEX Laptop Bag for \$99.99. This purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy. This laptop bag was missing from TV25 when the OIG conducted its procurement review. The MPD II and the administrative officer stated during their respective interviews that this bag has been missing since Vaughn-Fox left TV25. The other interviewees stated they had never seen this bag at TV25.
- On 05/27/2011, Vaughn-Fox purchased a DVD box set of HBO's The Wire: Season 2 for \$29.99. This purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy. This DVD set was missing from TV25 when the OIG conducted its procurement review. Additionally, none of the TV25 staff interviewed reported ever seeing this DVD box set at TV25. Vaughn-Fox claimed during her interview with the OIG that a former receptionist provided through MOED's job placement program had purchased the DVD set based on a misunderstanding of a job task delegated to her. The receptionist was terminated based on this purchase and the additional purchase of The Wire: Season 1 two months earlier (described above). Vaughn-Fox stated to OIG personnel that The Wire: Season 2 DVD set should be at the TV25 studio as well, but she admits that she did not check to confirm the whereabouts of the DVDs after the receptionist was terminated.
- On 10/04/2011, Vaughn-Fox purchased two Cross Aventura fountain pens at \$39.99 each for a total of \$79.98. This purchase was made using Vaughn-Fox's City-issued credit card at the Pikesville Staples. Both items were missing from TV25 when the OIG conducted its procurement review. All TV25 staff interviewed reported having never seen either of the two pens at TV25. Vaughn-Fox admitted to purchasing these fountain pens during the interview with the OIG. She claims that she left both fountain pens at the TV25 studio upon leaving; one in the top-right drawer of her desk, and the other in a storage cabinet at the office.
- On 10/17/2011, Vaughn-Fox purchased a Rocketfish Mobile Bluetooth Headset for \$49.99. This purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy. This item was missing from TV25 when the OIG conducted its procurement review. All TV25 staff interviewed reported having never seen this item at TV25.

- Also on 10/17/2011, Vaughn-Fox purchased a Rocketfish QS2 In-Car Bluetooth Speakerphone for \$39.99. This purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy. The item was missing from TV25 when the OIG conducted its procurement review. All TV25 staff interviewed reported having never seen this item at TV25.
- On or about 12/03/2011, Vaughn-Fox purchased a Griffin Tech Crayola Color Studio for iPad for \$29.99. This is a Crayola iPad application that uses an "iMarker" apparatus for coloring on the iPad screen as if it were a piece of paper. The purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy. The item was missing from TV25 when the OIG conducted its procurement review. All TV25 staff interviewed reported having never seen this item at TV25.
- On 12/08/2011, Vaughn-Fox purchased a paperback book entitled *Dr. Pamela Manning – I Want My Vagina Back* for \$18.94 including shipping and handling. This was a purchase from Amazon.com made with Vaughn-Fox's City-issued credit card. The book was shipped to Vaughn-Fox's personal address. The book was missing from TV25 when the OIG conducted its procurement review. All TV25 staff interviewed reported having never seen this book at TV25.
- On 04/05/2012, Vaughn-Fox purchased a Rocketfish Full Motion Wall TV Mount for \$109.99. This purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy. This TV mount was missing from TV25 when the OIG conducted its procurement review. All TV25 staff interviewed reported never seeing this particular TV mount at TV25. Vaughn-Fox stated during her interview with the OIG that this item should have been located in the back storage room of the TV25 studio.
- On or about 08/06/2012, Vaughn-Fox purchased a Fastpack 100 Red Camera Backpack for \$73.99. This purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy. This backpack was missing from TV25 when the OIG conducted its procurement review. When shown a picture of this type of backpack, the MPD II stated that he recognized that backpack as the one Vaughn-Fox used when she went to on-site TV25 projects. However, the MPD II stated he has not seen the red backpack since Vaughn-Fox left TV25. The MPD II stated in his interview that the red backpack usually contained a camera body, a flash, a lens, and a battery pack. The MPD II was adamant that these items went missing, along with the red backpack, when Vaughn-Fox left TV25. In her interview, the administrative officer corroborated the MPD II's statement that Vaughn-Fox used the red backpack at TV25, and that the backpack went missing when she left. Neither the MPD I nor the Mayor's Staff Photographer recalled during their respective interviews ever seeing that backpack at TV25. Vaughn-Fox claimed during her interview with OIG personnel that she had returned this item to the TV25 studio prior to leaving.
- On 09/08/2012, Vaughn-Fox purchased a Mophie Juice Pack Air Charging Case, a case for recharging an iPhone battery, for \$79.99. This purchase was made using Vaughn-Fox's City-issued credit card at the Owings Mills Best Buy. The item was missing from TV25 when the OIG conducted its procurement review. The MPD II recalls seeing this case at TV25, but stated that the iPhone case was among the items that went missing when Vaughn-Fox left

TV25. The other TV25 staff interviewed reported never to have seen this item at TV25. Vaughn-Fox confirmed during the interview with OIG personnel that she purchased this item to charge her City-issued iPhone.

None of these items could be accounted for during the initial OIG procurement review or after follow-up interviews with TV25 staff. Due to the inability to account for these items at TV25 or elsewhere, the OIG found these purchases to be highly suspect. The OIG determined that many of these items, even if they had been accounted for, constitute inappropriate purchases. The total cost of these unaccounted for items is \$7,228.69.

Category 2: Inappropriate Purchases and Subscriptions

The second category includes all items and subscriptions purchased by Vaughn-Fox that were determined by the OIG to be inappropriate. In accordance with City procurement policies and procedures, the OIG deemed all items with an unclear or otherwise dubious nexus to TV25's mission objectives to be inappropriate purchases. The OIG review identified the following list of inappropriate purchases made by Vaughn-Fox:

Kindle eBooks:

The following Kindle eBook purchases were made from Amazon.com via Vaughn-Fox's City-issued credit card and delivered digitally to an unknown Kindle device. According to staff members, TV25 has never purchased or used Kindle devices. Given that there are no Kindle devices within TV25's custody, the OIG considers all eBook purchases below to be personal in nature and of no benefit to the City or TV25 staff.

- On 07/24/2011, Vaughn-Fox purchased an eBook entitled *Dialogue Editing for Motion Pictures: A Guide to the Invisible Art* for \$11.99.
- On 07/24/2011, Vaughn-Fox purchased an eBook entitled *Studio Television Production and Directing: Studio-Based Television Production and Directing (Media Manuals)* for \$14.82.
- On 07/25/2011, Vaughn-Fox purchased an eBook entitled *Grammar of the Edit* for \$9.99.
- On 07/30/2011, Vaughn-Fox purchased an eBook entitled *Who Moved My Cheese?: An A-Mazing Way to Deal with Change in Your Work and in Your Life* for \$16.99.
- On 07/30/2011, Vaughn-Fox purchased an eBook entitled *Self Leadership and the One Minute Manager* for \$9.99.
- On 07/30/2011, Vaughn-Fox purchased an eBook entitled *The Secret: What Great Leaders Know – And Do* for \$8.93.
- On 07/30/2011, Vaughn-Fox purchased an eBook entitled *Who Cut the Cheese?: An Amazing Parody About Change and How We Can Get Our Hands on Yours* for \$1.49.
- On 09/26/2011, Vaughn-Fox purchased an eBook entitled *The Clinton Tapes* for \$14.99.

- On 10/04/2011, Vaughn-Fox purchased an eBook entitled *Your Public Best: The Complete Guide to Making Successful Public Appearances in the Meeting Room, on the Platform, and on TV* for \$9.99.
- On 12/08/2011, Vaughn-Fox purchased an unknown eBook for \$9.99. The OIG believes that Vaughn-Fox used whiteout on the receipt to conceal the eBook title.

During the interview with OIG personnel, Vaughn-Fox stated that she purchased these digital eBooks to share leadership and management best practices with her colleagues. She claims that she made copies of these digital materials and distributed them to her colleagues during TV25 staff meetings to encourage conversations about leadership and cooperation. Vaughn-Fox admitted, however, that these were digital purchases made to her personal Kindle, and that no TV25 staff actually had access to her Kindle to read the eBooks.

iTunes Music Store

City credit card program policies require itemized receipts as documentation of purchasing history. Receipts submitted by Vaughn-Fox, and later obtained by OIG personnel, verified that Vaughn-Fox used her City-issued credit card for the following digital music purchases from the iTunes store:

- On 08/10/2011, Vaughn-Fox purchased a song entitled “Otis (feat. Otis Redding)” from iTunes for \$1.29.
- On 08/10/2011, Vaughn-Fox purchased an iTunes playlist entitled “Watch the Throne” for \$13.70.
- On 02/07/2012, Vaughn-Fox purchased Adele’s “21” album from iTunes for \$10.99.
- On 02/07/2012, Vaughn-Fox purchased Donny Hathaway’s “A Song for You” song from iTunes for \$0.99.
- On 02/11/2012, Vaughn-Fox purchased Dru Hill’s “April Showers” song from iTunes for \$0.99.
- On 05/26/2012, Vaughn-Fox purchased Justin Bieber’s “Boyfriend” song from iTunes for \$1.29.

On the required monthly transaction logs, attempts were made to justify a number of these iTunes purchases as necessary for use in TV25 productions. During the OIG interview with Vaughn-Fox, she stated that digital iTunes music purchases were used for certain productions because the City does not have a music library. Vaughn-Fox also stated her belief from prior work in the production industry that copyright law allows for the use of 55 seconds of copyrighted music in original productions. However, the OIG learned from the Finance Department that use of downloaded iTunes music constitutes a violation of licensing agreements and is strictly prohibited by the City. Furthermore, none of the TV25 staff interviewed were aware of the above mentioned iTunes purchases being used in TV25 productions. As such, the OIG believes Vaughn-Fox made these iTunes music purchases for her own personal use.

Several iTunes store receipts submitted by Vaughn-Fox between the dates of 10/12/2011 and 01/02/2012 indicate a variety of iTunes purchases for songs, playlists, and apps with the item and/or artist description field left blank. The OIG believes whiteout or some other substance may have been used to conceal the item and/or artist description on the receipts. If so, this would demonstrate a conscious effort to hide the nature of these purchases. When questioned by OIG personnel, Vaughn-Fox stated that she had not used whiteout to conceal item descriptions on the receipts. She stated that this was simply how the receipts printed out from her iTunes account. These unknown purchases are listed below:

- On 10/12/2011, Vaughn-Fox purchased an unknown app for \$5.99.¹
- On 10/12/2011, Vaughn-Fox purchased an unknown playlist for \$11.99.¹
- On 10/16/2011, Vaughn-Fox purchased an unknown song for \$1.29.
- On 11/09/2011, Vaughn-Fox purchased an unknown playlist for \$9.70.²
- On 11/09/2011, Vaughn-Fox purchased an unknown playlist for \$6.70.²
- On 11/09/2011, Vaughn-Fox purchased three unknown songs for \$1.29 each, totaling \$3.87.²
- On 11/23/2011, Vaughn-Fox purchased an unknown song for \$1.29.
- On 11/23/2011, Vaughn-Fox purchased an unknown playlist for \$11.41.
- On 11/29/2011, Vaughn-Fox purchased two songs for \$0.69 each, for a total of \$1.38.³
- On 12/09/2011, Vaughn-Fox purchased an unknown song for \$1.29.⁴
- On 12/25/2011, Vaughn-Fox purchased an unknown playlist for \$13.99.⁵
- On 01/02/2012, Vaughn-Fox purchased an unknown app for \$6.99.⁶

1 The OIG noticed that the iTunes receipt for the two concealed purchases made on 10/12/2011 provided a side bar that indicated similar items purchased by other users. These recommended similar items included: *Thomas and Friends: Misty Island Rescue*, *Thomas and Friends: Hero of the Rails*, and *Kung Fu Panda 2 Storybook*.

2 The OIG noticed that the iTunes receipt for the five concealed purchases made on 11/09/2011 provided a side bar that indicated similar items purchased by other users. These recommended similar items included: the song "Love Me Back," by Jazmine Sullivan.

3 The OIG noticed that the iTunes receipt for the two concealed purchases made on 11/29/2011 provided a side bar that indicated similar items purchased by other users. These recommended similar items included: the songs "Beautiful – Single," by Noel Gourdin and "Fall 5.0 – Single," by Brian McKnight.

4 The OIG noticed that the iTunes receipt for the concealed song purchase made on 12/09/2011 provided a side bar that indicated similar items purchased by other users. These recommended similar items included: the songs "The Light of the Sun (Deluxe Version)," by Jill Scott; "If It's Love (feat. Chrisette Michele) – Single," by Kem; and "Another Round (Deluxe Version)," by Jaheim.

5 The OIG noticed that the iTunes receipt for the concealed playlist purchase made on 12/25/2011 provided a side bar that indicated similar items purchased by other users. These recommended similar items included: the songs "Back to Love (Deluxe Version)," by Anthony Hamilton; "My Life II...The Journey Continues (Act) (Deluxe Version)," by Mary J. Blige; and "Musiqinthemagiq (Deluxe Version)," by Musiq Soulchild.

Additionally, the OIG discovered a number of transactions in which Vaughn-Fox charged iTunes purchases to her City-issued credit card and failed to provide any receipts or descriptions to the City, as is required by City procurement policy. The following is a list of the above stated purchases:

- On 06/14/2011, Vaughn-Fox charged \$16.97 from the iTunes store to her City-issued credit card and failed to provide the required receipts or description.
- On 07/11/2011, Vaughn-Fox charged \$31.97 from the iTunes store to her City-issued credit card and failed to provide the required receipts or description.
- On 08/03/2011, Vaughn-Fox charged \$1.29 from the iTunes store to her City-issued credit card and failed to provide the required receipts or description.
- On, 11/07/2011, Vaughn-Fox charged \$29.99 from the iTunes store to her City-issued credit card and failed to provide the required receipts or description.
- On 02/03/2012, Vaughn-Fox charged \$16 from the iTunes store to her City-issued credit card and failed to provide the required receipts or description.
- On 02/03/2012, Vaughn-Fox charged \$184.44 from the iTunes store to her City-issued credit card and failed to provide the required receipts or description.
- On 02/13/2012, Vaughn-Fox charged \$9.99 from the iTunes store to her City-issued credit card and failed to provide the required receipts or description.

The OIG also believes that Vaughn-Fox's attempts to obscure or conceal these purchases through vague activity log descriptions, missing receipts, and use of whiteout on receipts indicate conscious knowledge of wrongdoing on her part.

Other items

In addition to the above listed inappropriate digital purchases, the OIG determined the following items purchased by Vaughn-Fox to also be inappropriate and completely unrelated to TV25's mission objectives:

- On 09/21/2012, Vaughn-Fox used her City-issued credit card to purchase a \$79 subscription to Amazon Prime. On the corresponding cardholder activity log, Vaughn-Fox described the purchase as an "Annual Membership fee that includes free shipping and numerous other amenities for office purchases from Amazon." Upon further research, the OIG learned that the other amenities included in this subscription package include unlimited instant streaming of 41,000 movies and TV episodes and free access to over 350,000 Kindle eBook titles. These subscription benefits were accessible only to Vaughn-Fox through her personal Amazon account. The City was not a beneficiary of these added amenities. As such, the OIG

6 The OIG noticed that the iTunes receipt for the concealed app purchase made on 01/02/2012 provided a side bar that indicated similar items purchased by other users. These recommended similar items included: *Brain Challenge HD*, *BOGGLE for iPad*, and *Fruit Memory Match Game*.

finds the Amazon Prime subscription to be an inappropriate purchase for Vaughn-Fox's City-issued credit card.

Vaughn-Fox is responsible for the City funds she misappropriated for her own personal use. The total cost of these inappropriate purchases and subscriptions is \$583.96.

Category 3: Other Questionable Purchases

The third category of purchases consists of items purchased by Vaughn-Fox during her tenure as TV25 Director that, although not unaccounted for or overtly inappropriate, were viewed by the OIG as highly questionable for various reasons. The following is a list of these highly questionable purchases:

iPads:

The OIG discovered that Vaughn-Fox purchased several iPads while serving as the TV25 Director. The City has a blanket contract for such items and expects City agencies to use purchase orders in accordance with this blanket contract – not City-issued credit cards – for procurement of these items. The OIG found the following information regarding the purchasing of iPads:

- On 01/13/2011, Vaughn-Fox purchased an iPad (16GB) for \$499.99. The purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy.
- On 01/13/2011, Vaughn-Fox purchased an iPad (32GB) for \$599.99. The purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy.
- On 06/06/2011, TV25 ordered two iPad 2s, black in color, at \$499 each, for a total of \$998. This purchase was made via purchase order from PC Mall Gov and approved by Vaughn-Fox.
- On 11/25/2011, Vaughn-Fox purchased an iPad 2 (16GB), black in color, for \$454.99. The purchase was made using Vaughn-Fox's City-issued credit card at the Owings Mills Best Buy.
- On 02/01/2012, Vaughn-Fox purchased an iPad, white in color, for \$499.99. The purchase was made using Vaughn-Fox's City-issued credit card at the Owings Mills Best Buy.
- On 07/05/2012, Vaughn-Fox purchased an iPad (32GB), white in color, for \$599.99. The purchase was made using Vaughn-Fox's City-issued credit card at the Baltimore Best Buy.

In all instances listed above, except for the one use of a purchase order on 06/06/2011, Vaughn-Fox used her City-issued credit card to purchase iPads. As mentioned previously, use of City-issued credit cards for procuring items already covered under blanket contracts is contrary to City policy.

During the procurement review, the OIG was able to account for four of the seven iPads purchased. According to statements made by TV25 staff interviewed, Vaughn-Fox justified the number of iPad purchases by stating that the original iPads were no longer functional and needed to be replaced. During the interview with OIG personnel, Vaughn-Fox stated that two iPads were originally purchased; one for her, and one for the administrative officer. Vaughn-Fox's original iPad allegedly broke, so a second iPad was purchased as a replacement. This second, replacement iPad at one point would not turn on, so a third iPad was purchased by Vaughn-Fox as a replacement. Two additional iPads were purchased for staff use in the TV25 studio and an additional iPad was also purchased for a TV25 staff member who, upon leaving City employment, returned the iPad back to TV25 with a crack in the screen. Vaughn-Fox told OIG personnel that she returned her last iPad (32GB, white in color) to TV25 before she left TV25.

The OIG was unable to verify whether the three missing iPads were discarded or misappropriated. Regardless, the OIG finds the above iPad purchases to be highly questionable in terms of appropriateness for City-issued credit card procurement.

Other Items

In addition to the hardware and software packages described above, Vaughn-Fox charged other miscellaneous purchases to her City-issued credit card and failed to provide any receipts or descriptions to the City as required by City procurement policies. As such, the OIG could not verify the validity and/or custody of the following purchases:

- On 06/23/2011, Vaughn-Fox charged \$177.96 from Best Buy to her City-issued credit card and failed to provide any of the required documentation.
- On 08/12/2011, Vaughn-Fox charged \$31.79 from Radio Shack to her City-issued credit card and failed to provide any of the required documentation.
- On 12/28/2011, Vaughn-Fox charged \$219.94 from Best Buy to her City-issued credit card and failed to provide any of the required documentation.
- On 01/20/2012, Vaughn-Fox charged \$71.98 from Best Buy to her City-issued credit card and failed to provide any of the required documentation.
- On 01/23/2012, Vaughn-Fox charged \$149.99 from Best Buy to her City-issued credit card and failed to provide any of the required documentation.

The OIG believes the items listed in the above three categories indicate poor purchasing judgment and a pattern of abuse of credit card authority by a City official entrusted by City government and its citizens to act as a good steward of taxpayer dollars. Vaughn-Fox made a number of purchases that had no clear nexus to TV25's mission objectives or, in the case of several electronic items or software packages, were covered by City purchase orders and therefore should not have been procured via City-issued credit card. Vaughn-Fox is responsible for the City funds she misappropriated for her own personal use. The total cost of these other questionable purchases is \$4,304.61.

Chronology of Relevant Events

07/25/2005	Vaughn-Fox's date of hire with the City
07/09/2010	Vaughn-Fox is promoted to Director of TV25
09/15/2010	Date of Vaughn-Fox's first-known misuse of City funds via her City-issued credit card
07/17/2012	Initial complaint received by the OIG via anonymous email
05/31/2013	Vaughn-Fox's last day of work at TV25
06/14/2013	Vaughn-Fox is terminated on the City's Human Resources Information System database
07/08/2013	New Director of TV25 is hired
09/23/2013	OIG personnel conduct procurement and asset verification review of TV25 studio
10/04/2013	OIG personnel interview MPD I and MPD II
10/07/2013	OIG personnel interview the administrative officer
10/10/2013	OIG personnel interview the Mayor's Staff Photographer
05/01/2014	OIG personnel interview Vaughn-Fox
09/21/2014	OIG referred case to Law Department for potential civil recourse
01/21/2015	Settlement agreement executed by Law Department

Interviews

All pertinent information obtained through interviews is reflected in the report. However, the names of interviewees and the statements attributed to them have been omitted in accordance with the OIG's standard reporting policy to protect confidentiality.

Analysis

Based on the OIG's investigation, two issues were identified as the source of the problem: (1) poor purchasing judgment and adherence to established credit card controls and policies by former TV25 Director, Cassandra Vaughn-Fox, and (2) inadequate purchasing oversight and asset management by the City.

OIG personnel met with Vaughn-Fox on 05/01/2014 and asked her to describe her understanding of the City's procurement process, as it pertains to using the City-issued credit card and blanket purchase orders. Vaughn-Fox demonstrated a basic knowledge of the different approvals that were normally required for using blanket purchase orders, but stated that she did not know the fine details of the procurement process. Vaughn-Fox told OIG personnel that she generally relied on TV25's administrative officer to handle all of this information for her.

Regarding the process for using City-issued credit cards, Vaughn-Fox confirmed that she did, in fact, have a City-issued credit card while at TV25. When asked if she had received the required training for using the City-issued credit card, Vaughn-Fox stated that she and the administrative officer did receive this training. As such, Vaughn-Fox was made aware of the City's credit card policies and procedures which include, among other provisions, various restrictions on credit card access, categories of use, dollar amounts, approval and authorization, purchase documentation, and reconciliation with credit card statements.

OIG personnel determined that in practice Vaughn-Fox did not adhere to the City's established credit card policies and procedures. While interviewing Vaughn-Fox, OIG personnel learned that access to the City-issued credit card was not controlled adequately. The City-issued credit card had Vaughn-Fox's name printed on it, and as TV25's only authorized purchasing agent, she was expected to have this credit card in her possession or at least be able to account for its whereabouts at all times. Instead, Vaughn-Fox told the OIG that she allowed everyone at TV25 to have access to the City-issued credit card. Vaughn-Fox even stated that when she was out of the office or on vacation, she would leave the City-issued credit card at the office for other staff members to use. By not restricting access or otherwise safeguarding the credit card, Vaughn-Fox failed to adhere to established City policies and also increased opportunity for unauthorized purchases by staff members other than Vaughn-Fox who had access to the TV25 studio.

To further assess Vaughn-Fox's adherence to purchasing controls, OIG personnel asked Vaughn-Fox if she kept purchase receipts, compared these receipts to monthly credit card statements, and filled out monthly activity logs as required by the City's established credit card policy. The OIG found significant issues with Vaughn-Fox's adherence to the above protocol as well.

Vaughn-Fox claimed that she received the monthly credit card statement from the administrative officer with check marks or notations next to purchases that required purchasing receipts. Vaughn-Fox would then provide the administrative officer with purchase receipts so that the administrative officer could prepare the monthly activity log for Vaughn-Fox's eventual signature. The administrative officer told OIG personnel that Vaughn-Fox sometimes did not give a description of the purchase or would have no receipt documentation at all. This made it especially difficult for the administrative officer to fill out the monthly activity log. The administrative officer told OIG personnel that she raised concerns with Vaughn-Fox over questionable purchases or lack of documentation on several occasions, but was told by Vaughn-Fox to submit the activity logs anyway. The administrative officer ultimately completed the monthly transaction log to the best of her ability based on the documentation, however limited, and directives given to her by Vaughn-Fox. The administrative officer told OIG personnel that she feared retribution from Vaughn-Fox if she did not comply with these directives.

The above information reflects a clear failure to adhere to established City-issued credit card policy and accountability controls. The lack of receipts and other documentation also indicates either negligence or a concerted effort to conceal purchases on the part of Vaughn-Fox. Based on documents obtained during the investigation, the OIG believes Vaughn-Fox may have attempted to conceal the true nature of some purchases by use of whiteout or vague item descriptions on the monthly transaction logs.

When Vaughn-Fox delegated the responsibility of preparing the monthly activity logs to the administrative officer, a subordinate employee, she put the administrative officer in the unfair position of having to justify Vaughn-Fox's transaction logs and supporting documents or go against the Director's instructions. Furthermore, allowing Vaughn-Fox to be the final approver on her own purchases is a clear shortcoming in City policy from an accountability standpoint. Instead, the City needs to ensure there are proper checks and balances in the purchase authorization workflow, as is the case in most other City agencies.

Vaughn-Fox told OIG personnel during her interview that prior to her last day of employment on 05/21/2013, she had a meeting with former Department of Human Resources (DHR) Director Ronnie Charles in which they discussed an "equipment inventory" containing items that had to be accounted for before her termination of employment with TV25. Vaughn-Fox told the agents that for the sake of impartiality, she delegated the task of identifying the whereabouts of these items to the MPD II. Vaughn-Fox stated that to her knowledge, all items on this "equipment inventory" had been accounted for by the MPD II prior to her departure from TV25. Vaughn-Fox stated adamantly during the 05/01/2014 interview with OIG personnel that she did not have any TV25 equipment or items in her possession. The OIG had no method to confirm this statement.

OIG personnel obtained copies of the "equipment inventory" from DHR. Some of the missing equipment identified in the OIG's 09/23/2013 procurement review was included on the "equipment inventory" discussed between Vaughn-Fox and DHR Director Charles. However, the inventory did not include other intangible, digital purchases such as Kindle eBooks and iTunes music downloads that the OIG identified during its procurement review. The "equipment inventory" copies obtained from DHR included handwritten notations describing whether or not each item could be accounted for as well as its location. Although the handwritten notations were difficult to decipher, it was clear that in contrast to what Vaughn-Fox had told the OIG personnel during her interview, many of the items on the "equipment inventory" could not be accounted for by TV25 staff at that time.

Vaughn-Fox also suggested to OIG personnel that somebody else could have misplaced or stolen these items between when she allegedly returned all items in her possession to the TV25 studio before her departure and when the OIG conducted its procurement review. The OIG acknowledges that the time period between when Vaughn-Fox left TV25 on 05/31/2013 and when the OIG was able to conduct the procurement review on 09/23/2013 was substantial. Given the transition of leadership and supervision at TV25 during this time, there could have been opportunity for items and equipment accounted for at the time of Vaughn-Fox's departure to then become lost, stolen, or otherwise unaccounted for after the fact.

For this reason, the OIG cannot definitively conclude that Vaughn-Fox took these items for her own personal use. However, it is clear that Vaughn-Fox demonstrated less-than-sound purchasing judgment on many occasions and also purchased several inappropriate items. This was made particularly evident by the various digital purchases made by Vaughn-Fox, such as Kindle eBooks and iTunes music and apps. The OIG can state conclusively that the missing items reflect poor asset management at TV25 under Vaughn-Fox's leadership.

The OIG also acknowledges that oversight of the credit card program, asset management, and inventory tracking are areas where City improvements are needed across all agencies. While City credit card policies and procedures are in place, efforts at oversight and enforcement can be strengthened. Regarding asset management and inventory tracking, the City's Administrative Manual does not provide a directive for an asset management protocol that applies uniformly to all City agencies. Instead, each City agency is left to devise their own asset management and inventory tracking policies piecemeal or establish no policies at all. An effort to create a set of asset management policies and procedures to apply uniformly to all City agencies would enhance the City's ability to inventory resources and prevent significant loss.

Violations

Standards of Conduct and Performance – Civil Service Commission/Department of Human Resources (CSC/DHR) Rule 40, Part I

CSC/DHR Rule 40, Part I states the following: "Employees shall observe and protect the City's property rights, and shall follow all rules requiring authorization for the use of City funds, labor and property."

Vaughn-Fox violated this Rule through her actions in purchasing inappropriate and highly questionable items through the use of purchase orders and with her City-issued credit card. Many of these items are now missing, so the OIG cannot definitively conclude that these items were purchased for Vaughn-Fox's personal use. During the course of her three-year tenure as TV25 Director, Vaughn-Fox made \$12,117.26 in unaccounted for, inappropriate, and questionable purchases. These actions were in violation of CSC/DHR Rule 40, Part I.

Standards of Conduct and Performance – CSC/DHR Rule 40, Part L

CSC/DHR Rule 4, Part L states the following: "Employees shall conduct themselves at all times in a manner becoming of a City employee, and shall not bring scandal, expense or annoyance upon the City through crime, conflict of interest, failure to pay just debts, or other improper or notorious behavior."

As the TV25 Director, Vaughn-Fox was the top authority in that office and expected to be a good steward of taxpayer dollars. As such, she had ultimate responsibility and was expected to maintain the highest standards of following City procurement policies and procedures. During the course of her three-year tenure as TV25 Director, Vaughn-Fox made \$12,117.26 in unaccounted for, inappropriate, and questionable purchases. As such, Vaughn-Fox acted in a manner that was improper and unbecoming of a City employee. Her actions brought significant

expense to the City and constituted a breach of trust, considering her position as the Director of TV25. These actions were in violation of CSC/DHR Rule 40, Part L.

Cause of Discharge, Demotion or Suspension – CSC/DHR Rule 56, Part 2(I)

CSC/DHR Rule 56, Part 2(I) states the following: “That the employee has been engaged in fraud, theft, misrepresentation of work performance, misappropriation of funds, unauthorized use of City property, obstruction of an official investigation or any other act of dishonesty.”

Vaughn-Fox violated this rule by abusing her purchasing authority and her City-issued credit card to procure various items totaling \$12,117.26 in unaccounted for, inappropriate, and questionable purchases. Additionally, it is believed that Vaughn-Fox used methods to conceal the nature of certain purchases and misled staff members of at least two City departments in order to cover up her actions. These actions constitute a violation of CSC/DHR Rule 56, Part 2(I).

Recommendations

During the course of this investigation, the OIG found that Vaughn-Fox abused her City-issued credit card and purchase order authority by making inappropriate and highly questionable purchases. She also failed to adhere to purchasing and asset management policy and procedure established by the City. The OIG investigation also identified significant concerns regarding effective oversight of the City’s credit card program, as well as the administration of its inventory tracking and asset management. These are two areas where the City recognizes improvements must be made across all agencies. In lieu of issuing formal recommendations at this time, the OIG has begun a comprehensive evaluation of the City’s credit card program, inventory tracking, and asset management capabilities and administration. These evaluations will be released publicly at a later date.