

OFFICE OF THE INSPECTOR GENERAL

CITY OF BALTIMORE



Isabel Mercedes Cumming
Inspector General

Investigative Report Synopsis

OIG Case # 23-0020-I

Issued: April 4, 2023



OFFICE OF THE INSPECTOR GENERAL
Isabel Mercedes Cumming, Inspector General
City Hall, Suite 635
100 N. Holliday Street
Baltimore, MD 21202



April 4, 2023

Dear Citizens of Baltimore City,

The Baltimore City Office of the Inspector General (OIG) received a complaint alleging that a Mayor's Office of Neighborhood Safety & Engagement (MONSE) employee (the MONSE employee) placed three orders through the City of Baltimore's (the City) Amazon Business Prime account (Amazon account) for personal items which were delivered to the MONSE employee's home address. The complaint further alleged that these actions were prohibited by City policy.

The City maintains Amazon accounts to allow agency cardholders to order goods that fit the City Purchase Cards (P-Cards) policy purchase requirements. P-Cards are the only approved payment method for the City's Amazon accounts. Account holders may hold either an administrator role or a requestor role. Administrators can configure payment methods and shipping addresses, set up approval workflows, assign user roles, and run analytical reports. Requestors can place orders and, if the individual payment option has been configured for them by an administrator, can enter and edit payment methods and shipping addresses.

The MONSE employee received a City Amazon account with a requestor role in August 2021. As part of their job duties, the MONSE employee placed Amazon orders on behalf of MONSE for office supplies and urgently needed items. These purchases were charged to MONSE's P-Card issued to the MONSE Director. The OIG reviewed records for all MONSE orders between May 2021 and December 2022. The investigation found that, between October 8, 2021, and December 22, 2022, the MONSE employee placed 23 orders for personal items through the MONSE Amazon account, which were charged to the MONSE employee's personal credit cards, which the MONSE employee had added to the account.

Records show that all orders, business and personal, placed by the MONSE employee from June 1, 2022, through December 22, 2022, were self-approved by the MONSE employee. Due to the City's tax-exempt status, none of the 23 personal orders, which the MONSE employee paid for with their personal credit cards, were charged the appropriate Maryland sales tax.¹

When interviewed by the OIG, the MONSE employee confirmed that they had used MONSE's Amazon account by adding their credit card for personal purchases. The employee acknowledged that they had avoided paying taxes or delivery costs. The MONSE employee further stated that they were unaware MONSE had assigned them as the primary approver for Amazon purchases in June 2022. Their understanding was that approvals for Amazon transactions would go to MONSE's Associate Director of Finance or to someone in the Bureau of Procurement (BOP) but not to the MONSE employee.

¹ Every purchase of taxable tangible goods, whether in person, over the phone, or on the internet, is subject to Maryland's six percent sales and use tax. (<https://www.marylandtaxes.gov/individual/sales-use/tax-Info/index.php>)

REPORT FRAUD, WASTE AND ABUSE

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BOP personnel opined that the MONSE employee's status as an Amazon requestor should have precluded them from being an approver. Emails show that members of the MONSE administration were aware that, as a primary approver, the MONSE employee could approve their own orders. Despite this, the MONSE administration signed and submitted the *Agency Approvers for Amazon Business Purchases* document guaranteeing the MONSE employee the ability to self-approve all orders, including their personal orders, made in MONSE's Amazon account.

BOP personnel confirmed that Amazon account administrators could restrict account payment methods to only pre-entered City P-Cards, thus preventing the use of personal cards. This is not an automatic setting and must be configured for the agency group by either a BOP administrator or an agency administrator. This restriction was not applied to MONSE's Amazon accounts. Additionally, the BOP does not currently issue policies or best practice guidance, nor is it aware of any existing written policy or standard operating procedure about assigning Amazon account roles and structuring approval workflows.

The OIG investigation supports the allegation that the MONSE employee used MONSE's Amazon account for personal purchases, using their personal credit cards, and that this type of use avoided paying required Maryland sales tax. These actions may have violated Maryland state sales tax law and City policy AM-118-1. The OIG investigation also revealed a need for clear communication regarding the correct use of City Amazon accounts and the appropriate assignment of roles and approval workflows. The OIG recommended that the BOP consider developing proper guidance and standard operating procedures for Amazon account users within City agencies.

Sincerely,



Isabel Mercedes Cumming, Inspector General
Office of the Inspector General

Cc: Hon. Brandon M. Scott, Mayor of Baltimore City
Hon. Nick Mosby, President, City Council
Hon. Bill Henry, Baltimore City Comptroller
Honorable Members of the Baltimore City Council
Hon. Ebony Thompson, Acting City Solicitor

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Mayor's Office of Neighborhood Safety & Engagement (MONSE) Response

Case # 23-0020-I

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CITY OF BALTIMORE

Shantay Jackson
Executive Director



MAYOR'S OFFICE OF
NEIGHBORHOOD SAFETY & ENGAGEMENT
100 Holliday Street
Baltimore, Maryland 21202
monse.baltimorecity.gov

March 17, 2023

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

Dear Inspector General Cumming:

Thank you for the opportunity to review and respond to the OIG Management Alert for case no. 23-0020-I. Upon review of the report and findings, I am offering the following commentary.

Upon inspection of the findings, the Mayor's Office of Neighborhood Safety and Engagement (MONSE) determined that [REDACTED] violated City policy prohibiting the purchase of personal items using the City of Baltimore's Amazon Business Prime Account. While the agency's Purchase Card (P-card) was not used for the purchases, [REDACTED] did make unapproved, non-agency purchases in violation of communicated Bureau of Procurement (BOP) guidance unbeknownst to [REDACTED] supervisor and the agency director. At the time of this response, [REDACTED] is no longer employed with the agency.

While the agency concurs with most of the report's findings, MONSE disputes the claim that the finance associate director, who served as [REDACTED] supervisor, and the agency director "were aware that, as a primary approver, [REDACTED] would be able to approve [REDACTED] own orders." In fact, all agency purchase requests require pre-approval from the agency director. As documented in the agency's attached procurement request standard operating procedure, which [REDACTED] was aware of and bound by as the agency procurement specialist, all agency Amazon purchase requests costing less than \$50 require pre-approval from the finance associate director and respective MONSE lane lead before a purchase is permitted to be made. All requests amounting to more than \$50 also require the pre-approval of the agency director.

To prevent any future misuse of the account, MONSE will take the OIG's advice to manually configure the settings of its Amazon Business Prime account to only allow the agency's P-card to be used for future purchases. Additionally, given that the findings indicate a lack of standard operating guidance from the BOP regarding the use of Amazon Business Accounts, we also strongly support the Inspector General's recommendation that BOP consider developing proper guidance and standard operating procedures for Amazon account users within City agencies.

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We thank you for your review and the opportunity to provide a response. Please do not hesitate to contact us should you require any additional information.

Sincerely,



Shantay A. Jackson
Executive Director

MONSE

CC: Brandon M. Scott, Mayor
Chezia Cager, Chief of Staff
Faith Leach, Chief Administrative Officer
Simone Johnson, Deputy Chief Administrative Officer
Anthony Barksdale, Deputy Mayor of Public Safety
Michael Moiseyev, Director of Finance
Quinton Herbert, Director and Chief Human Capital Officer

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Procurement Request Standard Operating Procedure

This procedure will serve as a guide on how to request items that will be paid for ahead of time by the agency.

Office Supplies

If you need office supplies ordered for you, please follow these steps:

1. Select office supplies on Amazon.
2. Fill out the [MONSE Procurement Request Form](#) and send it to your lane lead. Be sure to link the supplies being requested.
3. Once the lane lead approves and signs off, the Associate Director of Finance will need to sign the form.
4. Upon approval, if the item(s) total under \$50, you may share the links and signed request form with the agency Procurement Specialist for ordering. If the item(s) is over \$50, a secondary approval must be given by the Director via signature on the Procurement Request Form. Your request for this approval should be routed through the Director's Executive Assistant.

Technology / Software

To request any technology or software, please follow these steps.

1. Fill out the [MONSE Procurement Request Form](#) and send it to your lane lead.
2. Once the lane lead evaluates the request, they will inform the employee if it is approved or denied. If approved, the lane lead will sign the request form. *Please note, each approved request will be charged to that individual lane's budget.
3. The employee should then reach out to the Associate Director of Finance, who will evaluate the budgetary implications of the request. If approved, the Finance Associate Director will sign the form and provided the funding source for the purchase.
4. The form should then be routed through the Executive Assistant to gain the Director's final approval.
5. Once approved, the Executive Assistant will make the formal request with the funding source (provided by the Finance Associate Director) to the Mayor's Procurement Team.
6. The Mayor's Procurement Team will place the order and notify MONSE representatives when it has been delivered.

Please note that all items (supplies and technology) ordered, paid for, and procured by MONSE are for in-office use only. Requests for telework supplies will be denied per Department of Human Resources Policy AM 200-13, which states, "The City will not purchase or reimburse a teleworking employee for equipment necessary to function in a teleworking environment. Employees may use their own

technological equipment provided no cost is incurred by the City and it complies with the City's electronic communications and security requirements."

Food / Beverages

To request food and beverages for meetings or events, confer with the Director's Executive Assistant for approvals and guidance in ordering.

Training / Certifications

If you have an idea for training, speak to the Training Coordinator to see how it may fit into the current planned curriculum. As for professional development certifications, current Department of Human Resources Policy AM 219-1 dictates that employees must pay for the cost of the certification they are pursuing upfront. Employees may choose to discuss the possibility for reimbursement with their lane leads ahead of enrollment in a course/certification program to inform their decision about enrollment. Upon successful completion of the course or certification, they may submit a reimbursement request through Workday. This request would be evaluated against the agency training budget as well as evaluated for relevancy towards the requestor's position. Once approved, the employee will be reimbursed for their expense.

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