

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>)

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HOTLINE: 443-984-3476/800-417-0430 EMAIL: OIG@BALTIMORECITY.GOV WEBSITE: OIG.BALTIMORECITY.GOV

This public synopsis is only a summary of a more comprehensive report of investigation submitted to the appropriate City management official

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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