

OFFICE OF THE INSPECTOR GENERAL
CITY OF BALTIMORE



Isabel Mercedes Cumming
Inspector General

Investigative
Report Synopsis

OIG Case #25-0004-I

Issued: October 1, 2024



OFFICE OF THE INSPECTOR GENERAL
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City Hall, Suite 635
100 N. Holliday Street
Baltimore, MD 21202



October 1, 2024

Dear Citizens of Baltimore City,

The mission of the Office of the Inspector General (OIG) is to promote accountability, efficiency, and integrity in City government, as well as to investigate complaints of fraud, financial waste, and abuse. The following synopsis is a condensed version of the full report provided to City management officials and does not contain all investigative information.

As part of its independent investigation involving the Department of Public Works' (DPW) Bureau of Solid Waste (BSW), the OIG learned that over a hundred solid waste workers did not have health insurance. Witnesses reported to the OIG that they were unaware that they did not have health insurance coverage and had difficulty accessing Workday, the City of Baltimore's (City) human capital management system.

Background

The City implemented Workday in late 2020 for multiple human capital management functions, including employee benefits. New City employees have 45 days from their start date to enroll in health insurance and other employee benefits. If a new City employee does not enroll within 45 days, they will not be eligible to enroll until the next open enrollment period.

This year's open enrollment period is from October 21 to November 4, 2024. A City employee who does not enroll in a City health insurance plan and dental, vision, and prescription drug programs may be eligible for a waiver credit. According to the labor union agreements outlined below, the City will issue an annual payment (waiver credit) to City employees who can provide satisfactory proof of alternative (non-City) health insurance coverage.

The majority of DPW's employees are in the American Federation of State, County, and Municipal Employees Local 44 union (AFSCME Local 44) and are eligible for a \$2,500 waiver credit (Exhibit 1). The waiver credits are paid on a bi-weekly basis. A \$2,500 waiver credit would equate to an additional \$96.15 per paycheck. City Union of Baltimore (CUB) employees are also eligible for either a \$2,500 waiver credit or a \$650 waiver credit, depending on the coverages waived (Exhibit 2).

The annual salary in Fiscal Year 2023 for DPW Laborers and Solid Waste Workers was approximately \$39,000. Solid Waste Drivers and CDL Drivers averaged \$49,000 and \$52,000, respectively.¹ A \$2,500 waiver credit would represent an approximate 6% increase for Solid Waste Workers' salaries and an approximate 5% increase for driver salaries.

The City is a "second-chance" employer, and many solid waste workers have had limited educational opportunities and experiences. For some workers, this is their first job in their lives. The number of employees without health insurance or waiver credit clearly demonstrates that DPW and DHR need to focus on providing additional support to solid waste workers with the Workday system throughout the

¹ Salary information was compiled with information from Open Data Baltimore, <https://data.baltimorecity.gov/>.

REPORT FRAUD, WASTE AND ABUSE

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

onboarding and enrollment processes. The City should strive to give the workforce the resources necessary for their success.

No Health Insurance List and Calls

As part of the ongoing investigation, the OIG learned that neither worker on a particular solid waste truck at the time had health insurance. This fact caused the OIG to inquire why employees did not have insurance or waiver credit. The OIG asked the DHR to produce a list of how many DPW BSW workers lacked health insurance.

On August 19, 2024, the OIG received a DHR list of 136 BSW employees who did not have health insurance coverage. Since receiving the report, two (2) employees have enrolled in health insurance because they were in their new employee start window. Moreover, the remaining 134 employees who do not have City-provided health insurance also do not receive the City’s waiver credit.² DPW’s BSW has approximately 741 employees. The 134 employees represent 18% of all BSW employees.

The OIG was able to speak with 46 employees on the list. Numerous employees reported receiving brief or no information about benefits during orientation and expressed issues with using Workday. The OIG learned that supervisors often complete Workday time entries for their employees because employees have trouble with Workday.

Nineteen (19) employees contacted said they were unaware that they did not have City health insurance benefits.³ Nine (9) of the employees stated they did not have an alternate provider, while three (3) were unsure. One (1) employee shared that they only recently learned they did not have health insurance after being hospitalized. Furthermore, only two (2) of the 46 employees knew about the City’s waiver credit eligibility. Table 1 below displays the information reported by the 46 employees contacted and the corresponding percentages.⁴

Table 1: Number of employees reporting health insurance information by category

<u>Category</u>	<u># of Employees</u>	<u>Approximate Percentage Based on 46 Employees Contacted</u>
Unaware of No City Health Benefits	19	41.3%
Unaware of No City Health Benefits and Reported Not Having Alternative Provider	9	19.5%
Unaware of No City Health Benefits and Reported Unsure If They Had Alternate Provider	3	6.5%
Aware of No City Health Benefits and Reported Having Alternative Provider	24	52.1%
Knew of Waiver Credit Eligibility	2	4.3%

² Seven (7) employees on the list have been terminated since August 2024 but they also did not appear to have insurance or the waiver credit.

³ Seven (7) of the employees stated they do have an alternate provider currently.

⁴ Two employees contacted did not answer the question regarding if they were aware they did not have City health insurance. One other employee said they had a flexible spending account with the City. These three employees answers are not captured in Table 1.

REPORT FRAUD, WASTE AND ABUSE

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As a result of an OIG follow-up inquiry, DHR provided a report showing that 276 DPW employees do not have health insurance through the City. DPW Executives stated they do not have readily available access to the list showing which employees do not have City Health Insurance. They explained this information must be requested from DHR.

Investigative Findings

The investigation found that 134 BSW employees do not have health insurance and are not receiving a waiver credit. After contacting 46 of these employees, the OIG learned that 19 were not aware that they were without City health insurance. A separate 24 employees confirmed that they knew they did not have City health insurance. Forty-four (44) of the 46 employees contacted stated they were not aware that they could be eligible for a waiver credit.

The DHR enrollment benefit fair website states that live representatives will be available to answer questions on October 25 and November 1, 2024, from 10 a.m. to 3 p.m.⁵ However, BSW employees are not available during those hours due to their job requirements.

The OIG is imploring DPW and DHR to collaborate to complete immediate outreach for the 276 DPW employees who currently do not have insurance so that health insurance and waiver credit information can be thoroughly explained. To assist this effort, the OIG provided a list of 106 BSW employee phone numbers compiled during the investigation. While compiling contact information for employees, the OIG found that numerous workers either did not have a phone number listed in Workday, or it was not current.

Lastly, numerous employees expressed having issues with either accessing or navigating the Workday system. As part of the DPW and DHR outreach, offering follow-up training on the Workday system to employees could be beneficial.

Sincerely,



Isabel Mercedes Cumming
Inspector General

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

Exhibits

1. AFSCME MOU
2. CUB MOU

⁵ <https://www.cobbenefitfair.com/>

Exhibit 1

Case # 25-0004-I

MEMORANDUM OF UNDERSTANDING

FISCAL YEARS 2024-2025

Between

THE CITY OF BALTIMORE

and



***THE AMERICAN FEDERATION OF
STATE, COUNTY AND MUNICIPAL EMPLOYEES***

***Council 3 and Local 44, AFL-CIO
BALTIMORE MUNICIPAL EMPLOYEES***

receipt of a valid death certificate showing that the illness which was previously determined as catastrophic contributed to or was directly responsible for the death.

Beneficiary:

The beneficiary of these benefits will be one of the following:

(a) The beneficiary designated by the employee to receive retirement system benefits; or

(b) A specifically designated beneficiary of the above benefits, in lieu of the beneficiary designated in (a) above.

If the employee so designates a beneficiary, he shall have the right to change the beneficiary at any time. The beneficiary change shall become effective on the date acknowledged by Employer.

D. The Employer shall continue to pay its share of health insurance premiums for employees on extended sick leave; provided the employee continues to pay his or her share, if any.

E. In the event an employee is on leave without pay for personal illness, the Employer shall continue to pay its share of the cost of his health insurance coverage for a period not to exceed thirty (30) days; provided the affected employee continues to assume his appropriate contribution for said coverage.

F. Employees will use the City's stand-alone drug program. Employees enrolled in HMOs will no longer use the HMO's prescription drug program.

G. The Employer shall remit an annual payment of \$2500 (twenty-five hundred dollars) to be paid bi-weekly to each employee who, with satisfactory proof of alternative Health Insurance coverage received in another plan, elects not to take any coverage under a City Health Care Plan. The waiver of coverage applies to medical, dental, vision, and prescription drug programs. Health care coverage cannot be provided by a spouse who receives City benefits. If, after waiving coverage under any City Health Care Plan, the employee loses coverage due to the death of a spouse or other person who is a source of coverage, divorce or loss of employment (or such other qualifying event as determined by the Employee Benefits Division), the employee may enroll in a City Health Care Plan and consequently relinquish the waiver payment. An employee must notify the City's Employee Benefits Division within thirty (30) days after a qualifying event occurs in order to enroll in a City Health Care Plan. The Employer shall apportion the payment should an employee either enter or leave a City Health Care Plan within a calendar year.

H. Eligible unmarried dependents who are full-time students shall be covered by Baltimore City's General Prescription Drug and Vision Care Programs until the end of the calendar year the dependents reach age 26.

Exhibit 2

Case # 25-0004-I

***MEMORANDUM OF UNDERSTANDING
FISCAL YEARS 2024-2025***

Between the

**CITY UNION OF BALTIMORE
LOCAL 800, AFT, AFL-CIO**



**MAYOR AND CITY COUNCIL OF BALTIMORE
MASTER CUB AGREEMENT PART A
UNIT II**

(Supervisory)

ARTICLE 14: HEALTH AND WELFARE

A. The parties recognize, and agree to, the Third Health and Prescription Drug Plan Agreement, as approved by the Board of Estimates on June 27, 2018, which is attached hereto as Addendum A, along with the accompanying exhibits, and which shall remain in effect as provided therein. The parties recognize that the Third Health and Prescription Drug Plan Agreement shall need to be amended and modified through bargaining conducted among all participating unions during the term of this Agreement.

While remaining in negotiation, and prior to impasse, the terms of the Third Health and Prescription Drug Plan shall remain in effect, with the intent that all terms of the Third Health and Prescription Drug Plan shall continue to operate.

B. Part-time employees covered by this Article, except employees hired before July 1, 1982, must consistently work an average of fifty percent (50%) of a regularly scheduled work week to be eligible for the benefits in A and B, above.

C. In the event an employee is on leave without pay for personal illness, the Employer shall continue to pay its share of the cost of his CareFirst Blue Cross Blue Shield or HMO coverage for a period not to exceed thirty (30) days, provided the affected employee continues to assume his appropriate contribution for said coverage.

D. Employees who reach age sixty-five (65) shall be covered by CareFirst Blue Cross Blue Shield 65 Plan Benefits in addition to Medicare. This coverage shall continue after the employee retires. In this respect the Employer shall continue to deduct the retiree's contribution, if any, from his pension, or in the alternative, the retiree shall assume his appropriate share of payment for such coverage.

E. The Employer shall provide all employees enrolled in a designated health insurance plan or plans with information concerning the particular program. This information shall be contained in a booklet which shall be provided and paid for by either the insurance carrier or the Employer.

F. Eligible unmarried dependents who are full-time students shall be covered by Baltimore City's General Prescription Drug and Vision Care Programs until the end of the calendar year the dependents reach age 23 or until the end of the year they cease being full-time students, whichever occurs first.

G. The Employer shall remit an annual payment of six hundred fifty dollars (\$650.00) (to be paid bi-weekly) to each employee who, with satisfactory proof of alternative health insurance coverage received in another plan, elects not to take any coverage under a City Health Care Plan. If, after waiving coverage under any City Health Care Plan, the employee loses coverage due to the death of a spouse or other person who is a source of coverage, divorce or loss of employment or deletion of benefits (or such other qualifying event as determined by the Employee Benefits Division), the employee may enroll in a City Health Care Plan and consequently relinquish the waiver payment. The employee must notify the City's Employee Benefits Division within sixty (60) days after a qualifying event occurs in order to enroll in a City Health Care Plan. If after sixty (60) days the employee has not enrolled in a City Health Care Plan, he must wait until the next open enrollment period.

H. Effective January 1, 2020, the Employer shall remit an annual payment of \$2,500.00 (twenty-five hundred) to be paid bi-weekly to each employee who, with satisfactory proof of alternative Health Insurance coverage received in another plan, elects not to take any coverage under a City Health Care Plan. The waiver of coverage applies to medical, dental, vision, and prescription drug programs. Health care coverage cannot be provided by a spouse/domestic partner who receives City benefits. If,

after waiving coverage under any City Health Care Plan, the employee loses coverage due to the death of a spouse or other person who is a source of coverage, divorce or loss of employment (or such other qualifying event as determined by the Employee Benefits Division), the employee may enroll in a City Health Care Plan and consequently relinquish the waiver payment. An employee must notify the City's Employee Benefits Division within 30 days after a qualifying event occurs in order to enroll in a City Health Care Plan. The Employer shall apportion the payment should an employee either enter or leave a City Health Care Plan within a calendar year.

ARTICLE 15: JOINT LABOR-MANAGEMENT CHILD CARE COMMITTEE

The Employer and CUB recognize that the issue of childcare is a concern of unit members. The Employer and CUB agree to retain a joint Labor-Management Child Care Committee composed of five (5) members of management and five (5) members of CUB which shall explore the child care needs of unit members and study available alternatives. The Committee shall be convened by within thirty (30) days of the notation of this Memorandum by the Board of Estimates and continue its work through for ninety (90) days. The Committee shall report its findings and recommendations to the Labor Commissioner and the President of CUB.

ARTICLE 16: DEATH AND ACCIDENTAL DEATH AND DISMEMBERMENT AND CATASTROPHIC ILLNESS BENEFITS

A. Death benefits shall be provided in the amount of \$17,630 or the employee's annual salary, whichever is greater. The death and dismemberment benefits for permanent part-time employees who work an average of fifty percent (50%) of a regularly scheduled work week shall be the greater amount of their annual salary or that percentage of \$17,630 which corresponds to the percentage of the work year of a full-time employee which is represented by that part-time employee's regularly scheduled annual hours.

Dismemberment benefits shall be as follows:

1. For the loss of a hand, foot, or the sight of an eye, the benefit will be one-half (1/2) the amount specified in A, above.
2. For a double dismemberment, the benefit will be equal to the amount specified in A, above. Double dismemberment shall be defined as:
 - (i) Both hands or both feet
 - (ii) One hand and one foot
 - (iii) One hand and the sight of one eye
 - (iv) One foot and the sight of one eye
 - (v) Sight of both eyes

B. In the event of accidental death, the benefit payable shall be double the amount specified in A, above.

C. The death benefit as stated in A, above, may be paid in advance to employees who are catastrophically ill. An employee who is catastrophically ill is characterized by the following: (1) he is totally disabled and therefore cannot work for the City or any other Employer in an active or limited capacity, (2) his medical prognosis shall state that the disabling illness which arose either suddenly or gradually is likely to cause the death of the affected employee within a two (2) year period, (3) the