

**Housing Authority of Baltimore City**

**Response**

**Case # 23-0018-I**

Robin Carter  
Chairperson, Board of Commissioners

Janet Abrahams  
President | Chief Executive Officer



September 13, 2023

Isabel Mercedes Cumming, Inspector General  
Office of the Inspector General  
City Hall, Suite 635  
100 N. Holliday Street  
Baltimore, MD 21202

Dear Inspector General Cumming:

This letter is in response to the Office of the Inspector General's (IG) investigation of the Department of Public Works' (DPW) water billing system involving accounts associated with the Housing Authority of Baltimore City (HABC).

Since January 2017, HABC has paid more than \$50 million to the DPW for water services. During this time, HABC uncovered several inaccurate billings produced by DPW. HABC has been in regular communication with the department for many years to correct these errors. While the amounts owed have been adjusted and corrected at times, the billing system continues to maintain inaccurate balances even though HABC paid the correct amounts that were fully substantiated by DPW and verified by HABC.

The billing system errors were stated in your report, which indicated that DPW's water billing system contained unexplained or erroneous credits and consolidated bills. Unfortunately, your office never reviewed HABC's ledgers or actual account balances to ascertain a complete understanding of the correct amounts that were charged and paid for water services.

**Enclosed please find the current DPW bill tracking report for water services that confirms the total amounts paid every month for the last six years and the ongoing inaccurate charges maintained by DPW's water billing system.** While DPW's records show that HABC has an amount due of \$8.5 million, which is wildly inaccurate, our records, as shown on the file, indicate the ongoing balance brought forward is \$1.02 million. However, this balance includes \$493,325 in disputed charges that are associated with the demolished Perkins Homes site. Once the Perkins-related charges are reflected on the account, the ACTUAL ending balance is \$533,216, which is largely made up of accounts that are still being resolved.

While an HABC staff member was contacted by your office to discuss the water billing system issue, our records were not part of your fact-finding process. Without reviewing our ledgers and other important financial records, we believe your review is considered incomplete. Additionally, HABC was not offered the ability to respond to your investigation and we were not made aware of any parts of it until contacted by the media.

Housing Authority of Baltimore City | 417 East Fayette Street, Baltimore, MD 21202

📞 410.396.3232 🌐 [www.HABC.org](http://www.HABC.org) 🐦 📘 📺 @BmoreHabc 🏠

HABC requests that you update your investigative report to include this response along with all accurate information regarding amounts owed for water services. Additionally, we request that you immediately update the public and media with the correct information to ensure accuracy and transparency.

Sincerely,



Janet Abrahams, CEO & President  
Housing Authority of Baltimore City

cc: Honorable Brandon M. Scott, Mayor  
Richard J. Luna, Department of Public Works  
Faith P. Leach, Chief Administrative Officer  
Simone C. Johnson, Deputy City Administrator  
Michael Moiseyev, Director of Finance  
Ebony Thompson, Acting City Solicitor

ENCLOSURE

Department of Public Works  
 New system billing  
 Account Number: 13000500001

Invoice Date	Invoice #	Period	Amount Due	Per DPW		Per HABC		Comments
				Current Charges (Billed)	Amount Paid	B/F balance should be		
Brought Forward			\$ 508,143.20			\$ 508,143.20		
1/17/2017	CB0000007	JAN 2017	\$ 2,479,612.57	\$ 1,971,469.37	\$ 1,745,899.69	\$ 733,712.88		
2/15/2017	CB0000008	FEB-MAR 2017	\$ 1,985,043.06	\$ 735,870.39	\$ 1,968,633.90	\$ (499,050.63)		
5/8/2017	CB0000014	APR-MAY 2017	\$ 3,172,299.96	\$ 1,071,685.97	\$ 2,306,740.93	\$ (1,734,105.59)		
6/26/2017	CB0000030	JUN 2017	\$ (551,158.85)	\$ 1,779,941.37	\$ -	\$ 45,835.78		
8/25/2017	CB0000036	JUL 2017	\$ 696,877.37	\$ 696,877.37	\$ 685,776.85	\$ 56,936.30		
10/4/2017	CB0000049	AUG-SEP 2017	\$ 2,228,918.70	\$ 1,758,144.52	\$ 1,757,381.85	\$ 57,698.97		
11/30/2017	CB0000098	OCT 2017	\$ 2,741,853.09	\$ 934,152.36	\$ 933,487.28	\$ 58,364.05		
1/3/2018	CB0000113	NOV 2017	\$ 1,533,765.03	\$ 534,644.96	\$ 534,644.96	\$ 58,364.05		
2/12/2018	CB0000137	DEC 2017	\$ 2,628,666.66	\$ 870,051.21	\$ 868,707.83	\$ 59,707.43		
3/1/2018	CB0000162	JAN 2018	\$ 2,910,700.63	\$ 851,028.25	\$ 849,994.88	\$ 60,740.80		
4/4/2018	CB0000166	FEB 2018	\$ 912,253.14	\$ 306,890.34	\$ 306,560.11	\$ 61,071.03		
5/8/2018	CB0000186	MAR 2018	\$ 2,057,492.82	\$ 634,517.59	\$ 633,546.94	\$ 62,041.68		
6/12/2018	CB0000200	APR-MAY 2018	\$ 75,020.37	\$ 695,331.83	\$ 67,820.95	\$ 689,552.56		
7/25/2018	CB0000250	JUN 2018	\$ 956,210.97	\$ 652,783.72	\$ 643,082.14	\$ 699,254.14		
9/11/2018	CB0000261	JUL 2018	\$ 1,038,475.24	\$ 262,743.54	\$ 262,743.54	\$ 699,254.14		
10/3/2018	CB0000290	AUG 2018	\$ 1,255,995.37	\$ 256,989.14	\$ 256,989.34	\$ 699,253.94		
10/31/2018	CB0000308	SEP 2018	\$ 1,580,044.11	\$ 309,635.20	\$ 309,635.20	\$ 699,253.94		
12/13/2018	CB0000321	OCT-NOV 2018	\$ 3,898,018.54	\$ 2,303,242.97	\$ 1,128,325.22	\$ 1,874,171.69		
1/2/2019	CB0000338	DEC 2018	\$ 4,209,747.55	\$ 611,605.16	\$ 329,882.22	\$ 2,155,894.63		
1/31/2019	CB0000354	JAN 2019	\$ 4,761,275.54	\$ 519,641.00	\$ 519,565.11	\$ 2,155,970.52		
3/24/2019	CB0000371	FEB 2019	\$ 5,159,420.24	\$ 515,035.22	\$ 511,733.34	\$ 2,159,272.40		
4/4/2019	CB0000384	MAR 2019	\$ 5,973,123.80	\$ 784,062.91	\$ 784,062.91	\$ 2,159,272.40		
9/11/2019	CB0000425	APR-SEP 2019	\$ 6,383,640.64	\$ 2,662,801.18	\$ 2,662,801.18	\$ 2,159,272.40		
1/15/2020	CB0000439	OCT-NOV 2019	\$ 6,418,407.97	\$ (721,233.99)	\$ (885,186.48)	\$ 2,323,224.89		
6/2/2020		DEC-APR 2020		\$ 819,660.26	\$ 1,260,273.86	\$ 1,882,611.29		
6/27/2020		MAY 2020		\$ 1,587,091.07	\$ 972,118.28	\$ 2,497,584.08		
7/29/2020		JUN 2020		\$ 960,070.97	\$ 530,136.64	\$ 2,927,518.41		
8/28/2020	CB0000576	JUL 2020	\$ 13,155,326.50	\$ 1,052,825.64	\$ 583,603.84	\$ 3,396,740.21		
9/29/2020	CB0000594	AUG 2020	\$ 14,088,480.72	\$ 936,194.03	\$ 469,669.00	\$ 3,863,265.24		
6/2/2020		DEC-APR 2020		\$ 819,660.26	\$ 2,043,254.61	\$ 2,639,670.89		
6/2/2020		DEC-APR 2020		\$ 819,660.26	\$ 548,208.04	\$ 2,911,123.11		

Department of Public Works  
 New system billing  
 Account Number: 13000500001

Invoice Date	Invoice #	Period	Amount Due	Per DPW		Per HABC		Comments
				Current Charges (Billed)	Amount Paid	B/F balance should be		
6/2/2020		DEC-APR 2020		\$ 819,660.26	\$ 370,413.24	\$ 3,360,370.13		
10/31/2020	CB0000599	SEP 2020	\$ 15,009,196.64	\$ 927,407.50	\$ 501,058.41	\$ 3,786,719.22		
11/27/2020	CB0000618	Oct 2020	\$ 15,917,928.40	\$ 976,925.29	\$ 482,724.81	\$ 4,280,919.70		
12/30/2020				\$ -	\$ 1,000,000.00	\$ 3,280,919.70		1400 E Monument Settlement
12/31/2020	CB0000649	NOV 2020	\$ 16,469,915.25	\$ 587,900.73	\$ 419,145.00	\$ 3,449,675.43		
1/29/2021	CB0000654	DEC 2020	\$ 16,600,552.07	\$ 399,800.49	\$ 484,074.97	\$ 3,365,400.95		
2/26/2021	CB0000654	DEC 2020	\$ -	\$ -	\$ 586,532.75	\$ 2,778,868.20		
2/26/2021	CB0000672	JAN 2021	\$ 17,054,471.11	\$ 699,377.93	\$ 667,395.23	\$ 2,810,850.90		
3/29/2021	CB0000690	FEB 2021	\$ 12,455,661.67	\$ 624,504.22	\$ 624,504.22	\$ 2,810,850.90		
4/30/2021	CB0000721	MAR 2021	\$ 15,150,918.11	\$ 673,121.05	\$ 642,578.35	\$ 2,841,393.60		
5/31/2021	CB0000726	APR 2021	\$ 12,720,793.44	\$ 628,166.78	\$ 628,166.78	\$ 2,841,393.60		
6/30/2021	CB0000756	MAY 2021	\$ 11,537,667.72	\$ 652,297.74	\$ 627,161.04	\$ 2,866,530.30		
7/31/2021	CB0000761	June 2021	\$ 9,549,221.31	\$ 644,470.20	\$ 644,470.20	\$ 2,866,530.30		
8/31/2021	CB0000794	July 2021	\$ 11,620,431.18	\$ 817,727.34	\$ 767,858.51	\$ 2,916,399.13		
9/30/2021	CB0000806	Aug 2021	\$ 9,928,486.84	\$ 780,537.93	\$ 780,533.60	\$ 2,916,403.46		
10/31/2021	CB0000811	Sept 2021	\$ 14,305,619.67	\$ 2,011,364.81	\$ 709,134.20	\$ 4,218,634.07		
11/30/2021	CB0000829	Oct 2021	\$ 15,144,837.62	\$ 737,486.52	\$ 737,412.63	\$ 4,218,707.96		
12/31/2021	CB0000860	Nov 2021	\$ 15,749,007.86	\$ 794,802.76	\$ 679,072.02	\$ 4,334,438.70		
1/31/2022	CB0000865	Dec 2021	\$ 16,363,920.08	\$ 679,955.05	\$ 480,831.70	\$ 4,533,562.05		
2/28/2022	CB0000895	Jan 2022	\$ 17,108,432.35	\$ 691,466.86	\$ 493,947.15	\$ 4,731,081.76		
3/31/2022	CB0000900	Feb 2022	\$ 15,130,358.79	\$ 864,386.51	\$ 594,070.18	\$ 5,001,398.09		
4/1/2022			\$ -	\$ -	\$ 371,656.24	\$ 4,629,741.85		Cherryhill reconciliation
4/30/2022	CB0000930	Mar 2022	\$ 13,008,413.20	\$ 630,057.55	\$ 618,449.37	\$ 4,641,350.03		
5/31/2022	CB0000935	Apr 2022	\$ 15,024,002.06	\$ 545,343.42	\$ 545,343.42	\$ 4,641,350.03		
6/30/2022	CB0000953	May 2022	\$ 12,434,587.24	\$ 642,811.26	\$ 634,922.95	\$ 4,649,238.34		
7/31/2022	CB0000971	Jun 2022	\$ 12,778,265.87	\$ 658,084.48	\$ 650,119.92	\$ 4,657,202.90		
8/31/2022	CB0000989	Jul 2022	\$ 13,322,210.54	\$ 696,346.00	\$ 687,590.89	\$ 4,665,958.01		
9/30/2022	CB00001007	Aug 2022	\$ 12,553,283.33	\$ 713,111.09	\$ 705,870.14	\$ 4,673,198.96		
10/31/2022	CB00001025	Sep 2022	\$ 12,753,401.55	\$ 671,188.35	\$ 665,290.19	\$ 4,679,097.12		
11/30/2022	CB00001043	Oct 2022	\$ 13,426,893.20	\$ 564,000.16	\$ 670,727.25	\$ 4,572,370.03		
12/31/2022	CB00001061	Nov 2022	\$ 10,454,575.82	\$ 840,947.16	\$ 822,433.19	\$ 4,590,884.00		
1/31/2023	CB00001079	Dec 2022	\$ 12,112,536.77	\$ 754,156.13	\$ 748,710.30	\$ 4,596,329.83		

Department of Public Works  
 New system billing  
 Account Number: 13000500001

Invoice Date	Invoice #	Period	Amount Due	Per DPW		Per HABC		Comments
				Current Charges (Billed)	Amount Paid	B/F balance should be		
2/16/2023			\$ -	\$ -	\$ 764,378.65	\$ 1,583,049.53	Perkins Settlement	\$ (2,248,901.66)
2/28/2023	CB00001110	Jan 2023	\$ 12,311,503.97	\$ 728,421.74	\$ 742,638.12	\$ 1,568,833.15		
3/31/2023	CB00001115	Feb 2023	\$ 9,734,425.04	\$ 665,865.29	\$ 665,148.41	\$ 1,569,550.03		
4/30/2023	CB00001133	Mar 2023	\$ 9,652,044.75	\$ 603,638.34	\$ 603,638.34	\$ 1,569,550.03		
5/31/2023	CB00001151	Apr 2023	\$ 9,467,295.01	\$ 687,028.85	\$ 686,311.97	\$ 1,570,266.91		
6/30/2023	CB00001169	May 2023	\$ 7,907,512.13	\$ 133,818.71	\$ 676,654.19	\$ 1,027,431.43		
7/31/2023	CB00001187	Jun 2023	\$ 8,562,067.71	\$ 676,127.90	\$ 677,017.86	\$ 1,026,541.47	Disputed - refer below	
				\$ 53,215,380.47	\$ 50,448,080.55			

\*\*\*The difference between Billed vs Paid of \$3,275,443.12million is eliminated after the Perkins settlement

<b>Calculated Unpaid Balance</b>	<b>\$ 1,026,541.47</b>		
Pekins - meter still active	\$ (88,108.52)	11000257372	1401 E PRATT ST
Pekins - meter still active	\$ (405,216.51)	11000257376	1401 E PRATT ST
<b>Ending Balance</b>	<b>\$ 533,216.43</b>	Other questionable costs for sold properties	