

OFFICE OF THE INSPECTOR GENERAL CITY OF BALTIMORE



Isabel Mercedes Cumming
Inspector General

Investigative Report Synopsis

OIG Case # 19-0030-I

Issued: October 4, 2018

CITY OF BALTIMORE

CATHERINE E. PUGH, Mayor



OFFICE OF INSPECTOR GENERAL

ISABEL MERCEDES CUMMING, Inspector General
640 City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

October 4, 2018

Dear Citizens of Baltimore City,

The Office of the Inspector General (OIG) conducted an investigation regarding time and attendance fraud by an official of the Employees' Retirement System (ERS). The complaint was received from a Baltimore City Councilperson. During the investigation, the OIG also found conflicts of interest, residency issues, and a prior relationship between the ERS official and a member of the ERS Board of Trustees (Board). What follows is the public synopsis of the Report of Investigation.

The mission of the OIG is to promote accountability, efficiency, and integrity in City government, as well as to investigate fraud, financial waste, and abuse in City government. The OIG investigation found a high-ranking ERS official was frequently absent from the ERS office. Specifically, of 157 workdays from December 2017 to August 2018, the official was physically absent more than 60 percent of the time. The official claimed he worked remotely, however the OIG found no Telework Agreement in place.

The OIG discovered that a member of the Board had recruited the official to the City. The Board member also sat on the interview panel and wrote many of the interview questions. The OIG investigation revealed that the two had a personal relationship and several business partnerships dating back to 1985. They are currently involved in several business ventures and have an office in the Baltimore area. The OIG reviewed disclosure forms and found that neither reported the other as a business partner. At no point in the hiring process, or anytime thereafter, did the official or Board member disclose their business relationship.

Additionally, the investigation revealed the ERS official and Board member are not domiciled in Baltimore City as required by Article IV of the City Charter. Each holds a Florida driver's license and one admitted to filing and paying taxes as a resident of Florida and the other intended to do so this year. The OIG learned the pair planned to share a rented apartment in Anne Arundel County when in Maryland.

The OIG also found that the official recommended that the ERS should invest no less than \$15 million into a fund managed by an investment firm with whom the official held personal investments. The official did not immediately recuse himself from the discussion surrounding the ERS investment. Prior to any deliberation conducted by the Board, the official confidentially sent an email to a representative of the management firm giving notice of the recommendation. The official did recuse himself from discussions of the investment after consulting with counsel.



The Mayor referred the OIG findings to the ERS Board of Trustees for corrective action. The ERS official is no longer employed by the City of Baltimore and the Board of Trustees member is no longer on the Board.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Isabel Mercedes Cumming". The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

Isabel Mercedes Cumming
Inspector General

Cc: Hon. Catherine E. Pugh, Mayor of Baltimore City
Hon. Bernard C. Young, President, Baltimore City Council
Hon. Joan M. Pratt, Comptroller of Baltimore City
Honorable Members of the Baltimore City Council
Hon. Andre M. Davis, City Solicitor