

Department of Finance
Response
Case #22-0050-I

FROM

NAME & TITLE

Henry Raymond, Director of Finance

H Raymond

AGENCY NAME & ADDRESS

Director of Finance
100 N. Holliday St., 469, Baltimore, MD 21202

SUBJECT

OIG Case: #22-0050-I

CITY of
BALTIMORE

M E M O



TO: Isabel Mercedes Cumming
Inspector General
Office of the Inspector General

DATE: July 18, 2022

Subject: Erroneous Personal Property Tax Refund

This memo is in response to the Department of Finances (DOF) Bureau of Revenue Collections (BRC) division's issuance of a \$2,014,571.63 erroneous refund to the incorrect party.

The erroneous refund occurred due to a couple of factors- the vendor [REDACTED] services improperly processed a payment intended to satisfy a personal property tax bill for another account in June 2021. Instead [REDACTED] applied that businesses payment of \$1,008,905.89 to a personal property tax bill for the business [REDACTED] through a key in error, transposing digits in an account number.

[REDACTED] provides the [REDACTED] software system which is utilized to process personal property tax bills. When the DOF attempted to reverse the payment from [REDACTED] account and apply the payment to the correct vendor in [REDACTED] the payment did not reverse, but duplicated creating a \$2,014,571.63 credit to [REDACTED] account.

When Personal Property tax refunds were processed in March 2022 and [REDACTED] was issued a check for the previously specified amount. A representative for [REDACTED] deposited the check in [REDACTED] account.

In response to these events, DOF took the following actions :

- a. notified relevant parties including the Office of the Inspector General and the Law Department. retrieved the remaining funds that were in [REDACTED] [REDACTED] [REDACTED] of \$1,956,216.08 on May 12, 2022;
- b. [REDACTED]
- c. Vendor follow up with [REDACTED] representatives to understand why the payment was duplicated versus deleted. To date, the vendor has been unable to recreate or explain the duplication. DOF will continue to follow up with the vendor to obtain an explanation.
- d. DOF updated its SOP's for the personal property unit as it relates to issuing refunds; this includes instituting a review of all refund transactions over \$10,000 to confirm that: the refund is valid, the refund is intended for the originating account, that no outstanding bill exists on the originating account.
- e. DOF will continue to follow up with the Law Department to ascertain any contractual remedies available to the City as relates to the vendors, [REDACTED].