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Synopsis of OIG Final Report #2011-123 (DPW)

Hon. President and Members of the City Council  
400 City Hall

07/24/2012

Please find the Office of Inspector General’s Public Synopsis of Investigation 2011-123 concerning overbilling of the Department of Public Works (hereinafter “DPW”) by EBA Engineering, Inc. (hereinafter “EBA”).

On 09/06/2011, the OIG received information pertaining to possible fraudulent billing by EBA and initiated an investigation. The investigation involved a detailed audit of invoices and supporting material. The OIG determined that 313 labor hours could not be supported. Further, that material discovered during the audit indicated that the labor had likely been performed under a Washington Suburban Sanitary Commission contract and was intentionally shifted to be billed against the City contract. The result of EBA’s shifting of labor hours caused the City to be overbilled by \$26,492.28.

Upon issuance and review of the OIG Draft Report, the DPW concurred with our recommendations and proposed significant and meaningful change to their contract oversight and control protocols. The OIG believes that, if effectuated, the proposal set forth by the DPW would represent a substantial enhancement to City oversight and commends the DPW for its initiative.

The OIG remains committed to providing independent investigations that help provide increased transparency of government, a solid foundation for meaningful policy review, and a platform for staff accountability.

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100 N. Holliday Street  
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**OFFICE OF THE INSPECTOR GENERAL  
BALTIMORE CITY**

100 N. Holliday Street, Room 640  
Baltimore, MD 21202



**Public Synopsis**

**Synopsis of OIG Report #IG 2011-123: Overbilling of Department of Public Works by Engineering Contractor**

**ISSUE**

A vendor has invoiced the City for hours that were not worked on City of Baltimore projects or contracts. The invoice in question included billing for 409.5 labor hours; however, the Office of Inspector General (hereinafter “OIG”) has found that only 96.5 labor hours can be supported. For the other 313 labor hours, the timesheets, daily logs, and recollections gathered all indicate that the work had been performed on a project for the Washington Suburban Sanitary Commission (hereinafter “WSSC”).

**SUMMARY**

On 09/06/2011, the OIG was contacted regarding fraudulent billing by a City contractor. The confidential source alleged that EBA Engineering, Inc., (hereinafter “EBA”) was fraudulently billing the City and provided specific and credible information to support the allegations. As a result of an initial evaluation of the information received, the OIG initiated an investigation to identify if fraudulent billing had occurred, and if so, determine the dollar amount fraudulently billed to the City.

EBA’s services include civil, environmental, geothermal, transportation, and water systems engineering; construction management; inspection; and various testing. EBA has been the primary contractor on seven City projects. On three of those seven projects, EBA was in a joint venture with Kennedy, Porter, and Associates, Inc. (hereinafter “KPA”). KPA subsequently became a subsidiary of EBA as of 10/31/2001. EBA is the design consultant on a number of City projects. Table A contains a breakdown of the City’s current and/or recently ended contracts with EBA.

Table A:

Project #	B/D #	Project Name	Contractor	Status	Total Authorized
1063	08763	For Materials Testing and Inspection Services	EBA	Active	\$ 1,799,998.81
1129E	10539	Urgent Need Wastewater Engineering Services	EBA	Active	1,000,000.00
1141E	11542	Improvements to High Level Sewershed Collection System	EBA	Active	1,500,000.00
1095E	09795	On-Call Civil/Structural Engineering Services	EBA/KPA	Active	1,500,000.00
1042E	07542	Urgent Need Wastewater Engineering Services	EBA	Inactive	749,435.40
998	05922	On-Call Civil/Structural Engineering	EBA/KPA	Inactive	698,798.63
1099E	08850	On-Call Civil/Structural Engineering Services	EBA/KPA	Active	1,000,000.00

The OIG selected and initiated contract reviews of Project 1141E and Project 1099E. The reviews were done pursuant to Article F, Section 18 of the Agreement between the City and EBA for Project 1141E and Article G, Section 19 of the Agreement between the City and the Joint Venture of EBA and KPA for Project 1099E. Both contract sections read as follows:

*At any time during normal business hours and as often as the CITY/or its representatives may deem necessary, there shall be made available to the City or its representatives for examination, all of the CONSULTANT’S records with respect to all matters covered by the Agreement, and CONSULTANT will permit the CITY or its representatives to audit, examine, and make excerpts of transcripts from such records, and to make audits of all contract invoices, materials, payrolls, and other data relating to all matters covered by this Agreement.*

During the review process, the OIG collected and analyzed a number of EBA employees’ timesheet information as entered into EBA’s project management, timekeeping, and billing software program. The timesheets collected covered the time period from 03/01/2011 to 07/31/2011. Timesheets were requested for all EBA employees that were listed on invoices received by the City.

The timekeeping information entered by EBA personnel was then cross-referenced against invoices the City had received that included work done between 03/01/2011 and 07/31/2011. The OIG determined that a total of 313 hours that had been billed to the City actually had supporting data indicating that the work was done for another EBA client. The 313 hours were all billed on EBA invoice number 379500-005 for Project 3795, which is EBA’s internal number for City Project 1141E noted above in Table A. More specifically, all 313 hours were added to Task 2 of Project 1141E.

The invoice was dated 08/17/2011 and stamped “received” by the City on 08/26/2011. The invoice covers the billing period from 06/01/2011 to 07/31/2011. The 313 hours billed to the City include hours from six different EBA personnel. After applying the hourly rates of the six personnel, the direct labor cost is \$10,259.82. However; the total amount reflected in invoice 379500-005 exceeds the direct labor cost due to the addition of an overhead rate and consultant’s fee, which are both based off of the direct labor. After adding the direct labor, overhead rate, and consultant’s fee, the total amount billed for the 313 hours is \$26,492.28.<sup>1</sup> The total amount billed on invoice 379500-005 was \$33,520.62 and included 409.5 labor hours, of which 96.5 hours were properly supported by timesheets, as well as other miscellaneous billable charges. The 313 hours account for 79% of invoice 379500-005. The OIG noted that invoice 379500-005 had not yet been paid by the City and requested that the DPW hold the payment pending the outcome of the inquiry.

The 313 hours entered by the six different EBA personnel were all entered into EBA’s internal management system as being billable to the WSSC under Project 3663 Tasks 6 and 7. Project 3663 is EBA’s internal number for the WSSC Contract PM0019A08. Task 6 of this Contract is titled “Grandhaven Avenue Water Main Replacement” and Task 7 is titled “Chevy Chase Village Water Main Replacement.” Inquiries with WSSC revealed that WSSC had not been billed for those 313 hours under Contract PM0019A08. Six EBA personnel listed on invoice 379500-005 whose timesheets reflected work for WSSC are as follows:

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<sup>1</sup> The direct labor rate of \$10,259.82 is multiplied by 134% to get an overhead rate of \$13,824.07. The \$10,259.82 and \$13,824.07 are combined and multiplied by 10% to get the consultant’s fee of \$2,408.39. In total, the 313 hours increase the invoice by \$26,492.28. The overhead and consultant’s fee are based on the Project Agreement.

<b>EBA Personnel</b>	<b>Hours</b>
KB, CADD Operator	16.0
MH, Sr. Project Manager	24.0
HL, Project Engineer	168.5
TS, CADD Operator	43.5
DS, Engineering Technician	18.0
BW, CADD Operator	43.0
<b>Total</b>	<b>313.0</b>

The OIG then gathered additional information on City Project 1141E. The Project is titled “Wastewater Engineering Services for the Improvements of High Level Collection System.” The contract commenced on 01/12/2011 and remains in effect for a period of five years, or until the upset limit is reached, whichever occurs first. The payments to EBA are not to exceed \$1,500,000. For Project 1141E, EBA will provide engineering services necessary to further evaluate, prepare a Design Memorandum, develop contract documents, and provide post-award services for the rehabilitation of the collection system in High Level Sewershed Sub Basins HL37 and HL40.

The improvements are intended to eliminate sanitary sewer overflows by providing additional hydraulic capacity and reducing infiltration and inflow. The recommended improvements include structural improvements to the system assets and consist of approximately 76,717 feet of CIPP lining, 2,180 feet of sewer cleaning, 2,600 feet of 15-inch relief sewer from Ridgeway to Tawanda, 219 point repairs by other means, and inspection and rehabilitation or replacement of 286 manholes. EBA shall also develop contract documents for re-inspection of existing assets, including approximately 399,000 linear feet of sewers and 2,128 manholes. These existing assets are not recommended for any improvement work but must be re-inspected to meet Consent Decree requirements as issued by the Environmental Protection Agency (hereinafter “EPA”). The information gathered by EBA will be utilized to develop a Design Memorandum for the recommended improvements. Once the Design Memorandum is approved by the City, EBA will prepare contract documents for construction of the recommended improvements. The scope of the Project is divided into five tasks:

1. Task 1 – Project Management
2. Task 2 – Document Review and Design Memorandum
3. Task 3 – Field Investigations
4. Task 4 – Design Services
5. Task 5 – Post-Award Services

Task 1, Project Management, involves overall project management and coordination of Project 1141E, including the activities of its subconsultants and subcontractors. Subtasks under Task 1 include the following:

1. Subtask 1.1 – Project Initiation Meeting
2. Subtask 1.2 – Progress Meetings
3. Subtask 1.3 – Project Management and Contract Administration
4. Subtask 1.4 – Community Meetings

Task 2, Document Review and Design Memorandum, involves reviewing available information generated from a previous City project for the areas covered by Project 1141E and preparing a Design Memorandum for the recommended improvements. Subtasks under Task 2 include the following:

1. Subtask 2.1 – Document Review
2. Subtask 2.2 – Hydraulic Modeling
3. Subtask 2.3 – Design Memorandum (35% Design)
4. Subtask 2.4 – Right-of-Way Documents

Task 3, Field Investigations, involves providing the necessary resources and services to perform field surveys and environmental assessments necessary for designing the recommended improvements. Subtasks under Task 3 include the following:

1. Subtask 3.1 – Field Survey
2. Subtask 3.2 – Environmental Assessment
3. Subtask 3.3 – Geotechnical Investigation

Task 4, Design Services, involves the professional engineering services to prepare contract documents sufficient for a contractor to perform this rehabilitation project. Subtasks under Task 4 include the following:

1. Subtask 4.1 – 70% Design Documents
2. Subtask 4.2 – 100% Design Documents
3. Subtask 4.3 – Permit Applications
4. Subtask 4.4 – Bid-Ready Documents
5. Subtask 4.5 – Assistance During Bidding and Award

Task 5, Post Award Services, involves assisting the City during construction to oversee that the work performed by the contractor is completed in accordance with the design and as specified in the contract documents. Subtasks under Task 5 include the following:

1. Subtask 5.1 – Submittals
2. Subtask 5.2 – Technical Consultations, RFIs, and Change Orders
3. Subtask 5.3 – Progress Meetings/Conferences
4. Subtask 5.4 – CCTV Inspections
5. Subtask 5.5 – Conditional and Final Acceptance Inspection
6. Subtask 5.6 – Record Drawings and GIS Update

The 313 hour discrepancy between the invoiced hours and supporting timesheets were all billed under Task 2, Document Review and Design Memorandum. Accordingly, a more detailed summation of the work under Task 2 is as follows:

- Under Subtask 2.1, Document Review, EBA shall review available CCTV and manhole inspection records to confirm the previously made recommendations and formulate the necessary rehabilitation work. Based on this review, EBA shall select the rehabilitation techniques that are considered most appropriate for the repairs.
- Under Subtask 2.2, Hydraulic Modeling, EBA will coordinate with the City and the project manager on any hydraulic simulations necessary during the design of recommended hydraulic improvements.

- Under Subtask 2.3, Design Memorandum (35% Design), EBA shall utilize the findings from the document review and the hydraulic simulations to prepare a design memorandum which details the extent, methods, and limits of the rehabilitation work and hydraulic improvements. The Design Memorandum will consist of preparation of 35% design level guidelines and include preliminary plans that delineate the limits and location of the work. The memorandum shall be prepared to City specifications, will identify permits anticipated for the proposed work, and include an engineer's estimate of the most probable construction costs (35% level). After submittal of the Design Memorandum, a field walk will be scheduled with the City to review the submittal in the field.
- Under Subtask 2.4, Right-of-Way Documents, EBA shall gather all right-of-way information to confirm that the project is entirely within the City's right-of-way, easements, or property. After completing research, EBA shall submit to the City the required right-of-entry documents and right-of-way easement plats.

After reviewing the results from the cross-reference between EBA employee timesheets and the hours billed on invoice 379500-005, the OIG initiated a series of interviews with EBA personnel. The interviews provided additional information about Project 1141E and more specifically, Task 2 of Project 1141E.

During EBA personnel interviews, the OIG gathered further information about Project 1141E and each of its tasks. Key points from the interviews indicated that work under Project 1141E commenced in January of 2011. The January work was primarily paperwork related to Project management and commencement. The CCTV inspections under Task 2, Subtask 2.1 began toward the end of February 2011 when the videos were received. The CCTV inspections continued through March and April 2011. Also during March and April 2011, EBA personnel were reviewing the manhole inspections under Task 2, Subtask 2.1. While the reviews of CCTV and manhole inspections were ongoing, EBA was working on the Design Memorandum (35% Design) for Task 2, Subtask 2.3. Occurring simultaneously, some work was being performed under Task 3, Field Investigations. The 35% level Design Memorandum was completed and received by the City on 04/22/2012.<sup>2</sup> After completion of the Design Memorandum, EBA would continue working on Task 3, Field Investigations, and begin Task 4, Design Services.

Sometime in early June, the amount of work being performed by EBA personnel on Project 3795 greatly decreased when EBA was verbally notified that a stop-work-order was pending because of regulatory issues between the City and the EPA.<sup>3</sup> The formal stop-work-order was written by the City on 06/28/2011 directing EBA to stop all work on the Project and that EBA shall only proceed based on written approval from the City. In August, EBA was authorized to resume working on parts of the project that are not dependent on the size of the storm flows. Currently, work on Project 1141E is still limited to areas not dependent on the outcome of the regulatory issues between the City and the EPA.

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<sup>2</sup> DPW's Water & Wastewater Engineering Office's records state that the Design Memorandum was received 04/22/2011.

<sup>3</sup> The regulatory issues were over the size of the storm flows that the sewer system should be able to convey without sanitary sewer overflows. The City was using two-year storm flows and the EPA wanted the improvements designed to handle five-year or ten-year storm flows.

## INTERVIEWS

Turning then to interviewing EBA staff the OIG began a series of interviews in an effort to determine how and why the billing labor transfer occurred. The following points are demonstrative of the issues.

During an interview with an EBA Accounts Receivable Specialist at EBA Engineering it was determined that she had been instructed by a Vice President of EBA's Water Systems Engineering Division to transfer the labor from EBA Project 3663 to EBA Project 3795. In support of the transfer the following documentation was recovered: An email dated 08/11/2011 from the aforementioned Vice President that that requested the transfer of labor hours as well as a breakdown of the hours to be transferred; a note explaining the transfer; and the Vice President of EBA's Water Systems Engineering Division signature of approval.

The note of explanation stated, "*The project manager is on short term . . . leave and the acting manager provided an incorrect job number to the staff working on this project. As soon as we realized this mistake this labor transfer was initiated and staff was informed of correct number.*" This email has been included as Attachment 1. The OIG was able to confirm that the Project Manager was out on short-term leave during the summer months and had subsequently returned to work at EBA; however, the Project Manager had resigned prior to the OIG's interviews and was not able to be interviewed.

Additional interviews were conducted with an EBA Project Engineer who had spent a considerable number of hours working on the CCTV reviews for Project 1141E in March and April 2011. The City was also billed for 168.5 of the Project Engineers time in June and July 2011. However, the Project Engineer's timesheets reflected that those 168.5 hours were worked for WSSC. The Project Engineer was able to recall working on Project 1141E during March 2011, but not in the summer months. He recalled working on WSSC projects during summer 2011. Additionally, he provided his daily log book where he handwrites brief descriptions of work performed. The entries in March confirmed that he had been working on CCTV reviews for Project 3795. A review of the days in June and July on which the City was billed for the Project Engineer's labor hours did not state anything that could be related to the City of Baltimore, DPW, Project 1141E/3795, or the High Level Collection System. Instead, the work descriptions mentioned WSSC, which was supported by the Project Engineer's recollections.

The OIG also interviewed an EBA CADD Operator. The City was billed for 43.5 of the CAD Operator's labor hours in June and July 2011, which had timesheet data indicating work done for WSSC. The CAD Operator recalled working on CCTV reviews for Project 1141E; however, he could not recall when he did so. Further, he provided his daily log book which included descriptions on the days in questions that indicated he was working in a WSSC project for the Chevy Chase, Maryland area. Much of the work described under the WSSC Chevy Chase project involved the moving of utility lines and the labeling of house numbers; while nothing in the OIG investigation of Project 1141E mentioned either the moving of utility lines or the labeling of house numbers.

Based on the information received regarding the work and timeline of Project 1141E, as well as the timesheets reflecting work done for WSSC, further supported by EBA employees' daily log books and employee recollections, the OIG conducted interviews with certain EBA management. The purpose of these last interviews were to determine if any documentation existed supporting that the

work was done for the City and to inform EBA that without any exculpatory documentation, invoice 379500-005 appears erroneous or potentially fraudulent. EBA management stated that they would look into the matter and respond shortly.

On 04/18/2012, EBA's Treasurer was interviewed. The Treasurer stated that nothing existed to substantiate the labor transfer and indicated that the transfer was a "hasty mistake" made by the Vice President of EBA's Water Systems Engineering Division. It was further stated that EBA was implementing changes to their internal controls to prevent similar occurrences in the future. Finally, the Treasurer stated that EBA values the work they do for the City and that they are willing to work with the City on resolving this issue.

In a later meeting on 05/23/2012, the Treasurer stated that they had conducted an internal audit of all invoices for Project 3795 and found no other labor transfers between different Projects. All of the adjustments found were between tasks or labor code changes, neither of which changes the total invoice amounts. Also on 05/23/2012, EBA's President stated that this is the first time something like this has happened in his forty-two years at EBA.

## **INVESTIGATION**

### **CHRONOLOGY OF RELEVANT EVENTS**

01/12/2011:	City Project 1141E, Wastewater Engineering Services for the Improvements of High Level Collection System, commences.
04/22/2011:	Design Memorandum (35% Design) received by City.
06/28/2011:	City formally issues stop-work-order due to EPA dispute.
08/2011:	EBA authorized to resume work on Project areas not dependent on size of storm flows.
08/11/2011:	EBA internal email instructing the labor transfer to Project 1141E.
08/26/2011:	Invoice 379500-005 received by City.
09/06/2011:	OIG investigation initiated.
09/2011 – 10/2011:	OIG instructs DPW Contract Administration not to process invoice 379500-005 for payment.
12/22/2011:	EBA notified of OIG contract reviews on Project 1141E and Project 1099E.
01/19/2012–05/23/2012:	OIG document collection from EBA and interviews of EBA personnel.
05/31/2012:	Revised invoice 379500-005 received from EBA.

### **Document/Report Examination**

In the course of the investigation, the OIG obtained and reviewed the following documents and/or reports:

- 1) DPW Contract Documents and Invoices Received – Project #1063, B/D #08763, EBA Internal Project #3468 – "For Materials Testing and Inspection Services"

- 2) DPW Contract Documents and Invoices Received – Project #1095E, B/D #09795, EBA Internal Project #3559 – “On-Call Civil/Structural Engineering Services”
- 3) DPW Contract Documents and Invoices Received – Project #1129E, B/D #10539, EBA Internal Project #3759 – “Urgent Need Wastewater Engineering Services”
- 4) DPW Contract Documents and Invoices Received – Project #1099E, B/D #08850, EBA Internal Project #3743 – “On-Call Civil/Structural Engineering Services”
- 5) DPW Contract Documents and Invoices Received – Project #1141E, B/D #11542, EBA Internal Project #3795 – “Improvements to High Level Sewershed Collection System”
- 6) EBA Prepared Spreadsheets Documenting Sewershed CCTV Reviews and Manhole Inspections for Project 1141E
- 7) EBA Internal timesheets covering 3/1/2011 – 7/31/2011 reviewed for 19 different personnel.
- 8) EBA Employee Daily Logs (Handwritten)
- 9) EBA Internal Email 08/11/2011, Subject “RE: Labor Transfers” - See Attachment 1
- 10) EBA Internal Audit Results on Project 3795
- 11) Revised EBA Invoice 379500-005

## **FINDINGS AND GAPS**

After reviewing the various documentation, considering applicable policy, and speaking with key staff during the course of this investigation, the OIG has made a series of findings concerning the processes and actions noted above. Due to the OIG instituting a hold on invoice processing for invoice 379500-005, the invoice was not provided to the City’s project manager for approval. Accordingly, it is unknown if the large amount of labor hours billed on invoice 379500-005 would have been questioned and approved. As a result, the OIG has not identified gaps in policy and procedures utilized by the DPW project managers that are charged with overseeing contract work performance and approving the corresponding invoices for payment. However, the OIG believes that had the complainant not stepped forward, the discrepancies behind this invoice would not have been discovered.

## **Findings**

1. EBA is the Primary Consultant on City Project 1141E, which commenced on 01/12/2011 and remains in effect for a period of five years, or until the upset limit of \$1,500,000 is reached.
2. Project 3795 is EBA’s internal project number for the Project 1141E.
3. EBA invoice 379500-005 is the fifth invoice received for the Project and covers the billing period from 06/01/2011 to 07/31/2011.
4. EBA invoice 379500-005 includes 409.5 labor hours, and the total invoice amount is \$33,520.62.
5. Of the 409.5 labor hours on invoice 379500-005, 313 hours were not supported by EBA employees’ timesheets.

6. The 313 labor hours not supported by timesheets on invoice 379500-005 were all entered into EBA's timekeeping system as being billable to WSSC.
7. The 313 labor hours not supported by timesheets on invoice 379500-005 included hours from six different EBA personnel. The hours are broken down as follows:

<b>EBA Personnel</b>	<b>Hours</b>
KB, CADD Operator	16.0
MH, Sr. Project Manager	24.0
HL, Project Engineer	168.5
TS, CADD Operator	43.5
DS, Engineering Technician	18.0
BW, CADD Operator	<u>43.0</u>
<b>Total</b>	<b>313.0</b>

8. After applying the hourly rates of the six EBA personnel, the direct labor cost added to invoice 379500-005 is \$10,259.82. The total cost added to invoice 379500-005 is increased by an overhead rate and consultant's fee which are both based off of the direct labor. After adding the direct labor, overhead rate, and consultant's fee, the total cost of the 313 labor hours added to invoice 379500-005 is \$26,492.28.
9. The 313 labor hours not supported by timesheets were all billed under Task 2, Document Review and Design Memorandum.
  - a. The subtasks under Task 2, include Document Review, Hydraulic Modeling, Design Memorandum (35% Design), and Right-of-Way Documents.
10. Task 2, Document Review and Design Memorandum had been substantially completed in April 2011.
  - a. The Design Memorandum (35% Design) was received by the City on 04/22/2011.
11. The Project Engineer, identified as HL, whose timesheets reflected 168.5 labor hours that were entered as billable to WSSC but were billed on invoice 379500-005, was able to remember working on Project 1141E in March 2011 and working on WSSC projects during the summer of 2011.
  - a. The Project Engineer also maintained a handwritten daily log book that contains brief descriptions of work performed. The log book's entries on days in June and July 2011 that were billed on invoice 379500-005 did not state anything related to the City of Baltimore, DPW, Project 1141E/3795, or the High Level Watershed Collection System. Instead, the work descriptions on those dates mentioned WSSC.
12. The CADD Technician identified as TS, whose timesheets reflected 43.5 labor hours that were entered as billable to WSSC but were billed on invoice 379500-005, was not able to recall when he worked on Project 1141E.
  - a. A review of the CAD Technician's daily log book revealed that most of his work on Project 1141E occurred in March and April 2011. His log book entries from June and July of 2011 that were billed on invoice 379500-005 did not state anything related to the City of Baltimore, DPW, Project 1141E/3795, or the High Level Watershed Collection System. Instead, the work descriptions on those dates mentioned WSSC.

13. The 313 hours not supported by timesheets were transferred to Project 1141E from the WSSC project after instruction from EBA's Vice President.
  - a. The EBA Vice President stated that the 313 hours had been worked for the City of Baltimore, and the employees had incorrectly entered WSSC as the client and project in the timekeeping program.
14. EBA's Treasurer stated that the labor transfer was a hasty mistake made by an EBA Vice President and that there is nothing to support the transfer.

## **Recommendations**

1. The OIG recommends that the DPW request that EBA fund an independent CPA firm audit of all invoices received from EBA since 01/01/2006. The purpose of the audit would be to discover and investigate the existence of large labor billing transfers between different contracts. The results of this audit would illustrate if the billing labor transfer to Project 1141E was a onetime occurrence or just one example in a series of erroneous or possibly fraudulent billings.
2. Based upon the intentional actions taken by a senior EBA manager to shift invoicing to the City, the OIG recommends the Department of Law consider additional actions concerning the current contract administration and any future procurement actions to the extent feasible and consistent with City policy.
3. The OIG recommends that DPW require EBA to prepare a completely new invoice to replace invoice 379500-005. This invoice should cover the same time periods as the original invoice and reflect the proper amount of hours and charges that were worked for Project 1141E and adequate supporting material.<sup>4</sup>
4. The OIG also recommends that the DPW create an additional oversight measure/audit plan to engage in the detailed review, or services, or invoicing on a regular basis. Engaging in this type of action greatly increases the perception by vendors that improprieties will be detected and provides increased incentive for vendors to ensure the accuracy of their charges and quality of their services. Vendors may be selected randomly or through the use of different thresholds that would trigger an audit/review.

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<sup>4</sup> On 05/31/2012 EBA delivered a revised invoice 379500-005 to DPW Contract Administration and the OIG. The invoice covers the same billing period and includes 96.5 labor hours with a total invoice amount of \$6,971.73.