

OFFICE OF THE INSPECTOR GENERAL CITY OF BALTIMORE



Isabel Mercedes Cumming
Inspector General

Investigative Report Synopsis

OIG Case # 20-0015-I

Issued: December 7, 2020



OFFICE OF THE INSPECTOR GENERAL
Isabel Mercedes Cumming, Inspector General
City Hall, Suite 635
100 N. Holliday Street
Baltimore, MD 21202



December 7, 2020

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. This case was conducted with the assistance and advisement of the Economic Crime Unit (ECU) at the States Attorney's Office.

On August 27, 2019, the OIG received a complaint from a Baltimore City vendor (Vendor) alleging they did not receive payment for services rendered, even though the Baltimore City Department of Finance (DOF) informed the Vendor the invoices were in fact paid. After the Vendor contacted the Bureau of Accounts Payable System (BAPS), they learned a Vendor Payment and Electronic Funds Transfer Form¹ (EFT) was submitted to BAPS department, rerouting the payments from Vendor's M&T Bank account to a Wells Fargo Bank. Additionally, on the EFT form the point of contact was changed. The Vendor contacted the OIG after receiving this information from BAPS and explained that they did not submit the new EFT form and the information outlined was false including the banking information.

The OIG confirmed that on April 30, 2019, the Vendor's banking remittance information was changed in the City Dynamics (Dynamics).² At the time of the change, the audit function in Dynamics was not active, so the OIG could not immediately identify who made the change in the system. However, upon further investigation the OIG was able to identify the BAPS employee who processed the EFT form. The BAPS employee changed Vendor's remittance bank from M&T Bank to a Wells Fargo Bank account that was not associated or authorized by the Vendor. The OIG found that between May 3, 2019 and July 5, 2019, the two EFT deposits, totaling \$62,377.50 went to the fraudulent Wells Fargo Bank account. The OIG issued a Management Alert to the DOF on September 27, 2019, outlining the issues. The employee who made the changes is no longer employed with Baltimore City.

With the assistance of the ECU, the OIG determined a suspect (suspect) who is the only individual named on the Wells Fargo account where the Vendor payments were deposited. The suspect is not an employee of the Vendor and is in no way affiliated with the company. Additionally, the suspect has never been an employee of the City of Baltimore. The suspect failed to report the erroneous deposits to Wells Fargo Bank, the City, the Vendor or to any law enforcement authority. It was determined through investigative means the suspect made several large withdrawals and multiple transfers in another State from the account, after the fraudulent deposits were made.

¹ The form used by City vendors to change payment remittance information including bank accounts and company contacts.

² City Dynamics is the accounting system for the City of Baltimore.

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On August 6, 2020, the OIG filed charges with the District Court of Baltimore City. The State of Maryland issued an Arrest Warrant charging the suspect with multiple counts of forgery and theft. Furthermore, the OIG assisted Risk Management in executing an insurance claim covering the full amount of \$62,377.50 to the Vendor. The OIG confirmed the Vendor was paid for their services.

Sincerely,

A handwritten signature in blue ink that reads "Isabel Mercedes Cumming". The signature is fluid and cursive, with a long horizontal stroke at the end.

Isabel Mercedes Cumming, Inspector General
Office of the Inspector General

Cc: Hon. Bernard C. "Jack" Young, Mayor of Baltimore City
Hon. Brandon Scott, President, City Council
Hon. Joan M. Pratt, Baltimore City Comptroller
Honorable Members of the Baltimore City Council
Hon. Dana P. Moore, Acting City Solicitor

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