



Public Synopsis

OIG Report #111430-110


Employee Theft and Misuse of City Time/Resources

Department of Transportation

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Office of Inspector General
100 Holliday Street
Suite 640, City Hall
Baltimore, MD 21202

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FROM	NAME & TITLE	David N. McClintock – Inspector General	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Office of Inspector General 640 City Hall		
	SUBJECT	Synopsis of OIG Final Report #IG 111430-110 (DOT)		

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

DATE: 11/09/2012

Attached please find the Office of the Inspector General’s (hereinafter “OIG”) Public Synopsis of our Final Report of Investigation relating to Department of Transportation (hereinafter “DOT”) Conduit Division (hereinafter “Conduit”) employees taking unauthorized possession of heavy gauge BGE and/or City cable for the purpose of selling the material as valuable scrap for personal gain and doing so on City time with City vehicles.

During this investigation the OIG found that 12 DOT Conduit employees had received a total **\$58,857.04** over 42 transactions for the sale of valuable scrap metal that was either the property of the Baltimore Gas and Electric Company or the City.

The DOT has responded resolutely to this report by addressing specific organizational change and by initiating related personnel actions. In addition the DOT has partnered with the OIG to fund an additional OIG Agent position. This position will be tasked primarily with reviews addressing DOT related inquires.

Please also be advised that this synopsis will be made available to the general public in order to enhance transparency and maintain the public’s trust. The OIG appreciates the assistance rendered and effort provided during the course of the investigation by the Department of Finance, the Baltimore City State’s Attorney, the Baltimore City Police Department, and the DOT. We look forward to continuing our partnership to strengthen policy, procedure, and internal oversight protocols.

Sincerely yours,




David N. McClintock
Inspector General
City of Baltimore

PLEASE VISIT OUR WEBSITE@www.baltimorecity.gov

Report Response

Department of Transportation

FROM	NAME & TITLE	Khalil Zaied, Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Transportation 417 E. Fayette Street, 5 th Floor		
	SUBJECT	Response to OIG Report: 111430-110		

TO David McClintock
Inspector General
640 City Hall

DATE: November 9, 2012

Thank you for your Final Report of Investigation and Exhibits relating to Department of Transportation (DOT) Conduit Division (Conduit) employees taking unauthorized possession of heavy gauge BGE and/or City cable for the purpose of selling the material as valuable scrap for personal gain and doing so on City time with City vehicles. I understand your Final Report will be forwarded to City Council and posted publically on your website thereafter.

Again, I want to express my sincere appreciation to you and your staff for the long hours spent conducting this investigation. The Report is detailed and thorough and will be a key element in both administrative decisions and the creation of standard operating procedures.

To reiterate, in May, 2012, Conduit was dissolved and all staff reassigned to other Divisions. Management of the Conduit Maintenance Section, Leadenhall location, was transferred to the Transportation Maintenance Division under the direction of Richard Hooper. Conduit administrative support staff was relocated to several other Divisions.

As a result of the OIG's investigation and Report, twelve (12) Conduit Maintenance employees identified as receiving proceeds from Mid-Atlantic Metals are being recommended for termination. Additionally, three (3) supervisors are being suspended without pay for varying amounts of time based on their lack of accountability and supervision as pointed out in your Report. Standard Operating Procedures have been developed for the process of clearing conduit ducts. These SOP's have been reviewed, confirmed and accepted by BGE.

The majority of the employees working in the Department of Transportation do a great job for the citizens of Baltimore. However, those few who bring the negative spot light to DOT leave a bad impression that is not easily forgotten by many. DOT will continue to support our awesome employees who make us proud every day and through every storm and emergency situation.

Respectfully,


Khalil Zaied
Director

Attachments

cc: Honorable Stephanie Rawlings-Blake
Mr. Alexander Sanchez
Mr. George Nilson
Mr. Harry Black

Conduit Maintenance Division
Standard Operating Procedure

Clearing of Conduit Duct Obstruction when Utility Company(s) are involved.
Disposal of ALL "Discarded Cable"

The following information stated below will be the process for the following since it has been confirmed and accepted by ALL Other Utility Companies or their Contractors.

Conduit Maintenance Division Superintendent or Supervisor will investigate each work order that is submitted from the Utility or Contractor to confirm that the obstruction is present in accordance to the request for an obstruction in the conduit system.

Conduit Maintenance Superintendent or Supervisor will be responsible to ensure that all work has been completed and all existing underground cable has not been tampered with or removed.

In the event that cable is warranted to be removed Conduit Maintenance will perform the following.

Conduit Maintenance Superintendent or Supervisor will make every attempt to identify the appropriate Utility representative including those with in the City of Baltimore Agencies (i.e. BCPD (Baltimore City Police Department), BCFD (Baltimore City Fire Department), MOIT, Comcast, Verizon, etc.) if determined that the conduit obstruction is involving the removal of their cable. This would include any and all existing or old cable once identified.

In the event that the Utility or Contractor representative can not be identified and can not be on site to remove such cable themselves it will be the sole responsibility of the Superintendent and or Supervisor to be on site in the overseeing of identifying, tagging, remote cutting and removal of such cable from the conduit system itself.

Once the removal has been completed it will be the sole responsibility of the Superintendent or Supervisor to perform the following.

1. Handling of any and all "discarded cable".
2. Apply an identification tag with date, time and location and amount in length is to be noted as well.
3. Mark all cable to be "Discarded" in "Red Paint".
4. Take a photo of all cable on site after the tagging and marking of "discarded cable".
5. The transporting of any and all "Discarded Cable" is to be done by the Conduit Maintenance Superintendent or Supervisor only.
6. The Conduit Maintenance Superintendent or Supervisor is to see that this "Discarded Cable" is secured in a locked room where only the Superintendent has access and or the designated Supervisor in the absence of the Superintendent until it can be disposed of by the City of Baltimore Contractual Scrap Company.
7. A file in the form of hard copy or electronic will be kept by the Conduit Maintenance Facility and copy is to be sent to DOT Maintenance Administration Office at 520 Fallsway.

Conduit Maintenance Division
Standard Operating Procedure

Clearing of Conduit Duct Obstruction when Utility Company(s) are involved.
Disposal of ALL "Discarded Cable"

The following information stated below will be the process for the following since it has been confirmed and accepted by the utility company representative Mr. Edward J. Lake, Manager, Underground Lines of BGE (Baltimore Gas Electric Company).

Conduit Maintenance Division Superintendent or Supervisor will investigate each work order that is submitted from BGE or their Contractor to confirm that the obstruction is present in accordance to the request for an obstruction in the conduit system.

Conduit Maintenance Superintendent or Supervisor will be responsible to ensure that all work has been completed and all existing underground cable has not been tampered with or removed.

In the event that cable is warranted to be removed Conduit Maintenance will perform the following.

Conduit Maintenance Crew(s) will stop all work immediately notify their immediate Supervisor and or Superintendent to report to the location and see to it that the work site is cleaned up and closed with all utility access cover plates placed back over the utility vault.

Conduit Maintenance will notify the utility company in advance (Minimum 3 working days) to inform them that cable will need to be identified, tagging of cable for removal before continuing with the work order assignment.

Conduit Maintenance Superintendent or Supervisor will notify the Utility Company of the next work schedule date (Minimum 3 working days) to ensure that Utility Company or their Contractor is on site to confirm the extent of volume of cable to be removed.

BGE or their Contractor will be the only entity allowed to handle, cut and remove the "discarded utility cable".

BGE or their Contractor will be the only entity allowed to handle, transport the cut and "discarded utility cable" to their designated location and not a City of Baltimore Facility for any such storage or scrapping purposes.

BGE or their Contractor then will notify the Conduit Maintenance Section (Minimum 3 working days) to inform them that they can return to the work location to clear the obstruction.

Conduit Maintenance will inform BGE or their Contractor (Minimum 3 working days) that the obstruction has been cleared and that BGE can return to complete the task of installing new cable.

BGE or their Contractor will send final notification to Conduit Maintenance to inform them that the overall work has been completed.

Public Synopsis



**OFFICE OF THE INSPECTOR GENERAL
BALTIMORE CITY**

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



Public Synopsis

**Synopsis of OIG Report #IG 111430-110: Employee Theft and Misuse of City
Time/Resources - DOT**

ISSUE

Department of Transportation (hereinafter “DOT”) Conduit Division (hereinafter “Conduit”) employees taking unauthorized possession of heavy gauge BGE and/or City cable for the purpose of selling the material as valuable scrap for personal gain and doing so on City time with City vehicles.

INTRODUCTION/SUMMARY

BACKGROUND

The City owns the system of conduit duct banks that run underground throughout the City and serve as platform through which various users (Verizon, BGE, etc.) run cables and lines necessary for providing their services. While the service providers who use these conduits maintain ownership of the cables and lines the City is responsible for the mapping, maintenance, and upkeep of the conduit ducts.

The City crews responsible for this function were based, during the period in question, out of the DOT Conduit facility (hereinafter “Yard”) located at 1400 Leadenhall Street. These employees were responsible for the daily maintenance and upkeep of the conduit system. The employees at this Yard are assigned duties such as repairing conduit manhole covers, patching asphalt around conduit manhole covers, and removing obstructions in conduit ducts which caused power or connectivity problems for cable providers.

According to DOT Conduit management, employees have been instructed not to handle cable in the course of their duties. First, as a safety measure, conduit employees have not been sufficiently trained regarding procedures and equipment to properly handle cable. Second, the cable is not owned by the City; therefore, City workers should not handle or be in possession of cable.

There are several crews consisting of one Crew Leader, one Motor Vehicle Operator, and two Laborers that routinely perform this work. The crews utilize one of three dump trucks (Trucks #3038, #4032, and #4034) and/or two pickup trucks (Trucks #2952 and #2953) to perform these duties. Typically, employees are assigned to a specific crew and truck and only switch crews in the event a crew member is not in on that particular day. There are approximately two employees who are assigned to a crew based upon DOT Conduit’s needs that day; these employees are called “rovers.”

Crews are supervised by two Managers who oversee the work projects through completion.

The Managers report to the Yard Superintendent who is responsible for the overall management of the DOT Conduit Yard. In accordance with OIG policy employee names will be withheld. Employees will be identified as for consistency purposes as Employee #1 through #14.

BGE Reported Cable Theft by City Employees

On 07/05/2011 at approximately 12:15 PM, two BGE employees observed a yellow, one-ton City dump truck backed onto the sidewalk at the intersection of Eaton and Gough Streets. Further, three persons who were believed to be City employees were in the process of removing a chain from an open manhole cover. Recognizing that manhole covers also serve as access points to conduit ducts, the BGE employees took notice of the three employees who were all black males dressed in usual City employee attire. A few minutes later, the BGE crew returned to the manhole at the intersection of Eaton and Gough Streets to remove cable that was supposed to be replaced, but found that the cable had already been removed. There were indications around the manhole cover that a chain had been used to remove the cable, such as mud drag marks on the pavement and paper casing debris consistent with the removal of conduit cable. Upon further inspection, the BGE crew determined that cable was removed from the manhole covers located at the intersections of Eaton and Gough Streets as well as Eaton and Claremont Streets. BGE had no record of their employees removing these cables.

The BGE employees believed the City workers observed at the manhole cover at the intersection of Eaton and Gough Streets were responsible for the theft of these cables. BGE staff advised DOT staff about the incident and the missing cable. The DOT then contacted the OIG for assistance in the matter. The OIG initiated an investigation regarding DOT Conduit employees removing BGE cable and scrapping the lead and copper from the cable for profit.

On 07/01/2011 GPS tracking data reflected DOT Conduit Truck #3038 at the intersection of Eaton and Claremont Streets between 11:25 AM and 11:39 AM. Three DOT Conduit employees were assigned to Truck #3038 that day: Employee #3, Employee #5, and one other employee. Truck #3038 also was tracked at Mid-Atlantic Metals (hereinafter "Mid-Atlantic"), a scrap metal yard, later that day between 12:44 PM and 1:02 PM.

On 07/05/2011 GPS tracking data reflected that DOT Conduit Truck #4034 was parked at the intersection of Eaton and Gough Streets on 07/05/2011 from approximately 12:05 PM to 12:26 PM. Three DOT Conduit employees were assigned to Truck #4034 on 07/05/2011: Employee #3 and two other employees.

Both Trucks #4034 and #3038 are yellow, one-ton dump trucks which fit the description of the City vehicle observed by the BGE employees.

The OIG confirmed with Mid-Atlantic a transaction occurred on 07/01/2011 at 1:02 PM Employee #3 received \$790.50 from Mid-Atlantic for lead cable. At this point the OIG undertook an investigation to determine how pervasive and frequent scrapping cable was amongst DOT Conduit employees while on City time and while using City vehicles.

Investigation Scope

The OIG's investigative scope was set forth to determine the following:

1. Identify DOT Conduit employees who are engaging in the unauthorized removal of cable and receiving proceeds for the scrap value for personal gain.
2. Calculate the monetary loss of cable to BGE due to DOT Conduit employees' unauthorized removal of cable.
3. Calculate the monetary loss to the City for the time wasted and resources used when engaging in scrap transactions while on City time and using City vehicles.
4. Identify management or supervisors who were responsible for overseeing the DOT Conduit employees who were engaging in these activities and provide findings/recommendations that can be used to apply better oversight to DOT Conduit work crews and more accountability regarding how work crews utilize their time and complete their projects.

03/07/2012 – 1400 Leadenhall Street Yard Site Inspection

A facility inspection was conducted at the DOT Conduit Yard located at 1400 Leadenhall Street on 03/07/2012 that yielded additional information and resulted in the recovery of unauthorized and valuable scrap cable. The OIG found that three storerooms at the facility contained cable (later identified as mostly street lighting cable). The store rooms in question are assigned to a specific crew and kept locked by that crew. The following are the store rooms in which cable was found:

1. Store Room #2 - utilized by Truck #2953.
 - a. Approximately 200 feet of lead-encased street lighting cable
2. Store Room #4 – utilized by Truck #3038.
 - a. Approximately 50 feet of lead-encased street lighting cable
3. Store Room #5 – utilized by Truck #4034.
 - a. Approximately 1000 feet of lead-encased street lighting cable

The OIG took custody of the cable and entered it into evidence until the owner of the cable could be confirmed. Subsequently, BGE identified this cable as their property, and on 06/24/2012, the OIG transferred custody back to BGE. The cable was weighed at United Iron and Metal (the City's scrap vendor) at 440 lbs. The market value of 440 lbs of copper cable is **\$440.00.**¹

Mid-Atlantic's Transaction Review

Based on Employee #3's 07/01/2011 transaction related to the observations of 07/05/2011, and the cable recovered from the 03/07/2012 site inspection, the OIG reviewed Mid-Atlantic's transaction records from a selected sample of transactions between 03/01/2011 to 05/31/2011.

¹ United Iron and Metal advised that the estimated value for lead-encased copper cable used for street lighting is approximately \$1.00 a pound.

These transaction records were also compared against GPS data and DOT Conduit crew work assignments which confirmed DOT Conduit employees engaged in these transactions on City time and using City vehicles.²

The OIG found that for this three-month period, 03/01/2011 through 05/31/2011, DOT Conduit employees had received a total **\$47,820.04** in scrap proceeds from 37 transactions, the majority of which can be confirmed to have occurred on City time and with the aid of a City vehicle.³ All of these transactions were conducted during City work hours. In addition, the OIG expanded the review of one employee who was particularly active to include 5 additional transactions (1 in February and 4 in June of 2011). Considering the additional transactions the total value of the scrap sales was **\$58,857.04**. A total of 12 employees (out of 27 employees who are regularly assigned to truck crews) were identified as receiving scrap proceeds from Mid-Atlantic between 03/01/2011 through 05/31/2011. Annualizing the amount received by employees over a 90 day period equates to **\$191,280.16**.

Notably, these transactions were comprised of two cable types: lead-encased copper cable and insulated copper triplex. According to BGE staff, the lead-encased copper cable is cable that was installed approximately 60 years ago and is in the process of being replaced by the copper triplex. Further, BGE staff advised that almost all obstruction removals were assignments to remove old lead-encased copper cable, and very few would be for the new copper triplex. The copper triplex transactions are significantly higher in value since the concentration of copper on these cables makes the weight much greater. In addition, it is important to note, BGE staff advised that smaller valued transactions (such as under \$500) were most likely lighter cable, such as street lighting cable.

The OIG calculated the approximate loss of City time and gas consumed based upon GPS records and the time duration between when DOT Conduit employees left the DOT Conduit Yard on assignment for the day to go scrap cable to the time they arrived back at the DOT Conduit Yard or returned to their assignment. The estimated loss to the City between wages and gas consumed for this three-month period (03/01/2011 – 05/31/2011) is **\$5,208.03**.⁴ If this estimated loss is applied to an annual period, the total annual estimated loss to the City in wages and fuel is **\$21,718.25**.

Interviews Synopsis

The OIG undertook a series of interviews with the employees who were identified as receiving scrap proceeds during said period. The OIG also interviewed two supervisory level employees to gather additional information to better understand the culture of the DOT Conduit Yard and daily management and oversight of these employees.

In general, most employees confirmed they scrapped lead cable on City time and using City

² For six transactions (out of 37), DOT Conduit employees used other transportation means and not City vehicles. GPS records did not reflect City vehicles in or around the location of Mid Atlantic.

³ This amount also includes five transactions outside the three-month period (1 transaction in 02/2011 and 4 transactions in 06/2011).

⁴ This amount is an estimate based upon the aggregate hourly wage for a crew of four employees (\$60.58), the fixed cost of fuel for the City in 2011, and the miles per gallon each vehicle consumed.

vehicles. However, almost all the employees (with one exception noted below) advised that they only scrapped cable when it was discarded by BGE (or one of its subcontractors) and therefore considered it abandoned. Most employees said that when assigned to a job to remove an obstruction, and the old cable was removed, BGE employees told them they could have the old cable. Employee #3 (whose truck, #4034, on 07/05/2011, per GPS tracking, was located at the intersection where three City employees were observed possibly removing cable from a manhole using a chain connected to a City truck) said that he had never removed City cable from manholes and had only scrapped cable which was discarded. Employee #3 denied being at the intersection of Eaton and Gough Streets on 07/05/2011 at approximately 12:05 PM and removing cable from the manhole located there. Employee #3's statement is in conflict with the accounts of the BGE crew and the GPS records placing his truck at that intersection.

Further, a few employees stated that Employee #13, a supervisor, said they could take possession of the old cable. Employees stated that they were not sure whether Employee #14, the Superintendent, was aware of the scrapping of "discarded" cable.

BGE management advised that they have never issued a directive to their employees to allow City employees or other third parties take possession of BGE cable and do not regard cable removed from obstruction jobs as "discarded."

Almost all employees denied removing deactivated lead cable (old cable) that was ready to be replaced by new insulated copper triplex (such as the case with the attempted theft on 07/05/2011). When certain employees were asked why they had received scrap proceeds for copper triplex (new cable), they maintained that those transactions must have resulted from their removing the copper triplex during an obstruction job. These employees' explanations are not consistent with BGE's description of the types of cable that is typically removed for obstruction jobs. A review of BGE obstruction removal job orders from 01/01/2011 through 07/31/2011 calls into question employee statements that all of their scrapping activity involved cable that they had removed on an obstruction job and did not include deactivated cable for which there was no authorization or job order to remove. Given the quantity of cable and monetary value the employees received in scrap proceeds from 03/01/2011 through 05/31/2011, it not likely that all of the scrapped cable was "discarded" cable due to obstruction removals (especially copper triplex which was unlikely to be removed for an obstruction).

However, one employee admitted to stealing deactivated cable. That employee indicated that periodically the truck crew would search for deactivated cable in duct banks and remove the cable by attaching a chain to the cable and hooking the chain onto the bumper of the City truck and pulling the cable out of the manhole. Further, the employee stated that once the cable was removed, it would be cut into manageable lengths with a jackhammer and be taken to Mid-Atlantic for sale as scrap. The employee further advised that one employee would conduct the transaction at Mid-Atlantic, receive the proceeds, and split it amongst the crew who was assigned to the truck that day. Lastly, it was stated that this conduct had been occurring for years and that most crews engaged in this activity as well.

Employee #6, a motor vehicle driver, said that there has long been a culture at the DOT Conduit Yard that it was an accepted practice to take "discarded" cable from obstruction

removals. Employee #6 said that taking cable that has been “discarded” by BGE was not viewed as stealing. Employee #6 further stated that s/he has never scrapped cable while on City time (Mid-Atlantic records indicate this is not an accurate statement), but has from time to time taken “discarded” cable and scrapped it on personal time, using a personal vehicle. Employee #6 believed that employees should not be using City time or vehicles to scrap “discarded” cable and that s/he had heard of crews that “search” for deactivated cable (when not on assigned jobs) to remove and scrap it for personal gain. Employee #6 further stated that there should be Standard Operating Procedures established for handling BGE cable and the disposition of “discarded” cable.

Employee #13, a supervisor, indicated that it was common knowledge that employees from time to time would take “discarded” cable from obstruction removal jobs. Employee #14 advised that BGE crews allowed DOT Conduit employees to take possession of the cable, and there was never an established procedure or protocol in place for how removed cable should be handled and/or disposed of after it was removed.

Employee #13 also said in the past s/he had found employees removing deactivated cable from duct banks that were not part of an obstruction removal job. In these instances, BGE had scheduled to replace it with new copper triplex cable and had deactivated the old lead cable so that a BGE crew could remove it at some point to install the new copper triplex cable.

Employee #13 recalled approximately four occasions when crews were observed in the process of removing cable that was not part of an assigned job. In one of the instances, on or around 05/10/2011, it resulted in an argument with the crew leader regarding the conduct and the unauthorized removal of BGE cable.

On 11/02/2009 (1 of 4 incidents cited above) Employee #13 observed a crew including Employee #6 and Employee #11 at a conduit manhole where they were not assigned and in the process of cutting up sections of copper triples using a jackhammer. Approximately 40 feet of triplex copper cable was observed in the back of the Crew’s Truck #2161. The crew was instructed to cease cutting up the cable and return to their assigned work. Further, the employees were instructed to bring the cable that was already in the truck and to bring it back to the Yard to return to BGE. When the crew returned to the Yard, the copper triplex cable was not in the back of the truck and had been removed after he had instructed the crew to keep the cable in the truck for proper disposal.

Employee #13 was asked how DOT Conduit employees have the time to scrap cable while on City time while also completing their assigned tasks in a timely manner. Employee #13 said that there have been difficulties in managing DOT Conduit crews, and many times they do not complete their assignments timely or properly. Further, that this has reported to Conduit Management staff, but many employees continue to perform poorly in their job duties.

Employee #13 stated that the incident was reported to the Division Chief via email on 11/04/2009. Subsequent to this report and through a series of emails it is clear that 1) the Director Al Foxx (DOT Director at the time) and the Human Resources Manager were informed of the incident; 2) that the Superintendent, Employee #14, had been advised that

statements should be obtained in connection with this incident; and that once all the information was gathered, that the Superintendent, Employee#14, must make a decision regarding appropriate next steps. According to Employee #13 DOT Conduit Management never initiated follow-up actions in response to this incident and the employees were never issued any formal or informal discipline for their conduct.

The Superintendent, Employee #14, was asked about this incident and said that he expected to receive direction from his management in order to take action regarding this incident, but that he never received any such direction. Further, that he had no direct knowledge of unauthorized removal of cable, but that he had “heard” of such incidents. The Superintendent, Employee #14, believed there were some problematic employees who were primarily responsible for the unauthorized removal of cable and that those employees should be dealt with appropriately.

INTERVIEWS : During the course of the investigation numerous interviews were conducted. Although the interview portion of this investigation has been redacted what follows are summations of valuable scrap metal sales completed by an employee of DOT Conduit during the period reviewed.

Truck #3038

Employee #1.	Position: Crew Leader	DOH: 12/2001
Administrative Violations:	CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H), (I), CSC/DHR Rule 40, Part L	

Mid-Atlantic’s Records Reflecting Copper Cable Transactions from 02/01/2011 – 06/30/2011 (EXHIBIT 2)⁵

#	Date	Time	Amount Received	GPS Verified
1	02/25/2011	12:36 PM	\$680.00	Yes
2	03/09/2011	10:07 AM	\$976.00	Yes
3	03/11/2011	9:30 AM	\$705.00	Yes
4	03/14/2011	9:46 AM	\$319.50	Yes
5	03/14/2011	1:30 PM	\$342.00	Yes
6	03/23/2011	11:17 AM	\$612.80	Yes
7	03/23/2011	11:20 AM	\$1,123.20	Yes
8	03/24/2011	1:30 PM	\$1,946.50	Yes
9	04/29/2011	2:29 PM	\$1,581.00	Yes
10	06/08/2011	12:24 PM	\$2,704.00	Yes
11	06/09/2011	10:34 AM	\$2,789.00	Yes
12	06/10/2011	11:22 AM	\$2,960.00	Yes
13	06/13/2011	1:45 PM	\$1,904.00	Yes
	TOTAL		\$18,643.00	

⁵ The OIG reviewed a greater time period of records for this employee due to the regularity discovered.

Employee #2. Position: Motor Vehicle Operator DOH: 05/2005
 Administrative Violations: CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H), (I), CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable Transactions from 03/01/2011 – 05/31/2011 (EXHIBIT 3)

Date	Time	Amount Received	GPS Verified
05/05/2011	11:18 AM	\$2,448.00	Yes
05/11/2011	9:57 AM	\$3,136.00	Yes
TOTAL		\$5,584.00	

Employee #3. Position: Motor Vehicle Operator DOH: 12/2009
 Administrative Violations: CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H), (I), CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable Transactions from 03/01/2011 – 05/31/2011 (EXHIBIT 4)

Date	Time	Amount Received	GPS Verified
07/01/2011	1:02 PM	\$790.50	Yes
TOTAL		\$790.50	

Employee #4. Position: Laborer DOH: 12/2011
 Administrative Violations: CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H), (I), CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable Transactions from 03/01/2011 – 05/31/2011 (EXHIBIT 5)

Date	Time	Amount Received	GPS Verified
04/1/2011	12:46 PM	\$304.04	No
TOTAL		\$304.04	

Employee #5. Position: Laborer DOH: 03/2009
 Administrative Violations: CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H), (I), CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable Transactions from 03/01/2011 – 05/31/2011 (EXHIBIT 6)

Date	Time	Amount Received	GPS Verified
03/08/2011	9:35 AM	\$688.00	Yes
03/30/2011	2:16 PM	\$352.00	Yes
05/09/2011	12:56 PM	\$70.00	Yes
TOTAL		\$1110.00	

Truck #2953

Employee #6. Position: Motor Vehicle Operator DOH: 03/1990
Administrative CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H),
Violations: (I), CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable Transactions from 03/01/2011 – 05/31/2011
(EXHIBIT 7)

Date	Time	Amount Received	GPS Verified
03/29/2011	2:00 PM	\$817.60	No
04/01/2011	1:37 PM	\$523.20	No
04/11/2011	11:10 AM	\$692.80	No
TOTAL		\$2,033.60	

Truck #4034

Employee #7. Position: Laborer DOH: 07/2/2007
Administrative CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H),
Violations: (I), CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable Transactions from 03/01/2011 – 05/31/2011
(EXHIBIT 8)

Date	Time	Amount Received	GPS Verified
03/23/2011	12:42 PM	\$1,379.20	No
TOTAL		\$1,379.20	

Truck #4034

Employee #8. Position: Laborer DOH: 06/1987
Administrative CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H), (I),
Violations: CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable transactions from 03/01/2011 – 05/31/2011
(EXHIBIT 9)

Date	Time	Amount Received	GPS Verified
03/17/2011	2:14 PM	\$439.00	Yes
TOTAL		\$439.00	

Truck 2952

Employee #9. Position: Crew Leader DOH: 07/1988
Administrative CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H),
Violations: (I), CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable Transactions from 03/01/2011 – 05/31/2011
(EXHIBIT 10)

Date	Time	Amount Received	GPS Verified
03/04/2011	3:24 PM	\$2,031.50	Yes
TOTAL		\$2,031.50	

Employee #10. Position: Laborer DOH: 09/2007
 Administrative CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H),
 Violations: (I), CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable Transactions from 03/01/2011 – 05/31/2011
 (EXHIBIT 11)

Date	Time	Amount Received	GPS Verified
03/21/2011	12:57 PM	\$2,492.00	Yes
03/21/2011	12:57 PM	\$2,108.00	Yes
03/29/2011	2:38 PM	\$427.20	Yes
05/31/2011	10:15 AM	\$2,864.00	Yes
TOTAL		\$7,891.20	

Employee #11. Position: Laborer DOH: 10/2005
 Administrative CSC/DHR Rule 56, Section (1), Section (2), Subsection (C), (H),
 Violations: (I), CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable transactions from 03/01/2011 – 05/31/2011
 (EXHIBIT 12)

#	Date	Time	Amount Received	GPS Verified
1	03/01/2011	10:50 AM	\$1156.00	Yes
2	03/28/2011	2:16 PM	\$686.40	Yes
3	04/01/2011	11:53 AM	\$3,400.00	Yes
4	04/04/2011	12:19 PM	\$603.20	Yes
5	04/06/2011	11:01 AM	\$257.60	Yes
6	04/11/2011	11:03 AM	\$1021.50	Yes
7	04/18/2011	12:54 PM	\$2,480.00	Yes
8	04/19/2011	11:04 AM	\$2,244.00	Yes
9	04/29/2011	10:14 AM	\$3,502.00	Yes
10	05/06/2011	10:15 AM	\$3,456.00	Yes
11	05/27/2011	9:50 AM	\$2,656.00	Yes
	TOTAL		\$18,006.70	

Employee #12. Position: Motor Vehicle Driver DOH: 12/2001
 Administrative CSC/DHR Rule 56, Section (1), Section (2), Subsection (C),
 Violations: (H), (I), CSC/DHR Rule 40, Part L

Mid-Atlantic's Records Reflecting Copper Cable Transactions from 03/01/2011 – 05/31/2011
 (EXHIBIT 13)

Date	Time	Amount Received	GPS Verified
03/07/2011	10:52 AM	\$644.30	Yes
TOTAL		\$644.30	

Employee #13.

Position: Yard Supervisor

DOH: 02/1986

The OIG did not locate any records from Mid-Atlantic reflecting lead copper transactions from 03/01/2011 – 05/31/2011.

Employee #14.

Position: Superintendent

DOH: 06/1979

The OIG did not locate any records from Mid-Atlantic reflecting lead copper transactions from 03/01/2011 – 05/31/2011.

ANALYSIS

During the course of the investigation it became clear that the removal of valuable scrap has been occurring for many years. Additionally, it was also recognized that after the investigation became common knowledge and interviews progressed that statements of most involved employees tended to develop more consistently along certain lines as follows:

- That the conduct has been occurring for years;
- that supervisors were aware of the conduct and may have even condoned it;
- that cable was only taken as a result of clearing obstructions;
- that the new Triplex cable was not often involved; and
- that often times BGE employees either permitted the removal or did not object to it.

The records obtained from Mid-Atlantic indicate the practice of scrapping was quite common and engaged in by more than half of employees working on the conduit crews. This aspect is supported most strongly by subject statements and the observations of OIG personnel during the facility inspection of 03/07/2012 that located cable in several of the secured crew storage rooms, where there was no business purpose for the cable.

The OIG also believes that the evidence indicates that the conduct being engaged in extended well beyond the cable involved in obstructions. Ample evidence in the form of BGE staff observations, Mid-Atlantic receipts, and subject statements indicates that at least some crews actively sought out deactivated cables during the course of their duties and removed the cable in considerable lengths through the use of City trucks and chains. The cable was often sold the same day and while on duty by one of the crew members. The proceeds of the sales were then reportedly distributed among those involved.

Many of the interviews included statements indicating supervisory staff knew of the conduct and perhaps even condoned it. The OIG believes that to a certain degree that the practice was known to facility supervisors based on their statements and also from the cable found stored within the crew rooms which should have been accessible by supervisors during the course of their duties. Further, the OIG noted that there is documentation to support statements by at least one supervisor that the issues were brought to the attention of DOT superiors as early as 2009. Unfortunately, no evidence was located indicating that the matter was effectively addressed by the DOT, permitting the conduct to continue.

It was also of considerable interest to the OIG that containers were located within the secured perimeter of the Leadenhall Facility that had been designated for the deposit of valuable scrap metal. When observed these containers had a few small pieces of broken manhole cover and supporting collar, which were believed to be cast iron.

The OIG believes that over a period of time employees in the Conduit Division began engaging in the retrieval, storage and sale of scrap metal during business hours and that supervisor within the DOT Conduit Section, as well as, within the broader DOT apparatus failed to adequately address the behavior before it became a cultural aspect of the operations. This is evidenced by the number of conduit employees engaged in selling valuable scrap and also by the statements made by during interviews.

FINDINGS, VIOLATIONS, AND RECOMMENDATIONS

After reviewing the activity observed at the DOT Conduit Yard on 03/07/2011; reviewing various documentation; considering applicable policy; and interviewing key staff during the course of this investigation, the OIG has made a series of findings concerning the administrative component of this investigation. The OIG has identified several violations of Civil Service Commission/Department of Human Resources rules (hereinafter “CSC/DHR”) and the Baltimore City Administrative Manual Policy (hereinafter “AM”) that merit consideration.

FINDINGS

- 1) The employees listed above as #1 through #12 engaged in the sale of valuable scrap metals that were either the property of the BGE or Baltimore City, resulting in personal monetary gain to various degrees.
 - a) The OIG found that DOT Conduit employees had received a total **\$58,857.04** in scrap proceeds from 42 transactions 02/01/2011 through 06/30/2011.
 - Employee 1. Crew Leader, 13 transactions totaling \$18,643.00,
 - Employee 2. Motor Vehicle Operator, 2 transactions totaling \$5,584.00,
 - Employee 3. Motor Vehicle Operator , 1 transaction for \$790.50,
 - Employee 4. Laborer, 1 transaction for \$304.04,
 - Employee 5. Laborer, 3 transactions totaling \$1110.00,
 - Employee 6. Motor Vehicle Operator, 3 transactions totaling \$2033.60,
 - Employee 7. Laborer, 1 transaction for \$1,379.20,
 - Employee 8. Laborer, 1 transaction for \$439.00,
 - Employee 9. Crew Leader, 1 transaction for \$2,031.50,
 - Employee 10. Laborer, 4 transactions totaling \$7,891.20,
 - Employee 11. Laborer, 11 transactions totaling \$18,006.70, and
 - Employee 12. Motor Vehicle Operator, 1 transaction for \$644.30.
 - b) Annualizing the 90 day loss (03/01/2011-05/31/2011) of **\$47,820.04** the per annum

loss would be **\$191,260.18**.

- c) The estimated loss to the City between wages and gas consumed for this three- month period (03/01/2011 – 05/31/2011) is **\$5,208.03**.⁶ If this estimated loss is applied to an annual period, the total annual estimated loss to the City in wages and fuel is **\$21,718.25**.
- 2) Employee #13, a supervisor, was aware that employees would take custody of “discarded” cables.
 - a) This supervisor did elevate one incident to more senior staff and also provided examples of addressing other crew conduct observed although documentation for the other matters was not able to be located.
- 3) There was no documentation that BGE management supported this practice or provided their employees with direction to allow City employees to take custody of any BGE cable.
- 4) DOT management (Director Al Foxx, a Bureau Chief, an Assistant Bureau Chief, and a Superintendent) were aware of at least one incident involving three employees that had been observed by a Yard Supervisor removing cable that was not part of their assigned work.
 - a) There is no evidence that this reported matter was effectively addressed by the Department.
- 5) During a Leadenhall facility inspection on 03/07/2012 OIG personnel discovered three crew store rooms contained cable sections as follows:
 - a) Store Room #2 - Approximately 200 feet of lead-encased street lighting cable.
 - b) Store Room #4 – Approximately 50 feet of lead-encased street lighting cable.
 - c) Store Room #5 – Approximately 1000 feet of lead-encased street lighting cable
- 5) The OIG determined the cable was the property of BGE and transferred it back to them on 06/24/2012.
 - a) The market value of the cable, which weighed 440 lbs., was determined to be **\$440.00**.

VIOLATIONS

Directly Involved Crew

CSC/DHR Rule 56, Section (1)(c)

Discharge, demotion, or suspension of an employee in the Civil Service shall be for any just cause. Discharge shall be only for . . . (c) conduct which causes an irreparable breach of trust.

Crew Leaders (Employees #1 and #9), Motor Vehicle Operators (Employees #2, #3, #6, and #12); and Laborers (Employees #4, #5, #7, #8, #10, and #11) either individually or in conjunction with others violated this rule through their actions to assist or engage in the removal and sale for personal gain of valuable scrap metal that was the property of either Baltimore City or BGE while on duty for the City of Baltimore. The aforementioned conduct occurring at the locations, dates, and times noted in this report constituted an irreparable breach

⁶ This amount is an estimate based upon the aggregate hourly wage for a crew of four employees (\$60.58), the fixed cost of fuel for the City in 2011, and the miles per gallon each vehicle consumed.

trust in violation of CSC/DHR Rule 56. Section (1)(c).

CSC/DHR Rule 56, Section (2) Subsection (i)

That the employee has been engaged in fraud, theft, misrepresentation of work performance, misappropriation of funds, unauthorized use of City property, obstruction of an official investigation or other act of dishonesty.”

Crew Leaders (Employees #1 and #9), Motor Vehicle Operators (Employees #2, #3, #6, and #12); and Laborers (Employees #4, #5, #7, #8, #10, and #11) either individually or in conjunction with others violated this rule through their actions to assist or engage in the removal and sale for personal gain of valuable scrap metal that was the property of either Baltimore City or BGE while on duty for the City of Baltimore. Said action constituted theft of property and/or unauthorized use of City property in the course of their activities in violation of CSC/DHR Rule 56. Section (2)(i).

CSC/DHR Rule 56, Section (2), Subsection (h):

“That the employee has committed acts while on or off duty which amount to conduct unbecoming to an employee of the City.”

Crew Leaders (Employees #1 and #9), Motor Vehicle Operators (Employees #2, #3, #6, and #12); and Laborers (Employees #4, #5, #7, #8, #10, and #11) either individually or in conjunction with others violated this rule through their actions to assist or engage in the removal and sale for personal gain of valuable scrap metal that was the property of either Baltimore City or BGE while on duty for the City of Baltimore. Said action constituted conduct unbecoming to an employee of the City in violation of CSC/DHR Rule 56. Section (2)(h).

Supervisory Staff

CSC/DHR Rule 56, Section (1)(c)

Discharge, demotion, or suspension of an employee in the Civil Service shall be for any just cause. Discharge shall be only for . . . (c) conduct which causes an irreparable breach of trust.

Crew Leaders violated this rule through their actions permitting storage of valuable scrap metal/cable within locked store rooms located in a City that were under the control of their respective crews. Further, the Superintendent and the Yard Supervisor violated this rule as they were in a superior supervisory position to the crew leaders and over the facility and failed to take effective action to maintain proper conduct constituting an irreparable breach of trust in violation of CSC/DHR Rule 56. Section (1)(c).

CSC/DHR Rule 56, Section (2), Subsection (b):

“That the employee is incompetent, inefficient or negligent in the performance of duty”

Crew Leaders violated this rule through their actions permitting storage of valuable scrap metal/cable within locked store rooms located in a City that were under the control of their respective crews. Further, the Superintendent and the Yard Supervisor violated this rule as they were in a superior supervisory position to the crew leaders and over the facility and failed to take effective action to maintain proper conduct. All of the aforementioned actions, or lack thereof, constitute incompetence and/or inefficiency and/or neglect in the performance of their duties in violation of CSC/DHR Rule 56. Section (2)(b).

RECOMMENDATIONS

The OIG recommends that the DOT institute more specific policy and procedure concerning the handling of valuable scrap metals including the cable commonly found in City conduit ducts.

The OIG recognizes that the simple reduction of common sense to a written rule does not necessarily result in the elimination of misconduct; however, the recent few years have demonstrated that rising cost of metals has impacted employee conduct in negative ways. As such it is suggested that the DOT develop and disseminate effective policy and procedure for the handling of valuable scrap metals. Clear and definitive policy places supervisors on notice of their obligations and provides a strong foundation upon which employees and supervisor may be held accountable for their actions and inactions.

In this specific instance the OIG recommends coordinating policy with City partners who utilize the conduits to ensure a coordinated approach to solving the problems demonstrated in this report.

The OIG also recommends a review of the Conduit Section Standard Operating Procedure to ensure adequate tasking and effective field supervision of crews.

During the investigation of this matter the OIG observed minimal direction and oversight of field activities by the crews. The tasking orders provided and the crew reporting mechanisms were quite basic and resulted in crews experiencing significant amounts of un-tasked free time. The OIG believes that it was during this time that crews were able to put additional effort into locating, removing and selling various lengths of cable from the conduits during the course of the work day.

There are several mechanisms that could reduce excessive un-tasked time, increase efficiency, and reduce waste of City resources. It is recommended that supervisors above the crew leader level regularly conduct random field reviews of jobs underway and upon completion; crews should report their arrival and departure from all work sites via radio and on their log sheets; and additional vehicle use should be reported to include time, destination and purpose. Lastly, the DOT and especially their field level supervision should engage in routine and regular use of the GPS tracking system installed on all conduit crew vehicles. Use of this tool to verify the location of conduit crews in either real time or historically provides supervisors with an exceptional oversight and accountability resource.

The OIG recommends that DOT Division Chiefs conduct more frequent and unannounced visits to facilities within their area of operations specifically to evaluate the operating efficiency, employee conduct, and compliance with City and DOT policy and procedure.

In this recommendation the OIG is strongly reiterating the recommendation made earlier this year under IG Report # 111412-110 that called for the DOT's Division Chiefs and other appropriate level management to be specifically tasked with conducting site visits and evaluations quarterly of facilities under their area of operations. Purposeful evaluations, especially those that are not announced, provide a significant tool for senior management in

determining leadership and accountability gaps within any largely dispersed organization. By providing consistency in field oversight and monitoring, the DOT will be able to more quickly recognize and address systemic conduct and policy deficiencies.