



Public Synopsis

OIG Report #2014-0349

Review of Parking Passes Issued to City of Baltimore
Departments and Agencies



**OFFICE OF INSPECTOR GENERAL
BALTIMORE CITY**

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



Public Synopsis

**OIG Report #2014-0349: Review of Parking Passes Issued to City of Baltimore
Departments and Agencies**

TABLE OF CONTENTS

TRANSMITTAL MEMORANDUM 1

OIG NOTICE REGARDING REPORTS 2

PUBLIC SYNOPSIS 3

SUMMARY 4

OBJECTIVE..... 4

BACKGROUND..... 5


RESULTS 5

RECOMMENDATIONS..... 8

ATTACHMENTS..... 10

 DEPARTMENT OF HUMAN RESOURCES RESPONSE TO OIG
 RECOMMENDATIONS..... 11

 PARKING AUTHORITY OF BALTIMORE CITY RESPONSE TO
 OIG RECOMMENDATIONS..... 13

FROM	NAME & TITLE	Robert H. Pearre, Jr. – Inspector General <i>RHP</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Office of Inspector General 640 City Hall		
	SUBJECT	Synopsis of OIG Final Report #2014-0349		

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

DATE: 09/16/2015

Please find attached the Office of the Inspector General's (OIG) Public Synopsis of OIG Report #2014-0349, which reviewed accountability over parking passes issued to City of Baltimore Departments and Agencies by the Parking Authority of Baltimore City (PABC). The OIG initiated this evaluation after a previous investigation indicated that controls over parking passes could be strengthened.

We found that accountability over parking passes issued to City of Baltimore Departments and Agencies by the PABC needs strengthening. Several weaknesses and inconsistencies were identified regarding controls over the assignment, termination, and use of parking passes. In addition, account records for individuals holding passes did not always reflect accurate and up to date information.

These inconsistencies and subsequent inquiries by the OIG to improve controls have, to date, resulted in a total of 49 parking passes being cancelled or deactivated at a total potential annual savings of up to \$80,000. The possibility exists that 29 additional passes assigned to either un-named or unknown individuals at one City Agency could provide an additional potential annual savings of up to \$44,000. During the course of the evaluation, the PABC also updated records for 144 individual accounts.

The OIG made two recommendations, agreed to by management, which will further strengthen accountability over parking passes issued to City of Baltimore Departments and Agencies by the PABC. The Department of Human Resources provided a written response to Recommendation 1 which is included as Attachment 1 to this report. The PABC provided a written response to Recommendation 2 which is included as Attachment 2 to this report.

The OIG would like to thank all of the City agencies and employees for their cooperation in working towards the successful completion of this evaluation. The OIG looks forward to continuing our cooperation to strengthen accountability as well as management controls over City operations.

PLEASE VISIT OUR WEBSITE@www.baltimorecity.gov

- This report is available to the public in print or electronic format.
- To obtain a printed copy, please call or write:

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

- Baltimore City employees, citizens, and vendors or contractors doing business with the City should report fraud, waste, and abuse to the **Fraud Hotline. Call 1-800-417-0430** (24 hours a day, 7 days a week).
- Notifications of new reports are now available via Twitter by following us **@OIG_BALTIMORE**.

Public Synopsis



OFFICE OF THE INSPECTOR GENERAL BALTIMORE CITY

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



Public Synopsis

OIG Report #2014-0349: Review of Parking Passes Issued to City of Baltimore Departments and Agencies

SUMMARY

The Office of Inspector General (OIG) has completed an evaluation of accountability over parking passes issued to City of Baltimore Departments and Agencies by the Parking Authority of Baltimore City (PABC). The OIG initiated this evaluation after information obtained as part of a previous investigation indicated that controls over parking passes could be strengthened.

The OIG found that accountability over parking passes issued to City of Baltimore Departments and Agencies by the PABC needs strengthening. The evaluation identified several weaknesses and inconsistencies with respect to control over the assignment, termination and use of parking passes. In addition, account records for individuals did not always reflect current information such as the parking pass holder's name, Agency, and parking location. These inconsistencies and subsequent inquiries by the OIG to improve controls have, to date, resulted in a total of 49 parking passes being cancelled or deactivated at a total potential annual savings of up to \$80,000. The possibility exists that 29 additional passes assigned to either un-named or unknown individuals at one City Agency could provide an additional potential annual savings of up to \$44,000. During the course of the evaluation, the PABC also updated records for 144 individual accounts.

While several actions have been taken to improve controls, the OIG made recommendations to further strengthen accountability over parking passes issued to City of Baltimore Departments and Agencies by the PABC. Management agreed with the recommendations and has planned responsive corrective actions.

OBJECTIVE

The objective of the evaluation was to determine whether appropriate controls were in place to establish accountability over passes provided to City of Baltimore Departments and Agencies for employee parking at three city-owned garages operated by the PABC. The OIG conducted the evaluation during the period of July 2014 through July 2015.

BACKGROUND

Purpose and Mission of the PABC

The PABC was created in July 2000 by Baltimore City Council Ordinance 2000-71, and began operations in February 2001. The PABC's purpose is to assist Baltimore City in the planning, development, management, and administration of its parking assets. The mission of the PABC is to find, or create, and implement parking solutions for Baltimore City, and to be the resource on all things "parking" in Baltimore.

The PABC does not own any parking facilities or other real property. Rather, the PABC manages 17 City-owned parking garages, 4 surface lots and 17 metered parking lots. The PABC contracts with private vendors to operate the 17 parking garages and 4 surface lots. Parking revenue is generated through daily transient and monthly parking fees which are deposited by the garage or lot operator with the City's Bureau of Collections. For certain garages, the PABC receives parking fees directly from third parties for payment of monthly parking contracts. These parking payments are deposited with the City by the PABC directly, or through the use of the City's miscellaneous billing system. City agencies that have contracted for monthly spaces at the City's off-street parking facilities are charged through journal entries prepared by the PABC. With respect to parking for employees of the City of Baltimore, the PABC issues parking passes to the various departments and agencies and maintains these accounts so long as payment is received. If payment for the pass continues, the account remains active, regardless of the pass user or inactivity of the pass.

The Authority's main source of revenue is a grant from the City rather than parking receipts. The grant is intended to fund all operating expenses of the Authority. During fiscal year 2014, the grant received by PABC from the City was approximately \$5.3 million.

RESULTS

The OIG found that controls over the issuance and termination of parking passes need improvement. The OIG identified instances where:

- parking passes were not being used;
- individuals were assigned multiple passes;
- passes were assigned to individuals no longer employed by the City of Baltimore;
- and
- passes were assigned to individuals whose complete names were not reflected in PABC records.

Previous Investigation Identified Potential Issues with Parking Passes

The OIG initially identified potential problems regarding accountability over parking passes during a previous investigation. While conducting investigative work, the OIG found that a

parking pass continued to be used several months after the employee to which it was assigned had terminated their City employment¹. Upon obtaining this information, a request was made to the PABC to determine what procedures were in place to ensure that parking passes assigned to City employees who had their employment terminated were promptly deactivated. PABC responded that they rely on the various City Agencies to maintain updated information on individual's assigned parking passes within each Agency's account. PABC further stated that while most Agencies keep the Authority updated with accurate parker information, there had been occasions where an Agency assigned a parking pass to a different employee without notifying the PABC.

In response to this information, the OIG requested PABC to provide a listing of all City of Baltimore employees assigned parking passes since January 1, 2014. PABC provided a listing by parking location, of 970 City employees who were issued parking passes in three city-owned garages at Baltimore Street, Lexington Street, and Water Street. We also requested a listing from the City Department of Human Resources of all personnel who had terminated employment since January 1, 2014 to compare to the list of parking passes to identify whether any passes were assigned to terminated employees.

Data Comparison Identified Significant Discrepancies

Upon reviewing and comparing the list of parking pass holders with the listing of terminated employees, a significant number of inconsistencies and discrepancies were identified. Specifically, a total of 234 discrepancies were identified, or approximately 24 percent of the total population of 970 City employees with parking passes. The types of discrepancies identified included:

- multiple parking passes issued to the same individual in more than one garage;
- parking passes assigned to terminated employees;
- parking passes assigned to unnamed or unknown individuals; and
- parking passes assigned to unknown City Agencies.

In December 2014, the OIG notified the PABC Executive Director of the discrepancies identified including details such as the: (1) account holder's Agency, (2) account holder's name, (3) parking pass number, and (4) garage location, along with a description of the discrepancy identified. The OIG requested that PABC review each of the identified discrepancies and ask each Agency to determine whether the parking passes were being used and to correctly reflect the identity of the individual using the pass in the account records.

¹ The term "Terminated" as used in this report refers to any number of reasons for an individual leaving employment with the City of Baltimore. These include among others, resignation, retirement, death, dismissal, dropped during probationary period, lay-off, leave of absence, and completion of the term of temporary employment.

PABC Actions Taken in Response to Discrepancies

In January 2015, PABC responded to the OIG that each Agency was contacted and requested to update the parker information in the account records. PABC provided the OIG with the results of this assessment including information on the parking passes that were cancelled or deactivated. In June 2015, at the OIG's request, PABC provided the OIG with updated summary results including the number of parking passes deactivated or cancelled as a result of the review. PABC reported the following:

- **49 parking passes were cancelled or deactivated**

To date, the cancelling or deactivating of these 49 passes has resulted in potential annual savings of between \$59,000 and \$80,000².

- **29 parking passes in one Agency issued to unknown or unnamed individuals**

As of the issuance of this report, we have requested that this Agency identify the full name of the individuals to whom these passes are assigned, and notify both PABC and OIG of this information. The possibility exists that the deactivation or cancellation of up to 29 additional parking passes could provide potential annual savings of up to \$44,000.

- **144 updates or edits made to individual parking pass holder records**

During the course of the evaluation, the PABC updated records for 144 individual accounts to reflect changes or edits related to items such as the parking pass holder's name, Agency, and parking location. These changes and edits will help ensure that PABC parking records accurately reflect the assigned parker, pass number and responsible agency.

City Agencies Ultimately Responsible for Accuracy of Parking Pass Data

The PABC can only keep accurate and updated parking pass records if City agencies provide the Authority with current, accurate information such as when an employee termination occurs or an existing pass is transferred to another employee. While PABC promptly completed work on the OIG's request, the Authority's official response to the OIG stated:

“Please note that it is ultimately, the day-to-day responsibility of each City agency that has an active parking account established with our office to send us updates to their account. Our office is unable to track employee terminations, transfers or reassignments that may or may not cause a change in each agency's parking account. We must depend on correspondence from each agency itself.”

² Parking rates at the three city-owned garages at Lexington Street, Baltimore Street and Water Street ranged from a low of \$98 per month for a city employee at Lexington Street to a high of \$190 per month for the general public at the Baltimore Street garage.

It is the opinion of the OIG that each City Department or Agency should ensure that upon termination of employment, an employee's parking pass is turned-in and PABC is promptly notified to either deactivate the pass or reassign the pass to a different employee. There already exist City policies and procedures to provide the necessary control structure to facilitate this accountability.

Strengthening Existing Policies and Procedures can Improve Parking Pass Accountability

City of Baltimore, Administrative Policy Manual 205-5, "Employee Clearance on Terminations," states that when an employee terminates employment with the City, an Employee Clearance Checklist must be completed and submitted as an attachment to the Cut-Off Notice³.

"The purpose of completing the Employee Clearance Checklist is to ensure that all equipment, records and other City provided items are turned in, that custodian accounts are accounted for and reconciled and that employee access and use privileges, as applicable, are revoked. The form should be completed on the last day of employment with individual categories initialed by the departing employee's supervisor or designated officer as the items are cleared. The departing employee and agency head are also to sign the form.

In the event these clearance procedures disclose a shortage of equipment or funds for which the employee had responsibility, restitution will be required. It may be paid by adjusting the final paycheck. The departing employee's final paycheck will not be released until receipt by Payroll of the Cut-Off Notice and a completed Employee Clearance Checklist is on file."

The Employee Clearance Checklist provides a good control to ensure that valuable items are returned by departing employees. The form specifically contains a section to account for parking passes provided to a departing employee. Although being a good control for accountability of valuable items, the form is sent to payroll in order for the employee to receive their final paycheck. There is no mechanism to notify PABC that an employee turned in a parking pass and that the pass should be cancelled, deactivated or reassigned to another employee. Requiring Agency Supervisors or their designees to promptly notify PABC of the status (i.e. pass turned in or reassigned to another employee) of a parking pass turned in or otherwise accounted for by a terminating employee would not only strengthen accountability over parking passes but also ensure that funds expended for parking are not wasted. PABC should also periodically remind City Departments and Agencies of their responsibility to properly account for all assigned parking passes.

RECOMMENDATIONS

1. The Department of Human Resources should update employee termination and cut-off procedures to require all supervisors, upon signing the termination checklist, to promptly notify PABC of the status of the employee's parking pass to include whether the parking

³ The City of Baltimore Cut-Off Notice form is completed when an employee is terminated. It provides notice to payroll of an employee's last day of duty and provides approval for release of the employee's final paycheck.

pass has been canceled or reassigned, and if reassigned, that parking records are updated to include accurate data on the new assignee.

Management Response. The Department of Human Resources agreed with the recommendation and is in the process of revising the Termination Checklist form and procedures. In addition, the Department will provide Agencies with the additional instructions and guidance to promptly notify PABC and other Agencies similarly impacted by the separation of an employee such that the City is not overexposed to the risk of waste through unauthorized use. The complete text of the response is in Attachment 1.


OIG Evaluation of Management Response. The planned actions are responsive to the intent of the recommendation.

2. PABC is hereby requested to periodically remind City Agencies to verify and correct their parking pass assignments. The inclusion of a notice in monthly billings should be considered as a means to accomplish this reminder.

Management Response. The PABC agreed with the recommendation and stated that the Agency is in the process of implementing the means to remind City Agencies to verify and correct their parking pass assignments. The complete text of the response is in Attachment 2.

OIG Evaluation of Management Response. The planned actions are responsive to the intent of the recommendation.

Attachment 1. Department of Human Resources Response to
OIG Recommendations

FROM	NAME & TITLE	Mary H. Talley, <i>Mary H. Talley</i> Director & Chief Human Capital Officer	CITY of BALTIMORE MEMO 
	AGENCY NAME & ADDRESS	Department of Human Resources 201 East Baltimore Street, Suite 300	
	SUBJECT	Response to Draft Evaluation Report OIG Report *IG 2104-0349: Review of Parking Passes Issued by the PABC	

TO: Robert H. Pearre, Jr., Inspector General
Office of Inspector General

Date: September 1, 2015

Peter Little, Executive Director
Parking Authority of Baltimore City

The Department of Human Resources ("DHR") has thoroughly reviewed the above identified report and the recommendations for effective resolution of the concerns identified regarding the issuing and termination of employee parking passes. As your report indicates, the City's Termination Checklist/procedures require the completing Agency to, among other things, collect the City parking pass from a departing employee and identify the pass by serial number or other unique identifier and indicate the date it was collected. Completion of this form by the Agency should ensure that a City parking pass does not remain in the possession of a former employee. The purpose for circulating the form to Central Payroll is to signify that the Agency has accomplished all of the necessary tasks associated with separating the employee, including collection of all City property, such that Central Payroll should proceed to perform its functions and responsibilities to provide the employee with their final payout, if any.¹ The primary responsibility for ensuring that the City has collected all property from the departing employee and addressed all access privileges rest with the Agencies.

DHR agrees with your assessment that more can be done to improve this process. As recommended, DHR is in the process of revising the Termination Checklist form and procedures to provide the Agencies with the additional instructions and guidance to promptly notify PABC and other Agencies similarly impacted by the separation of an employee such that the City is not overexposed to the risk of waste through unauthorized use. We will make the revised form available to the Agencies as soon as possible. We note, however, that it continues to be the responsibility of the Agencies to take appropriate action when they receive the information that an employee has been separated from City service.

¹ We would like to clarify that the final payout to the employee, if any, is not the same as the employee's final paycheck, which the City is required to pay during the next regular payroll following the employee's departure. The final paycheck is issued in compliance with federal laws limiting the employer's ability to make deductions.

Attachment 2. Parking Authority of Baltimore City Response
to OIG Recommendations

TRANSMITTAL MEMO

TO: Robert H. Pearre, Jr., Inspector General
CC: Mary Talley, Director Department of Human Resources

FROM: Peter Little

DATE: August 21, 2015

RE: Draft Evaluation Report # IG 2014-0349



PARKING
OF BALTIMORE CITY
AUTHORITY

Thank you for allowing the Parking Authority of Baltimore City to respond to the draft evaluation report. We are in complete agreement with the recommendations in the report and are in the process of implementing the means to carry out Recommendation No. 2 in particular.

Regarding the report's contents, we request that the following items be considered:

- We request that the title be changed to "Review of Parking Passes Issued to City Agencies".
- We request that, early in the report, it be noted that the Parking Authority of Baltimore City issues passes to Agencies and maintains those accounts so long as payment is received for the passes. If payment for the pass continues, the account remains active, regardless of the pass user or inactivity of the pass.

If you have any questions about this response to the Draft Evaluation Report, please call me at 443-573-2801.