

# Baltimore Police Department



## *Overpayment Assessment*

**Audit Completed March 26, 2020**

This report reflects an internal BPD audit of the referenced topic. To avoid unlawful disclosures under Maryland Code GP § 4-311, names and identifying personnel items have been redacted. BPD strives for increased accountability, transparency and improvement through publicly reporting the contents of these reports.

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## EXECUTIVE SUMMARY

The purpose of this review was to determine how former BPD Gun Trace Task Force (GTTF) members were disbursed gross payments of \$85,506.25, between March 2017 and February 2019, despite being placed in Leave-Without-Pay (LWOP) - Suspension status since March 1, 2017. The assessment revealed numerous internal control and operational weaknesses within Human Resources (HR) and Fiscal Services (FS) policies, procedures and practices that present ongoing risk associated with leaving members who face termination and in LWOP status within the computerized Human Resources Information System. IAS found that systemic organizational and operational weaknesses might be longstanding and, if not corrected, continue to place BPD at risk for overpayments, in addition to providing opportunities for fraud. IAS recommends that:

1. BPD should immediately contact City of Baltimore Central Payroll Division and notify them of the overpayments to the other members cited in our report in order to recoup the funds, where possible.<sup>1,2</sup>
2. BPD should develop a clear policy regarding termination of employees for disciplinary reasons.
3. BPD should include in all separation, retirement, resignation and termination policies clear time-lines for completion of separation packages.
4. BPD HR and FS should establish written Standard Operating Procedures (SOPS) for joint processing of separations, retirements, resignations and terminations. These SOPs should clearly detail the roles of each entity, the necessary communication between each, and the process flow for documentation between each, with clear timelines. It should be noted that former HR employees provided copies of their processes which the HR Director can use as a starting point.
5. BPD should ensure that these SOPs are cross referenced in BPD's overarching Separation Policies.
6. BPD should conduct a personnel file audit to determine the effectiveness of their filing system.
7. BPD should develop a checklist for personnel files to facilitate the production and maintenance of complete files.
8. Concerning LWOP, BPD should develop specific SOPs for FS and HR to jointly process members in this status. HR and FS should assign specific employees for these tasks, whose responsibilities will be to ensure processes and procedures are carried out for any member placed on LWOP. FS and HR should establish clear written documentation of this process, and training guidelines for employees. FS should also consider establishing a separate locator for members with LWOP - Suspended status.
9. A joint SOP and overarching policy should require that FS and HR:
  - Coordinate to take necessary steps to immediately remove a member's schedule from the e-time payroll system and notify all Payroll Specialists and Approvers of said action for any member/employee placed in LWOP status. Policy and the SOP should also

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<sup>1</sup> According to city of Baltimore Payroll Direct Deposit Request form, requesters authorize (through their signature) their financial institution to return funds to the Central Payroll Division which they are not entitled but deposited to their account in error. City of Baltimore, Payroll Direct Deposit Request form 28-1428-5031, Rev 2/96 1400-27-34.

<sup>2</sup> BPD Legal and the City of Baltimore Chief Solicitor were able to recoup most of the funds deposited to one former member's (Momodu Gondo) bank account. A check totaling \$30,010.95 was sent to the Mayor and City Council of Baltimore, by MECU Credit Union, on February 14, 2020.

mandate that the member's schedule should not be re-activated until proper documentation is received and the Chief Financial Officer reviews the account.

- Upon a member/employee being placed in LWOP status, FS and HR should coordinate to take necessary steps to immediately remove additional applicable automatic entitlements (i.e. clothing allowance) until the member's status has changed.
10. FS should develop a process to conduct a reconciliation of checks issued each pay period with active employees to ensure that employees on LWOP status do not receive payment.
  11. BPD should establish a system to conduct periodic reconciliations of paychecks with new/active/terminated employees in HRIS.
  12. FS should conduct an audit of the e-time process, as required by policy, and take corrective actions to ensure that objectives of the policy are met. FS should also provide additional training to timekeepers and approvers, where necessary. This training should be accompanied by standard SOPs on how to enter time and approve time that is consistent across all BPD payroll processing.
  13. BPD should establish a policy on accessing/maintaining accurate roll books and should conduct bi-annual audits of the roll book process.
  14. BPD should obtain a list of e-time users and remove any persons that should not have e-time access or remove locators from users who do not handle specific accounts. BPD should conduct assessments for both e-time and HRIS on a periodic basis to ensure only authorized persons have access.
  15. BPD should assess the need to have persons with both e-time and HRIS access and establish additional controls, if this is absolutely necessary.

## WORK PLAN

**Purpose:** Determine how former BPD Gun Trace Task Force (GTTF) members were disbursed gross payments estimated at \$86,000, between March 2017 and February 2019, despite being placed in Leave-Without-Pay - Suspension (LWOP) status since March 1, 2017.

**Background:** In early November 2019, the Compliance Bureau, Internal Audit Section (IAS) initiated an examination of 6th day and H-day working payments.<sup>3</sup> On November 25, 2019, during IAS's review of time detail reports for a sample of members within the BPD Divisions (WATF, OID- Task Force Units, and CID), auditors identified a former GTTF member (who was sentenced in February 2019) listed as active in the Human Resources Information System (HRIS) and Electronic Time and Attendance System (e-time). IAS suspended the 6<sup>th</sup> day and H-day examination to assess potential breakdowns in internal controls related to subsequent payments disbursed to this member's bank account.

**Objectives:** The objectives of the assessment were to:

1. Assess the BPD Human Resources (HR) and Fiscal Services policies, procedures, and practices related to HRIS and e-time to determine how BPD members received overpayments.
2. Identify any weaknesses in standard operating procedures and practices of BPD HR and FS as well as internal control weaknesses in HRIS and e-time systems.

**Scope/Methodology:** The timeframe included January 1, 2017 to February 1, 2019. The team reviewed HRIS and e-time records for 12 BPD members, including eight former GTTF members.<sup>4</sup> The team reviewed HR and FS Standard Operating Procedures (SOPs) as well as HR personnel files, FS files, and general ledger data related to these members. The team also reviewed BPD policies and procedures related to time and attendance, separations, retirements, terminations, final payouts, and banking records and conducted interviews with relevant BPD and City employees.<sup>5</sup>

**Prior Related BPD External and Internal Reports/Audits:** Report on Overtime at the Baltimore Police Department, City of Baltimore Department of Finance, Leave Audit, BPD Internal Audit Section.

**Risk Assessment:** Potential for inaccurate record keeping, improper payments, and fraud.

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<sup>3</sup> The purpose of the review is to: (1) determine whether overtime for 6th day working is paid according to the guidelines set forth in the Memoranda of Understanding for each bargaining unit and/or the City of Baltimore Administrative Manual; (2) determine whether H Day cancellation penalty in conjunction with a 6th day working was paid according to the guidelines set forth in the Memoranda of Understanding for each bargaining unit and/or the City of Baltimore Administrative Manual; and (3) perform verification/reconciliation between any overtime forms, e-time and attendance entered and monies paid for a 6th day working.

<sup>4</sup> IAS reviewed eight GTTF members and four other terminated BPD members for comparison purposes in order to evaluate the disciplinary termination process.

<sup>5</sup> These policies included, but were not limited to, BPD Policy 1801- Employee Time and Attendance Report, BPD Policy 1902 - Procedure for Separation from Service, BPD Policy 308 - General Disciplinary Process, BPD Policy 304 - Suspension Procedures, HRIS Training Manual, e-Time Training Manual, and City of Baltimore Bureau of the Budget and Management Research, Personnel Section, Administrative Manual. Bank records were only reviewed for one former GTTF member, Momodu Gondo.

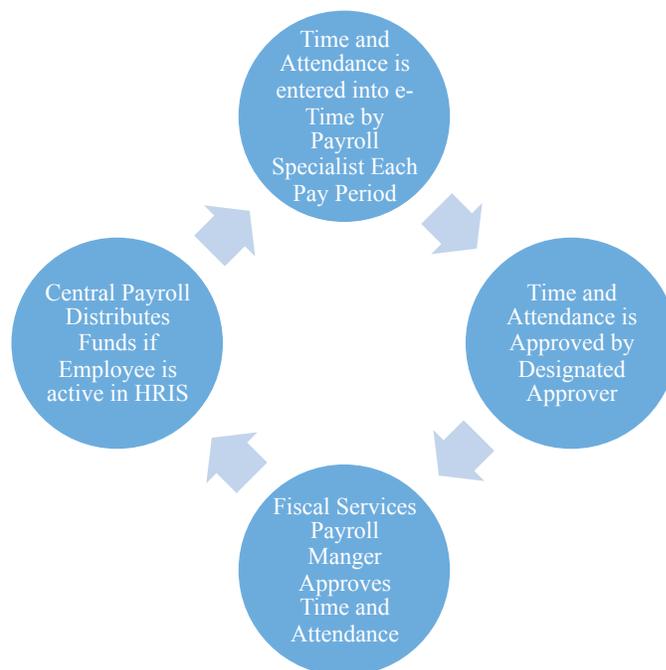
## **BACKGROUND**

The City of Baltimore’s Human Resources Information System (HRIS) is a system that keeps track of employees and their employment data. HRIS uses a series of inter-related data tables and databases to store and retrieve information. Through HRIS, BPD is able to:

- Maintain employee records
- Manage government compliance and organizational reporting requirements
- Streamline recruitment management
- Integrate and report on HR and PR (Payroll) activities
- Review general applicant data before they become employees
- Process important, time-sensitive submissions<sup>6</sup>

Electronic Time and Attendance (e-time) is the City of Baltimore’s web-based application for the official recording of time and attendance. The Director of Fiscal Services is the authorized representative for the BPD in e-time and payroll matters and serves as the point of contact for all internal and external payroll inquiries. This includes the exercise of overall staff coordination and preparation and distribution of bi-weekly Time and Attendance Reports.<sup>7</sup>

### **BPD PAYROLL PROCESS**



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<sup>6</sup> See HRIS User Manual.

<sup>7</sup> See BPD Policy 1801- Employee Time and Attendance Report, October 25, 2017.

## FINDINGS AND RECOMMENDATIONS

### **BPD Members Were Erroneously Disbursed \$85,506.25 in Funds While On Leave Without Pay-Suspended Status.**

Figure 1 is a summary table that details overpayments to former GTTF members.

**Figure 1**

Overpayments	
Member	Gross Earnings Overpaid
Hendrix	\$2,694.27
Jenkins	\$3,315.00
Rayam	\$11,196.16
Gondo	\$52,560.17
Taylor	\$9,718.41
Hersl	\$6,022.24
<b>Total</b>	<b>\$85,506.25</b>

Source: General Ledger

Figure 2 details the timeline from date of arrest of GTTF members, to final termination in HRIS.

**Figure 2**  
**System Separation Timeline**

Member	Arrest Date	LWOP-Suspend Date	Resigned (Y/N) Date	Termination Effective Date (Per HRIS)	Date Termination Entered in HRIS by HR	E-Time Term Date	Term/Resign HR Order (Y/N) Date
Hendrix	3/1/17	3/1/17	6/19/17	6/19/17	6/21/17	6/25/17	6/26/17
Jenkins	3/1/17	3/1/17	7/26/17	7/26/17	9/18/17	10/1/17	7/31/17
Rayam	3/1/17	3/1/17	7/31/17	7/31/17	10/13/17	10/15/17	9/28/17
Gondo	3/1/17	3/1/17	N	2/3/19	12/20/19	12/22/19	N
Ward	3/1/17	3/1/17	4/24/17	4/24/17	5/1/17	5/14/17	5/3/17
Taylor	3/1/17	3/1/17	N	12/28/18	12/20/19	12/22/19	N
Hersl	3/1/17	3/1/17	N	2/12/18	3/22/18	4/1/18	N
Allers	8/30/17	8/30/17	11/21/17	2/28/18	2/28/18	3/4/18	N

Source- e-time, HRIS, Internal Affair Records, HR Personnel Files, and FS Files

Figure 3 is a summary analysis detailing key events for the former GTTF members.

**Figure 3**

Member	Summary Analysis
Hendrix	[Redacted]
Jenkins	[Redacted]
Rayam	[Redacted]
Gondo	[Redacted]
Ward	[Redacted]

	[REDACTED]
Taylor	[REDACTED]
Hersl	[REDACTED]
Allers	[REDACTED]

Source- e-time, HRIS, Internal Affair Records, HR Personnel Files, and Fiscal Department Services Files

Figure 4 is a timeline detailing the date of arrest for other members, to their subsequent termination in HRIS. **Note:** The review of four additional terminated BPD members is for comparison purposes, to evaluate the disciplinary termination process beyond GTTF members.

**Figure 4**

**Other Members**

Member	Arrest Date if applicable	LWOP-Suspend Date if applicable	Resigned (Y/N) Date	Termination Effective Date (Per HRIS)	Date Termination Entered in HRIS by HR	E-Time Term Date	Term/Resign HR Order (Y/N) Date
George III	unknown	12/12/16	N	10/3/17	1/3/18	1/7/18	11/6/17
Jeffers	5/7/15	5/18/15	N	5/20/16	11/02/17	10/29/17	N
Salzano	N/A	N/A	N	1/03/18	1/24/18	2/4/18	N

White	N/A	N/A	N	12/29/17	2/14/18	2/18/18	12/29/17
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Source- e-time, HRIS, Internal Affair Records, HR Personnel Files, and Fiscal Services Files

Analysis of e-time records, HRIS data and general ledger data from FS revealed there were no overpayments to the four other members reviewed during this assessment.

Figure 5 is a summary analysis of key events for four other members.

**Figure 5**

Member	Summary Analysis
George III	[Redacted]
Jeffers	[Redacted]
Salzano	[Redacted]
White	[Redacted]

Source- e-time, HRIS, Internal Affair Records, HR Personnel Files, and Fiscal Department Services Files

Overall, the review found that former GTTF members were erroneously paid \$85,506.25 while they were in a LWOP status. Our review found no indication of fraud related to the payments made to Momodu Gondo.<sup>8</sup>

<sup>8</sup> Fraud is defined as wrongful or criminal deception intended to result in financial or personal gain.

Our methodology for the assessment of no fraud resulted from Ethics Detective interviews with the Approver of Gondo's time and attendance in e-time. Ethics Detectives were unable to interview the Payroll Specialist because she was unavailable and on long term medical leave and subsequently submitted paperwork for her retirement.

IAS also conducted a review of Gondo's financial institution records including bank statements, direct deposit forms and bank account inquiries. During the period of our review, Gondo was disbursed \$52,560.17 between the dates of June 2018 and February 2019. Net disbursements of \$31,819.95 were deposited into Gondo's bank account through direct deposit. Our review of Gondo's bank statements indicate that the majority of funds were still present, as of January 17, 2020 (bank ending balance \$30,019.00) reduced only by minimal automatic debits/withdrawals, which appear to have been set up prior to Gondo's arrest.

IAS found no other activity (i.e. wire transfers, debit card activity ordering checks or change of address) that would indicate fraudulent activity. IAS did not conduct a review of financial institution records of the other members in our review.

It should be noted that BPD Legal and City of Baltimore Chief Solicitor were able to recoup most of the funds deposited to Gondo's bank account. A check totaling \$30,010.95 was sent to the Mayor and City Council of Baltimore, by MECU Credit Union, on February 14, 2020. IAS found the following key causes as to why these overpayments occurred:

1. Failure to remove employee's regular schedule entirely or consistently when the employee is placed on LWOP Suspended or any other extended LWOP status. The lack of consistency and sufficient controls in this area is a high risk to BPD. The e-time system is an "exception" based payroll system. A Timekeeper/ Payroll Specialist<sup>9</sup> can enter a bi-weekly payroll schedule (in the e-time scheduler module) for an employee for an indefinite period and that schedule will automatically populate each pay period if it is not removed. The employee will be paid if they are listed as "active" in HRIS, which feeds the e-time system, and time and attendance has been approved in e-time. If placed in LWOP status while active in HRIS, the employees schedule must be removed through the "scheduler module" in e-time; or be removed from the time card on a bi-weekly basis; or the timekeeper can override the bi-weekly schedule by entering a LWOP pay code for each day on the time card, to prevent the employee from receiving payments. For the employees in our review, IAS found that schedules were entered in e-time for all members, prior to the criminal investigation and their arrest. The timekeeper overrode the bi-weekly schedules by entering a LWOP pay code for some pay periods, but failed to do so for other pay periods, resulting in the system resuming the employee's regular schedule. Entering a LWOP code is the weakest internal control for stopping payments, because several factors places it at risk including the following:
  - The payroll specialist is on leave and another person assigned to complete the payroll unwittingly does not enter the LWOP.
  - Another specialist is assigned to the payroll locator and the former specialist does not inform the new one that the LWOP should be entered.
  - The payroll specialist is directed to stop coding the employees account.

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<sup>9</sup> Throughout this report, Timekeeper and Payroll Specialist will be used interchangeably.

IAS was unable to determine if any of LWOP code risk occurred. However, employees were ultimately paid because they were still active in HRIS and the payroll specialist was not directed by a policy or procedure to use a stronger internal control available to them for preventing payments, removing the schedule.<sup>10</sup> It should be noted that while removing the schedule would have prevented scheduled time payments, it does not prevent special payments, such as the bonus disbursed in January of 2019, to all members of the bargaining units' one and two, who were listed as active in the HRIS. The strongest control is removal from HRIS. Eventually, some employee's schedules were removed in full in the "scheduler module," thus preventing any further disbursements. IAS was unable to determine who removed the schedules in the system, at the time of this reporting.

2. Payroll time and attendance sheets were approved containing the erroneous payments. The likely cause of the approval was weaknesses within the approval process. IAS found the approver had too many locators/units to effectively screen and approve the accounts in given timeframes. The Approver for the majority of members in our review had approximately 7-10 locators/units, with approximately 166 members to approve.
3. Sufficient resources were unavailable to Payroll Specialist and Approvers to ensure accuracy of time and attendance entries. These included:
  - Inaccessible roll books.
  - Employees were not housed in physical location of the Timekeeper and Approvers.
  - Daily overtime slips, court overtime slips, leave slips, etc., were unavailable to Payroll Specialists and the Approver to ensure the accuracy of entries.
4. Inconsistency in the way Approvers review and approve time and attendance. Some Approvers reviewed time entries for each daily entry, whereas other Approvers approved by exception, only reviewing the employees daily time entries, if an employee's bi-weekly hour total is more or less than the standard two-week hour total. There are no directives for universal standards for these procedures.
5. HRIS does not have the capability to place a person in an active non-pay status vs. terminated status. If this feature existed, it would mitigate the risk of overpayments.
6. Ambiguous processes and communication with regards to employees placed on LWOP and/or terminated for disciplinary reasons. IAS found there are no SOPs with regard to how information is to be passed from HR to FS when placing a member on non-pay status. For example, the review found that FS had related LWOP documentation that was not in the member's personnel file.

Our assessment revealed numerous internal control and operational weaknesses as discussed in this report with regards to HR and FS policies, procedures and practices. IAS found that these may be longstanding systemic organizational and operational weaknesses that if not corrected, continue to place BPD at risk for overpayments such as those cited above, in addition to providing opportunities for fraud.

### **Recommendation:**

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<sup>10</sup> Terminating an employee in HRIS will cease all payments, but also places the employee in an inactive status whereby they no longer accrue any time benefits they may be entitled to.

BPD should immediately contact City of Baltimore Central Payroll Division and notify them of the overpayments to the other members cited in our report in order to recoup the funds, where possible.<sup>11</sup>

**BPD has: (1) No clear policy on terminating employees for disciplinary reasons, (2) No written Human Resources or Fiscal Services standard operating procedures (SOPs) for processing terminations, resignations, or separations; (3) Not complied with BPD Policy 1902 - Procedure for Separation from Service Documentation Requirements; and (4) No standard timelines for final processing of separations, resignations or terminations.**

An important purpose of procedures is to ensure consistency and to help reduce variation within a given process. Effective procedures are a key internal control. United States Government Accountability Office (GAO) Standards for Internal Control in Federal Government says that procedures and controls should be established to ensure accurate and timely recording of transactions that applies to the entire process or life cycle of a transaction or event from initiation and authorization through its final classification in summary records.

According to the Director of HR and CFO of FS, specific requirements and documents are required when a sworn member separates service with BPD. According to the Director and CFO and HR employees responsible for processing terminations, an employee cannot and should not be terminated in HRIS until a complete package, in compliance with key provisions BPD Policy 1902 (as indicated below), has been completed and a Human Resource Order (HRO) is completed.

**Key Requirements of Policy 1902:**

**RETIREMENT**

**Member**

1. Respond to the Fire and Police Employees' Retirement System (F&P) Office to notify the F&P of intent to retire/sever employment with the BPD.
2. Upon deciding to retire from service, immediately notify the Human Resources Section (HRS). HRS is to provide the appropriate forms (in accordance with the type of separation from service) to the employee.

Complete the following:

1. Administrative Report, Form 95.
2. Equipment/Uniform Return, Form 221. Form is to be submitted to Commanding Officer after returning all issued departmental equipment.
3. City of Baltimore Termination Checklist.<sup>12</sup>

**DISABILITY RETIREMENT (LINE-OF-DUTY OR NON-LINE OF DUTY)**

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<sup>11</sup> According to city of Baltimore Payroll Direct Deposit Request form, requesters authorize (through their signature), their financial institution to return funds to the Central Payroll Division which they are not entitled but deposited to their account in error. City of Baltimore, Payroll Direct Deposit Request form 28-1428-5031, Rev 2/96 1400-27-34.

<sup>12</sup> The City of Baltimore Termination Checklist is a Baltimore City Department of Human Resources form all City employees must complete at the time of separation from service with the City, regardless if the separation is through retirement, resignation, or termination of employment.

Upon filing for a medical retirement, the member should retire on the first eligible date given by the Fire and Police Employees' Retirement System. Once the member has received the date, he/she must not rescind or extend the retirement date.

Complete the following:

1. Equipment/Uniform Return, Form 221.
2. City of Baltimore Termination Checklist.
3. Appropriate forms supplied by the Fire and Police Employees' Retirement System.

## **RESIGNATION**

### **Member**

1. Upon deciding to resign from service, immediately notify HRS. Notification shall be made at least two weeks in advance of the desired date of resignation. HRS is to provide the appropriate forms (in accordance with the type of separation from service) to the employee.
2. Notify supervisor of upcoming resignation and comply with the directions of Commanding Officer or designee to facilitate the separation process.
3. Schedule and attend an exit interview with the Director of HRS before date of resignation.

Complete the following:

1. Resignation, Form 48: Complete and deliver to HRS at least two weeks in advance of the desired date of resignation. When delivering the form, schedule an exit interview with the Director of HRS.
2. Equipment/Uniform Return, Form 221: Complete and submit this form to Commanding Officer after returning all issued departmental equipment.
3. City of Baltimore Termination Checklist.

Our review found no category within Policy 1902 that specifically identifies required actions under termination for disciplinary actions except on page 4 of 16, which states that:

*“When a member under your supervision has his/her service to the BPD terminated, attempt to solicit cooperation with that former member. If cooperation is received:*

- 1.1. Equipment/Uniform Return, Form 221 (Appendix C): Complete and submit this form to your Commanding Officer after collecting the terminated member's issued departmental equipment.*
- 1.2. City of Baltimore Termination Checklist (Appendix E): Complete and submit to the member's Commanding Officer.*
- 1.3. Contact the Baltimore Police Department's Employee/Retiree Affairs Unit at 410-396- 2546 to obtain the packet that includes recommended contacts and notifications to be made.*
- 1.4. Direct the former member to comply with orders from his/her former Commanding Officer or designee to facilitate the separation process.*

*When it is apparent cooperation will not be received from the former member, immediately notify the Director, Human Resources Section, via official channels, so that appropriate action can be taken.”*

Policy 1902 makes no reference to HRIS and terminating employees in HRIS or any needed actions within e-time nor does the policy define specific timelines for completion of processing actions.

IAS found there were no written HR or FS SOPs for processing separations or disciplinary terminations. Therefore, auditors interviewed both HR and FS personnel responsible for processing employees who separated from BPD. They described the termination processes below:

➤ **Former HR Employee left HR in December 2019, transferring to a different unit in BPD. Employee was processing resignations, separations and terminations during the scope of our review. Employee reported the following:**

According to the employee, HR currently only processes terminations from the Academy. The employee reported that, during years 2017 and 2018, HR processed all terminations using the following protocol:

1. Receive termination packets from the trial board (who was responsible for obtaining all items required in the separation package as indicated in Policy 1902. The employee indicated that there was not standard process for members who did not have a trial board.)
2. Draft an HRO.
3. Terminate the person out of HRIS.
4. Terminate the person out of In-Pursuit.
5. Provide HRO to HR Director for signature.
6. Distribute HRO is distributed to FS and member's chain of command.
7. The original completed packet is filed in member's personnel jacket and the jacket is moved to the inactive shelf.

The employee further stated that in 2019 disciplinary terminations were handle by Internal Affairs (IA). IA would complete the termination packet and the HRO, **submit both to HR**, and HR would terminate in HRIS and In-Pursuit. HR would then distribute a copy of both the packet and HRO to FS, while the completed original packet was filed in member's personnel jacket and moved to the inactive shelf.

Regarding resignations, retirements and other separations from BPD, the employee stated that they were provided no written SOPs and had created their own step-by-step Manual for processing separations.

➤ **Current HR Employee (Supervisor of above employee)**

The employee stated that for criminal allegations there are specific processes. If there was a criminal allegation the member may or may not be suspended and/or suspended without pay. The employee further stated that this process is the same if they are arrested and that it is an IA decisions as to suspend with pay or without pay. The employee stated that none of these actions are processed in HRIS and the suspended member remains active in HRIS. According to this employee, once the member is convicted and terminated from BPD, HR still has to wait for the final package (Policy 1902 document requirements) before terminating them in HRIS. If member is found guilty and sentenced, the employee stated that IA usually prepares the final package. It was the understanding of the employee that there is one package for Discipline Termination (that adheres to Policy 302) another package that follows the requirements of Policy 1902. According to the employee, below is what usually happens if someone is LWOP suspended:

1. If the person has been charged with a crime, IA has all the information and there is no formal action taken by HR.
2. BPD legal usually takes the member's personnel file or the Mayor's legal team takes the file.

3. Once the person is sentenced often there is no official paperwork given to HR as to when to take them out of HRIS (i.e. termination)
4. The only way HR will terminate an employee in HRIS (in these cases) is to get paperwork and a notification package from Legal or IA.

➤ **Current HR Employee- (employee stopped processing terminations/separations in 2016.)**

According to the employee, in 2016 In-Pursuit was used by HR as the BPD personnel system and FS was handling HRIS and the HRIS functions transitioned to HR in late 2016. The employee stated that FS used to enter new hires, pay rate information, etc., but this is now done by HR. This employee stated that he stopped processing separations/terminations in 2016 but when he was processing them he would provide FS a copy of all the required documents that had been forwarded from the Districts, commands, etc. This employee indicated that he is not sure that this is being done now.

➤ **Current FS Employees**

According to the FS employees the process is:

1. Receive separation packet from HR and they review the packet to see if all the required documentation elements (from policy 1902) are there and that the package is complete.
2. Forward notification to Central Payroll with the City's Termination Checklist and the member's leave balances.
3. Send over the employee's or member's last three to four years leave records to Central Payroll Division in order to reconcile leave balances Central Payroll has on their books.
4. FS will get involved again with them if leave balances need to be reconciled.
5. Central Payroll processes leave payouts.
6. We get a list of payouts for the week from Central Payroll provides FS a list of weekly payouts.
7. FS will attach this list with the member's packet.

➤ **Senior HR Officials**

According to HR Officials, HR is to be notified of a person's resignation/termination/separation. For all Disciplinary Terminations it is their understanding that Public Integrity Bureau (PIB) makes a recommendation for a specific action and if member/employee is to be terminated this has to be signed by the Commissioner approving the termination. The Officials went on to state that, only when they have received this recommendation with signature will they create an HRO for the Commissioner's signature or the HRO is to be created by PIB and signed by the Commissioner. The Officials stated that requirements of Policy 1902 should still be met before any HR processing. The Officials stated that currently only Sworn and non-probationary employees go through this process with PIB and signature of the Commissioner and they are hoping in the future all Disciplinary terminations will go through the Commissioner for signature before HR processing. Officials went on to indicate that once the packet is complete (1902 requirements) they will then send the packet to FS and remove/terminate the member/employee in HRIS. They indicated the process moving forward, that they want to implement regarding separations/retirements is:

1. Once notification through 95 that a person is resigning, retiring, or being terminated HR creates an HRO.
2. HR terminates the person in HRIS.
3. HR provides notification to timekeeper.
4. Timekeeper will be responsible for collecting all items in required by 1902 within 30 days.
5. Timekeeper will send packet to HR.

➤ **Former Internal Affairs (IA) Member 1:**

A former IA member indicated that for the GTTF arrest there was a plan drawn up two weeks prior to the members' arrest and the plan was developed by a team that consisted of the then Commissioner, members of IA and the FBI. The member stated that the team determined that a suspension or LWOP paperwork packet (that would be sent to HR) would be completed the day of the members arrest (March 1, 2017) and include:

1. Form 95 detailing collection of any equipment
2. Duty Status Change Form
3. Suspension Form

➤ **Former Internal Affairs (IA) Member 2:**

The former IA member indicated that people can separate from the BPD in several ways:

1. Termination after Trial Board
2. Termination without Trial Board
  - a. Probationary
  - b. Felony conviction
3. Resign / Retire

Member 2 indicated that, under the Davis Administration (when the member was at IA), the practice was:

1. Termination after Trial Board: Paperwork was generated by Office of Administrative Hearings (OAH) and Strategic Services Bureau – separate from IA.
2. Termination without Trial Board:
  - A. If probationary: Case was brought to the attention of the Police Commissioner who, if agreed, would request a formal recommendation for Termination be generated by the Office of Professional Responsibility (OPR).
  - B. If a felony conviction: These cases were always high profile and were proceeded by a ***suspension without pay***. Upon sentencing, PC would request recommendation memo from OPR.
3. Resign / Retire: Notification of a member's decision to resign was typically made directly to HR. HR would sometimes notify IA, but usually only if requested. IA/OPR was separate from OAH at that time. If notified by HR and/or OAH, IA would retain the records but take no specific action as the member was no longer an employee. ***NOTE: The date of the effective resignation was not always the date HR was notified and may not have been the date IA was told, if told at all.***

IAS found no clear consistent written or verbal procedures for processing terminations. To test for accurate and timely recording of transactions and whether adequate procedures and internal controls were in place the auditors attempted to create an audit trail and reconcile source documents to summary documents. An effective audit trail should give a step-by-step documented history of the personnel actions (i.e. from LWOP status to actions required of FS and HR).

The presence of a reliable and easy to follow audit trail is an indicator of good internal controls and is also a useful aid in uncovering fraud. IAS tested against Policy 1902 documentation requirements (and verbal processes outlined above) for each of the members in our sample. The auditors tested for the existence of:

- A. Resignation, Form 48
- B. Equipment/Uniform Return, Form 221
- C. Leave Balance form or Leave record
- D. City of Baltimore Termination Checklist
- E. HRO: Personnel Action - Resignation
- F. IA Recommendation for Dismissal memo
- G. HRO: Personnel Action - Dismissal/Termination

IAS found that most of the files did not contain all the required information. HR could not locate and provide the files for the highlighted members in the table below.<sup>13</sup> Within the files provide by HR, IAS did find that a packet completed by IA that included: (1) Personnel Duty Status Change Form 344/08 (2) 1160-25-65 form 99/154, (3) photo with sequence#, unit#, DOB, SSN, phone, address, vehicle, and significant other. The figure below presents a summary of the analysis.

MEMBER	A	B	C	D	E	F	G
Evodio Hendrix	x	x	x				
Wayne Jenkins	x						
Jemell Rayam	x						
Momodu Gondo			x				
Maurice Ward	x	x					
Marcus Taylor							
Daniel T. Hersl							
Thomas Allers							
Timothy George III			x				
Maurice Jeffers							
Christopher Salzano							
Lonnie White							

Source: HR files, IA documents.

IAS found the BPD has no written process flow for notification of termination for disciplinary reasons or, more specifically, procedures dictating what specific actions should be taken and which BPD unit (FS or HR) should ultimately be responsible for specific actions when a member is placed on LWOP for disciplinary reasons to ensure that overpayments do no occur. The review found there were no clear policies as to how long the processing should take. Some termination actions were completed within 15 days but in other cases the auditors found that the member was still active in HRIS months after their conviction date or resignation/termination effective date.

IAS found several potential causes. In addition to no overarching BPD policy regarding disciplinary terminations, HR and FS have no written standard operating procedures for processing terminations. IAS found no SOPs on how information is shared between HR and FS especially when a Duty Status Change form is submitted to HR. The auditor’s review of personnel files found a lack of consistency among the

<sup>13</sup> Documents for Timothy George were provided by FS.

files and that many files lacked “best practice” documents, such as a checklist, and HR did not have a standardized checklist of what should be included in each member’s file.

The lack of effective written policies and procedures presents risk with regards to properly and consistently handling termination actions. This also leaves the process open to interpretation on the part of the FS and HR Directors as well as the personnel who all have a role in processing actions including, but not limited to command staff, timekeepers, HR and FS senior staff and HR generalists. The lack of any written SOPs also leaves HR and FS in vulnerable position of not completing tasks and meeting objectives if current staff, with historical knowledge of the processes, leave BPD.

Further, the lack of proper personnel file documents places BPD and the City at risk because they are not able to properly document all personnel actions in HRIS or in the members’ personnel file. For example, a member IAS reviewed had an effective termination date per HRIS of May 20, 2016; however, the date it was entered into HRIS was November 2, 2017. HR could not locate the file for this member to support any of these actions in HRIS.

The lack of standard timelines for final processing of separations, resignations or terminations also affects the prompt payment of former members’ final payouts and may affect the initiation of their retirement benefits. This may also affect the timely transfer of employees to other city agencies. Lastly, the lack of standard timelines for final processing affects the accuracy of weekly Personnel, Sworn and Civilian Hiring and Attrition, Workforce Demographics and Sworn Separation reports.

#### **Recommendations:**

1. BPD should develop a clear policy regarding termination of employees for disciplinary reasons.
2. BPD should include in all separation, retirement, resignation and termination policies clear time-lines for completion of separation packages.
3. BPD HR and FS should establish written SOPs for processing separation, retirement, resignation and termination. These SOPs should clearly detail the roles of each of the units, the necessary communication between each and the process for flow documentation between each department, with clear timelines. **It should be noted that former HR employees provided copies of their processes which the HR Director can use as a starting point.**
4. BPD should ensure that these SOPs are cross-referenced in BPD’s overarching Separation Policies.
5. BPD should conduct a personnel file audit to determine the effectiveness of their filing system.
6. BPD should develop a checklist for personnel files.

#### **Additional Internal Controls Are Needed For: (1) Schedules in E-Time, and (2) Approval of Time and Attendance**

Internal control is a process affected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. United States Government Accountability Office (GAO) Standards for Internal Control in Federal Government says that procedures and controls should be established to ensure accurate and timely recording of transactions. IAS reviewed key requirements of Policy 1801- BPD’s policy on recording employee time and attendance and the City’s e-time user manual.

*Key Components of BPD Policy 1801 - Employee Time and Attendance Report Electronic Time and Attendance (e-Time)*

Timekeeper - The employee responsible for the daily markings in Electronic Time and Attendance (e-Time) and for maintaining all related supporting payroll documents.

Payroll Approver – The employee assigned by the District/Unit Commanding Officer to certify the correctness of bi-weekly markings and overtime entries in Electronic Time and Attendance (e-Time). Along with Timekeepers, the Payroll Approver shall be aware of BPD and City policies on payroll and related topics.

### *Markings in Time and Attendance*

#### District/Unit Commanders

1. Designate a primary and secondary Time Keeper, and approver.
2. Submit the names of the Time Keepers and Payroll Approvers in writing to the Director, FS.
3. Ensure newly assigned Timekeepers and Payroll Approvers receive training provided by FS.

#### Timekeepers

1. Ensure every employee has adequate markings per pay period consisting of in-and-out punches or pay codes.
2. Ensure all markings in Time and Attendance are completed with accuracy.
3. Request the Payroll Approver certify payroll upon completion.

#### Payroll Approver

1. Review the “Pay Period Closed” and “Reconciled Time Card” (for overtime) for the number of hours worked per employee.
2. Review all hours entered into e-Time to ensure accuracy of time worked.

#### Agency Payroll Managers

1. Review the Time and Attendance Report after the Payroll Approver.
2. Check for accuracy and discrepancies. If discrepancies arise, immediately notify the appropriate Unit/Section/Division/District to resolve the issue.
3. Grant final sign-off/approval.

#### Director, Fiscal Services

1. Conduct training sessions in the preparation and marking of Time and Attendance Reports on a quarterly basis or as needed, or upon request by a specific unit.
2. Conduct random audits of the Time and Attendance Report to ensure that entries reflecting attendance, authorized leave, etc., are recorded properly and consistently.

### *Key Components of E-time User Manual*

According to the manual for the City of Baltimore, the City of Baltimore uses ADP-TA as an **exception payroll process**. That means employees are assigned schedules and the ADP-TA user/manager edits in the schedule in the timecard as needed. All ADP-TA users/managers are responsible for maintaining compliance with all City of Baltimore policies, memorandums of understanding, etc. Agency HR managers should be consulted when questions arise involving leave usage, FML, overtime and entitlements, etc.

#### Roles and Responsibilities:

Timekeepers are responsible for collecting timesheets from work locations and entering time into the system. Approvers are responsible for reviewing Timekeeper system payroll entries. After reviewing payroll, Approvers have the option to make corrections (if necessary) or approve the payroll. Payroll Managers are ultimately responsible for reviewing all system payroll entries. After reviewing agency payroll, Payroll Managers have the option to make corrections (if necessary) or approve the payroll.

#### *Assessment of E-Time and Payroll Practices in These Instances*

IAS found that inadequate controls exist that increase the probability for overpayments to occur as documented in this report. As stated above, the current e-time system is an “exception” based payroll system.

The review found that for the sample employees the timekeeper overrode the bi-weekly schedule by entering a LWOP pay code for some pay periods, but failed to do so for other pay period, resulting in the employee’s regular schedule resuming, the time approved and the funds disbursed. The employees were ultimately paid because they were still active in HRIS. There is an inherent risk that if the timekeeper is out or out for an extended period of time and the timekeeper who covers or replaces them is unaware that the member is on LWOP, their schedule will repopulate and may go undetected.

IAS found that some timekeepers remove the entire schedule of a member if they are placed on LWOP and others do not, which should be a requirement with an exception based process. IAS further found that Approvers have different methodologies and/or processes for approving time.

The review also found that Timekeepers and Approvers do not necessarily have all the resources they need to ensure full accuracy of time entry and approval. For example, BPD has no written policy or consistent practice on how to enter and document/verify daily time and attendance. According to the Approver for the former GTTF members in our review, he did not have access to their roll books or records (i.e. Daily overtime slips, court overtime slips, leave slips) to reconcile the payroll markings.

IAS also found that some Timekeepers do not have access to a roll book or access to an accurate roll book (the roll book is BPD’s time card method). IAS found there is no BPD policy specific to maintaining and ensuring the accuracy of roll books and there has been no audit of the time and attendance process, as required by Policy 1801.

The lack of effective internal controls in processes increases the risk of overpayments occurring. This also increases the risk of these occurrences, if they do happen, going undetected for longer periods of time than necessary.

#### **Recommendations:**

1. With regards to LWOP, BPD should develop specific SOPs for FS and HR requirements and assign a specific employee whose responsibilities are to ensure that these process/procedures are carried out for any member placed on LWOP. FS and HR should establish clear written documentation of this process. FS should also consider establishing a separate locator for members with LWOP - Suspended status.
2. FS should develop a process to conduct a reconciliation of checks issued each pay period with active employees to ensure that employees on LWOP status do not receive payment.
3. FS should conduct an audit of the e-time process, as required by policy, and take corrective actions to ensure that objectives of the policy are met. FS should also provide additional training

to timekeepers and approvers, where necessary. This training should be accompanied by standard SOPs on how to enter time and approve time that is consistent across all BPD units.

4. Upon a member/employee being placed on LWOP, FS and HR should coordinate to take necessary steps to immediately remove the member's schedule from e-time and notify all Payroll Specialists and Approvers of said action. This members schedule should not be re-activated in e-time until proper documentation has been received.
5. Upon a member/employee being placed on LWOP, FS and HR should coordinate to take necessary steps to immediately remove additional applicable automatic entitlements (i.e. clothing allowance) until the member's status has changed.
6. BPD should establish a system to conduct periodic reconciliations of paychecks with new/active/terminated employees in HRIS.
7. BPD should conduct an audit of the roll book process. BPD should establish a policy on accessing/maintaining accurate roll books.

### **Internal Controls Are Needed For HRIS and E-Time Access**

United States Government Accountability Office (GAO) Standards for Internal Control in Federal Government say that management should design control activities to limit user access to information technology. These control activities may restrict authorized users to the applications or functions commensurate with their assigned responsibilities, supporting an appropriate segregation of duties.

Management should design other control activities to promptly update access rights when employees change job functions or leave the entity. Management should also design control activities for access rights when different information technology elements are connected to each other. Where such segregation is not practical, management should design alternative control activities to address the risk.

IAS found that FS could not provide a full listing of all persons within BPD that have e-time access and their specific roles. IAS has requested this from the City's Central Payroll Division but have yet to receive a response. IAS was able to obtain a listing of BPD members who have access to HRIS. IAS found that this list was last reviewed in October 2019 and numerous former HR employees were deleted from the list. IAS found that there are numerous BPD employees that have full access to both HRIS and e-time with full user/edit role functions. This is a clear violation of the principle of separation of duties. IAS also found both HR and FS processing termination actions in HRIS.

According to the City of Baltimore Department of Human Resources, HRIS Manager, full access to both HRIS and e-time was granted to BPD for operational reasons. Although segregation of duties may not be practical within BPD because of limited personnel or other factors, management should design alternative control activities to address the additional risk of fraud, waste, or abuse in the operational process. The lack of proper separation of duties also increases the risk for fraud to occur and go undetected. The failure of BPD to have an accurate list of employees with access to further e-time violates the GAO principle of limiting user access to information technology.

### **Recommendations:**

1. BPD should obtain a list of e-time users and remove any persons that should not have e-time access. BPD should conduct assessments for both e-time and HRIS on a periodic basis to ensure only authorized persons have access.
2. BPD should revisit the need to have persons with both e-time and HRIS access and establish additional controls if this is absolutely necessary.



**BALTIMORE POLICE DEPARTMENT  
MANAGEMENT RESPONSE TO COMPLIANCE AUDIT**

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**Date:** July 29, 2020  
**To:** Deputy Commissioner Daniel Murphy, Compliance Bureau  
**From:** Deputy Commissioner James Gillis, Administrative Bureau  
**Subject:** **RE: Overpayment Assessment – Administrative Bureau Review and Response**

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Deputy Commissioner Murphy,

The Compliance Bureau, Internal Audit Section submitted the draft report to the BPD Administrative Bureau on March 26, 2020. We are providing this written response to the draft report and are pleased to note that the Administrative Bureau agrees with all recommendations in the report and has already taken actions to address the report's findings and recommendations.

The Administrative Bureau would like to thank you and your team for this work – it is excellent and incredibly important to making the BPD the best agency possible for its employees, and more importantly, the citizens of Baltimore. This is integral to improving the agency's internal functioning and providing the necessary services to the citizens of Baltimore with an aim of fiduciary responsibility. It is our duty. The Administrative Bureau agrees with the Compliance Bureau recommendations.

As mentioned in the audit report, the City Solicitor's Office, in conjunction with BPD Legal Section, has successfully recouped a large amount of the overpayments that were identified in the report. The City Solicitor's Office has been an invaluable partner in this process. In addition to the City Solicitor and BPD Legal, the Public Integrity Bureau played a vital role in this audit and in the recommendations going forward. Also consulted immediately were the Mayor's Office, the Department of Human Resources, the Department of Finance, the Baltimore City Office of the Inspector General, and the Office of the U.S. Attorney for the State of Maryland. While this preliminary audit has revealed no criminal component to what happened, the advice and guidance from these partners has been invaluable.

Of particular note, the value of the hard work of now-retired Major Ronda McCoy, who spearheaded this audit, cannot be overstated.

The results of the audit clearly show that the BPD, and the City-proper, have historically lacked the proper internal controls to ensure that inaccurate payments are not disbursed to employees or former employees.

From the moment the BPD learned of this issue, it has been working tirelessly to address the issues found and create systems of accountability going forward. In addition to the recommendations coming out of this audit, the BPD has been building the infrastructure to enact the following changes meant to directly address the issues identified:

**1) Centralization of timekeepers/payroll clerks.**

Historically, timekeepers and payroll clerks have been decentralized in the BPD, which means that their ultimate command authority has been the leader of the different district, division, or unit for which they work. Centralizing timekeepers and payroll clerks will allow for increased oversight and accountability, and will allow for uniform mandates and trainings to occur for the entire agency. This will reduce discrepancies between different parts of the agency and will allow for greater oversight and accountability, which in turn will reduce the number of systems and human errors.

**2) Training for timekeepers/payroll clerks.**

Mandated, agency-wide training for timekeepers and payroll clerks on payroll and financial policies, processes, and responsibilities has already been implemented and will continue to be implemented on a regular basis and as needed. Trainings will be conducted in a uniform manner from Central Command under the auspices of the agency's Chief Financial Officer. This is meant to provide the foundation for timekeepers and payroll clerks to perform at the highest levels professionally and responsibly when managing the finances of the agency.

**3) Updated and completed employee separation policies and procedures.**

Unclear and inadequate separation policies and procedures, as well as policies and procedures surrounding employees placed in an "inactive" or "no pay" status are being updated. This will provide concrete, concise, and clear guidance for employees, payroll clerks and timekeepers, and supervisors, on what exactly to do when certain scenarios arise thus reducing the likelihood of systems and human errors.

**4) Central assignment of employees in a "no pay" status**

An employee's administrative management (payroll and timekeeping) is managed by the district, division, or unit for which they are assigned. This is known as their "Locator Code." Use of a unique Locator Code for employees placed in a "no pay" status that is centrally managed will provide for increased oversight and monitoring to ensure that systems and human errors are minimized.

**5) Engagement of a professional, international auditing firm to complete a more thorough audit with expanded scope.**

The BPD Audits & Inspections Unit continues to provide invaluable investigation and analysis of many issues critical to making the organization better, more efficient, and more economical. In an effort to broaden the scope from the initial, internal audit, the BPD has engaged the firm of Baker Tilly to expand the audit to, at a minimum, a look-back of three years at all employees who have separated from the Agency. Any additional overpayments discovered will be catalogued and addressed.

**6) Commitment to implementation of Workday technological solution.**

Workday is a City-wide initiative to standardize payroll and scheduling of employees across all agencies. At the BPD's request, the agency has been included in the initial phase of implementation, scheduled to go live in the fall of 2020. Workday is a technological solution that will remove human error, and will cause a reduction in any incorrect payments and reduce fraud, waste, and abuse. It is the ultimate solution to reconciling policies and rules governing payroll and scheduling while removing any opportunity for issues to arise.

**7) Legislation Aimed at Greater Discretion in Terminating Employees for Misconduct.**

Statute, case law, and historical practice have dictated that a sworn employee convicted of a crime be afforded all due process – meaning exhaust all appeals if that is the path chosen – prior to being officially terminated/separated from the parental agency. This practice explains why these individuals in this particular case were never removed from the Human Resources Database, and thus were able to continue receiving disbursements even after conviction. Legislation removing this protection while also taking into account respect for due process considerations would eliminate this hurdle to official separation between the parental agency and the employee, which would preclude the systems and human errors that lead to incorrect payments.