



**BILL HENRY**  
**OFFICE OF THE COMPTROLLER**

City Hall – Room 204  
100 Holliday St Baltimore, MD 21202

**To: Isabel Cumming, Inspector General**  
**From: Timothy Goldsby, Director of Accounts Payable**  
**Date: July 31, 2025**

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**Re: Agency Response to OIG Case #25-0028-I – Fraudulent Supplier Account Access and EFT Diversion**

The Department of Accounts Payable (AP) acknowledges the findings outlined in the Office of the Inspector General's Report of Investigation #25-0028-I regarding the diversion of electronic funds originally intended for a legitimate supplier. We thank the OIG for its diligent investigation, as well as our partners in the Bureau of Treasury Management (Treasury), Bureau of Procurement (Procurement), Baltimore City Office of Information and Technology (BCIT), the Office of Risk Management, and the Office of the City Administrator (CAO). Their collaborative efforts to address this incident reflect a shared commitment to safeguarding public funds through stronger oversight, accountability, and modernized controls.

AP concurs with the Inspector General's assessment that the incident was enabled by vulnerabilities in verification procedures and insufficient supplier account safeguards. We also acknowledge that controls recommended in previous reports were not fully institutionalized prior to AP's transition from the Department of Finance to the Office of the Comptroller in January 2023.

Once made aware of the fraudulent transactions, AP immediately conducted an internal audit of the supplier's Workday activity, worked with BCIT to deactivate the fraudulent user's business contact account, notified the legitimate supplier, and collaborated with the Bureau of Treasury Management to initiate partial payment recovery. We also attempted to contact BPD's Cybercrime Unit; however, per the OIG, the contact information used was outdated.

AP then convened an interagency workgroup consisting of BCIT, Procurement, Treasury, and the City Administrator's Office. To address this incident, ensure the security of supplier accounts and strengthen the rigor of the City's processes, this workgroup has implemented a series of both immediate and long-term reforms which include:

**1. Internal Controls and SOP Development**

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- Full revision and implementation of a new SOP for supplier contact and banking updates;
- Mandatory cross-verification with supplier contacts for all banking changes;

## 2. Workday Safeguards

*The following safeguards have been tested and approved by BCIT and will be implemented in August 2025.*

- Creation of a restricted user role authorized to initiate sensitive updates to supplier profiles;
- Automated email alerts to all listed supplier contacts upon pending profile changes;
- Introduction of a 48-hour approval delay with layered reviews for settlement account modifications;
- Flags and alerts for rapid, duplicate, or unusual activity on supplier profiles.

## 3. Enhanced Verification and Oversight

- Ongoing conversations between Treasury and [REDACTED] to add additional bank account validation tools into the City's existing contract with [REDACTED]
- Expanded training for AP staff on fraud detection and social engineering red flags;
- Daily monitoring of supplier activity within Workday to detect anomalies.

Our office will continue to evaluate opportunities for systemic improvement and share lessons learned with other City agencies as part of a broader risk management strategy.

Sincerely,

*Timothy L. Goldsby, Jr.*

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**Director – Accounts Payable**

Assistant Deputy Comptroller

Office of Comptroller Bill Henry

O: 410-396-0930

C: 410-598-8499

Web: [Comptroller.BaltimoreCity.gov](http://Comptroller.BaltimoreCity.gov)

E-mail: [timothy.goldsby@baltimorecity.gov](mailto:timothy.goldsby@baltimorecity.gov)

100 N. Holliday St., Baltimore MD 21202