

COMPTROLLER

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Department of Audits
Department of Real Estate
Municipal Post Office
Municipal Telephone Exchange
Harbor Master

May 13, 2020

Statement from Baltimore City Comptroller Joan Pratt on Inspector General's Report on
Municipal Telephone Exchange

The Inspector General's report ignores the processes that are in place, through the City Administrative Manual, for agencies to start and discontinue telephone service. Under City policy, it is incumbent on the agencies to contact the Municipal Telephone Exchange (MTE) when they wish to add or remove a telephone line.

Once the City implemented Voice over Internet (VoIP) phone service, the MTE functions as a telephone company for all City agencies. Agencies, as the customers of the MTE, must request changes to their service in the same way that an individual would with Verizon or any other phone carrier. MTE has a well-established set of processes and procedures where telephone coordinators in each agency directly interface with MTE staff to request service changes by using a Telephone Service Request (TSR) form.

In this case, the Inspector General directly contacted agency heads, not agency telephone coordinators who are the responsible employees for phone service. Agency heads do not have knowledge of the usage of phone lines by their departments.

In February 2020, before the Inspector General began her investigation, MTE had already begun conducting a traffic analysis of usage of phone lines by City agencies. This analysis discovered lines that were not being used; at that time MTE temporarily suspended billing for those lines and conducted random physical evaluations of agencies and discovered in some instances phones had been unplugged or packed in boxes. MTE then contacted the agency telephone coordinators by email, notified them that certain lines were not being used, and asked that the agencies submit TSR forms to disconnect service, as required by City policy. As of May 13, 2020, MTE still has not received any requests to disconnect unused phone lines.

Regarding the cost to taxpayers for City agencies' use of phone lines, phone charges are classified as internal service charges. Unlike paying a third-party vendor for a service, charges are reflected as line items in agencies' budgets. There is no payment as there would be to a third-party contractor. If corrections to accounts are needed, a journal adjustment is made.

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It should also be noted that ultimately MTE is accountable for the cost of the phones themselves, which are purchased by the City. When an agency requests a phone, it becomes responsible for managing it while it is using the equipment. However, if an agency stops using a line but does not turn the equipment back in to MTE, MTE is responsible for the cost of replacing it.

In response to the Inspector General's report, MTE will revise its written policies to clarify and emphasize billing management, so agencies are clear on their responsibility to initiate and terminate phone service.

If the Inspector General had contacted the MTE before beginning its investigation, MTE staff would have explained the internal processes for requesting service changes and for billing. The report issued today shows a fundamental misunderstanding of those processes.