



August 26, 2022

THE OFFICE OF THE INSPECTOR GENERAL'S BILLING AND REVENUE PROTECTION DIVISION LIMITED REVIEW



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Project #22-BRP-01

A Report to:

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Carla A. Reid

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
**Washington Suburban
Sanitary Commission**


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Interoffice Memorandum

TO: JOHN CURRY, ACTING DIRECTOR
CUSTOMER SERVICE DEPARTMENT

THRU: JON T. RYMER, INSPECTOR GENERAL
OFFICE OF THE INSPECTOR GENERAL DS


THRU: MAXENE M. BARDWELL, ASSISTANT INSPECTOR GENERAL FOR AUDIT
OFFICE OF THE INSPECTOR GENERAL DS


FROM: JAMES A. WALL, JR., SUPERVISORY AUDITOR
DIGDEM "DEE" TOK, AUDITOR
OFFICE OF THE INSPECTOR GENERAL DS


DATE: AUGUST 26, 2022 DS


**SUBJECT: OFFICE OF THE INSPECTOR GENERAL
BILLING AND REVENUE PROTECTION DIVISION LIMITED REVIEW**

Background

In accordance with the Washington Suburban Sanitary Commission's (WSSC) Office of the Inspector General's (OIG) Fiscal Year (FY) 2022 Risk-Based Work Plan, and the authority granted to it pursuant to Public Utilities Article (PUA), § 17-605 (a)(6) of the Annotated Code of Maryland, the OIG conducted a limited review of delinquent customer accounts managed by the Billing and Revenue Protection Division (the "Division") of the WSSC's Customer Service Department. The OIG conducted the review in accordance with the *Quality Standards for Inspections, Evaluations, and Reviews*, except for the peer review requirement.¹

The Division is "responsible for ensuring effective and efficient billing, accounts receivables, collection functions, and fraud management while providing timely support to the Customer Care Division for non-routine related billing inquiries."² Further, the Division

¹ See Association of Inspectors General's Principles and Standards For Offices of Inspector General, pgs. 33-42 (May 2014 (Revision)).

² See WSSC Billing and Revenue Protection Division, http://wsscconnect.wssc.ad.root/wps/myportal/wssc-home/team_pages/Customer%20Service%20Department/billing%20and%20revenue%20protection%20division (last visited June 29, 2022).

JOHN CURRY, ACTING DIRECTOR
CUSTOMER SERVICE DEPARTMENT
OFFICE OF THE INSPECTOR GENERAL REVIEW REPORT
BILLING AND REVENUE PROTECTION DIVISION LIMITED REVIEW
AUGUST 26, 2022
PAGE 3

“assesses and authorizes requests for billing adjustments, manages delinquent accounts, and performs billing reconciliation and meter reading services.”³

Title 25, Subtitle 5 of the PUA of the Maryland Annotated Code, and Title 3 of the WSSC Code of Regulations (WSSC Code) govern the Division’s responsibilities. The Division is also guided by its Customer Assistance, Collections and Severance Internal Operating Procedures.⁴ Specifically, PUA, § 25-504 and Chapters 3.20, 3.25, 3.35 of the WSSC Code establish requirements for meter reading and billing for water and sewer charges by WSSC. Additionally, these regulations outline bill adjustments, and fees, penalties and collection efforts that WSSC can take for non-payment of sewer and water charges.

The Division’s management of delinquent customer accounts was impacted by the pandemic. From March 16, 2020, to July 31, 2020, the sitting Maryland Governor issued emergency executive orders related to the pandemic which resulted in the suspension of turnoffs and late assessments on water and sewer charges for WSSC customers commencing on March 12, 2020.⁵ The Governor’s executive orders expired on June 1, 2021, and WSSC resumed assessing late fees on customer accounts. On August 1, 2021, WSSC resumed terminating services for non-payment on commercial and government accounts, and for residential accounts on September 13, 2021.

Objective

The review’s objective was to assess the Division’s management of delinquent WSSC customer accounts according to the laws of the State of Maryland and WSSC regulations.

Scope and Methodology

The limited review included the period from March 1, 2020, to October 26, 2021, and covered three (3) customer account types: commercial, governmental, and residential. On October 26, 2021, the Division had approximately 93,000 delinquent customer accounts totaling approximately \$68 million.

To accomplish the review’s objective, the OIG:

- Reviewed PUA, § 25-504 to understand WSSC’s billing requirements and authority to suspend and terminate service and collect for unpaid water and sewer charges under Maryland law;
- Reviewed Chapters 3.20, 3.25 and 3.35 of the WSSC Code to understand how the Division is required to perform its billing and collection operations;

³ *Id.*

⁴ See WSSC Customer Care Division Customer Assistance, Collections & Severance Internal Operating Procedures (effective April 20, 2020).

⁵ See Suspension of Six-Month Estimated Billing, WSSC Board Resolution 2020-2250 (May 20, 2020) (allowing suspension of the 6-month meter reading requirement under PUA, § 25-504, pursuant to Governor Hogan’s March 12, 2020 State of Emergency Order).

JOHN CURRY, ACTING DIRECTOR
CUSTOMER SERVICE DEPARTMENT
OFFICE OF THE INSPECTOR GENERAL REVIEW REPORT
BILLING AND REVENUE PROTECTION DIVISION LIMITED REVIEW
AUGUST 26, 2022
PAGE 4

- Reviewed the Division's Customer Assistance, Collections and Severance Internal Operating Procedures to understand how the Division advises customers experiencing financial hardship;
- Reviewed the Division's WSSC Collection and Severance Processes to gain an understanding of how these processes are implemented;
- Conducted interviews with management to identify critical reports and essential staff handling delinquent customer accounts;
- Sampled all delinquent customer account types and tested 62 delinquent accounts to determine the Division's operational effectiveness and its compliance with laws, policies, procedures, and regulations;
- Reviewed the Division's customer information system data to obtain a working knowledge of its functionality;
- Reviewed delinquent customer accounts to determine if the Division complied with the Maryland Code, WSSC's Code, policies, and procedures;
- Recalculated bills and late fees to determine if they were accurate and correctly applied to customer accounts;
- Analyzed the accuracy of bill adjustments and corrections to delinquent customer accounts;
- Reviewed service terminations and restorations to determine if they were valid and executed correctly; and
- Evaluated whether refunds were applied correctly to customer accounts.

Conclusion

The limited review disclosed that the Division complied with applicable Maryland laws, WSSC regulations, and industry best practices during the scope period. The limited review covered a period impacted by the COVID-19 pandemic which resulted in a deviation from WSSC's normal billing and collection process. During this unprecedented period, WSSC implemented initiatives to assist customers. The initiatives WSSC offered included reducing turn-on fees, waiving late fees for customers who completed payment plans, and permanently waiving late fees for customers in WSSC's Customer Assistance Program.

The OIG did not identify any low, significant, or material deficiencies in the Division's internal controls. The OIG reserves the right to audit or review this Division in the future to assess WSSC's management of the billing process pursuant to Maryland law and other applicable regulations and standards.

cc: DGM - Administration, (M. Johnson)
Chief Strategy and Innovation Officer, (T. Allen)
Division Manager, Billing and Revenue Protection, (E. Thomas)