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**Office of the  
Inspector General  
for Education**  
State of Maryland

**Richard P. Henry**  
Inspector General

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**2022 Annual Report**

December 1, 2022

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REPORT TO THE GOVERNOR,  
GENERAL ASSEMBLY,  
STATE SUPERINTENDENT OF SCHOOLS,  
STATE BOARD OF EDUCATION,  
AND  
THE INTERAGENCY COMMISSION ON SCHOOL  
CONSTRUCTION

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MARYLAND OFFICE OF THE  
INSPECTOR GENERAL FOR EDUCATION

Richard P. Henry  
*Inspector General*

Douglas H. Roloff, III  
*Deputy Inspector General*

December 1, 2022

The Honorable Governor of the State of Maryland

The Honorable President of the Maryland Senate

The Honorable Speaker of the Maryland House of Delegates

The Honorable President of the Maryland State Board of Education

The Honorable Maryland State Superintendent of Schools

The Honorable Chairperson of the Interagency Commission on School Construction

I am pleased to submit our *Annual Report* on the Office of the Inspector General for Education (OIGE) activities. Under Maryland Education Article, §9.10-1-5(a), this report summarizes audits and investigations conducted from December 1, 2021, to November 30, 2022.

I look forward to working with you and other professionals throughout the State of Maryland to meet the challenges and opportunities facing funding for education. The OIGE is committed to promoting accountability and integrity and continuing our efforts to detect and prevent fraud, waste, abuse, and financial mismanagement in education programs. Thank you for your continued support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard P. Henry".

Richard P. Henry  
Inspector General

# OFFICE OF THE INSPECTOR GENERAL

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## INTRODUCTION

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### MISSION STATEMENT

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The mission of the OIGE is to ensure integrity within the operations of Maryland Public Schools, the Maryland State Department of Education (MSDE), Boards of Education, and the Interagency Commission on School Construction (IAC) by conducting independent, accurate, and thorough investigations into allegations of fraud, waste and abuse, and financial mismanagement.

### BUDGET

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State and local governments share responsibility for funding Maryland's public schools. According to the Maryland Department of Legislative Services report regarding the overview of Maryland Local Governments, public schools are funded by federal, state, and local sources. This aid to local jurisdictions increased from \$8,347,933,993 in the Fiscal Year (FY) 2021 to \$8,675,118,116 in FY 2022 or a 3.9% increase in the overall support for public education.<sup>1</sup> (The Federal government contributed \$1,288,495,799 of the education funding amount.) During this same period, the OIGE was allotted an operational budget of approximately 2.07 million dollars. This appropriation equates to approximately **.023%** of the overall education budget.

During this same reporting period, the OIGE identified approximately **\$24 million** in education financial mismanagement. This equates to a **1:12** cost/benefit ratio. For every **\$1** it costs the taxpayers of Maryland to operate this office, the OIGE identified **\$12** in education financial mismanagement.

The OIGE continues to follow national best practices and use its uppermost efforts to achieve its mission; however, the ever-increasing workload pushes the OIGE to its effective operational limits and, more than ever, threatens the OIGE's ability to conduct thorough audits and investigations across the spectrum of its authority. Despite these shortcomings, the OIGE continues to perform its obligation with independence, efficiency, and effectiveness, which has admirably served the citizens of Maryland.



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<sup>1</sup> <https://msa.maryland.gov/msa/mdmanual/13sdoe/html/sdoeb.html#state>, State Aid to Local Jurisdictions for Education (R00A02, formerly 36.01.02)

## **RESPONSIBILITIES**

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In 2019, Senate Bill 1030 established the Blueprint for Maryland's Future which is intended to transform Maryland's early childhood, primary, and secondary education system to the levels of the highest-performing systems.

The bill also created an independent investigative agency to provide accountability in the expenditure of public funds for education. The position of Inspector General (IG) is appointed unanimously by the Governor, the Attorney General, and the State Treasurer, subject to the advice and consent of the Maryland Senate. The OIGE's responsibilities include the following:

- Examining and investigating school boards, local education agencies (LEA), public schools, nonpublic schools that receive state funds, the Maryland State Department of Education (MSDE), and the Interagency Commission on School Construction (IAC),
- Conducting management reviews and investigations concerning instances of educational fraud, waste, and abuse,
- Recommending corrective action concerning fraud, waste, abuse, compliance, and internal control deficiencies,
- Reviewing allegations associated with the violation of civil rights, as defined in federal or Maryland State laws, of students or employees,
- Ensuring that policies and procedures governing the prevention and reporting of child abuse and neglect comply with applicable federal and state laws,
- The IG shall report on or before December 1 of each year a report to the Governor, the General Assembly, the State Superintendent of Schools, the State Board of Education, and the IAC.



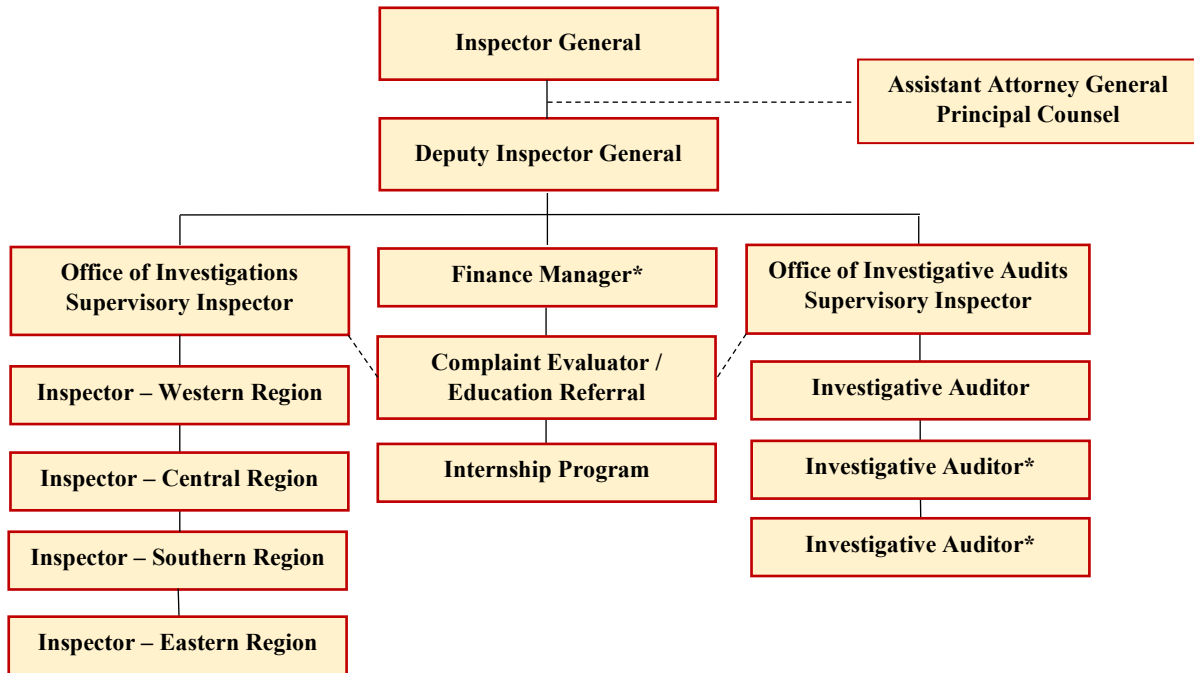
## ORGANIZATION AND STAFF

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From December 1, 2021, to July 1, 2022, the OIGE consisted of 10 professional and administrative positions. As shown below, the staffing level increased to 14 positions that perform investigation and investigative audit functions.

### Office of the Inspector General Organization Chart

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*Note: "\*" indicates staffing positions authorized after July 1, 2022.*

## CREDENTIALS AND QUALIFICATIONS

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The OIGE staff have various training, prior experiences, and skills in audits and investigations. Many hold advanced degrees and professional certifications/accreditations, such as Certified Public Accountant (CPA) and Certified Fraud Examiner (CFE). Staff's previous roles include employment with local education agencies, as well as serving in investigative, regulatory, and public accountancy functions.

## **INVESTIGATION STANDARDS**

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The OIGE conducts its investigative audits and investigations in accordance with the AIG's *Principles and Standards for Offices of Inspectors General*, generally accepted principles, quality standards, and best practices applicable to federal, state, and local offices of Inspectors General.

### **CASE MANAGEMENT**

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The OIGE receives reports of educational concerns and complaints by various means. Individuals can inform the OIGE and provide their contact information via telephone, website, or email. Additionally, individuals can report anonymously via tip line, email, and website. Once a report is received, it is recorded in the OIGE case management system.

The individual(s) who reported the concern is not identified unless they have given expressed permission to the OIGE to share their name and contact information.

Following an initial assessment, a determination is made concerning our approach to resolving the issue. The Complaint Evaluator reviews applicable policies and procedures to determine if the complaint will be referred to an LEA or elevated to the respective Supervisory Inspector General (SIG) for an investigative audit or investigation.

If the evaluator determines the reported concern is administrative, they will work directly with the respective LEA Accountability or Compliance Officer to resolve the issue. The OIGE requires all LEAs who receive a referral to provide a resolution memorandum detailing how the concern was resolved.

Issues related to a sexual allegation or emergent threat to the safety of students and education professionals are immediately shared with law enforcement, LEA, and the Maryland Center for School Safety (MCSS).

### **COMPLAINTS RECEIVED**

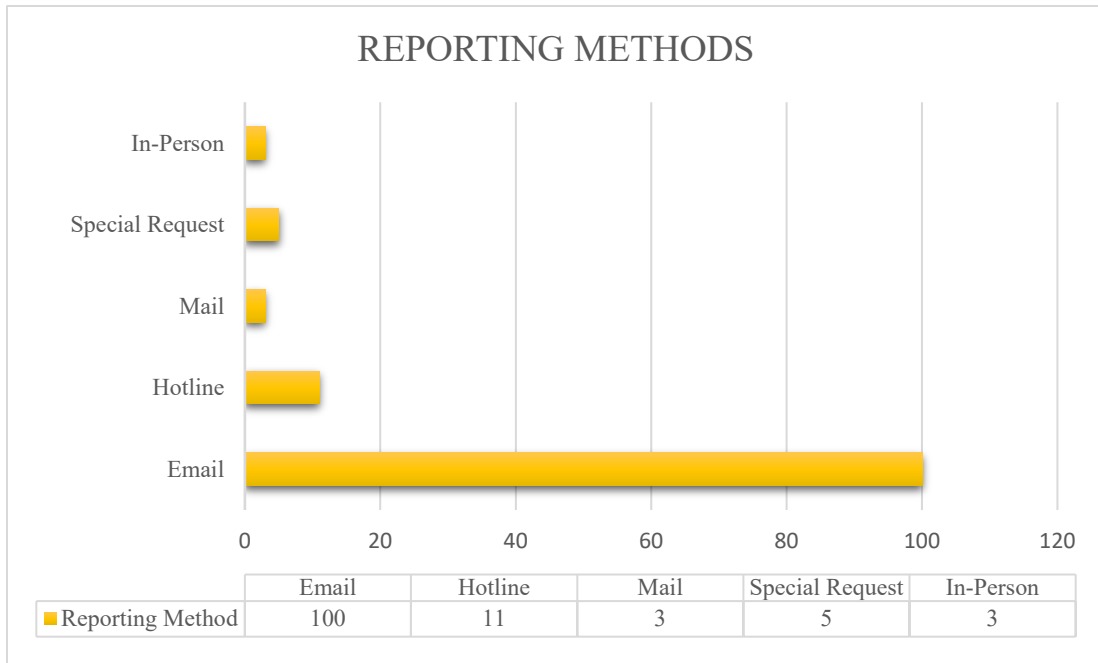
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During the reporting period of December 1, 2021, to November 30, 2022, the OIGE received 122 complaints alleging misconduct, fraud, waste and abuse, and financial mismanagement. These complaints included allegations of misconduct by education employees or vendors to allegations of students residing outside the residential boundary of their respective local education agencies.

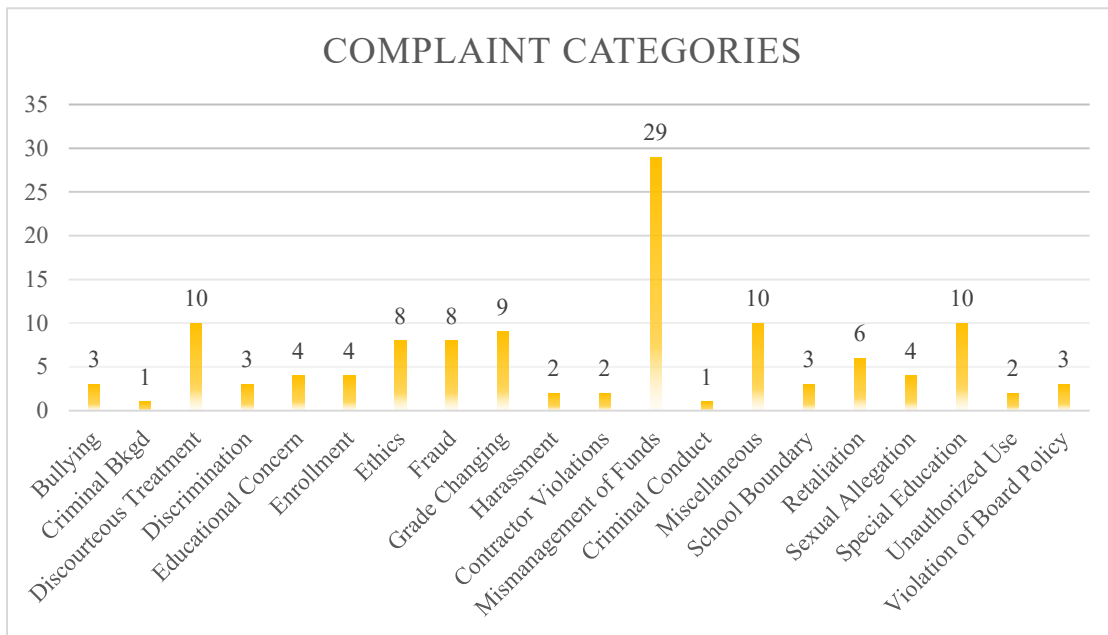
Of the 122 complaints received, 30, or 24% of the total complaints received during the reporting period, were anonymous. Although the OIGE responds to anonymous complaints, it is far more challenging to begin an investigation without questioning the complainant and evaluating the credulity of the information received.



The below chart reflects the method used to notify the OIGE of a complaint.

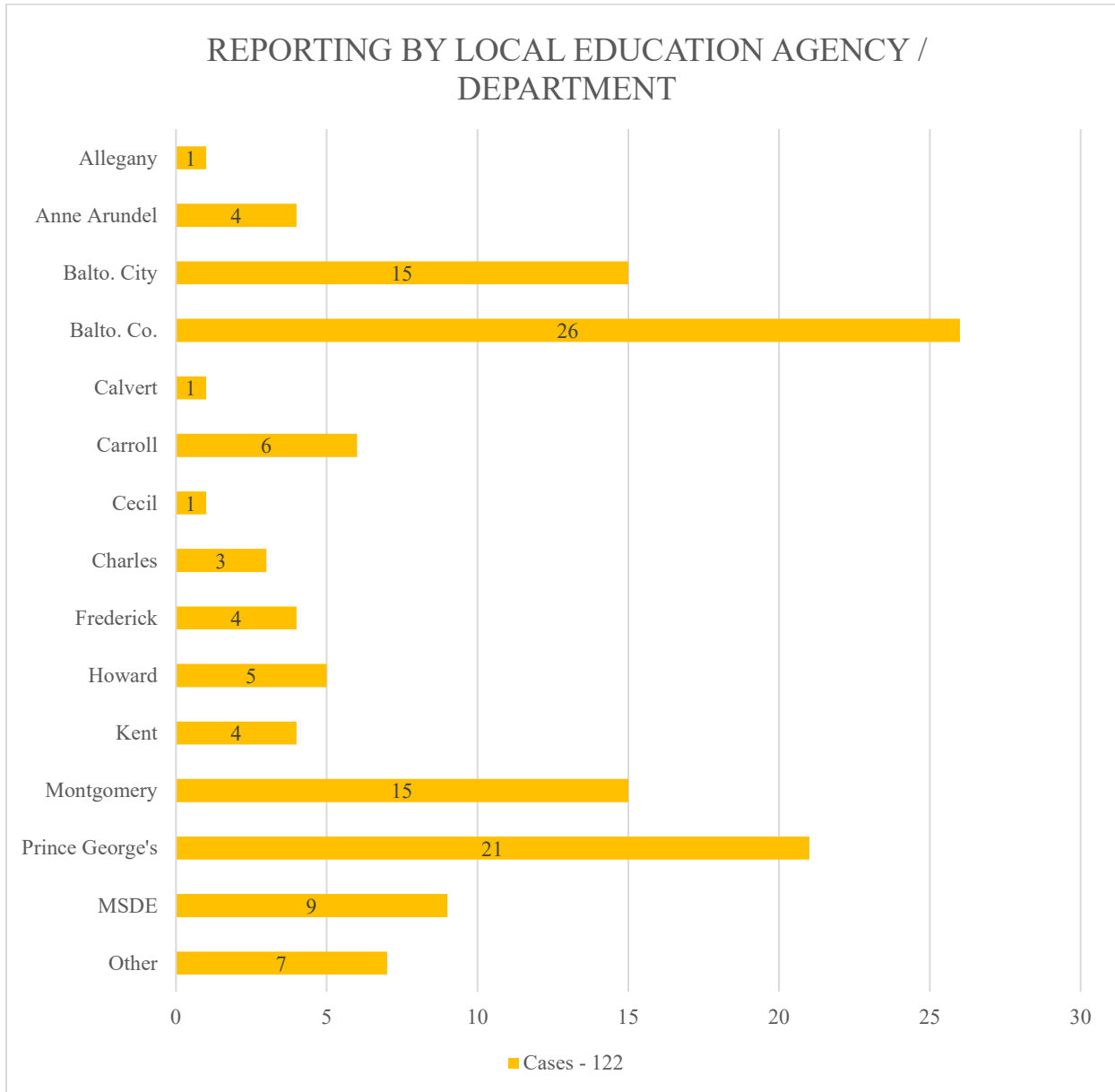


As of December 1, 2022, the OIGE has received 122 complaints. The chart below shows the categories by which complaints are identified.



The OIGE received 122 complaints during this reporting period. One hundred five complaints have been closed, 14 have been elevated to an investigation, and three have been assigned for an investigative audit.

The below chart shows the number of cases received by the local education agencies or departments.



As of December 1, 2022, the OIGE has received, reviewed, referred, closed, or initiated an investigation into the above local education agencies, boards of education, or state agencies.

The OIGE conducted numerous investigations of allegations that did not reveal evidence of wrongdoing. Many complaints are demonstrative of systemic problems. Therefore, the OIGE looks closely at LEA policies and procedures to ensure that the best interest of the student and educational professional is served.

## INVESTIGATIONS

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The OIGE is charged with investigating education financial mismanagement and misconduct and with the responsibility of conducting investigations designed to ensure the preservation of evidence for possible use in criminal prosecution. If, during an investigation, evidence indicates that a criminal act may have been committed, the OIGE will notify the Maryland State Police, Office of the Maryland Attorney General, Office of the State Prosecutor, respective State's Attorney, or other appropriate law enforcement agency. The OIGE assists law enforcement agencies with gathering necessary documents. If a law enforcement agency elects to investigate, the OIGE will place on hold that portion of the OIGE investigation and retain the case on "monitor" status. If a law enforcement agency declines to investigate, the OIGE will determine if administrative action is appropriate.

## INVESTIGATIVE PROCESS

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The OIGE investigative process begins with reviewing complaints to determine whether the facts suggest possible misconduct by an LEA educational professional, Board of Education (BOE) member, or private vendor. The OIGE will review records and interview relevant witnesses if an investigation is warranted.

If a complaint is not appropriate for a full investigation, the OIGE may refer the complaint to other LEA personnel, such as the Chief of Accountability, Compliance Officer, or law enforcement (if criminal acts appear to have been committed).

## INVESTIGATIVE AUDITS

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Some complaints that involve complex issues require more than a detailed investigation. The OIGE's Office of Investigative Audits manages cases with broader scopes or topics that require extensive data analysis. An investigative audit utilizes audit techniques to examine programs and operations. An investigative audit has clear objectives and provides stakeholders with a written report that answers those objectives and provides actionable recommendations.

During this reporting period, the OIGE employed one investigative auditor and one Supervisory Inspector General for Investigative Audits. The Investigative Audit team completed seven investigative audits and identified **\$23.6 million** in misallocated education funds.

The OIGE is confident that investigative audits have deterred contractors and employees who would otherwise attempt to circumvent policies, procedures, and the law.



## **CONFIDENTIALITY**

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A complainant, or anyone providing information to the OIGE, may request that their identity be kept confidential throughout the investigative process. The OIGE will attempt to procure information from other sources. Under Maryland Code, Education Article §9.10-104(f), the OIGE is mandated to ensure that no one will face retaliation for making a good faith complaint or providing information in good faith to the OIGE. At the same time, an accused employee is required to have sufficient information to enable them to present a reasonable defense. Recommendations are subject to due process requirements.

OIGE reports contain various types of confidential information under State and Federal law. To ensure confidentiality, the OIGE follows the requirements and guidelines established in the Family Educational Rights and Privacy Act (FERPA). As such, under Maryland Code, Education Article §9.10-104(g), OIGE reports are not subject to the Maryland Public Information Act.

## **COOPERATIVE PARTNERSHIP**

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To ensure that local governments can investigate fraud, waste, abuse, and financial mismanagement, the OIGE has formed an Investigative Educational Task Force with the U.S. Department of Education – OIG, Baltimore City, and Baltimore County Inspectors General. The task force’s primary mission is to cooperatively investigate and report person(s) who are engaged in educational and financial fraud.

The joint effort intends to investigate and report LEA fraud, thereby improving educational and financial oversight and reducing administrative and criminal fraud. The Task Force will adopt cases at the discretion of the OIGE and the respective federal and county IGs.



## **INVESTIGATIVE SUMMARIES**

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### **Case 20-0003-I**

#### **FINDINGS REGARDING GRADE CHANGING ALLEGATIONS INVOLVING THE BALTIMORE CITY PUBLIC SCHOOLS SYSTEM.**

The OIGE initiated an investigation based on information provided, in part, by the former Office of Education Accountability, alleging that the Baltimore City Public School System (BCPSS) had incorrectly documented and promoted students by changing failing grades to passing ones. The complaint further alleged that teachers had been pressured to change these grades by either their Assistant Principals (APs), Principals, or both. Additionally, it was alleged that APs and principals received the same pressure from other education executives assigned to the Baltimore City Public Schools headquarters building, also known as "North Avenue."

Our investigation revealed differing interpretations, applications, and adherence to appropriate grade change procedures among teachers, school staff, APs, Principals, Instructional Leadership Executive Directors (ILED), and those asserted policies and curricula described by the Chief Executive Officer (CEO), Chief Academic Officer (CAO), and Chief of Schools (COS). The physical documents examined and interviews conducted by investigators revealed several disparities.

The OIGE investigation revealed misunderstandings, misapplications, and non-compliance with grade change procedures. These nonobservances increased the risk of inappropriate grade changes and could significantly impact BCPSS graduation rates.

### **Case 21-0002-I**

#### **FINDINGS REGARDING THE MISUSE OF FUNDS INVOLVING THE BALTIMORE COUNTY PUBLIC SCHOOLS SYSTEM AND THE CONSTRUCTION OF THE WESTOWNE ELEMENTARY SCHOOL IN CATONSVILLE, MARYLAND.**

The Office of the Inspector General for Education (OIGE) received a complaint from the Baltimore County Office of the Inspector General. The complaint alleged fraud in the construction of Westowne Elementary School.

The allegation focused on the absence of playing fields following the new construction project associated with Westowne Elementary School. The allegation further referred to a comparison of a neighboring school facility – Relay Elementary, which had new playing fields as part of its construction project.

A preliminary review of this complaint and statements made as a result of our investigation indicated that during the design and early stages of this construction project, it was determined that Baltimore County Public Schools (BCPS) would be required to relocate the new school to the existing BCPS property. The property designated for this project included the open space used as playing fields at Westowne Elementary. (This area had fields that formerly provided a baseball or

softball field.) The decision to use the adjacent area allowed BCPS to continue using the former Westowne Elementary while construction occurred. Additionally, the new design of the school encompassed a more extensive physical footprint than the previously existing school building.

We found that as a result of the increase in the size of the new building, the requirements governing the designation/curriculum of fields associated with an elementary school, and the available open space as a result of the new construction, BCPS determined they could only construct a multipurpose field for use by school staff and the neighboring community.

OIGE did examine the schematic design (SD) for Westowne Elementary, dated April 14, 2014. In this design, there was a reference to “playing fields,” but it did not include the design or reference to a baseball field. Additionally, during the preliminary presentation to the board of education dated June 10, 2014, there is a reference to “ball field” but not baseball field.

The OIGE did review the SD associated with Relay Elementary. In the SD, there is specific verbiage and design drawings indicating the installation of baseball fields. The Westowne Elementary project did not show or reference a baseball field in its SD.

The OIGE did review the BCPS open field construction protocols associated with elementary, middle, and high schools and the designated county agency responsible for open field maintenance. Regarding curriculum and open space requirements related to an elementary school, BCPS requires a multipurpose field at all elementary schools. Although the vast majority of elementary schools have additional space available, which services the needs for baseball or softball, in this case, BCPS determined there was not enough available space to accommodate additional fields.

Additionally, as part of the required curriculum and design associated with a middle or high school, BCPS requires the installation of a multipurpose field and field(s) used for baseball and softball.

After a review of all statements and designs, the OIGE investigation could not substantiate the complaint. The OIGE determined that BCPS’s reference to the word “ball field” was used interchangeably with their reference to a multipurpose field. The OIGE did not find clear and convincing evidence that the BCPS intentionally misrepresented the Westowne Elementary design to the Board of Education or the surrounding community.

### **Case 21-0003-I**

## **FINDINGS REGARDING THE BALTIMORE COUNTY PUBLIC SCHOOLS – BOARD OF EDUCATION VIOLATING MARYLAND CODE – EDUCATION ARTICLE, COUNTY CODE, COUNTY CHARTER, AND SCHOOL POLICY AND PROCEDURES GOVERNING PROCUREMENT LAW.**

The Maryland Office of the Inspector General for Education (OIGE) initiated an investigation after receiving an allegation that members of the Baltimore County Public Schools – Board of Education violated the Maryland Code - Education Article, County Code, County Charter, and school policy and procedures governing procurement law to obtain independent legal services for the Board of Education.

The OIGE investigation revealed that the Board of Education failed to use the County Attorney for legal counsel as required by the Education Article, County Code, County Charter, and policy in their official capacity concerning the use and retention of legal services. The investigation found that the Board of Education (BOE) failed to follow its policies and State and County procurement rules. The OIGE determined that the BOE artificially divided the purchase orders to avoid the review process. This created a non-competitive, sole-source procurement environment that resulted in only one source for legal services being selected. Additionally, the OIGE found that the Board of Education had previously received two report findings from the Maryland Office of Legislative Audits concerning general procurement policies related to competitive procurements, and procurements were not always made in accordance with established policies and applicable State law. Furthermore, the Baltimore County Public Schools - Office of Internal Audit found that the Board of Education paid legal fees for services outside the legal services agreement.

### **Case 21-0015-I**

#### **FINDINGS REGARDING THE MISUSE OF EDUCATION FUNDS TO CONDUCT AN IMPROPER INVESTIGATION OF SEVERAL ELECTED BOARD MEMBERS BY THE PRINCE GEORGE'S COUNTY BOARD OF EDUCATION (PGBOE) – ETHICS ADVISORY PANEL (EAP).**

The Maryland Office of the Inspector General for Education (OIGE) initiated an investigation after receiving complaints alleging that the PGBOE EAP conducted an improper investigation into members of the PGBOE. The EAP alleged that seven members of the PGBOE operated unethically concerning three main issues, 1) the vote to hire a private lobbyist, 2) the vote to extend or expand a community workforce agreement, and 3) the reorganization of the PGBOE's administrative staff in violation of PGBOE Policy 0107. The EAP report also indicated that the seven board members did not cooperate with the panel when requested to provide statements during the investigation. There was no such hesitancy with the OIGE investigation.

The OIGE investigation found that EAP provided a list of interrogatories (written questions that are formally put to one party in a case by another) to the members. The OIGE found that six of the seven members did respond to the EAP.

The OIGE did substantiate some statements found in the EAP's report after reviewing PGBOE meeting minutes, emails, board video meetings, and conducting witness interviews. However, the OIGE also found that the EAP's report omitted many contradictory statements directly related to the three allegations, which could have exonerated the members during the initial phase of their investigation. Furthermore, the OIGE found statements in the EAP's report that would be categorized as "opinion-based conclusions" and regarded as unrelated or inconsistent with the factual findings.

## Case 22-0001-I

### **FINDINGS REGARDING AN INDIVIDUAL EMPLOYED AS A TEACHER WITH A LOCAL EDUCATION AGENCY AND NOT DISCLOSING THEIR PAST CRIMINAL CONVICTION DURING THE MARYLAND STATE DEPARTMENT OF EDUCATION'S TEACHER RECERTIFICATION PROCESS.**

The Maryland Office of the Inspector General for Education (OIGE) initiated an investigation after receiving a complaint alleging that the Carroll County Public School (CCPS) system had hired an individual who had obtained their teaching recertification and was employed as a teacher following a criminal conviction for fraud.

The OIGE investigation revealed that the CCPS teacher, while employed as a principal with the Baltimore City Public School System (BCPSS), had been criminally charged with two counts of felony theft related to education funds. The Maryland Office of the State Prosecutor (OSP) filed the initial investigation and subsequent charges. The individual, in this case, pled guilty in the Circuit Court for Baltimore City.

Our investigation revealed that the BCPSS had not reported the conviction to the Maryland State Department of Education (MSDE) as required by the Code of Maryland Regulations (COMAR) 13A.12.05.03. In this case and as a direct result of the OIGE investigation, BCPS notified MSDE approximately five years after their resignation and conviction.

Additionally, as part of an educator's recertification with the MSDE, the local education agencies (LEA) submit documentation to MSDE indicating that the educator has met their annual continuing professional education (CPE) requirements. If an educator is separated from employment with an LEA, the individual or non-employee must complete an application with MSDE and provide the CPE documentation for recertification.

The OIGE found that the former BCPSS employee had applied for their educator's recertification as a non-employee. As a result, the MSDE application process relied solely on the individual's ability to "self-report" any criminal charges or convictions. Following the issuance of the recertification, the former BCPSS employee applied for and accepted a teaching position with CCPS.

Our investigation found that CCPS did conduct an initial criminal background check. This review did not indicate any criminal history. The teacher's criminal conviction was later brought to the attention of the CCPS Human Resources Office. An additional review confirmed the conviction, and the teacher was placed on administrative leave pending an appeal. Under Maryland Family Law, §5-561(b)(6), it is the responsibility of the LEA, and not MSDE, to conduct a criminal background check upon applying for employment.

The OIGE investigation substantiated the allegation as a violation of COMAR 13A.12.05.02(C)(1)(b) governing the "Suspension or Revocation" of an educator's certificate. Additionally, the investigation identified a "loophole" in the recertification and application process. As a result, the MSDE, Division of Educator Certification and Program Approval, has implemented changes to the recertification process for both LEA educators and non-employees.



Effective July 2022, all LEA educators and non-employees must disclose any criminal charges or convictions during the MSDE recertification process under the penalty of perjury.

“I hereby affirm under the penalties of perjury that the information provided by me in this application is true and complete to the best of my knowledge and belief. I am aware that should an investigation at any time disclose any misrepresentation or falsification of a material fact, my application will be disapproved and/or my certificate will be rescinded. I understand that any material submitted in connection with this application will become the property of the State of Maryland, will be considered a public record, and will not be returned.”

### **Case 22-0002-I**

#### **FINDINGS REGARDING THE MISUSE OF STATE OF MARYLAND ISSUED CORPORATE PURCHASE CARDS BY MARYLAND STATE DEPARTMENT OF EDUCATION EMPLOYEES FOR THE PURCHASE OF HOLIDAY PARTY REFRESHMENTS AND OTHER PROHIBITED ITEMS.**

The Maryland Office of the Inspector General for Education (OIGE) initiated an investigation after receiving a complaint alleging that members of the Maryland State Department of Education (MSDE) had misused their government-issued corporate purchase card (CPC) to purchase holiday party favors and other prohibited items.

The OIGE investigation revealed that during the prior State Superintendent of School’s administration, two members of the MSDE – Office of Business Services were instructed to use their government-issued CPC to pay for holiday party favors, food, balloons, a drink dispenser, holiday tree, an entertainer, and a piano tuning. An MSDE employee informed OIGE investigators that the former Assistant State Superintendent for the Office of Business Services (Assistant) made all the decisions regarding food, entertainment, decorations, etc. The cost of the holiday party exceeded \$10,000. (This event occurred in December 2019)

The OIGE investigation also determined that some MSDE staff were instructed to meet on a Saturday to shop for party items. In addition to the weekend shopping event, MSDE staff stated they had gone shopping on several workdays during business hours. MSDE staff said, “the Assistant chose all of the items purchased,” and instructed the CPC holder to pay for everything with their CPC card.

The OIGE found that MSDE members who were CPC holders did not receive the appropriate training in using State-issued credit cards. The OIGE further found that several MSDE CPC holders were unfamiliar with the State procurement manual and policies governing the use of a State-issued corporate credit card. MSDE members stated that although they used their CPC routinely, they never received any formal training governing its use. The OIGE found that staff routinely spent thousands of dollars monthly on various purchases. Our investigation also found that the Assistant did not have a CPC issued but was responsible for approving the monthly CPC logs for each holder. This practice allowed the Assistant to avoid further review by senior management.

The OIGE also found that the MSDE – Office of Business Services failed to suspend the accounts of staff members who were no longer using their cards or had separated from state employment.

The OIGE investigation substantiated the allegation as a violation of the Comptroller of Maryland, General Accounting Division, Accounting Procedures Manual, Section 3.1.10, Types of Unacceptable Invoices. According to the Accounting Procedures Manual,

“Invoices for funeral flowers, special gifts, or other emoluments and non-related work expenses will not be paid to any vendors from the State Treasury. These are personal expenses and are chargeable to the individual incurring such expenses. When invoices for catering/food services are submitted, documentation must be included, which provides the name and purpose of the function and who attended it by name or affiliation. Invoices will not be paid for food served during normal type meetings. Invoices will not be paid for expenses incurred at State employees’ social functions such as Christmas parties.” (pg. 38-39).

#### **Case 22-0004-I**

#### **FINDINGS REGARDING THE MISUSE OF AN ANNE ARUNDEL COUNTY PUBLIC SCHOOL FACILITY BY A PRIVATE VENDOR FOR PERSONAL PROFIT.**

The Maryland Office of the Inspector General for Education (OIGE) initiated an investigation after receiving a complaint alleging that a private vendor was not paying the Anne Arundel County Public School (AACPS) system for the use of a school facility to generate a personal profit.

The OIGE reviewed established AACPS policy and the School Facilities Manual (Manual) governing the use of school facilities. The manual states, “*No school facility shall be used by any employee, individual, organization, or group for their own personal business or benefit.*” Our review further indicated that the AACPS Board of Education (Board) encourages the community’s use of school facilities and provides a list of user group examples.

The OIGE investigation showed the alleged event had been held, on an annual basis, for over twenty years. The event was organized by an Anne Arundel County club and featured student members from the AACPS community. The OIGE further determined this club to be a recognized school-sponsored group and was not required to pay for room use or energy.

The OIGE investigation did not substantiate the allegation.

The OIGE found AACPS lacked internal controls regarding collecting admission (at-the-door) revenue during sponsored events. Interviews with staff indicated that employees and event volunteers utilized their own methods to document attendance and account for collected revenue. Staff further stated that upon the conclusion of an event, employees are required to immediately deposit all collected revenue into the school’s organization account.

## INVESTIGATIVE AUDIT SUMMARIES

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### Case 21-0001-A

#### **CAROLINE COUNTY PUBLIC SCHOOLS – SOLE-SOURCE CONTRACTS**

The OIGE concluded that Caroline County Public Schools (CCPS) had not adequately addressed findings from a 2016 Office of Legislative Audits report regarding non-compliance with competitive contracting requirements. Several contracts reviewed were awarded without a valid exemption from competitive bidding procedures, resulting in considerable risk of fraud and waste. In multiple instances, contracts were awarded non-competitively to friends or relatives of CCPS personnel without proper disclosure of potential conflicts of interest.

In July 2022, OIGE conducted a follow-up review and determined that CCPS had adequately addressed the investigative audit report recommendations. Specifically, CCPS updated its Purchasing Policy and Purchasing Manual to include requirements for competitive procedures and incorporate the inclusion of their Purchasing Agent into the competitive process.

### Case 21-0002-A

#### **CAROLINE COUNTY PUBLIC SCHOOLS (CCPS) – SUPPLEMENTAL PAYMENTS TO EMPLOYEES**

OIGE concluded that CCPS had established a control framework to record, approve, and pay supplemental payments to employees. However, CCPS had circumvented internal controls in several situations that had led to wasted funds. The investigative audit revealed approximately **\$157,795** in employee payments, more than the parameters set in CCPS Negotiated Agreements. In response to the investigative audit, CCPS stated that they would improve processes but would not recover any of the identified wasted funds.

In July 2022, OIGE conducted a follow-up review and determined that CCPS had not fully addressed all of OIGE's recommendations. CCPS had continued to overpay an employee working in two positions. OIGE identified an additional \$524 overpayments over four reviewed pay periods. In addition, the deficient process for timesheet reviews of several departments was essentially unchanged. Once again, CCPS stated they would not recover the identified wasted funds.



## Case 22-0001-A

### MARYLAND STATE DEPARTMENT OF EDUCATION – STATE AID ENROLLMENT COUNTS

The OIGE conducted an investigative audit of statewide state aid enrollment data and verification made by the Maryland State Department of Education (MSDE). Further, OIGE conducted four investigative audits of selected Local Education Agencies' (LEA) state aid enrollment count processes and procedures.

The OIGE discovered 2,973 instances where data indicated that a student deemed eligible for state funding had not met the attendance or enrollment requirements in the Code of Maryland Regulations (COMAR). Nine hundred ninety-five of these students had no documented attendance (at any time) during the year. Despite the noted discrepancies representing only a small percentage of the overall enrollment counts for Maryland schools, they represented at least **\$23.4 million** in funding that was misallocated to LEAs over the five years reviewed. Further, systemic issues identified at selected LEAs indicated that additional discrepancies likely exist.

Over 92% of the discrepancies identified by OIGE had been self-reported by LEAs to MSDE in subsequent reporting. However, MSDE did not identify or act on these discrepancies during the reporting process, or the state aid program audits completed.

The OIGE recommended that MSDE review the findings to determine if funding recoveries were necessary. In addition, OIGE recommended that MSDE implement a grant adjustment process and improved audit methodologies to ensure that further funds are not misallocated. MSDE stated in its response that it would address these recommendations during the 2022-23 school year.

## Case 21-0003-A, 21-0004-A, 21-0005-A, and 21-0006-A

### TALBOT COUNTY PUBLIC SCHOOLS, DORCHESTER COUNTY PUBLIC SCHOOLS, BALTIMORE CITY PUBLIC SCHOOLS, PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS - STATE AID ENROLLMENT COUNTS<sup>2</sup>

In the four local investigative audits, OIGE found that schools were not always taking accurate attendance or dating withdrawals properly, resulting in students being incorrectly deemed eligible for state funding. All four LEAs concurred with OIGE recommendations regarding process improvements for attendance recordkeeping and withdrawal processing.

## CIVIL RIGHTS VIOLATIONS

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In December 2021, the OIGE was notified by the United States Attorney's Office (USAO) for the District of Maryland that it had been investigating the Frederick County Public School system (FCPS) concerning student civil rights violations. The investigation involved FCPS's use of

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<sup>2</sup> <https://oige.maryland.gov/reports/>

seclusion and restraint practices. The investigation concluded that the FCPS 1) improperly secluded and restrained students with disabilities, 2) failed to use appropriate behavior interventions, and 3) failed to adequately train and hire appropriate staff.<sup>3</sup> The USAO and FCPS entered a Settlement Agreement, with monitoring oversight by the USAO – Civil Rights Division.

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### **CHILD ABUSE AND NEGLECT COMPLIANCE**

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The OIGE has reviewed all LEA policies and procedures regarding the handling, notification, reporting, and privacy protections governing students that may be subject to child abuse and neglect. OIGE has found that all LEAs comply with applicable state and federal law.

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### **GOALS AND PRIORITIES FOR 2023**

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This report is intended to inform the reader about the OIGE, who we are, how we are organized, what we have accomplished, and what benefits we have brought to the Citizens of Maryland. My staff and I take pride in being an office that contributes, in a significant manner, to the quality of education provided by the State of Maryland and its twenty-four local education agencies.

My office faces significant challenges in recruitment and retention. Overcoming friction points in hiring is a continued challenge for the OIG community. Employing new staff through various mechanisms is critical to the OIGE’s workforce plan and advancing diversity, equity, inclusion, and accessibility. By strengthening these efforts, the OIGE can promote more positive outcomes for its staff and stakeholders throughout the State.

The OIGE continues to address and implement recommendations for improvement. These recommendations and our proposed legislative amendment changes for 2023 can only continue to strengthen our independence while safeguarding our ability to detect and prevent fraud, waste, abuse, and mismanagement.

In closing, the OIGE remains committed to working with all stakeholders within the State, General Assembly, and the education community in our efforts to provide timely and informative oversight that improves education programs and operations while working to hold accountable those who seek to compromise a student’s ability to receive a thorough and efficient education.



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<sup>3</sup> Settlement Agreement between the United States and Frederick County Public School District, December 1,2021



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