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HEADLINE: Treasurer's good news: finding 'lost' \$ 4.7 million; Money: When Richard N. Dixon took over as Maryland treasurer, he found that the state's checkbook hadn't been balanced for six years. That has been accomplished.

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BODY:

NOT LONG after he became Maryland state treasurer, Richard N. Dixon asked for a meeting with his bosses, the General Assembly's presiding officers.

Dixon had an embarrassing and perhaps costly problem to report: The state's checkbook had not been balanced for, ahem, six years, not since sometime in 1989.

Dixon, elected early last year, said this failure was "incomprehensible" and "scary." Massive sums of money flow in and out of state accounts -- \$ 53 billion in fiscal year 1995.

With that level of bill-paying and banking activity, the dimensions of undetected losses could have been immense. State auditors at one point estimated the amount of unreconciled funds might be as much as \$ 250 million, although they later scaled back the figure considerably.

Did the state owe big money to some vendor or service provider? Did it have more money than it knew? The questions are always there and must be answered more often than once every six years.

"Timely reconciliation is the most critical function performed by this office," Dixon said. Otherwise, like any householder managing his or her family's affairs, the bottom line is an unknown. Dixon wanted state Senate President Thomas V. Mike Miller and Speaker of the House Casper R. Taylor Jr. to know these questions were there -- particularly if he had to give them bad news at some point.

Imagine how pleased he was to report last week that a full "reconciliation" (or balancing) of the state's multitude of accounts showed unrecorded assets amounting to \$ 4,742,110.19.

Not exactly found money -- it was there in various accounts all the time -- the money has been moved to the General Fund. Probably enough there to keep the Free State running for several minutes. Dixon and Co. paid \$ 166 million Jan. 2.

"Now," said Dixon, "the \$ 4.7 million can be spent by the governor and the General Assembly."

By the middle of this year, he said, Maryland will have a state-of-the art reconciliation process. Three major accounting firms are bidding for the business.

And this was not all the good news: Dixon said the state's investment experts are doing handsomely with their portfolio of \$ 2.5 billion, investing prodigious amounts and earning more than \$ 115 million last year. By keeping the investment function in-house, Maryland saves big dollars -- \$ 9.75 million that would have been paid in fees last year alone, Dixon said.

So, \$ 115 million here and \$ 4.7 million there. Pretty soon, to quote a former U.S. senator, you're talking about real money.

Governor should have asked for a pregame prayer

Gov. Parris N. Glendening encountered a horrendous scheduling conflict the other day. He was slated to have dinner with two cardinals and three bishops the same day his beloved Florida State Seminoles were playing their archrival, the Florida Gators, in the Sugar Bowl.

A Florida State graduate, Glendening was determined to see what had turned out to be a national championship game. He would go to dinner, he said, but just might have to leave early.

"If I get excommunicated," he told reporters at a briefing, "you'll know what happened."

He should have enlisted his dinner companions in a bit of pregame prayer. The Seminoles lost, 52-20.

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GRAPHIC: PHOTO, SUN STAFF, Richard N. Dixon: Elected state treasurer early last year.

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