



BALTIMORE COUNTY OFFICE OF THE INSPECTOR GENERAL

ANNUAL REPORT FOR FISCAL YEAR 2021

JULY 7, 2021

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I. Statement from the Inspector General

It is an honor to present the second annual report of the Office of the Inspector General (hereinafter “the Office”). The report details our efforts during fiscal year 2021, which covers the period July 1, 2020 to June 30, 2021. This report is required under Section 3-14-111 of the Baltimore County Code and its purpose is to summarize the work of the Office during the preceding fiscal year. The accomplishments highlighted in this report demonstrate the Office’s ongoing commitment to increasing accountability and oversight in the operations of the Baltimore County government.

This past fiscal year, the Office went through a number of changes and had some meaningful accomplishments. The Office now has a new name, a new deputy, and a permanent space in the Historic Courthouse. The Office also hired its first two interns. The Office presided over the creation of an online ethics training course, the design of an online system for financial disclosures, and a significant expansion of the number of employees who are now required to file financial disclosures with the County. During fiscal year 2021, the Office addressed 221 ethics inquiries, processed over 280 lobbying compliance documents, and handled over 500 financial disclosure statements. Also during fiscal year 2021, the Office resolved 83 Inspector General (IG) complaints, opened 14 IG investigations, and issued 7 comprehensive IG reports. The IG reports demonstrate the variety of complaints received by the Office, and the value the Office can bring to the County.

Despite the Office’s progress and achievements, the Office continues to lack the necessary resources to fully serve the citizens of Baltimore County. In the coming fiscal year, the Office will continue to explore opportunities for additional sources of funding. Equally important is the Office’s need to remain independent from the County government. Without true independence, the Office will never be able to achieve its true potential. Therefore, I am committed to working with the County Executive and the County Council to ensure that any changes to the laws governing the structure and operations of the Office will produce long-term benefits for the County’s residents.

In August, I will be attending an inspector general certification program. The program is sponsored by the Association of Inspectors General (AIG). The Office is already following the AIG’s *Green Book*, which sets forth a general set of principles and standards to be followed by offices of inspector general throughout the country. I look forward to collaborating with other inspectors general, learning about their offices and work, and bringing best practices back to Baltimore County.

I am extremely proud of the accomplishments of the Office. With limited resources, the Office was able to increase ethics education, modernize the financial disclosure system, and publish several IG reports. It is my privilege to be the independent watchdog for the County, and I look forward to continuing to work on behalf of its citizens in the coming fiscal year.

Respectfully,

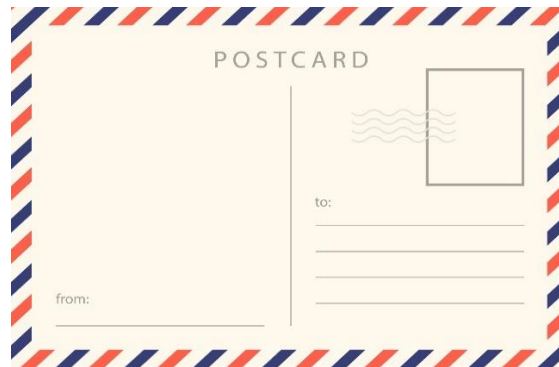
Kelly Madigan

Kelly Madigan
Inspector General

II. Providing a Return on Your Investment

For fiscal year 2021, the Office had a budget of \$290,100, one of the smallest of any department or agency in the County. Approximately 93% of the total budget, or \$270,000, went to salaries. The remainder of the budget paid for a variety of expenses to include AIG membership fees, investigative software, supplies, and initial furnishings for the new office. Based on Baltimore County's population of 827,370¹, the cost to operate the Office was approximately \$0.35 per County resident.

In return for their investment in the Office, Baltimore County residents received reports detailing: the improper decertification of a Nature Council by the County's Board of Recreation and Parks; twenty (20) employees who were in violation of the County's pension rules; an ineffective and inefficient water billing system that has cost the County millions of dollars in lost revenues and consulting fees; the expenditure of \$1.1 million by the County to acquire commercial grade farming equipment and to build a state of the art greenhouse, none of which was put to significant use; and numerous infractions of the County's purchasing card policies by two management-level employees. In addition, the taxpayers of Baltimore County helped to ensure that County employees and members of the County's various boards and commissions received increased ethics training, to include over 3,875 employees who participated in an online ethics course. Finally, the County's residents enabled the Office to implement a new online financial disclosure system that should make the County's government more efficient and transparent. All of this was accomplished for an amount roughly equal to what it would cost a County resident to mail a postcard.



¹ See <https://censusreporter.org/profiles/05000US24005-baltimore-county-md>.

III. The Ethics Commission

One of the Office's two primary functions is to manage the daily ethics work on behalf of the Baltimore County Ethics Commission (hereinafter "the Commission"). The Commission is tasked with administering the public ethics laws for the County. This includes overseeing ethics education for all employees and certain members of Boards and Commissions, providing ethics advice to County employees as needed, ensuring compliance with financial disclosure requirements, investigating all ethics complaints, and managing the registration and activity filings for lobbyists. During fiscal year 2021, the Commission held ten virtual meetings. These meetings were recorded and posted to the Office's website.²

Ethics are the foundation of good government. Therefore, it is imperative that all individuals who play a role in County government are familiar with and educated on the public ethics laws. This helps to ensure that when County officials and employees make decisions, those decisions are made with the best interests of the County and its citizens in mind. Accordingly, the Office developed an online ethics course in fiscal year 2021. The course, which is organized by topic, uses knowledge questions to reinforce key aspects of the material and to test the users' understanding of the ethics laws. This online course has been rolled out to nearly every County department and to date, over 3,800 employees have taken the course and received a certificate of completion. Because some employees do not have access to a computer or a County email account, a hard copy of the online course has been created, and plans to distribute the document are being finalized. With a workforce of over 8,000 employees, there is still a lot of training to do, but the Office is committed to offering the opportunity for ethics training to each and every County employee and certain members of Boards and Commissions.

In addition to the online ethics training course, the Office has hosted several live WebEx training sessions for specific County departments, boards, and commissions. The Office has also been participating in the New Employee Orientation, which is a monthly training program for all new Baltimore County employees. The New Employee Orientation is not only an opportunity to welcome these employees to County government, but to introduce them to the public ethics laws that will hopefully guide them throughout their careers.

The Office also produced and distributed a document titled "Summary of the Public Ethics Laws" to all County employees via email and to the general public through the Office's website. This document, which includes key ethics terminology and important points of emphasis, helps to summarize and simplify the ethics laws for the average person. It was developed in part based on the types of ethics-related inquiries the Office processes each fiscal year. An ethics inquiry is a request for ethics advice on a specified topic such as the acceptance of gifts. For fiscal year 2021, the Office processed 221 ethics inquiries.

This past fiscal year, the number of Baltimore County employees who are required to file a financial disclosure statement was expanded from approximately 50 employees to over 300 employees. This expansion was directly related to Baltimore County Code Article 7-1-203, which gives the County Administrative Officer the authority to designate certain Baltimore County

² Pursuant to Maryland General Provisions Article 3-305(b), portions of the meetings were held in closed sessions.

employees as needing to file based on their assigned duties and responsibilities. With this expansion and the filings of the various board and commission members, the Office processed over 500 financial disclosure statements for fiscal year 2021.

Because of the increase in the number of filings, the Office worked closely with the Office of Information Technology to create an online system for filing financial disclosure statements. Such a system is considered a best practice for a financial disclosure compliance program, and it is consistent with what other jurisdictions in the area are doing. This new online system makes it easier for those designated employees to complete their financial disclosures in a timely and efficient manner, and for the Office and the Commission to process and review the disclosures.

The following charts summarize performance measures for the Commission for the last five fiscal and calendar years:

Performance Measures by Fiscal Year	2017	2018	2019	2020	2021
Number of ethics inquiries (i.e. requests for ethics advice)	-- ³	--	--	71 ⁴	221
Number of ethics-related complaints, allegations of ethics violations and/or investigations	1	4	0	7	2
Number of issuances of formal opinions or waivers	2	7	4	1	2

Performance Measures by Calendar Year⁵	2017	2018	2019	2020	As of 06/30/21
Number of Financial Disclosure Statements filed	207	220	232 ⁶	491	5
Percentage compliance of Financial Disclosure Statements filed	96%	100%	100%	99% ⁷	N/A
Number of registered lobbyists	28	28	43	39	32
Number of registered lobbied matters	167	153	208	120	58
Number of lobbyist activity reports	162	151	208	120	3

³ Prior to the creation of the Office, the Commission did not keep track of statistics for certain ethics-related activities. Therefore, no data is available for these performance measures for calendar years 2017, 2018, and 2019.

⁴ Because ethics inquiries only started being tracked on January 3, 2020, this number only represents a portion of the ethics inquiries for fiscal year 2020.

⁵ Going forward, the Office intends to track ethics-related statistics on a fiscal year basis. However, certain compliance-related statistics (i.e. financial disclosure and lobbying filings) will continue to be tracked on a calendar year basis.

⁶ This number is larger than the figure reported in the prior annual report because of the requirement to file for a previous calendar year pursuant to 7-1-401 of the Baltimore County Code.

⁷ There is only one outstanding financial disclosure statement for 2020. The Office has made several attempts to get this individual to file, but to date, those efforts have not been successful.

IV. Inspector General

The Office's other primary function is to provide increased accountability and oversight in the operations of the County government by investigating fraud, abuse, and illegal acts. This is accomplished by conducting investigations and when appropriate, publishing reports with findings to the County Executive, County Council, and the public.

A. The Office's Jurisdiction

The Office is only permitted to get involved in matters that fall within its jurisdiction. Determining jurisdiction is a two-step process. First, the Office can only investigate matters concerning Baltimore County government personnel and resources. This includes vendors, contractors, and other businesses that conduct business with Baltimore County government. The Office does not have jurisdiction over any other matters, to include Baltimore County Public Schools, state or federal government programs, private attorneys, family law matters, or property disputes. Second, the Office can only investigate allegations of fraud, abuse, and illegal acts; or conduct investigations for the purpose of promoting efficiency, accountability, and integrity in County government.

B. The Business Process

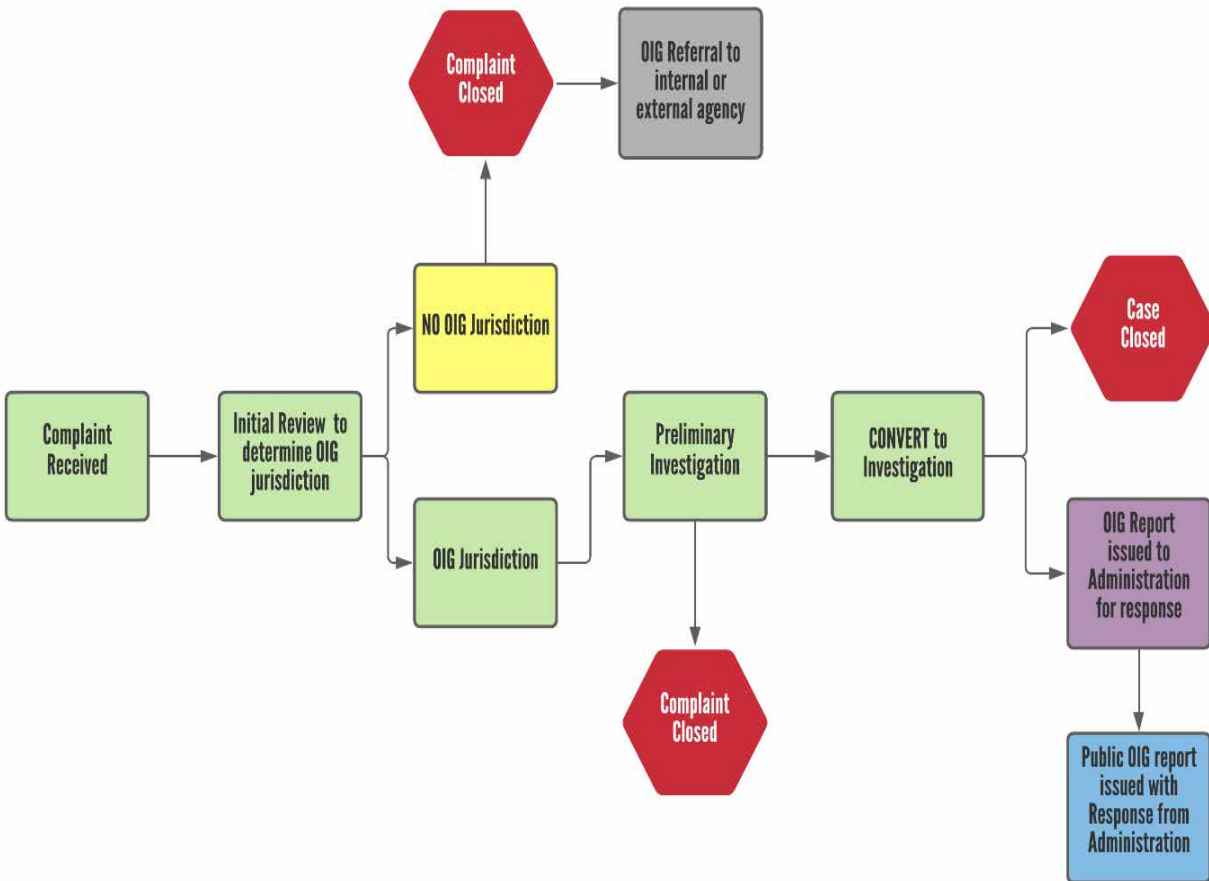
The Office is a reactive agency that responds to complaints from County employees and the public. Complaints are received by the Office in a variety of ways: telephone calls, emails, letters, in-person meetings, and through the Office's online complaint form. The individual filing the complaint has the option to request anonymity. All complaints filed with the Office are carefully vetted to determine whether the complaint falls under the Office's jurisdiction, as previously described above. This year, the Office received 83 complaints. Of the complaints received, 55 were closed and referred to other internal and external agencies because they were outside of the Office's jurisdiction.

If it is determined that the Office has jurisdiction over the complaint, a preliminary investigation is performed in an effort to validate the information. Whenever possible, the person making the complaint is interviewed so credibility and motivation can be assessed. Based on the results of a preliminary investigation, a determination is made to either convert the complaint to an investigation or to administratively close the complaint. During the past fiscal year, 12 complaints were converted to investigations.

The Office conducts its investigations in accordance with a Policies and Procedures Manual ("the Manual") that was drafted and adopted during fiscal year 2021. The Manual incorporates aspects of the AIG's Principles and Standards for Offices of Inspector General also known as *The Green Book*. At the conclusion of an investigation, allegations that have been substantiated are published by the Office in a report. Initially, the report is distributed to the Administration for review and a response. Subsequently, the report and the Administration's response are published by the Office on its website. The Office refers to these as External Reports. In some instances, typically

with sensitive, personnel-specific matters, the Office limits the distribution of the report to only the Administration. The Office refers to these as Internal Reports. This year, the Office produced five (5) External Reports and two (2) Internal Reports.

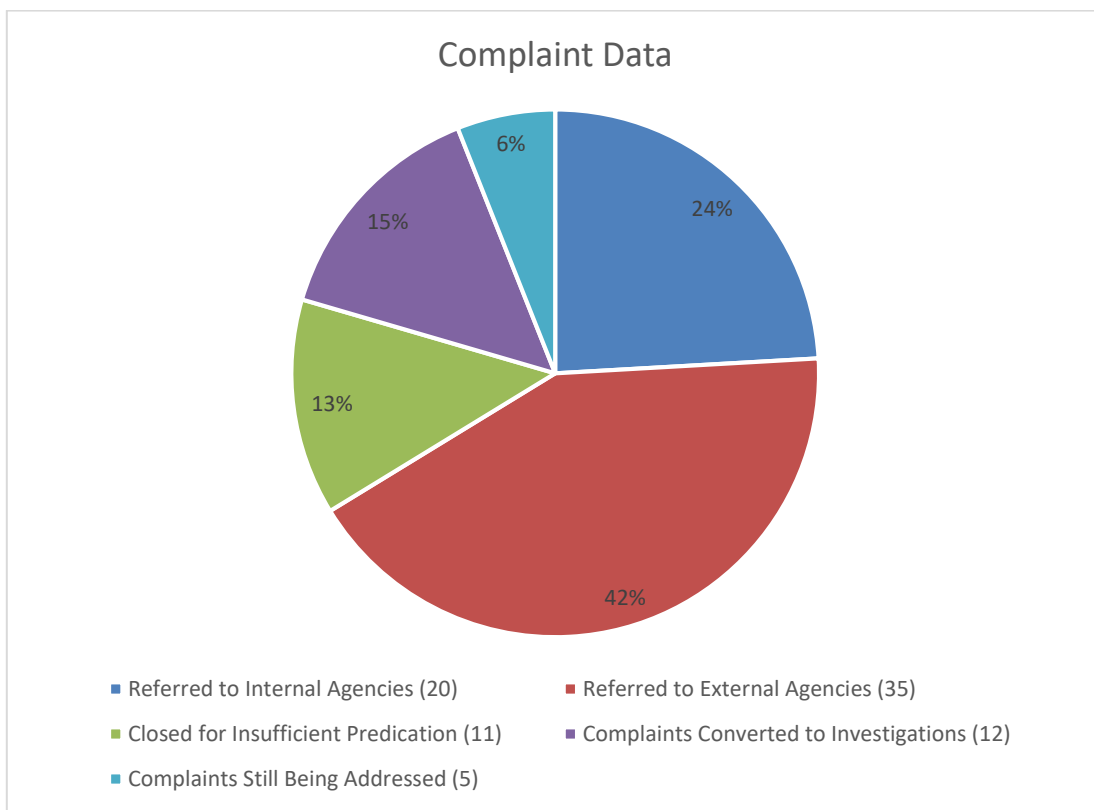
The following illustration depicts the business process of the Office from the receipt of the complaint to the publishing of a report:



C. Statistics on Complaints

The following charts summarize the complaint data for the Office for fiscal year 2021:

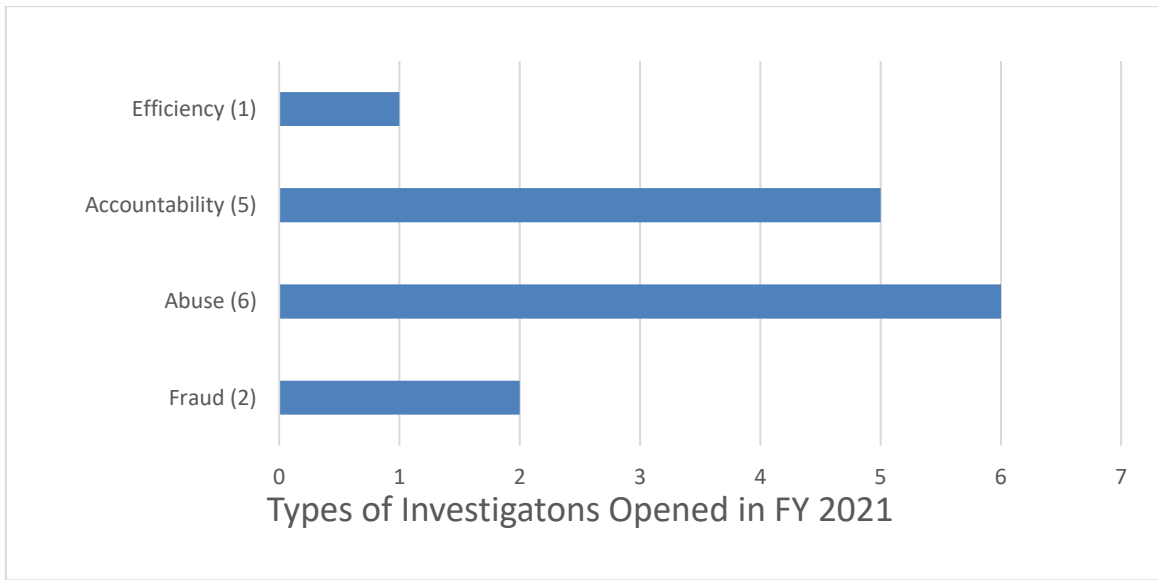
Total Complaints Received	Referred to Internal Agencies	Referred to External Agencies	Closed for Insufficient Predication	Complaints Converted to Investigations	Complaints Still Being Addressed
83	20	35	11	12	5



D. Statistics on Number and Types of Investigations

The following charts summarize the statistics on the Office’s investigations for fiscal year 2021:

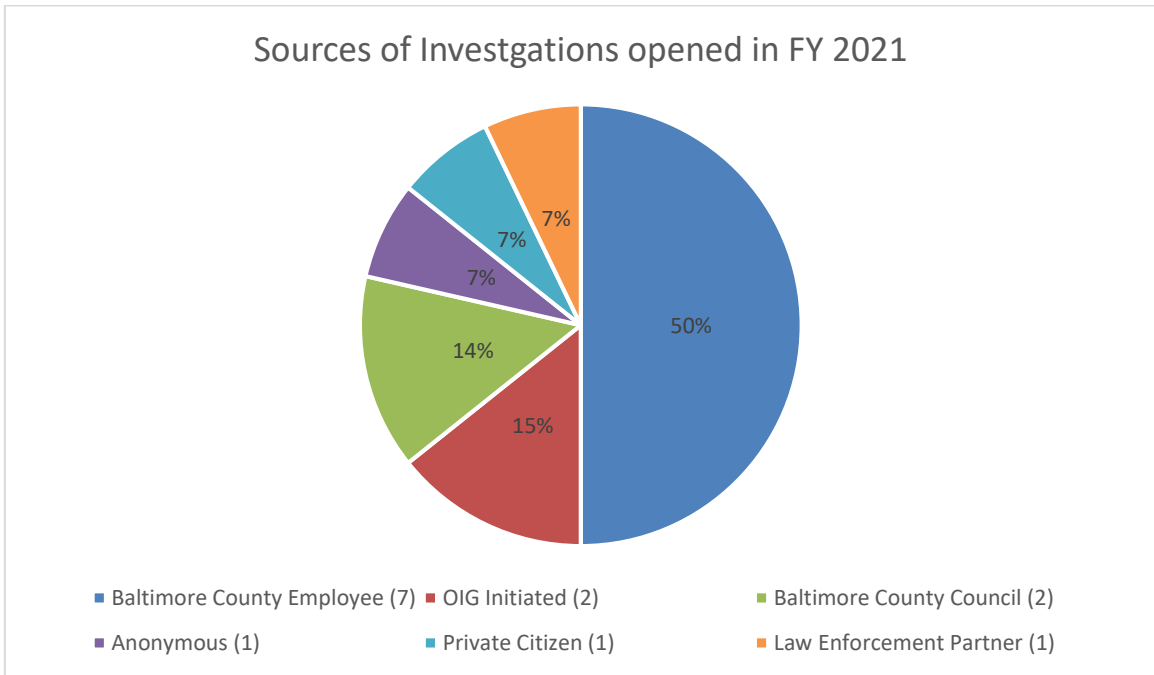
No. of Active Investigations as of 07/01/2020	No. of Investigations Opened During FY21	No. of Investigations Closed During FY21	No. of Active Investigations as of 06/30/2021
14	14	16	12



E. Statistics on Sources of Investigations

The following charts summarize the statistics on the sources of investigations for fiscal year 2021:

Baltimore County Employee	Baltimore County Council Member	Law Enforcement Partner	Private Citizen	Anonymous	OIG - Generated
7	2	1	1	1	2



F. External Reports

During fiscal year 2021, the Office issued five (5) External Reports covering a wide range of topics. Brief summaries of these reports are listed below.⁸

1. OIG Report 20-003

In August of 2020, the Office publicly issued OIG Report 20-003 regarding the improper decertification of one of the County’s nature councils - the Friends of Benjamin Banneker Historical Park and Museum (hereinafter “Friends”). The Office received a complaint regarding the denial of recertification for Friends by the Baltimore County Board of Recreation and Parks (hereinafter “the Board”). The complaint alleged unfair treatment of Friends by the Board, as well as a lack of due process. The Office’s investigation showed the Statement of Policies, Bylaws and Rules of Procedure that govern the Board did not address procedures for the recertification or decertification of nature and recreation councils, nor did they set forth an appeals process should a nature or recreation council be denied recertification or become decertified. Without a uniform Statement of Policies to address these issues, the Board could inadvertently administer inconsistent treatment of the various nature and recreation councils. The Office recommended that the Board adopt new policies and procedures that address recertification, decertification and an appeals process for nature and recreation councils.

⁸ Copies of all of the reports are available at www.baltimorecountymd.gov/departments/inspectorgeneral.

2. OIG Report 20-020

In November of 2020, the Office publicly issued OIG Report 20-020, which identified 20 Baltimore County retirees who were simultaneously receiving a salary and a pension from the County in violation of the Baltimore County Code. During its investigation, the Office identified a lack of communication between the Retirement Office and the Office of Human Resources, as well as deficiencies during the County's hiring process, as contributing factors to this Code violation. Based in part on the Report, the County Council, with the support of the Administration, passed new legislation that created a more efficient system for hiring retirees into certain limited positions in County government for specified periods of time. The Report demonstrated the positive change the Office could make through its work.

3. OIG Report 20-018

In December of 2020, the Office publicly issued OIG Report 20-018. The Report was a joint effort with Baltimore City's Office of the Inspector General. The Report was historic in that it was the first joint report by two Inspector General Offices in Maryland. The Report was the result of an investigation into multiple facets of the City of Baltimore's water billing system, which is relevant to both the citizens of Baltimore City and the County. The Report identified millions of dollars in waste along with three significant findings. First, there were thousands of digital water meters in the City and the County that were not fully functional. Second, there were more than 8,000 open "tickets" pertaining to County water accounts that had not been addressed by the City to the satisfaction of the County. Finally, the report highlighted the fact that the City and the County had awarded over \$133 million in contracts since late 2011 for the purpose of enhancing the water system. Despite the contract awards, major deficiencies in the system persisted; and consequently, the City and the County had lost millions of dollars in water and sewer revenues. The Report determined that a fundamental lack of communication between the City and the County was central to the problems that had been plaguing the water billing system for years, and a more comprehensive and coordinated approach would be needed to properly address these issues.

4. OIG Reports 20-014-1 and 20-014-2

In February 2021 and April 2021, the Office issued OIG Reports 20-014-1 and 20-014-2 respectively, two separate but related reports about the Baltimore County Center for Maryland Agriculture and Farm Park (hereinafter "the Ag Center"). The first Report was a review of all major purchases made by the Ag Center and the construction of a greenhouse on the Ag Center property. The Office's investigation revealed that between August 2016 and February 2018, the County spent \$511,063.08 to acquire several pieces of commercial grade farming equipment and a large truck, and \$629,594.21 to construct a greenhouse, for the purpose of growing produce at the Ag Center with the intent to supply the produce to food distribution non-profits. While the idea of using the County's land and resources to grow food to help feed Marylanders was a noble endeavor, the Office's investigation revealed that the majority of the equipment and the greenhouse had only been put to limited use since being implemented at the Ag Center. Therefore, the County had spent over \$1.1 million dollars on assets, nearly all of which had been essentially sitting idle and therefore, were not being productive. In addition, some of these assets were never recorded on the County's Listing of Fixed Assets in violation of the County's Fixed Assets Control Policy.

The second Report identified 38 purchase card transactions pertaining to the Ag Center that appeared to violate the County's Procurement Card Policy and Procedures. These transactions consisted of 15 split purchases totaling \$28,539.47 and 23 restricted purchases totaling \$8,168.53. In addition, 10 items totaling \$1,886.33, which had been purchased on procurement cards for the Ag Center, were identified as missing. Pursuant to the Report, the Office made a series of recommendations to the Administration including inventorying all equipment and tools at the Ag Center, more training for the individuals who review and approve Procurement Card Activity Logs, additional scrutiny on the purchases of a cardholder who is found to have violated the Program's Policy and Procedures, and small-scale, random audits of cardholder accounts that incorporate the physical inspection of purchased items.

V. Goals for Fiscal Year 2022

The Office has several goals for fiscal year 2022. The Office wants to create an online system for the filing of lobbyist registrations and lobbying activity reports. The Office believes that such a system would be consistent with what other jurisdictions use to track and monitor lobbyist-related data, and it would help ensure that all registered lobbyists who conduct business in the County comply with the applicable rules and regulations. The Office has also been working closely with the Office of Information Technology to create a new complaint and case management system tailored specifically for the IG component of the Office. Currently, the Office is utilizing a combination of Microsoft products to manage its daily operations. The Office hopes this new system will be completed in fiscal year 2022, and that it will help the Office to more efficiently document, track, and analyze information associated with complaints, investigations, and the Office's administrative functions. Finally, the Office intends to continue its outreach efforts into the Baltimore County community to expand awareness of the Office's function within the County government. The Office hopes this continued outreach will lead to more quality reports and therefore, additional cost savings for the citizens of Baltimore County.

VI. Contact the Office

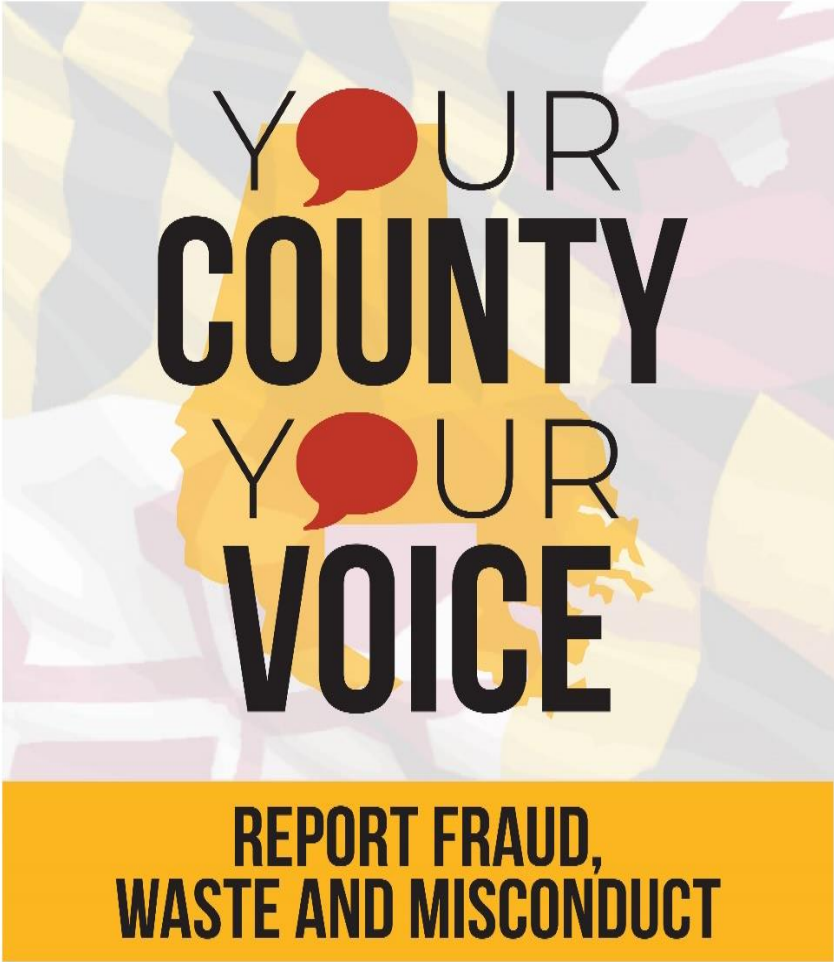
Please contact the Office using one of the methods below if you have any questions about this report, the Office and its mission, or if you have a complaint that could be addressed by our Office. We look forward to hearing from you.

Tip Line: 410-887-6500

Email: inspectorgeneral@baltimorecountymd.gov

Website: www.baltimorecountymd.gov/departments/inspectorgeneral

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