



MARYLAND OFFICE OF THE  
INSPECTOR GENERAL FOR EDUCATION

Richard P. Henry  
*Inspector General*

Yvonne K. Brooks, Esq.  
*Deputy Inspector General*

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**VIA EMAIL (sbsantelises@bcps.k12.md.us)**

Dr. Sonja Brookins Santelises  
Chief Executive Officer  
Baltimore City Public Schools  
200 E. North Avenue  
Baltimore, Maryland 21202

Ref: OIGE Case 22-0012-I

**Management Alert Report**

**Lack of Internal Controls Relating to Student Activity Funds at Patterson High School**

Dear Dr. Santelises,

The Office of the Inspector General for Education (OIGE) received a complaint alleging the former principal and business manager engaged in practices that allowed for the exploitation of the Student Activities Fund (SAF) at the Patterson High School (Patterson). This management alert identifies the failure of internal controls relating to the SAF at Patterson and the removal of former employees from the funds banking signatory list. We are notifying you of the potential risks posed by a lack of oversight and adherence to established school system policies and procedures governing these funds.

The OIGE reviewed SAF records for Patterson from 2018 through 2023. Our review found instances of payments from the SAF that indicated potential misuse. The review found additional occurrences in which school executive staff, listed as authorized users, had written checks to themselves and signed the same as an authorized signatory. The Baltimore City Public Schools (BCPS) Board Policy and Regulations DMA-RA §I.E.7 states,

*All checks must bear two original signatures. The principal must sign all checks in addition to the signature of a second, authorized signer (i.e., Assistant Principal or the Principal's designee).*

The OIGE further found that authorized signatories who had left employment with Patterson remained on the bank's authorized signatory list well beyond their separation. Our review indicated that one signatory remained on the bank's list four months after their separation, while another remains on the bank's list 18 months after separating employment with Patterson.

Additionally, the OIGE notes that Baltimore City Public Schools Board of Board Policies and Regulations DMA-RA, Section I.E.9, states, "*Cash withdrawals are prohibited.*" Our review found incidents of individuals writing checks out to themselves. This may not be considered a "cash withdrawal," but the current policy does not prohibit writing such checks.

Finally, an Internal Audit of Patterson's SAF dated September 30, 2022, found noncompliance with the DMA-RA I.A. requirement for segregating financial duties. The audit report recommended,

*"It is the responsibility of the Principal to ensure that duties related to the school activity fund are adequately segregated, in order to reduce the likelihood that misappropriations can occur and not be detected within a reasonable time. The involvement of two or more persons in each transaction discourages dishonesty and encourages accuracy, because each person acts as a check and balance on the work performed. Proper segregation of duties is established over the school's activity funds so no one individual controls all aspects of a transaction."*

Although BCPS conducted a Compliance Review of Patterson in April 2021 and awarded the school a rating of Satisfactory, the BCPS's Internal Audit found four instances, totaling \$10,626.66, in which check voucher/request forms were not used to document disbursements or not supported by other documentation supporting the disbursement,

*were unable to determine if a school's activity funds were used for activities that relate to and/or benefited the educational experience and morale of the students because supporting documents were not provided for review.<sup>1</sup>*

The totality of these findings illustrates the opportunity for employees to misuse Patterson funds, individually or in tandem. Based on our investigation, the OIGE refers this matter to the Baltimore City Public Schools - Office of Legal Counsel for further review and external audit considerations.

Respectfully,



Richard P. Henry  
Inspector General

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<sup>1</sup> Baltimore City Public Schools, School Activity Funds Compliance Matrix – Patterson High School #405 Audit Report, As of September 30, 2022, School Activity Funds Policy and Administrative Regulations, pg. 17

cc: Joshua Civin, Esq., Chief Counsel – Baltimore City Public Schools  
Yvonne Brooks, Esq., Deputy Inspector General – OIGE  
H. Brandis Marsh, Esq., Assistant Attorney General, Principal Counsel - OIGE