

MARYLAND OFFICE
OF THE
INSPECTOR GENERAL
FOR EDUCATION

2024 ANNUAL REPORT



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

MESSAGE FROM THE INSPECTOR GENERAL

December 1, 2024

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 pursuant to the Annotated Code of Maryland, specifically Education Article §9.10-105(a). This *Annual Report* is a summary of investigations and audits for the reporting period of December 1, 2023, to November 30, 2024. Other significant accomplishments that occurred are also summarized.

The OIGE continues to encounter challenges in maintaining its independence from the agencies and LEAs it oversees. These challenges include recruiting and retaining qualified staff with specialized skills in auditing, investigations, and legal analysis; conducting complex, large-scale investigations; operating with limited staff, necessitating the prioritization of investigations and audits; safeguarding the confidentiality of sensitive information; and effectively communicating findings while navigating complex legal frameworks. These challenges are particularly significant when addressing fraud, waste, and abuse in the educational environment.

The outlined challenges do not fully encompass all vulnerabilities faced by the office. The OIGE remains committed to conducting independent oversight and providing recommendations to assist LEAs and MSDE in addressing these management and performance issues, ensuring the effectiveness of their operations.

The OIGE would like to thank Governor Moore, Senate President Ferguson, House Speaker Jones, and the Maryland State Department of Education for their continued support. I look forward to serving as Maryland's Inspector General for a second term and working with you and the members of the Maryland General Assembly to detect and prevent fraud, waste, abuse, and mismanagement of education funds.

Respectfully submitted,



Richard P. Henry
Inspector General



OFFICE OF THE INSPECTOR GENERAL

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During this reporting period, the OIGE underwent a comprehensive compliance audit by the Maryland Office of Legislative Audits for the period beginning June 1, 2019, and ending November 30, 2023. The OLA issued its report on May 30, 2024, and found that the OIGE did not disclose any significant deficiencies or findings in the design or operation of the OIGE’s internal control. The audit also did not disclose any substantial instances or findings of noncompliance with applicable laws, rules, or regulations.

Additionally, the OIGE underwent an independent peer review by the Association of Inspectors General (AIG). In May of 2024, representatives from the AIG conducted a review to evaluate the work of the OIGE. The AIG issued its report on May 14, 2024, stating that the OIGE met all current and relevant AIG standards for the review period from December 1, 2020, to November 30, 2023. The AIG found no reportable instances of failure to meet the AIG standards.

MISSION STATEMENT

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, the Interagency Commission on School Construction (IAC), and Nonpublic schools that receive State funds by conducting independent, meaningful, accurate, and thorough investigations into allegations of fraud, waste and abuse, and financial mismanagement.

RESPONSIBILITIES

The State of Maryland created the OIGE in 2019 by enacting Maryland Education Code § 9.10. The Association of Inspectors General, a standard-setting body for Inspectors General, asserts that an Office of Inspector General should be established statutorily to define its authority and credibility.

To ensure that Maryland's early childhood, primary, and secondary education systems are performing at the highest levels, the Maryland legislature created this 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 is comprised of investigative auditors, investigators, and specialists who have the authority to examine all functions within state and local education and those of private entities that do business with the State of Maryland and local education agencies (LEA). The Investigative Audit Unit conducts audits and evaluations that cover a wide range of programs, processes, functions, areas, and topics. The Investigations Unit conducts reviews and investigations of individual crimes and misconduct. Investigative audits and investigations are conducted in support of the State's ongoing efforts to minimize risk through competent review of information related to education executives, senior managers, and vendors and contractors. The OIGE's responsibilities include the following:

- Examining and investigating school boards, local education agencies, public schools, nonpublic schools that receive state funds, the MSDE, and the 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.

BUDGET

The OIGE ensures integrity in Public School operations by conducting meaningful, accurate, and thorough investigations and investigative audits into fraud, waste and abuse allegations, and financial mismanagement. The OIGE also reviews local school systems, practices, and procedures to determine their effectiveness in preventing fraud, waste and abuse, and financial mismanagement.

In Fiscal Year 2024, the OIGE 's operational budget was \$2.4 million, or .027% of Maryland's \$9.1 billion overall education funding.¹ The OIGE is authorized to have 16 operational positions, including a Deputy Inspector General (DIG). This position is responsible for the operational oversight of audit and investigative work and assists the Inspector General in managing daily operations. The OIGE is also supported by an assistant attorney general and an administrative staff member who ensures all work adheres to state standards, rules, and regulations.

.0041%

**The OIGE's Percent of Maryland's Overall
Fiscal Year 2024 Operating Budget.**

The OIGE identified nearly \$13 million in managed education funds. This equates to a taxpayer's return on investment of \$5.13 for every dollar spent to ensure education accountability.

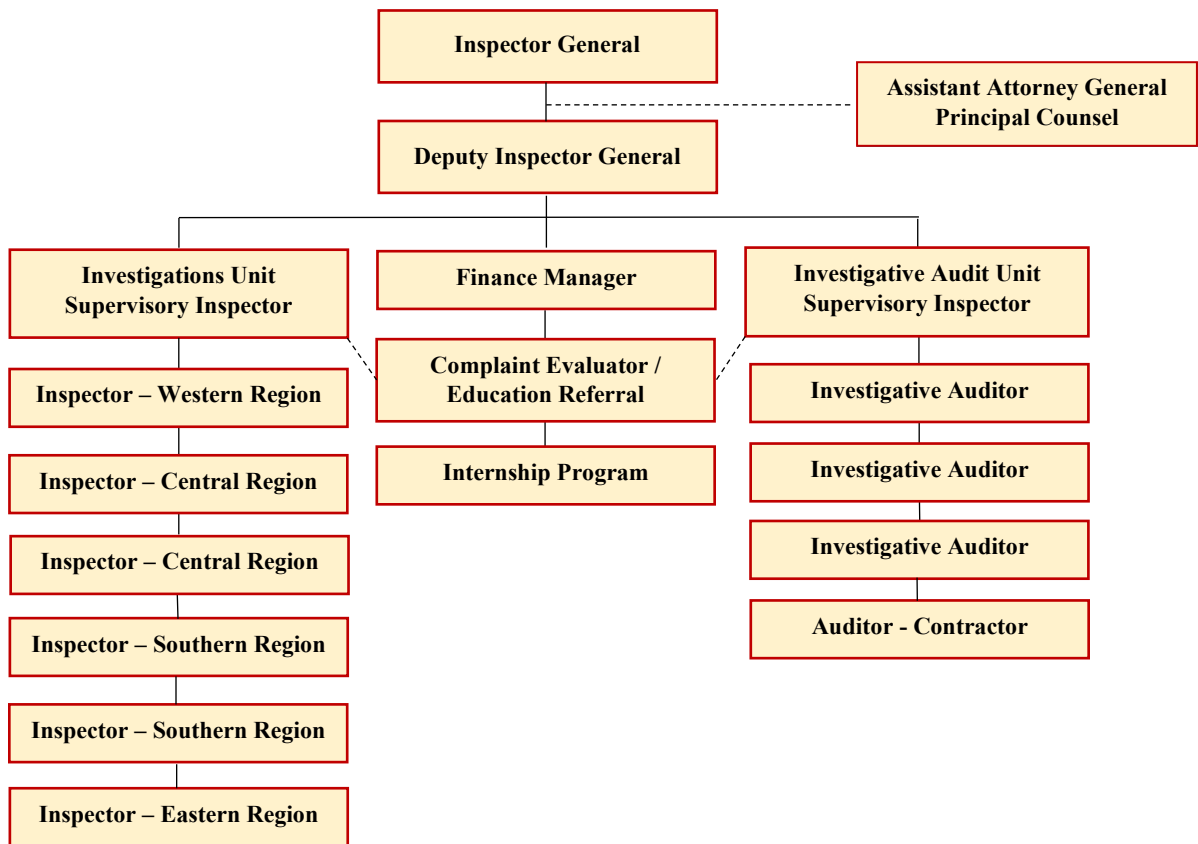


¹ Overview of State Aid to Local Governments, Fiscal 2025 Allowance, Department of Legislative Services, Office of Policy Analysis, January 2024, Total State Aid to Public Schools in Fiscal 2025, page 30.

ORGANIZATION AND STAFF

The IG is appointed by the Governor, Attorney General, and Treasurer. The IG manages the OIGE with the assistance of one Deputy Inspector General and two Supervisory Inspector Generals. The office has grown from one position in 2020 to a staffing level of 16 full-time employees (FTE) who execute the mission of the OIGE.

Office of the Inspector General
Organization Chart



CREDENTIALS AND QUALIFICATIONS

The OIGE has highly educated professional staff, most of whom have advanced degrees and professional certifications in their areas of expertise. The staff also has a diligent work ethic and is committed to providing quality service to all State stakeholders. The OIGE benefits from a diverse workforce that reflects the state it oversees.

The OIGE is committed to maintaining a high professional standard concerning our oversight mission. Our staff is active in professional organizations, such as the Association of Inspectors General (AIG), the American Institute of Certified Public Accountants (AICPA), the Institute of Internal Auditors (IIA), and the Association of Certified Fraud Examiners (ACFE).

INVESTIGATION STANDARDS

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

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 are only identified if 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, LEAs, and the Maryland Center for School Safety (MCSS).

INVESTIGATIVE PROCESS

The OIGE investigative process begins with reviewing complaints to determine whether the facts suggest possible misconduct. The OIGE reviews records and interviews relevant witnesses if an investigation is warranted.

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

The OIGE is authorized by statute to subpoena witnesses, administer oaths or affirmations, take testimony, and compel the production of all information that reasonably relates to an inquiry or investigation undertaken by the OIGE.

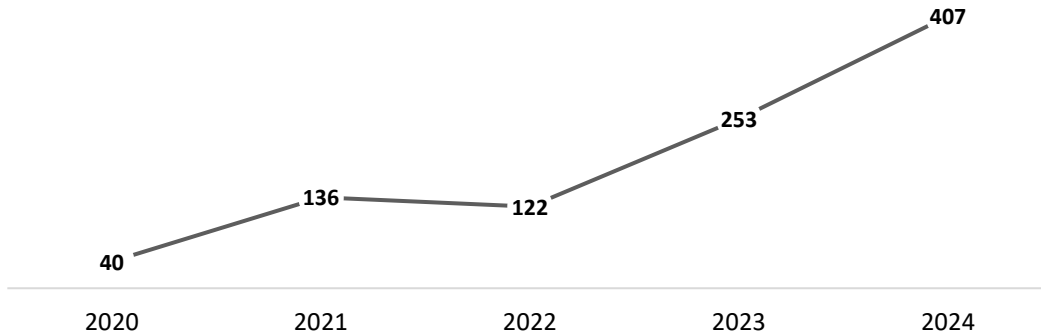
COMPLAINTS RECEIVED

The OIGE receives allegations of fraud, waste, and abuse from various sources, including mail, in person, email, by referral from other state departments and outside agencies, and the OIGE's hotline and website. All complaints received by the OIGE hotline are reviewed, and matters that warrant action are opened as an investigation or investigative audit or referred to the proper LEA for appropriate remediation. The hotline also enables anonymous communication between complainants/whistleblowers and the OIGE.



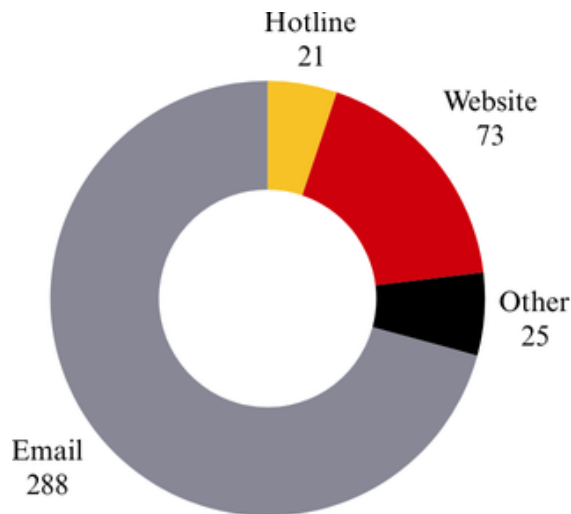
During the reporting period of December 1, 2023, to November 30, 2024, the OIGE received **407** complaints alleging misconduct, fraud, waste and abuse, and financial mismanagement. This also reflects a **918%** increase in complaints filed with the OIGE since it was established in 2020. These complaints included allegations of misconduct by education employees or vendors and allegations of county school superintendents exceeding their statutory spending authority.

COMPLAINTS PER YEAR



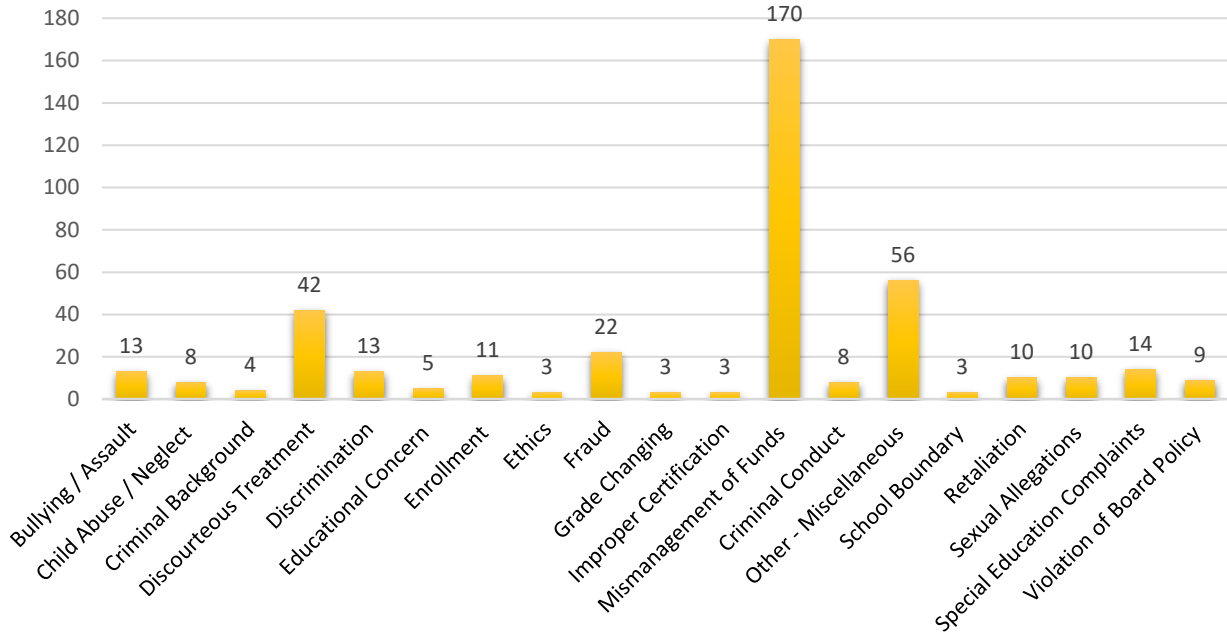
Of the complaints received, 176, or 43%, were received anonymously. Although the OIGE responds to anonymous complaints, it is far more challenging to begin an investigation without questioning the complainant and evaluating the credibility of the information received.

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



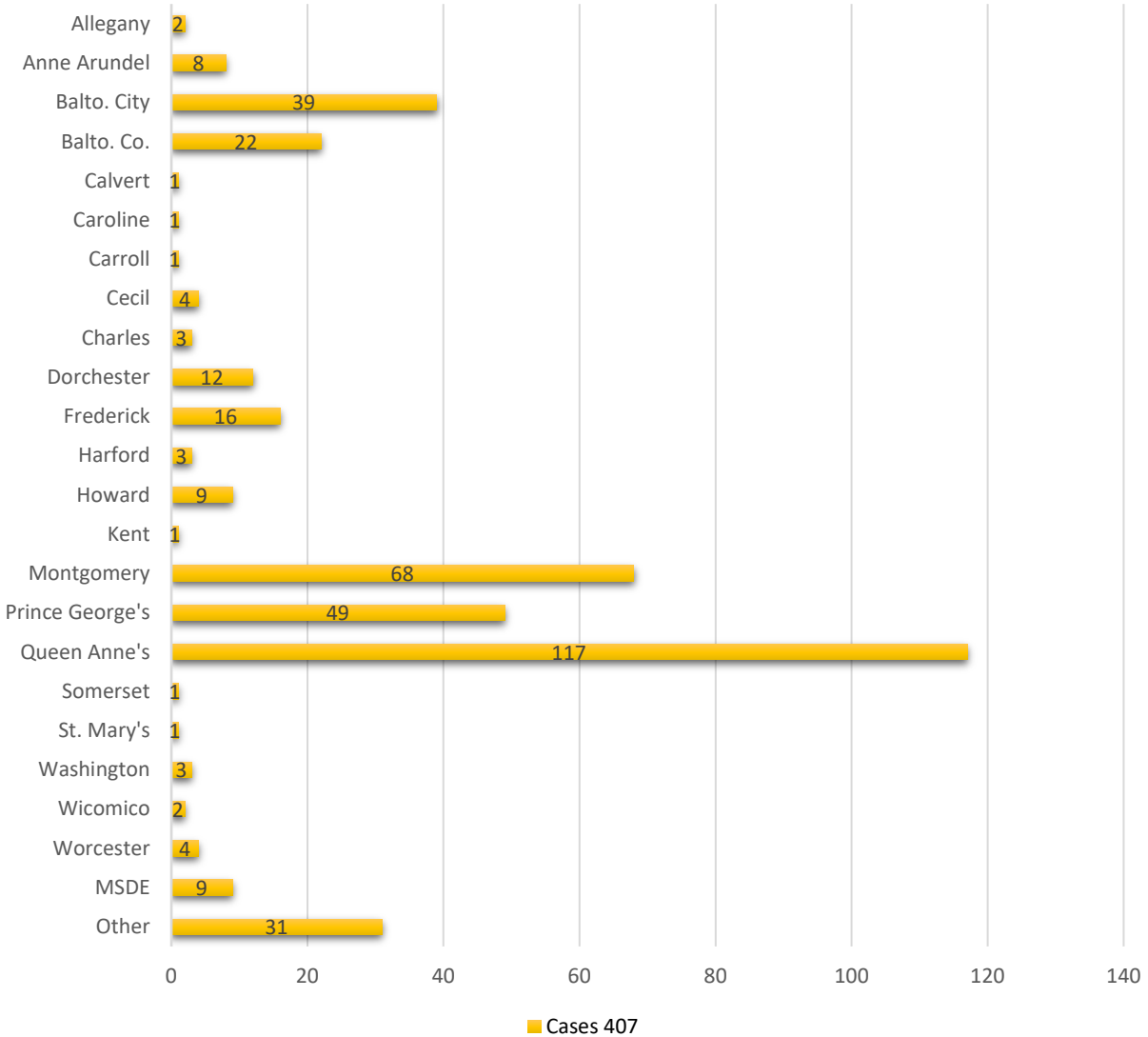
The OIGE received a **62%** increase in complaints over the last reporting period. During this reporting period, 435 complaints (FY and carry-over) were closed, ten were elevated to an investigation, and two were assigned for an investigative audit. The chart below shows the categories by which complaints are identified.

Complaint Categories



The chart below shows the number of complaints filed with the OIGE by local education agencies or departments.

REPORTING BY COUNTY / DEPARTMENT



As of November 30, 2024, 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 interests of the student and educational professional are served.

HOW WE WORK

The OIGE executes its mission through investigation, audits, and evaluation methods. The OIGE conducts its investigations, audits, and evaluations according to the Principles and Standards for Offices of Inspector General. The principles and standards represent generally accepted principles, quality standards, and best practices applicable to federal, state, and local Offices of Inspector General.

The OIGE begins by reviewing complaints to determine whether the facts suggest possible misconduct. Then, if an investigation or audits and evaluations are warranted, the OIGE reviews records and interviews relevant witnesses. As a result, the OIGE produces Investigative Reports, Investigative Audit Reports, Evaluation Reports, Management Alerts, and Referrals throughout the year.

INVESTIGATIONS

The Investigations Unit examined a wide array of alleged misconduct, such as fraud, bribery, theft, extortion, public corruption, misuse of public resources, mismanagement, self-dealing, and nepotism. While the OIGE operates as an investigatory unit, it lacks law enforcement accreditation and does not have the authority to make arrests. Most OIGE investigations are administrative.

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

During this reporting period, the Investigations team identified three-quarters of a million dollars in mismanaged education funds.

AUDITS & EVALUATIONS

Some complaints that involve complex issues require more than a detailed investigation. The OIGE's Investigative Audits Unit 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 Investigative Audit team completed three complex investigative audits and identified over \$12 million in savings or waste in grant funding.

MANAGEMENT ALERTS

The OIGE uses these notifications to inform LEA and Department Executive Management of a high-risk or systemic issue that may pose a serious, imminent risk of fraud or abuse and requires immediate attention. These alerts, usually triggered by findings made during our audit, evaluation, or investigative work, may also contain recommendations to correct the identified concerns. The OIGE issued four MARs during this reporting period.

COLLABORATION

As the OIGE grows and expands its reach, the office remains committed to building robust partnerships with oversight and law enforcement agencies across all levels of government. The OIGE collaborates closely with the state and local police departments and State Attorney's Offices, the Office of the State Prosecutor, the Federal Bureau of Investigation, the U.S. Attorney's Office, and the Federal DOE OIG office. Additionally, the OIGE has established memorandums of understanding with the OIG offices of the City of Baltimore, Baltimore County, and the Federal Bureau of Investigations, further strengthening its network. These partnerships have been instrumental in tackling major fraud and corruption cases. The OIGE firmly believes that teamwork is the hallmark of success.

OUTREACH & EDUCATION

The OIGE has experienced annual increases in hotline complaints and investigations and identified savings or waste, which is directly attributed to heightened public awareness of the office's mission and work.

In a continued commitment to serving the employees and citizens of Maryland, the Inspector General proactively engages with the media to promote transparency in government operations.



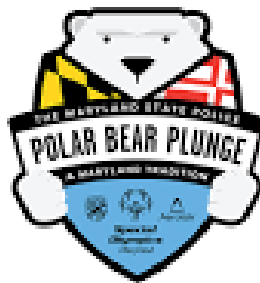
The Inspector General was honored to participate in Coppin State University's (CSU) Student Enrichment Institute with the Inspectors General of Baltimore City, Washington DC, Prince George's County, and Maryland Department of Health and Human Services. CSU's Dr. Johnny Rice designed the institute to expose and introduce the next generation of students to the work of Inspectors General.

Typically, once the OIGE issues a report to its website, multiple media outlets contact the Inspector General. By granting interview requests, the Inspector General raises awareness about the OIGE, reinforcing public trust in the agency as a reliable resource for addressing concerns.



Additionally, the Inspector General frequently participates in community events and conferences to share the OIGE’s mission and encourage public engagement. These events are valuable opportunities to inform the community about the Office’s efforts and invite residents to ask questions or express their concerns.

2024 Maryland State Police Polar Bear Plunge



Maryland Center For School Safety Conference



INVESTIGATIVE SUMMARIES

Alleged Misuse of Messaging Applications by MSDE Leadership

The OIGE investigated allegations against a former Superintendent of the Maryland State Department of Education (MSDE), and his executive team for using the Signal messaging application to discuss government policies and vendor contracts, potentially bypassing transparency requirements.

Key findings include:

- Choudhury and his team used Signal for both personal and work-related matters, citing its ease and security features. He stated he lacked formal training on state communication policies.
- MSDE personnel expressed concerns about the use of Signal but continued using the app until public scrutiny intensified.
- The investigation found no explicit MSDE policies prohibiting encrypted or ephemeral messaging for official communications. However, such practices raise transparency and accountability concerns, especially given Signal's automatic message deletion features.

The OIGE recommended that MSDE update its policies to address the use of encrypted messaging applications and establish retention requirements for work-related communications to ensure accountability and compliance with records management standards.

Alleged Bid Manipulation by Kent County Public Schools

The OIGE investigated allegations of corruption and bid manipulation in a Kent County Public Schools (KCPS) auction. A business owner alleged unethical behavior during a forklift sale on a public auction platform, citing unresponsiveness from a KCPS employee and concerns over bid practices.

After reviewing the Auction Site's policies and interviewing relevant parties, the OIGE determined that KCPS adhered to all established auction procedures. No evidence of corruption, bid manipulation, or misconduct by KCPS personnel was found.

The investigation concluded that the auction process was conducted ethically and complied with policies.

This case underscores the OIGE's commitment to ensuring accountability and integrity in public education operations.



Policy Gaps in Reporting Allegations of Sexual Misconduct by Educators

The OIGE investigated a complaint involving a former teacher arrested for sexual solicitation of a minor, focusing on whether policy or procedural gaps allowed him to remain in educational settings despite allegations of misconduct.

Key findings include:

- The teacher had a history of allegations regarding inappropriate communications with students across multiple Maryland schools.
- The investigation found no evidence that school administrators intentionally failed to report his behavior as sexual misconduct on required Employment History Review forms.
- Administrators displayed varied interpretations of grooming behaviors, leading to inconsistent reporting and responses across educational institutions.

The investigation highlighted a critical need for clearer guidelines, improved inter-institutional communication, and standardized training for administrators to ensure consistent and accurate reporting of misconduct allegations. These steps are essential to safeguarding students and maintaining the integrity of Maryland's educational institutions.



Alleged Misuse of Authority in Dorchester County Public Schools

The OIGE investigated allegations against the President of the Dorchester County Public Schools Board of Education (DCPS BOE), claiming they influenced votes to eliminate media specialist positions and redirect funds toward Vision Quest (VQ), a vendor they were allegedly connected to as a former director.

The investigation included interviews, document reviews, and session recordings, revealing the following key findings:

- The BOE President recused themselves from discussions and abstained from votes regarding the VQ contract, following advice from counsel.
- Financial disclosures indicated a family connection to VQ, but the President did not participate in discussions where confidential information was shared.

No evidence was found to substantiate claims that the BOE President influenced BOE members or engaged in misconduct related to the contract decision.

The OIGE concluded that the President adhered to ethical guidelines, and no improper actions were identified. This investigation underscores the OIGE's dedication to ensuring accountability and ethical governance in education.

INVESTIGATIVE AUDITS

Management of Concentration of Poverty Grant - MSDE

The OIGE conducted an investigative audit into the management of the Concentration of Poverty (CoP) Grant by the Maryland State Department of Education (MSDE) to evaluate grant fund usage, internal controls, and risk of fraud, waste, or abuse.

The OIGE noted that MSDE had not created policies that govern how CoP funds can be expended, resulting in more than \$12.3 million in unused CoP grant funds for FYs 2020 through 2022. LEAs had not been provided adequate and consistent training by MSDE and used CoP funding to procure their own training.

The OIGE found that LEAs were not provided with information on handling funds that had been distributed but not spent during the grant period. The OIGE noted that the LEAs returned approximately \$1 million in unspent funds to MSDE.

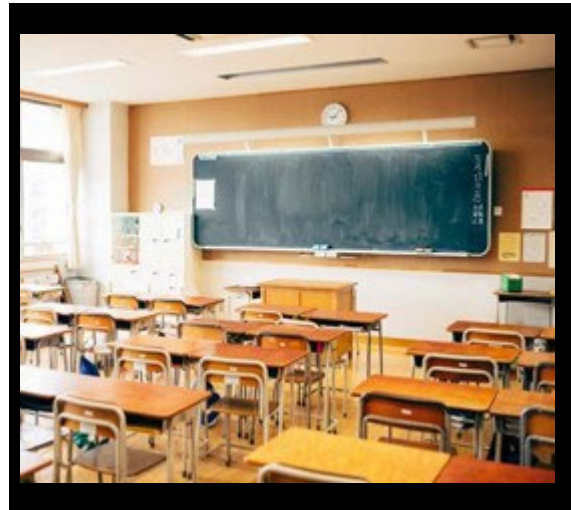
OIGE recommended establishing policies and procedures that include a monitoring process for CoP funds to ensure that funds are not misallocated as school funding is increased through the Maryland Blueprint for the Future legislation.

Management of Concentration of Poverty Grant -

Allegany County Anne Arundel County

As part of the Investigative Audit of MSDE's Management of Concentration of Poverty Grant, OIGE reviewed grant fund usage, internal controls, and risk of fraud, waste, or abuse for eight LEAs that received CoP Funding.

In Fiscal Year 2024, OIGE completed the Investigative Audits for Allegany and Anne Arundel County and found no instances of noncompliance with the Concentration of Poverty Grant in either county.



PRIORITIES FOR 2025

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. Below are the priorities I have set for the coming year.

1: Promote Organizational Independence

Commit to upholding the highest standards of organizational independence in our oversight and investigative activities, free from undue influence or interference.

2: Modernization and Innovation

Implement innovative and collaborative internal processes that leverage new technologies and data analytics to enhance investigations and more effectively identify potential risks.

3: Compliance Monitoring

Conduct follow-up reviews of recommendations to ensure adherence and prevent non-compliance.

4: Foster Greater Outreach to Stakeholders

Improve and expand our outreach efforts to stakeholders and apprise them of emerging fraud and risk areas.



Acronyms and Abbreviations

The following provides acronyms and other information relevant to the table that follows.

| | |
|-------|---|
| AG | Attorney General of Maryland |
| BOE | Board of Education |
| CFE | Certified Fraud Examiner |
| CIG | Certified Inspector General |
| CIGA | Certified Inspector General Auditor |
| CIGI | Certified Inspector General Investigator |
| COMAR | Code of Maryland Regulation |
| CPA | Certified Public Accountant |
| DIG | Deputy Inspector General |
| FBI | Federal Bureau of Investigations |
| FERPA | Family Educational Rights and Privacy Act |
| FTE | Full-Time Employee |
| IAC | Interagency Commission on School Construction |
| LEA | Local Education Agency |
| MAR | Management Alert Report |
| MCSS | Maryland Center for School Safety |
| MSDE | Maryland State Department of Education |
| OSP | Office of the State Prosecutor |
| SAO | State's Attorney's Office |
| SBOE | State Board of Education |
| SIG | Supervisory Inspector General |
| USAO | United States Attorney's Office |

OIGE Work Reports Website Availability

OIGE-issued work reports are generally considered public documents, accessible on the OIGE's website, unless sensitive or otherwise subject to Maryland Public Information Act exemption. This document is not copyrighted. Readers may make additional copies of this report as needed. In addition, most OIGE reports may be downloaded from our website: <https://oige.maryland.gov>.

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