



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

Richard P. Henry
Inspector General

2021 Annual Report

December 1, 2021

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

RICHARD P. HENRY
INSPECTOR GENERAL



MARYLAND OFFICE OF THE
INSPECTOR GENERAL FOR EDUCATION

Richard P. Henry
Inspector General

Douglas H. Roloff, III
Deputy Inspector General

December 1, 2021

His Excellency the Governor

The Honorable President of the Senate

The Honorable Speaker of the House of Delegates

The Honorable President of the State Board of Education

The Honorable State Superintendent of Schools

The Honorable Chairperson of the Interagency Commission on School Construction

The Office of the Inspector General for Education (OIGE) is dedicated to preventing and detecting fraud, waste and abuse, and corruption in the expenditure of public education funds. To that end we responded to scores of complaints, initiated several investigations, and opened investigative audits throughout the 2020-2021 year. While much of our work is confidential, this report details completed projects that we can make public.

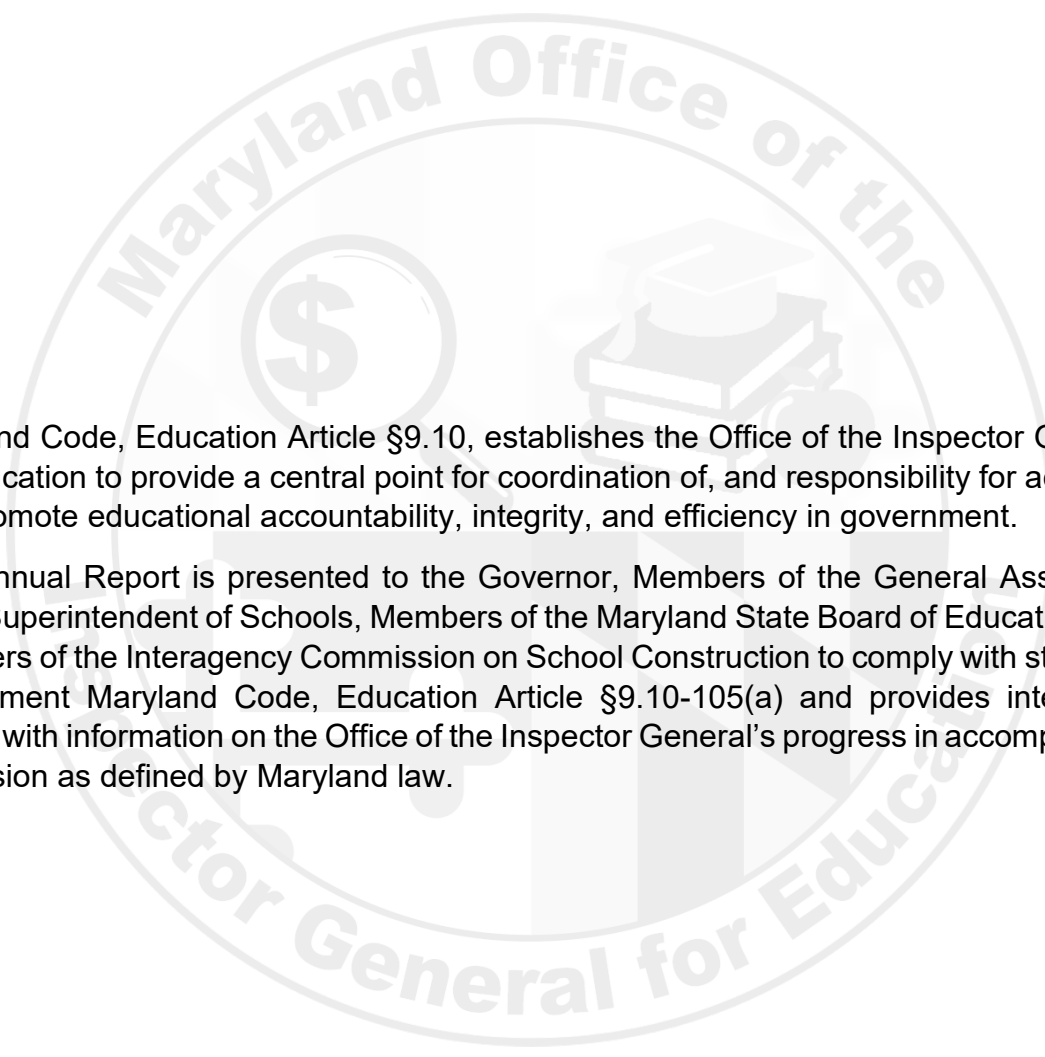
Every member of the OIGE has played a vital role in last year's accomplishments, and the same will be true as we move into the future. We have faced many challenges throughout the year and will continue to meet them with the same tenacity.

As you will read in the pages of this report, the OIGE is committed to helping the Maryland State Department of Education (the Department) and Local School Systems (LSS) address identified weaknesses and methods to improve accountability and transparency.

I look forward to the challenges and accomplishments ahead and will continue to further develop our managers, address staffing shortages, expand training opportunities, and engage in innovative problem-solving solutions to achieve even greater future success.

Sincerely,

Richard P. Henry
Inspector General



Maryland Code, Education Article §9.10, establishes the Office of the Inspector General for Education to provide a central point for coordination of, and responsibility for activities that promote educational accountability, integrity, and efficiency in government.

This Annual Report is presented to the Governor, Members of the General Assembly, State Superintendent of Schools, Members of the Maryland State Board of Education and Members of the Interagency Commission on School Construction to comply with statutory requirement Maryland Code, Education Article §9.10-105(a) and provides interested parties with information on the Office of the Inspector General's progress in accomplishing its mission as defined by Maryland law.



Maryland Public School System Investigative Breakdown

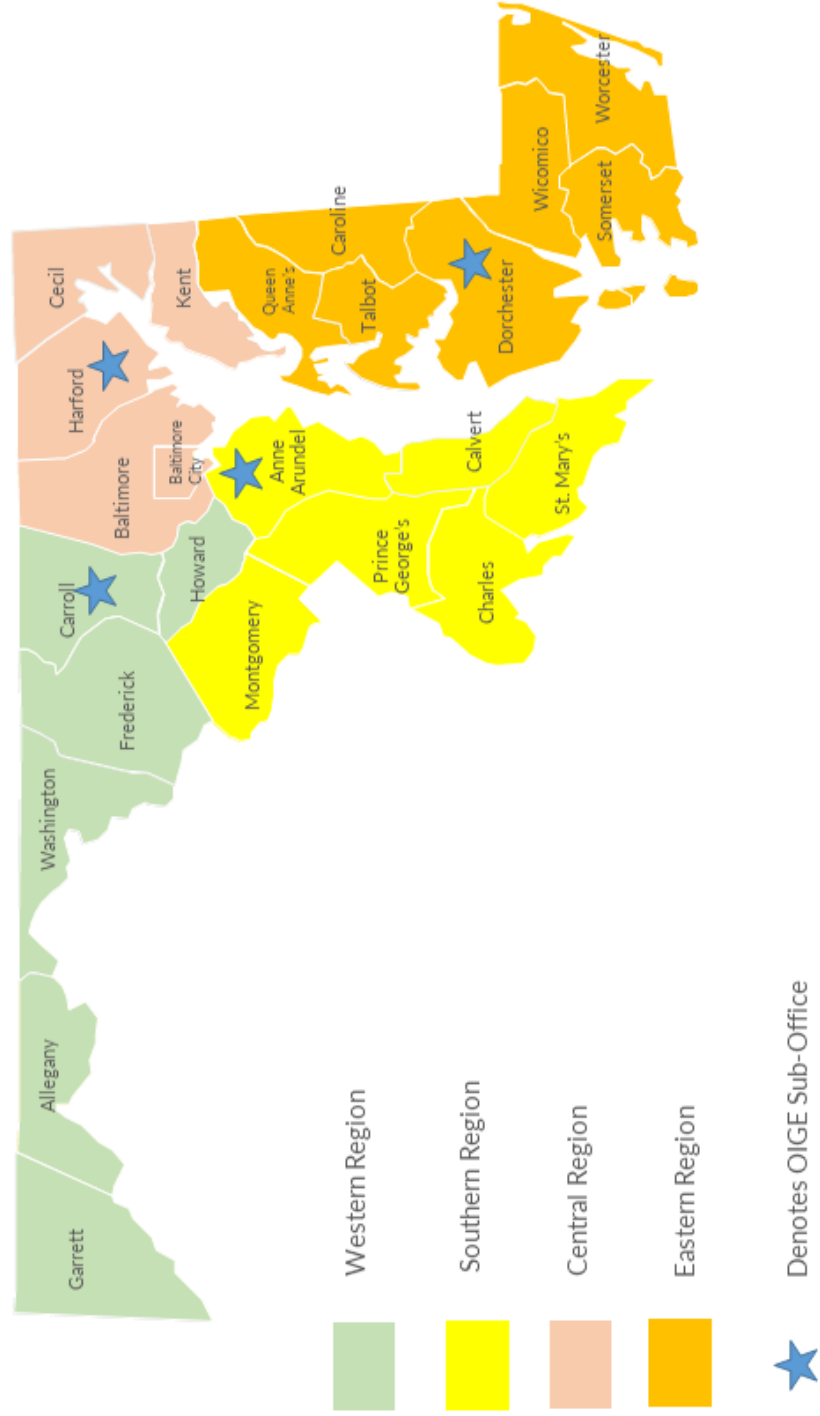


Table of Contents

Section 1 – Office Overview	7
A. Mission	7
B. Overview	7
C. Staffing	8
D. Budget	8
E. Training	9
Section 2 – Education Services Division	9
A. Case Management	9
B. Allegation Reporting	10
C. Reporting by LSS or Department	11
Section 3 – Investigations Division	12
A. Case Management	12
B. Investigations	12
C. Investigative Process	12
D. Confidentiality	13
E. Recommendations	14
F. Cooperative Partnership	14
G. Investigative Summaries	15
Section 4 – Investigative Examples	15
Case 20 – 0002 – I	15
Case 20 – 0007 – I	16
Case 21 – 0007 – I	17
Case 21 – 0009 -- I	17
Case 21 – 0013 -- I	18
Section 5 – Civil Rights Violations	19
Section 6 – Child Abuse and Neglect Compliance	19
Section 7 – Goals and Priorities for 2022	19

Section 1 – Office Overview

A. Mission

The mission of the OIGE is to ensure integrity within the operations of Maryland Public Schools, the Department, Boards of Education, and the Interagency Commission on School Construction by conducting meaningful, accurate and thorough investigations into allegations of fraud, waste and abuse, and financial mismanagement. The OIGE also reviews practices and procedures to determine their effectiveness in preventing fraud, waste and abuse, and financial mismanagement.

B. Overview

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

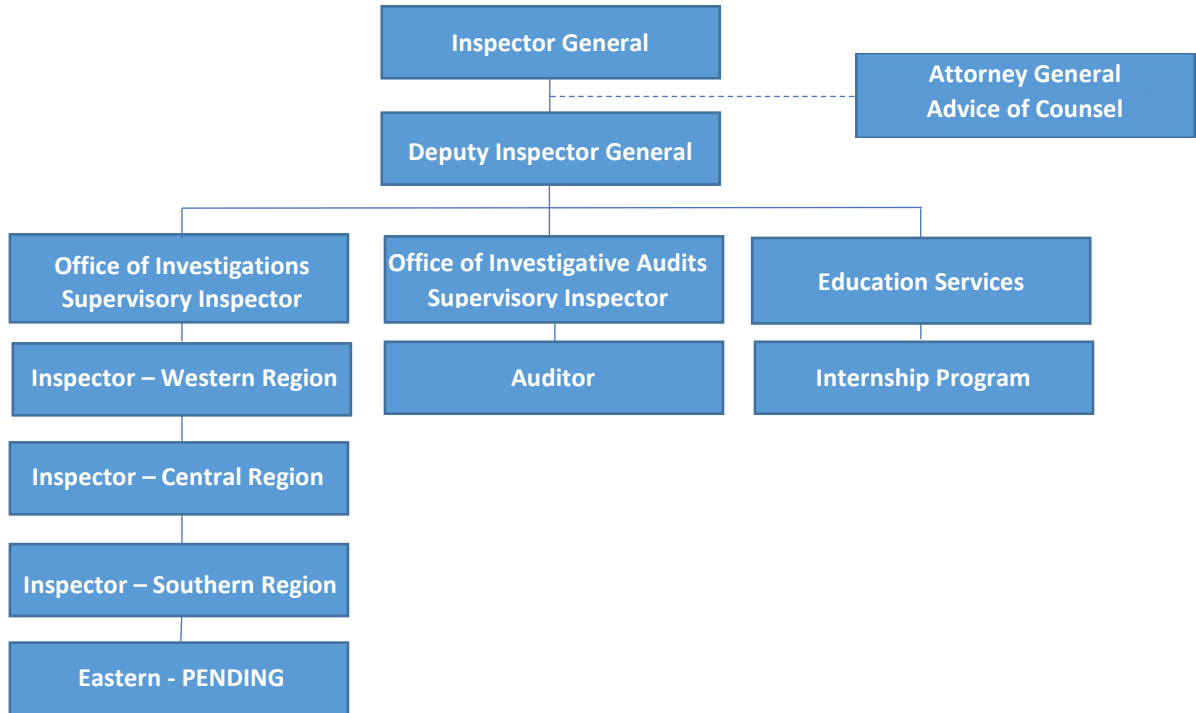
The bill created an independent investigative agency to provide accountability in the expenditure of public funds for education. The position of Inspector General (IG) is appointed unanimously by the Governor, the Attorney General and the State Treasurer, subject to the advice and consent of the Maryland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

The OIGE's responsibilities include:

- Examining and investigating county school boards, local school systems (LSS), 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 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.

C. Staffing

To carry out our duties and responsibilities, the OIGE staff is organized into three sections – Investigations, Investigative Audits, and Education Services, as shown below.



Technical qualifications of the OIG staff include a variety of disciplines, including auditing, accounting, investigations, and information systems. OIGE staff hold professional certifications as Certified Inspector General Investigators and Fraud Examiners.

D. Budget

The majority of the state funds allocated for public education are collected annually through state taxes and combined into the state's general fund. General fund revenues are collected through state income taxes, retail sales taxes and the state lottery. State and local governments share responsibility for funding Maryland's public schools. According to the Maryland Department of Legislative Services' 2021 report regarding the overview of Maryland Local Governments, Public schools are funded from Federal, State, and local sources. Local sources account for 44% of public-school funding in Maryland, 48% comes from the State, and the federal government provides approximately 8% of the public funding.

State education aid to local jurisdictions increased from approximately \$8,134,681,692 to \$8,347,933,993, or a 2.6% increase in State support for public education.¹ The Federal government contributed \$1,063,526,887 of the education funding amount.

The OIGE is currently staffed with 10 full-time employees. For Fiscal Year 2021, the OIGE was appropriated a \$1.4 million dollar budget. The OIGE appropriation equates to approximately .017% of the overall education appropriation. Despite continued reduction in staff and budget, the OIGE continues to conduct accurate, thorough and meaningful investigations resulting in increased integrity in educational operations.

E. Training

Many employees of the OIGE are members of the Association of Inspectors General (AIG), a national organization of state, local and federal Inspectors General and their staffs. The AIG offers training seminars and certification institutes for members as well as networking opportunities. Currently, three OIGE employees have received the designation of Certified Inspector General after undergoing training by the AIG. Participation in the AIG also allows the OIGE to be trained in best practices in the performance of the Inspector General functions.

Locally, the OIGE collaborates with IG offices from other states and local agencies to train staff in a variety of investigations and audit-related areas.

Section 2 – Education Services Division

A. Case Management

The OIGE has established a tip line, email, website, and telephone number to allow individuals an opportunity to report educational concerns and complaints. Once information is received, either anonymously or by provided contact information, we record the allegation into our case management tracking system (CMTS). The individual(s) who have reported the concern are not identified unless he/she has given OIGE permission to share their name and contact information.

Following an initial assessment, a determination is made concerning our approach to resolution of the issue. The Education Services (ES) team conducts a review of applicable policies and procedures to determine if the concern will be referred to a LSS or elevated to the Deputy Inspector General (DIG) for an investigation.

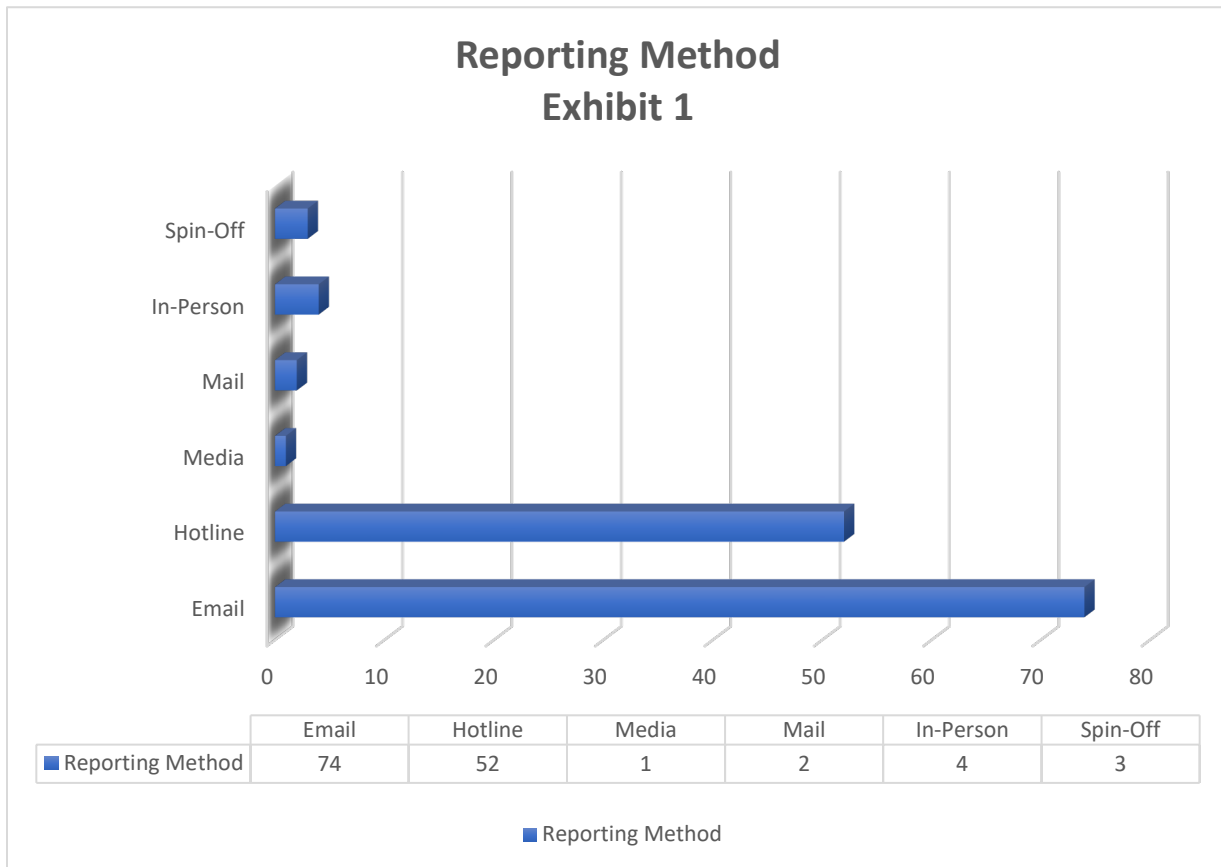
If the ES team determines the reported concern is of an administrative nature, the ES staff will work directly with the respective LSS Accountability or Compliance Officer to

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

resolve the issue. The OIGE requires all LSS who receive a referral to provide a resolution memorandum detailing how the concern was resolved.

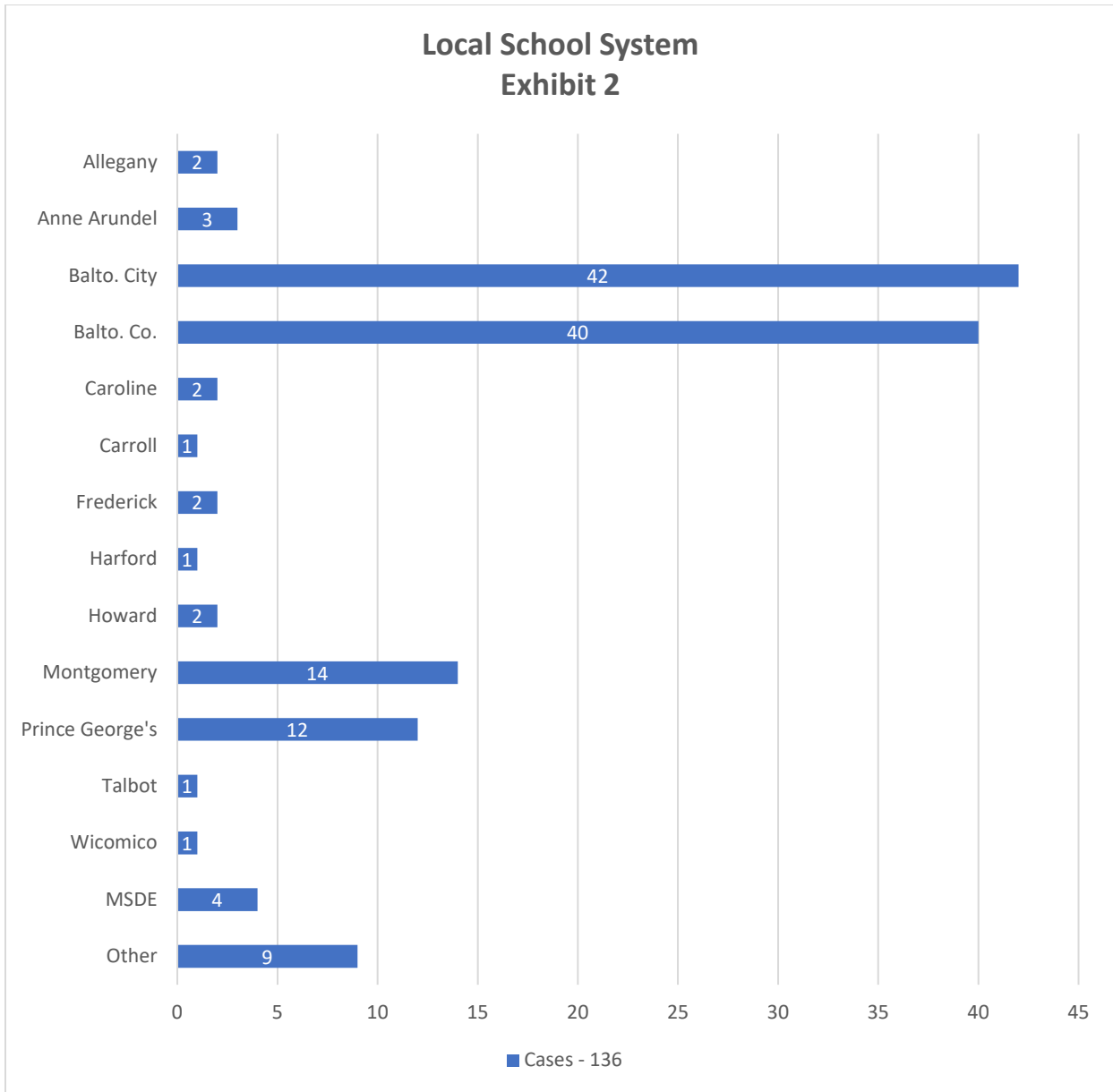
Issues related to a sexual allegation or emergent threat to the safety of students and education professional are immediately shared with local law enforcement, LSS, and the Maryland Center for School Safety (MCSS).

B. Allegation Reporting



As of December 1, 2021, the OIGE – ES has received 136 complaints. Exhibit 1 shows the different methods by which complaints were received.

C. Reporting by LSS or Department



As of December 1, 2021, the OIGE has received, reviewed, referred, closed, or initiated an investigation into the above local school systems, boards of education, or state agencies.

Although the OIGE receives numerous complaints, not all complaints result in a referral or investigation. Exhibit 2 shows the number of cases received by local school system or agency.

Many complaints do raise concerns that imply systemic problems. Therefore, the OIGE – ES looks closely at LSS policies and procedures to ensure that the best interest of the student and educational professional are served.

Section 3 – Investigations Division

A. Case Management

Information gathered during an investigation and the results thereof are confidential and are not disclosed to the public -- including the complaint. While conducting investigations, care is taken to conceal the identity of the complainant. Any request for disclosure of information, reports or results outside of the OIGE, in connection with a referral or otherwise, are documented and must be reviewed and approved by the DIG. The OIGE's reports are not distributed outside of the agency without the consent of the IG.

B. Investigations

The OIGE is charged not only with investigating education financial mismanagement and misconduct but also with the responsibility of conducting investigations in a manner designed to ensure the preservation of evidence for possible use in a criminal prosecution. If in the course of an investigation evidence indicates that a criminal act may have been committed, the OIGE will notify the Maryland State Police, Attorney General, State Prosecutor, respective county 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 put 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.

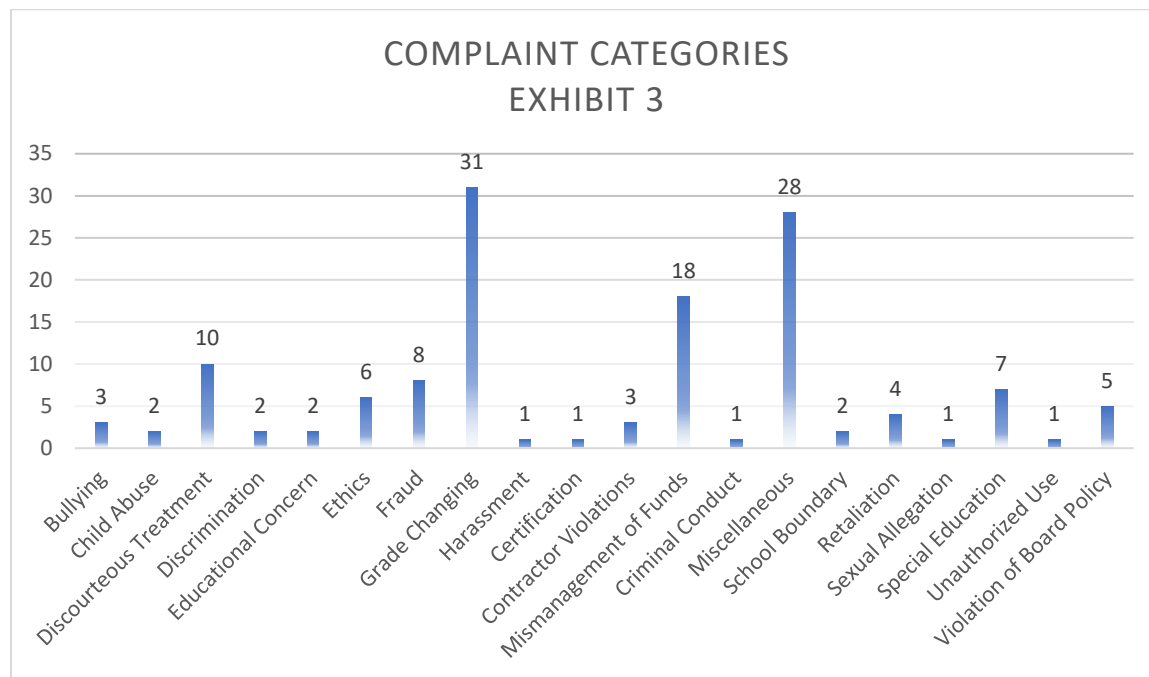
C. Investigative Process

The OIGE investigative process begins with a Request for Investigation. Requests for Investigations are screened to determine whether the facts suggest possible misconduct by a LSS educational professional, Board of Education (BOE) member, or private vendor. If an investigation is warranted, the OIGE will review records and interview relevant witnesses.

Pursuant to Maryland Code, Education Article §9.10-102, the OIGE is separate from the Maryland State Department of Education (MSDE). OIGE files are not accessible to the MSDE. The investigative reports and Corrective Action Plans (CAP) are prepared without

editorial input from the MSDE. Once a report is completed, the DIG will consider comments received, and the Report may be revised accordingly.

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



As shown in Exhibit 3, of the 136 complaints received by the OIGE in FY 2021, 113 have been closed, 17 have been elevated to an investigation, and 6 have been assigned for an investigative audit.

D. Confidentiality

A complainant to the OIGE, or anyone providing information, may request that their identity be kept confidential throughout the investigative process. If possible, the OIGE will attempt to procure information from other sources. Pursuant to 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 information that are confidential pursuant to both State and Federal law. To further ensure confidentiality, the OIGE follows the requirements and guidelines established in the Family Educational Rights and Privacy Act (FERPA). As such and pursuant to Maryland Code, Education Article §9.10-104(g), OIGE reports are not subject to the Maryland Public Information Act.

E. Recommendations

In its reports, the OIGE makes recommendations for systemic reform and case-specific involvement. Systemic recommendations, or corrective action plans (CAPs) are designed to strengthen the educational system to better serve students and educational professionals.

CAPs should have an accountability component as well as a constructive or informative one. Without the accountability component, there is little to deter misconduct. Without the informative component, an educational professional or vendor may conclude they have simply violated an arbitrary rule with no rationale behind it.

Once a recommendation regarding a systemic change has been made, the OIGE will present it to the respective BOE, LSS Superintendent, or other agency head. The OIGE monitors implementation of recommendations for action. In addition, the OIGE will determine whether the facts suggest a systemic problem or an isolated instance of misconduct, fraud or bad practice. If the facts suggest a systemic problem, the OIGE may conduct an investigative audit to determine appropriate recommendations for systemic reform.

F. Cooperative Partnership

In an effort to ensure that local governments have the ability to investigate matters involving educational fraud, waste and abuse, the OIGE has formed an Investigative Educational Task Force with the 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 financial fraud.

The intent of the joint effort is to investigate and report LSS fraud, thereby improving educational financial oversight and reducing administrative and criminal fraud. Cases will be adopted by the Task Force at the discretion of the OIGE and the respective county IG.

G. Investigative Summaries

The case summaries contained in the following pages reflect OIGE investigations categorized as miscellaneous investigations, investigations of school constructions, mismanagement investigations and other cases. These summaries reflect the wide-ranging investigative responsibilities assumed by the OIGE.

As in the past, the OIGE is poised to perform its statutorily mandated duties and continue to accurately, thoroughly, and fairly investigate allegations of misconduct in the Maryland Public School system despite continued reductions of budget and staff.

Section 4 – Investigative Summaries

Case 20 - 0002- I

Findings of Misconduct by a Baltimore County Public School (BCPS) Principal acting ethically and within the law to allow an adult student sex offender the opportunity to complete two needed classes to graduate.

The Maryland Office of the Inspector General for Education (OIGE) initiated an investigation upon the receipt of information from the former Office of Education Accountability (OEA) alleging a cover-up by members of the Baltimore County Public School (BCPS) system of a convicted adult student sex offender attending a High School in Baltimore County, Maryland. The complaint further alleged members of the BCPS falsified documents to cover up the reason why the student sex offender was allowed back on school property.

The OIGE found that BCPS did not have written guidance or procedures addressing how a student could obtain required technical graduation credit(s) from an alternative learning environment (home) as the result of an adult criminal offense or conviction. At the time of this allegation, the student would have been required to complete a “technical education” credit in person on school property.

The OIGE found the student was 19 years of age and had been alleged to have committed other sex offenses against a juvenile victim. Our investigation determined the student had completed the 2017-2018 school year but needed two (2) technical credits to meet the mandatory graduation requirement. Due to incomplete classwork, the student was automatically unenrolled by BCPS for the 2018-2019 school year. Based on BCPS procedures, the student would have been required to re-enroll for the 2018-2019 school year.

The OIGE investigation found that the principal contacted and received approval from the BCPS - Law Office, regarding the student’s eligibility to return to in-person learning for the 2018-2019 school year. The OIGE further found that the principal issued a

“Limited Authorization” letter within the guidelines set forth by the BCPS policy and Maryland law.

The OIGE did verify that a second “Limited Authorization” letter allowing the student to return to the school for in-person learning for the 2019-2020 school year was never requested, approved, or issued.

The OIGE did not substantiate the allegation that the principal in this investigation acted in an unethical or illegal manner.

Case 20-0007-I

Findings Regarding Wasteful Spending of Funds Relating to a Construction and Renovation Project Within the Garrett County Public Schools.

The Office of the Inspector General for Education (OIGE) initiated an investigation after receiving information alleging that the Garrett County Public Schools (GCPS) was wastefully spending county and state funds relating to a renovation project. The complaint alleged that the GCPS had spent approximately \$934,000 on architectural plans and drawings for a middle school renovation that never occurred.

The OIGE’s investigation revealed a proposal by the GCPS to complete a full renovation of a selected middle school. This proposal dated to 2013. The proposal had been originally reviewed and approved by both the GCPS School Board and the Garrett County Commissioners. The cost of the construction was to be paid equally (50/50) by the State and Garrett County and was an identified project with the Maryland Interagency Commission on School Construction (IAC). Based on the approval, the GCPS solicited an architect; incurring the initial costs related to the architectural plan drawings. During 2015, the plan to renovate was fast tracked by the IAC at a 90% approval level.

In 2016, the County Commissioners withdrew their support of the construction project and voted to decline financial support, citing a decreasing student enrollment and lower County revenues. Due to continued safety concerns, the decision was made to move forward with three school renovation projects. The projects involved improvements to the roof, sewer line, and fire alarm system. The OIGE did confirm that some of the original construction plans were used for these projects; however, they were not completely compatible. GCPS incurred a cost of approximately \$41,000 dollars to revise compatible architectural and engineering plans. Approximately \$1.5 million dollars was spent on the three renovations to the building.

Funding status for the project, totaling approximately \$900,000 dollars, was recorded as “work in progress”. GCPS stated the project was maintained in this matter should the Commissioners reconsider and agree to fund the construction for the next two fiscal years. In 2018, as reflected in the GCPS FY ‘18 financial report, funds for this project were disposed of. GCPS continued to record the proposed financial information until it was evident that no additional construction would be allowed beyond the approved (3)

renovation projects. The GCPS relied upon the County to secure (bond) all debts when obtaining school renovation funding. Without approval from the County Commissioners, the GCPS school administration did not have the ability to obtain the required debt security for the renovation project.

The OIGE did not substantiate the allegation.

Case 21-0007-I

Findings of Conflict of Interest Regarding Holding Both the Position of Prince Georges County Board of Education Chief of Staff and Chief of Police for a Municipality in Prince Georges County, Maryland

The Maryland Office of the Inspector General for Education (OIGE) initiated an investigation after receiving information alleging that the Prince George's County Public School – Board of Education (PGCPS-BOE) had hired an unqualified individual as the Chief of Staff. It was further alleged that the individual selected for this position was concurrently serving as a full-time, law enforcement executive with a local municipality in Prince George's County, Maryland.

The OIGE investigation substantiated the allegation that applicants who were classified as "more qualified" were not interviewed or considered. (The starting salary associated with this position was offered at \$127,000 per year.)

The Chief of Staff resigned from the PGCPS-BOE position shortly after the OIGE began its investigation and while it was ongoing.

Case 21-0009-I

Findings of Misconduct and Mismanagement by a Baltimore City Public School (BCPS) employee and school administrator related to the improper hiring of an immediate family member in violation of the nepotism policy.

The Maryland Office of the Inspector General for Education (OIGE) initiated an investigation after receiving information alleging that a Baltimore City Public School (BCPS) employee improperly hired an immediate family member as a temporary employee.

The OIGE investigation revealed that the immediate family member worked as a temporary employee at a high school while attending college from mid-2017 until late 2020. The identified family member received a total of \$50,796 in salary compensation during this period of time. The OIGE was unable to verify the family member's specific work product due to the absence of a position description and performance appraisals.

The OIGE also found that the school's principal was aware of this practice and did not take corrective action. A review of BCPS Human Resources documents indicated the immediate family member was granted multiple contract extensions over the course of his employment. Furthermore, each contract extension was submitted to and approved by the school principal.

Furthermore, the OIGE determined that due to a lack of internal controls associated with procedures governing employee time and attendance records, the BCPS employee was allowed to sign in and out for the immediate family member in their absence.

The OIGE investigation substantiated the allegation as a violation of the BCPS nepotism policy, which states: "*...under no circumstances may one member of an immediate family hire, directly supervise, promote, evaluate, or discipline another member of an immediate family, nor shall two members of an immediate family be assigned to the same school or office/administrative unit.*"

Case 21-0013-I

Findings Regarding Undue Influence or Collusion Was Applied in the Review and Awarding of a Contract by the Maryland State Department of Education (MSDE).

The Maryland Office of the Inspector General for Education (OIGE) initiated an investigation after receiving information alleging that possible undue influence or collusion was applied in the awarding of the Maryland State Department of Education (MSDE), Division of Early Childhood (DEC) - Child Care Scholarship Case Management and Payment Processing contract (R00R1600082).

The OIGE investigation revealed that during early January of 2021, the contract in question was presented before the Maryland Board of Public Works (BPW) for discussion and vote to award. At the time of the BPW review, MSDE was represented by members of their Business Services Division and DEC. In addition to MSDE representatives, a representative from an interested private vendor presented testimony concerning the announced contract. The transcripts of this meeting revealed that only one vendor had submitted a bid. (The OIGE investigation confirmed that MSDE did advertise the Task Order Request for Proposals (TORFP) on the Department of Information Technology (DoIT), CATS+ TORFP Status website.) Without the submission of a bid, the interested private vendor would forfeit their opportunity to file a bid protest or appeal the disputed award to the Maryland State Board of Contract Appeals.

After a review of all documents, transcripts, and interview statements, the OIGE investigation could not substantiate the allegation and did not find any evidence that MSDE staff influenced or improperly colluded in the awarding of the Division of Early

Childhood, Child Care Scholarship Case Management and Payment Processing contract.

Section 5 – Civil Rights Violations

During 2021, the OIGE did not receive any allegations related to or associated with the violation of a student’s or employee’s civil rights.

Section 6 – Child Abuse and Neglect Compliance

The OIGE has conducted a review of all LSS 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 all LSS to be in compliance with applicable State and Federal law.

Section 7 – Goals and Priorities for 2022

The OIGE looks forward to partnering with the Maryland Office of State Procurement in the development of a training program addressing procurement fraud in education financial management. I also look forward to continuing to work with the National Association of Inspectors General, Association of Certified Fraud Examiners, and other audit accredited associations to ensure members of the OIGE receive effective and focused training.

The most significant challenge confronting the OIGE is in the area of recruitment and retention. All OIG agencies are facing the problem of hiring and retaining qualified men and women to serve as investigators and auditors. This crisis is not just a local issue but is impacting surrounding Federal and State OIG agencies. Secondly, to do its work effectively and as the State intended, the OIGE should retain its independence. Regulatory enforcement activities can threaten that independence.

Although the OIGE continues to address and implement recommendations to improve its operations, these challenges highlight our need to continue proactive and thorough oversight. As agents of positive change, the OIGE strives to help local school systems by identifying and making recommendations to improve efficiency and effectiveness, while safeguarding public funds from fraud, waste and abuse.

oige.tips@maryland.gov / 1-866-OIGETIP (644-3847) / oige.maryland.gov
