



MARYLAND OFFICE OF THE
INSPECTOR GENERAL FOR EDUCATION

NATALIA M. AHN
INSPECTOR GENERAL

MANAGEMENT ADVISORY MEMORANDUM

October 23, 2026

To: Gordana Schifanelli, Esq.
Counsel, Somerset County Public Schools
David Bromwell
Superintendent, Somerset County Public Schools
Matthew Lankford,
President, Somerset County Board of Education

From: Natalia M. Ahn, Inspector General
Maryland Office of the Inspector General for Education

Re: Somerset County Public Schools Complaints - Managing Legal Service
Expenditures and Budget Transfers (OIGE Matter No. 26-0019-A)

Purpose and Executive Summary

This memorandum advises and updates Somerset County Public Schools (SCPS) on recent legal expense-related complaints received by the Maryland Office of the Inspector General for Education (OIGE). The complaints can be categorized into two areas: 1) concerns regarding the legal billing practices of a law firm retained by SCPS (hereinafter referred to as “Law Firm”)¹ and 2) the adequacy of SCPS’s legal budgeting and forecasting process, particularly given concerns over Somerset’s FY26 legal services budget of \$80,000.00 compared to its actual expenditures spent to date as reflected in more recent reporting.

For the reasons discussed in this memorandum, and based on our review of available evidence, OIGE has declined to investigate the first area of concern related to the legal billing practices of Law Firm. OIGE continues to review the adequacy of SCPS’ budgeting and forecasting process for legal services expenditures.

Background

In 2025, the OIGE investigated the Somerset County Board of Education following complaints regarding the termination of its previous legal counsel and the hiring of a new legal team. The complaints centered on non-competitive hiring, improper closed-session voting, and a lack of transparency regarding SCPS’ legal services expenses. In a November 2025 Report, my predecessor, Inspector General Richard P. Henry, concluded that the Board violated Maryland Education Code § 3-1204 by taking formal action in a closed session to replace counsel without

¹ Pursuant to OIGE policy and practice, identifying details for subjects and witnesses are omitted and/or generalized in all public reports to safeguard privacy and confidential reporting channels. Standardized non-identifiable terminology is employed in place of specific official titles or personal names throughout this report.

holding a public vote. In addition, by entering into an open-ended legal service contract without a formal competitive bidding process, the Board also violated its own local policies and state procurement guidelines – which the Board had adopted. Inspector General Henry recommended procurement training for school board members and unified legal standardizations. On December 16, 2025, the Somerset County Board of Education took formal action during its open regular meeting and voted publicly to ratify the legal services contract. This public vote addressed the Maryland Education Code, § 3-1204 violation identified in the November 2025 OIGE Report regarding the closed-session authorization.

Between June 18, 2026 and the date of this memorandum, the OIGE received additional complaints related to SCPS’ legal services expenses; specifically, questions regarding the magnitude of legal bills, potential overbilling for legal bills, and the process used to establish budgets for legal services.

Legal Billing Complaints - Assessment and Disposition

Upon receiving the recent complaints regarding the magnitude of the legal bills and allegations of overbilling by Law Firm, OIGE conducted a preliminary inquiry into the allegations to establish context and gather facts without expending full investigative resources. During the preliminary inquiry, OIGE examined existing records, contracts, board policies, prior investigative files, active and past case dockets, and open source data.

This effort also involved assigning an OIGE auditor independent and removed from any previous investigations to review legal fee invoices paid by Somerset County Public Schools and received by OIGE in response to prior document requests for the period of March 2025 to July 2025. This review revealed no evidence of improper, inflated, or unauthorized billing practices for legal fee payments during the specified time period.

Rather than reflecting inflated billing rates or improper hourly charges, the increased amount of legal services costs appear consistent with the volume of legal matters involving Somerset during this specified time period. Therefore, OIGE is formally declining to initiate an investigation into Law Firm’s billing practices.

While OIGE’s limited review did not justify a full investigation into legal services billing practices, it left unanswered questions regarding how legal expenditures were and continue to be projected, approved, and reported during the budget process. Consequently, OIGE is issuing this Management Advisory Memorandum to share immediate observations and key reminders. We believe it is critical to highlight these internal control and oversight considerations now, rather than awaiting the final conclusion of our review.

Management Advisory – Statutory Compliance and Best Practices for Managing Legal Service Expenditures and Budget Transfers

Escalating legal expenses that exceed initial budget allocations create compliance vulnerabilities. The purpose of this advisory is to ensure all Maryland school systems maintain transparent internal controls and adhere strictly to statutory provisions under Maryland Code, Education Article § 5-105 when managing budget adjustments for legal expenditures.

While legal representation involves specialized professional services, local boards remain subject to fiscal transparency and internal control obligations. LEAs should ensure that:

- Clear Engagement Limits Are Established - Legal service retainers include defined scopes of work, task-order authorization requirements, and explicit cost-cap thresholds rather than open-ended billing commitments.
- Regular Fee Monitoring - LEA finance divisions or legal counsel offices should review itemized monthly legal invoices (and cross-reference hourly billing rates and legal tasks) prior to payment approval.
- Public Governance Standard - Board actions regarding the retention or replacement of legal counsel must comply fully with the Education Article, Maryland Open Meetings Act, and local procurement policies.
- Statutory Protocols for Legal Expenditure Overages (§ 5-105) - When unexpected litigation or regulatory defense causes legal fees to exceed original budget allocations, LEAs must follow established statutory procedures to reallocate funds legally and transparently.
- Intra-Category Transfers; i.e., Reallocating Within Category 01 (§ 5-105(b)(1)(i)-(ii))
 - County Reporting Requirement - While county commissioner approval is not required for transfers within the same major category, the Board must submit a written report containing a narrative explanation of the transfer to the local county governing body within 15 days after the end of the month in which the action was taken.
- Inter-Category Transfers; i.e. Reallocating Between Major Categories (§ 5-105(b)(2) and (b)(3)) - If Category 01 as a whole lacks sufficient funds and money must be shifted from another major budget category (e.g., Instruction, Maintenance, or Fixed Charges) to cover legal costs:
 - County Commission/Council Approval Requirement - The Board must submit a formal written request to the county governing body detailing the necessity of the transfer. The transfer cannot be executed without the express approval of the county commissioners/council.
 - 30-Day Action Window - The county governing body has 30 days to approve or deny the request. If no action is taken within 30 days, the request is deemed
 - approved by operation of law.

Cc: Dr. Carey Wright, Superintendent, Maryland State Department of Education
Dr. Joshua Michael, President, Maryland State Board of Education