























laws related to support the event, and whether there were any associated violations of ethics laws. We found no evidence that the celebration conflicted with any law or regulation reviewed by the OIG. Similarly, we did not find any violations of campaign finance laws.

We, however, found language in the Community Use of Public Facilities' (CUPF) Use License Agreement that conflicted with CUPF policy. The Agreement seemed to allow for possession of alcohol on County property while CUPF's policies prohibit it. In response to our findings, the CAO indicated that CUPF would make changes to reconcile conflicting statements.

[Publication Number OIG-20-004: *Department of Finance/Office of Community Use of Public Facilities: Publicly Funded Political Campaigns for Montgomery County Candidates*]

## Questioned Expenditures

### *Unfunded MCFRS Office Incurred Approximately \$900,000 in Overtime Costs*

During the fiscal year, we conducted a review of the Montgomery County Fire and Rescue Service's (MCFRS) use of overtime to staff positions in its Equal Employment Opportunity and Diversity Office (EEO/Diversity). The office did not have allocated positions and was instead staffed with MCFRS employees detailed to the office; working overtime or working additional hours in exchange for compensatory leave. The EEO/Diversity Office incurred approximately \$900,000 in overtime costs, approximately 10% of the FY2019 overtime cost overrun for MCFRS.

We concluded that the MCFRS EEO/Diversity Office routinely exceeded overtime limits set by the Fire Chief and that the assignment of overtime by the office lacked transparency. We also identified multiple programs within MCFRS and the County whose responsibilities overlapped with or could have been leveraged to accomplish the work of the EEO/Diversity Office.

Near the conclusion of our field work, in January 2020, MCFRS effectively dissolved the EEO/Diversity Office and was exploring more cost effective and equitable ways to administer the work previously done by that office. The CAO noted general concurrence with our recommendations and the Fire Chief identified actions he would take to ensure equitable distribution of overtime, document overtime spending limitations in writing, and take appropriate actions to address managers who approve overtime in excess of authorized limitations.

[Publication Number OIG-20-009: *Montgomery County Fire & Rescue Service: Overtime Costs and Redundancies in the MCFRS EEO/Diversity Office*]

## **Risk and Vulnerability Related Findings**

### ***EEO Complaint Filing and Investigation Processes Could Disadvantage County Employees***

Complainants prompted us to examine timeliness and responsiveness issues with the County's Equal Employment Opportunity Compliance and Diversity Management Division (EEO Division) and the County's Office of Human Rights. We discovered that neither agency had written policies, procedures or training requirements for staff.

We found that the EEO Division's website and materials did not fully explain the EEO process, resources available for filing an EEO complaint, or applicable deadlines for filing complaints with the Federal and State enforcement agencies. The lack of information had the potential to cause complainants to lose their ability to seek redress for alleged harms.

Similarly, we found that the Office of Human Rights' complaint filing process was not clearly defined and created a false impression that complainants had filed complaints, when in fact they had not. In one case, the Office of Human Rights, the County's enforcement agency, wrongly refused to accept a complaint from a County employee who had also filed a complaint with the County EEO Division.

In response to our recommendations, the CAO relayed that the EEO Division would seek to reduce its investigative closure time to 90 days. Additionally, we were informed that the EEO Division created an External Agency Resource document notifying complainants of their right to file with external compliance agencies and informing them of approaching deadlines. The EEO Division also implemented an electronic filing system for the EEO Division designed to give complainants the ability to track the status of their complaint(s).

Also, as a result of our recommendations, the Office of Human Rights agreed to develop a document detailing their processes to provide to claimants and respondents and provide training to employees on processing claims.

Both offices agreed to draft and maintain written policies and procedures and develop a staff training plan.

[Publication Number OIG-20-010: *Human Resources EEO Division/ Office of Human Rights: EEO Complaint Filing and Investigation Process*]

### ***Petty Cash and Gift Card Programs at HOC Lacked Controls***

Based on information provided by a complainant to our Hotline, we were able to identify systemic issues with the Housing Opportunities Commission (HOC) of Montgomery County, Resident Services Division, Supportive Housing Program's management of a petty cash fund and store gift card program. In conducting the related review, we found that in many cases, disbursements from the petty cash fund did not adhere to HOC policy. Specifically, we found that required forms lacked a signature indicating supervisory approval and were not always fully completed by staff; petty cash purchases were made well after funds were disbursed, and petty cash reconciliation forms were not always prepared on a monthly basis; and funds were at times used for disallowed purposes, such as

the purchase of office supplies. We also found that petty cash was used by Supportive Housing Program staff to purchase money orders to pay for housing application fees without documented supervisory approval. Additionally, we discovered that policies governing the gift card program were poorly documented, especially as they addressed inventory control and reconciliation processes.

As a result of our work, HOC updated petty cash procedures to strengthen accountability, employee responsibility, and controls. They also instituted policies to address deficiencies with the gift card program. HOC reported that they would reinforce the changes in policy through employee training and compliance oversight initiatives.

[Publication Number [OIG-20-005: Housing Opportunities Commission of Montgomery County: Controls Over Petty Cash and Store Gift Cards](#)]

### ***DOCR Strengthened Policies as a Result of OIG Referral***

Department of Correction and Rehabilitation (DOCR) Correctional Officers reported that an inmate with known mental health issues, was not being monitored in accordance with DOCR procedures nor were DOCR employees following their own policies in supervising the inmate. The complainants alleged that as a result of this situation, the inmate engaged in a significant act of self-mutilation using a razor.

The OIG asked the CAO to direct the investigation of the matter and take appropriate action to remedy any identified shortcomings. As a result of that inquiry, DOCR agreed to reinforce timely security rounds; develop and implement a procedure requiring documentation be maintained when a razor has been provided to an inmate on a special handling plan (e.g., because of disciplinary status); develop and implement a policy requiring a follow-up appointment with a DOCR therapist or contract psychiatrist for inmates who are symptomatic and refuse treatment or an evaluation; and institute a new method to receive referrals for mental health services from DOCR nurses to ensure timely delivery and better oversight of triage cases.

### ***OIG Discovered Concerning Privacy Risk***

In February 2020, the OIG notified the CAO and Chief Information Officer (CIO) of a concerning privacy risk to the County involving the use of the Microsoft Office 365 application Delve, a built-in collaboration tool that helps users contribute and share documents. We discovered that unbeknownst to County employees, documents saved on OneDrive accounts, or attached and shared through email or collaboration tools, were accessible to any County employee who viewed the user's profile. The CIO vowed to take immediate action to resolve the issue.

In May 2020, the OIG found a document in a user profile on Delve containing sensitive information. The OIG again notified the CAO and CIO of the discovery, and additionally made several specific recommendations addressing the identified risks. Seemingly as a result of our advisory, the County's Department of Technology Services (DTS) notified all County Information Technology (IT) offices that they were disabling Delve features within Microsoft 365. DTS explained that the measure was being done so "DTS and County Departments can complete file and SharePoint permissions

remediation activities, provide user training, and establish adequate control mechanisms including the effort to develop a classification roadmap.”

### *Request for Computer Log-In Information Led to Complaints*

The OIG received several complaints in rapid succession concerning an incident that occurred at the Department of Permitting Services (DPS). All complainants expressed concern that DPS employees felt pressured to provide their computer login user ID and password to their managers so they could receive new laptops.

We learned that a DPS Information Technology (IT) Specialist precipitated the requests by sending an email to DPS Managers directing that they provide their employees’ account information. The request was contrary to County security training, a violation of County policy, and placed the County and its employees at increased risk for fraud.

Following discussions with the OIG, DPS and DTS took action to stop the sharing of passwords, counsel the employee who requested that passwords be shared, and ensure that DPS employees who shared their passwords took action to protect their data and systems.

[[Publication Number OIG-20-007: Department of Permitting Services: IT Security Incident](#)]

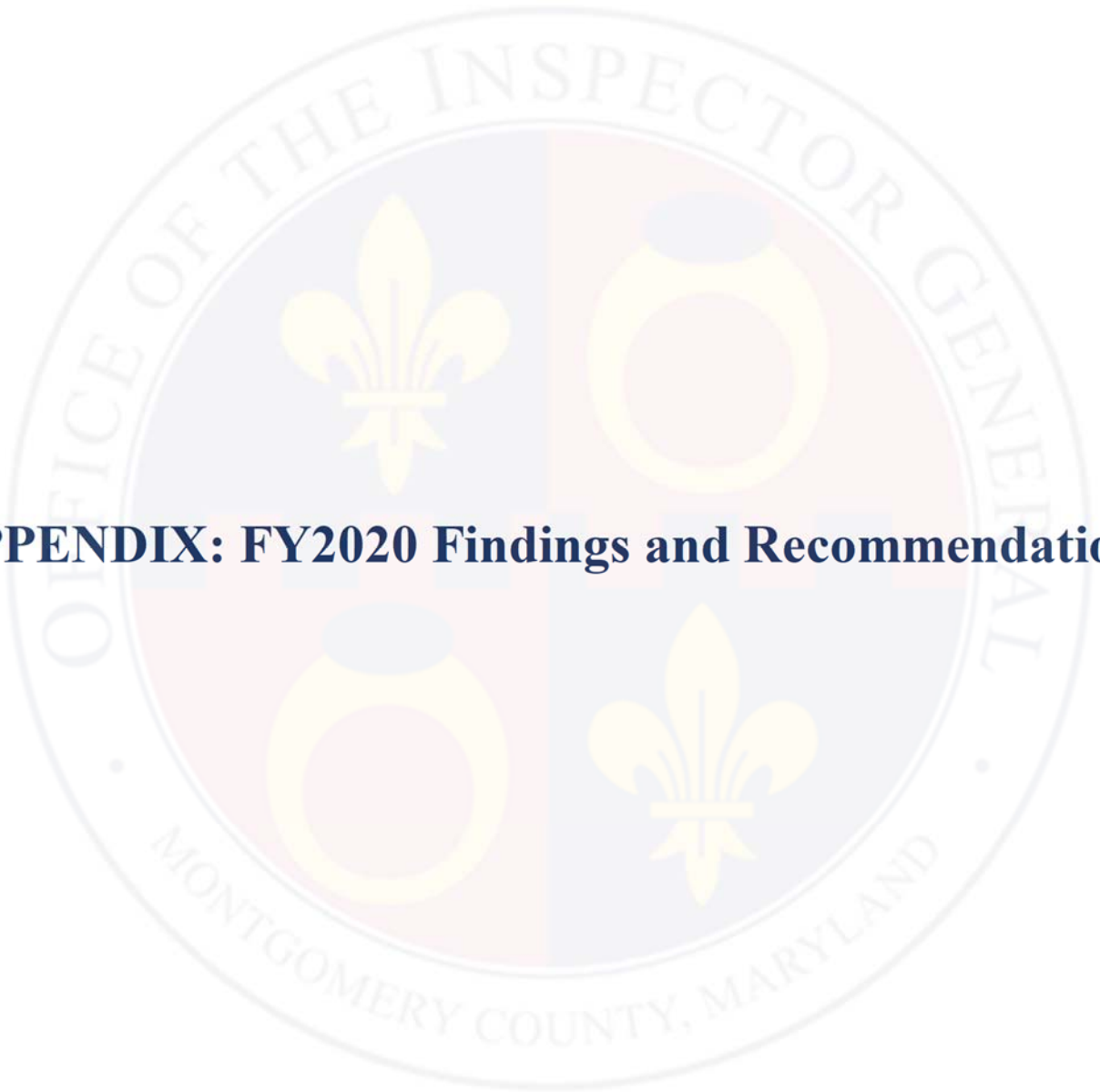
## **Employee Misconduct**

### *DOCR Human Resources Employee Elevated Failing Interview Score*

We referred a complaint to DOCR that alleged a DOCR interview panel was directed by a DOCR Human Resources (HR) employee, to increase a failing applicant’s score in order to ensure they passed. However, the reply we received was not responsive to the issues presented. As a result, we formally referred the allegation to the CAO for investigation and appropriate action.

The CAO confirmed that the applicant’s score was changed as a result of the HR employee’s instruction. He provided that DOCR management was going to take appropriate disciplinary action against the subject employee. He also outlined specific corrective measures that would be implemented by DOCR to prevent future occurrences.

**APPENDIX: FY2020 Findings and Recommendations**



# APPENDIX: FY2020 Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
OIG-20-001	Office of Human Resources/ Dept. of Finance/ Office of Procurement: <i>Accounting, Procurement, and Personnel Internal Controls Failed to Detect Problem in the Office of Human Resources</i>	<b>Finding 1:</b> A contractor had input into the writing of a solicitation.	That (a) County Code Chapter 11B. Contracts and Procurement Sec. 11B-52 Ethics; Contractor conduct be amended (i) to clarify what conduct is prohibited, and (ii) to require that any waivers by the CAO be supported by findings and substantial evidence, and that (b) the County should apply administrative consequences for managers and staff who violate Section 11B-19 Specifications or lead a contractor to violate Sec. 11B-52.	Complete
		<b>Finding 2:</b> Records are in conflict regarding whether OHR posted the solicitation for the required number of days.	The Office of Procurement (a) maintain records of actual posting dates, and (b) not approve contracts with contractors not registered to do business in Maryland.	Complete
		<b>Finding 3:</b> The absence of either a contract number or a purchase order number had the allowed OHR to split a contract for a single purpose into four contracts and seven	The Department of Finance ensure that (a) the accounting system contains contract or purchase order numbers for every invoice, even for exempt procurements and purchases of \$10,000 or less, and that (b) contracts can be clearly and simply	Complete



Appendix: FY2020 Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		additional purchases totaling \$184,900, thus bypassing the formal competition requirement.	matched to all related payments, using a computer match.	
		<b>Finding 4:</b> OHR misused the collective bargaining exemption.	The Office of Procurement be tasked with making the initial determination regarding whether purchases are appropriately exempt from procurement and whether the correct exempt codes are used.	Complete
		<b>Finding 5:</b> The Department of Finance did not examine payments coded exempt.	The Department of Finance include payments that are coded exempt in all its split transaction monitoring procedures.	Complete
		<b>Finding 6:</b> Regulations do not address certain personnel decisions within OHR.	That (a) the personnel regulations be amended so that the Director of OHR does not have any greater authority over personnel matters within OHR than other Department Directors have over personnel matters within their departments. Where the OHR Director is the approval authority for a decision by another Department Director, an Assistant CAO or another high-level official should be identified in County personnel regulations as the approval authority for decisions by the OHR Director. We also recommend that (b) the OHR Director be required to include the same information that other	In Progress

Appendix: FY2020 Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
			Directors are required to include in their requests.	
OIG-20-002	Montgomery County Police Department/Montgomery County Public Schools: <i>Memorandum of Understanding Regarding the School Bus Safety Camera Program</i>	<b>Finding 1:</b> The business case for this program was built around the desired use of a predetermined vendor rather than an objective analysis to design an effective and economical method to achieve an identified outcome.	All agreements involving financial transactions, regardless of the source of the funds, should be subjected to a documented objective business case analysis to protect the interests of the County and its residents, and ensure that the County pays a fair price for necessary, quality products and services. Programs should have measurable outcomes and objectives.	Complete
		<b>Finding 2:</b> County officials relied, at least in part, on information provided by a criminal conspirator in vetting FMS and this program and continued to rely on vendor (FMS/BusPatrol) supplied information when considering the future of the program.	To protect the interests of the County, when adverse information becomes known about a vendor, contract, or program with which the County is associated, a comprehensive due diligence reassessment should be undertaken, independently of the Department or Agency involved. Those findings and recommendations should be documented.	Complete

Appendix: FY2020 Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
OIG-20-003	Department of Finance: <i>SBIR and STTR Matching Grant Program</i> (Informal Findings and Recommendations)	<p><b>Finding 1:</b> Because the SBIR and STTR Matching Grant Program is funded through the Economic Development Fund, payments can be processed through a Direct Purchase Order, using an exempt transaction code. While grantees sign an award offer letter in order to receive funding, that award offer letter lacks many of the elements of a more formal County Contract or Agreement, such as the right to audit and a method for dispute resolution. This may create vulnerability for the County should a grantee use the County grant funds for non-project related expenses or fail to perform under or otherwise abuse their federal grant.</p>	<p>After the first awards were approved at the beginning of FY 2019, Montgomery County Interim Administrative Procedure 2-4, Agreements between Montgomery County Government and Other Organizations (Interim AP 2-4) was issued. The new administrative procedure defines a number of required agreement provisions that must be memorialized in an agreement between the grantee and the County prior to issuing a DPO for payments from the Economic Development Fund. Revision of future award offer letters to match the requirements of interim AP 2-4 could alleviate many of the concerns the OIG has identified in this memorandum.</p>	In Progress

Appendix: FY2020 Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding 2:</b> At the time of our review, written procedures regarding program administration had not been approved and were not provided to the OIG. The Department of Finance should take steps to document and approve written policies and procedures as soon as possible. The Department of Finance may also want to consider implementing SDAT checks for SBIR and STTR Matching Grant Applicants, as well as any other similar County grant programs to ensure that County funds are disbursed to awardees authorized to do business in Maryland.</p>	<p>As it relates to written policies and procedures, Finance has developed standard operating procedures for the SBIR/STTR Local Matching Grant Program, which include language regarding confirming good standing with the State of Maryland through SDAT. These standard operating procedures will be subject to revision once a final determination is made of any impact of AP 2-4 on the offer letter Agreement and related processes.</p>	<p>In Progress</p>
<p><b>OIG-20-004</b></p>	<p>Department of Finance/ Office of Community Use of Public Facilities: <i>Publicly Funded Political Campaigns for Montgomery County Candidates</i></p>	<p><b>Finding:</b> The County’s approvals for an event conflicted with statements addressing alcohol on the CUPF website and in CUPF Guidelines.</p>	<p>CUPF may wish to edit statements on the website and in the CUPF Guidelines to better reflect CUPF practices.</p>	<p>Complete</p>







Appendix: FY2020 Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding 4:</b> We identified multiple programs within MCFRS and the County whose responsibilities overlap with or could be leveraged to accomplish the work of the EEO/Diversity Office.</p>	<p>(a) MCFRS should establish a mechanism to maximize the use of operational personnel working their regular shifts to perform the work previously scheduled by the MCFRS EEO/Diversity Office.                      (b) MCFRS should leverage all resources available to help meet the goals of the former EEO/Diversity Office and avoid duplication of effort.                      (c) MCFRS should leverage the CRR mobile app to create, schedule, and assign tasks for all three units who are conducting outreach into the community: the EEO/Diversity Office, the Recruitment Section, and the CRR Section.</p>	<p>(a) Complete                      (b) Complete                      (c) In Progress</p>
		<p><b>Finding 5:</b> The MCFRS EEO/ Diversity Office and Recruitment Section maintain social media websites that have not been added to the County’s Social Media Directory, as required by the County Administrative Procedure governing social media.</p>	<p>MCFRS should take steps to ensure that all social media sites maintained by MCFRS personnel are included on the County’s Social Media Directory and otherwise adhere to the policies and practices outlined in AP 6-8.</p>	<p>In Progress</p>



Appendix: FY2020 Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
OIG-20-010	Human Resources EEO Division/ Office of Human Rights: <i>EEO Complaint Filing and Investigation Process</i>	<b>Finding 1:</b> The deadlines for filing complaints with the Federal and State enforcement agencies had passed by the time the EEO Division informed complainants of decisions.	The EEO Division should complete investigations in a timely manner before the deadlines of enforcement agencies expire and inform complainants of any approaching deadlines in time for them to file with the enforcement agencies.	In Progress
		<b>Finding 2:</b> The Office of Human Rights wrongly refused to accept a complaint from a County employee who had also filed a complaint with the County EEO Division.	(a) The County Office of Human Rights should train its employees not to reject complaints because they were previously filed with the EEO Division. (b) The County Office of Human Rights should amend its intake form so that the question about whether the complainant has previously filed with another agency more closely aligns with § 27-1 of the County Code.	(a) No Status Provided (b) No Status Provided
		<b>Finding 3:</b> The Office of Human Rights' complaint filing process is not clearly defined for complainants and creates a false impression that they have filed complaints when in fact they have not.	The County Office of Human Rights should more clearly explain its process for when reported issues become formal complaints. It should further be consistent in its communication with individuals who are awaiting a determination on their grievances to ensure there is no confusion about the status of their filings.	No Status Provided

Appendix: FY2020 Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding 4:</b> Neither the EEO Division nor the Office of Human Rights has written policies or procedures governing their assigned responsibilities.</p>	<p>(a) The EEO Division should draft, maintain, and train EEO staff on written policies and procedures that govern the full extent of their responsibilities.                      (b) The Office of Human Rights should draft, maintain, and train the Office of Human Rights staff on written policies and procedures that govern the full extent of their responsibilities.</p>	<p>In Progress</p>
		<p><b>Finding 5:</b> Neither the EEO Division nor the Office of Human Rights has training requirements for staff.</p>	<p>The EEO Division and the Office of Human Rights should establish requirements for mandatory training for staff investigating EEO complaints.</p>	<p>In Progress</p>



# Report Fraud, Waste and Abuse



**MONTGOMERY COUNTY OIG**  
**REPORT FRAUD, WASTE AND ABUSE**  
In County Programs and Operations

**INSPECTOR GENERAL MISSION**

**Ensuring Good Governance**

The Office of Inspector General (OIG) reviews the effectiveness and efficiency of County government and independent agency programs and operations. The OIG is also responsible for preventing and detecting fraud, waste, and abuse in government activities.

**FRAUD**

Fraud is attempting to obtain something of value through willful misrepresentation

- Inflating hours billed and billing for products that were never delivered
- Providing false information to qualify for grants, contracts and county resources
- FAKE Selling counterfeit goods to the County

**WASTE**

Waste is squandering money or resources, even if not explicitly illegal

- Buying overpriced equipment from a favored vendor
- Buying unnecessary or excessive goods or services
- Inefficient or duplicative use of resources

**ABUSE**

Abuse is misusing one's position or authority

- Writing contract terms to favor a specific contractor
- Using County computers to access prohibited material
- Retaliating against those that report information to the OIG

**CONTACT THE OIG**

Website: <https://www.montgomerycountymd.gov/oig/hotline.html>  
Email: [IG@montgomerycountymd.gov](mailto:IG@montgomerycountymd.gov)  
Phone at 240-777-701G (7644)

## Montgomery County Code, Section 2-151(l), Access to Information:

(4) Each employee of a County department or agency should report any fraud, waste, or abuse, to the Office of the Inspector General. After receiving a report or other information from any person, the Inspector General must not disclose that person's identity without the person's consent unless that disclosure is necessary to complete an audit or investigation.