




OFFICE OF THE INSPECTOR GENERAL

**PRELIMINARY INQUIRY MEMORANDUM**

March 22, 2017

**TO:** Timothy L. Firestine  
Chief Administrative Officer

**FROM:** Edward L. Blansitt III   
Inspector General

**SUBJECT:** 2016 People of Distinction Humanitarian Awards  
OIG PIM #17-002

This Preliminary Inquiry Memorandum (PIM) describes specific issues or complaints and the outcomes of limited procedures undertaken during a Preliminary Inquiry conducted by the Office of the Inspector General (OIG). Copies of this PIM along with your response, if any, will be provided to the members of the County Council and the County Executive within 10 business days of the date of this PIM.

**Background and Complaint Summary:**

In February 2017, the OIG received a complaint regarding the Montgomery County Office of Community Partnerships' (OCP) cancellation of an event that was scheduled to be co-sponsored by OCP and People of Distinction Humanitarian Foundation (PDHF), a private entity.

OCP serves as a bridge builder between the County government and community organizations serving the residents of Montgomery County with special focus on underserved and emerging communities and our neighbors in need. The fiscal year 2017 approved budget for OCP is \$1.15 million.

PDHF is registered in the state of Rhode Island as a nonprofit which 'will have an annual "People of Distinction Humanitarian Awards" celebration to recognize humanitarian "Unsung Heroes" who are lending a hand to help uplift our human family.' OIG staff conducted online research and found evidence that the People of Distinction Humanitarian Awards (PDHA) celebration has been held on an annual basis (once per year) since August 2013 when PDHF filed its Rhode Island Non-Profit Corporation Articles of Incorporation.

During late 2015, a Senior Fellow identified by the complainant gained approval from the OCP Director to co-sponsor the 2016 PDHA with PDHF. Although OCP reserved a venue for the event, several months before the event, OCP withdrew its sponsorship and canceled the booking. That withdrawal is the basis of this complaint.

The complainant stated that one of the Senior Fellows working for the Office of Community Partnerships cancelled the event without providing a valid reason for cancellation. Although PDHF was refunded the money it put toward the venue, the complainant expressed concern that the PDHF's reputation had been damaged by the cancellation.

**Summary and Conclusion:**

OCP agreed to co-sponsor the 2016 Annual PDHA celebration because one of its part-time Senior Fellows and its work in the County would be highlighted. The Senior Fellow subsequently decided that she did not wish to receive an award and expressed concern that PDHF was not a 501(c)3 nonprofit organization. In response, the OCP Director agreed to withdraw the sponsorship, cancel the reservation that OCP had made for the Silver Spring Civic Building, and request a refund of the venue deposit to PDHF. OCP believed that without the recognition of the OCP employee, there would be no nexus to the mission of OCP, and it would not be appropriate for the office to co-sponsor the event.

OCP's withdrawal of its sponsorship for the 2016 Annual People of Distinction Humanitarian Awards celebration did not prevent PDHF from continuing with the event as planned. While the fee for the venue would have increased without the County government sponsorship, PDHF had the option of booking the same location for the same date and continuing with the ceremony as planned. Instead, PDHF chose an alternate date and location in the Washington DC area. The 2016 PDHA event took place at the new venue, included two members of the U.S. Congress as guest speakers, and was described by the PDHF CEO as sold-out and successful. It appears that the withdrawal of the Montgomery County co-sponsorship did not prevent a successful outcome for the 2016 PDHA event.

Because OCP has no documented policies and procedures for the role of its Senior Fellows or OCP's sponsorship or cancellation of events within the community, it may have been difficult for OCP to explain to the complainant how the event did not comport with the OCP mission. OCP should consider drafting a relevant written policy more clearly defining these roles.

## PRELIMINARY INQUIRY DETAILS

### **Inquiry and Outcome:**

#### *Office of Community Partnerships Co-Sponsorship*

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The OCP Director explained that the OCP employee identified by the complainant is one of six Community Liaisons who work with the Community to help connect the local ethnic and religious communities with the county government and improve their mutual understanding. The identified OCP employee also serves as a Senior Fellow. Senior Fellows are primarily utilized as part-time, community organizers who co-sponsor or help with events (e.g., heritage events, advisory groups, and "sister city" events). As a co-sponsor, OCP can get lower rates at county venues such as the Silver Spring Civic Building.

The identified Senior Fellow is paid approximately \$15,000 per year and receives no benefits. There are no written procedures for the activities performed by Senior Fellow positions. The individuals in these jobs work approximately 10 hours per week and are not accustomed to written guidelines for their work in the community.

The Senior Fellow identified by the complainant stated that she was first contacted by the PDHF Chief Executive Officer (CEO) through a personal friend who thought that PDHF would be interested in the Senior Fellow's volunteer work in the community. The PDHF CEO spoke with the Senior Fellow via phone and invited her to appear on his radio show. The Senior Fellow stated that she appeared on the show during her personal time to discuss accomplishments and work in the community, which included her work for OCP.

Following her appearance on the PDHF CEO's radio show, PDHF expressed an interest in honoring the Senior Fellow, including her work with OCP. Subsequently, the Senior Fellow stated that she worked with the PDHF CEO to plan the 2016 PDHA celebration and to identify other potential honorees in the local community. Because the Senior Fellow initially agreed to be honored at the event and the work of OCP would be featured, there was a nexus to the County government and the mission of OCP. Therefore, at the Senior Fellow's request, the OCP Director agreed that OCP would co-sponsor the event which was to be held at the Silver Spring Civic Building.

*Silver Spring Civic Building Reservation*

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The Silver Spring Civic Building is a County-owned, publicly available event venue which falls under the jurisdiction of the Montgomery County Community Use of Public Facilities (CUPF). Anyone is eligible to submit an application to hold an event at the facility. Fees vary based upon the booking organization and space used. Information regarding public booking and fees is publicly posted on the County website.<sup>1</sup>

The CUPF Director stated that a County office such as OCP may sponsor an event and receive a reduced rate at a County venue, such as the Silver Spring Civic Building. However, the sponsoring office would be required to take responsibility for the event, including ensuring payment was made and having staff present at the event.

In November 2015, the OCP Director sent a memorandum to the Silver Spring Civic Building Operations Manager requesting a reservation for the Silver Spring Civic Building for June 1, 2016. On December 18, 2015, an approved “Contract Permit” was issued reserving the building at the County-sponsored rate of \$100 per hour. The permit was issued directly to OCP as the sponsoring agency, and PDHF was not listed as a party on the reservation. However, the PDHF CEO made the payment for the \$800 booking fee on behalf of OCP. The CUPF Director stated<sup>2</sup> that since the permit was issued to the government agency, OCP had the right to cancel the event at any point during the communications.

OIG staff interviewed multiple CUPF staff members involved in the booking of the planned event. None were aware of the reason for the cancellation, and all stated that, in general, a reason is not required to cancel an event. CUPF staff explained that there can be any number of reasons for a County office or agency to cancel an event and the money is refunded. County-sponsored events are not subject to the usual cancellation policies imposed by the venue.

CUPF staff stated that they do not want a County office to sponsor a group and not have any real involvement in program. Therefore, they would expect that any events planned by a specific County office or agency would likely link up to the core mission of that entity. If for whatever reason, the County entity is not comfortable as permit holder, or there is a change in the County entity’s focus, funding, etc., CUPF allows the County to simply cancel the event.

Even though OCP withdrew its sponsorship and cancelled the event, the OCP Director, the OCP Senior Fellow, the CUPF Director, the CUPF Scheduling Coordinator, and the

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<sup>1</sup>Silver Spring Civic Building reservation information is available at <http://www.montgomerycountymd.gov/cupf/info-reservation/sscb.html> and a fee chart is available at <http://www.montgomerycountymd.gov/CUPF/Resources/Files/FeeChart-SSCB.pdf>. Last accessed on March 15, 2017.

<sup>2</sup> Events that are not sponsored by a County agency or office, would cost between \$200-\$450 per hour for the same amount of space within the Silver Spring Civic Building. Since the event did not take place, the OIG did not determine the precise amount of additional cost that would have been incurred had the event taken place at the same venue without OCP sponsorship.

Operations Manager for the Silver Spring Civic Building all indicated that there was nothing preventing the PDHF CEO from personally booking the facility for the same date and time and proceeding with the event without the OCP co-sponsorship. Four of the involved staff members stated that they spoke with the PDHF CEO regarding the 2016 PDHA event and believed that he was aware of this option. The Operations Manager explained that the only difference between OCP booking (sponsoring) the event and PDHF booking the event would have been the price of the venue.

Based on publicly available information regarding booking the Silver Spring Civic Building found on the County website and OIG staff's conversations with County employees who interacted with the PDHF CEO, the OIG concludes that one could reasonably expect that PDHF would have been aware that the withdrawal of the OCP sponsorship did not preclude PDHF from rebooking at the non-discounted price and continuing with its event without involvement from OCP.

#### *Event Planning and Cancellation*

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The OCP Director stated that he had little involvement in the event beyond approving the co-sponsorship and subsequent booking of the Silver Spring Civic Building. Conversely, the Senior Fellow stated that she spent a great deal of her time helping to organize the event, including introducing the PDHF CEO to multiple County employees and representatives of various non-profit and political organizations with which the Senior Fellow was involved.

The Senior Fellow explained that she assisted the PDHF CEO in putting together an informal planning committee made up of event planners and intended honorees. In email correspondence, the PDHF CEO refers to the Senior Fellow as the Planning Committee Co-chair. We found no evidence that this committee was an official Montgomery County committee. The Senior Fellow was the only County employee involved and she appeared to utilize her personal email and time for much of the work. However, it was difficult to determine how much of the Senior Fellow's involvement was on behalf of the OCP and how much was of her own personal effort. The only documented efforts on behalf of the County received by the OIG are those arranging for the co-sponsorship of the venue and its subsequent cancellation.

The Senior Fellow stated that she worked almost full time to assist PDHF during the months she was planning the event, the bulk of her involvement occurred on her personal, unpaid time, and any funds expended were her own funds. For example, the Senior Fellow provided a \$700 personal contribution to PDHF to allow the PDHF CEO and two associates to travel to Washington DC to meet with committee members. During that February 2016 visit, the PDHF CEO and his traveling companions stayed at the Senior Fellow's personal residence. At the same time, email correspondence shown to OIG staff by the Senior Fellow shows that the PDHF CEO and Senior Fellow engaged in continuous communication through the Senior Fellow's personal email address rather than her County one. While the Senior Fellow clearly utilized her County employment to obtain the co-sponsorship, arguably she also contributed significant personal resources to

the 2016 PDHA event efforts. No County funds were expended in support of the February 2016 visit from PDHF or the cancelled event.

The OCP Director stated that in approximately March 2016, the Senior Fellow told him that she no longer wanted to participate in the event and wished to cancel the OCP co-sponsorship and the reservation of the venue. Based on OIG staff's discussions with the OCP Director and the Senior Fellow, it is our understanding that the Senior Fellow no longer wished to receive an award and there was some controversy over PDHF's inability to accept tax-deductible contributions for the event, as it was not an IRS approved 501(c)3. Although there is no requirement that an organization be a 501(c)3 in order to be sponsored by OCP, the OCP Director expressed concern that under these circumstances, the event would essentially be for profit and may not be successful.

The PDHF CEO sent the OIG correspondence wherein he agreed that OCP and the Senior Fellow articulated to him that they were cancelling the event because PDHF was not a 501(c)3. However, the PDHF questioned the cancellation, as he stated that he had never represented PDHF as a 501(c)3. The PDHF CEO stated that he was unable to obtain documentation from OCP regarding the cancellation of the event. OCP staff indicated that they neither created nor retained formal documentation regarding the cancellation of the event.

Because of OCP's lack of documentation, OIG staff requested that CUPF staff provide any available correspondence maintained by their office regarding the booking and cancellation of the event. In response, we received copies of emails wherein the Senior Fellow requested that the event be canceled, the OCP Director verified that he approved the cancellation, and a request that CUPF process a refund of the \$800 paid by the PDHF CEO to reserve the venue. Additionally, we received emails documenting some of CUPF's interactions with both the Senior Fellow and the PDHF CEO during the booking process. We found no information that refuted the explanation provided by the OCP Director or the Senior Fellow.

OCP should consider more clearly defining the role of the Senior Fellows and how their status as public employees may or may not be leveraged during activities where there is an overlap between their government position and their personal work in the community. It may also be beneficial for OCP to formally document the reasons that specific events are sponsored and/or cancelled.

*2016 People of Distinction Humanitarian Awards (PDHA) – Washington, DC*

The complainant expressed concern that PDHF's reputation suffered damage because of the withdrawal of the Montgomery County sponsorship. We found no evidence to support this contention. We found numerous instances wherein PDHA is referred to as an annual awards celebration, including in the PDHF incorporation paperwork, on the PDHF Facebook page, and in correspondence with the County.

Despite the cancelation of the Montgomery County venue, PDHF's 2016 PDHA event appeared successful. Per the PDHF website and Facebook page, the 2016 PDHA celebration was held on September 16, 2016 at a venue in Washington D.C. and included 17 honorees, including two members of Congress who spoke at the event. The PDHA website features an above average number of honorees for 2016 and includes significantly more honorees than featured on the website for 2015. In a December 7, 2016 email sent to multiple recipients, the PDHF CEO refers to the 2016 event that took place in Washington DC and states, "**People of Distinction Awards Enjoyed a HUGE, SOLD-OUT SUCCESSFUL Event On CAPITOL HILL Earlier This Year!**" [emphasis in original]

The OIG concludes that PDHF communicated to the public that the PDHA is intended to be an annual celebration which successfully took place during 2016. We found no reason to believe that the withdrawal of the Montgomery County co-sponsorship prevented PDHF from conducting a successful PDHA celebration in 2016.

**Conclusion:**

Because OCP has no documented policies and procedures for the role of its Senior Fellows or OCP's sponsorship or cancellation of events within the community, it may have been difficult for OCP to explain to the complainant how the event did not comport with the OCP mission. OCP should consider drafting a relevant written policy more clearly defining these roles.

cc: Bruce Adams, Director, Office of Community Partnerships

A Preliminary Inquiry Memorandum (PIM) is appropriate in situations where we have, in reaction to a complaint, gathered and assessed sufficient information for us to draw limited conclusions related to the specific complaint. Since PIMs do not result from full inspections, investigations, or audits, it would not be appropriate for us to provide full findings and recommendations in PIMs. Instead, we may identify specific conditions, transactions, and events that management may want to continue to research from an investigative or policy standpoint.

**Response to this Preliminary Inquiry Memorandum:**

**From Montgomery County Chief Administrative Officer:**

On March 22, 2017, the office of the *Chief Administrative Officer* responded via email:

“Thank you for your thorough and comprehensive investigation of this issue. We have no additional comments.”