



OFFICE OF THE INSPECTOR GENERAL

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NEWS RELEASE

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Improvement Needed in MCEDC Conflict of Interest Disclosure Practices

Rockville, Maryland – Montgomery County Maryland Inspector General Megan Davey Limarzi announced today the release of a report, [Allegation of Self-Dealing at Montgomery County Economic Development Corporation](#), detailing the results of an investigation by the Office of the Inspector General of an allegation that the Montgomery County Economic Development Corporation (MCEDC) Board of Directors violated the County Code’s prohibition against self-dealing by awarding a sponsorship for a Board Member affiliated venture.

The investigation confirmed that in September of 2019 the MCEDC Board of Directors approved a \$20,000 sponsorship that was requested by a Board Member for a venture that they controlled. However, the OIG found that MCEDC policy allows Board Members to request and receive such sponsorships on behalf of organizations in which they have an interest. The investigation did not test or render an opinion on the merits of the sponsorship in question or MCEDC’s work in general.

In examining the issue, the OIG determined that MCEDC did not always follow their own policies and procedures related to sponsorships and identifying and preventing potential conflicts of interest. The investigation specifically found that only seven of ten Board Member connected sponsorships sampled were presented to the Board as required by policy, and all seven related Board meeting minutes lacked at least one element required by policy. Additionally, the report notes that annual conflict of interest forms did not require the disclosure of all potential conflicts and that MCEDC did not have a reliable mechanism in place to ensure that Board Member conflict of interest forms were consistently collected, reviewed, and maintained.

The OIG made five recommendations aimed at strengthening MCEDC policies and procedures designed to prevent and detect potentially injurious conflicts of interest and increase transparency. MCEDC subsequently concurred with all of the recommendations and responded that they have started implementing changes to address the recommendations.

The full report can be found at the following location,
https://www.montgomerycountymd.gov/OIG/Resources/Files/PDF/IGActivity/FY2021/OIG_Report21-11.pdf

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