



OFFICE OF THE INSPECTOR GENERAL

Megan Davey Limarzi, Esq.
Inspector General

NEWS RELEASE

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OIG Finds Improvements Needed in DEP's Recycling and Resource Management Division

Rockville, Maryland – Montgomery County Maryland Inspector General Megan Davey Limarzi announced today the release of a new Office of the Inspector General (OIG) report, *Performance Audit of Solid Waste Activities*, OIG Publication # OIG-23-010. The report details the results of an OIG performance audit of the Montgomery County Department of Environmental Protection's (DEP) Recycling and Resource Management Division which represents approximately 80% of DEP's operating budget. The audit examined the extent to which DEP monitors residential collection service contract terms, and the effect of various factors on the refuse collection charge paid by County residents. The audit also assessed controls over the issuance of collector and hauler licenses. The audit was performed pursuant to the OIG's mandate to conduct reviews of the internal accounting processes and controls used by each department and principal office in the County's Executive Branch.

The OIG's comprehensive audit resulted in 6 findings, 4 noteworthy observations, and 12 recommendations. The following summarizes the principal issues uncovered by the OIG:

- The County applied a Consumer Price Index percentage to rate increases that differed from the terms of service contracts.
- Solid waste performance bonds did not include all the county requirements for bonds.
- Due to operating at a deficit, the Solid Waste Collection fund is noncompliant with county code and DEP Fund Balance Policy.
- DEP Hauler-Collector Licensing system user access is not reviewed as required by county policy.
- The hauler and collector licensing process lacks a separation of duties.
- DEP did not properly safeguard Solid Waste Permit decals and failed to maintain related records.

The County's Chief Administrative Officer concurred with all 12 recommendations and plans to take steps to implement corrective actions.

The full report can be found at

<https://montgomerycountymd.gov/OIG/Resources/Files/PDF/IGActivity/FY2023/OIG23-010.pdf>

Please direct all inquiries to: **Email:** ig@montgomerycountymd.gov

Phone: 240-777-8240