



**OFFICE OF THE INSPECTOR GENERAL**  
MONTGOMERY COUNTY, MARYLAND

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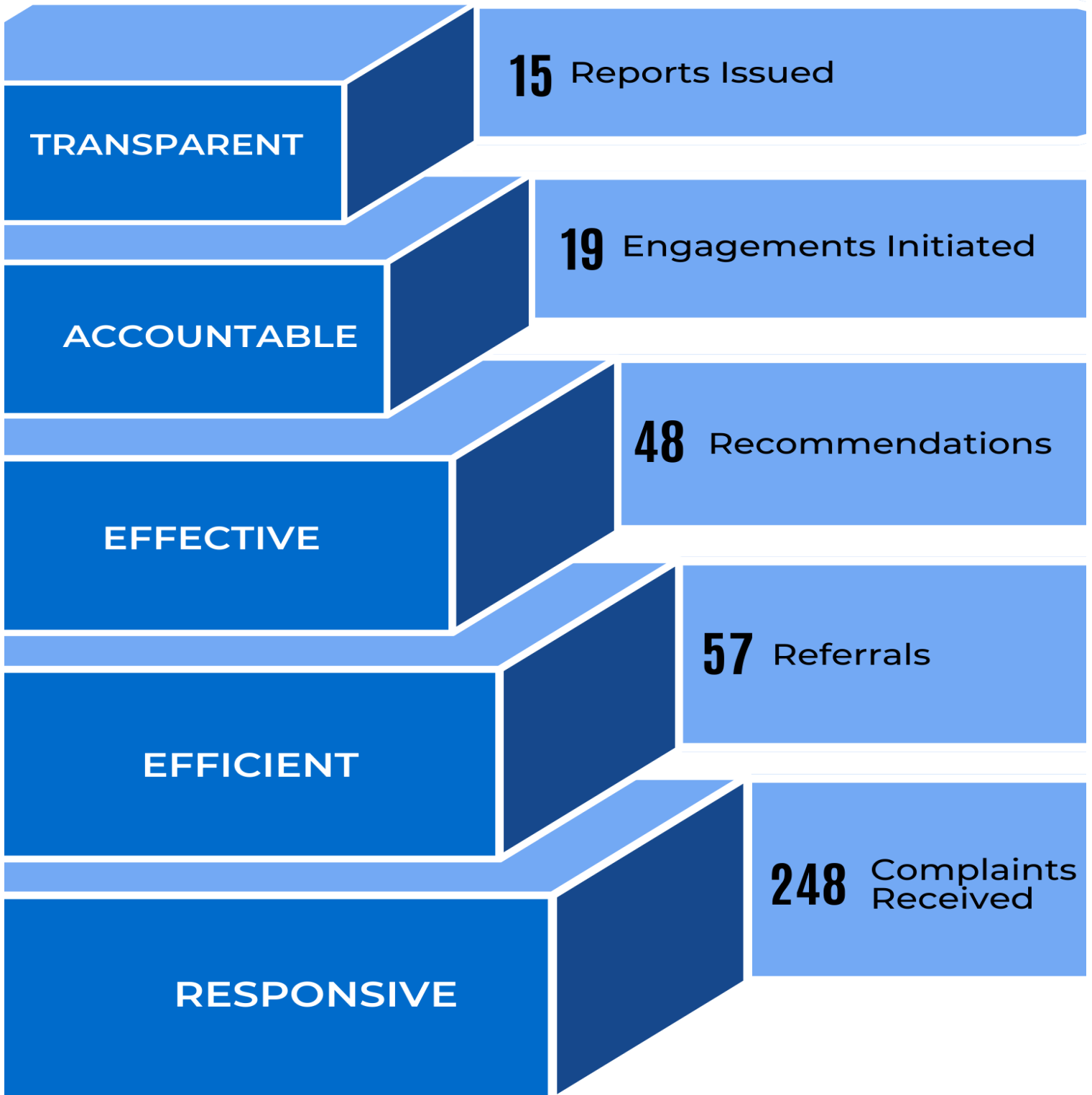
**ANNUAL REPORT**

Fiscal Year 2022

**MEGAN DAVEY LIMARZI, ESQ.**  
INSPECTOR GENERAL



# FY 2022 HIGHLIGHTS



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This report is submitted pursuant to Montgomery County Code Section 2-151(k)(1) which requires the Inspector General to submit by October 1 of each year an annual report to the Council and the Executive on the activities of the Office and its major findings and recommendations during the previous fiscal year.



## FROM THE INSPECTOR GENERAL

Megan Davey Limarzi, Esq.  
*Inspector General*

I am pleased to present the Office of the Inspector General's (OIG) Annual Report detailing the activities and accomplishments of the OIG during fiscal year 2022. The exceptional work and achievements contained herein are those of a team of professionals dedicated to providing independent, relevant government oversight with integrity and excellence. I continue to be inspired by their enthusiasm and commitment to our work and their professional development.

As the country and our community emerged from the greatest challenges posed by the COVID-19 pandemic, the OIG produced three reports to promote accountability for the expenditure of resources and funds in support of the community's pandemic-related needs. We also conducted reviews and investigations to advance the efficient use and management of data and assets in not only county government, but also Montgomery County Public Schools and the Housing Opportunities Commission of Montgomery County. We implemented several innovations to enhance our ability to serve individuals who call our hotline by developing and employing a new complaint management system. Recognizing that a vast number of complainants prefer to contact us through electronic means, we also developed new electronic complaint forms in both English and Spanish. To build upon the working relationships we have with management, we employed new methods of providing timely information during engagements and revised the executive summary portion of our reports to improve their accessibility and readability. During this fiscal year, our staff also gathered to create a shared lexicon around our office's mission and values, reinforcing the significance of our work and the responsibilities we have to this community.

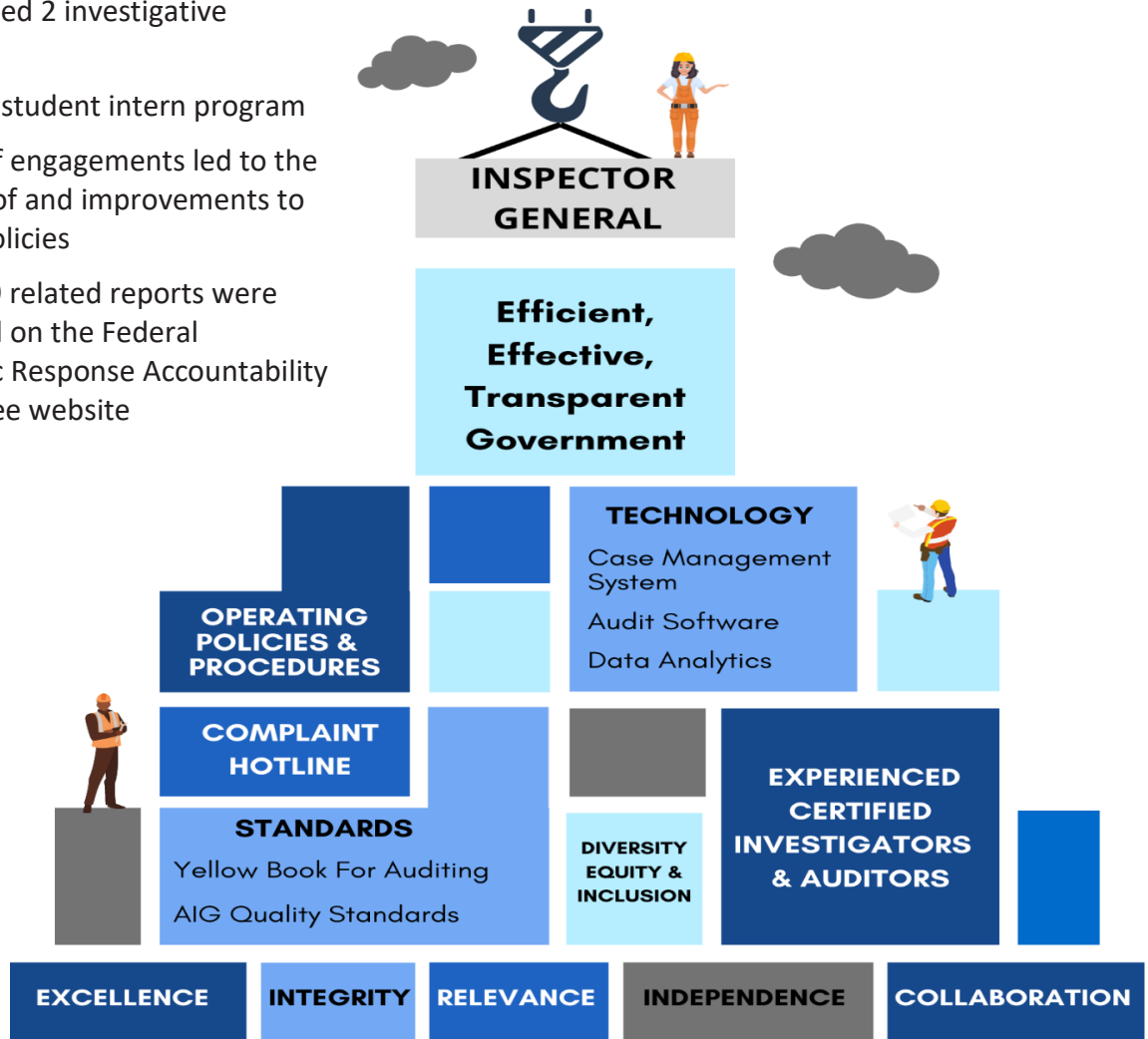
After focusing the previous two years on building a strong foundation and ensuring adequate supports and resources, this year the OIG has been able to focus heavily on its oversight work while remaining responsive to members of the community who contact us. County leadership has invested significantly in the growth and modernization of the OIG over the past three years since I was first appointed IG. As we move forward into FY23, we do so firmly grounded and with a foundation that will enable and support our continued goal of building towards an efficient, effective Montgomery County that serves its residents with transparency and fosters trust and pride.

# OVERVIEW

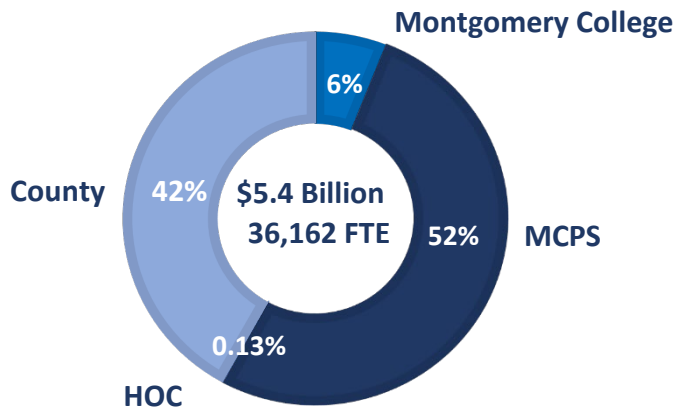
In FY22 the Office of the Inspector General (OIG) continued to build on its strong foundation to produce oversight work that is relevant, impactful, and reflective of our core values. We employed our resources to subject areas that we believed would return the highest value to the county and its residents. We also aggressively worked to elevate staff competencies and development through increased training, strengthened policies and procedures, and assignment to challenging and rewarding engagements.

## BUILDING MILESTONES

- ✓ Staff completed 525 hours of professional development training
- ✓ Issued a new four-year work plan and projected budget for FY22-25
- ✓ On-boarded 2 investigative analysts
- ✓ Started a student intern program
- ✓ Results of engagements led to the creation of and improvements to county policies
- ✓ COVID-19 related reports were published on the Federal Pandemic Response Accountability Committee website



**OIG OVERSIGHT OF COUNTY OPERATING FUNDS IN FY22**



The inspector general's authority extends across the Executive Branch of county government, the Montgomery County Public Schools and School Board, the Housing Opportunities Commission of Montgomery County, and Montgomery College; all of which have a combined operating budget of over \$5.4 billion and a capital improvements program budget of over \$13.9 billion.



**OIG HOTLINE**

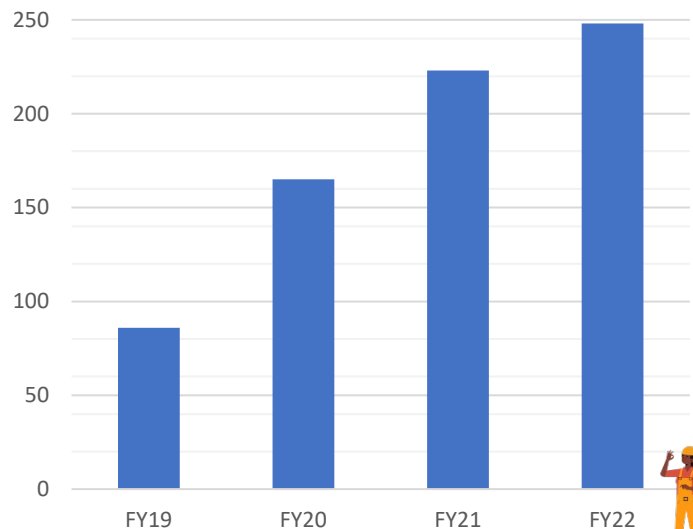
The OIG maintains a **hotline** for receiving allegations of fraud, waste, abuse, and mismanagement in county government. We view the hotline as a conduit from employees, residents, and other concerned stakeholders to effective and transparent government. In FY22 we received **248 complaints**, representing an **11% increase** over FY21. Approximately **97%** of those complaints were reviewed and acted on **within 5 days**.



**HOTLINE DEVELOPMENTS**

- ✓ 19 Investigations initiated
- ✓ 57 Referrals made to county agencies and outside entities – 19% increase from FY21
- ✓ Implemented a complaint intake form in Spanish
- ✓ Activated new complaint receipt and processing system and procedures

**COMPLAINTS RECEIVED**



# Audit and Program Review Division Summary

The OIG's Audit and Program Review Division (Audit Division) conducts independent and objective audits and reviews of county departments, offices, and agencies to evaluate the efficiency and effectiveness of operations. The Audit Division conducts audits and reviews of high-risk county contracts and agreements and the county's internal accounting and contracting processes and controls. The Division's audits are conducted in accordance with generally accepted government auditing standards (GAGAS) which provide the framework for performing high-quality audits that reflect competence, integrity, objectivity, and independence. In FY22, the Audit Division completed the OIG's first two audits conducted strictly under GAGAS.

## SIGNIFICANT FINDINGS

- Montgomery County Public Libraries (**MCPL**) Collection Management Program did not comply with county and department policies, placed orders against an expired basic ordering agreement, and had controls that were lacking
- Montgomery County Employee Retirement Plans (**MCERP**) and Consolidated Retiree Health Benefits Trust (**CRHBT**) did not adhere to county policies related to purchase cards and approvals of invoices and expenses

## DIVISION ENHANCEMENTS

- ✓ On-boarded a certified public accountant (**CPA**) and gained a Certified Inspector General Auditor (**CIGA**) professional designation to augment the audit division's existing skills and abilities
- ✓ Facilitated nearly **125 hours** of IDEA data analysis training and discussions

## AUDIT HIGHLIGHTS



**\$357.2M** Program Funds Subject to Review in Audits



**2** Audit Reports Published



**2** Audits in Progress



**14** Recommendations Issued



**2** Diversity, Equity, and Inclusion Observations presented

# Investigations and Inspections Division Summary

The OIG’s Investigations and Inspections Division (I&I) conducts proactive inspections and reviews of programs, responds to hotline inquiries, and investigates allegations of fraud, waste, abuse, and mismanagement. The division’s work identifies ways to improve the efficiency and effectiveness of tax supported programs. I&I strives to provide actionable recommendations and encourage the application of best practices to address programmatic weaknesses and minimize negative fiscal consequences. The Division’s engagements are conducted in accordance with the *Association of Inspectors General Principles and Standards for Offices of Inspectors General* which provides the principles and quality standards to assure that all work products are of the highest possible quality.

## SIGNIFICANT FINDINGS

- ✓ Montgomery County Public Schools wrongly withheld between \$3 million and \$13.5 million in health insurance overpayments
- ✓ COVID-19 Rental Assistance Programs had deficient policies and procedures, and made duplicate payments
- ✓ County has lax controls over its fleet of light-duty vehicles
- ✓ Montgomery County Economic Development Corporation Restaurant Relief grant program made an unwarranted grant award of \$10,000
- ✓ Department of Recreation needs policy on conducting background investigations and retention of associated data
- ✓ Housing Opportunities Commission employee misused assigned vehicle

## RESULTS

<b>\$100.1 M</b> program funds subject to review	<b>8</b> county departments and agencies were the subject of engagements	<b>31</b> recommendations made to strengthen program effectiveness and reduce vulnerabilities
<b>1</b> investigation conducted on behalf of the County Ethics Commission	<b>3</b> engagements related to COVID-19 oversight	
<b>115</b> days on average to complete engagements		



# SUMMARY OF SIGNIFICANT ACTIVITY

The work of the OIG in FY22 presented a variety of opportunities to provide timely, unbiased, and informative analyses and recommendations to positively impact the quality and effectiveness of county funded programs and activities. Below is a summary of our most significant work.

## Fiscal Accountability

### ***MCPS Retained \$3 to \$13.5 Million in Employee Prepaid Insurance Premiums***

The OIG investigated a complaint filed with the OIG hotline alleging that Montgomery County Public Schools (MCPS) inappropriately retained prepaid employee health insurance premiums. The investigation uncovered that over the last 22 years MCPS retained the prorated health insurance premiums of employees on 10-month pay cycles when they retired or separated from employment. MCPS estimated that refunds due to individual former employees would likely range between \$200 to \$900 depending on the insurance plan they had selected. MCPS provided that an average of 683 employees who were on 10-month employment cycles terminated their employment with MCPS, either through retirement or resignation, in each of the last three years. As a result, the OIG estimated that MCPS collected between \$3 million and \$13.5 million in overpayments that were not refunded or credited to eligible employees.

MCPS took steps to either credit or refund prepaid insurance premiums to those who retired or terminated their employment at the end of the FY22 school year. However, MCPS has not addressed whether they will refund prepaid premiums to employees who previously retired or left, or those who separate prior to the end of their 10-month term of employment.

The OIG made two recommendations focused on determining the extent of the problem and developing an equitable and effective policy to compensate those affected. The MCPS Superintendent concurred with the OIG's findings and agreed to implement corrective actions.

*[Publication Number OIG-22-015: Retention of Employee Health Insurance Premiums by MCPS]*

### ***OIG Investigation Reemphasizes Need for Clearly Defined Grant Eligibility Requirements***

The OIG conducted an investigation to determine whether an applicant provided false or misleading information to secure pandemic-related grant funds through various county pandemic relief grant programs. The OIG did not substantiate the allegation but observed that the Montgomery County Economic Development Corporation's (MCEDC) Restaurant Relief grant program lacked clearly defined and communicated criteria which resulted in applicant confusion and an unwarranted grant award of \$10,000. The subject restaurant's owner completed a grant application, in consultation with an accountant, indicating that they were "open and operating". The subject restaurant was a viable business, in good standing with the Maryland State Department of Assessments and Taxation but was

closed and not serving food for a portion of the covered period. While MCEDC would not have considered the business to be open and operating, its definition of “open and operating” was not included in published grant and application materials, which may have resulted in the applicant misinterpreting eligibility requirements.

The OIG reiterated a recommendation made in an October 2020 OIG publication, *Lessons Learned from County COVID-19 Grant Programs*, explaining that not having clearly defined eligibility criteria would “minimize the effectiveness of assistance efforts, lead to errors in processing applications, and potentially lead to eligible applicants being denied assistance.” In a later program phase, MCEDC clarified its definition of what constituted “open and operating” in grant materials.

[Publication Number OIG-22-001: *Investigation of a Restaurant Relief Grant Applicant*]

### ***OIG Substantiates Allegation of Misuse of Government Vehicle***

Predicated on an OIG hotline complaint, OIG staff investigated allegations that a Housing Opportunities Commission of Montgomery County (HOC) employee misused an assigned agency vehicle. Through investigation, the OIG determined that an HOC Senior Facilities Manager inappropriately used an assigned HOC vehicle to transport trash and other household items from their residence to a transfer station in violation of policy. While HOC policy permits employees to use assigned agency vehicles for “necessary” personal travel while on-call, and only if they do not have access to another vehicle, the employee’s actions appear to have exceeded allowable limits.

The OIG noted that HOC had lax enforcement of vehicle policies, exercised weak oversight of vehicle usage, and maintained a policy which lacked specificity regarding what constitutes “necessary” personal use of assigned vehicles. The OIG recommended that HOC clarify policy and strengthen internal controls over vehicles. HOC’s Acting Executive Director concurred with the OIG’s recommendations and agreed to take corrective actions.

[Publication Number OIG-22-002: *Investigation Involving the Misuse of HOC Vehicles*]

### ***Office of Consumer Protection Maintains Good Accountability of Applicant Funds***

Pursuant to the mandate to conduct reviews of the internal accounting practices and controls used by principal offices in the Executive Branch, the OIG reviewed the Office of Consumer Protection’s (OCP) New Home Builder and New Home Seller program.

The New Home Builder and New Home Seller program is OCP’s largest source of revenue, collecting approximately \$148,190 in application fees in FY 2021. Through this review, the OIG attempted to determine if the OCP followed its policies and procedures in processing registration fees related to the New Home Builder and New Home Seller program; correctly captured builder license statuses on internal and publicly available records; if the Board of Registration for Building Contractors followed

its policies and procedures when making decisions on New Home Builder and New Home Seller applications; and why the status of the county's New Home Warranty Security Fund, which was eliminated from the County Code, continued to be included in county regulation.

The review found that OCP properly credited accounts and that associated records contained accurate information. The review also showed that OCP and the Board of Registration for Building Contractors do not have written policies, and that documented procedures are lacking and incomplete. Additionally, the review exposed that efforts to remove mention of the New Home Warranty Security Fund from county regulations had stalled. The OIG made two recommendations related to developing policy and expediting efforts to remove references to the New Home Warranty Security Fund. The Chief Administrative Officer concurred with the recommendations.

[\[Publication Number OIG-22-010: \*Review of the New Home Builder and New Home Seller Program\*\]](#)

### ***OIG Recommends Improvements to MCPL Collection Management Program***

The OIG audited the Montgomery County Public Libraries (MCPL) collection management program. The audit was performed pursuant to the OIG's mandate to conduct reviews of the internal accounting and contracting practices and controls used by principal departments and offices in the Executive Branch.

MCPL's FY 2020 budget was just over \$43 million, with approximately \$6 million dedicated to the purchase of library materials. The purchases were the highest non-personnel expense category for MCPL in FY 2020. Through this audit, the OIG examined a representative sample of library material purchases and all contracts in effect in FY 2020. The OIG also assessed controls over specific library materials and the extent that community interest and needs are used to inform the acquisition of library materials.

The audit resulted in six findings and eight recommendations centered around MCPL's compliance with county purchasing policies and policy addressing inventory management controls. Significantly, the OIG identified instances where MCPL placed orders for materials without first obtaining necessary approvals and having required agreements in place. The Chief Administrative Officer concurred with the OIG's recommendations.

Additionally, consistent with the OIG's commitment to seeking opportunities to address diversity, equity, and inclusion in all aspects of its work, including its audits and reviews, the OIG presented observations to encourage MCPL to fully optimize efforts to better support the needs of the county's diverse population and improve management of the world languages collection.

[\[Publication Number OIG-22-012: \*Performance Audit of the Montgomery County Public Libraries Collection Management Program\*\]](#)

### ***OIG Audit of County Retirement Plan Identifies Need for Improved Adherence to Policy***

The OIG conducted an audit designed to determine whether controls related to certain administrative investment-related processes operated effectively and whether expense reimbursements, invoice payments, and P-Card transactions complied with applicable policies and regulations. The audit also sought to assess whether good faith efforts were being made to include businesses owned by women, minorities, and people with disabilities in the search for and consideration of investment managers. The OIG did not evaluate investment strategies, individual investments, the county's investment portfolio, or investment decisions through this audit.

The audit report contains five findings noting a failure to comply with county policies, six recommendations for improvement, and presents one observation related to opportunities to further promote diversity, equity, and inclusion in investment manager hiring practices. The Chief Administrative Officer (CAO) noted general concurrence with the OIG's recommendations and the Boards for the Montgomery County Employee Retirement Plans and Consolidated Retiree Health Benefits Trust submitted comments of general concurrence as well.

Further evaluation of a deficiency noted during the audit resulted in the production of a second report with specific recommendations to address a shortcoming in county travel policy. While testing compliance with certain county travel policies, the OIG identified a deficiency in policy related to the pre-approval of department heads' travel. This deficiency presents an inadequate separation of duties and does not clearly identify the requirement for pre-approvals. Following receipt of that report, the CAO's office issued additional guidance, and relayed to the OIG an intent to include the issue in upcoming administrative policy updates.

[\*\[Publication Number OIG-22-005: Performance Audit of the Administration of the Montgomery County Employee Retirement Plans and Consolidated Retiree Health Benefits\]\*](#)

[\*\[Publication Number OIG-22-006: Memorandum of Investigation: Updates to AP 1-2 and 1-5 Recommended, OIG Publication #22-006 \]\*](#)

## **Oversight of COVID-19 Related Spending**

### ***OIG Finds Inconsistencies During Review of Rental Assistance Awards***

The OIG examined the county's COVID-19 Rental Assistance Program (RAP) administered by the Housing Opportunities Commission of Montgomery County (HOC) on behalf of the Department of Housing and Community Affairs (DHCA), and the COVID-19 Rental Relief Program (CRRP) administered by the Department of Health and Human Services (DHHS). The review was focused on determining whether vulnerabilities exist in these rental assistance programs that create opportunities for fraud or abuse and whether specific instances of fraud or abuse were committed by applicants or other

program participants. The OIG ultimately found no specific instances of fraud within the tested samples but found several administrative vulnerabilities. The OIG also noted that the programs' reliance on applicant-provided information made it difficult to identify intentional misrepresentations.

The OIG made six recommendations related to administrative issues found during the review, many of which have since been addressed by DHHS in revised guidance that was produced after completion of the OIG's review and discussions between OIG and program staff. The Chief Administrative Officer's response indicates general concurrence with the OIG's recommendations.

[Publication Number OIG-22-004: *COVID-19 Rental Assistance Programs*]

### ***Fire and Rescue Service Monitoring Overtime for COVID-19 Testing***

The OIG investigated allegations that some vaccinated Montgomery County Fire and Rescue Service (MCFRS) employees were exploiting COVID-19 testing provisions to obtain overtime pay. During the subject time period, a county agreement allowed for up to one hour of overtime for mandatory COVID-19 testing of MCFRS employees that had not provided proof of vaccination and participated in testing while off-duty. The OIG was not able to substantiate the allegation but observed that policy in place during the period examined could have been manipulated to allow a vaccinated employee to engage in the alleged misconduct.

Following discussions with the OIG, MCFRS management conducted a review of timesheets where overtime for testing was claimed and identified five employees who each received one hour of overtime to which they were not entitled. MCFRS initiated payroll actions to correct the erroneous payments.

The OIG recommended MCFRS expedite efforts to eliminate the need for overtime for weekly COVID-19 testing. The Chief Administrative Officer concurred with the recommendation and noted that MCFRS had implemented a new process and was no longer allowing overtime for testing.

[Publication Number OIG-22-011: *MCFRS Alleged Abuse of Overtime for COVID-19 Testing*]

## **Safeguarding Information and Assets**

### ***OIG Finds Issues with the County's Oversight of Fleet Vehicles and Drivers***

OIG inspected the county's oversight of its fleet of light-duty vehicles. The review was performed pursuant to the OIG's mandate to review the effectiveness and efficiency of county programs and operations.

Montgomery County has over 880 vehicles in its light-duty fleet. In FY 2020 and FY 2021 the county spent approximately \$1.9 million and \$1.4 million respectively to increase and upgrade the fleet. Through this inspection, the OIG tracked a representative sample of vehicles to determine if the county could account for all of its vehicles. The OIG also examined whether the county's Division of Risk Management followed established procedures in determining the suitability of employees to operate vehicles while conducting county business.

Although the OIG was able to locate the vehicles in its sample, they found issues with the county's policies, record keeping, and internal communication with respect to vehicle accountability. The OIG found that a potentially large number of employees were not vetted prior to operating county vehicles or regularly driving personal vehicles for county business. Additionally, the OIG concluded that the county does not always monitor or act on notifications received about employee driving records. Ultimately, the inspection resulted in five findings and six recommendations focused on improving accountability of light-duty fleet vehicles and reviews of driver suitability. The Chief Administrative Officer concurred with the OIG's recommendations.

*[Publication Number OIG-22-013: Light-Duty Fleet Vehicles and Driver Suitability Inspection ]*

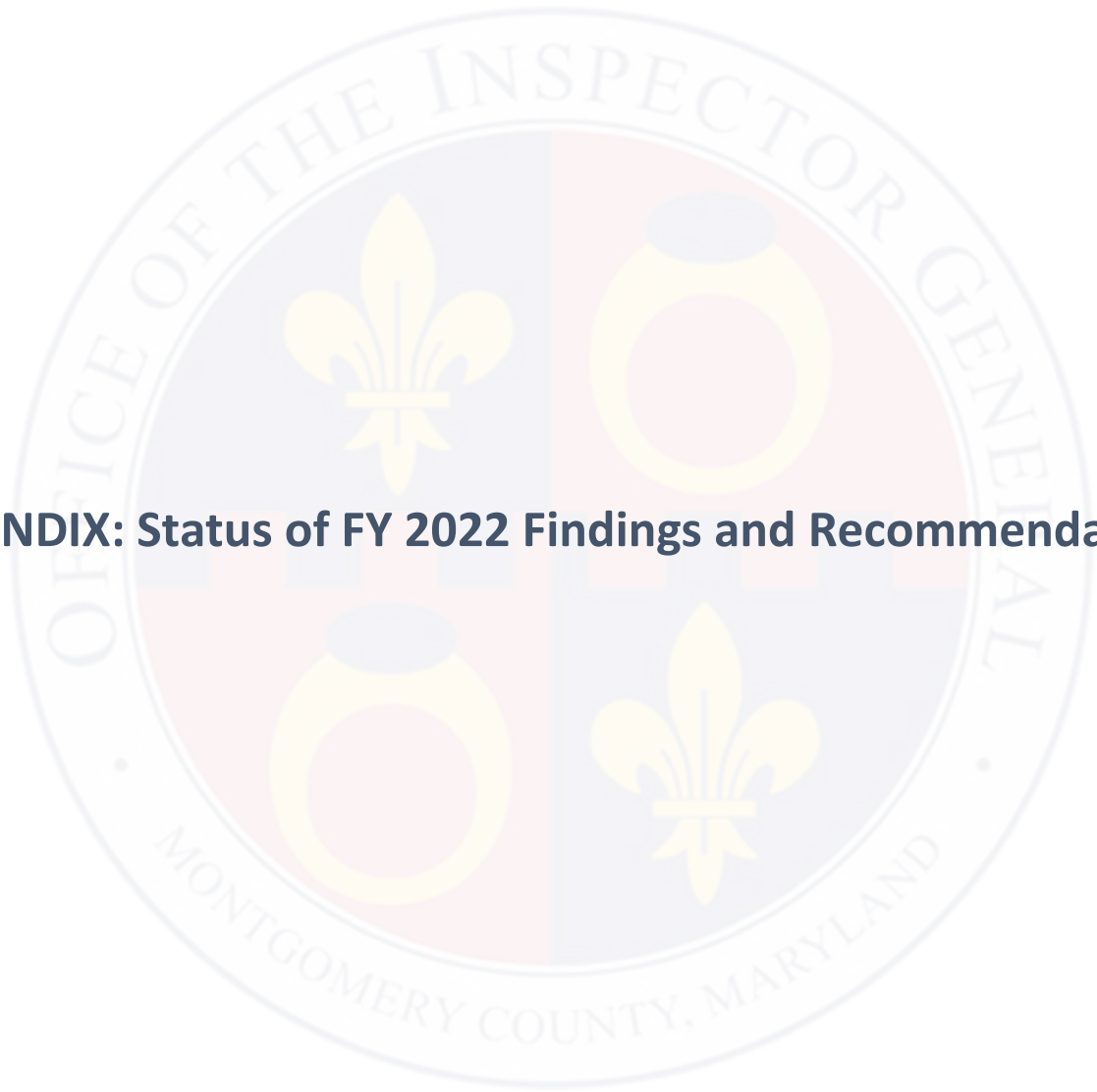
### ***OIG Reviews Background Investigation Compliance at the Department of Recreation***

The OIG conducted a review of policies and procedures at the Montgomery County Department of Recreation (REC) relating to criminal background checks for temporary-seasonal employees. The review was performed pursuant to the OIG's mandate to review the effectiveness and efficiency of county programs and operations.

Temporary-seasonal workers represent approximately 94% of REC's workforce and are the most likely to interact with minors and other vulnerable populations. Since 1986, Maryland law has required employees working in county operated recreation centers serving minors to undergo a criminal background investigation. OIG testing determined that REC conducted criminal background investigations for applicants but did not have a finalized policy governing the program and staff practices did not always conform to informal guidance. The OIG also found that because of procedural deficiencies, REC continues to receive criminal history information for individuals no longer affiliated with the department.

The OIG's review resulted in four findings and eight recommendations focused on improving compliance with policy and strengthening safety measures. The Chief Administrative Officer concurred with the OIG's recommendations.

*[Publication Number OIG-22-014: Criminal Background Investigations]*



**APPENDIX: Status of FY 2022 Findings and Recommendations**

# APPENDIX: Status of FY 2022 Findings and Recommendations

Montgomery County Code Section 2-151(k)(1) requires the Inspector General to submit by October 1 of each year an annual report to the Council and the Executive on the activities of the Office and its major findings and recommendations during the previous fiscal year. This Appendix provides a description of major findings and recommendations in publicly released reports as well as the status of each recommendation as reported to the OIG by the Montgomery County Economic Development Corporation (MCEDC), the Housing Opportunities Commission of Montgomery County (HOC), Montgomery County Public Schools (MCPS), and the Montgomery County Office of Internal Audit (MCIA) on behalf of the county.

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
OIG-22-001	Montgomery County Economic Development Corporation: <i>Investigation of a Restaurant Relief Grant Applicant</i>	<b>Finding:</b> MCEDC lacked clearly defined and communicated criteria which resulted in applicant confusion and an unwarranted grant award of \$10,000	Grant administrators should clearly define and communicate all eligibility criteria.	Complete



## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
OIG-22-002	Housing Opportunities Commission of Montgomery County: <i>Investigation Involving the Misuse of HOC Vehicles</i>	<b>Finding:</b> HOC policy is vague in that it permits personal use of a vehicle by on-call staff when “necessary” but fails to define or provide examples of what constitutes necessary travel.	We recommend that HOC clarify the <i>Safe Driver and Vehicle Operations Procedure</i> .	Complete
		<b>Finding:</b> HOC has lax enforcement of established vehicle policies and weak oversight of vehicle usage.	We recommend that HOC strengthen internal controls and processes to ensure compliance by both management and staff.	Complete
OIG-22-004	Montgomery County Department of Health and Human Services and Housing Opportunities Commission of Montgomery County: <i>COVID-19 Rental Assistance Programs</i>	<b>Finding:</b> Processing errors were found that resulted in duplicative CRRP payments.	We recommend that the DHHS:  (a) provide additional oversight to ensure they are not making duplicative payments; and  (b) seek recoupment of funds erroneously paid CRRP awardees.	(a) Complete  (b) Complete

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding:</b> CRRP files contained evidence of obvious discrepancies that were not documented as being addressed prior to funds being awarded.</p>	<p>We recommend that DHHS develop written policy requiring that all reviewers document the resolution of any discrepancies prior to the awarding of funds.</p>	<p>Complete</p>
		<p><b>Finding:</b> Award files did not contain documentation showing awardees met CRRP eligibility criteria.</p>	<p>DHHS should ensure all award criteria are met and the supporting evidence is documented prior to payment.</p>	<p>Complete</p>
		<p><b>Finding:</b> CRRP award amounts were inconsistent with program guidelines.</p>	<p>DHHS should ensure that award calculation methodologies for all awardee populations are documented in written policy and updated when the methodology or criteria is changed.</p>	<p>Complete</p>
		<p><b>Finding:</b> Written guidance regarding the CRRP did not fully define eligibility criteria, documentation requirements, and award calculations for those exiting homelessness.</p>	<p>DHHS should ensure that written policy clearly delineates all requirements and processes used to determine eligibility and awards for those exiting homelessness.</p>	<p>Complete</p>

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
OIG-22-005	Board of Investment Trustees and Board of Trustees: <i>Performance Audit of the Administration of the Montgomery County Employee Retirement Plans and Consolidated Retiree Health Benefits Trust</i>	<b>Finding:</b> Expense Reports were not always submitted timely.	We recommend the county enforce the office’s compliance with the Accounts Payable policy to ensure that expense reports are submitted within 30 days from the end of a business trip or from the date other business expenses are incurred.	In Progress
		<b>Finding:</b> Invoices lacked evidence of the receipt of services and approval.	We recommend the county:  (a) ensure the director and investment staff receive training on the Accounts Payable policy requirements specifically related to documenting evidence of the receipt of good or services and approval on invoices; and  (b) ensure the office updates its policies and procedures to be consistent with county policies in requiring that all invoices have a receiver and approver signature with the purpose of each signature clearly noted on the invoices.	(a) Complete  (b) Complete

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding:</b> A department purchase card log is not maintained as required.</p>	<p>We recommend the county ensure the office maintains a Department P-Card log as required by the P-Card Manual.</p>	<p>Complete</p>
		<p><b>Finding:</b> P-Card transactions were not always approved timely in the JP Morgan PaymentNet system.</p>	<p>The county should enforce the office’s compliance with the P-Card Manual by requiring that transaction approvers review and approve reconciled transactions in the JP Morgan PaymentNet system at least monthly.</p>	<p>Complete</p>
		<p><b>Finding:</b> Separation of duties related to P-Card management is inadequate.</p>	<p>The county should ensure the office implements controls that establish an adequate separation of duties over P-Card transactions.</p>	<p>Complete</p>

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
OIG-22-006	Montgomery County Government: <i>Updates to AP 1-2 and 1-5 Recommended</i>	<b>Finding:</b> AP 1-2 and AP 1-5 do not explicitly detail if “Department heads” need to obtain approval for their own travel and if so from whom they should obtain the approval.	We recommend that the county update AP 1-2 and AP 1-5 to include a prohibition against any county employee authorizing their own expense transactions. The policy update should include instructions on how department heads ought to obtain authorization and approval for travel related expenditures.	In Progress
OIG-22-010	Office of Consumer Protection: <i>Review of the New Home Builder and New Home Seller Program</i>	<b>Finding:</b> OCP and the Board of Registration for Building Contractors do not have written policies, and their documented procedures are lacking and incomplete.	We recommend OCP and the Board of Registration for Building Contractors develop detailed written policies and procedures for processes and criteria for decisions.	In Progress
		<b>Finding:</b> The county’s New Home Warranty Security Fund remains in county regulations, even though the fund was closed in FY 2007 and removed from the County Code.	We recommend the county expedite updating COMCOR Chapter 31C to remove references to the New Home Warranty Security Fund.	In Progress

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
OIG-22-011	Montgomery County Fire and Rescue Service: <i>MCFRS Alleged Abuse of Overtime for COVID-19 Testing</i>	<b>Finding:</b> We found that neither of the county's agreements with the IAFF prohibit a vaccinated MCFRS employee from declining to provide proof of vaccination and thereby receiving overtime for testing, potentially incentivizing employee abuse of the overtime provision for testing.	We encourage the county and MCFRS to expedite the implementation of additional options that eliminate the need for employees to utilize overtime to comply with testing requirements.	Complete
OIG-22-012	Montgomery County Public Libraries: <i>Performance Audit of the Montgomery County Public Libraries Collection Management Program</i>	<b>Finding:</b> Invoices did not always include purchase order or contract numbers.	We recommend MCPL ensure that all invoices related to non-exempt purchases document a valid purchase order number and contract number prior to payment as required by departmental procedure.	Complete
		<b>Finding:</b> Invoices did not clearly document evidence of appropriate separation of duties.	We recommend MCPL ensure that all invoices, as required by the Accounts Payable Policy include the signatures of, and affirmatively identify, the official authorized to approve the invoice and the knowledgeable receiver.	Complete

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding:</b> Electronic receipts for DPOs were not always entered into Oracle timely.</p>	<p>We recommend MCPL provide training to staff and enforce compliance with the Accounts Payable Policy to ensure electronic receipts for DPOs are entered into Oracle either the same day the same day that goods were received or within one business day of delivery.</p>	<p>In Progress</p>
		<p><b>Finding:</b> Library materials were ordered before obtaining Finance’s approval for the encumbrance of funds.</p>	<p>We recommend MCPL develop a process to ensure Finance’s approval of direct purchase orders is obtained, as required by the PPALM and the DPO Workflow policy, prior to renewing subscriptions or purchasing goods and services.</p>	<p>In Progress</p>

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding:</b> Orders for database subscription renewals totaling \$168,043 were placed against an expired basic ordering agreement.</p>	<p>We recommend MCPL:</p> <p>(a) develop a process to ensure that orders are not placed against basic ordering agreements that have expired; and</p> <p>(b) develop a process to ensure that invoices are matched to valid basic ordering agreements prior to being processed for payment.</p>	<p>(a) In Progress</p> <p>(b) In Progress</p>



## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding:</b> MCPL had incomplete policies governing the process to purge items from the ILS and did not monitor purging activity.</p>	<p>We recommend MCPL:</p> <p>(a) develop written policies and procedures for every stage of the process for purging library materials from the ILS to include retention of records detailing the reason items were purged; and</p> <p>(b) monitor purging activity in an effort to detect misconduct, identify deficiencies in branch collections, and recognize indicators of systematic problems.</p>	<p>(a) In Progress</p> <p>(b) Complete</p>
<p><b>OIG-22-013</b></p>	<p>Montgomery County Government: <i>Light-Duty Fleet Vehicles and Driver Suitability Inspection</i></p>	<p><b>Finding:</b> The county has lax controls over its fleet vehicles and provides limited guidance and training regarding the roles and responsibilities of departments in managing fleet vehicles.</p>	<p>We recommend the county develop formal guidance detailing department roles and responsibilities in managing fleet vehicles, to include fleet coordinator roles, procedures on securing motor pool vehicles and keys, outlining a process for employees to obtain access to department motor pool vehicles, and controls over vehicles parked in remote locations.</p>	<p>In Progress</p>

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding</b> Risk is not obtaining or reviewing the driving records of employees with driver’s licenses from states other than Maryland.</p>	<p>We recommend the county implement a process to obtain and routinely review the driving record of all employees who are approved to drive county vehicles or regularly drive a personal vehicle while on county business, regardless of which state issued the employees driver’s license.</p>	<p>In Progress</p>
		<p><b>Finding:</b> Departments do not always notify Risk when employees are approved to operate county vehicles or drive a personal vehicle for county business, nor do they provide documentation required by policy.</p>	<p>We recommend the county provide training for departments and enforce requirements to ensure that all employees approved to drive a county vehicle or to regularly use a personal vehicle for county business are reported to Risk and a copy of the employee’s driver’s license is submitted.</p>	<p>In Progress</p>

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding:</b> Risk continues to monitor the driving records of persons no longer employed by the county or who no longer have a need to operate a county vehicle.</p>	<p>We recommend the county:</p> <p>(a) develop policy requiring departments to inform Risk when an approved driver terminates their employment with the county, or no longer has a need to drive a county vehicle or regularly use a personal vehicle for county business; and</p> <p>(b) develop policy to cease the monitoring of drivers' records for persons who terminate their employment with the county, or no longer have a need to drive a county vehicle or regularly use a personal vehicle for county business.</p>	<p>(a) In Progress</p> <p>(b) In Progress</p>
		<p><b>Finding:</b> Risk does not always monitor or act on notifications received from the NICUSA program.</p>	<p>We recommend the county implement a process to more effectively monitor NICUSA notifications and take appropriate action when they learn a county employee's driver's license has been suspended or revoked.</p>	<p>In Progress</p>

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
<p><b>OIG-22-014</b></p>	<p>Department of Recreation: <i>Criminal Background Investigations</i></p>	<p><b>Finding:</b> REC’s practices do not comport with policy when processing criminal background investigations.</p>	<p>We recommend REC:</p> <p>(a) expedite the formalization of the background investigations policy so it is no longer in draft form and includes the process REC uses to satisfy state and federal requirements with respect to informing applicants of their right to contest information on their criminal history record;</p> <p>(b) ensure that policy and practice are consistent with respect to when in the hiring process an applicant is asked about their criminal history;</p> <p>(c) provide training to administrative staff on policy requirements for processing criminal background information received from CJIS; and</p> <p>(d) establish a process for individuals to appeal the accuracy of their criminal history information and related employment decisions.</p>	<p>(a) In Progress</p> <p>(b) In Progress</p> <p>(c) In Progress</p> <p>(d) In Progress</p>

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
		<p><b>Finding:</b> REC does not have formal policy concerning the retention and destruction of criminal history information and related hiring records.</p>	<p>We recommend REC develop formal policy concerning the destruction and retention of criminal background information and related hiring records.</p>	<p>In Progress</p>
		<p><b>Finding:</b> REC is receiving criminal history information for individuals not affiliated with the department.</p>	<p>We recommend REC discontinue monitoring individuals who are no longer affiliated with REC.</p>	<p>In Progress</p>
		<p><b>Finding:</b> REC has no written policy regarding continuous monitoring or reinvestigation of employees.</p>	<p>We recommend REC:</p> <ul style="list-style-type: none"> <li>(a) develop a policy addressing the reinvestigation and ongoing monitoring of employees; and</li> <li>(b) maintain an accurate employee roster in SAM if employee monitoring is continued.</li> </ul>	<p>(a) In Progress (b) In Progress</p>

## Appendix: Status of Findings and Recommendations

Publication #	Report Title	Findings	Recommendations	Status (Reported to OIG)
OIG-22-015	Montgomery County Public Schools: <i>Retention of Employee Health Insurance Premiums by MCPS</i>	<b>Finding:</b> MCPS is withholding prepaid health insurance premiums from retiring employees who are paid on a 10-month cycle and terminate their employment with MCPS.	We recommend MCPS:  (a) aggressively work to identify the extent of the issue and devise a process to address overpayments by former employees; and  (b) develop policies to ensure that all employees paid on a 10-month pay cycle who separate from employment receive proper compensation for prepaid health insurance premiums.	In Progress

# BEHAVIORAL RED FLAGS FOR FRAUD



Fraud can be committed by anyone, making it important for all employees to be aware and observant of behavioral red flags that might indicate a fraudster.



## Living beyond means

Big spending is often an indicator of fraudulent behavior, especially if the employee's salary does not line up with their lifestyle.



## Financial difficulties

Financial problems are often cited as motivation for those who commit fraud. Examples include high loan, mortgage, taxes, or credit card debt.



## Close personal relationship with vendors or contractors

This might indicate a conflict of interest, collusion, or bribery.



## Control issues or an unwillingness to share duties

Fraudsters might fear that they will be caught if they share their job duties with another employee. They may not use their allotted time off, or they might come up with excuses to gatekeep information from their colleagues.



## Irritability, suspiciousness or defensiveness

Fraudsters may act unusually paranoid or harsh with colleagues in order to project suspicion onto others or discourage questions.



If you suspect fraud is occurring in County programs and departments, contact the Montgomery County Office of the Inspector General.

