



# OFFICE OF THE INSPECTOR GENERAL

Montgomery County, Maryland



## MEMORANDUM OF INVESTIGATION

**TO:** Richard S. Madaleno  
Chief Administrative Officer

**FROM:** Megan Davey Limarzi, Esq.  
Inspector General *MDL*

**DATE:** April 15, 2024

**SUBJECT:** Allegations of misuse of PACT Grant Funds

The Office of the Inspector General (OIG) recently concluded an investigation into allegations that the Montgomery County Department of Police (MCPD) expended funds received through a Maryland Police Accountability, Community, and Transparency Grant Program (PACT) to pay for services that had not been received.

We found that MCPD's Management and Budget Division director (MBD director) instructed staff to process an invoice for \$396,000 to purchase 30 months of professional services that were to be received after the conclusion of the grant period, despite having been informed on several occasions that contractual work paid for with State grant funds had to be completed within the designated grant period. MCPD's prepayment for services violated the county's accounts payable policy and was contrary to the Maryland Governor's Office of Crime Prevention and Policy's (GOCPP)<sup>1</sup> intended use of PACT grant funding.

### **Background**

The OIG received information in July of 2023 alleging that MCPD paid an invoice totaling \$396,000 using PACT grant funds for services that were not received.

Maryland GOCPP awards PACT grants to support law enforcement agencies with the development of "effective accountability procedures to achieve their goals of lawfulness and legitimacy while enhancing community relations and transparency."<sup>2</sup> In June of 2022, MCPD applied for a PACT grant from GOCPP to "procure BWCS [body worn camera system], and software [to] assist in managing compliance with laws, regulations and procedures to conduct evaluations of BWCS footage." MCPD's request for \$498,060 was to be used over an estimated period of July 1, 2022, to June 30, 2023. In September 2022, the county was notified they were awarded a fiscal year (FY) 2023 PACT grant in the amount of \$498,060. The resulting agreement between the county and GOCPP requires that grant funds be encumbered, obligated, or expended by June 30, 2023.

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<sup>1</sup> Since the FY 2023, the agency that oversees PACT grant funding has been renamed the renamed the Governor's Office of Crime Prevention and Policy (GOCPP). At the time the grant was awarded, it was named the Governor's Office of Crime Control & Prevention (GOCCP).

<sup>2</sup> GOCPP website, <https://goccp.maryland.gov/grants/programs/pact/>.

On June 29, 2023, MCPD processed a \$396,000 payment to a vendor using PACT funds for services that were to be received after the expiration of the grant. This OIG investigation focused on whether MCPD's payment complied with the terms of the grant, and applicable law, regulation, and policy.

## **Inquiry and Outcome**

The OIG learned that during an audit conducted in the summer of 2022 for a different grant, a GOCPP financial compliance manager sent two emails informing MCPD staff that "grants are subject to refund... for services outside the grant period" and "a pro-rated refund can be requested for any grant funds used for contracted expenses/services beyond the grant period." The MBD director and MCPD's Information Management and Technology Division (IMTD) director were forwarded these GOCPP emails in the fall of 2022.

In December of 2022, a MCPD grants manager emailed the GOCPP Grant Division Director to inquire about extending the grant period beyond June 30, 2023. They were told that PACT funds could not be extended. The MCPD IMTD director was included in the email exchange.

On April 25, 2023, an administrative specialist from MCPD IMTD submitted a procurement request through MCPD's procurement request system for \$396,000 to support the acquisition of "resident/professional consulting and engineering support". The request noted that the procurement was needed by May 2, 2023, and "Grant funded, needs to be expedited." An accompanying quote from the vendor showed an estimated contract start date of October 1, 2023, and listed the program length as 30 months, both of which would exceed the term of the grant.

On the same date, but before the request was approved, a MCPD grants manager noted on the request that "all contractual work charged to award must be completed by June 30, 2023." The procurement request was subsequently approved by the MBD director on April 25<sup>th</sup> and their supervisor, the head of the Management Services Bureau, on May 3<sup>rd</sup>. The request was processed by MBD staff and a purchase order was approved by the county's Office of Procurement on May 11, 2023.

The vendor for the service sought by MCPD submitted an invoice for payment dated May 23, 2023, for the sum of \$396,000. The invoice describes the item purchased as "Support Engineer, Resident" and lists the quantity as "1". No detail is provided about the dates of service or billing period, a requirement under the county's accounts payable policy. The OIG determined that based on the existing contract with the vendor, the \$396,000 invoiced is equal to 2.5 years of support from a "Support Engineer, Resident".

An MCPD staff member told the OIG that on June 27, 2023, they advised the MBD director that all contractual work must be completed by the end of the performance period. During this discussion the MBD director continued to press the issue and expressed a willingness to risk an audit finding in order to utilize the grant funds to pay for work outside the grant performance period. Notwithstanding the cautionary advice received by the staff member, the MBD director emailed the IMTD director later that same day with instructions to submit the invoice for processing. The invoice was marked as approved by the IMTD and MBD directors, resulting in a

\$396,000 payment to the vendor being processed on June 29, 2023, without any of the services having yet been provided to the county.

#### Compliance with Grant Terms and County Policy

The GOCPP Criminal Justice Grant Division Director confirmed to the OIG that GOCPP requires that all contractual services must be provided within the award period or the receiving organization risks having to return the funds. MCPD's payment of services in this instance violates GOCPP requirements.

The county's Accounts Payable Policy, *Financial Governing Principles and Standards*, requires that departments "request payment of supplier invoices only after the supplier has delivered the designated goods or services." In this instance, MCPD had not received the procured service before requesting payment of the invoice.

County policy also requires that suppliers submit a valid invoice containing all mandatory elements outlined in the Accounts Payable Invoice Guidelines, including "date of services" to receive payment. The subject invoice lacked dates of service, thereby masking the fact that MCPD was requesting payment for future services. MCPD management approved the invoice and the county paid it, despite these conflicts with county policy.

#### **Conclusion**

The investigation found that MCPD paid for 30 months of professional services that were expected to be received in future fiscal years and after the conclusion of the grant period. In doing so, they violated the county's accounts payable policy and the GOCPP's expectations that contractual work be completed by the end of the grant period.

We recommend MCPD take appropriate action to address employee violations of policy with regard to the expenditure of PACT grant funds. We further recommend that MCPD take steps to ensure adherence with all grant and contract requirements, and the county's accounts payable policies.

The OIG's findings are being shared with GOCPP for whatever action they deem appropriate.

No response to this memorandum is requested, but I ask that you provide my office with copies of communications and/or policy updates upon issuance. Please contact me or a member of your staff can contact Deputy Frank da Rosa, [Francisco.darosa@montgomerycountymd.gov](mailto:Francisco.darosa@montgomerycountymd.gov), with any questions.

cc: Fariba Kassiri, Deputy Chief Administrative Officer  
Marcus Jones, Chief of Police, Department of Police  
Quentin Jones, GOCPP Criminal Justice Grant Division Director