



# OFFICE OF THE INSPECTOR GENERAL

*Montgomery County, Maryland*



## **MEMORANDUM OF INVESTIGATION**

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

**FROM:** Megan Davey Limarzi, Esq. *[Signature]*  
Inspector General

**DATE:** December 18, 2025

**SUBJECT:** Improper allocation of EMST funds to MCVFRA

The Montgomery County Office of the Inspector General (OIG) recently completed a planned cyclical audit of the Montgomery County Fire and Rescue Service (MCFRS). After concluding the audit, we received information which alleged Emergency Medical Services Transport Insurance Reimbursement Program (EMST) funds had been improperly spent and could not be accounted for by the Montgomery County Volunteer Fire and Rescue Association (MCVFRA). This information is supported, in part, by our audit findings which showed that MCFRS did not have supporting documents for EMST funds dispersed to the MCVFRA by the County. The final audit report included a recommendation that the County conduct a financial audit of EMST funds awarded to local fire and rescue departments (LFRD) and the MCVRA to ensure all money could be properly accounted for.

While assessing the newly presented information regarding MCVFRA's use of EMST funds, we questioned whether MCVFRA was eligible to receive the funds. We found that although the MCVFRA is not a "local fire and rescue department" as defined by the County Code they have been receiving EMST funds since at least 2014 in violation of the County Code's requirements for fund disbursements.

### **Background**

#### *Chapter 21 of the County Code*

Chapter 21, *Fire and Rescue Service*, of the County Code codifies the organizational structure, responsibilities, and framework for Montgomery County's Fire and Rescue Service, including the local fire and rescue departments. Chapter 21 defines a Local Fire and Rescue Department (LFRD) as "any individual fire or rescue squad corporation authorized under Section 21-5 to provide fire and rescue services." A LFRD can only engage in fire and rescue services if approved by the Council. Under Section 21-5, an approved LFRD "may provide direct fire suppression, rescue, or emergency medical services" to the County. The County Code also allows for LFRDs to designate an authorized representative person or organization to negotiate with the Fire Chief various issues identified in law on their behalf. The designated representative for LFRDs is the MCVFRA.

### *Montgomery County Volunteer Fire Rescue Association (MCVFRA)*

According to its website, the MCVFRA is “a 501(c)(4) organization committed to sustaining and strengthening volunteer fire, EMS, and rescue service in Montgomery County, Maryland.” The MCVFRA represents 19 local fire and rescue departments by providing input and recommendations to the Fire Chief, Fire and Rescue Commission, and elected officials. Their goals include developing volunteer leadership and advocating for resources. The MCVFRA does not provide fire suppression, rescue, or emergency medical services. The MCVFRA is governed by a Board of Directors and employs an Executive Director<sup>1</sup> and at least one staff member. The MCVFRA receives funding from annual dues paid by each member LFRD, County funds as negotiated in the Collective Bargaining Agreements, EMST funds, and federal SAFER grant funds.

### *Emergency Medical Services Transport Insurance Reimbursement Program (EMST)*

In May 2012, the County Council enacted Bill 17-12E (effective January 1, 2013) to authorize the County to impose and collect emergency medical service transport fees under the EMST program. The program allows MCFRS to bill insurance providers for emergency medical transportation services, such as transports by ambulance. The County imposes a reimbursement charge for these services and uses it to support fire and rescue operations.

According to Montgomery County Code Section 21-23A, 15% of the net revenue from this program must be allocated for the benefit of local fire and rescue departments (LFRD), following procedures outlined in annual operating budget resolutions. County Code Section 21-23A(h), *Emergency Medical Services Transport Insurance Reimbursement Program, Use of Revenue* restricts the use of EMST funds to 7 categories related to fire and rescue services.

LFRD’s acquire EMST funds by first submitting an application to the MCVFRA detailing the proposed use of the funds. The MCVFRA Board of Directors reviews the applications and forwards recommended projects to the County Fire Chief, who is responsible for approving the final allocations. Once approved, agreements are formalized by the County Attorney’s Office between the LFRD’s and the County, and the funds are distributed directly to the LFRDs. Recipients of EMST funds must expend or encumber the funds on the approved project or agreed upon purpose on a timeframe as dictated by the relevant budget resolution.

In November of 2025, the OIG was made aware of the potential improper use of EMST funds by the MCVFRA. Documents provided to the OIG stated that EMST funds had been used for ineligible expenses which would violate the agreements with the County.

## **Investigative Findings**

Since 2014, the County has regularly awarded EMST funds to the MCVFRA. From FY2021 to FY2025, the County gave them \$688,711 in EMST funds for various purposes, including administrative support, training and conferences, data management upgrades, and professional services. While reviewing the limitations and requirements placed on EMST funds by the County we found that the MCVFRA does not meet the definition of an LFRD as established in Chapter 21 of the County Code and therefore should not have received EMST funds.

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<sup>1</sup> Effective November 7, 2025 the Board eliminated the Executive Director position.

The County Code mandates that 15% of EMST net revenue be allocated under a procedure specified in the annual operating budget resolution “for the benefit of local fire and rescue departments”. The Code defines an LFRD as “any individual fire or rescue squad corporation authorized under Section 21-5 to provide fire and rescue services.” The MCVFRA does not and never has provided “fire and rescue services.” According to all related published information, the MCVFRA represents 19 LFRDs “by providing input and recommendations to the Fire Chief, Fire and Rescue Commission, and elected officials.” The MCVFRA’s website identifies the 19 LFRDs it represents, it does not count itself as one of the LFRDs.<sup>2</sup>

The County’s annual budget resolutions identify the MCVFRA as the entity responsible for conducting the application process by which LFRDs apply for EMST funds and the representative of the LFRDs if there are any disagreements with the Fire Chief about EMST projects and allocations. Additionally, each contract for EMST funds states that the parties agree that the “annual operating budget resolution directs that 15% of the EMST fund revenue collected be allocated to the **19 Local Volunteer Fire and Rescue Departments**” (emphasis added).<sup>3</sup> Further illustrative of the MCVFRA’s purely administrative and representative role is the fact that LFRD’s must pay dues to the MCVFRA.

## **Conclusion**

A review of legislative history, the County Code, previous budget resolutions, contracts for EMST fund disbursements, the County’s Directly Negotiated Agreement (DNA) with the MCVFRA, and our discussions with the Office of the County Attorney present no basis for the MCVFRA to be treated as an LFRD. Therefore, we find that the MCVFRA should not have been awarded EMST funds.

I am referring this matter for appropriate action including, but not limited to, potential recovery of funds. Furthermore, considering the recent OIG audit also identified weaknesses in the MCFRS’s oversight of EMST expenditures and reporting, we renew our recommendation that the County conduct a financial audit of the use of EMST funds, starting with those awarded to the MCVFRA, as soon as possible. Please contact me with any questions, or a member of your staff can contact Deputy Frank da Rosa, [Francisco.darosa@montgomerycountymd.gov](mailto:Francisco.darosa@montgomerycountymd.gov), with any questions.

Attachment: County Administrative Officer’s Response

cc: Fariba Kassiri, Deputy Chief Administrative Officer  
Corey Smedley, Chief, MCFRS

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<sup>2</sup> <https://www.mocofirerescue.org/about>

<sup>3</sup> The MCVFRA is a signatory on these annual agreements and thereby acknowledged EMST funds are to be allocated to the 19 LFRDs.

**Attachment:** County Chief Administrative Officer's Response

The OIG provided the County's Chief Administrative Officer with a confidential version of this report on December 19, 2025, and received the following response on December 22, 2025.



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
*County Executive*

Richard S. Madaleno  
*Chief Administrative Officer*

MEMORANDUM

December 22, 2025

TO: Megan Davey Limarzi, Inspector General

FROM: Richard S. Madaleno, Chief Administrative Officer *BSM*

SUBJECT: Response to Confidential Memorandum of Investigation – Improper Allocation of EMST funds to MCVFRA

We appreciate the opportunity to respond to the findings of the Office of Inspector General's (OIG) investigation regarding improper allocation of Emergency Medical Services Transport Insurance Reimbursement Program (EMST) funds to Montgomery County Volunteer Fire and Rescue Association (MCVFRA). We are concerned about the issues that were found regarding compliance with Chapter 21, *Fire and Rescue Service*, of the County Code with respect to MCVFRA receiving EMST funds although they are not defined by the County Code as a "local fire and rescue department."

A thorough audit will be promptly initiated of EMST funds distributed to MCVFRA to ensure adherence to EMST award agreements and County Code, taking any necessary action, including, but not limited to, potential recovery of those funds.

As noted in the recent OIG audit, MCFRS is also taking steps to strengthen oversight of EMST expenditures and reporting. This investigation stresses the importance of heightened awareness of ensuring compliance with County Code.

Thank you for bringing these matters to my attention.

cc: Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive  
Corey Smedley, Fire Chief, Montgomery County Fire and Rescue Service  
Michele El-Gamil, Internal Audit Manager, Office of the County Executive