



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

September 2019

The County Council and County Executive
of Prince George's County, Maryland

Re: Departure of Jared McCarthy
County Attorney

INTRODUCTION AND SCOPE OF EXAMINATION

Conforming to Article III, Section 313 of the Charter of Prince George's County, Maryland, we have performed a special audit of the accounts of the Office of Law. This audit was initiated due to the resignation of Jared McCarthy from the position of County Attorney, effective December 29, 2018.

Our examination included tests of the accounting records and other auditing procedures, as we considered necessary under the circumstances. Consideration was given to the fact that these records are included in the scope of the County's annual financial audit, conducted by CliftonLarsonAllen, LLP, independent auditors, for the year ended June 30, 2018. Therefore, we primarily directed our examination to include a review of Mr. McCarthy's travel advances, expense reimbursements, leave records, fixed assets records, and selected expense accounts for the period July 1, 2018, through January 31, 2019.

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772
VOICE (301) 952-3431; FAX (301) 780-2097; TDD (301) 925-5167

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances, and Commitments

A statement of expenditures, encumbrances, and commitments compared with appropriations for the Office of Law, for the period July 1, 2018, through January 31, 2019, is presented on Schedule 1 of this report. As of January 31, 2019, total expenditures and encumbrances did not exceed total appropriations for the Office of Law.

Travel Advances and Expense Reimbursements

We reviewed the travel advance records maintained by the Office of Finance, Accounting Division, for the period July 1, 2018, through January 31, 2019, and determined that Mr. McCarthy did not have any unsettled travel advances at the time of his resignation. We also reviewed expense reimbursements paid to Mr. McCarthy for the period July 1, 2018, through January 31, 2019, and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified the final pay computations for Mr. McCarthy based on leave records maintained by the Payroll Section of the Office of Finance and verified the salary and hourly rate of pay maintained by the Office of Human Resources Management. We determined that the annual leave compensation was computed correctly and found no discrepancies or irregularities.

Fixed Assets and Non-Fixed Assets

The Capital Assets Manual, prepared by the Office of Finance and the Office of Central Services, requires the Office of Central Services' General Services Division to perform an exit inventory of capital (fixed) assets and report findings to the Director of the Office of Central Services, upon the departure or transfer of a Department/Agency Head. The Office of Central Services is required to take the necessary steps to recover any missing asset or seek restitution for the value of the assets. We contacted personnel within the Office of Central Services'

General Services Division, Fleet Management Division, and the Office of Law and determined there were no fixed assets assigned to Mr. McCarthy.

Our review also included the verification of County issued non-fixed asset items such as cell phone, personal digital assistant, County identification and security card, keys, laptop computer/equipment, etc. This review included an examination of personnel records maintained by the Office of Human Resources Management (OHRM), and the Office of Finance's Payroll Section on separated employees. When an employee leaves County service, an Employee Separation Form (PGC Form #4281) is filled out by each employee as a part of the exit process. This form (PGC Form #4281) records the return of assigned County personal property and normally a copy can be found in the employee's personnel file. At the time of our review there was an Employee Separation Form in Mr. McCarthy's personnel file documenting the return of non-fixed assets that were assigned to him.

Financial Disclosure Requirement

Section 2-294(c)(1) of the Prince George's County Code requires certain officials, employees, and candidates for office (among them the County Attorney) to file financial disclosure statements. Council Bill 125-1984, effective February 4, 1985, modified Section 2-294(c)(1) of the County Code, by adding the following requirement:

“Any official or employee who is required to file a statement and who leaves office or employment for any reason, other than the official's or employee's death, shall file, within sixty (60) days of leaving office or employment, the statement required by this Section, for the calendar year immediately preceding, unless a statement has previously been filed for that year, and any portion of the current calendar year during which that official or employee held office or employment.”

According to the County Code, Mr. McCarthy was required to file a financial disclosure statement within sixty (60) days of leaving office. At the time of our review, Mr. McCarthy had

The County Council and County Executive
Page -4-

filed a financial disclosure statement with the Prince George's County Board of Ethics, for the period January 1, 2018, through December 28, 2018, as required.



David H. Van Dyke, CPA
County Auditor



Jisun Ahn
Auditor-In-Charge

OFFICE OF LAW
STATEMENT OF EXPENDITURES, ENCUMBRANCES, AND COMMITMENTS
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2018 THROUGH JANUARY 31, 2019

	<u>Compensation</u>	<u>Fringe Benefits</u>	<u>Other Operating Expenses</u>	<u>Total</u>
<u>Appropriations</u>				
Current Year	\$ 5,289,400	\$ 1,664,300	\$ 482,800	\$ 7,436,500
<u>Expenditures and Encumbrances</u>				
Current Year:				
Salaries				
Full Time Regular	\$ 2,871,471	\$ -	\$ -	\$ 2,871,471
Overtime Compensation	300	-	-	300
Leave Payout	61,077	-	-	61,077
Beneflex Opt Out	3,700	-	-	3,700
Comp JE Adj	(96,457)	-	-	(96,457)
Fringe Benefits	-	798,543	-	798,543
Telephone	-	-	7,000	7,000
Printing, Duplication, & Reproduction	-	-	9,742	9,742
Books/Newspapers/Periodicals	-	-	3,604	3,604
Office Automation	-	-	182,726	182,726
Conference and Seminar Fees	-	-	9,576	9,576
Training and Travel & Lodging	-	-	3,224	3,224
Other Training Costs	-	-	200	200
Membership Fees/Dues	-	-	8,658	8,658
Mileage Reimbursement	-	-	8,199	8,199
Pool Car Rental	-	-	4,500	4,500
Temporary Clerical/Administrative Personnel	-	-	15,779	15,779
Professional Service - Legal	-	-	104,500	104,500
Other General and Administrative Contract Services	-	-	35,813	35,813
General Office Supplies	-	-	14,414	14,414
Other Operating Equipment	-	-	297	297
Court Filing & Appeal Fee	-	-	10,141	10,141
Total Expenditures & Encumbrances	<u>\$ 2,840,092</u>	<u>\$ 798,543</u>	<u>\$ 418,373</u>	<u>\$ 4,057,007</u>
Unencumbered Balance as of January 31, 2019	<u>\$ 2,449,308</u>	<u>\$ 865,757</u>	<u>\$ 64,427</u>	<u>\$ 3,379,493</u>