



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

July 2002

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

Re: Departure of John S. Farrell, Chief of Police

INTRODUCTION AND SCOPE OF EXAMINATION

Conforming to Article III, Section 313, of the Charter for Prince George's County, Maryland, we have performed a special audit of the accounts of the Chief of Police. This audit was initiated due to the resignation of John S. Farrell, from the position of Chief of Police, effective March 1, 2002.

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 the records of the Police Department were included in the scope of the County's annual financial audit, conducted by KPMG, LLP, independent auditors, for the year ended June 30, 2001, and no discrepancies or irregularities have been disclosed. Therefore, we primarily directed our examination to include a review of Mr. Farrell's travel advances, expense reimbursements, leave records, and selected expense accounts for the period July 1, 2001 through March 31, 2002.

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Police Department, Office of the Chief, for the period July 1, 2001 through March 31, 2002 is presented in Schedule 1 of this report. At March 31, 2002, total expenditures and encumbrances did not exceed total appropriations for the Office of the Chief.

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

Travel Advances and Expense Reimbursements

We reviewed the travel advances log maintained by the Office of Finance, Accounting Division, for the period July 1, 2001 through March 31, 2002, and determined that Mr. Farrell did not have any unsettled traveled advances at the time of his departure from the County. We also reviewed expense reimbursements paid to Mr. Farrell for the period July 1, 2001 through March 31, 2002 and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified final pay computations for Mr. Farrell based on leave records maintained by the Payroll Section of the Office of Finance and the salary and hourly rate of pay maintained by the Office of Personnel. During our review of Mr. Farrell's annual and sick leave payout, we found an error in the sick leave payout computation. With the assistance of the Office of Finance, we determined that Mr. Farrell had been overpaid for unused sick leave in the amount of \$4,246.48, (net amount after taxes, \$3,625.58). The Office of Finance has requested Mr. Farrell use one of two alternatives for reimbursement:

- Pay the net overpayment amount due (\$3,625.58) to the County; or
- Offset the overpayment amount from the first payment of Mr. Farrell's consultant service contract with the County.

We recommend:

- 1. The Office of Finance follow-up and ensure the sick leave payout error is corrected appropriately.**

Fixed Assets

The Fixed Assets Procedures Manual prepared by the Office of Finance requires that the Fixed Assets Section of the Office of Central Services' Contract Administration and Procurement Division, upon the departure of any agency head, take inventory of only those fixed assets for which that agency head has signed an Equipment Custody Receipt (PGC Form #1890) form. It further requires that the unexplained loss of any such fixed assets be reported to the Chief Administrative Officer, who is to take action to recover the costs of the assets. We contacted personnel within the Contract Administration and Procurement Division. We also contacted personnel within the Police Department to determine if any assets issued to Mr. Farrell were returned to the County. Based on our review, all assets were accounted for and returned to the County.

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 Chief of Police) 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 of employment."

Mr. Farrell filed the proper financial disclosure statement with the Prince George's County Board of Ethics for the period January 1, 2001 through December 31, 2001 on April 30, 2002. Mr. Farrell was also required to file a financial disclosure statement for the period January 1, 2002, through March 1, 2002, on or before April 30, 2002. As of June 26, 2002, Mr. Farrell's final financial disclosure statement had not been filed with the Prince George's County Board of Ethics. We recommend:

- 2. The Prince George's County Board of Ethics take appropriate action to obtain the required financial disclosure statement from Mr. Farrell for the period January 1, 2002 through March 1, 2002 to ensure compliance with Prince George's County Code requirements.**



David H. Van Dyke, C.P.A.
County Auditor



Mackenzie Lewis
Auditor-In-Charge

**POLICE DEPARTMENT
OFFICE OF THE CHIEF
STATEMENT OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2001 THROUGH MARCH 31, 2002**

<u>Appropriations</u>	Compensation	Fringe Benefits	Other Operating Expenses	Total
Current Year	\$ 1,137,600	\$ 277,900	\$ 112,400	\$ 1,527,900
Total Appropriations	\$ 1,137,600	\$ 277,900	\$ 112,400	\$ 1,527,900
<u>Expenditures and Encumbrances</u>				
Current Year:				
Salaries				
Officials & Administrative	\$ 238,637	\$ -	\$ -	\$ 238,637
Professional	295,178			295,178
Para-Professionals	76,988	-	-	76,988
Office & Clerical	35,650	-	-	35,650
Other Compensation	8,024	-	-	8,024
Duplication & Reproduction	-	-	449	449
Travel	-	-	1,729	1,729
Memberships	-	-	2,400	2,400
Mileage Reimbursement	-	-	833	833
General & Administrative Contract Services	-	-	2,169	2,169
Office & Operating Supplies	-	-	2,939	2,939
Miscellaneous	-	-	22,266	22,266
Fringe Benefits	-	111,813	-	111,813
Total Expenditures & Encumbrances	\$ 654,477	\$ 111,813	\$ 32,785	\$ 799,075
Unencumbered Balance, March 31, 2002	\$ 483,123	\$ 166,087	\$ 79,615	\$ 728,825



Wayne K. Curry
County Executive

THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE



MEMORANDUM

July 26, 2002

TO: David L. Goode
County Council Administrator

FROM: Kenneth E. Glover *Kenneth Glover*
Chief Administrative Officer

RE: Response to Special Audit Report
Departure of John S. Farrell, Chief of Police

Thank you for forwarding the special audit report that the Office of Audits and Investigations completed in connection with the departure of Police Chief John Farrell. As usual, A&I's report was very thorough and attentive to detail. Regarding recommendation one, former Chief Farrell agreed to an offset; recovery of the sick leave overpayment was made on Thursday, July 18. Concerning recommendation two, we will make every effort to investigate and obtain Mr. Farrell's final financial statement covering the two-month period that ended on March 1, 2002.

Please call if there is any additional information or discussion needed to dispose of these issues. Thank you.

cc: Douglas A. Brown, Deputy Chief Administrative Officer
Fred Thomas, Director of Public Safety

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772
(301) 952-4131
TDD (301) 985-3894