



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Office of the Inspector General • 7833 Walker Drive, Suite 425 • Greenbelt, Maryland 20770

To: Mike Riley, Director
Montgomery County Department of Parks

John Nissel, Deputy Director
Montgomery County Department of Parks

Doug Ludwig, Chief
Northern Parks Division

From: Renee Kenney, Inspector General

Robert Feeley, Assistant Inspector General

Date: January 30, 2018

Subject: Management Advisory
Purchase Card Review – Olney Manor Recreation Park

Background

On January 16, 2018, Mr. Doug Ludwig, Chief, Northern Parks Division contacted the Office of the Inspector General (OIG) with concerns over the use of the purchase card maintained by [REDACTED] at Olney Manor Recreation Park (OMRP). Per Mr. Ludwig, [REDACTED]

[REDACTED] recently contacted the Purchasing Division and requested a new purchase card. [REDACTED] told the Purchase Card Administrator that [REDACTED] card had been breached. She did not disclose that the breach was actually the unauthorized purchases made by [REDACTED]. Upon issuance of the new purchase card, Mr. Ludwig asked if the OIG could complete an audit of OMRP's purchase card transactions.

[REDACTED]

The OIG determined that [REDACTED] made and approved 23 purchase card transactions in the amount of \$7,352.69 from July 13, 2017 through December 21, 2017. [REDACTED] did not have physical possession of [REDACTED] card. Many of the purchases made by [REDACTED] were with companies (e.g. [REDACTED]) that had a prior relationship with OMRP, when [REDACTED]

Per [REDACTED], most of the purchases were made when [REDACTED] was not available and [REDACTED] was subsequently notified of the purchases via email.

At the request of the OIG, [REDACTED] reviewed all 23 transactions and determined all purchases supported the operation of OMRP.

Commission Purchase Card Program

The Purchase Card Program Policy and Procedure Manual dated July 1, 2017 was issued to help ensure the integrity and effectiveness of the Commission's purchase card program.

The Commission's Purchase Card Program Policy and Procedure Manual states:

- Only the Commission employees approved by the Department Head to use the purchase card are authorized to execute purchase transactions on behalf of the Commission.
- The purchase card holder should not allow the card to be used by another individual.
- The cardholder should promptly notify the purchase card administrator, Department of Finance and issuing bank of any unauthorized purchases.

Conclusion

Based on our review, the Office of Inspector General reasonably concludes that Commission policies and procedures for the use and approval of Commission issued purchase cards were not consistently adhered to. [REDACTED] were aware of the Commission Purchase Card Program requirements. In addition, [REDACTED] signed their respective purchase card agreements.

- The purchase card holder agreement, signed by [REDACTED], states that by signing the agreement, the card holder certifies receiving the purchase card along with training and acknowledges compliance with Commission policies and procedures of the purchase card program. [REDACTED] also acknowledged an understanding of the intent of the program and agreed to comply with all guidelines in the purchase card program policy and procedure manual.
- The purchase card approver agreement, signed by [REDACTED], states that by signing the agreement, the approver certifies supervision of the approval process of purchase card transactions. [REDACTED] also acknowledged an understanding of the intent of the program and agreed to comply with all guidelines in the purchase card program policy and procedure manual.

The OIG reasonably concludes, [REDACTED] did not expediently report to the Purchasing Division and/or senior management, as required, that [REDACTED] was acting as purchaser and approver.

The OIG reasonably concludes, [REDACTED] abused [REDACTED] authority [REDACTED] [REDACTED] by using [REDACTED] purchase card number without proper authorization.

We wish to express our appreciation to the Northern Parks Division Management and staff for the cooperation and courtesies extended during this review.

Cc:

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