



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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

June 25, 2021

To: Bill Tyler, Director, Prince George's County Department of Parks and Recreation

Alvin McNeal, Deputy Director, Administration and Development

From: Renee Kenney, Inspector General

Via: Robert Feeley, Assistant Inspector General

Re: Gunpowder Golf Course/Milligan Enterprises Inc.
Audit Report No.: PGC-011-2021

The Office of the Inspector General (OIG) recently completed an audit of lease abatements provided to tenants and partners of Montgomery County Department of Parks as the result of the COVID-19 pandemic. Per conversations with Mr. Alvin McNeal, Prince George's County Department of Parks and Recreation (DPR) only had one lease abatement request from Gardens Ice House due to the pandemic. Based on this information, DPR was excluded from the scope of the full performance audit.

During audit testing of Montgomery County tenants, we identified an anomaly, Gunpowder Golf Course, a facility that occupies land that extends into both counties. We learned, although income is shared with Montgomery County Department of Parks, DPR is responsible for administering the lease.

We are issuing this Management Advisory memorandum based on our review of Gunpowder Golf Course lease documentation. We have included a general recommendation(s). An official management response is not required.

Background

Milligan Enterprises Inc. operates, and leases Gunpowder Golf Course located at 14300 Old Gunpowder Road, Laurel, Maryland. The Golf Course is situated within the Fairland Regional Park which is in both Prince George's and Montgomery Counties. Annual rent generated from the Golf Course lease is divided between Montgomery County Department of Parks (Parks) receiving two-thirds of it and the Prince George's County Department of Parks and Recreation (DPR) receiving one-third. Under a Memorandum of Understanding between Parks and DPR, effective August 1, 2009, responsibility for administering the Golf Course lease was transferred to DPR.

On May 11, 2020, Milligan Enterprises Inc. sent an email to DPR stating they were in possession of the current lease/rental invoice in the amount of \$27,982.55 (for the period of April 1, 2020 - March 31, 2021); however, they were requesting a lease/rent abatement for the period of March 18, 2020 – May 6, 2020 because they were closed due to circumstances involving COVID-19.

On May 15, 2020, DPR sent an acknowledgement memo to Milligan Enterprises Inc. stating that the Commission would evaluate their request for abatement but requires additional information.

On May 18, 2020, prior to DPR's evaluation, Milligan Enterprises Inc. sent a letter and a check for their lease/rental payment in the amount of \$24,149.55, which was \$3,833 less than the full amount to DPR's Park Planning and Development Chief. They provided the following explanation for the reduced payment:

In response to your letter dated May 15, 2020 we are enclosing our Lease payment check (\$24,149.55) for the year period of April 1, 2020 through March 31, 2021 minus the 50 days that our business was closed and we collected zero revenue.

The original invoice total amount due of \$27,982.55 we divided by 365 days of the year amounts to \$76.66 per day. Multiplying the \$76.66 per day and the 50 days closed comes to the total: \$3,833.00 Subtracting that figure, (\$3,833.00) from the original invoice total of \$27,982.55 comes to \$24,149.55.

The check was forwarded to the Department of Finance, Treasury Operations and deposited on May 29, 2020 then disbursed with \$16,099.70 going to Parks and \$8,049.85 to DPR.

On June 2, 2020 DPR sent an email to Milligan Enterprises Inc. specifically asking if they had business interruption insurance and if so, to send a copy of it. On June 3, 2020 Milligan Enterprises Inc. sent a copy of their entire insurance policy to DPR. On June 11, 2020 Risk Management reviewed the insurance policy and decided that it did not appear to provide business interruption coverage.

The OIG could not find the existence of any further correspondence or written exchanges between DPR and Milligan Enterprises Inc. after June 11, 2020.

Findings and Recommendations

As detailed above, Milligan Enterprises Inc. paid \$3,833 less than the full amount of their 2020 rental/lease for the Gunpowder Golf Course without approval from DPR. DPR did not issue a formal Forbearance Agreement documenting the abatement. DPR did not follow-up with Milligan Enterprises to obtain the referenced additional information.

The OIG recommends DPR senior management in consultation with the Office of the General Counsel and the Department of Finance determine next steps (e.g. reassess Milligan

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Enterprises Inc. actions, require recourse or provide approved waiver to internal protocols and accept \$24,149.55 as payment in full).

In addition, DPR should develop standard operating procedures addressing payments, including adjustments, waivers, etc. from lessees and partners.

Cc:

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