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Office of the State Prosecutor

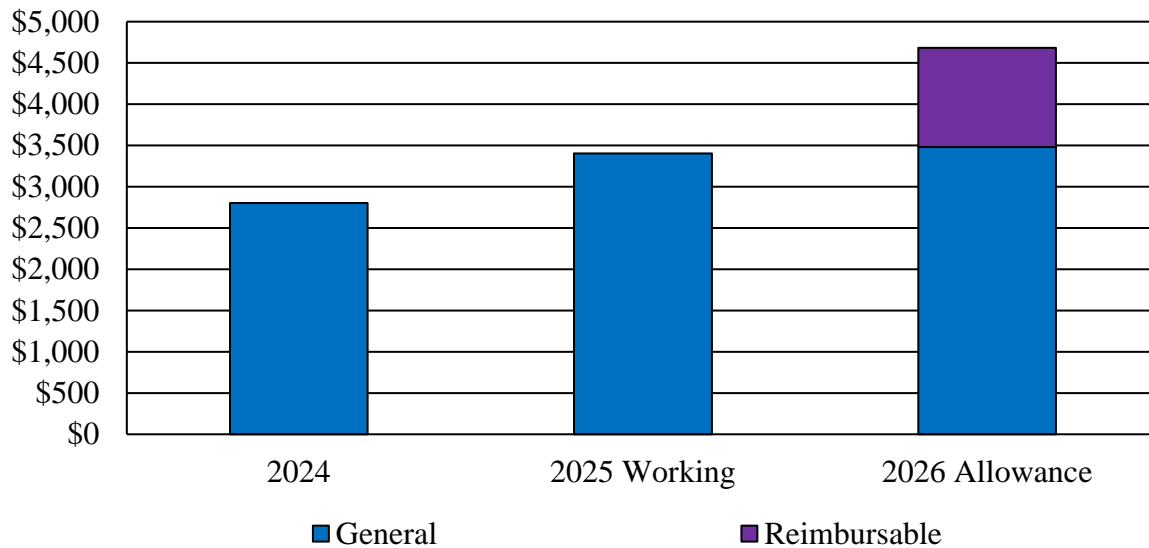
Program Description

The Office of the State Prosecutor (OSP) is an independent agency within the Executive Branch that investigates and, where warranted, prosecutes criminal offenses affecting the honesty and integrity of governmental officials, institutions, and the electoral process. The State Prosecutor may investigate on their own initiative – or at the request of the Governor, the Attorney General, the General Assembly, the State Ethics Commission, or a State’s Attorney – certain criminal offenses, including election law and public ethics law violations; State bribery law violations involving public officials or employees; misconduct in any office by public officials or employees; and extortion, perjury, or obstruction of justice related to any of the aforementioned.

In addition, the State Prosecutor may investigate and prosecute any offense that takes place in more than one county within the State or in more than one state including Maryland.

Operating Budget Summary

Fiscal 2026 Budget Increases \$1.3 Million, or 37.6%, to \$4.7 Million
(\$ in Thousands)



Note: The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

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- Reimbursable funds total \$1.2 million, or 25.7%, of the fiscal 2026 allowance due to the Governor’s Office of Crime Prevention and Policy (GOCPP) providing funding for a collaborative effort with the U.S. Attorney for the District of Maryland to investigate and prosecute violent acts and firearm violations, along with criminal gangs throughout the State.

Fiscal 2024

The budget bill includes a deficiency appropriation of \$145,253 to fund shortfalls in OSP’s fiscal 2024 budget. These shortfalls included communications, travel, motor vehicle, and contractual services expenses. The largest share of the shortfall is in contractual services (\$143,238). **OSP should comment on the circumstances that led to these shortfalls and if they expect similar issues at the end of fiscal 2025. Additionally, OSP should comment on why these shortfalls were not reported to the Comptroller at closeout as required.**

Fiscal 2025

Proposed Deficiency

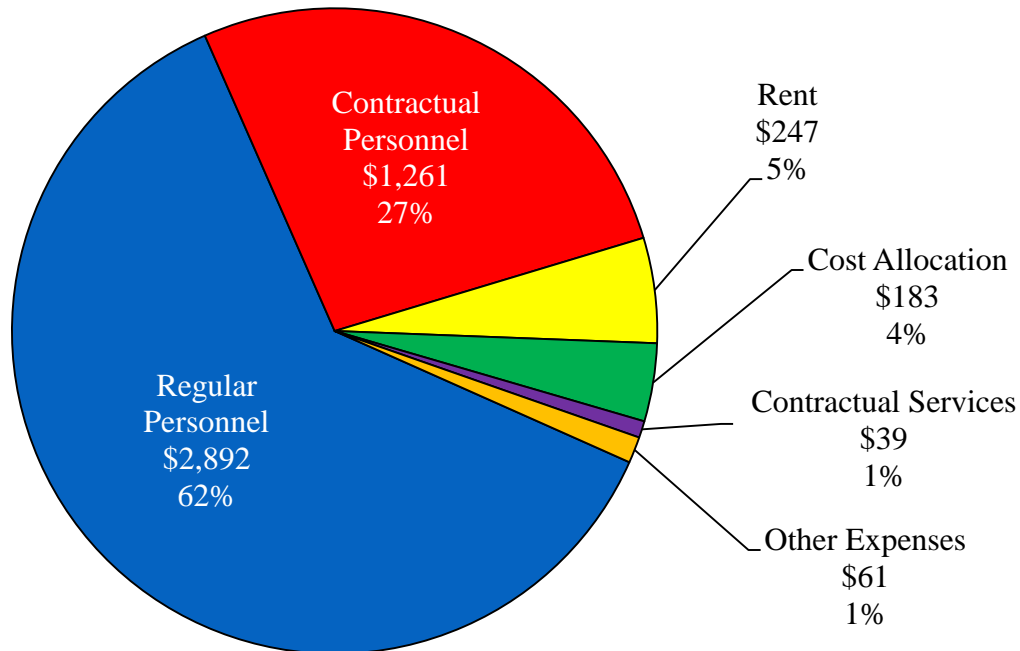
In addition to the proposed deficiency appropriation covering the prior year shortfall, OSP also receives two proposed deficiency appropriations to support fiscal 2025 costs that have a net impact of increasing the general fund appropriation by \$193,403. These proposed deficiency appropriations relate to:

- rent increases for OSP’s new office space and increases in garage parking expenses at the new facility (\$101,292); and
- the agency’s moving costs, including contracts for movers and moving supplies (\$92,111).

Fiscal 2026 Overview of Agency Spending

As depicted in **Exhibit 1**, OSP’s fiscal 2026 allowance totals \$4.7 million. Salaries for regular and contractual personnel account for 89% of the allowance, for 18 regular positions and 13.5 contractual full-time equivalents (FTE). The majority of the funding for contractual FTEs is for Special Assistant United States Attorneys (SAUSA) and other staff funded by a grant from GOCPP.

Exhibit 1
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Thousands)



Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2026 Budget Books

Proposed Budget Change

As shown in **Exhibit 2**, the fiscal 2026 allowance for OSP increases by \$1.3 million compared to the fiscal 2025 working appropriation after accounting for proposed deficiency appropriations. The largest change is the creation of 13 new contractual positions funded with reimbursable funds from GOCPP under the SAUSA program. The funds are used to fund contractual FTEs working with the U.S. Attorney for Maryland in investigating and prosecuting violent acts, firearm violations, and criminal acts throughout the State. A budget amendment for fiscal 2025 that is not yet reflected in the working appropriation adds \$1.2 million in reimbursable funds for the same purpose. After accounting for this budget amendment, the fiscal 2026 allowance for OSP increases by \$78,264 compared to the fiscal 2025 working appropriation.

Exhibit 2
Proposed Budget
Office of the State Prosecutor
(\$ in Thousands)

How Much It Grows:	General Fund	Reimb. Fund	Total
Fiscal 2024 Actual	\$2,800	\$0	\$2,800
Fiscal 2025 Working Appropriation	3,403	0	3,403
Fiscal 2026 Allowance	<u>3,482</u>	<u>1,202</u>	<u>4,684</u>
Fiscal 2025-2026 Amount Change	\$78	\$1,202	\$1,280
Fiscal 2025-2026 Percent Change	2.3%		37.6%
Where It Goes:			<u>Change</u>
Personnel Expenses			
Employee and retiree health insurance			\$136
Salary increases and associated fringe benefits, including fiscal 2025 COLA and increments.....			111
New paralegal position converted from 1 contractual FTE.....			76
Turnover rate decreases from 1.01% to 0.00%.....			24
Other Changes			
Funding for 13 new contractual FTEs working with the U.S. Attorney’s Office to investigate and prosecute violent crime.			1,202
Rent expenses for the agency’s new office.....			53
Cost allocations.....			6
Elimination of 1.5 contractual FTEs, including 1 position converted to a regular position and 0.5 position eliminated due to the agency’s lack of need.....			-90
One-time moving expenses for the agency’s office transition			-92
One-time funding for fiscal 2024 shortfalls in communications, travel, motor vehicle, and contractual services expenses.....			-145
Other adjustments			-1
Total			\$1,280

COLA: cost-of-living adjustment
FTE: full-time equivalent

Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Personnel Data

	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25-26</u> <u>Change</u>
Regular Positions	16.00	17.00	18.00	1.00
Contractual FTEs	<u>2.00</u>	<u>2.00</u>	<u>13.50</u>	<u>11.50</u>
Total Personnel	18.00	19.00	31.50	12.50

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/24	1.00	6.25%
Vacancies Above Turnover	1.00	

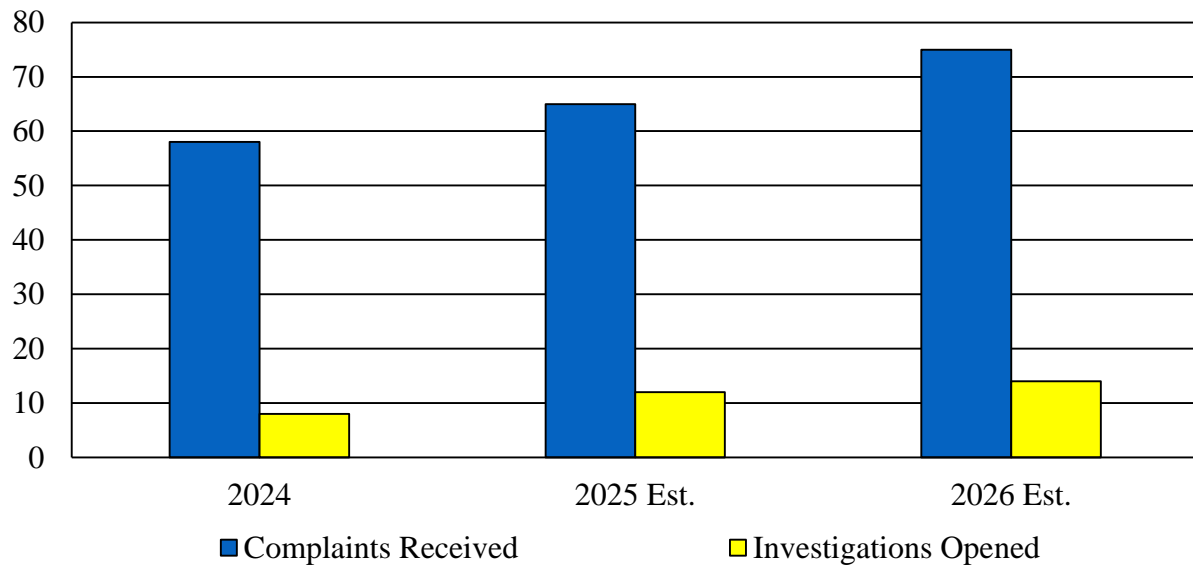
- The new regular position in the fiscal 2026 allowance is a contractual conversion of 1 paralegal. Accordingly, 1 contractual FTE is eliminated. Also eliminated is 0.5 of another contractual FTE, as the agency has determined that it is no longer needed.
- The allowance includes 13 new contractual FTEs, which are designated to support the agency’s collaboration with the U.S. Attorney for the District of Maryland. These positions include 8 SAUSAs, 3 paralegals, 1 program manager, and 1 analyst. Although appearing as new in the fiscal 2026 allowance, a budget amendment includes costs associated with these new FTEs in fiscal 2025. Due to the timing, this change is not reflected in the working appropriation.

Key Observations

1. Official Misconduct and Special Victims Unit Completes First Year of Operations

In fiscal 2024, OSP created a new unit within the office devoted to investigating official misconduct as well as cases involving special victims. The existence of this unit allows OSP to place a more direct focus on cases involving matters of official misconduct and cases involving special victims and to separate this work from the work of other areas of the office. OSP began reporting statistics from this unit as part of their Managing for Results submission this year. As illustrated in **Exhibit 3**, the unit received 58 complaints in its first year and opened eight investigations. OSP expects that the number of complaints and investigations will grow slightly over the next two years as awareness of the unit and its purpose grows.

Exhibit 3
Official Misconduct and Special Victims Complaints and Investigations
 Fiscal 2024-2026 Est.



Source: Department of Budget and Management; Department of Legislative Services

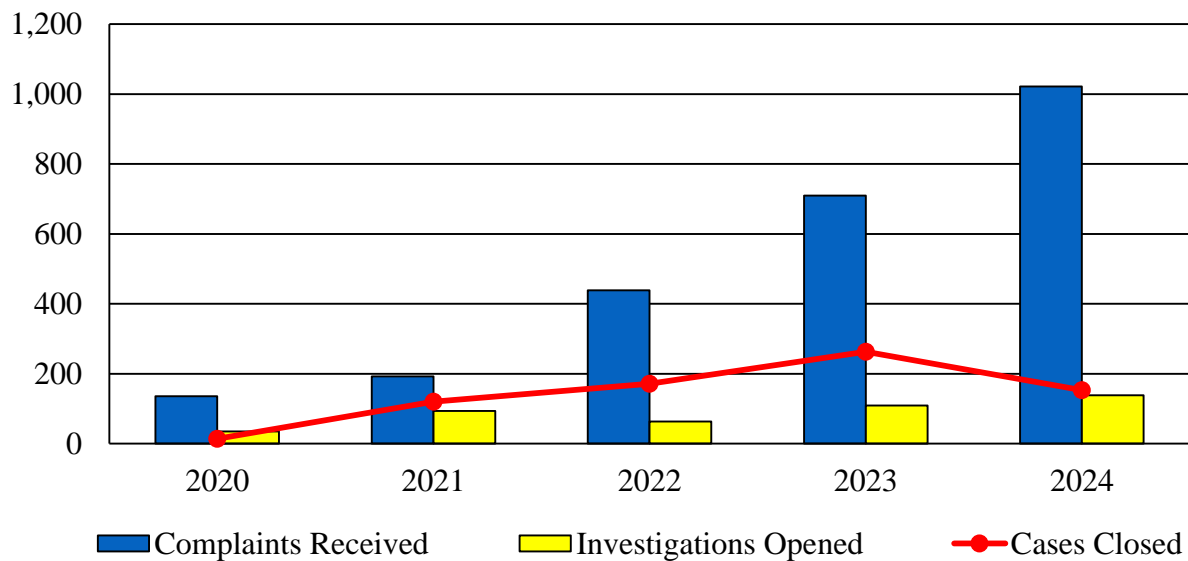
OSP has stated that this unit is focused not only on prosecuting cases but also on increasing awareness of these types of cases and educating agencies about what constitutes official misconduct or a case involving a special victim. OSP’s goal in increasing awareness is to start investigations at the time a complaint is received by an agency, rather than having the case be identified as one of official misconduct or involving a special victim only when OSP becomes involved, which can sometimes be much later in the investigatory process. OSP is actively working

with inspectors general at other State agencies and other authorities to provide this education and increase awareness. In fiscal 2024, OSP made contact with 48 victims and witnesses as part of its investigatory process after receiving complaints. Charges were brought by OSP in one case in fiscal 2024. **OSP should report on the conviction rate for cases brought by this unit independent of other case types in future years and the number of cases closed each year.**

2. Criminal Conduct Complaints and Investigations Increase, Closed Cases Decrease

OSP receives complaints and referrals regarding misconduct in office, bribery, extortion, perjury, obstruction of justice, and other offenses. These complaints and referrals may be received from private individuals or groups or from public employees, elected officials, or agencies. As shown in **Exhibit 4**, in fiscal 2024, OSP received 1,022 complaints and subsequently opened 138 investigations. OSP previously stated that the growth in complaints was expected to taper off in fiscal 2024. However, the number of complaints increased by more than 300, with 29 more investigations opened than in fiscal 2023. OSP closed 153 cases in fiscal 2024, a decrease of 110 closures from the prior year. **OSP should discuss the reason for the decline in cases closed and any efforts to increase the case closure rate.**

Exhibit 4
Criminal Conduct Complaints Received, Investigations Opened, and Cases Closed
Fiscal 2020-2024



Source: Department of Budget and Management; Department of Legislative Services

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

**Appendix 1
Audit Findings**

Audit Period for Last Audit:	May 16, 2019 – June 30, 2023
Issue Date:	June 2024
Number of Findings:	3
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

Finding 1: Redacted cybersecurity-related finding.

Finding 2: OSP did not comply with certain aspects of State procurement regulations when it purchased a third-party case management system and related maintenance services.

Finding 3: Redacted cybersecurity-related finding

**Appendix 2
Object/Fund Difference Report
Office of the State Prosecutor**

<u>Object/Fund</u>	<u>FY 24 Actual</u>	<u>FY 25 Working Appropriation</u>	<u>FY 26 Allowance</u>	<u>FY 25 - FY 26 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	16.00	17.00	18.00	1.00	5.9%
02 Contractual	2.00	2.00	13.50	11.50	575.0%
Total Positions	18.00	19.00	31.50	12.50	65.8%
Objects					
01 Salaries and Wages	\$ 2,141,243	\$ 2,544,991	\$ 2,891,984	\$ 346,993	13.6%
02 Technical and Special Fees	161,233	149,333	1,261,264	1,111,931	744.6%
03 Communication	5,010	9,800	9,800	0	0%
04 Travel	28,224	21,500	21,500	0	0%
07 Motor Vehicles	90,875	27,340	38,340	11,000	40.2%
08 Contractual Services	265,324	212,146	218,419	6,273	3.0%
09 Supplies and Materials	17,934	20,936	20,936	0	0%
11 Equipment – Additional	5,693	0	0	0	0.0%
13 Fixed Charges	84,842	78,678	221,616	142,938	181.7%
Total Objects	\$ 2,800,378	\$ 3,064,724	\$ 4,683,859	\$ 1,619,135	52.8%
Funds					
01 General Fund	\$ 2,800,378	\$ 3,064,724	\$ 3,481,644	\$ 416,920	13.6%
09 Reimbursable Fund	0	0	1,202,215	1,202,215	N/A
Total Funds	\$ 2,800,378	\$ 3,064,724	\$ 4,683,859	\$ 1,619,135	52.8%

Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.