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Position: FAV



JOHN A. OLSZEWSKI, JR. *County Executive*

CHARLES R. CONNER III, ESQ. Director of Government Affairs

JOEL N. BELLER Deputy Director of Government Affairs

BILL NO.: **SB 380**

TITLE: Maryland Office of the Inspector General for General Services

SPONSOR: Senator Lam

COMMITTEE: Education, Health, and Environmental Affairs

POSITION: SUPPORT

DATE: February 17, 2021

Baltimore County **SUPPORTS** Senate Bill 380 – Maryland Office of the Inspector General for General Services. This legislation would establish the Maryland Office of Inspector General for General Services.

Baltimore County Executive Olszewski has consistently prioritized improving government accountability throughout Baltimore County. The County took an important step forward in 2019 through the establishment of the independent Office of Inspector General. That office has uncovered many instances of fraud and abuse that have gone unnoticed for years. This work has helped reestablish the community's faith in ethical, transparent local government.

Senate Bill 380 would create a similarly modeled Maryland Office of the Inspector General for the general services of state government. Recent events have proven that the state is not immune to fraud, waste, and abuse. By working as an independent entity within the Department of General Services, the Inspector General would be able to serve in a regulatory capacity without risk of retaliation from the entity they are overseeing. In this role, the Inspector General would gain access to sworn testimony and have the power to issue subpoenas, which would both strengthen their investigatory power and make available the necessary resources. This office would help establish more efficient and ethical government in service to all Maryland residents.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 380. For more information, please contact Chuck Conner, Director of Government Affairs at cconner@baltimorecountymd.gov.

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Testimony SB 380 – Maryland Office of the Inspector General for General Services Education, Health and Environmental Affairs February 17, 2021 Support

AFSCME Council 3 supports SB 380. This legislation would create the Maryland Office of the Inspector General (IG) for General Services, an independent unit of the state charged with keeping track of the Department of General Services' activities, investigating waste, fraud and abuse, regulatory changes, and various other tasks.

AFSCME Council 3 represents many employees within the Maryland Department of General Services. These employees are on the frontlines, with intimate knowledge of how DGS is run. While it's very important to enable an IG to root out waste and fraud when it comes to payment of services, it is equally important to investigate, analyze and provide direction to the agency on issues involving personnel and internal resources. An IG's ability to provide oversight and guidance on procurement and human resources can enable a more effective delivery of services by staff and providers to those they serve.

AFSCME Council 3 asks for a favorable report of this legislation.

Every AFSCME Maryland State and University contract guarantees a right to union representation. An employee has the right to a union representative if requested by the employee. 800.492.1996

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CLARENCE K. Lam, M.D., M.P.H.

Legislative District 12

Baltimore and Howard Counties

Education, Health, and Environmental Affairs Committee

Executive Nominations Committee

Joint Committee on Ending Homelessness

Chair

Joint Audit and Evaluation Committe Joint Committee on Fair Practices and State Personnel Oversight

Vice Chair
Baltimore County Senate Delegation

Chair Howard County Senate Delegation



Miller Senate Office Building 11 Bladen Street, Room 420 Annapolis, Maryland 21401 410-841-3653 · 301-858-3653 800-492-7122 Ext. 3653 Clarence.Lam@senate.state.md.us

SB 380 - Maryland Office of the Inspector General for General Services (DGS)

Background

- DGS supports State and local government agencies by providing a full spectrum of design and construction, facilities operations, security, procurement, real estate, and surplus property services
- Responsible for over \$1 billion in contract administration, 6.3 million square feet of state-owned facilities, and 4.6 million square feet of leased space

Issues Addressed

- Currently, DGS has no independent office responsible for oversight of the Department
 - As the State's primary procurement agency, establishing independent oversight commensurate with other state agencies is warranted
- This legislation was developed with insights provided by the Office of Legislative Audits and the Department of Legislative Services
 - OLA is not capable of providing the everyday oversight of DGS that an independent Inspector General would be tasked

Solutions Proposed by SB 380

- Establishes the Office of Inspector General (OIG) for the DGS as an independent unit of government
 - Modeled after the Department of Education OIG with a unanimous appointment by the Governor,
 Attorney General, and Treasurer with advice and consent of the Senate
- The OIG will coordinate investigative efforts within DGS and collaborate with investigations led by other units of state government
 - Will investigate fraud and abuse, coordinate referrals to law enforcement, and seek recoupment of funds improperly dispensed by the Department
 - The bill includes provisions requiring annual reports made to the Department Secretary, the Governor, and the General Assembly
- DGS Inspector General will execute an affidavit affirming their refusal to accept or campaign for elected office while serving in this role and for 3 years following their exit from the Department
 - o Shall serve a 5-year term
- Inspector General's provide valuable oversight for a citizen legislature and enhance public confidence in government

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SB 380 Maryland Office of the Inspector General for General Services

Senator Clarence Lam

Department of General Services Background

- Primary State procurement agency
 - \$1 billion in contract
 administration
 - Manages and leases over 10 million sq. ft of office space
- Provide full spectrum of:
 - Design, construction, facilities operations, security, real estate, and surplus property services
- Many services vital to health and safety of Marylanders



Addressing the Accountability Gap

- The extensive role served by DGS warrants independent oversight
- OLA is unable to conduct continuous oversight for a citizen legislature
- Unlike the Departments of Health and Education, there is no dedicated OIG for DGS



SB 380 - Establishing Independent DGS Oversight

- Establishes an Independent OIG for DGS
 - 6 positions authorized
 - Maintain physical presence at DGS
- Investigate fraud and abuse
 - Secure sworn testimony & subpoena
 - Coordinate referrals to law enforcement
- IG will serve 5-year term
 - Unanimous appointment by Governor,
 Treasurer, and Attorney General
 - Advice and consent of the Senate
 - Affidavit refusal to accept or run for other office
 - While serving and for 3 years after



Lessons Learned from the Pandemic

- COVID-19 pandemic has highlighted need for better state oversight
 - Faulty test-kits
 - Undelivered PPE
 - Broken unemployment insurance infrastructure
- Lack of dedicated DGS oversight office lends risk to fraud and abuse
 - Competitive pandemic procurement market
 - Unvetted politically connected vendors



2021 SB 380 Inspector General DGS LOI EHEA 2-17-20 Uploaded by: Robertson, Ellen Position: INFO

Larry Hogan Governor

Boyd K. Rutherford Lt Governor



Ellington E. Churchill, Jr. Secretary

Nelson E. Reichart Deputy Secretary

OFFICE OF THE SECRETARY

BILL: Senate Bill 380

Maryland Office of the Inspector General for General Services

COMMITTEE: Senate Education, Health and Environmental Affairs

DATE: February 17, 2021 **POSITION:** Letter of Information

Upon review of Senate Bill 380 – Maryland Office of the Inspector General for General Services, the Department of General Services (DGS) provides these comments for your consideration.

Senate Bill 380 establishes the Maryland Office of the Inspector for General Services (Office). The Office resides within DGS. While the Office is an independent unit of State government, the Office shall reside within DGS and have access to the following services:

- Information Technology,
- Budget and Finance,
- Human Resources,
- Police,
- Procurement.
- Assistant Attorney General, and
- Support Services.

Establishing the Office would have significant fiscal impact. DGS estimates that the cost of establishing the Office to be \$607,903 in FY2022 and rise to \$851,423 in FY2026. The above costs include creating and hiring six full-time positions, allocating and outfitting office space, acquiring equipment, supplies and vehicles. The Office would require ongoing funding to continue operations once established.

DGS would also be required to absorb the costs of existing personnel to draft positions descriptions, interview and hire the full-time positions above, and draft regulations and policies.

For additional information, contact Ellen Robertson at 410-260-2908.

