

December 15, 2017

Honorable James Brochin, Chair, Baltimore County Senate Delegation  
Honorable Stephen Lafferty, Chair, Baltimore County House Delegation  
Baltimore County Delegation  
[90 State Circle](#)  
[Annapolis, Maryland 21401](#)

Dear Senator Brochin, Delegate Lafferty and Baltimore County Delegation:

Thank you for consistently demonstrating your commitment to education in Baltimore County. Through your efforts, you have secured the precious funding necessary to ensure that 113,000 students receive the quality education they deserve.

We take seriously the issue of oversight of our school system. It is the responsibility of the Board of Education and school system leaders to ensure that the dollars you help secure are spent wisely, ethically and to the maximum benefit of our students. However, we write to you today as individuals to request your assistance with such oversight and to begin the process of restoring the public trust in the school system's leadership.

We ask that the Baltimore County Delegation, or the willing portion thereof, submit a request to the Maryland Joint Audit Committee to seek a Special Review audit of BCPS contracts, procurement practices, vendor interactions and ethical compliance by the Maryland Office of Legislative Audits for the timeframe of January 1, 2012 to present. If requested, we are willing to meet with and brief members of the delegation.

While the review of BCPS procurement practices that the Interim Superintendent has initiated is a positive first step, what we believe is needed is more than a standard performance or compliance audit, but a forensic and comprehensive look into contracts and procurement by an outside, independent entity with investigative authority. Second, the board gave no input on the scope, which does not address possible issues of improper vendor influence per the Board's Ethics Code. Third, the scope only addresses the Office of Purchasing, however several other offices and departments engaged in many varied vendor interactions and were involved in procurement of large education technology contracts. Fourth, the limited timeframe of 2014-2017 does not include several extraordinarily expensive contracts that launched BCPS' technology initiatives nor the upcoming new contract for 1:1 devices as they are rolled out to all BCPS high school students and teachers. And finally, it is essential that any audit of BCPS be designed and conducted by an independent external entity, not under the direction of the subject of the audit.

Time is of the essence, as BCPS will soon seek board approval on contract awards possibly approaching \$200 million as BCPS' technology initiative enters another large-scale implementation phase. The board votes on the \$1.6 billion operating budget on February 6, but the contract may come to the board sooner.

We submit the attached as a recommendation to be included in the scope of the audit.

Thank you for your support and action on behalf of the 113,000 BCPS students and their families, 19,000 BCPS employees, and all Baltimore County stakeholders and taxpayers. We look forward to hearing back from you regarding our request and on working together to meet the many needs of our communities and improve the quality of education in Baltimore County.

Respectfully submitted,

Ann Miller, Kathleen Causey, Julie Henn, Roger Hayden

*We write as individuals, not as spokesmen for the Board of Education of Baltimore County.*

Attachments: Special Review Audit Scope Recommendations, purchasing compliance audit RFP ARA-207-18 with addenda, Testimony to MD State Board of Education

cc: Governor Larry Hogan  
Ed Gilliss, Chairman of the Board of Education of Baltimore County  
Verletta White, Interim Superintendent of BCPS

## Special Review Audit - Scope Recommendations

We recommend that the audit scope include comprehensive review of the following items, for the timeframe of January 1, 2012 to present:

### BCPS Contracts

- All contracts in excess of \$1M
- All education technology contracts (hardware, software, licensing and services)\*
- All contracts with affiliates or partners of Education Research and Development Institute (ERDI) (listing [below](#)), International Society for Technology in Education (ISTE), Center for Digital Education, Digital Promise, ScholarChip and other technology-related membership organizations.
- All no-bid contracts
- All piggyback contracts
- All contracts of \$500,000 or less that did not require board authorization per [Board Policy 3215](#) if renewals and extensions total more than \$500,000
- All contracts for technology-related goods and services acquired through purchasing consortiums
- All contracts with terms and extensions of more than five years
- All contracts with companies having significant (based on cost and/or frequency) interactions (travel, conferences, memberships) with BCPS staff
- Impact studies on systemic digital conversion, Second Language Acquisition Program

\* Including platform related subscriptions, interactive projectors, and including the upcoming new contract for 1:1 devices

### Procurement Practices

Review of procurement procedures for purchases made through:

- Office of the Superintendent
- Office of Communications
- Office of Curriculum and Instruction
- Office of Magnet Programs
- Office of Research and Accountability
- Office of Digital Learning
- Department of Innovative Learning
- Department of World Languages
- Department of Information Technology
- Others as identified

### Vendor Interactions

- Professional organizations with which BCPS executive staff have held memberships, names of each BCPS member, dates, cost to BCPS
- Professional organizations with which BCPS executive staff have held positions in the organization, names of each BCPS member, dates, description of position, whether positions were paid and amount of salary
- Professional events held outside of Baltimore County by companies, organizations, or non-profits in which BCPS executive staff have attended remotely or in-person, names of BCPS attendees, dates, locations, cost to BCPS, expense amounts paid by others
- [ERDI partners](#) with whom BCPS executive staff have held memberships, attended professional engagements remotely or in-person, dates of events, BCPS attendees, locations, cost to BCPS, expense amount paid by others
- [ERDI partners](#) who have had contracts with BCPS directly or through resellers or subsidiaries
- External site visits (visitors to BCPS), the visit dates, locations, purpose of event, BCPS attendees, names and positions of outside attendees, copies of sign-in sheets, cost to BCPS, expense amount paid by others

- All written approvals required for any of the above, plus any approvals required by BCPS executive staff employment contracts or board policies
- Vendor contributions to The Education Foundation of Baltimore County Public Schools

## Ethical Compliance

- Executive staff expenditures related to travel, conferences, memberships, professional dues
- Financial disclosures for all executive staff
- Expenditures listed in “Other Charges” in the annual Operating Budgets under the Office of the Superintendent
- Remuneration of any type: consulting fees, meals, entertainment, travel, honorarium, etc.

## Education Research and Development Institute (ERDI)

### Affiliated Contracts

Company	Contract Award
Hewlett Packard/Daly Computers (HP reseller)	\$205M
McGraw Hill	\$15.6M
Discovery Education	\$10M
AdvancePath Academics	\$7.6M
Middlebury Interactive Languages	\$7.5M
Engrade Inc./Custom Computer Specialists	\$5.3M
Northwest Evaluation Association (MAP)	\$3.9M
Houghton Mifflin Harcourt/Heinemann	\$3.4M
Curriculum Associates/iReady	\$3.2M
Dreambox Learning	\$3.2M
Promethean	\$2.75M
Safari Montage	\$2.3M
Code To The Future	\$987,000
Blackboard	TBD
Mimio ( <b>Boxlight projectors</b> )	\$500,000
Lightspeed Technologies	TBD
HP/Daly Print Management	TBD
Others as discovered	TBD

# Testimony to Maryland State Board of Education - December 5, 2017

Good morning President Smarick, members of the board, and Superintendent Dr. Salmon.

My name is Ann Miller. I am a member of the Baltimore County Board of Education and serve on the board's Audit Committee. I am here with fellow board member Kathleen Causey.

We ask that the state board vote to have an independent, comprehensive audit conducted of BCPS contracts for the years 2012 to present. We applaud Senator Brochin's request for this audit and are two of at least four BCPS board members who also requested this audit, along with many stakeholders.

The reasons the audit we are requesting is necessary are many:

1. BCPS conducts a Change in Principal Audit every time there is a new principal at a BCPS school. It is reasonable to also conduct an audit when there is a change of leadership for the entire school system to set a baseline for the incoming superintendent.
2. After five years of setting the system's agenda, culture, programs, and central office personnel, the previous superintendent resigned unexpectedly, with little explanation. It was later reported by the Baltimore Sun that the Maryland State Prosecutor had begun a criminal investigation of the previous superintendent about a month prior to his resignation.
3. The BCPS Ethics Review Panel found the previous superintendent to be in ethical violation on three counts during his five year tenure, not including more possible violations which came to light after his departure. One of his violations surrounded a no-bid contract with a company for whom the superintendent had worked as a paid consultant.
4. The review of BCPS procurement practices that our interim superintendent has initiated only covers a fraction of what is needed, and only reviews six months of the time under our previous superintendent.
5. It is essential that any audit of BCPS contracts be conducted by an independent external entity, not under the direction of the subject of the audit.
6. The Baltimore County Board of Education has shown inadequacy in holding our system leadership accountable. If it had addressed the issues that had been raised repeatedly by some board members, several elected officials, and numerous stakeholders over the past several years, we would not be standing in front of you today.
7. The latest ethical lapse, for which a complaint was filed last month, involves both our previous and current interim superintendents and a company which brokers relationships between ed-tech companies and school system leadership. Many of their vendor clients hold contracts with BCPS, many which are no-bid, and some being the most controversial contracts that BCPS has entered into during the previous superintendent's tenure.
8. The legislative audit conducted in 2015 cited several BCPS no-bid contracts, but BCPS continued to issue no-bid contracts for even higher dollar amounts and longer term lengths.
9. Despite a misleading press release issued jointly by our board chair and the interim superintendent recently, the issues around the current ethics complaint are not settled or concluded. Board members are still waiting for responses to information requests, and the preliminary requirements imposed on the interim superintendent by the board only addressed one of six counts of the ethics complaint regarding financial non-disclosure. The other counts, which have potentially more serious ramifications deal with improper influence, erosion of the public trust, conflicts of interest, and use of prestige of office.
10. The BCPS Ethics Review Panel has no investigative authority. It can only opine based on the information already available. The only way to begin the journey of restoring the public trust in our school system's leadership and decision-making is to conduct a comprehensive, independent audit of our contracts from 2012 to present.

Along with a written copy of this testimony, we will be providing additional information which may be helpful to you in defining the scope of the audit, if approved. Thank you for your consideration of this very important matter.

Ann Miller, Member At Large

Board of Education of Baltimore County

*Speaking as an individual citizen, not as a spokesperson for the Board of Education of Baltimore County.*