

News Release

Board of Public Works Approves More than \$700 Million in State Expenditures

Board approves payment for IRS assessment, four settlements against state entities, Comptroller Lierman highlights need for improvements on university MBE goals

ANNAPOLIS, Md. (October 30, 2024) – Comptroller Brooke E. Lierman today joined **Lt. Governor Aruna Miller** to approve \$712 million in funding for projects across Maryland during Wednesday’s Board of Public Works meeting. Treasurer Dereck Davis did not attend Wednesday’s meeting. Items approved included a \$5.4 million assessment by the Internal Revenue Service (IRS) after the IRS performed an audit of activities performed by state agencies during the 2020 tax year under the previous administration.

The audit found that the state failed to conduct income withholding and backup withholding for certain employees and vendors, and failed to justify some state employees’ excess contributions to deferred compensation plans, resulting in 13 state agencies having tax liabilities with the IRS for the audit period. As the accountant for the State of Maryland, the Office of the Comptroller worked closely with the IRS and other state agencies to reduce the scope of the assessment and coordinate payment.

“We are working to resolve the underpayment with the IRS that occurred under the previous Administration. Governor Moore, Treasurer Davis, Lieutenant Governor Miller, and I are committed to transparency in government. And so, I wanted to make sure that people understand what this is, where it came from, and how we are handling it.”

The Board of Public Works also approved three settlements for the Department of Public Safety and Correctional Services (DPSCS) totaling \$899,000 and a payment of \$125,000 to settle a lawsuit against Towson University.

Upon questioning from Comptroller Lierman, **DPSCS Deputy Secretary Joseph Sedtal** shared that DPSCS is working to ensure that the agency is retaining key evidence for longer periods of time, improving camera systems, and conducting comprehensive

reviews of policies to align them with best practices. Comptroller Lierman emphasized the importance of following through with implementing written policies.

“I think year-to-date, we have over \$10.5 million in DCSPS settlements. And that's frankly money that you could have used for other matters that we need. I want to make sure that we are not here three to four years from now,” Comptroller Lierman said. “I want to continue to make sure that we have practice around the policies you have created.”

Comptroller Lierman also scrutinized dining services contracts from University System of Maryland institutions, which were brought before the Board of Public Works retroactively for approval.

Comptroller Lierman questioned representatives from Coppin State University, University of Maryland Baltimore County, Towson University and University of Maryland Eastern Shore about the low minority business enterprise (MBE) goals on contracts ranging from over \$31 million to \$222 million. Comptroller Lierman pointed to Bowie State University as an example, which had an MBE goal of 25%, while the other universities had goals ranging from 2.5% to 14.73% for their dining services contracts. Maryland's statewide stated MBE goal is 29%

“I believe it is imperative that the state is receiving the best value possible and that ample opportunities are made available for participation by minority business enterprises. I think these contracts are great example of why the Board of Public Works exists to ensure transparency and accountability about how and where our taxpayer dollars are going,” Comptroller Lierman stated.

In all, the BPW approved 87 items, representing a total State expenditure of \$712,720,272.03, including:

- Grant agreements for six recipients for six projects located in two counties and Baltimore City with a total value of \$42,726,550.
- Four items awarding \$21,292,715.63 to prime certified small business primes.
- Three items awarding \$3,144,328.65 to certified minority business enterprise primes.
- One item awarding \$8,126,562.48 to Employment Works Program providers.
- 14 items awarded with established participation goals for minority business enterprises.

- Two items awarded with established participation goals for veteran-owned small business enterprises.

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